

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, September 21, 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, September 21, 2017

9:00 a.m. – Advisory Committee Meeting

AGENDA

**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

9:00 a.m. – September 21, 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 July 20, 2017 *(Page 1)*
2. Minutes of the Advisory Committee Special Meeting held August 3, 2017 *(Page 5)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2017 *(Page 7)*
2. Watermaster VISA Check Detail for the month of June 2017 *(Page 21)*
3. Combining Schedule for the Period July 1, 2016 through June 30, 2017 *(Page 25)*
4. Treasurer's Report of Financial Affairs for the Period June 1, 2017 through June 30, 2017 *(Page 29)*
5. Budget vs. Actual Report for the Period July 1, 2016 through June 30, 2017 *(Page 33)*
6. Cash Disbursements for the month of July 2017 *(Page 63)*
7. Watermaster VISA Check Detail for the month of July 2017 *(Page 77)*
8. Combining Schedule for the Period July 1, 2017 through July 31, 2017 *(Page 81)*
9. Treasurer's Report of Financial Affairs for the Period July 1, 2017 through July 31, 2017 *(Page 85)*
10. Budget vs. Actual Report for the Period July 1, 2017 through July 31, 2017 *(Page 89)*

C. PROFESSIONAL PUBLIC OUTREACH SERVICES AGREEMENT BETWEEN RAUCH COMMUNICATION CONSULTANTS INC. AND CBWM *(Page 105)*

Recommend to the Watermaster Board to approve.

D. OBMP SEMI-ANNUAL STATUS REPORTS 2016-2 AND 2017-1 *(Page 121)*

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 *(Page 153)*

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. *(Page 178)*
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. *(Page 186)*
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. *(Page 194)*
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. *(Page 202)*
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. *(Page 210)*

II. BUSINESS ITEMS**A. DESALTER REPLENISHMENT OBLIGATION ALLOCATION** *(Page 211)*

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

B. EVAPORATIVE LOSSES TO SUPPLEMENTAL WATER RECHARGE IN CHINO BASIN *(Page 223)*

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.

C. 2016 ANNUAL REPORT OF THE GROUND-LEVEL MONITORING COMMITTEE *(Page 229)*

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.

D. MASTER AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND INLAND EMPIRE UTILITIES AGENCY REGARDING THE MANAGEMENT OF COLLABORATIVE PROJECTS
(Page 231)

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.

E. TASK ORDER NO. 1 UNDER THE MASTER AGREEMENT REGARDING THE MANAGEMENT OF COLLABORATIVE PROJECTS (SALINITY MANAGEMENT) (Page 239)

Approve Task Order No. 1 (Salinity Management).

F. FIRST AMENDMENT TO THE MASTER RECHARGE FACILITIES FINANCING AGREEMENT (Page 253)

Recommend to the Watermaster Board to approve.

G. FISCAL YEAR 2016/17 BUDGET TRANSFER (FORM T-17-06-01) (Page 259)

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

H. SCADA INSTALLATION, MONITORING AND REIMBURSEMENT LETTER AGREEMENT BETWEEN WATERMASTER AND MONTE VISTA WATER DISTRICT (Page 265)

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

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

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

B. ENGINEER REPORT

1. Storage Workshop
2. Other Efforts

C. CFO REPORT

1. Status of FY 16/17 Audit 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

E. INLAND EMPIRE UTILITIES AGENCY (WRITTEN) (Page 271)

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

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

1. Cash Disbursements for August 2017 (Page 273)

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

9/21/17	Thu	8:00 a.m.	Appropriative Pool Strategic Planning (Confidential Session Only)
9/21/17	Thu	9:00 a.m.	Advisory Committee
9/21/17	Thu	9:30 a.m.	Quarterly Recharge Investigations and Projects Committee (RIPCom)
9/28/17	Thu	8:30 a.m.	2017/18 GLMC Implementation Planning
9/28/17	Thu	11:00 a.m.	Watermaster Board
10/5/17	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

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting held on July 20, 2017
2. Advisory Committee Special Meeting held on August 3, 2017

DRAFT MINUTES
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

July 20, 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 July 20, 2017.

ADVISORY COMMITTEE MEMBERS PRESENT

NON-AGRICULTURAL POOL MEMBER PRESENT

Brian Geye, Chair

Auto Club Speedway

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

Ron Craig

Seth Zielke

Cris Fealy

Justin Scott-Coe

Van Jew

Todd Corbin

Teri Layton

Dave Crosley

Katie Gienger for Scott Burton

Raul Garibay for Darron Poulsen

Rosemary Hoerning

Braden Yu for Marty Zvirbulis

City of Chino Hills

Fontana Union Water Company

Fontana Water Company

Monte Vista Water District

Monte Vista Irrigation Company

Jurupa Community Services District

San Antonio Water Company

City of Chino

City of Ontario

City of Pomona

City of Upland

Cucamonga Valley Water District

WATERMASTER BOARD MEMBER PRESENT

Bob Kuhn

Three Valleys Municipal Water District

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

Andy Malone

Brownstein Hyatt Farber Schreck, LLP

Wildermuth Environmental, Inc.

OTHERS PRESENT

Curtis Paxton

David De Jesus

Eunice Ulloa

Chris Berch

Mike Dias

Richard Rees

Eric Tarango

Chino Basin Desalter Authority

Three Valleys Municipal Water District

Chino Basin Water Conservation District

Inland Empire Utilities Agency

Inland Empire Utilities Agency

AMEC

Fontana Water Company

Manny Martinez
Amanda Coker
John Bosler

Monte Vista Water District
City of Chino
Cucamonga Valley Water District

CALL TO ORDER

Chair Geye called the Advisory Committee meeting to order at 9:05 a.m.

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

- 1. Minutes of the Advisory Committee Meeting held June 15, 2017

B. FINANCIAL REPORTS

- 1. Cash Disbursements for the month of May 2017
- 2. Watermaster VISA Check Detail for the month of May 2017
- 3. Combining Schedule for the Period July 1, 2016 through May 31, 2017
- 4. Treasurer’s Report of Financial Affairs for the Period May 1, 2017 through May 31, 2017
- 5. Budget vs. Actual Report for the Period July 1, 2016 through May 31, 2017

C. 9W HALO WESTERN OPCO L.P. OVERLYING (NON-AGRICULTURAL) POOL INTERVENTION REQUEST

Approve and recommend Board approval of the filing of request for Intervention.

D. WATER TRANSACTIONS

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

- 1. The purchase of 180.000 acre-feet of water from the San Antonio Water Company by Monte Vista Water District. This purchase is made from San Antonio Water Company’s Annual Production Right / Operating Safe Yield first, then any additional from Local Supplemental Storage. Monte Vista Water District is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: May 22, 2017
- 2. The purchase of 162.000 acre-feet of water from the San Antonio Water Company by the City of Ontario. This purchase is made from San Antonio Water Company’s Annual Production Right / Operating Safe Yield first, then any additional from Local Supplemental Storage. The City of Ontario is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: May 22, 2017
- 3. The purchase of 558.000 acre-feet of water from the San Antonio Water Company by the City of Upland. This purchase is made from San Antonio Water Company’s Annual Production Right / Operating Safe Yield first, then any additional from Local Supplemental Storage. The City of Upland is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: May 22, 2017

(0:00:24)

*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. 2016 ANNUAL REPORT OF THE PRADO BASIN HABITAT SUSTAINABILITY COMMITTEE

Recommend to the Watermaster Board to receive and file.

(0:00:48) Mr. Kavounas gave a report.

(0:01:34)

Motion by Vice-Chair Jeff Pierson, seconded by Mr. Todd Corbin, and by unanimous vote

Moved to approve the Business Item II.A. as presented.

B. DESALTER REPLENISHMENT ASSESSMENTS FOR PRODUCTION YEAR 2013/14 (BASED ON ASSESSMENT PACKAGE FOR PRODUCTION YEAR 2013/14)

Recommend Watermaster Board approval of Resolution 2017-05.

(0:02:04) Mr. Kavounas gave a report.

(0:04:25)

Motion by Mr. Cris Fealy, seconded by Mr. Seth Zielke, and by majority vote

Moved to approve the Business Item II.B. as presented.

No Votes

Dave Crosley – City of Chino

Katie Gienger – City of Ontario

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Agricultural Pool Contests
2. Notices of Appeal from April 28, 2017 Order
3. Rules and Regulations Update

(0:05:08) Mr. Herrema offered the same reports as was given at the Pool meetings last week, and indicated that the only item with an update since last week is Item III.A.2. The Committee chose to receive an update on III.A.2.

B. ENGINEER REPORT

1. Prado Basin Tour
2. Ground-Level Monitoring Committee Revised Annual Report Schedule
3. 2016 State of the Basin Report
4. Storage Management Workshop
5. Evaporative Losses

(0:08:11) 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. Exhibit "G" Transactions
2. Appropriative Pool Legal Expense Budget

(0:08:33) Mr. Joswiak gave a report.

D. GM REPORT

1. Storage Agreements
2. SGMA Update
3. DYY Program Update
4. Other

(0:09:55) Mr. Kavounas offered the same reports as was given at the Pool meetings last week. The Committee declined to have the reports provided again.

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

(0:10:26) Mr. Berch gave a report.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

None

IV. INFORMATION

- 1. Cash Disbursements for June 2017
- 2. Ground-Level Monitoring Status Report (Quarterly)
- 3. South Archibald and Chino Airport Plumes Status Report (Quarterly)
- 4. RMPU Status Report (Quarterly)
- 5. Santa Ana River Watershed Status Report (Quarterly)

V. COMMITTEE MEMBER COMMENTS

(0:13:30) Mr. Corbin stated that the Appropriative Pool provided Mr. Kavounas a transmittal letter and attachment regarding the Pool's action to the Storage Management Plan.

VI. OTHER BUSINESS

(0:14:17) Mr. Scott-Coe asked for signatory support from the parties for the State Senate consensus package regarding long-term conservation regulations that will impact urban water suppliers.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

None

ADJOURNMENT

Chair Geye adjourned the Advisory Committee meeting at 9:19 a.m.

Secretary: _____

Approved: _____

DRAFT MINUTES
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE SPECIAL MEETING
August 3, 2017

The Advisory Committee special meeting was held at the offices of the Chino Basin Watermaster and via conference call using the Chino Basin Watermaster conference call number on August 3, 2017.

ADVISORY COMMITTEE MEMBERS PRESENT ON CALL

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Brian Geye, Chair Auto Club Speedway

AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Jeff Pierson, Vice-Chair Crops

APPROPRIATIVE POOL MEMBERS PRESENT ON CALL

Darron Poulsen, Second Vice-Chair	City of Pomona
Teri Layton	San Antonio Water Company
Dave Crosley	City of Chino
Jo Lynne Russo-Pereyra for Marty Zvirbulis	Cucamonga Valley Water District
Seth Zielke	Fontana Union Water Company
Cris Fealy	Fontana Water Company
Todd Corbin	Jurupa Community Services District
Van Jew	Monte Vista Water District
Katie Gienger for Scott Burton	City of Ontario
Rosemary Hoerning	City of Upland

WATERMASTER STAFF PRESENT AT WATERMASTER

Peter Kavounas	General Manager
Anna Truong	Executive Services Director/Board Clerk

WATERMASTER CONSULTANTS PRESENT ON CALL

Brad Herrema Brownstein Hyatt Farber Schreck, LLP

OTHERS PRESENT ON CALL

Richard Rees	AMEC
Curtis Paxton	Chino Basin Desalter Authority
John Mendoza	Three Valleys Municipal Water District
Marilyn Levin	State of California – DOJ
David De Jesus	Three Valleys Municipal Water District

CALL TO ORDER

Chair Geye called the Advisory Committee special meeting to order at 9:00 a.m.

ROLL CALL

Ms. Truong conducted roll call.

AGENDA - ADDITIONS/REORDER

None

I. BUSINESS ITEMS

A. DESALTER REPLENISHMENT ASSESSMENTS

Motion by Ms. Russo-Pereyra, seconded by Vice-Chair Pierson, and by unanimous vote

Moved to send the matter to the Pools for further consideration, in light of the new information that has been provided at the July 2017 Board meeting.

ADJOURNMENT

Chair Geye adjourned the Advisory Committee special meeting at 9:06 a.m.

Secretary: _____

Approved: _____

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

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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
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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: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Cash Disbursement Report - Financial Report B1 (June 30, 2017)

SUMMARY

Issue: Record of Cash Disbursements for the month of June 30, 2017.

Recommendation: Receive and file Cash Disbursements for June 30, 2017 as presented.

Financial Impact: Funds disbursed were included in the FY 2016/17 "Amended" Watermaster Budget.

Future Consideration

Advisory Committee – September 21, 2017: Receive and File

Watermaster Board – September 28, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously approved

Non-Agricultural Pool – September 14, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – September 14, 2017: Unanimously approved

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 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 June 2017 were \$1,976,746.35.

The most significant expenditures during the month were to NRG California South, LLP in the amount of \$570,000.00 (check number 20198 dated June 21, 2017); Inland Empire Utilities Agency in the amounts of \$288,115.36 and \$214,014.48 (check number 20188 dated June 21, 2017 and check number 20195 dated June 21, 2017); Brownstein Hyatt Farber Schreck in the amounts of \$113,066.79 and \$100,997.76 (check number 20180 dated June 14, 2017 and check number 20190 dated June 28, 2017); Wildermuth Environmental, Inc. in the amount of \$192,494.13 (check number 20211 dated June 28, 2017); and City of Chino Hills in the amount of \$155,256.85 (check number 20196 dated June 21, 2017).

ATTACHMENTS

1. Financial Report - B1

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/01/2017	20147	APPLIED COMPUTER TECHNOLOGIES	2863	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2017	2863		Database Consulting - May 2017	6052.2 · Applied Computer Technol	4,064.20
TOTAL						<u>4,064.20</u>
Bill Pmt -Check	06/01/2017	20148	CHEF DAVE'S CAFE & CATERING		1012 · Bank of America Gen'l Ckg	
Bill	04/30/2017	6735		Lunch for 4/27/17 Watermaster Board meeting	6312 · Meeting Expenses	602.00
Bill	05/25/2017	6751		Lunch for 5/25/17 Watermaster Board meeting	6312 · Meeting Expenses	602.00
TOTAL						<u>1,204.00</u>
Bill Pmt -Check	06/01/2017	20149	COUNTY OF SAN BERNARDINO		1012 · Bank of America Gen'l Ckg	
Bill	05/31/2017			Funding of Trust Agreeemnt-CBWM/County SB	1025 · Trust Account - County of SB	15,000.00
TOTAL						<u>15,000.00</u>
Bill Pmt -Check	06/01/2017	20150	CURATALO, JAMES	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/10/2017	5/10 Admin Mtg		5/10/17 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	05/15/2017	5/15 Lunch Mtg		5/15/17 Lunch meeting-discuss CBWM Matters	6311 · Board Member Compensation	125.00
Bill	05/23/2017	5/23 Board Agenda		5/23/17 Board agenda preview meeting	6311 · Board Member Compensation	125.00
Bill	05/24/2017	5/24 Personnel Comm		5/24/17 Personnel Committee conference call	6311 · Board Member Compensation	125.00
Bill	05/25/2017	5/25 Board Meeting		5/25/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>625.00</u>
Bill Pmt -Check	06/01/2017	20151	DI PRIMIO, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/10/2017	5/10 Exec Comm Mtg		5/10/17 Executive Committee meeting re SYR	6311 · Board Member Compensation	125.00
Bill	05/23/2017	5/23 Board Agenda		5/23/17 Board Agenda Preview Meeting	6311 · Board Member Compensation	125.00
Bill	05/24/2017	5/24 GM Review Call		5/24/17 GM review call w/Curatalo	6311 · Board Member Compensation	125.00
Bill	05/25/2017	5/25 Board Mtg		5/25/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						<u>500.00</u>
Bill Pmt -Check	06/01/2017	20152	FEENSTRA, BOB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/11/2017	5/11 Ag Pool Mtg		5/11/17 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	05/18/2017	5/18 Advisory Comm		5/18/17 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						<u>250.00</u>
Bill Pmt -Check	06/01/2017	20153	KESSLER ALAIR INSURANCE SERVICES, INC.	680964	1012 · Bank of America Gen'l Ckg	
Bill	05/26/2017	680964		D&O for June 2017	6085 · Business Insurance Package	1,051.07
				D&O for July 2017-May 2018	1401 · Prepaid Insurance-Pkg	11,736.93
TOTAL						<u>12,788.00</u>
Bill Pmt -Check	06/01/2017	20154	LEVEL 3 COMMUNICATIONS	55570939	1012 · Bank of America Gen'l Ckg	

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/23/2017	55570939		5/17/17-6/16/17	6053 · Internet Expense	1,047.80
TOTAL						1,047.80
Bill Pmt -Check	06/01/2017	20155	LOEB & LOEB LLP	1719956	1012 · Bank of America Gen'l Ckg	
Bill	05/23/2017	1719956		Non-Ag Pool Legal Services - April 2017	8567 · Non-Ag Legal Service	7,112.25
TOTAL						7,112.25
Bill Pmt -Check	06/01/2017	20156	PIETERSMA, RONALD	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/23/2017	5/23 Mtg w/Chair		5/23/17 Meeting w/Pool Chair	8411 · Compensation	25.00
				5/23/17 Meeting w/Pool Chair	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	06/01/2017	20157	PURCHASE POWER	8000-9090-0016-8851	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2017	8000909000168851		Postage refill	6042 · Postage - General	500.00
TOTAL						500.00
Bill Pmt -Check	06/01/2017	20158	READY REFRESH BY NESTLE	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	05/30/2017	0023230253		Office Water Bottle - May 2017	6031.7 · Other Office Supplies	53.86
TOTAL						53.86
Bill Pmt -Check	06/01/2017	20159	RON SHELLEY'S AUTOMOTIVE	Vehicle Repairs & Maintenance	1012 · Bank of America Gen'l Ckg	
Bill	05/18/2017	9579		Four replacement tires for F-150	6177 · Vehicle Repairs & Maintenance	634.33
Bill	05/26/2017	9581		Four replacement tires for Expedition	6177 · Vehicle Repairs & Maintenance	687.21
TOTAL						1,321.54
Bill Pmt -Check	06/01/2017	20160	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	05/23/2017	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	731.46
TOTAL						731.46
Bill Pmt -Check	06/01/2017	20161	STATE COMPENSATION INSURANCE FUND	1970970-16	1012 · Bank of America Gen'l Ckg	
Bill	06/01/2017	1970970-16		Premium for 5/26/17-6/26/17	60183 · Worker's Comp Insurance	910.00
TOTAL						910.00
Bill Pmt -Check	06/01/2017	20162	VERIZON WIRELESS	9785661804	1012 · Bank of America Gen'l Ckg	
Bill	05/23/2017	9785661804		Acct #648073270-00001	7103.7 · Grdwtr Qual-Computer Svc	100.04
TOTAL						100.04
Bill Pmt -Check	06/01/2017	20163	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	05/30/2017	001017890001		Vision Insurance Premium - June 2017	60182.2 · Dental & Vision Ins	85.60
TOTAL						85.60

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
General Journal	06/03/2017	06/03/2017	Payroll and Taxes for 05/21/17-06/03/17	Payroll and Taxes for 05/21/17-06/03/17	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 05/21/17-06/03/17	1012 · Bank of America Gen'l Ckg	30,702.01
				Payroll Taxes for 05/21/17-06/03/17	1012 · Bank of America Gen'l Ckg	10,689.92
			ICMA-RC	457(f) Employee Deductions for 05/21/17-06/03/17	1012 · Bank of America Gen'l Ckg	4,411.29
			ICMA-RC	401(a) Employee Deductions for 05/21/17-06/03/17	1012 · Bank of America Gen'l Ckg	1,247.07
TOTAL						47,050.29
Bill Pmt -Check	06/05/2017	20164	TELLEZ-FOSTER, EDGAR	Promissory Note Dated June 5, 2017	1012 · Bank of America Gen'l Ckg	
Bill	06/05/2017	Promissory Note		Promissory Note Dated June 5, 2017	6011 · WM Staff Salaries	4,700.00
TOTAL						4,700.00
Bill Pmt -Check	06/09/2017	ACH 060917	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	06/03/2017	06/03/2017	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 05/21/17-06/03/17	2000 · Accounts Payable	6,597.15
TOTAL						6,597.15
Bill Pmt -Check	06/12/2017	20165	ACWA JOINT POWERS INSURANCE AUTHORITY	0487861	1012 · Bank of America Gen'l Ckg	
Bill	06/05/2017	0487861		Prepayment - July 2017	1409 · Prepaid Life, BAD&D & LTD	139.76
				June 2017	60191 · Life & Disab.Ins Benefits	139.76
TOTAL						279.52
Bill Pmt -Check	06/12/2017	20166	BOWCOCK, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/16/2017	5/16 Admin Mtg		5/16/17 Administrative meeting w/PK	6311 · Board Member Compensation	125.00
Bill	05/18/2017	5/18 RIPCom Mtg		5/18/17 RIPCom meeting	6311 · Board Member Compensation	125.00
Bill	05/25/2017	5/25 Board Mtg		5/25/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	06/12/2017	20167	CORELOGIC INFORMATION SOLUTIONS	81807198	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2017	81807198		81807198	7103.7 · Grdwtr Qual-Computer Svc	62.50
				81807198	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	06/12/2017	20168	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/11/2017	5/11 Ag Pool Mtg		5/25/17 Ag Pool Meeting	8411 · Compensation	25.00
				5/25/17 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	06/12/2017	20169	ELIE, STEVEN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/08/2017	5/08 Admin Mtg		5/08/17 Administrative Meeting w/PK	6311 · Board Member Compensation	125.00
Bill	05/25/2017	5/25 Board Mtg		5/25/17 Board Meeting	6311 · Board Member Compensation	125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2017

	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
TOTAL							250.00
	Bill Pmt -Check	06/12/2017	20170	FILIPPI, GINO	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	05/25/2017	5/25 Board Mtg		5/25/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL							125.00
	Bill Pmt -Check	06/12/2017	20171	GEYE, BRIAN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	05/02/2017	5/02 Budget Wkshp		5/02/17 Budget Workshop	6311 · Board Member Compensation	125.00
TOTAL							125.00
	Bill Pmt -Check	06/12/2017	20172	HUITSING, JOHN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	05/11/2017	5/11 Ag Pool Mtg		5/11/17 Ag Pool Meeting	8411 · Compensation	25.00
					5/11/17 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL							125.00
	Bill Pmt -Check	06/12/2017	20173	PETTY CASH	2648-2666	1012 · Bank of America Gen'l Ckg	
	Bill	06/05/2017	2648-2666		Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	155.06
					Mileage reimbursements	6173 · Airfare/Mileage	165.24
					AT lunch mtg. w/IEUA	8312 · Meeting Expenses	25.12
TOTAL							345.42
	Bill Pmt -Check	06/12/2017	20174	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	05/03/2017	5/03 Special Ag Mtg		5/03/17 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	05/11/2017	5/11 Ag Pool Mtg		5/11/17 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	05/16/2017	5/16 Special Ag Mtg		5/16/17 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	05/18/2017	5/18 Advisory Comm		5/18/17 Advisory Committee Mtg	8470 · Ag Meeting Attend -Special	125.00
	Bill	05/18/2017	5/18 RIPCom Mtg		5/18/17 RIPCom Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	05/23/2017	5/23 Special Ag Mtg		5/23/17 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	05/25/2017	5/25 Board Mtg		5/25/17 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL							875.00
	Bill Pmt -Check	06/12/2017	20175	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
	Bill	06/05/2017	1394905143		Annual Unfunded Accrued Liability	60180 · Employers PERS Expense	3,590.95
TOTAL							3,590.95
	Bill Pmt -Check	06/12/2017	20176	RR FRANCHISING, INC.	40048	1012 · Bank of America Gen'l Ckg	
	Bill	06/01/2017	40048		Monthly service for June 2017	6024 · Building Repair & Maintenance	740.00
TOTAL							740.00
	Bill Pmt -Check	06/12/2017	20177	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/31/2017	7076224530355049		May 2017	6175 · Vehicle Fuel	43.66
TOTAL						43.66
Bill Pmt -Check	06/12/2017	20178	WESTERN MUNICIPAL WATER DISTRICT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/25/2017	5/25 Board Mtg		5/25/17 Board Meeting - Galleano attendance	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	06/12/2017	20179	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	06/05/2017	08-k2 213849		June 2017	6024 · Building Repair & Maintenance	111.57
TOTAL						111.57
Bill Pmt -Check	06/14/2017	20180	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	04/30/2017	680172		680172	6907.44 · SGMA Compliance	6,644.70
Bill	04/30/2017	680173		680173	6907.42 · Safe Yield Recalculation	47,735.10
				Expenses	6907.42 · Safe Yield Recalculation	507.11
Bill	04/30/2017	680174		680174	6907.41 · Prado Basin Habitat Sustain	1,185.75
				Expenses	6907.41 · Prado Basin Habitat Sustain	34.79
Bill	04/30/2017	680175		680175	6907.40 · Storage Agreements	6,948.00
Bill	04/30/2017	680176		680176	6907.39 · Recharge Master Plan	6,723.00
Bill	04/30/2017	680177		680177	6907.38 · Reg. Water Quality Cntrl Board	1,147.50
Bill	04/30/2017	680178		680178	6072 · BHFS Legal - Rules & Regs	1,338.75
				Expenses	6072 · BHFS Legal - Rules & Regs	34.98
Bill	04/30/2017	680179		680179	6071 · BHFS Legal - Court Coordination	191.25
Bill	04/30/2017	680180		680180	8575 · BHFS Legal - Non-Ag Pool	956.25
Bill	04/30/2017	680181		680181	8475 · BHFS Legal - Agricultural Pool	956.25
Bill	04/30/2017	680182		680182	8375 · BHFS Legal - Appropriative Pool	956.25
Bill	04/30/2017	680183		680183	6375 · BHFS Legal - Board Meeting	4,789.35
				Expenses	6375 · BHFS Legal - Board Meeting	225.00
Bill	04/30/2017	680184		680184	6275 · BHFS Legal - Advisory Committee	994.50
				Expenses	6275 · BHFS Legal - Advisory Committee	34.98
Bill	04/30/2017	680185		680185	6907.36 · Santa Ana River Habitat	3,780.45
				Expenses	6907.36 · Santa Ana River Habitat	7.80
Bill	04/30/2017	680186		GM Evaluation	6073 · BHFS Legal - Personnel Matters	579.15
				457 Addition	6073 · BHFS Legal - Personnel Matters	2,218.50
				Employee Manual Update	6073 · BHFS Legal - Personnel Matters	979.20
				Alvarez-CalPERS	6073 · BHFS Legal - Personnel Matters	117.90
Bill	04/30/2017	680187		457 Addition	6073 · BHFS Legal - Personnel Matters	1,431.00
				Expenses	6078 · BHFS Legal - Miscellaneous	60.20
				680187	6078 · BHFS Legal - Miscellaneous	20,665.78
				680187	8375 · BHFS Legal - Appropriative Pool	124.36

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
				680187	8475 · BHFS Legal - Agricultural Pool	124.36
				680187	8575 · BHFS Legal - Non-Ag Pool	124.35
				Expenses	8375 · BHFS Legal - Appropriative Pool	11.66
				Expenses	8475 · BHFS Legal - Agricultural Pool	11.66
				Expenses	8575 · BHFS Legal - Non-Ag Pool	11.66
				Board Workshop	6375 · BHFS Legal - Board Meeting	1,415.25
TOTAL						113,066.79
Check	06/15/2017	06/15/2017	Service Charge	Service Charge	1012 · Bank of America Gen'l Ckg	
				Service Charge	6039.1 · Banking Service Charges	478.30
TOTAL						478.30
Bill Pmt -Check	06/15/2017	20181	EGOSCUE LAW GROUP	11589	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2017	11589		Ag Pool Legal Services - April 2017	8467 · Ag Legal & Technical Services	46,150.00
TOTAL						46,150.00
General Journal	06/17/2017	06/17/2017	Payroll and Taxes for 06/04/17-06/17/17	Payroll and Taxes for 06/04/17-06/17/17	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 06/04/17-06/17/17	1012 · Bank of America Gen'l Ckg	24,194.46
				Payroll Taxes for 06/04/17-06/17/17	1012 · Bank of America Gen'l Ckg	8,438.41
			ICMA-RC	457(f) Employee Deductions for 06/04/17-06/17/17	1012 · Bank of America Gen'l Ckg	4,411.29
			ICMA-RC	401(a) Employee Deductions for 06/04/17-06/17/17	1012 · Bank of America Gen'l Ckg	1,247.07
TOTAL						38,291.23
Bill Pmt -Check	06/21/2017	20182	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2017	XXXX-XXXX-XXXX-9341		Registration-Wilson-IAAP 2017 Calif. Branch Event	6192 · Seminars - General	99.00
				Replenishment	6174 · Public Transportation	30.00
				Miscellaneous office supplies	6031.7 · Other Office Supplies	369.68
				Miscellaneous office supplies	6031.7 · Other Office Supplies	35.36
				PK meeting w/Steve Elie	6312 · Meeting Expenses	51.56
				Parking-PK to attend ACWA Spring Conference	6191 · Conferences - General	57.00
				Dinner at ACWA Spring Conference	6191 · Conferences - General	26.64
				PK meeting w/Kuhn, DiPrimio, Curatalo, Legal	6191 · Conferences - General	116.13
				Lunch for staff before Ag Pool Meeting	8412 · Meeting Expenses	78.61
				Lunch for staff before Ag Pool Meeting	8412 · Meeting Expenses	9.49
				Notebook for field staff	6151 · Small Tools & Equipment	19.15
				Supplies for field trucks	6177 · Vehicle Repairs & Maintenance	20.85
				PK meeting w/Bob Bowcock	6312 · Meeting Expenses	35.09
				Parking-PK to attend Groundwater Law Conference	6191 · Conferences - General	24.00
				PK meal for Groundwater Conference	6191 · Conferences - General	20.93
				Pies for 5/25 staff meeting	6141.1 · Meeting Supplies	29.07

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
				PK meeting w/J. Rossi	8312 · Meeting Expenses	31.86
				Miscellaneous office supplies	6031.7 · Other Office Supplies	96.18
				Copier Paper	6031.1 · Copy Paper	846.11
TOTAL						1,996.71
Bill Pmt -Check	06/21/2017	20183	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	06/15/2017	1394905143		1394905143	60182.1 · Medical Insurance	8,172.69
TOTAL						8,172.69
Bill Pmt -Check	06/21/2017	20184	COMPUTER NETWORK	102549	1012 · Bank of America Gen'l Ckg	
Bill	06/06/2017	102549		Install CPU Heat Sink and SSD - CFO	6055 · Computer Hardware	250.00
TOTAL						250.00
Bill Pmt -Check	06/21/2017	20185	CUCAMONGA VALLEY WATER DISTRICT		1012 · Bank of America Gen'l Ckg	
Bill	06/15/2017			Office lease due July 1, 2017	1422 · Prepaid Rent	6,447.61
TOTAL						6,447.61
Bill Pmt -Check	06/21/2017	20186	DE HAAN, HENRY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/11/2017	5/11 Ag Pool Mtg		5/11/17 Ag Pool Meeting	8411 · Compensation	25.00
				5/11/17 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	06/21/2017	20187	EGOSCUE LAW GROUP	11617	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2017	11617		Ag Pool Legal Services - May 2017	8467 · Ag Legal & Technical Services	47,137.50
TOTAL						47,137.50
Bill Pmt -Check	06/21/2017	20188	INLAND EMPIRE UTILITIES AGENCY	1800003200	1012 · Bank of America Gen'l Ckg	
Bill	06/06/2017	1800003200		RMPU Yield Enhancement Projects Invoice #4	7690.15 · RMPU Amend. Yield (TO #1)	288,115.36
TOTAL						288,115.36
Bill Pmt -Check	06/21/2017	20189	KUHN, BOB	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/15/2017	5/15 Admin Mtg		5/15/17 Admin. meeting w/PK, check signature	6311 · Board Member Compensation	125.00
Bill	05/18/2017	5/18 Advisory Comm		5/18/17 Advisory Committee meeting	6311 · Board Member Compensation	125.00
Bill	05/23/2017	5/23 Exec Comm Call		5/23/17 Executive Committee conference call	6311 · Board Member Compensation	125.00
Bill	05/24/2017	5/24 Gen Mgr Review		5/24/17 General Manager review conference call	6311 · Board Member Compensation	125.00
Bill	05/25/2017	5/25 Board Mtg		5/25/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						625.00
Bill Pmt -Check	06/21/2017	20190	MINDSHIFT	0247329	1012 · Bank of America Gen'l Ckg	
Bill	06/01/2017	0247329		IT Managed Services	6052.4 · mindSHIFT-Managed Services	3,770.00

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TOTAL

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
				Backup & Recovery	6052.5 · mindSHIFT-Data Backup/Storage	792.00
TOTAL						4,562.00
Bill Pmt -Check	06/21/2017	20191	PAYCHEX	2017060100	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2017	2017060100		May 2017	6012 · Payroll Services	307.82
TOTAL						307.82
Bill Pmt -Check	06/21/2017	20192	PREMIERE GLOBAL SERVICES	23718581	1012 · Bank of America Gen'l Ckg	
Bill	05/26/2017	23718581		Non-Ag Pool meeting call on 5/11	8512 · Meeting Expense	6.10
				Non-Ag Pool meeting call on 5/11	8512 · Meeting Expense	12.29
				Fee - General	6022 · Telephone	49.00
				Fee - Confidential	6022 · Telephone	49.00
				WM coordination call on 5/01	6909.1 · OBMP Meetings	20.17
				WM coordination call on 5/08	6909.1 · OBMP Meetings	17.92
				WM coordination call on 5/10	6909.1 · OBMP Meetings	13.38
				Ag Pool contest call on 5/12	8412 · Meeting Expenses	9.97
				WM coordination call on 5/15	6909.1 · OBMP Meetings	11.67
				Board agenda review call on 5/16	6312 · Meeting Expenses	9.87
				SARCCUP call on 5/23	6909.1 · OBMP Meetings	11.05
				SARCCUP call on 5/23	6909.1 · OBMP Meetings	20.81
				Service fee	6022 · Telephone	4.69
TOTAL						235.92
Bill Pmt -Check	06/21/2017	20193	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017				60182.4 · Retiree Medical	22.24
TOTAL						22.24
Bill Pmt -Check	06/21/2017	20194	VERIZON WIRELESS	6786932315	1012 · Bank of America Gen'l Ckg	
Bill	06/13/2017	6786932315		Acct #470810953-00001	6022 · Telephone	336.96
TOTAL						336.96
Bill Pmt -Check	06/21/2017	20195	INLAND EMPIRE UTILITIES AGENCY	1800003242	1012 · Bank of America Gen'l Ckg	
Bill	06/01/2017	1800003242		Prado Basin Habitat Sustainability Program-#3	7108.75 · Prado Basin - IEUA Charges	214,014.48
TOTAL						214,014.48
Bill Pmt -Check	06/21/2017	20196	CHINO HILLS, CITY OF*	Chino Hills ASR Pilot Project	1012 · Bank of America Gen'l Ckg	
Bill	01/20/2015	12		December 2014	7107.62 · Grd Level-Chino Hills ASR-Prior	122,695.55
Bill	01/31/2015	13		January 2015	7107.62 · Grd Level-Chino Hills ASR-Prior	32,561.30
TOTAL						155,256.85

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/21/2017	20197	GEOSCIENCE SUPPORT SERVICES, INC.	Chino Hills ASR Pilot Project	1012 · Bank of America Gen'l Ckg	
Bill	01/31/2014	4555-11-16		December 2013 - January 2014	7107.61 · Grd Level-Chino Hills ASR	4,915.00
Bill	03/31/2014	4555-11-17		February 1-28, 2014	7107.61 · Grd Level-Chino Hills ASR	8,155.00
Bill	03/31/2014	4555-11-18		March 1-31, 2014	7107.61 · Grd Level-Chino Hills ASR	2,882.00
TOTAL						15,952.00
Bill Pmt -Check	06/21/2017	20198	NRG CALIFORNIA SOUTH LLP	Exhibit G Water Sale of 1,000 AF	1012 · Bank of America Gen'l Ckg	
Bill	03/27/2017			Exhibit G Water	5107 · Exhibit "G" Non-Ag Pool Water	570,000.00
TOTAL						570,000.00
Bill Pmt -Check	06/22/2017	ACH 062217	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	06/17/2017	06/17/2017	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 06/04/17-06/17/17	2000 · Accounts Payable	6,597.15
TOTAL						6,597.15
Bill Pmt -Check	06/28/2017	20199	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	05/31/2017	680676		680676	6907.44 · SGMA Compliance	10,183.05
Bill	05/31/2017	680677		680677	6907.42 · Safe Yield Recalculation	4,692.15
Bill	05/31/2017	680678		680678	6907.41 · Prado Basin Habitat Sustain	1,606.50
Bill	05/31/2017	680679		680679	6907.40 · Storage Agreements	4,503.60
				Mileage/Parking Expenses	6907.40 · Storage Agreements	34.98
Bill	05/31/2017	680680		680680	6907.39 · Recharge Master Plan	2,772.45
Bill	05/31/2017	680681		680681	6072 · BHFS Legal - Rules & Regs	3,623.85
Bill	05/31/2017	680682		680682	6071 · BHFS Legal - Court Coordination	459.00
Bill	05/31/2017	680683		680683	8575 · BHFS Legal - Non-Ag Pool	1,568.25
Bill	05/31/2017	680684		680684	8475 · BHFS Legal - Agricultural Pool	2,147.40
Bill	05/31/2017	680685		680685	8375 · BHFS Legal - Appropriative Pool	1,836.00
Bill	05/31/2017	680686		680686	6375 · BHFS Legal - Board Meeting	8,784.90
Bill	05/31/2017	680687		680687	6275 · BHFS Legal - Advisory Committee	2,100.48
Bill	05/31/2017	680688		680688	6907.36 · Santa Ana River Habitat	976.50
Bill	05/31/2017	680689		680689	6907.32 · Chino Airport Plume	498.15
Bill	05/31/2017	680690		680690	6907.31 · Archibald South Plume	996.30
Bill	05/31/2017	680691		GM Evaluation	6073 · BHFS Legal - Personnel Matters	7,472.70
				457 Addition	6073 · BHFS Legal - Personnel Matters	471.60
				CellPhone Policy	6073 · BHFS Legal - Personnel Matters	382.50
				CalPERS	6073 · BHFS Legal - Personnel Matters	540.45
				Personnel	6073 · BHFS Legal - Personnel Matters	174.15
Bill	05/31/2017	680692		Ag Pool Contest	6078 · BHFS Legal - Miscellaneous	19,830.15
				GM Evaluation	6073 · BHFS Legal - Personnel Matters	105.30
				Angelica Bankruptcy	6078 · BHFS Legal - Miscellaneous	4,500.90
				680692	6078 · BHFS Legal - Miscellaneous	20,736.45

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2017

	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
TOTAL							100,997.76
	Bill Pmt -Check	06/28/2017	20200	COMPUTER NETWORK		1012 · Bank of America Gen'l Ckg	
	Bill	05/25/2017	102502		102502	6055 · Computer Hardware	125.00
	Bill	05/25/2017	102503		102503	6055 · Computer Hardware	253.21
TOTAL							<u>378.21</u>
	Bill Pmt -Check	06/28/2017	20201	FEENSTRA, BOB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
	Bill	05/03/2017	5/03 Special Ag Mtg		5/03/17 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	05/16/2017	5/16 Special Ag Mtg		5/16/17 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	05/23/2017	5/23 Special Ag Mtg		5/23/17 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	06/08/2017	6/08 Ag Pool Mtg		6/08/17 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	06/15/2017	6/15 Advisory Comm		6/15/17 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
	Bill	06/22/2017	6/22 Board Mtg		6/22/17 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL							<u>750.00</u>
	Bill Pmt -Check	06/28/2017	20202	FRONTIER COMMUNICATIONS	909-484-3890-050914-5	1012 · Bank of America Gen'l Ckg	
	Bill	06/19/2017	90948438900509145		Office fax	6022 · Telephone	139.60
TOTAL							<u>139.60</u>
	Bill Pmt -Check	06/28/2017	20203	GREAT AMERICA LEASING CORP.	20823012	1012 · Bank of America Gen'l Ckg	
	Bill	06/19/2017	20823012		Invoice for June 2017	6043.1 · Ricoh Lease Fee	2,553.68
TOTAL							<u>2,553.68</u>
	Bill Pmt -Check	06/28/2017	20204	HARMONY PRESS	00-6295	1012 · Bank of America Gen'l Ckg	
	Bill	06/16/2017	00-6295		Printing for 39th AR	6045 · Printing	3,321.23
TOTAL							<u>3,321.23</u>
	Bill Pmt -Check	06/28/2017	20205	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
	Bill	06/19/2017	0111802		Employee deductions - June 2017	60194 · Other Employee Insurance	79.70
TOTAL							<u>79.70</u>
	Bill Pmt -Check	06/28/2017	20206	LOEB & LOEB LLP	1723569	1012 · Bank of America Gen'l Ckg	
	Bill	05/31/2017	1723569		Non-Ag Pool Legal Services - May 2017	8567 · Non-Ag Legal Service	4,241.25
TOTAL							<u>4,241.25</u>
	Bill Pmt -Check	06/28/2017	20207	READY REFRESH BY NESTLE	0023230253	1012 · Bank of America Gen'l Ckg	
	Bill	06/27/2017	0023230253		Office Water Bottle - June 2017	6031.7 · Other Office Supplies	35.93
TOTAL							<u>35.93</u>

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/28/2017	20208	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	06/19/2017	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	731.46
TOTAL						731.46
Bill Pmt -Check	06/28/2017	20209	UNITED HEALTHCARE	0043732257	1012 · Bank of America Gen'l Ckg	
Bill	06/19/2017	0043732257		Dental Insurance Premium - July 2017	60182.2 · Dental & Vision Ins	749.75
TOTAL						749.75
Bill Pmt -Check	06/28/2017	20210	VERIZON WIRELESS	9787434425	1012 · Bank of America Gen'l Ckg	
Bill	06/21/2017	9787434425		Acct #642073270-00001	7103.7 · Grdwtr Qual-Computer Svc	100.04
TOTAL						100.04
Bill Pmt -Check	06/28/2017	20211	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	05/31/2017	2017153		2017153	6906.31 · OBMP-Pool, Adv. Board Mtgs	11,103.39
Bill	05/31/2017	2017154		2017154	6906.32 · OBMP-Other General Meetings	10,079.15
Bill	05/31/2017	2017155		2017155	6906.74 · OBMP-Mar'l Phy. Injury Requests	819.50
Bill	05/31/2017	2017156		2017156	6906.71 · OBMP-Data Req.-CBWM Staff	2,361.65
Bill	05/31/2017	2017157		2017157	6910.15 · WEI Support-HCP Modeling	16,438.60
Bill	05/31/2017	2017158		2017158	6906.71 · OBMP-Data Req.-CBWM Staff	5,563.35
Bill	05/31/2017	2017159		2017159	6906.72 · OBMP-Data Req.-Non CBWM Staff	11,760.80
Bill	05/31/2017	2017160		2017160	6906 · OBMP Engineering Services	1,221.80
Bill	05/31/2017	2017161		2017161	6906.81 · Prepare 38th/39th Annual Rpts	3,737.00
Bill	05/31/2017	2017162		2017162	6906.21 · State of the Basin Report	63,921.00
Bill	05/31/2017	2017163		2017163	7103.3 · Grdwtr Qual-Engineering	3,469.40
Bill	05/31/2017	2017164		2017164	7104.3 · Grdwtr Level-Engineering	8,905.26
Bill	05/31/2017	2017165		2017165	7107.2 · Grd Level-Engineering	3,444.85
Bill	05/31/2017	2017166		2017166	7108.3 · Hydraulic Control-Engineering	130.00
Bill	05/31/2017	2017167		2017167	7108.3 · Hydraulic Control-Engineering	845.76
Bill	05/31/2017	2017168		2017168	7108.31 · Hydraulic Control - PBHSP	26,847.90
Bill	05/31/2017	2017169		2017169	7109.3 · Recharge & Well - Engineering	869.70
Bill	05/31/2017	2017170		2017170	7202.2 · Engineering Svc	2,614.27
Bill	05/31/2017	2017171		2017171	7402 · PE4-Engineering	14,356.10
Bill	05/31/2017	2017172		2017172	7402.10 · PE4 - Northwest MZ1 Area Proj.	3,078.90
Bill	05/31/2017	2017173		100% CBWM	7108.31 · Hydraulic Control - PBHSP	925.75
TOTAL						192,494.13
General Journal	06/30/2017	06/30/2017	Payroll and Taxes for 06/18/17-07/01/17	Payroll and Taxes for 06/18/17-07/01/17	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 06/18/17-07/01/17	1012 · Bank of America Gen'l Ckg	24,355.64
				Payroll Taxes for 06/18/17-07/01/17	1012 · Bank of America Gen'l Ckg	8,531.69
			ICMA-RC	457(f) Employee Deductions for 06/18/17-07/01/17	1012 · Bank of America Gen'l Ckg	4,411.29

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
			ICMA-RC	401(a) Employee Deductions for 06/18/17-07/01/17	1012 · Bank of America Gen'l Ckg	1,247.07
TOTAL						<u>38,545.69</u>
General Journal	06/30/2017	06/30/2017	Wage Works FSA Direct Debits - June 2017	Wage Works FSA Direct Debits - June 2017	1012 · Bank of America Gen'l Ckg	
				Wage Works FSA Direct Debits - June 2017	1012 · Bank of America Gen'l Ckg	638.75
				Wage Works FSA Direct Debits - June 2017	1012 · Bank of America Gen'l Ckg	638.75
				Wage Works FSA Direct Debits - June 2017	1012 · Bank of America Gen'l Ckg	81.50
TOTAL						<u>1,359.00</u>
					Total Disbursements:	<u><u>1,976,746.35</u></u>

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CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: VISA Check Detail Report - Financial Report B2 (June 30, 2017)

SUMMARY

Issue: Record of VISA credit card payment disbursed for the month of June 30, 2017.

Recommendation: Receive and file VISA Check Detail Report for June 30, 2017 as presented.

Financial Impact: Funds disbursed were included in the FY 2016/17 "Amended" Watermaster Budget.

Future Consideration

Advisory Committee – September 21, 2017: Receive and File

Watermaster Board – September 28, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously approved

Non-Agricultural Pool – September 14, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – September 14, 2017: Unanimously approved

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 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 June 2017 were \$1,996.71. The payment was processed in the amount of \$1,996.71 (by check number 20182 dated June 21, 2017). The monthly charges for June 2017 of \$1,996.71 were for routine and customary expenditures and properly documented with receipts.

ATTACHMENTS

1. Financial Report - B2

CHINO BASIN WATERMASTER
VISA Check Detail Report
June 2017

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/21/2017	20182	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2017	XXXX-XXXX-XXXX-9341		Registration-Wilson-IAAP 2017 Calif. Branch Event	6192 - Seminars - General	99.00
				Replenishment	6174 - Public Transportation	30.00
				Miscellaneous office supplies	6031.7 - Other Office Supplies	369.68
				Miscellaneous office supplies	6031.7 - Other Office Supplies	35.36
				PK meeting w/Steve Elie	6312 - Meeting Expenses	51.56
				Parking-PK to attend ACWA Spring Conference	6191 - Conferences - General	57.00
				Dinner at ACWA Spring Conference	6191 - Conferences - General	26.64
				PK meeting w/Kuhn, DiPrimio, Curatalo, Legal	6191 - Conferences - General	116.13
				Lunch for staff before Ag Pool Meeting	8412 - Meeting Expenses	78.61
				Lunch for staff before Ag Pool Meeting	8412 - Meeting Expenses	9.49
				Notebook for field staff	6151 - Small Tools & Equipment	19.15
				Supplies for field trucks	6177 - Vehicle Repairs & Maintenance	20.85
				PK meeting w/Bob Bowcock	6312 - Meeting Expenses	35.09
				Parking-PK to attend Groundwater Law Conference	6191 - Conferences - General	24.00
				PK meal for Groundwater Conference	6191 - Conferences - General	20.93
				Pies for 5/25 staff meeting	6141.1 - Meeting Supplies	29.07
				PK meeting w/J. Rossi	8312 - Meeting Expenses	31.86
				Miscellaneous office supplies	6031.7 - Other Office Supplies	96.18
				Copier Paper	6031.1 - Copy Paper	846.11
					Total Disbursements:	1,996.71

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TOTAL

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2016 through June 30, 2017 - Financial Report B3 (June 30, 2017)

SUMMARY

Issue: Record of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2016 through June 30, 2017.

Recommendation: Receive and file Combining Schedule of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2016 through June 30, 2017 as presented.

Financial Impact: Funds disbursed were included in the FY 2016/17 "Amended" Watermaster Budget.

Future Consideration

Advisory Committee – September 21, 2017: Receive and File

Watermaster Board – September 28, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously approved

Non-Agricultural Pool – September 14, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – September 14, 2017: Unanimously approved

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Net Assets for the period July 1, 2016 through June 30, 2017 is provided to keep all members apprised of the FY 2016/17 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 17.0, 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, 2016 THROUGH JUNE 30, 2017

Financial Report - B3

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUNDWATER REPLENISHMENT	LAIF VALUE ADJ.	GASB 68 BEG. NET POSITION	GRAND TOTALS	AMENDED BUDGET 2016-2017
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL					
Administrative Revenues:										
Administrative Assessments			9,946,419		251,175				10,197,595	10,355,413
Interest Revenue			72,578	3,604	765				76,947	19,890
Mutual Agency Project Revenue	159,631								159,631	158,923
Miscellaneous Income	7								7	0
Total Revenues	159,638	-	10,018,998	3,604	251,940	-	-	-	10,434,180	10,534,226
Administrative & Project Expenditures:										
Watermaster Administration	1,679,842								1,679,842	1,441,392
Watermaster Board-Advisory Committee	197,415								197,415	198,553
Ag Pool Misc. Expense - Ag Fund				546					546	400
Pool Administration			142,854	365,890	98,748				607,492	612,150
Optimum Basin Mgmt Administration		1,706,970							1,706,970	1,774,519
OBMP Project Costs		2,931,331							2,931,331	3,811,606
Debt Service		386,803							386,803	465,200
Basin Recharge Improvements		1,097,468							1,097,468	5,060,744
Total Administrative/OBMP Expenses	1,877,257	6,122,572	142,854	365,890	98,748	-	-	-	8,607,868	13,364,563
Net Administrative/OBMP Expenses	(1,717,619)	(6,122,572)								
Allocate Net Admin Expenses To Pools	1,717,619		1,292,513	376,184	48,921				-	
Allocate Net OBMP Expenses To Pools		4,638,301	3,490,335	1,015,858	132,108				-	
Allocate Debt Service to App Pool		386,803	386,803						-	
Allocate Basin Recharge to App Pool		1,097,468	1,097,468						-	
Agricultural Expense Transfer*			1,757,933	(1,757,933)					-	
Total Expenses			8,167,907	546	279,777	-	-	-	8,607,868	13,364,563
Net Administrative Income			1,851,091	3,058	(27,836)	-	-	-	1,826,312	(2,830,337)
Other Income/(Expense)										
Replenishment Water Assessments						858,227			858,227	0
Desalter Replenishment Obligation						116,635			116,635	0
Non-Ag Stored Water Purchases									-	0
Exhibit "G" Non-Ag Pool Water			570,000						570,000	0
Interest Revenue						8,914			8,914	0
MWD Water Purchases									-	0
Non-Ag Stored Water Purchases									-	0
Exhibit "G" Non-Ag Pool Water			(570,000)						(570,000)	0
MWD Water Purchases									-	0
Groundwater Replenishment						(3,550,973)			(3,550,973)	0
LAIF - Fair Market Value Adjustment							(15,213)		(15,213)	0
Other Post-Employment Benefits (OPEB)			(118,624)		(3,478)				(122,102)	0
Refund-Excess Reserves			(31,189)		(3,509)				(34,698)	0
Refund-Recharge Debt			(155,824)						(155,824)	0
Funding To/(From) Reserves									-	(200,000)
Net Other Income/(Expense)			(305,637)	-	(6,987)	(2,567,197)	(15,213)	-	(2,895,034)	(200,000)
Net Transfers To/(From) Reserves		(1,068,722)	1,545,453	3,058	(34,823)	(2,567,197)	(15,213)	-	(1,068,722)	(2,630,337)
Net Assets, July 1, 2016		0	7,493,337	483,176	79,969	2,465,056	3,308	(740,195)	9,784,651	
Net Assets, End of Period			9,038,790	486,234	45,146	(102,141)	(11,905)	(740,195)	8,715,929	8,715,929
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: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period June 1, 2017 through June 30, 2017
- Financial Report B4 (June 30, 2017)

SUMMARY

Issue: Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of June 1, 2017 through June 30, 2017.

Recommendation: Receive and file Treasurer's Report of Financial Affairs for the Period June 1, 2017 through June 30, 2017 as presented.

Financial Impact: Funds disbursed were included in the FY 2016/17 "Amended" Watermaster Budget.

Future Consideration

Advisory Committee – September 21, 2017: Receive and File

Watermaster Board – September 28, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously approved

Non-Agricultural Pool – September 14, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – September 14, 2017: Unanimously approved

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period June 1, 2017 through June 30, 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 17.0, the Watermaster accounting system. The Treasurer's Report provided, balances to the supporting documentation in the Watermaster accounting system, as well as the supporting bank statements.

ATTACHMENTS

1. Financial Report - B4

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JUNE 1, 2017 THROUGH JUNE 30, 2017**

Financial Report - B4

DEPOSITORIES:

Cash on Hand - Petty Cash			\$	500
Bank of America				
Governmental Checking-Demand Deposits	\$	200,521		
Zero Balance Account - Payroll	\$	32,887		233,408
Trust Account - County of San Bernardino				15,000
Local Agency Investment Fund - Sacramento				11,226,438
TOTAL CASH IN BANKS AND ON HAND				\$ 11,475,346
TOTAL CASH IN BANKS AND ON HAND	6/30/2017			12,882,455
	5/31/2017			12,882,455
PERIOD INCREASE (DECREASE)				\$ (1,407,109)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:			\$	(185,376)
Accounts Receivable				509,588
Assessments Receivable				(141,087)
Prepaid Expenses, Deposits & Other Current Assets				265,516
(Decrease)/Increase in Liabilities:				(36,234)
Accounts Payable				357,529
Accrued Payroll, Payroll Taxes & Other Current Liabilities				(2,177,044)
Long Term Liabilities				
Transfer to/(from) Reserves				
PERIOD INCREASE (DECREASE)				\$ (1,407,109)

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Govt'I Checking Demand	Zero Balance Account Payroll	Trust Account County of San Bernardino	Local Agency Investment Funds	Totals
Balances as of 5/31/2017	\$ 500	\$ 432,304	\$ -	\$ 15,000	\$ 12,434,651	\$ 12,882,455
Deposits	-	1,744,964	32,887	-	-	1,777,851
Transfers	-	(100,373)	(74,025)	-	(1,193,000)	(1,367,398)
Withdrawals/Checks	-	(1,876,373)	74,025	-	(15,213)	(1,817,562)
Balances as of 6/30/2017	\$ 500	\$ 200,521	\$ 32,887	\$ 15,000	\$ 11,226,438	\$ 11,475,346
PERIOD INCREASE OR (DECREASE)	\$ -	\$ (231,783)	\$ 32,887	\$ -	\$ (1,208,213)	\$ (1,407,109)

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JUNE 1, 2017 THROUGH JUNE 30, 2017**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
6/19/2017	Withdrawal		\$ (1,193,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (1,193,000)	\$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
June 30, 2017**

<u>Financial Institution</u>	<u>Principal Amount</u>	<u>Number of Days</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Local Agency Investment Fund	\$ 11,226,438			
TOTAL INVESTMENTS	\$ 11,226,438			

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

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CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2016 through June 30, 2017 -
Financial Report B5 (June 30, 2017)

SUMMARY

Issue: Record of revenues and expenses of Watermaster for the Period of July 1, 2016 through June 30, 2017.

Recommendation: Receive and file Budget vs. Actual Report for the Period July 1, 2016 through June 30, 2017 as presented.

Financial Impact: Funds disbursed were included in the FY 2016/17 "Amended" Watermaster Budget.

Future Consideration

Advisory Committee – September 21, 2017: Receive and File

Watermaster Board – September 28, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously approved

Non-Agricultural Pool – September 14, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – September 14, 2017: Unanimously approved

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

A Budget vs. Actual Report for the period July 1, 2016 through June 30, 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 17.0, the Watermaster accounting system. The Budget vs. Actual report provided, balances to the supporting documentation in the Watermaster accounting system, as well as the supporting bank statements.

DISCUSSION

CURRENT MONTH – JUNE 2017

There were no Pool, Advisory or Board meetings scheduled for the month of August 2017. As a result, Budget Transfer Form T-17-06-01 in the amount of \$112,000 was prepared for approval by the Watermaster Pools, Advisory, and Board for the meetings scheduled in September 2017. Budget Transfer Form T-17-06-01 was required to close the books as of June 30, 2017 and adjust the Brownstein Hyatt Farber Schreck legal budget in several expense areas. The Budget Transfer Form T-17-06-01 was a zero-based document, which means the reductions and additions within the general ledger accounts were equal. The general ledger accounts that were increased by the additional \$112,000 from Budget Transfer Form T-17-06-01 were the BHFS Legal-Miscellaneous expenses (account 6078) in the amount of \$90,000 and the BHFS-Safe Yield Recalculation expenses (account 6907.42) in the amount of \$22,000. The reductions in the budget were from the Agricultural Pool Legal Service expenses (account 8467) in the amount of \$73,000; BHFS Appropriative Pool Legal Service expenses (account 8375) in the amount of \$8,500; BHFS Agricultural Pool Legal Service expenses (account 8475) in the amount of \$8,400; BHFS Non-Agricultural Pool Legal Service expenses (account 8575) in the amount of \$8,000; BHFS Advisory Committee Legal Service expenses (account 6275) in the amount of \$3,500; Business Insurance Package expenses (account 6085) in the amount of \$4,000; Employee Training expenses (account 6193) in the amount of \$4,000; and Copier Lease Fees (account number 6043.1) in the amount of \$2,600.

As mentioned above, the final Budget Transfer Form T-17-06-01 was incorporated/presented as part of the June 30, 2017 financial reports. Year-To-Date (YTD) for the twelve months ending June 30, 2017, all but two categories were at or below the projected budget after the Budget Transfer Form T-17-06-01 was recorded.

The Administrative Salaries category was over budget by \$36,672 or 3.8%. At fiscal year-end, the vacation, sick, and administrative leave accrued balances by employee were adjusted as increases to the accrual balances and the correct ending balances have been recorded on the Balance Sheet as a Current Liability. For fiscal year-end as of June 30, 2017 the general journal adjustment amount to reconcile the accruals was \$53,200. This is a standard accounting journal entry that is completed each fiscal year. These year-end journal entries of \$53,200 increased the Watermaster Salary categories of sick leave balances by \$26,745 (account 60186.1); administrative leave balances by \$1,564 (account 60185.2); and vacation leave balances by \$24,891 (account 60185.3) as of June 30, 2017.

The other category above budget was the Depreciation Expenses (9400's) over budget by \$5,841 or 100%. The Depreciation Expense (9400's) is booked at year-end as part of the financial reporting closing entries. Historically, Watermaster has not budgeted for the depreciation expense at year-end because this expense is not a "cash" transaction (an expense paid to a vendor or entity), but an accounting adjustment to the balance sheet and the income statement.

By action of the Appropriative Pool on July 13, 2017, the Appropriative Pool Legal Services budget (account 8367) was increased from \$75,000 to \$90,757, an overall increase of \$15,757. The Appropriative Pool also authorized Watermaster staff to issue a Special Assessment for the collection of

the \$15,757. These Special Assessment invoices were generated as part of the closing process for June 30, 2017 and is included in the FY 2016/17 financial reports.

With the action by the Appropriative Pool of July 13, 2017, the Approved "Amended" Budget for FY 2016/17 was increased by \$15,757 from \$13,348,806.45 to \$13,364,563.45 (which includes the additional "Carry Over" funding of \$2,630,337.45 and \$200,000 from Reserves).

Overall, the Watermaster (YTD) Actual Expenses as of June 30, 2017 were \$4,776,940 or 35.7% below the (YTD) Budgeted Expenses of \$13,364,563.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

May 2017:

Budget Transfer Form T-17-05-01 in the amount of \$94,500 was approved by the Watermaster Board on June 22, 2017. The general ledger account that was increased by an additional \$65,000 was the Agricultural Pool Legal Services expenses (account 8467), while the offsetting decrease in budget of \$65,000 was for the Agricultural Pool Special Project Fund (account 8471). The remaining increase budget adjustment of \$29,500 was in the area of Contract Services (6060's) with the decrease in budget of \$29,500 coming from numerous Administrative expense categories.

Budget Amendment Form A-17-05-01 in the amount of \$100,000 was approved by the Watermaster Board on June 22, 2017. The amount of \$100,000 increased the Agricultural Pool Legal Services budget from \$270,000 to \$370,000 as a result of the ongoing additional costs related to the Safe Yield Redetermination and Reset efforts, along with other Agricultural Pool related legal activities. The additional funding of \$100,000 came from the Administrative Reserve Fund, which after the deduction of \$100,000 had a balance remaining of \$18,878.

With the addition of the \$100,000 from Budget Amendment Form A-17-05-01, the Approved "Amended" Budget for FY 2016/17 was increased from \$13,248,806.45 to \$13,348,806.45 (which includes the additional "Carry Over" funding of \$2,630,337.45).

April 2017:

A Budget Transfer Form T-17-05-01 in the amount of \$94,500 is being presented for approval during the June 2017 meetings. The Budget Transfer Form T-17-05-01 is a zero-based document, which means the reductions and additions within the general ledger accounts are equal. The general ledger account that was increased by an additional \$65,000 was the Agricultural Pool Legal Services expenses (account 8467), while the offsetting decrease in budget of \$65,000 was for the Agricultural Pool Special Project Fund (account 8471). The remaining increase budget adjustment of \$29,500 was in the area of Contract Services (6060's) with the decrease in budget of \$29,500 coming from numerous Administrative expense categories. Overall, the Approved "Amended" Budget for FY 2016/17 of \$13,248,806.45 (which includes the additional "Carry Over" funding of \$2,630,337.45) was NOT increased. For more information on Budget Transfer Form T-17-05-01, please see Business Item II.A.

Budget Amendment Form A-17-05-01 in the amount of \$100,000 is being presented for approval during the June 2017 meetings. The amount of \$100,000 is proposed to increase the Agricultural Pool Legal Services budget from \$270,000 to \$370,000 as a result of the ongoing additional costs related to the Safe Yield Redetermination and Reset efforts, along with other Agricultural Pool related legal activities. The additional funding of \$100,000 would come from the Administrative Reserve Fund which currently has an available balance of \$118,878. The Administrative Reserve Fund for FY 2016/17 was originally established with the amount of \$193,878 and reduced by \$75,000 when Budget Amendment Form A-17-04-01 was approved by the Watermaster Board on May 25, 2017. At the close of the fiscal year-end on June 30, 2017, any unused portion/remaining funds of the Budget Amendment A-17-05-01 could be reallocated to other Administrative budget areas, used to help fund the FY 2017/18 Administrative Reserve Fund, or refunded as excess cash to the Appropriative and Non-Agricultural Pools in November 2017 when the Assessment Package is approved. For more information on Budget Amendment Form A-17-05-01, please see Business Item II.B.

March 2017:

A Budget Amendment Form (A-17-04-01) in the amount of \$100,000 is being presented for approval during the May 2017 meetings. The amount of \$100,000 is proposed to increase the Brownstein Hyatt Farber Schreck budget from \$871,426 to \$971,426 as a result of the unanticipated costs resulting from the Alvarez CalPERS Hearing and the ongoing additional costs related to the Safe Yield Redetermination and Reset efforts. Please be reminded that during the FY 2016/17 budget workshop discussions, the recommendation was to reduce the overall BHFS legal budget by \$109,689 to the current budgeted amount of \$871,426. Please see Budget Amendment Form (A-17-04-01) in the Business Item section of the packet for more information.

August 2016:

The Amended Budget for FY 2016/17 is \$13,123,806.45 which includes \$2,630,337.45 for the prior years "Carry Over" funding. The Original Approved budget for FY 2016/17 of \$10,493,469 was approved by the Watermaster Board on May 26, 2016 (\$10,493,469 + \$2,630,337.45 = \$13,123,806.45).

September 2116:

During the month of September 2116, the "Carry Over" funding was calculated. The Total "Carry Over" funding amount of \$2,630,337.45 has been posted to the general ledger accounts. The total amount of \$2,630,337.45 consisted of \$2,264,522.96 from Capital Improvement Projects, \$326,577 from Engineering Services, \$29,285.99 from Chino Hills ASR, and \$9,951.50 from the Administrative section for the ongoing completion of the 37th Annual Report for Fiscal Year 2013/14 and the 38th Annual Report for Fiscal Year 2014/15. More detailed information is provided regarding this issue under the "Carry Over" Funding section.

SALARIES EXPENSE

CURRENT MONTH – JUNE 2017

As of June 30, 2017, the total (YTD) Watermaster salary expenses were \$3,147 or 0.2% below the (YTD) budgeted amount of \$1,676,323. The overall staffing budget was developed with a staffing level of ten Full-Time Equivalent (FTE's), and staffing is currently at nine Full-Time Equivalent (FTE's). The position of Water Resources Associate remains vacant and could be recruited for in the future as the work demands increase.

As previously reported at fiscal year-end, the vacation, sick, and administrative leave accrued balances by employee are adjusted and the correct ending balances have been recorded on the Balance Sheet as a Current Liability. For fiscal year-end as of June 30, 2017 the general journal adjustment amount to reconcile the accruals was \$53,200. This is a standard accounting journal entry that is completed each fiscal year. These year-end journal entries of \$53,200 increased the Watermaster Salary categories of sick leave balances by \$26,745 (account 60186.1); administrative leave balances by \$1,564 (account 60185.2); and vacation leave balances by \$24,891 (account 60185.3) as of June 30, 2017.

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 2016/17 budget was developed, basic assumptions were used in allocating how staff's time would be spent and on which of the projects or activities. The staffing dollars were then allocated into those specific areas and budgeted on a 1/12 monthly budget. When actual staffing activities vary from the budgeted assumptions, a positive or negative variance can be created. Currently, the allocations are tracking within budget.

The table summarizes the Year-To-Date (YTD) Actual Watermaster salary costs compared to the Year-To-Date (YTD) Budget as of June 30, 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 '16 - Jun '17 Actual	Jul '16 - Jun '17 Budget	\$ Over Budget	% of Budget	FY 2016/17 Annual Budget
WM Salary Expense					
6011 · WM Staff Salaries	952,749.19	918,331.00	34,418.19	103.75%	918,331.00
6011.1 · WM Staff Salaries - Overtime	14,583.51	0.00	14,583.51	100.0%	0.00
6011.4 · 457(f) NQDC Plan	25,399.21	20,800.00	4,599.21	122.11%	20,800.00
6015 · Miscellaneous Payments	60,188.76	0.00	60,188.76	100.0%	0.00
6017 · Temporary Services	0.00	21,000.00	-21,000.00	0.0%	21,000.00
6201 · Advisory Committee - WM Staff Salaries	24,254.69	23,119.00	1,135.69	104.91%	23,119.00
6301 · Watermaster Board - WM Staff Salaries	34,492.97	35,551.00	-1,058.03	97.02%	35,551.00
8301 · Appropriative Pool - WM Staff Salaries	31,990.03	31,965.00	25.03	100.08%	31,965.00
8401 · Agricultural Pool - WM Staff Salaries	26,375.96	28,126.00	-1,750.04	93.78%	28,126.00
8501 · Non-Agricultural Pool - WM Staff Salaries	17,238.37	18,202.00	-963.63	94.71%	18,202.00
6901 · OBMP - WM Staff Salaries	68,725.26	50,114.00	18,611.26	137.14%	50,114.00
7101.1 · Production Monitor - WM Staff Salaries	60,984.11	80,622.00	-19,637.89	75.64%	80,622.00
7102.1 · In-line Meter - WM Staff Salaries	764.23	9,389.00	-8,624.77	8.14%	9,389.00
7103.1 · Grdwater Quality - WM Staff Salaries	33,555.33	87,527.00	-53,971.67	38.34%	87,527.00
7104.1 · Grdwater Level - WM Staff Salaries	57,214.54	36,999.00	20,215.54	154.64%	36,999.00
7107.1 · GrdLevel Monitoring - WM Staff Salaries	471.60	0.00	471.60	100.0%	0.00
7108.1 · Hydraulic Control - WM Staff Salaries	411.68	3,155.00	-2,743.32	13.05%	3,155.00
7108.11 · Prado Basin - WM Staff Salaries	5,228.14	5,936.00	-707.86	88.08%	5,936.00
7201 · Comp Recharge - WM Staff Salaries	66,515.13	58,533.00	7,982.13	113.64%	58,533.00
7301 · PE3&5 - WM Staff Salaries	440.90	15,492.00	-15,051.10	2.85%	15,492.00
7401 · PE4 - WM Staff Salaries	0.00	9,425.00	-9,425.00	0.0%	9,425.00
7501 · PE6&7 - WM Staff Salaries	982.50	4,498.00	-3,515.50	21.84%	4,498.00
7501.1 · PE 6&7 - WM Staff Salaries (Plume)	0.00	4,974.00	-4,974.00	0.0%	4,974.00
7601 · PE8&9 - WM Staff Salaries	9,955.34	46,090.00	-36,134.66	21.6%	46,090.00
Subtotal WM Staff Costs	1,492,521.45	1,509,848.00	-17,326.55	98.85%	1,509,848.00
60185 · Vacation	56,440.21	69,111.00	-12,670.79	81.67%	69,111.00
60185.2 · Comp Time Accrual Adjustment	1,564.23	0.00	1,564.23	100.0%	0.00
60185.3 · Vacation Accrual Adjustment	24,890.83	0.00	24,890.83	100.0%	0.00
60186 · Sick Leave	21,381.16	48,682.00	-27,300.84	43.92%	48,682.00
60186.1 · Sick Leave Accrual Adjustment	26,744.46	0.00	26,744.46	100.0%	0.00
60187 · Holidays	49,633.70	48,682.00	951.70	101.96%	48,682.00
Subtotal WM Paid Leaves	180,654.59	166,475.00	14,179.59	108.52%	166,475.00
Total WM Salary Costs	1,673,176.04	1,676,323.00	-3,146.96	99.81%	1,676,323.00

PREVIOUSLY REPORTED ACTIONS (Descending Order)

November 2016:

The Sr. Environmental Engineer started his career with Watermaster on Tuesday, November 8, 2016. For more background information on the current Watermaster staff, please see the profile material provided on the Watermaster website: http://www.cbwm.org/org_staff.htm

September 2016:

The ongoing search for the new Water Resources Professional continued with the understanding that Watermaster is a small organization, and very important to ensure that the new team member not only have the right skills and abilities to succeed, but also critical to ensure the employee has the right personality, cultural fit, and understands the unique challenges of working within a small organization. Watermaster conducted three interviews for the Water Resources Professional during October 11, 2016 and October 20, 2016. The General Manager has issued an offer letter and the offer letter has been accepted by one of the candidates. The offer is contingent upon clearing a criminal and civil background investigation, educational verification, verification of employment eligibility in the United States, as well as

successfully passing a pre-employment physical examination and drug screening. These verifications are currently ongoing and expected to be completed by October 31, 2016. The new employee is scheduled to start with Watermaster on Tuesday, November 8, 2016.

With the new hire, the staffing level will increase from eight to nine FTE's. As mentioned above, the Watermaster FY 2016/17 staffing budget was developed and approved with ten FTE's.

August 2016:

Watermaster is currently in the process of filling one vacant position. Watermaster started the recruitment process for the Water Resources Professional position on March 16, 2016. After several candidates completed the interview process during the month of May, it was determined that a new recruitment process should begin. An updated recruitment advertisement was submitted to Brown & Caldwell and Water District Jobs on June 27, 2016. A group of new candidates were selected and scheduled for interviews between August 22, 2016 and September 1, 2016. Because Watermaster is a small organization, it is very important to ensure that the new team member not only has the right skills and abilities to succeed, it is also critical to ensure the employee has the right personality, cultural fit, and understands the challenges of working within a small organization. While some of the candidates had the experience and qualifications for the job description, the culture and personality fit was not a good match for Watermaster. As a result, the recruitment advertisement was resubmitted to Brown & Caldwell and Water District Jobs on September 19, 2016. Watermaster is reviewing all resumes as they are received for consideration. It is anticipated that the recruitment process could take an additional 45-60 days to complete the selection process, background verification, and hire the Water Resources professional.

July 2016:

Watermaster is currently in the process of filling one vacant position. Watermaster started the recruitment process for the Water Resources Professional position on March 16, 2016. After several candidates completed the interview process during the month of May, it was determined that a new recruitment process should begin. An updated recruitment advertisement was submitted to Brown & Caldwell and Water District Jobs on June 27, 2016. A group of new candidates have been selected and scheduled for interviews between August 22, 2016 and September 1, 2016. It is anticipated that the recruitment process could take an additional 30-45 days to complete the selection process, background verification, and hire the Water Resources professional.

LEGAL SERVICES

BROWNSTEIN HYATT FARBER SCHRECK EXPENSES

CURRENT MONTH – JUNE 2017

As of June 30, 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 \$917 or 0.08% below the (YTD) budgeted amount of \$1,055,026.

As previously reported, there were no Pool, Advisory or Board meetings scheduled for the month of August 2017. As a result, Budget Transfer Form T-17-06-01 in the amount of \$112,000 was prepared for approval by the Watermaster Pools, Advisory, and Board for the meetings scheduled in September 2017. Budget Transfer Form T-17-06-01 was required to close the books as of June 30, 2017 and adjust the Brownstein Hyatt Farber Schreck legal budget in several expense areas. The Budget Transfer Form T-17-06-01 was a zero-based document, which means the reductions and additions within the general ledger accounts were equal. The general ledger accounts that were increased by the additional \$112,000 from Budget Transfer Form T-17-06-01 were the BHFS Legal-Miscellaneous expenses (account 6078) in the amount of \$90,000 and the BHFS-Safe Yield Recalculation expenses (account 6907.42) in the amount of \$22,000. The reductions in the budget were from the Agricultural Pool Legal Service expenses (account 8467) in the amount of \$73,000; BHFS Appropriate Pool Legal Service expenses (account 8375) in the amount of \$8,500; BHFS Agricultural Pool Legal Service expenses (account 8475) in the amount of \$8,400; BHFS Non-Agricultural Pool Legal Service expenses (account 8575) in the amount of \$8,000; BHFS Advisory Committee Legal Service expenses (account 6275) in the amount of \$3,500;

Business Insurance Package expenses (account 6085) in the amount of \$4,000; Employee Training expenses (account 6193) in the amount of \$4,000; and Copier Lease Fees (account number 6043.1) in the amount of \$2,600.

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 2016/17. 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 \$871,426. The "Amended" budget was adjusted to \$971,426 when the Watermaster Board adopted the Budget Amendment Form A-17-04-01 in the amount of \$100,000 on May 25, 2017. Budget Transfer Form T-17-06-01 increased the BHFS budget from \$971,426 to \$1,055,026 which is an increase of \$83,600 or 8.6%.

WATERMASTER ADMINISTRATIVE LEGAL SERVICES:

Overall, the Watermaster Administrative Legal Services expense (6070's) as of June 30, 2017, was \$192 or 0.05% below the budgeted amount of \$365,713. 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 \$28,998 or 70.8%; Rules and Regulations (6072) under budget by \$18,760 or 62.3%; Interagency Issues (6074) under budget by \$30,600 or 100.0%; and Party Status Maintenance (6077) under budget by \$28,514 or 100.0%. The specific items within the Administrative Legal Services expenses (6070's) which were over budget were the expenses for Personnel Matters (6073) over budget by \$4,914 or 4.5%; and Miscellaneous Category expenses (6078) over budget by \$101,767 or 81.2%.

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

request was granted and the order now states the opening briefs shall be filed and served no later than July 11, 2016. The response briefs were filed and served no later than August 8, 2016. On September 7, 2016 the Administrative Law Judge issued his proposed decision. The proposed decision by Judge Sawyer was as follows:

1. Concluded that Mr. Alvarez's Watermaster salary did not meet the requirements of a "publicly available pay schedule"
2. Concluded that Mr. Alvarez was employed and should receive service credit for his full year at Watermaster

On November 16, 2016, the CalPERS Board of Administration decided not to adopt the Administrative Law Judge's proposed decision in the Alvarez matter and instead set the matter for a Board hearing. This was pursuant to the recommendation of Board counsel, and there was no discussion as to the rationale nor any comments from Board members. For context, however, this was the only proposed ALJ decision out of the 30 on the Board's agenda that was set for hearing rather than adopted as proposed.

The Board considered 1) whether Mr. Alvarez's salary was pursuant to a "publicly available pay schedule," 2) whether a portion of Mr. Alvarez's salary constituted severance pay, and 3) whether that severance pay was "PERSible."

The hearing was scheduled for the Board of Administration's regular meeting on December 21, 2016 at 9:00 a.m. Pursuant to CalPERS rules, the respondents were collectively allowed a 10-minute oral argument and 5-minute rebuttal, and Watermaster and Alvarez would need to share this time. Counsel had an opportunity to submit a brief written argument along the lines of what was previously submitted for the last Board of Administration meeting. This document was due Friday, December 9, 2016.

During the Board of Administration meeting on December 21, 2016 the CalPERS Board ruled 1) Mr. Alvarez's salary was not pursuant to a "publicly available pay schedule," 2) a portion of Mr. Alvarez's salary did constitute severance pay, and 3) that severance pay was not "PERSible."

Mr. Alvarez had until February 16, 2017 to decide whether or not to file a writ petition appealing the CALPERS' decision. No writ was filed.

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 June 30, 2017 was \$550 or 0.3% below the budgeted amount of \$162,833. Normal Brownstein Hyatt Farber Schreck meeting attendance during any given month includes attendance at all three pool meetings, one Advisory Committee meeting and one Board meeting. The Watermaster parties agreed that during the month of December 2016, 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 June 30, 2017 the category of OBMP legal expenses were \$175 or 0.03% below the budgeted amount of \$526,480. The majority of expenses within this OBMP category were under budget (YTD), however, the Santa Ana River Habitat legal expenses (6907.36) were over budget by \$26,692 or 100.0%; the Storage Agreement legal expenses (6907.40) were over budget by \$17,278 or 16.0%; the Prado Basin Habitat Sustainability legal expenses (6907.41) were over budget by \$6,513 or 45.4%; and the Safe Yield Redetermination and Reset legal expenses (6907.42) were over budget by \$129,024 or 111.6%.

The table listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of June 30, 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 '16 - Jun '17 Actual	Jul '16 - Jun '17 Budget	\$ Over Budget	% of Budget	FY 2016/17 Annual Budget
6070 · Watermaster Legal Services					
6071 · BHFS Legal - Court Coordination	11,952.34	40,950.00	-28,997.66	29.19%	40,950.00
6072 · BHFS Legal - Rules & Regulations	11,352.81	30,113.00	-18,760.19	37.7%	30,113.00
6073 · BHFS Legal - Personnel Matters	114,913.81	110,000.00	4,913.81	104.47%	110,000.00
6074 · BHFS Legal - Interagency Issues	0.00	30,600.00	-30,600.00	0.0%	30,600.00
6076 · BHFS Legal - Storage Issues	0.00	0.00	0.00	0.0%	0.00
6077 · BHFS Legal - Party Status Maintenance	185.85	28,700.00	-28,514.15	0.65%	28,700.00
6078 · BHFS Legal - Miscellaneous (Note 1)	227,116.58	125,350.00	101,766.58	181.19%	125,350.00
Total 6070 · Watermaster Legal Services	365,521.39	365,713.00	-191.61	99.95%	365,713.00
6275 · BHFS Legal - Advisory Committee	14,988.52	15,200.00	-211.48	98.61%	15,200.00
6375 · BHFS Legal - Board Meeting	67,307.44	77,220.00	-9,912.56	87.16%	77,220.00
6375.1 · BHFS Legal - Board Workshop(s)	23,108.76	11,163.00	11,945.76	207.01%	11,163.00
8375 · BHFS Legal - Appropriate Pool	19,371.78	19,550.00	-178.22	99.09%	19,550.00
8475 · BHFS Legal - Agricultural Pool	19,558.95	19,650.00	-91.05	99.54%	19,650.00
8575 · BHFS Legal - Non-Ag Pool	17,947.06	20,050.00	-2,102.94	89.51%	20,050.00
Total BHFS Legal Services	162,282.51	162,833.00	-550.49	99.66%	162,833.00
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	996.30	24,500.00	-23,503.70	4.07%	24,500.00
6907.32 · Chino Airport Plume	498.15	24,500.00	-24,001.85	2.03%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	28,700.00	-28,700.00	0.0%	28,700.00
6907.34 · Santa Ana River Water Rights	10,284.60	25,300.00	-15,015.40	40.65%	25,300.00
6907.36 · Santa Ana River Habitat	26,691.70	0.00	26,691.70	100.0%	0.00
6907.38 · Reg. Water Quality Cntrl Board	1,415.25	14,350.00	-12,934.75	9.86%	14,350.00
6907.39 · Recharge Master Plan	32,274.00	56,400.00	-24,126.00	57.22%	56,400.00
6907.40 · Storage Agreements	125,457.86	108,180.00	17,277.86	115.97%	108,180.00
6907.41 · Prado Basin Habitat Sustainability	20,862.68	14,350.00	6,512.68	145.39%	14,350.00
6907.42 · Safe Yield Recalculation	244,624.49	115,600.00	129,024.49	211.61%	115,600.00
6907.44 · SGMA Compliance	63,199.65	85,100.00	-21,900.35	74.27%	85,100.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	29,500.00	-29,500.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	526,304.68	526,480.00	-175.32	99.97%	526,480.00
Total Brownstein, Hyatt, Farber, Schreck Costs	1,054,108.58	1,055,026.00	-917.42	99.91%	1,055,026.00

Note 1: The types of legal activities that have been charged against the "Miscellaneous" legal category account 6078 are as follows: (1) Correspondence and discussions with Watermaster staff regarding current issues/topics; (2) Correspondence with Watermaster staff regarding special projects (assessment package, replenishment obligations, annual report, audit report, business plan, etc.); (3) Brownstein's status review of ongoing Watermaster projects and issues; (4) Brownstein's update of the outstanding issues list; (5) Coordination of ongoing Watermaster projects; (6) Review of draft documents; (7) Review transfer documents; (8) Ground-Level Monitoring Committee reports/meetings; (9) Review process and criteria for SGMA reporting; (10) Review current California issued drought regulations; (11) Review and comment on Waters of the United States rule making; (12) Review and draft documents for basin boundary regulations; (13) September 13, 2016 Workshop on Watermaster committees and Board roles; (14) Chino Basin water bank discussions; (15) MVWD SCADA Agreement; (16) Angelica Corporation Bankruptcy matter; (17) NRG/GENON Bankruptcy matter; (18) Agricultural Pool Contest; and (19) Miscellaneous legal research on current and pending issues.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

April 2017:

A Budget Amendment Form A-17-04-01 in the amount of \$100,000 was approved by the Watermaster Board on May 25, 2017. The amount of \$100,000 was to increase the Brownstein Hyatt Farber Schreck budget from \$871,426 to \$971,426 as a result of the unanticipated costs resulting from the Alvarez CalPERS Hearing and the ongoing additional costs related to the Safe Yield Redetermination and Reset efforts. Please be reminded that during the FY 2016/17 budget workshop discussions, the recommendation was to reduce the overall BHFS legal budget by \$109,689 to the former budgeted amount of \$871,426.

OBMP ENGINEERING SERVICES AND LEGAL COSTS

CURRENT MONTH – JUNE 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 twelve months ending June 30, 2017, the actual expenses of \$1,670,601 were below the budgeted amount of \$1,701,053 by \$30,452 or 1.8%. For a detailed discussion, the following is provided.

For June 30, 2017, the accounts 6901-6903 (Optimum Basin Mgmt Program) section was above the Year-To-Date (YTD) budget by \$23,526 or 37.0%. Watermaster utilizes an in-house database time and attendance system to record and document staff's actual hours worked and also allocates those hours to a specific project or activity. Watermaster staff time could be charged to Administrative, OBMP, or Implementation Project categories. Recently, Watermaster staff spent more time on specific OBMP related areas and less time on other related tasks. As a result, Watermaster staff allocated more actual time to the OBMP project as budgeted, which resulted in an over budget variance of \$18,611 or 37.1%. The remaining expense was the Santa Ana Watershed Project Authority (SAWPA) FY 2016/17 Basin Monitoring Program Task Force Contribution which was budgeted at \$13,500 but actual expenses were billed at \$18,415 which was above the budget by \$4,915 or 36.4% as of June 30, 2017.

For June 30, 2017, the accounts 6906 (Optimum Basin Mgmt Program Engineering Services) section was below the Year-To-Date (YTD) budget by \$51,283 or 4.7%. For FY 2016/17, the OBMP-Safe Yield Redetermination and Reset expenses (6906.73) did not have a budget amount authorized and for the month of June, 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 \$107,989 or 61.2%; State of the Basin Report expenses (6906.21) were over budget by \$36,310 or 36.3%; the OBMP-Pool, Advisory, Board Meeting Engineering Services expenses (6906.31) which were over budget by \$10,321 or 10.7%; the OBMP-Other General Meetings Engineering Services expenses (6906.32) which were over budget by \$61,560 or 170.8%; the OBMP-Data Requests-CBWM Staff Engineering Services expenses (6906.71) which were over budget by \$94,455 or 103.6%; the OBMP-Data Requests-Non Watermaster Staff expenses (6906.72) which were over budget by \$11,624 or 37.1%; the Preparation of the 38th/39th Annual Reports which were over budget by \$10,922 or 18.3%; and the OBMP Engineering Services-Other expenses (6906) which were over budget by \$3,378 or 11.8%.

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 \$179,507 while some other line item activities were below the budget by \$179,682. Above the budget line items were the Santa Ana River Habitat expenses of \$26,692; the Storage Agreement expenses of \$17,278; Prado Basin Habitat Sustainability expenses of \$6,513; and the Safe Yield Redetermination and Reset expenses of \$129,024. The individual legal projects/activities that were below budget for the Year-To-Date (YTD) period were the Archibald South Plume of \$23,504; the Chino Airport Plume of \$24,002; the Desalter/Hydraulic Control of \$28,700; the Santa Ana River Water Rights expenses of \$15,015; the Regional Water Quality Control Board of \$12,935; the Recharge Master Plan of \$24,126; the SGMA Compliance of \$21,900; and the WM Unanticipated legal expenses of \$29,500. For the twelve months ended June 30, 2017, the overall cumulative (YTD) budget was \$526,480 and the actual (BHFS) legal expenses totaled \$526,305 which resulted in an under budget variance of \$175 or 0.03%%.

The OBMP Other Expenses (6909's) were below the budget for the month. These expenses are typically conference calls, meeting expenses, supplies, annual inspection fees, and other miscellaneous type expenses. As of June 30, 2017 this category of expenses was \$2,520 or 18.7% below the budgeted amount of \$13,500.

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 June 30, 2017 this category of expenses was fully invoiced in the amount of \$208,391 to IEUA.

Overall, the Optimum Basin Management Program (OBMP) category was \$1,670,601 compared to a (YTD) budget of \$1,701,053 for an under budget of \$30,452 or 1.8% as of June 30, 2017.

The table listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of June 30, 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 '16 - Jun '17 Actual	Jul '16 - Jun '17 Budget	\$ Over Budget	% of Budget	FY 2016/17 Annual Budget
6900 · Optimum Basin Mgmt Plan					
6901 · WM Staff Salaries	68,725.26	50,114.00	18,611.26	137.14%	50,114.00
6903 · OBMP SAWPA Group	18,415.00	13,500.00	4,915.00	136.41%	13,500.00
Total 6901-6903 · OBMP WM Staff/SAWPA	87,140.26	63,614.00	23,526.26	136.98%	63,614.00
6906 · OBMP Engineering Services					
6906.1 · OBMP - Watermaster Model Update	284,449.00	176,460.00	107,989.00	161.2%	176,460.00
6906.21 · State of the Basin Report	136,309.96	100,000.00	36,309.96	136.31%	100,000.00
6906.22 · Water Rights Compliance Reporting	10,599.60	25,308.00	-14,708.40	41.88%	25,308.00
6906.23 · SGMA Reporting Requirements	24,073.69	28,040.00	-3,966.31	85.86%	28,040.00
6906.24 · Compliance - SB88 and SWRCB	37,783.86	75,000.00	-37,216.14	50.38%	75,000.00
6906.25 · Initial Assessment - Section 4.5-SYRA	0.00	213,740.00	-213,740.00	0.0%	213,740.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	106,435.07	96,114.00	10,321.07	110.74%	96,114.00
6906.32 · OBMP - Other General Meetings	97,604.58	36,045.00	61,559.58	270.79%	36,045.00
6906.71 · OBMP - Data Requests - CBWM Staff	185,610.81	91,156.00	94,454.81	203.62%	91,156.00
6906.72 · OBMP - Data Requests - Non CBWM	42,972.45	31,348.00	11,624.45	137.08%	31,348.00
6906.73 · OBMP - Safe Yield Recalculation	0.00	0.00	0.00	0.0%	0.00
6906.74 · OBMP - Mat'l Phy. Injury Requests	17,789.00	70,000.00	-52,211.00	25.41%	70,000.00
6906.75 · OBMP - Recharge Master Plan	0.00	0.00	0.00	0.0%	0.00
6906.81 · Prepare 38th/39th Annual Reports	70,610.03	59,688.00	10,922.03	118.3%	59,688.00
6906.82 · Support for Assessment Package	0.00	66,000.00	-66,000.00	0.0%	66,000.00
6906 · OBMP Engineering Services - Other	31,937.90	28,560.00	3,377.90	111.83%	28,560.00
Total 6906 · OBMP Engineering Services	1,046,175.95	1,097,459.00	-51,283.05	95.33%	1,097,459.00
6907 · OBMP Legal Fees					
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	996.30	24,500.00	-23,503.70	4.07%	24,500.00
6907.32 · Chino Airport Plume	498.15	24,500.00	-24,001.85	2.03%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	28,700.00	-28,700.00	0.0%	28,700.00
6907.34 · Santa Ana River Water Rights	10,284.60	25,300.00	-15,015.40	40.65%	25,300.00
6907.36 · Santa Ana River Habitat	26,691.70	0.00	26,691.70	100.0%	0.00
6907.38 · Reg. Water Quality Cntrl Board	1,415.25	14,350.00	-12,934.75	9.86%	14,350.00
6907.39 · Recharge Master Plan	32,274.00	56,400.00	-24,126.00	57.22%	56,400.00
6907.40 · Storage Agreements	125,457.86	108,180.00	17,277.86	115.97%	108,180.00
6907.41 · Prado Basin Habitat Sustainability	20,862.68	14,350.00	6,512.68	145.39%	14,350.00
6907.42 · Safe Yield Recalculation	244,624.49	115,600.00	129,024.49	211.61%	115,600.00
6907.44 · SGMA Compliance	63,199.65	85,100.00	-21,900.35	74.27%	85,100.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	29,500.00	-29,500.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	526,304.68	526,480.00	-175.32	99.97%	526,480.00
Total 6907 · OBMP Legal Fees	526,304.68	526,480.00	-175.32	99.97%	526,480.00
6909 · OBMP Other Expenses					
6909.1 · OBMP Meetings	2,712.93	1,500.00	1,212.93	180.86%	1,500.00
6909.3 · Other OBMP Expenses	1,697.00	2,000.00	-303.00	84.85%	2,000.00
6909.6 · OBMP Expenses - Miscellaneous	6,570.00	10,000.00	-3,430.00	65.7%	10,000.00
Total 6909 · OBMP Other Expenses	10,979.93	13,500.00	-2,520.07	81.33%	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	5,002.23	0.00	5,002.23	100.0%	0.00
6910.12 · WEI Support-Stormwater Recharge	0.00	0.00	0.00	0.0%	0.00
6910.13 · IEUA-San Sevaime Improvement Project	792.00	0.00	792.00	100.0%	0.00
6910.14 · Truing-Up 2013 RMPU Estimates	85,058.70	0.00	85,058.70	100.0%	0.00
6910.15 · WEI Support-HCP Modeling	17,999.14	0.00	17,999.14	100.0%	0.00
6910.20 · RMPU-MPI Analysis	99,539.03	0.00	99,539.03	100.0%	0.00
6910.50 · WEI Support for IEUA-Billings	-208,391.10	0.00	-208,391.10	100.0%	0.00
Total 6910 · WEI Support for IEUA	0.00	0.00	0.00	0.0%	0.00
Total 6900 · Optimum Basin Mgmt Plan	1,670,600.82	1,701,053.00	-30,452.18	98.21%	1,701,053.00

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

CURRENT MONTH – JUNE 2017

As of June 30, 2017, the total (YTD) Engineering Services expenses were \$405,703 or 13.2% below the (YTD) budget amount of \$3,067,429. The OBMP Implementation Projects (consolidated accounts 7100's – 7700's) were all under budget as of June 30, 2017.

Watermaster does not plan to present any Budget Transfers or Budget Amendments at this time.

Wildermuth Environmental, Inc. provides Watermaster an Estimated Cost at Completion (ECAC) report each quarter. The purpose of this ECAC report is to update Watermaster on whether or not the Engineering Services budget will be above or below budget at the end of the fiscal year. If the Engineering Services budget is expected to be above budget at fiscal year-end, a Budget Amendment or Budget Transfer Form would need to be approved to ensure funding. The final year-end report as of June 30, 2017 showed the total Engineering Services expenses under budget by \$405,703 (\$193,107 + \$212,596 = \$405,703) and of that balance, \$193,107 would be "Carried-Over" into the FY 2017/18 budget.

Table 1
Chino Basin Watermaster: Budget Summary for Engineering Tasks for Fiscal Year 2016/17
As of June 30, 2017

Acct #	Description	Original Budget	Revised Budget	Previously Billed	June Invoices	Total Billed	Carryover to FY 2017/18	Under / (Over) Revised Budget
6906	OBMP Engineering	\$ 820,999	\$ 820,999	\$ 703,429	\$ 44,236	\$ 747,666		\$ 73,333
6906.1	OBMP - Watermaster Model Applications	176,460	176,460	284,449	-	284,449		(107,989)
6906.21	State of the Basin Report	100,000	100,000	106,969	29,341	136,310		(36,310)
7103.3	GW Qality - Engineering Services	129,555	129,555	96,482	10,479	106,961		22,594
7103.5	GW Quality - Laboratory Services	39,205	39,205	29,490	-	29,490		9,715
7104.3	GW Level - Engineering Services	192,667	192,667	124,853	10,099	134,952		57,715
7104.8	GW Level - Contract Services	10,000	10,000	-	-	-		10,000
7104.9	GW Level - Capital Services	7,000	7,000	4,576	6,276	10,852		(3,852)
7107.2	Ground Level - Engineering Services	84,492	84,492	38,011	8,818	46,830	20,702 (1)	16,960
7107.3	Ground Level - SAR Imagery	85,000	85,000	85,000	-	85,000		-
7107.6	Ground Level - Contract Services	68,245	68,245	35,293	26,685	61,977	24,196 (2)	(17,926)
7107.8	Ground Level - Capital Equipment	3,500	3,500	229	-	229		3,271
7108.3	HCMP - Engineering Services	57,607	57,607	36,824	118	36,942		20,665
7108.4	HCMP - Lab Services	25,081	25,081	21,936	-	21,936		3,145
7108.31	HCMP - Eng. Serv. - PBHSP	276,864	288,936	356,492	10,965	367,457	6,000 (3)	(84,521)
7108.32	HCMP - Adaptive Management Plan	-	50,000	11,694	-	11,694		38,306
7108.41	HCMP - Lab. Serv. - PBHSP	49,216	49,216	34,132	11,304	45,436		3,780
7108.6	HCMP - Eng. Serv. - PBHSP - Outside Pro	65,000	65,000	44,424	-	44,424		20,577
7108.3	Recharge & Well Monitoring - Engineering Serv.	23,318	23,318	9,478	-	9,478		13,840
7202.2	Comp Recharge - Engineering Services	161,016	161,016	79,775	1,461	81,236		79,780
7303	OBMP - Engineering Services - Desalters	9,480	9,480	-	-	-		9,480
7402	OBMP - Engineering Services - MZ1	111,212	118,212	112,736	9,064	121,800		(3,588)
7402.1	OBMP - Engineering Services - Northwest MZ1	104,598	382,104	205,064	1,230	206,294	142,209 (3)	13,801
7403	OBMP - Contract Services - MZ1	30,000	30,000	500	-	500		29,500
7502	OBMP - Engineering Services - WQC	43,440	43,440	12,806	5,879	18,685		24,755
7602	OBMP - Engineering Services - Storage	66,896	66,896	33,565	17,564	51,129		15,767
Totals		\$ 2,740,852	\$ 3,067,429	\$ 2,468,208	\$ 193,518	\$ 2,661,726	\$ 193,107	\$ 212,596

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

- (1) Carryover budget to FY2017/18 to perform GL surveys for the long-term pumping test.
- (2) Carryover budget to FY2017/18 to respond to comments and finalize the first annual report.
- (3) Carryover budget to FY2017/18 to finish the Northwest MZ1 tasks.



The explanations regarding the Carry-Over amount of \$193,107 from FY 2016/17 to the FY 2017/18 budget is provided 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.

The table listed below summarized the Year-To-Date (YTD) Actual Wildermuth Environmental, Inc., (WEI) and other Engineering costs compared to the Year-To-Date (YTD) Budget as of June 30, 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 '16 - Jun '17	Jul '16 - Jun '17	\$ Over Budget	% of Budget	FY 2016/17
	Actual	Budget			Annual Budget
6906 · OBMP Engineering Services - Other	34,185.08	28,560.00	5,625.08	119.7%	28,560.00
6906.1 · OBMP - Watermaster Model Update	284,449.00	176,460.00	107,989.00	161.2%	176,460.00
6906.21 · State of the Basin Report	136,309.96	100,000.00	36,309.96	136.31%	100,000.00
6906.22 · Water Rights Compliance Reporting	25,599.60	25,308.00	291.60	101.15%	25,308.00
6906.23 · SGMA Reporting Requirements	39,073.69	28,040.00	11,033.69	139.35%	28,040.00
6906.24 · Compliance - SB88 and SWRCB	52,783.86	75,000.00	-22,216.14	70.38%	75,000.00
6906.25 · Initial Assessment - Section 4.5-SYRA	0.00	213,740.00	-213,740.00	0.0%	213,740.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	116,435.07	96,114.00	20,321.07	121.14%	96,114.00
6906.32 · OBMP - Other General Meetings	107,604.58	36,045.00	71,559.58	298.53%	36,045.00
6906.71 · OBMP - Data Requests - CBWM Staff	195,610.81	91,156.00	104,454.81	214.59%	91,156.00
6906.72 · OBMP - Data Requests - Non CBWM	52,972.45	31,348.00	21,624.45	168.98%	31,348.00
6906.74 · OBMP - Mat'l Physical Injury Requests	42,789.00	70,000.00	-27,211.00	61.13%	70,000.00
6906.81 · Prepare 38th/39th Annual Reports	80,610.03	59,688.00	20,922.03	135.05%	59,688.00
6906.82 · Support for Assessment Package	0.00	66,000.00	-66,000.00	0.0%	66,000.00
7103.3 · Grdwtr Qual-Engineering	106,961.02	129,555.00	-22,593.98	82.56%	129,555.00
7103.5 · Grdwtr Qual-Lab Svcs	29,490.06	39,205.00	-9,714.94	75.22%	39,205.00
7104.3 · Grdwtr Level-Engineering	134,952.82	192,667.00	-57,714.18	70.05%	192,667.00
7104.8 · Grdwtr Level-Contracted Services	0.00	10,000.00	-10,000.00	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equipment	10,852.71	7,000.00	3,852.71	155.04%	7,000.00
7107.2 · Grd Level-Engineering	46,829.67	52,540.00	-5,710.33	89.13%	52,540.00
7107.3 · Grd Level-SAR Imagery	85,000.00	85,000.00	0.00	100.0%	85,000.00
7107.6 · Grd Level-Contract Svcs	61,977.29	100,197.00	-38,219.71	61.86%	100,197.00
7107.8 · Grd Level-Capital Equipment	228.69	3,500.00	-3,271.31	6.53%	3,500.00
7108.3 · Hydraulic Control-Engineering	36,942.38	57,607.00	-20,664.62	64.13%	57,607.00
7108.31 · Hydraulic Control-PBHSP	367,456.76	288,936.00	78,520.76	127.18%	288,936.00
7108.32 · Hydraulic Control-Adaptive Mgmt Plan	11,694.25	50,000.00	-38,305.75	23.39%	50,000.00
7108.4 · Hydraulic Control-Lab Svcs	21,936.00	25,081.00	-3,145.00	87.46%	25,081.00
7108.41 · Hydraulic Control-PBHSP	45,436.00	49,216.00	-3,780.00	92.32%	49,216.00
7108.6 · Hydraulic Control-Outside Professionals	44,424.27	119,000.00	-74,575.73	37.33%	119,000.00
7109.3 · Recharge & Well - Engineering	9,477.80	23,318.00	-13,840.20	0.0%	23,318.00
7202.2 · Comp Recharge-Engineering Services	81,235.75	107,016.00	-25,780.25	75.91%	107,016.00
7303 · PE3&5-Engineering - Other	0.00	9,480.00	-9,480.00	0.0%	9,480.00
7402 · PE4-Engineering	121,800.08	88,212.00	33,588.08	138.08%	88,212.00
7402.10 · PE4-MZ1 Pomona Project	206,293.59	362,104.00	-155,810.41	56.97%	362,104.00
7403 · PE4-Contract Svcs	500.00	60,000.00	-59,500.00	0.83%	60,000.00
7502 · PE6&7-Engineering	18,685.00	43,440.00	-24,755.00	43.01%	43,440.00
7602 · PE8&9-Engineering	51,128.62	66,896.00	-15,767.38	76.43%	66,896.00
Total Engineering Services Costs	2,661,725.89	3,067,429.00	-405,703.11	86.77%	3,067,429.00 *

* Wildermuth and Subcontractor Engineering Budget of \$2,740,852 plus Carryover Funds from FY 2015/16 of \$326,577 = \$3,067,429
Carryover Funds from FY 2015/16 of \$326,577 = \$12,072 (7108.31); \$50,000 (7108.32); \$7,000 (7402); and \$257,505 (7402.10)

PREVIOUSLY REPORTED ACTIONS (Descending Order)

March 2017:

The third ECAC report for the current fiscal year has been provided for the period ending March 31, 2017 and shows a projected under budget at fiscal year-end June 30, 2017 of \$366,630. Be advised that approximately \$220,000 of the under budget amount of \$366,630 will be reduced once IEUA completes the final invoicing for Watermaster's portion of the PBHSP. The majority of the budget underage is projected in the categories of expenses in OBMP Engineering (6906's); Hydraulic Control-Engineering Services-PBHSP (7108.31); Comprehensive Recharge-Engineering Services (7202.2); and OBMP-Engineering Services-Storage (7602). There are also some activities that are projected to be over budget at fiscal year-end. To see the complete July 1, 2016 through March 31, 2017 ECAC report, click on the following link:

<http://www.cbwm.org/FTP/ECAC%20Reports/2016-17%203rd%20Quarter%20Review%20and%20ECAC-010117%20to%20033117.pdf>

Attachment 1a
Chino Basin Watermaster: Invoice Projections for Engineering Tasks for Fiscal Year 2016/17
As of March 31, 2017

Acct #	Description	Original Budget	Revised Budget	Billed Jul-16	Billed Aug-16	Billed Sep-16	Billed Oct-16	Billed Nov-16	Billed Dec-16	Billed Jan-17
6906	OBMP Engineering	\$ 820,999	\$ 820,999	\$ 76,132	\$ 80,575	\$ 96,609	\$ 65,834	\$ 34,589	\$ 32,474	\$ 54,908
6906.1	OBMP - Watermaster Model Applications	176,460	176,460	2,359	23,757	10,948	28,993	27,727	31,932	60,907
6906.21	State of the Basin Report	100,000	100,000	-	-	-	-	8,165	7,918	6,503
6910.11	IEUA - As-Need Support for Obtaining Grant Funding of RMPU Projects	-	-	2,980	2,022	-	-	-	-	-
6910.13	IEUA - GW Velocity Field - San Savelle Basin Improvement Project	-	-	644	149	-	-	-	-	-
6910.14	IEUA - Truing-Up 2013 RMPU Recharge Estimates	-	-	-	48,210	17,017	15,520	4,312	-	-
6910.15	IEUA - WLAM Update - 2013 RMPU Facilities	-	-	-	-	-	-	-	-	-
6910.20	IEUA - MPI Analysis for RMPU	-	-	-	2,192	34,432	24,156	21,250	17,509	-
7103.3	GW Quality - Engineering Services	129,555	129,555	16,733	14,493	14,423	3,217	5,558	6,416	6,831
7103.5	GW Quality - Laboratory Services	39,205	39,205	1,346	10,623	6,968	848	3,380	5,697	-
7104.3	GW Level - Engineering Services	192,667	192,667	8,788	23,979	10,748	7,503	16,170	8,484	12,922
7104.8	GW Level - Contract Services	10,000	10,000	-	-	-	-	-	-	-
7104.9	GW Level - Capital Services	7,000	7,000	-	1,232	474	1,767	455	122	-
7107.2	Ground Level - Engineering Services	84,492	84,492	4,591	2,880	1,440	4,289	2,525	3,334	4,088
7107.3	Ground Level - SAR Imagery	85,000	85,000	-	-	-	12,000	-	-	17,000
7107.8	Ground Level - Contract Services	68,245	68,245	-	-	-	-	-	-	10,868
7107.9	Ground Level - Capital Equipment	3,500	3,500	-	-	-	-	229	-	-
7108.3	HCMP - Engineering Services	57,607	57,607	2,052	7,996	1,668	2,459	-	-	2,223
7108.4	HCMP - Lab Services	25,081	25,081	2,032	13,408	-	2,432	-	-	2,032
7108.31	HCMP - Eng. Serv. - PBHSP	276,864	288,936	-	30,350	20,176	25,000	5,153	5,351	38,283
7108.32	HCMP - Adaptive Management Plan	-	50,000	-	6,991	6,966	4,429	5,833	19,081	10,690
7108.41	HCMP - Lab. Serv. - PBHSP	49,216	49,216	-	-	11,304	-	-	11,304	-
7108.6	HCMP - Eng. Serv. - PBHSP - Outside Pro	65,000	65,000	-	-	40,000	-	-	-	128
7109.3	Recharge & Well Monitoring - Engineering Serv.	23,318	23,318	-	2,171	-	-	2,080	-	-
7202.2	Comp Recharge - Engineering Services	161,016	161,016	17,889	7,199	3,298	10,324	6,356	760	10,490
7303	OBMP - Engineering Services - Desalters	9,480	9,480	-	-	-	-	-	-	-
7402	OBMP - Engineering Services - MZ1	111,212	118,212	10,405	14,026	21,782	1,739	510	2,021	6,199
7402.1	OBMP - Engineering Services - Northwest MZ1	104,539	362,104	11,553	27,005	24,465	53,179	23,497	11,433	13,437
7403	OBMP - Contract Services - MZ1	30,000	30,000	500	-	-	-	-	-	-
7502	OBMP - Engineering Services - WQC	43,440	43,440	1,405	-	1,274	4,298	1,170	601	469
7602	OBMP - Engineering Services - Storage	66,896	66,896	-	1,579	5,374	-	1,518	-	253
7625	IEUA - Storage Program - Addendum to OBMP P	-	-	-	-	-	-	-	-	1,937
Totals		\$ 2,740,852	\$ 3,067,429	\$ 159,413	\$ 320,927	\$ 289,387	\$ 267,504	\$ 168,979	\$ 167,436	\$ 260,048

5/4/2017-11:31 AM
2016-17CBWM_Invoice_Summary_ISBM_20170410-Projection Summary



Attachment 1a
Chino Basin Watermaster: Invoice Projections for Engineering Tasks for Fiscal Year 2016/17
As of March 31, 2017

Acct #	Description	Billed Feb-17	Billed Mar-17	Projected Apr-17	Projected May-17	Projected Jun-17	Total Projected	Less IEUA Portion of Cost Share			
								Total Projected	Under / (Over) Rev. Budget	YTD % Billed Rev. Budget	Projected % Rev. Budget
6906	OBMP Engineering	\$ 41,588	\$ 52,499	\$ 42,167	\$ 33,571	\$ 28,071	\$ 599,017	\$ 599,017	\$ 221,982	60%	73%
6906.1	OBMP - Watermaster Model Applications	52,349	47,477	-	-	-	284,449	284,449	(107,989)	161%	161%
6906.21	State of the Basin Report	880	387	25,200	50,000	50,000	149,073	149,073	(49,073)	24%	149%
6910.11	IEUA - As-Need Support for Obtaining Grant Funding of RMPU Projects	-	-	-	-	-	5,002	2,501	(2,501)	n/a	n/a
6910.13	IEUA - GW Velocity Field - San Savelle Basin Improvement Project	-	-	-	-	-	792	396	(396)	n/a	n/a
6910.14	IEUA - Truing-Up 2013 RMPU Recharge Estimates	-	-	-	-	-	85,059	42,530	(42,530)	n/a	n/a
6910.15	IEUA - WLAM Update - 2013 RMPU Facilities	-	-	-	18,500	-	18,500	9,250	(9,250)	n/a	n/a
6910.20	IEUA - MPI Analysis for RMPU	-	-	-	-	-	99,539	49,770	(49,770)	n/a	n/a
7103.3	GW Quality - Engineering Services	7,019	9,635	6,700	6,450	14,600	114,079	114,079	15,476	67%	88%
7103.5	GW Quality - Laboratory Services	-	900	900	-	-	29,762	29,762	9,443	74%	76%
7104.3	GW Level - Engineering Services	10,497	8,961	15,685	17,485	18,185	159,399	159,399	33,268	56%	83%
7104.8	GW Level - Contract Services	-	-	-	-	-	-	-	10,000	0%	0%
7104.9	GW Level - Capital Services	527	-	-	6,000	-	10,576	10,576	(3,576)	85%	151%
7107.2	Ground Level - Engineering Services	5,856	4,951	6,098	5,671	24,044	69,765	69,765	14,727	40%	83%
7107.3	Ground Level - SAR Imagery	-	56,000	-	-	-	85,000	85,000	-	100%	100%
7107.8	Ground Level - Contract Services	-	24,425	17,500	12,500	23,596	88,889	88,889	(20,644)	52%	130%
7107.9	Ground Level - Capital Equipment	-	200	200	200	-	829	829	2,671	7%	24%
7108.3	HCMP - Engineering Services	1,805	12,035	6,555	850	-	37,643	37,643	19,964	52%	65%
7108.4	HCMP - Lab Services	-	2,032	-	-	-	21,936	21,936	3,145	79%	87%
7108.31	HCMP - Eng. Serv. - PBHSP	48,027	68,132	44,255	22,800	14,650	323,158	157,161	131,775	84%	54%
7108.32	HCMP - Adaptive Management Plan	282	-	-	-	-	54,262	54,262	(4,262)	109%	109%
7108.41	HCMP - Lab. Serv. - PBHSP	-	11,524	-	-	11,524	45,656	45,656	3,560	68%	93%
7108.6	HCMP - Eng. Serv. - PBHSP - Outside Pro	4,298	-	-	-	-	44,424	44,424	20,577	68%	68%
7109.3	Recharge & Well Monitoring - Engineering Serv.	1,721	-	3,000	3,000	3,000	14,973	14,973	8,345	26%	84%
7202.2	Comp Recharge - Engineering Services	11,379	5,810	6,000	8,500	6,000	94,004	94,004	67,012	46%	58%
7303	OBMP - Engineering Services - Desalters	-	-	790	790	790	2,370	2,370	7,110	0%	25%
7402	OBMP - Engineering Services - MZ1	10,571	18,605	16,876	17,058	16,772	136,564	136,564	(18,352)	73%	116%
7402.1	OBMP - Engineering Services - Northwest MZ1	11,819	12,385	23,400	24,400	111,271	347,862	347,862	14,242	52%	96%
7403	OBMP - Contract Services - MZ1	-	-	-	-	-	500	500	29,500	2%	2%
7502	OBMP - Engineering Services - WQC	-	1,788	2,500	4,000	6,000	23,504	23,504	19,936	25%	54%
7602	OBMP - Engineering Services - Storage	-	2,340	2,340	-	-	13,405	13,405	53,491	17%	20%
7625	IEUA - Storage Program - Addendum to OBMP P	19,805	759	-	-	-	22,501	11,250	(11,250)	n/a	n/a
Totals		\$ 228,411	\$ 337,714	\$ 222,197	\$ 231,775	\$ 326,703	\$ 2,982,493	\$ 2,700,799	\$ 366,630	72%	97%

Note: Billed includes MMH Laboratory invoices paid directly by Watermaster.

5/4/2017-11:31 AM
2016-17CBWM_Invoice_Summary_ISBM_20170410-Projection Summary



The fourth ECAC report is scheduled to be issued in mid-August 2017 for the period July 2016 through June 2017.

December 2016:

The second ECAC report for the current fiscal year has been provided for the period ending December 31, 2016 and shows a projected under budget at fiscal year-end June 30, 2017 of \$180,130. The majority of the budget underage is projected in OBMP Engineering (6906's) and OBMP-Engineering Services-MZ1 (7402). There are also some activities that are projected to be over budget at fiscal year-end. To see the complete July 1, 2016 through December 31, 2016 ECAC report, click on the following link:

<http://www.cbwm.org/FTP/ECAC%20Reports/2016-17%202nd%20Quarter%20Review%20and%20ECAC-070116%20to%20123116.pdf>

Attachment 1a
Chino Basin Watermaster: Invoice Projections for Engineering Tasks for Fiscal Year 2016/17
As of December 31, 2016

Acct #	Description	Original Budget	Revised Budget	Billed Jul-16	Billed Aug-16	Billed Sep-16	Billed Oct-16	Billed Nov-16	Billed Dec-16	Projected Jan-17
6906	OBMP Engineering	\$ 820,999	\$ 820,999	\$ 76,132	\$ 80,675	\$ 55,609	\$ 65,834	\$ 34,589	\$ 32,474	\$ 60,371
6906.1	OBMP - Watermaster Model Applications	176,460	176,460	2,359	23,757	10,948	26,993	27,727	31,932	30,000
6906.21	State of the Basin Report	100,000	100,000	-	-	-	-	8,185	7,918	9,000
6910.11	IEUA - As-Need Support for Obtaining Grant Funding of RMPU Projects	-	-	2,980	2,022	-	-	-	-	500
6910.13	IEUA - GW Velocity Field - San Savaire Basin Improvement Project	-	-	644	149	-	-	-	-	-
6910.14	IEUA - Truing-Up 2013 RMPU Recharge Estimates	-	-	-	48,210	17,017	15,520	4,312	-	-
6910.20	IEUA - MPI Analysis for RMPU	-	-	-	2,192	34,432	24,156	21,250	17,509	-
7103.3	GWV Quality - Engineering Services	129,555	129,555	16,738	14,493	14,423	3,217	5,558	8,416	4,700
7103.5	GWV Quality - Laboratory Services	39,205	39,205	1,345	10,623	6,968	848	3,380	5,697	-
7104.3	GWV Level - Engineering Services	192,667	192,667	8,788	23,979	10,748	7,503	16,170	8,484	18,085
7104.8	GWV Level - Contract Services	10,000	10,000	-	-	-	-	-	-	-
7104.9	GWV Level - Capital Services	7,000	7,000	-	1,232	474	1,767	455	122	-
7107.2	Ground Level - Engineering Services	84,492	84,492	4,591	2,880	1,440	4,289	2,525	3,334	11,893
7107.3	Ground Level - SAR Imagery	85,000	85,000	-	-	-	12,000	-	-	17,000
7107.5	Ground Level - Contract Services	68,245	68,245	-	-	-	-	-	-	43,077
7107.8	Ground Level - Capital Equipment	3,500	3,500	-	-	-	-	229	-	-
7108.3	HCMP - Engineering Services	57,607	57,607	2,052	7,996	1,668	2,459	-	-	3,564
7108.4	HCMP - Lab Services	25,081	25,081	2,032	13,408	-	2,432	-	-	2,032
7108.31	HCMP - Eng. Serv. - PBHSP	276,864	288,936	-	30,350	20,176	25,000	5,153	6,351	59,300
7108.32	HCMP - Adaptive Management Plan	-	50,000	-	6,981	6,966	4,429	5,833	19,081	5,550
7108.41	HCMP - Lab. Serv. - PBHSP	49,216	49,216	-	-	11,304	-	-	11,304	-
7108.6	HCMP - Eng. Serv. - PBHSP - Outside Pro	65,000	65,000	-	-	40,000	-	-	-	8,000
7109.3	Recharge & Well Monitoring - Engineering Serv.	23,318	23,318	-	2,171	-	-	2,080	-	-
7202.2	Comp Recharge - Engineering Services	161,016	161,016	17,889	7,199	3,298	10,324	6,356	760	10,368
7303	OBMP - Engineering Services - Desalters	9,480	9,480	-	-	-	-	-	-	-
7402	OBMP - Engineering Services - MZ1	111,212	118,212	10,405	14,026	21,782	1,739	510	2,021	11,000
7402.1	OBMP - Engineering Services - Northwest MZ1	104,599	362,104	11,553	27,005	24,485	53,179	23,497	11,433	36,250
7403	OBMP - Contract Services - MZ1	30,000	30,000	500	-	-	-	-	-	-
7502	OBMP - Engineering Services - WQC	43,440	43,440	1,405	-	1,274	4,298	1,170	601	2,000
7602	OBMP - Engineering Services - Storage	66,896	66,896	-	1,579	5,374	1,518	-	-	30,000
Totals		\$ 2,740,852	\$ 3,067,429	\$ 159,413	\$ 320,927	\$ 289,387	\$ 267,504	\$ 168,979	\$ 167,436	\$ 362,690

Attachment 1a
Chino Basin Watermaster: Invoice Projections for Engineering Tasks for Fiscal Year 2016/17
As of December 31, 2016

Acct #	Description	Projected Feb-17	Projected Mar-17	Projected Apr-17	Projected May-17	Projected Jun-17	Total Projected	Less IEUA Portion of Cost Share			
								Total Projected	Under / (Over) Rev. Budget	YTD % Billed Rev. Budget	Projected % Rev. Budget
6906	OBMP Engineering	\$ 61,071	\$ 49,171	\$ 38,904	\$ 30,471	\$ 27,971	\$ 614,273	\$ 614,273	\$ 206,726	42%	75%
6906.1	OBMP - Watermaster Model Applications	20,000	-	-	-	-	173,716	173,716	2,744	70%	98%
6906.21	State of the Basin Report	20,000	25,000	30,000	25,000	24,230	149,333	149,333	(49,333)	16%	149%
6910.11	IEUA - As-Need Support for Obtaining Grant Funding of RMPU Projects	-	-	-	-	-	5,502	2,751	(2,751)	n/a	n/a
6910.13	IEUA - GW Velocity Field - San Savelle Basin Improvement Project	-	-	-	-	-	792	396	(396)	n/a	n/a
6910.14	IEUA - Truing-Up 2013 RMPU Recharge Estimates	-	-	-	-	-	85,059	42,530	(42,530)	n/a	n/a
6910.2	IEUA - MPI Analysis for RMPU	-	-	-	-	-	99,539	49,770	(49,770)	n/a	n/a
7103.3	GW Quality - Engineering Services	15,850	14,000	5,000	-	14,000	116,394	116,394	13,161	49%	90%
7103.5	GW Quality - Laboratory Services	826	-	-	-	-	29,688	29,688	9,517	74%	76%
7104.3	GW Level - Engineering Services	16,853	11,903	17,603	17,103	13,698	170,920	170,920	21,747	39%	89%
7104.8	GW Level - Contract Services	-	-	-	10,000	-	10,000	10,000	-	0%	100%
7104.9	GW Level - Capital Services	-	-	-	-	3,500	7,549	7,549	(549)	58%	108%
7107.2	Ground Level - Engineering Services	4,666	16,236	6,993	1,466	23,466	83,779	83,779	713	23%	99%
7107.3	Ground Level - SAR Imagery	-	56,000	-	-	-	85,000	85,000	-	14%	100%
7107.6	Ground Level - Contract Services	21,572	-	1,700	300	1,596	68,245	68,245	0	0%	100%
7107.8	Ground Level - Capital Equipment	-	-	1,000	-	-	1,229	1,229	2,271	7%	35%
7108.3	HCMP - Engineering Services	12,330	18,100	10,815	600	-	59,814	59,814	(2,207)	25%	104%
7108.4	HCMP - Lab Services	-	-	2,032	-	-	21,936	21,936	3,145	71%	87%
7108.31	HCMP - Eng. Serv. - PBHSP	45,100	35,400	23,200	15,100	16,527	283,658	283,658	5,278	30%	96%
7108.32	HCMP - Adaptive Management Plan	-	-	-	-	-	46,839	46,839	1,161	67%	98%
7108.41	HCMP - Lab. Serv. - PBHSP	-	12,304	-	-	12,304	47,216	47,216	2,000	46%	96%
7108.6	HCMP - Eng. Serv. - PBHSP - Outside Pro	-	-	-	-	-	49,000	49,000	17,000	62%	74%
7109.3	Recharge & Well Monitoring - Engineering Serv.	3,000	-	-	9,000	3,000	19,252	19,252	4,067	18%	83%
7202.2	Comp Recharge - Engineering Services	17,555	15,055	15,055	17,555	15,055	136,470	136,470	24,546	26%	85%
7303	OBMP - Engineering Services - Desalters	1,000	1,000	1,000	1,000	1,000	5,000	5,000	4,480	0%	53%
7402	OBMP - Engineering Services - MZ1	18,600	23,000	7,750	12,558	19,100	142,490	142,490	(24,278)	43%	121%
7402.1	OBMP - Engineering Services - Northwest MZ1	28,731	26,750	65,390	17,000	17,591	342,863	342,863	19,241	42%	95%
7403	OBMP - Contract Services - MZ1	18,371	-	10,000	-	-	28,871	28,871	1,129	2%	96%
7502	OBMP - Engineering Services - WQC	3,620	3,620	3,620	3,620	3,620	28,848	28,848	14,592	20%	86%
7602	OBMP - Engineering Services - Storage	30,000	-	-	-	-	68,471	68,471	(1,575)	13%	102%
Totals		\$ 339,145	\$ 307,539	\$ 240,853	\$ 161,003	\$ 196,659	\$ 2,982,745	\$ 2,887,299	\$ 180,430	46%	97%

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

1/26/2017--9:23 AM
2016-17CBWM_InvIcice_Summary_ISBM_20170105--P Projection Summary



Watermaster does not plan to present any Budget Transfers or Budget Amendments at this time.

The third ECAC report is scheduled to be issued in mid-May 2017 for the period July 2016 through March 2017.

November 2016:

The first ECAC report for the current fiscal year has been provided for the period ending September 30, 2016 and shows a projected over budget at fiscal year-end June 30, 2017 of \$35,859. The majority of the budget overage is projected in OBMP Engineering (6906's) and OBMP-Engineering Services-MZ1 (7402). There are also some activities that are projected to be under budget at fiscal year-end. To see the complete July 1, 2016 through September 30, 2016 ECAC report, click on the following link:

<http://www.cbwm.org/FTP/ECAC%20Reports/2016-17%201st%20Quarter%20Review%20and%20ECAC-070116%20to%20093016.pdf>

Watermaster does not plan to present any Budget Transfers or Budget Amendments at this time.

The second ECAC report is scheduled to be issued in mid-February 2017 for the period July 2016 through December 2016.

October 2016:

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

The first ECAC report for the current fiscal year has been provided for the period ending September 30, 2016 and shows a projected over budget at fiscal year-end June 30, 2017 of \$35,859. The majority of the budget overage is projected in OBMP Engineering (6906's) and OBMP-Engineering Services-MZ1 (7402). There are also some activities that are projected to be under budget at fiscal year-end. Watermaster does not plan to present any Budget Transfers or Budget Amendments at this time.

The second ECAC report is scheduled to be issued in mid-February 2017 for the period July 2016 through December 2016.

Attachment 1a
Chino Basin Watermaster: Invoice Projections for Engineering Tasks for Fiscal Year 2016/17
As of September 30, 2016

Acct #	Description	Original Budget	Revised Budget	Billed Jul-16	Billed Aug-16	Billed Sep-16	Projected Oct-16	Projected Nov-16	Projected Dec-16	Projected Jan-17
6906	OBMP Engineering	\$ 820,999	\$ 820,999	\$ 79,112	\$ 84,890	\$ 91,041	\$ 89,694	\$ 75,571	\$ 43,233	\$ 66,071
6906.1	OBMP - Watermaster Model Applications	176,460	176,460	2,359	23,757	10,948	27,000	14,050	14,050	14,050
6906.21	State of the Basin Report	100,000	100,000	-	-	-	-	12,000	8,000	20,000
7103.3	GW Quality - Engineering Services	129,555	129,555	16,738	14,493	14,423	2,871	7,500	9,500	10,803
7103.5	GW Quality - Laboratory Services	39,205	39,205	1,346	10,623	6,958	848	4,350	8,500	3,420
7104.3	GW Level - Engineering Services	192,667	192,667	8,788	23,979	10,748	7,555	19,185	16,385	18,785
7104.8	GW Level - Contract Services	10,000	10,000	-	-	-	-	-	-	-
7104.9	GW Level - Capital Services	7,000	7,000	-	1,232	474	1,800	5	-	-
7107.2	Ground Level - Engineering Services	84,492	84,492	4,591	2,880	1,440	4,180	2,500	10,700	13,293
7107.3	Ground Level - SAR Imagery	85,000	85,000	-	-	-	12,000	-	-	17,000
7107.6	Ground Level - Contract Services	68,245	68,245	-	-	-	-	202	15,300	30,300
7107.8	Ground Level - Capital Equipment	3,500	3,500	-	-	-	-	-	2,000	-
7108.3	HCMP - Engineering Services	57,507	57,507	2,052	7,996	1,668	2,459	200	100	3,874
7108.4	HCMP - Lab Services	25,081	25,081	2,032	13,408	-	2,432	-	-	2,032
7108.31	HCMP - Eng. Serv. - PBHSP	276,864	288,936	-	30,350	20,176	24,700	23,550	45,056	41,755
7108.32	HCMP - Adaptive Management Plan	-	50,000	-	6,981	6,966	4,500	18,650	14,956	-
7108.41	HCMP - Lab. Serv. - PBHSP	49,216	49,216	-	-	11,304	-	-	12,304	-
7108.6	HCMP - Eng. Serv. - PBHSP - Outside Pro	65,000	65,000	-	-	40,000	-	6,800	-	-
7109.3	Recharge & Well Monitoring - Engineering Serv.	23,318	23,318	-	2,171	-	-	2,700	-	-
7202.2	Comp Recharge - Engineering Services	161,016	161,016	17,889	7,199	3,298	9,898	12,208	12,208	16,114
7303	OBMP - Engineering Services - Desalters	9,480	9,480	-	-	-	250	1,150	1,150	1,150
7402	OBMP - Engineering Services - MZ1	111,212	118,212	10,405	14,026	21,782	1,600	9,600	9,600	800
7402.1	OBMP - Engineering Services - Northwest MZ1	104,599	362,104	11,553	27,005	24,485	53,303	44,000	40,750	40,250
7403	OBMP - Contract Services - MZ1	30,000	30,000	500	-	-	-	15,000	9,500	-
7502	OBMP - Engineering Services - WQC	43,440	43,440	1,405	-	1,274	4,500	3,620	3,620	3,620
7602	OBMP - Engineering Services - Storage	66,896	66,896	-	1,579	5,374	1,500	7,305	7,305	7,305
Totals		\$ 2,740,652	\$ 3,067,429	\$ 158,769	\$ 272,569	\$ 272,370	\$ 251,090	\$ 279,947	\$ 284,218	\$ 310,422



Attachment 1a
Chino Basin Watermaster: Invoice Projections for Engineering Tasks for Fiscal Year 2016/17
As of September 30, 2016

Acct #	Description	Projected Feb-17	Projected Mar-17	Projected Apr-17	Projected May-17	Projected Jun-17	Total Projected	Under / (Over) Rev. Budget	YTD % Billed Rev. Budget	Projected % Rev. Budget
6906	OBMP Engineering	\$ 62,162	\$ 65,531	\$ 68,171	\$ 67,771	\$ 64,171	\$ 877,419	\$ (56,420)	31%	107%
6906.1	OBMP - Watermaster Model Applications	14,050	14,050	14,050	14,050	14,050	176,460	-	21%	100%
6906.21	State of the Basin Report	20,000	20,000	20,000	-	-	100,000	-	0%	100%
7103.3	GW Quality - Engineering Services	18,200	12,110	4,386	-	15,000	122,874	6,681	35%	95%
7103.5	GW Quality - Laboratory Services	-	-	-	-	-	39,205	-	48%	100%
7104.3	GW Level - Engineering Services	17,353	13,603	19,853	17,603	15,260	189,100	3,567	23%	98%
7104.8	GW Level - Contract Services	-	-	-	10,000	-	10,000	-	0%	100%
7104.9	GW Level - Capital Services	-	-	-	-	5,200	8,712	(1,712)	24%	124%
7107.2	Ground Level - Engineering Services	4,700	20,148	16,793	1,500	1,500	84,224	288	11%	100%
7107.3	Ground Level - SAR Imagery	-	56,000	-	-	-	65,000	-	0%	100%
7107.6	Ground Level - Contract Services	300	19,949	300	300	1,596	68,245	-	0%	100%
7107.8	Ground Level - Capital Equipment	-	1,000	-	-	-	3,000	500	0%	86%
7108.3	HCMP - Engineering Services	12,190	14,990	11,813	730	1,026	59,098	(1,491)	20%	103%
7108.4	HCMP - Lab Services	-	-	2,032	-	-	21,936	3,145	62%	87%
7108.31	HCMP - Eng. Serv. - PBHSP	31,030	30,086	12,713	13,441	14,802	287,459	1,477	17%	99%
7108.32	HCMP - Adaptive Management Plan	-	-	-	-	-	52,052	(2,052)	28%	104%
7108.41	HCMP - Lab. Serv. - PBHSP	-	12,304	-	-	12,304	48,216	1,000	23%	98%
7108.6	HCMP - Eng. Serv. - PBHSP - Outside Pro	-	-	-	-	-	46,600	18,400	62%	72%
7109.3	Recharge & Well Monitoring - Engineering Serv.	3,200	-	-	9,000	5,118	22,189	1,129	9%	95%
7202.2	Comp Recharge - Engineering Services	16,114	16,114	16,114	16,114	16,114	159,386	1,630	18%	99%
7303	OBMP - Engineering Services - Desalters	1,150	1,150	1,150	1,150	1,150	9,450	30	0%	100%
7402	OBMP - Engineering Services - MZ1	13,000	23,000	7,750	12,558	19,100	143,021	(24,809)	39%	121%
7402.1	OBMP - Engineering Services - Northwest MZ1	20,750	23,790	39,750	14,000	15,591	355,227	6,877	17%	98%
7403	OBMP - Contract Services - MZ1	-	-	5,000	-	-	30,000	-	2%	100%
7502	OBMP - Engineering Services - WQC	3,620	3,620	3,620	5,000	3,620	37,519	5,921	6%	86%
7602	OBMP - Engineering Services - Storage	7,305	7,305	7,305	7,305	7,305	66,896	(0)	10%	100%
Totals		\$ 245,124	\$ 374,750	\$ 250,800	\$ 190,522	\$ 212,708	\$ 3,103,288	\$ (35,859)	80%	101%

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

11/14/2016-1:20 PM
2016-17CBWM_Invoice_Summary_JSBM_20161018-Projection Summary



July 2016:

The approved "Original" Engineering Services budget of \$2,740,852 was increased by "Carry Over" funding in the amount of \$326,577 to the "Amended" amount of \$3,067,429 for FY 2016/17 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 2016/17 timeframe or future years. The Carry-Over amount of \$326,577 from FY 2015/16 to the FY 2016/17 budget are provided in detail as follows:

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

performed in sequential phases. Some of the early phases of the work have been delayed for various reasons (e.g. delays in initiation of the monitoring program because of difficulties in coordination with well owners). These delays push some of the work that was expected to be completed in FY 2015/16 to FY 2016/17, including subtasks associated with setup and initiation of the monitoring program, siting of extensometers, modeling, and reporting.

The breakdown of the total Task Order amount of \$2,740,852 includes direct labor costs for Wildermuth Environmental, Inc. (82.6%) along with other direct charges such as equipment rental, laboratory fees, travel costs, reproduction costs, and outside professional services (17.4%).

PRADO BASIN HABITAT SUSTAINABILITY PROGRAM

The Prado Basin Habitat Sustainability Program came about as a result of the Peace II Agreement SEIR mitigation measure 4.4-3 and was adopted by IEUA's Board in October, 2010. The purpose of the mitigation measure is to ensure that the Prado Basin riparian habitat will not be impacted by Hydraulic Control. The basic program tasks are to convene a committee that will develop this adaptive management plan, to install necessary monitoring wells, to complete vegetation and aerial surveys, and to implement photo station monitoring. In terms of the financial aspects of this program, there is a cost sharing agreement, which was approved by the Watermaster Board in September, 2012 for a total budget of \$440,000. The cost sharing agreement between IEUA and Watermaster was increased from \$220,000 to \$300,000 effective August 22, 2013 with the approval of the 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.

This is 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 is hiring a consultant to develop the adaptive management plan, WEI performing the project management tasks related to the monitoring well installation, hiring a contractor to construct and install up to seventeen monitoring wells at nine separate sites, and United States Bureau of Reclamation performing vegetation monitoring every three years. Grants have been applied for to offset the cost of this program; however, the Grants were not approved.

The process of invoicing IEUA for their 50% portion of the (WEI) invoices will be completed by Watermaster staff at the end of every quarter. The initial start-up costs between IEUA and Watermaster are now considered to be completed and finalized.

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

Since June 30, 2017 was the fiscal year-end, there are a number of year-end closing general journals that must be entered into the accounting system. The following closing entries were booked to the financial statements and balance sheet:

1. Recording the Budget Transfer Form T-17-06-01 (the increases to the overall legal budget of \$112,000 were offset by budget savings in the same amount of \$112,000 which resulted in no change to the overall expense budget) as of June 30, 2017.
2. Recording the quarterly LAIF interest earned in the amount of \$29,395.37 as of June 30, 2017 but not posted to the account by LAIF until July 14, 2017.
3. Recording the Fair Market Value adjustment in the amount of (\$11,905.10) as of June 30, 2017 for the cash balances invested at LAIF.
4. Recording the accrued payroll expenses of \$0.00 as of June 30, 2017.
5. Recording the year-end reconciliation of accrual to actual for vacation, sick and administrative/comp leave balances in the amount of \$53,199.52 for all active Watermaster employees.
6. Recording the Nonqualified Deferred Compensation expenses as of June 30, 2017.
7. Recording the interest earned on the Nonqualified Deferred Compensation accounts in the amount of \$1,417.52 as of June 30, 2017.
8. Recording the Other Post-Employment Benefits (OPEB) expenses in the amount of \$122,102.00 as of June 30, 2017.
9. Recording the accrued business insurance expenses of \$162.62 as of June 30, 2017.
10. Recording the FY 2016/17 depreciation expense of \$5,840.79 as of June 30, 2017.

There were no other significant items to report within the category of Other Income and Expenses for the month ending June 30, 2017.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

December 2016:

The interest earned on the Chino Basin Watermaster deposits with the Local Agency Investment Fund (LAIF) for the quarter ending December 31, 2016 of \$15,179.19 was recorded during the month of December, 2016.

During the month of December, 2016, Chino Basin Watermaster received an invoice from IEUA in the amount of \$2,471,040.00 for the purchase of 4,160.000 AF of untreated water. The purchase consisted of Cumulative Unmet Replenishment Obligation (CURO) purchases of 3,988.661 AF; Desalter Replenishment Obligation (DRO) purchases of 168.004 AF; with an excess balance of 3.335 AF being carried by Watermaster. The total purchase of 4,160.000 AF at an AF cost of \$594 (4,160.000 AF X \$594 = \$2,471,040.00). The amount of \$2,471,040.00 has been recorded to Groundwater Replenishment expense (5010).

July 2016:

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 2016/17 annual administrative fee invoice was issued on July 31, 2016 in the amount of \$159,631.04 under invoice number DYY 16-01.

"CARRY OVER" FUNDING

BACKGROUND OF "CARRY OVER" FUNDING

Once the FY 2015/16 period as of June 30, 2016 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 2016/17 budget. The Total "Carry Over" funding amount of \$2,630,337.45 was posted to the accounts as of July 1, 2016. The total amount of \$2,630,337.45 consisted of \$2,264,522.96 from Capital Improvement Projects; \$326,577.00 from Engineering Services; \$29,285.99 from the Chino Hills ASR Project; and \$9,951.50 from the Administration budget for completion of the Annual Reports.

CURRENT MONTH – JUNE 2017

As of June 30, 2017, the total (YTD) amount remaining of the "Carried Over" funding is \$1,541,995.35 (\$2,630,337.45 - \$1,088,342.10 = \$1,541,995.35).

The following details are provided:

"Carried Over" Expenses At June 30, 2016

			GL Account		
Printing - Annual Report	\$ 5,000.00	A	6045	FY 2015/16	ADM
Rauch Communication Consultants - Annual Report	\$ 4,951.50	B	6061.3	FY 2015/16	ADM
Chino Hills ASR Project	\$ 29,285.99	C	7107.62	FY 2013/14	ASR
Hydraulic Control Engineering - PBHSP	\$ 12,072.00	D	7108.31 ¹	FY 2015/16	ENG
Hydraulic Control Monitoring - Adaptive Mgmt Plan	\$ 50,000.00	E	7108.32 ²	FY 2015/16	ENG
PE4 - Engineering Services	\$ 7,000.00	F	7402 ³	FY 2015/16	ENG
PE4 - Northwest MZ-1 Area Project	\$ 257,505.00	G	7402.1 ⁴	FY 2015/16	ENG
Jurupa Pumping Station (TO #5)	\$ 37,981.33	H	7209.1 ⁵	FY 2013/14	PROJ
Wineville Basin Proof of Concept (TO #6)	\$ 35,397.53	I	7209.2 ⁵	FY 2013/14	PROJ
Hickory Basin Recharge Improvement Project	\$ 3,877.00	J	7690.3 ⁵	FY 2013/14	PROJ
RMPU Amendment (TO #1)	\$ 467,269.61	K	7690.15	FY 2015/16	PROJ
San Sevaine Recharge Improvement Project (TO #8)	\$ 58,683.31	L	7690.4	FY 2013/14	PROJ
San Sevaine Recharge Improvement Project (TO #8)	\$ 175,000.00	L	7690.4	FY 2014/15	PROJ
San Sevaine Recharge Improvement Project (TO #8)	\$ 1,126,900.00	L	7690.4	FY 2015/16	PROJ
CB20 Turnout Noise Abatement Project	\$ 859.80	M	7690.5 ⁵	FY 2013/14	PROJ
GWR SCADA Upgrades (TO #4)	\$ 279,343.47	N	7690.61	FY 2014/15	PROJ
GWR SCADA Upgrades (TO #4)	\$ 38,675.00	N	7690.61	FY 2015/16	PROJ
Upper Santa Ana River HCP (TO #7)	\$ 32,836.88	O	7690.7	FY 2014/15	PROJ
Upper Santa Ana River HCP (TO #7)	\$ 5,000.00	O	7690.7	FY 2015/16	PROJ
Lower Day Basin RMPU (TO #2)	\$ 2,699.03	P	7690.8	FY 2014/15	PROJ
Total Balance, June 30, 2016	\$ 2,630,337.45				

"Carried Over" Balance, July 1, 2016 \$ 2,630,337.45

Less: (Invoices Received To Date FY 2016/17)

Printing - Annual Report	\$ (5,000.00)	A	6045	FY 2015/16	ADM
Rauch Communication Consultants - Annual Report	\$ (4,951.50)	B	6061.3	FY 2015/16	ADM
Chino Hills ASR Project	\$ (29,285.99)	C	7107.62	FY 2013/14	ASR
Hydraulic Control Engineering - PBHSP	\$ (12,072.00)	D	7108.31 ¹	FY 2015/16	ENG
Hydraulic Control Monitoring - Adaptive Mgmt Plan	\$ (50,000.00)	E	7108.32 ²	FY 2015/16	ENG
PE4 - Engineering Services	\$ (7,000.00)	F	7402 ³	FY 2015/16	ENG
PE4 - Northwest MZ-1 Area Project	\$ (257,505.00)	G	7402.1 ⁴	FY 2015/16	ENG
RMPU Amendment (TO #1)	\$ (467,269.61)	K	7690.15	FY 2015/16	PROJ
San Sevaine Recharge Improvement Project (TO #8)	\$ (107,831.36)	L	7690.4	FY 2013/14	PROJ
GWR SCADA Upgrades (TO #4)	\$ (144,727.61)	N	7690.61	FY 2014/15	PROJ
Lower Day Basin RMPU (TO #2)	\$ (2,699.03)	P	7690.8	FY 2014/15	PROJ
Updated Balance as of June 30, 2017	\$ 1,541,995.35				

¹ Preparation of a vegetation monitoring database in HydroDaVE pursuant to the Adaptive Management Plan for the PBHSP

² Preparation of the Final PBHSP Adaptive Management Plan and the 2016 PBHSP Annual Report

³ Finalization of the 2015 Annual Report of the Ground-Level Monitoring Committee

⁴ Carryover budget for three separate subtasks to develop a Subsidence Management Plan for the Northwest MZ-1 Area

⁵ Project completed and funds are available for reallocation to another project, distribution to Appropriate Pool, or maintain as extra funding

ANNUAL REPORTS:

Unspent funds of \$9,951.50 related to the ongoing Annual Reports for development, production, and printing from the Administrative budget from FY 2015/16 from two accounts were "Carried Over" into the current FY 2016/17 budget. These funds were from the Printing-Annual Report [A] in the amount of

\$5,000 in account (6045); and Rauch Communication Consultants-Annual Report [B] in the amount of \$4,951.50 in account (6061.3).

CHINO HILLS ASR:

The ongoing Chino Hills ASR Project [C] continues into FY 2016/17 and previous years funding of \$29,285.99 has been carried over into account (7107.62).

ENGINEERING SERVICES:

Unspent funds related to ongoing projects and associated activities from the Engineering Services budget from FY 2015/16 in several accounts totaling \$326,577 were "Carried Over" into the current FY 2016/17 budget. These funds were from the Hydraulic Control Monitoring-Engineering-PBHSP [D] in the amount of \$12,072 in account (7108.31); Hydraulic Control Monitoring-Adaptive Management Plan [E] in the amount of \$50,000 in account (7108.32); PE4-Engineering Services [F] in the amount of \$7,000 in account (7402); and PE4-Northwest MZ-1 Area Project [G] in the amount of \$257,505 in account (7402.10).

COMPLETED PROJECTS WITH FUNDING AVAILABLE:

Several projects were completed during FY 2014/15 and have remaining funds available to be either (1) transferred to other project(s) that need additional funding, (2) keep amounts on reserve for future Capital Improvement Projects, or (3) refunded back to the Appropriative Pool when the Assessment package is invoiced. The funding amounts available are as follows: Jurupa Pumping Station [H] in the amount of \$37,981.33 (account 7209.1); Wineville Basin Proof of Concept [I] in the amount of \$35,397.53 (account 7209.2); and Hickory Basin Recharge Improvement Project [J] in the amount of \$3,877.00 (account 7690.3). One project was completed during FY 2015/16 and has funds available. This project is the CB20 Turnout Noise Abatement Project [M] in the amount of \$859.80 (account 7690.5). The total amount available is \$78,115.66 (\$37,981.33 + \$35,397.53 + \$3,877.00 + \$859.80 = \$78,115.66).

ONGOING RECHARGE IMPROVEMENT PROJECTS:

The RMPU Amendment-Task Order #1 [K] has a remaining budget from FY 2015/16 of \$467,269.61 in account (7690.15); the San Sevaine Recharge Improvement Project-Task Order #8 [L] has a remaining funded budget balance of \$1,360,583.31 in account (7690.4); the CB 20 Turnout project has a remaining funded budget balance of \$80,000 in account (7690.5); the GWR SCADA Upgrades-Task Order #4 [N] has a remaining funded budget balance of \$318,018.47 in account (7690.61); the Upper Santa Ana River HCP-Task Order #7 [O] has a remaining funded balance of \$37,836.88 in account (7690.7); and the Lower Day Basin RMPU-Task Order #2 [P] has a remaining funded budget balance of \$2,699.03 in account (7690.8). The total funded budget for these combined projects is \$1,609,700.

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, 2017, any remaining balances of the FY 2016/17 and prior years funding (if any), along with any new FY 2016/17 expenses, will then be "Carried Over" into the FY 2017/18 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 November 16, 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 December 15, 2017.

FY 2015/16:

The auditors from the audit firm of Fedak & Brown, LLP were onsite at the Watermaster offices on March 28, 2016. This was the start of the interim field work for the period of July 1, 2015 through February 28,

2016. The final field work for the period of February 1, 2016 through June 30, 2016 was completed during August 16, 2016 and August 17, 2016. The Annual Financial and Audit Reports were presented to the Watermaster Board by Chris Brown from Fedak & Brown LLP at the November 17, 2016 Board meeting. The Annual Financial and Audit Reports for FY 2015/16 were posted to the Watermaster website on November 22, 2016.

FY 2016/17 EXHIBIT "G" NON-AGRICULTURAL POOL SALE OF WATER

Pursuant to Exhibit "G" of the Restated Judgment, members of the Overlying (Non-Agricultural) Pool may annually transfer water to members of the Appropriative Pool through a Watermaster clearinghouse process. Watermaster purchases water from the Overlying (Non-Agricultural) Pool members, which Watermaster then transfers to the members of the Appropriative Pool based on the prescribed process. Members of the Appropriative Pool purchasing water through the process must complete their payments to Watermaster by June 30 of the fiscal year. Watermaster has determined that NRG CA South, LP is in compliance with Restated Judgment, Exhibit "G" ¶19(g), authorizing 2015-2016 Exhibit "G" Physical Solution Transfers.

The invoices to the four Appropriators who purchased Exhibit "G" water from the Non-Agricultural Pool were issued on March 23, 2017 totaling \$570,000. As of June 30, 2017 all of the payments from the four Appropriators had been received by Watermaster and cleared the bank. Watermaster issued the payment to NRG CA South, LP in the amount of \$570,000 (1,000.000 AF x \$570.00 = \$570,000) as of June 30, 2017.

ASSESSMENT INVOICING

CURRENT MONTH – JUNE 2017

The Appropriative Pool issued a Special Assessment of \$25,000 for FY 2016/17 legal fees as approved during a Confidential Session on May 11, 2017. The \$25,000 was allocated to the Appropriative Pool members based upon the formula of 50% Operating Safe Yield (OSY) and 50% Physical Production. The invoices were issued on June 15, 2017 and due 30 days later on July 17, 2017. All payments for this Special Assessment were received.

The Appropriative Pool issued a Special Assessment of \$15,757 for FY 2016/17 legal fees as approved during a Confidential Session on July 13, 2017. The \$15,757 was allocated to the Appropriative Pool members based upon the formula of 50% Operating Safe Yield (OSY) and 50% Physical Production. The invoices were issued on July 17, 2017 and due 30 days later on August 16, 2017. All payments for this Special Assessment were received.

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

PREVIOUSLY REPORTED ACTIONS (Descending Order)

December 2016:

The Watermaster Board approved the FY 2016-2017 Assessment Package (Production Year 2015-2016) at the November 17, 2016 meeting. Watermaster staff created and emailed the Assessment invoices on Thursday, November 17, 2016. The Assessment invoices were due 30 days from invoice date, with all payments to be received by Watermaster on or before the close of business at 5:00pm on Monday, December 19, 2016. As in prior years, payments could be made by either check or wire transfer. As of December 19, 2016, all but one payment had been received. The late payment was received on December 20, 2016 with the late fee for one day being invoiced. The late fee was received on January 3, 2017.

November 2016:

The Watermaster Board approved the FY 2016-2017 Assessment Package (Production Year 2015-2016) at the November 17, 2016 meeting. Watermaster staff created and emailed the Assessment invoices on Thursday, November 17, 2016. The Assessment invoices were due 30 days from invoice date, with all payments to be received by Watermaster on or before the close of business at 5:00pm on Monday, December 19, 2016. As in prior years, payments could be made by either check or wire transfer. As of December 19, 2016, all but one payment had been received. The late payment was received on December 20, 2016 with the late fee for one day being invoiced.

October 2016:

The Watermaster Board approved the FY 2016-2017 Assessment Package (Production Year 2015-2016) at the November 17, 2016 meeting. Watermaster staff created and emailed the Assessment invoices on Thursday, November 17, 2016. The Assessment invoices are due 30 days from invoice date, with all payments to be received by Watermaster on or before the close of business Monday, December 19, 2016. As in prior years, payments can be made by either check or wire transfer.

This year's Assessment invoicing included the standard Assessment amounts per the Assessment Package, along with any Special Assessments and the "Excess Cash Reserve" refund credits. The Appropriative Pool had a Special Assessment of \$50,000 as approved during the budgeting process. The \$50,000 was allocated to the Appropriative Pool members based upon a prorated formula of 50% Operating Safe Yield (OSY) and 50% physical production numbers from FY 2015/16.

The Non-Agricultural Pool had a Special Assessment of \$60,000 as approved during a Confidential Session on April 14, 2016. The \$60,000 was allocated to the Non-Agricultural Pool members based upon the actual production numbers from 2015/16.

The Excess Cash Reserve refunds totaled \$31,189 to the Appropriative Pool members and \$3,509 to the Non-Agricultural Pool members, based upon the pro rata share of FY 2015/16 payments. The Excess Cash Reserve-Recharge Debt Payment refund of \$155,824 was refunded to the Appropriative Pool members based upon the pro rata share of FY 2015/16 Recharge Debt Assessments paid. The refunds were applied as credits on the Assessment invoices and allocated based upon last year's percentage of assessments paid.

September 2016:

The Assessment Year 2016-2017 Package (Production Year 2015-2016) is scheduled for presentation to the Pools at the November 10, 2016 meetings; and approval by the Advisory Committee and adoption by the Watermaster Board at the November 17, 2016 meetings.

No Assessment activity for the month to report.

ATTACHMENTS

1. Financial Report - B5

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	1/12th (8.33%) of the Total Budget				12/12th (100.00%) of the Total Budget				100% of the Total Budget			
	For The Month of June 2017				Year-To-Date as of June 30, 2017				Fiscal Year End as of June 30, 2017			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget
Income												
4010 · Local Agency Subsidies	0.00	0.00	0.00	0.0%	159,631.04	158,923.00	708.04	100.45%	159,631.04	158,923.00	708.04	100.45%
4110 · Admin Asmnts-Approp Pool	-112,986.90	15,757.00	-128,743.90	-717.06%	9,946,419.15	10,043,418.00	-96,998.85	99.03%	9,946,419.15	10,043,418.00	-96,998.85	99.03%
4120 · Admin Asmnts-Non-Agri Pool	-4,507.00	0.00	-4,507.00	100.0%	251,175.35	311,995.00	-60,819.65	80.51%	251,175.35	311,995.00	-60,819.65	80.51%
4700 · Non Operating Revenues	28,247.21	4,972.00	23,275.21	568.13%	76,954.73	19,890.00	57,064.73	386.9%	76,954.73	19,890.00	57,064.73	386.9%
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	-89,246.69	20,729.00	-109,975.69	-430.54%	10,434,180.27	10,534,226.00	-100,045.73	99.05%	10,434,180.27	10,534,226.00	-100,045.73	99.05%
Gross Profit	-89,246.69	20,729.00	-109,975.69	-430.54%	10,434,180.27	10,534,226.00	-100,045.73	99.05%	10,434,180.27	10,534,226.00	-100,045.73	99.05%
Expense												
6010 · Admin. Salary/Benefit Costs	148,505.77	81,538.00	66,967.77	182.13%	1,027,971.52	971,056.00	56,915.52	105.86%	1,027,971.52	971,056.00	56,915.52	105.86%
6020 · Office Building Expense	8,741.77	9,217.00	-475.23	94.84%	100,356.32	104,356.00	-3,999.68	96.17%	100,356.32	104,356.00	-3,999.68	96.17%
6030 · Office Supplies & Equip.	1,744.62	1,420.00	324.62	122.86%	22,949.67	23,040.00	-90.33	99.61%	22,949.67	23,040.00	-90.33	99.61%
6040 · Postage & Printing Costs	6,296.39	3,186.00	3,110.39	197.63%	55,349.73	56,252.00	-902.27	98.4%	55,349.73	56,252.00	-902.27	98.4%
6050 · Information Services	9,426.67	10,341.00	-914.33	91.16%	137,922.73	140,092.00	-2,169.27	98.45%	137,922.73	140,092.00	-2,169.27	98.45%
6060 · Contract Services	5,931.81	2,000.00	3,931.81	296.59%	62,188.75	62,451.50	-262.75	99.58%	62,188.75	62,451.50	-262.75	99.58%
6070 · Watermaster Legal Services	40,557.00	103,810.00	-63,253.00	39.07%	365,521.39	365,713.00	-191.61	99.95%	365,521.39	365,713.00	-191.61	99.95%
6080 · Insurance	162.62	-4,000.00	4,162.62	-4.07%	27,466.91	27,962.00	-495.09	98.23%	27,466.91	27,962.00	-495.09	98.23%
6110 · Dues and Subscriptions	-57.50	0.00	-57.50	100.0%	21,112.28	21,354.00	-241.72	98.87%	21,112.28	21,354.00	-241.72	98.87%
6140 · WM Admin Expenses	17.99	225.00	-207.01	8.0%	1,079.34	2,200.00	-1,120.66	49.06%	1,079.34	2,200.00	-1,120.66	49.06%
6150 · Field Supplies	149.50	0.00	149.50	100.0%	1,165.53	1,450.00	-284.47	80.38%	1,165.53	1,450.00	-284.47	80.38%
6170 · Travel & Transportation	1,546.18	1,705.00	-158.82	90.69%	17,586.66	19,870.00	-2,283.34	88.51%	17,586.66	19,870.00	-2,283.34	88.51%
6190 · Training, Conferences, Seminars	3,327.50	-950.00	4,277.50	-350.26%	24,066.65	24,100.00	-33.35	99.86%	24,066.65	24,100.00	-33.35	99.86%
6200 · Advisory Comm - WM Board	5,413.67	239.00	5,174.67	2,265.13%	39,243.21	39,319.00	-75.79	99.81%	39,243.21	39,319.00	-75.79	99.81%
6300 · Watermaster Board Expenses	15,694.30	12,970.00	2,724.30	121.01%	158,171.74	159,234.00	-1,062.26	99.33%	158,171.74	159,234.00	-1,062.26	99.33%
8300 · Appr PI-WM & Pool Admin	27,806.37	16,741.00	11,065.37	166.1%	142,854.39	143,022.00	-167.61	99.88%	142,854.39	143,022.00	-167.61	99.88%
8400 · Agri Pool-WM & Pool Admin	3,641.27	-3,220.00	6,861.27	-113.08%	49,062.99	50,776.00	-1,713.01	96.63%	49,062.99	50,776.00	-1,713.01	96.63%
8467 · Ag Legal & Technical Services	27,887.50	-55,917.00	83,804.50	-49.87%	296,352.50	297,000.00	-647.50	99.78%	296,352.50	297,000.00	-647.50	99.78%
8470 · Ag Meeting Attend -Special	1,400.00	1,850.00	-450.00	75.68%	20,475.00	22,200.00	-1,725.00	92.23%	20,475.00	22,200.00	-1,725.00	92.23%
8471 · Ag Pool 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%
8485 · Ag Pool - Misc. Exp. - Ag Fund	0.00	0.00	0.00	0.0%	545.98	400.00	145.98	136.5%	545.98	400.00	145.98	136.5%
8500 · Non-Ag PI-WM & Pool Admin	6,282.07	1,165.00	5,117.07	539.23%	98,747.56	99,152.00	-404.44	99.59%	98,747.56	99,152.00	-404.44	99.59%
9400 · Depreciation Expense	5,840.79	0.00	5,840.79	100.0%	5,840.79	0.00	5,840.79	100.0%	5,840.79	0.00	5,840.79	100.0%
9500 · Allocated G&A Expenditures	-19,354.52	-31,542.00	12,187.48	61.36%	-190,736.15	-378,505.00	187,768.85	50.39%	-190,736.15	-378,505.00	187,768.85	50.39%
6900 · Optimum Basin Mgmt Plan	127,910.38	158,650.00	-30,739.62	80.62%	1,670,600.82	1,701,053.00	-30,452.18	98.21%	1,670,600.82	1,701,053.00	-30,452.18	98.21%
6950 · Mutual Agency Projects	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9501 · G&A Expenses Allocated-OBMP	3,029.59	6,122.00	-3,092.41	49.49%	36,369.12	73,466.00	-37,096.88	49.51%	36,369.12	73,466.00	-37,096.88	49.51%
7101 · Production Monitoring	8,733.70	6,846.00	1,887.70	127.57%	61,734.11	81,372.00	-19,637.89	75.87%	61,734.11	81,372.00	-19,637.89	75.87%
7102 · In-line Meter Installation	0.00	5,617.00	-5,617.00	0.0%	764.23	67,264.00	-66,499.77	1.14%	764.23	67,264.00	-66,499.77	1.14%
7103 · Grdwtr Quality Monitoring	13,756.29	18,664.00	-4,907.71	73.71%	189,478.29	262,397.00	-72,918.71	72.21%	189,478.29	262,397.00	-72,918.71	72.21%
7104 · Gdwtr Level Monitoring	20,406.34	21,583.00	-1,176.66	94.55%	209,111.75	258,416.00	-49,304.25	80.92%	209,111.75	258,416.00	-49,304.25	80.92%
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	35,502.89	34,270.00	1,232.89	103.6%	225,447.45	270,522.99	-45,075.54	83.34%	225,447.45	270,522.99	-45,075.54	83.34%

	1/12th (8.33%) of the Total Budget				12/12th (100.00%) of the Total Budget				100% of the Total Budget			
	For The Month of June 2017				Year-To-Date as of June 30, 2017				Fiscal Year End as of June 30, 2017			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget
7108 · Hydraulic Control Monitoring	85,074.08	40,249.00	44,825.08	211.37%	578,576.75	598,931.00	-20,354.25	96.6%	578,576.75	598,931.00	-20,354.25	96.6%
7109 · Recharge & Well Monitoring Prog	0.00	1,943.00	-1,943.00	0.0%	9,477.80	23,318.00	-13,840.20	40.65%	9,477.80	23,318.00	-13,840.20	40.65%
7200 · PE2- Comp Recharge Pgm	6,847.15	14,084.00	-7,236.85	48.62%	1,103,341.88	1,223,384.86	-120,042.98	90.19%	1,103,341.88	1,223,384.86	-120,042.98	90.19%
7300 · PE3&5-Water Supply/Desalte	33.01	2,684.00	-2,650.99	1.23%	440.90	31,972.00	-31,531.10	1.38%	440.90	31,972.00	-31,531.10	1.38%
7400 · PE4- Mgmt Plan	10,293.40	21,491.00	-11,197.60	47.9%	328,593.67	522,241.00	-193,647.33	62.92%	328,593.67	522,241.00	-193,647.33	62.92%
7500 · PE6&7-CoopEfforts/SaltMgmt	5,879.10	4,422.00	1,457.10	132.95%	19,667.50	52,912.00	-33,244.50	37.17%	19,667.50	52,912.00	-33,244.50	37.17%
7600 · PE8&9-StorageMgmt/Conj Use	19,757.40	9,504.00	10,253.40	207.89%	50,329.92	113,336.00	-63,006.08	44.41%	50,329.92	113,336.00	-63,006.08	44.41%
7690 · Recharge Improvement Debt Pymt	383,886.04	0.00	383,886.04	100.0%	1,484,271.23	5,525,944.10	-4,041,672.87	26.86%	1,484,271.23	5,525,944.10	-4,041,672.87	26.86%
7700 · Inactive Well Protection Prgm	0.00	42.00	-42.00	0.0%	0.00	500.00	-500.00	0.0%	0.00	500.00	-500.00	0.0%
9502 · G&A Expenses Allocated-Projects	16,324.93	25,420.00	-9,095.07	64.22%	154,367.03	305,039.00	-150,671.97	50.61%	154,367.03	305,039.00	-150,671.97	50.61%
Total Expense	1,038,396.07	522,369.00	516,027.07	198.79%	8,607,867.94	13,364,563.45	-4,756,695.51	64.41%	8,607,867.94	13,364,563.45	-4,756,695.51	64.41%
Net Ordinary Income	-1,127,642.76	-501,640.00	-626,002.76	224.79%	1,826,312.33	-2,830,337.45	4,656,649.78	-64.53%	1,826,312.33	-2,830,337.45	4,656,649.78	-64.53%
Other Income												
4210 · Approp Pool-Replenishment	0.00	0.00	0.00	0.0%	959,063.76	0.00	959,063.76	100.0%	959,063.76	0.00	959,063.76	100.0%
4220 · Non-Ag Pool-Replenishment	0.00	0.00	0.00	0.0%	15,798.22	0.00	15,798.22	100.0%	15,798.22	0.00	15,798.22	100.0%
4225 · Interest Income	1,155.46	0.00	1,155.46	100.0%	8,914.18	0.00	8,914.18	100.0%	8,914.18	0.00	8,914.18	100.0%
4226 · LAIF Fair Market Value	-15,213.29	0.00	-15,213.29	100.0%	-15,213.29	0.00	-15,213.29	100.0%	-15,213.29	0.00	-15,213.29	100.0%
4600 · Groundwater Sales	0.00	0.00	0.00	0.0%	570,000.00	0.00	570,000.00	100.0%	570,000.00	0.00	570,000.00	100.0%
Total Other Income	-14,057.83	0.00	-14,057.83	100.0%	1,538,562.87	0.00	1,538,562.87	100.0%	1,538,562.87	0.00	1,538,562.87	100.0%
Other Expense												
5010 · Groundwater Replenishment	1,071,492.80	0.00	1,071,492.80	100.0%	3,550,973.20	0.00	3,550,973.20	100.0%	3,550,973.20	0.00	3,550,973.20	100.0%
5100 · Other Water Purchases	0.00	0.00	0.00	0.0%	570,000.00	0.00	570,000.00	100.0%	570,000.00	0.00	570,000.00	100.0%
9200 · Interest Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9251 · Other Post Employment Benefits	122,102.00	0.00	122,102.00	100.0%	122,102.00	0.00	122,102.00	100.0%	122,102.00	0.00	122,102.00	100.0%
9996 · Refund-Excess Reserves-Approp.	0.00	0.00	0.00	0.0%	31,189.00	0.00	31,189.00	100.0%	31,189.00	0.00	31,189.00	100.0%
9997 · Refund-Excess Reserves-NonAg	0.00	0.00	0.00	0.0%	3,509.00	0.00	3,509.00	100.0%	3,509.00	0.00	3,509.00	100.0%
9998 · Refund-Recharge Debt-Approp.	0.00	0.00	0.00	0.0%	155,824.00	0.00	155,824.00	100.0%	155,824.00	0.00	155,824.00	100.0%
9999 · To/(From) Reserves	-158,251.00	0.00	-158,251.00	100.0%	0.00	-200,000.00	200,000.00	0.0%	0.00	-200,000.00	200,000.00	0.0%
Total Other Expense	1,035,343.80	0.00	1,035,343.80	100.0%	4,433,597.20	-200,000.00	4,633,597.20	-2,216.8%	4,433,597.20	-200,000.00	4,633,597.20	-2,216.8%
Net Other Income	-1,049,401.63	0.00	-1,049,401.63	100.0%	-2,895,034.33	200,000.00	-3,095,034.33	-1,447.52%	-2,895,034.33	200,000.00	-3,095,034.33	-1,447.52%
Net Income	-2,177,044.39	-501,640.00	-1,675,404.39	433.99%	-1,068,722.00	-2,630,337.45	1,561,615.45	40.63%	-1,068,722.00	-2,630,337.45	1,561,615.45	40.63%

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



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 14, 2017
TO: Pool Committee Members
SUBJECT: Cash Disbursement Report - Financial Report B1 (July 31, 2017)

SUMMARY

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

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

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

Future Consideration

Appropriative Pool – September 14, 2017: Receive and File
Non-Agricultural Pool – September 14, 2017: Receive and File
Agricultural Pool – September 14, 2017: Receive and File
Advisory Committee – September 21, 2017: Receive and File
Watermaster Board – September 28, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – September 14, 2017:
Non-Agricultural Pool – September 14, 2017:
Agricultural Pool – September 14, 2017:
Advisory Committee – September 21, 2017:
Watermaster Board – September 28, 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 July 2017 were \$1,409,317.13.

The most significant expenditures during the month were to Inland Empire Utilities Agency in the amounts of \$95,770.68, \$264,407.72, and \$515,375.50 (check number 20223 dated July 12, 2017, check number 20239 dated July 12, 2017, and check number 20248 dated July 12, 2017); Wildermuth Environmental, Inc. in the amount of \$182,214.31 (check number 20249 dated July 20, 2017); and Brownstein Hyatt Farber Schreck in the amount of \$97,800.75 (check number 20250 dated July 24, 2017).

ATTACHMENTS

1. Financial Report - B1

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
July 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	07/06/2017	ACH 070617	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	06/30/2017	07/06/2017	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 06/18/17-07/01/17	2000 · Accounts Payable	6,605.65
TOTAL						6,605.65
Bill Pmt -Check	07/12/2017	20212	ACWA JOINT POWERS INSURANCE AUTHORITY	0493942	1012 · Bank of America Gen'l Ckg	
Bill	07/06/2017	0493942		Prepayment - August 2017	1409 · Prepaid Life, BAD&D & LTD	176.82
				July 2017	60191 · Life & Disab.Ins Benefits	150.84
TOTAL						327.66
Bill Pmt -Check	07/12/2017	20213	APPLIED COMPUTER TECHNOLOGIES	2869	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	2869		Database Consulting Services - June 2017	6052.2 · Applied Computer Technol	3,314.20
TOTAL						3,314.20
Bill Pmt -Check	07/12/2017	20214	BLOMQUIST, WILLIAM A.	Blomquist Report	1012 · Bank of America Gen'l Ckg	
Bill	07/06/2017			Payment number 1 of 4 for Blomquist report	6061.6 · Blomquist Report - Update	7,500.00
TOTAL						7,500.00
Bill Pmt -Check	07/12/2017	20215	BOWCOCK, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/22/2017	6/22 Board Mtg		6/22/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	07/12/2017	20216	CURATALO, JAMES	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/06/2017	6/06 Mtg w/GM		6/06/17 Meeting w/GM and Legal Counsel	6311 · Board Member Compensation	125.00
Bill	06/20/2017	6/20 Board Agenda		6/20/17 Boar Agenda Preview Meeting	6311 · Board Member Compensation	125.00
Bill	06/22/2017	6/22 Board Mtg		6/22/17 Board Meeting	6311 · Board Member Compensation	125.00
Bill	06/28/2017	6/28 Admin Mtg		6/28/17 Administrative Meeting w/GM	6311 · Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	07/12/2017	20217	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/08/2017	6/08 Ag Pool mtg		6/08/17 Ag Pool Meeting	8411 · Compensation	25.00
				6/08/17 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	07/12/2017	20218	DI PRIMIO, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/20/2017	6/20 Board Agenda		6/20/17 Board Agenda Preview meeting	6311 · Board Member Compensation	125.00
Bill	06/22/2017	6/22 Board Mtg		6/22/17 Board Meeting	6311 · Board Member Compensation	125.00
Bill	06/23/2017	6/23 Prado Basin		6/23/17 Prado Basin Tour	6311 · Board Member Compensation	125.00
TOTAL						375.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	07/12/2017	20219	ELIE, STEVEN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/22/2017	6/22 Board Mtg		6/22/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	07/12/2017	20220	ESRI	93293455	1012 · Bank of America Gen'l Ckg	
Bill	07/06/2017	93293455		ESRI maintenance 8/19/2017-8/18/2018	6054 · Computer Software	1,038.75
TOTAL						1,038.75
Bill Pmt -Check	07/12/2017	20221	FILIPPI, GINO	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/06/2017	6/06 Prado Mtg		6/06/17 Prado Habitat Sustainability Meeting-IEUA	6311 · Board Member Compensation	125.00
Bill	06/22/2017	6/22 Board Meeting		6/22/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	07/12/2017	20222	HUITSING, JOHN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/08/2017	6/08 Ag Pool Mtg		6/08/17 Ag Pool Meeting	8411 · Compensation	25.00
				6/08/17 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	07/12/2017	20223	INLAND EMPIRE UTILITIES AGENCY	1800003253	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	1800003253		GWR SCADA System Upgrades Project-#6	7690.61 · GWR SCADA Upgrades (TO #4)	95,770.68
TOTAL						95,770.68
Bill Pmt -Check	07/12/2017	20224	LEVEL 3 COMMUNICATIONS	56824895	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	56824895		6/17/17-7/16/17	6053 · Internet Expense	1,047.80
TOTAL						1,047.80
Bill Pmt -Check	07/12/2017	20225	LOS ANGELES NEWS GROUP	900421820	1012 · Bank of America Gen'l Ckg	
Bill	07/01/2017	900421820		52 weeks	6112 · Subscriptions/Publications	529.88
TOTAL						529.88
Bill Pmt -Check	07/12/2017	20226	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/08/2017	6/08 Ag Pool Mtg		6/08/17 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/15/2017	6/15 Advisory Comm		6/15/17 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/15/2017	6/15 RIPCom Mtg		6/15/17 RIPCom Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	06/20/2017	6/20 Storage Wkshp		6/20/17 Storage Workshop	8470 · Ag Meeting Attend -Special	125.00
Bill	06/22/2017	6/22 Board Mtg		6/22/17 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						625.00
Bill Pmt -Check	07/12/2017	20227	PIETERSMA, RONALD	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/01/2017	5/11 Ag Pool Mtg		5/11/17 Ag Pool Mtg	8411 · Compensation	25.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
				5/11/17 Ag Pool Mtg	8470 · Ag Meeting Attend -Special	100.00
Bill	06/08/2017	6/08 Ag Pool Mtg		6/08/17 Ag Pool Mtg	8411 · Compensation	25.00
				6/08/17 Ag Pool Mtg	8470 · Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill Pmt -Check	07/12/2017	20228	PREMIERE GLOBAL SERVICES	23921074	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	23921074		Service Fee	6909.1 · OBMP Meetings	6.10
				Non-Ag Pool mtg call on 6/08	8512 · Meeting Expense	20.32
				Storage workshop prep call on 6/15	6909.1 · OBMP Meetings	6.10
				WM coordination call on 6/26	6909.1 · OBMP Meetings	8.21
				Fee -General	6022 · Telephone	49.00
				Fee - Confidential	6022 · Telephone	49.00
				WM coordination call on 6/05	6909.1 · OBMP Meetings	18.32
				Pool mtgs check call on 6/07	8312 · Meeting Expenses	5.68
				Pool mtgs check call on 6/07	8412 · Meeting Expenses	5.69
				Pool mtgs check call on 6/07	8512 · Meeting Expense	5.69
				WM coordination call on 6/12	6909.1 · OBMP Meetings	13.84
				Appropriative Pool call on 6/20	8312 · Meeting Expenses	10.21
				Review presentation call on 6/26	6909.1 · OBMP Meetings	8.01
				Review presentation call on 6/26	6909.1 · OBMP Meetings	6.10
				Service fee	6022 · Telephone	4.03
TOTAL						216.30
Bill Pmt -Check	07/12/2017	20229	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
Bill	07/06/2017	1394905143		Annual Unfunded Accrued Liability	60180 · Employers PERS Expense	123.00
TOTAL						123.00
Bill Pmt -Check	07/12/2017	20230	RAUCH COMMUNICATION CONSULTANTS, LLC	May/June-1707	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	May/June-1707		AR39 - May/June 2017	6061.3 · Rauch	3,687.50
TOTAL						3,687.50
Bill Pmt -Check	07/12/2017	20231	RR FRANCHISING, INC.	41497	1012 · Bank of America Gen'l Ckg	
Bill	07/01/2017	41497		Monthly service July 2017	6024 · Building Repair & Maintenance	740.00
TOTAL						740.00
Bill Pmt -Check	07/12/2017	20232	STAPLES BUSINESS ADVANTAGE	8045171301	1012 · Bank of America Gen'l Ckg	
Bill	06/24/2017	8045171301		Miscellaneous office supplies	6031.7 · Other Office Supplies	40.32
				Toner	6031.7 · Other Office Supplies	51.89
TOTAL						92.21

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Cash Disbursements For The Month of
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<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
Bill Pmt -Check	07/12/2017	20233	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	7076224530355049		Fuel - June 2017	6175 · Vehicle Fuel	212.73
TOTAL						<u>212.73</u>
Bill Pmt -Check	07/12/2017	20234	VANDEN HEUVEL, GEOFFREY	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/01/2017	4/05 Special Ag Mtg		4/05/17 Special Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	06/01/2017	4/13 Ag Pool Mtg		4/13/17 Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	06/01/2017	4/21 Special Board		4/21/17 Special Board Meeting	6311 · Board Member Compensation	125.00
Bill	06/01/2017	4/26 Special Ag Pool		4/26/17 Special Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	06/01/2017	4/27 Board Mtg		4/27/17 Board Meeting	6311 · Board Member Compensation	125.00
Bill	06/01/2017	5/11 Ag Pool Mtg		5/11/17 Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	06/01/2017	5/25 Board Mtg		5/25/17 Board Meeting	6311 · Board Member Compensation	125.00
Bill	06/08/2017	6/08 Ag Pool Mtg		6/08/17 Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	06/20/2017	6/20 Storage Wkshp		6/20/17 Storage Workshop	6311 · Board Member Compensation	125.00
Bill	06/22/2017	6/22 Board Mtg		6/22/17 Board Meeting	6311 · Board Member Compensation	125.00
Bill	06/23/2017	6/23 Prado Tour		6/23/17 Prado Basin Tour	6311 · Board Member Compensation	125.00
TOTAL						<u>1,375.00</u>
Bill Pmt -Check	07/12/2017	20235	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	001017890001		Dental Insurance Premium - July 2017	60182.2 · Dental & Vision Ins	85.60
TOTAL						<u>85.60</u>
Bill Pmt -Check	07/12/2017	20236	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	07/06/2017	08-k2 213849		July 2017	6024 · Building Repair & Maintenance	117.14
TOTAL						<u>117.14</u>
Bill Pmt -Check	07/12/2017	20237	INLAND EMPIRE UTILITIES AGENCY	1800003274	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	1800003274		Chino GW Basin Addendum-modify storage limit	6909.6 · OBMP Expenses - Miscellaneous	4,500.00
TOTAL						<u>4,500.00</u>
Bill Pmt -Check	07/12/2017	20238	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
Bill	07/06/2017	1394905143		Annual Unfunded Accrued Liability	60180 · Employers PERS Expense	4,348.52
TOTAL						<u>4,348.52</u>
Bill Pmt -Check	07/12/2017	20239	INLAND EMPIRE UTILITIES AGENCY	90020389	1012 · Bank of America Gen'l Ckg	
Bill	07/06/2017	90020389		GW Recharge O&M Cost Reimbursement	7206 · Comp Recharge-O&M	264,407.72
TOTAL						<u>264,407.72</u>
Bill Pmt -Check	07/12/2017	20240	MINDSHIFT	0249292	1012 · Bank of America Gen'l Ckg	
Bill	07/01/2017	0249292		IT Managed Services	6052.4 · mindSHIFT-Managed Services	3,770.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
				Backup & Recovery	6052.5 · mindSHIFT-Data Backup/Storage	792.00
TOTAL						4,562.00
Bill Pmt -Check	07/12/2017	20241	PAYCHEX	2017062900	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	2017062900		June 2017	6012 · Payroll Services	320.53
TOTAL						320.53
Bill Pmt -Check	07/12/2017	20242	PHILADELPHIA INSURANCE COMPANY	Account Number 78842363	1012 · Bank of America Gen'l Ckg	
Bill	07/01/2017	04026669353		UltimateCover Property 06/26/17-06/26/18	6085 · Business Insurance Package	2,600.00
				Commercial General Liability 06/26/17-06/26/18	6085 · Business Insurance Package	4,009.00
				Employee Benefits 06/26/17-06/26/18	6085 · Business Insurance Package	300.00
				Automobile 06/26/17-06/26/18	6085 · Business Insurance Package	4,997.00
				Fees and Surcharges 06/26/17-06/26/18	6085 · Business Insurance Package	7.04
				Commercial Umbrella Liability 06/26/17-06/26/18	6085 · Business Insurance Package	2,925.00
TOTAL						14,838.04
Bill Pmt -Check	07/12/2017	20243	PITNEY BOWES CREDIT CORPORATION	3101405156	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	3101405156		Postage meter lease	6044 · Postage Meter Lease	401.91
TOTAL						401.91
Bill Pmt -Check	07/12/2017	20244	STAPLES BUSINESS ADVANTAGE	80452988655	1012 · Bank of America Gen'l Ckg	
Bill	07/01/2017	80452988655		Toner	6031.7 · Other Office Supplies	55.91
TOTAL						55.91
Bill Pmt -Check	07/12/2017	20245	STATE COMPENSATION INSURANCE FUND	1970970-17	1012 · Bank of America Gen'l Ckg	
Bill	07/05/2017	1970970-17		Premium for 6/26/17-7/26/17	60183 · Worker's Comp Insurance	520.50
TOTAL						520.50
Bill Pmt -Check	07/12/2017	20246	TELLEZ-FOSTER, EDGAR	Mileage Reimbursement	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017			Mileage reimbursement to various WM meetings	6173 · Airfare/Mileage	43.34
TOTAL						43.34
Bill Pmt -Check	07/12/2017	20247	WESTERN MUNICIPAL WATER DISTRICT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/22/2017	6/22 Board Mtg		6/22/17 Board Meeting - Galleano	6311 · Board Member Compensation	125.00
Bill	06/23/2017	6/23 Special Board		6/23/17 Special Board Meeting - Galleano	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	07/12/2017	20248	INLAND EMPIRE UTILITIES AGENCY	90020387	1012 · Bank of America Gen'l Ckg	
Bill	07/06/2017	90020387		GW Recharge Capital Cost reimbursement	7690.1 · Recharge Improvement Debt Pymts	515,375.50
TOTAL						515,375.50

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Type	Date	Num	Name	Memo	Account	Paid Amount
General Journal	07/15/2017	07/15/2017	Payroll and Taxes for 07/02/17-07/15/17	Payroll and Taxes for 07/02/17-07/15/17	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 07/02/17-07/15/17	1012 · Bank of America Gen'l Ckg	25,182.03
				Payroll Taxes for 07/02/17-07/15/17	1012 · Bank of America Gen'l Ckg	9,078.37
			ICMA-RC	457(f) Employee Deductions for 07/02/17-07/15/17	1012 · Bank of America Gen'l Ckg	4,410.56
			ICMA-RC	401(a) Employee Deductions for 07/02/17-07/15/17	1012 · Bank of America Gen'l Ckg	1,276.75
TOTAL						<u>39,947.71</u>
Check	07/17/2017	07/17/2017	Service Charge	Service Charge	1012 · Bank of America Gen'l Ckg	
				Service Charge	6039.1 · Banking Service Charges	422.22
TOTAL						<u>422.22</u>
Bill Pmt -Check	07/20/2017	20249	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	2017185		2017185	6906.31 · OBMP-Pool, Adv. Board Mtgs	7,536.06
Bill	06/30/2017	2017186		2017186	6906.32 · OBMP-Other General Meetings	11,022.48
Bill	06/30/2017	2017187		2017187	6906.74 · OBMP-Mat'l Phy. Injury Requests	3,094.95
Bill	06/30/2017	2017188		2017188	6906.71 · OBMP-Data Req.-CBWM Staff	10,153.60
Bill	06/30/2017	2017189		2017189	6906.71 · OBMP-Data Req.-CBWM Staff	9,145.15
Bill	06/30/2017	2017190		2017190	6906.72 · OBMP-Data Req.-Non CBWM Staff	237.00
Bill	06/30/2017	2017191		2017191	6906 · OBMP Engineering Services	2,729.30
Bill	06/30/2017	2017192		2017192	6906.81 · Prepare 38th/39th Annual Rpts	317.85
Bill	06/30/2017	2017193		2017193	6906.21 · State of the Basin Report	29,341.02
Bill	06/30/2017	2017194		2017194	7103.3 · Grdwtr Qual-Engineering	10,478.55
Bill	06/30/2017	2017195		2017195	7104.3 · Grdwtr Level-Engineering	16,375.21
Bill	06/30/2017	2017196		2017196	7107.2 · Grd Level-Engineering	1,930.50
Bill	06/30/2017	2017197		2017197	7107.2 · Grd Level-Engineering	6,887.85
				WSP USA Inc.	7107.6 · Grd Level-Contract Svcs	26,684.54
Bill	06/30/2017	2017198		2017198	7108.3 · Hydraulic Control-Engineering	59.20
Bill	06/30/2017	2017199		2017199	7108.3 · Hydraulic Control-Engineering	59.20
Bill	06/30/2017	2017200		2017200	7108.31 · Hydraulic Control - PBHSP	4,225.31
Bill	06/30/2017	2017201		2017201	7202.2 · Engineering Svc	1,460.52
Bill	06/30/2017	2017202		2017202	7402 · PE4-Engineering	9,063.70
Bill	06/30/2017	2017203		2017203	7402.10 · PE4 - Northwest MZ1 Area Proj.	1,229.70
Bill	06/30/2017	2017204		2017204	7502 · PE6&7-Engineering	5,879.10
Bill	06/30/2017	2017205		2017205	7602 · PE8&9-Engineering	17,563.93
Bill	06/30/2017	2017206		100% CBWM	7108.31 · Hydraulic Control - PBHSP	6,739.59
TOTAL						<u>182,214.31</u>
Bill Pmt -Check	07/21/2017	ACH 072117	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	07/15/2017	07/21/2017	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 07/02/17-07/15/17	2000 · Accounts Payable	6,739.16

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	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
TOTAL							6,739.16
	Bill Pmt -Check	07/24/2017	20250	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
	Bill	06/30/2017	685055		685055	6907.44 · SGMA Compliance	8,526.60
	Bill	06/30/2017	685056		685056	6907.42 · Safe Yield Recalculation	3,803.40
					Research-Lexis	6907.42 · Safe Yield Recalculation	5.25
	Bill	06/30/2017	685057		685057	6907.41 · Prado Basin Habitat Sustain	2,531.25
					Mileage/Parking Expense	6907.41 · Prado Basin Habitat Sustain	34.98
	Bill	06/30/2017	685058		685058	6907.40 · Storage Agreements	21,433.50
					Mileage/Parking Expense	6907.40 · Storage Agreements	34.98
					Transportation	6907.40 · Storage Agreements	150.00
	Bill	06/30/2017	685059		685059	6907.39 · Recharge Master Plan	2,093.85
	Bill	06/30/2017	685060		685060	6077 · BHFS Legal - Party Status Maint	185.85
	Bill	06/30/2017	685061		685061	6072 · BHFS Legal - Rules & Regs	267.75
	Bill	06/30/2017	685062		685062	6071 · BHFS Legal - Court Coordination	1,205.55
	Bill	06/30/2017	685063		685063	8575 · BHFS Legal - Non-Ag Pool	1,338.75
	Bill	06/30/2017	685064		685064	8475 · BHFS Legal - Agricultural Pool	1,338.75
	Bill	06/30/2017	685065		685065	8375 · BHFS Legal - Appropriative Pool	1,338.75
	Bill	06/30/2017	685066		685066	6375 · BHFS Legal - Board Meeting	6,921.90
					Transportation	6375 · BHFS Legal - Board Meeting	300.00
					Lodging	6375 · BHFS Legal - Board Meeting	1,125.00
					Mileage/Parking Expenses	6375 · BHFS Legal - Board Meeting	34.98
	Bill	06/30/2017	685067		685067	6275 · BHFS Legal - Advisory Committee	1,109.25
					Mileage/Parking Expenses	6275 · BHFS Legal - Advisory Committee	34.98
	Bill	06/30/2017	685068		685068	6907.36 · Santa Ana River Habitat	5,052.60
	Bill	06/30/2017	685069		ETF	6073 · BHFS Legal - Personnel Matters	1,960.65
					Personnel	6073 · BHFS Legal - Personnel Matters	320.40
					GM Contract	6073 · BHFS Legal - Personnel Matters	2,580.08
					457 Addition	6073 · BHFS Legal - Personnel Matters	1,237.72
	Bill	06/30/2017	685070		Angelica Bankruptcy	6078 · BHFS Legal - Miscellaneous	6,375.15
					Ag Pool Contest	6078 · BHFS Legal - Miscellaneous	2,218.50
					685070	6078 · BHFS Legal - Miscellaneous	20,771.55
					NRG Bankruptcy	6078 · BHFS Legal - Miscellaneous	3,133.80
					Transportation	6078 · BHFS Legal - Miscellaneous	300.00
					Mileage/Parking Expenses	8375 · BHFS Legal - Appropriative Pool	11.66
					Mileage/Parking Expenses	8475 · BHFS Legal - Agricultural Pool	11.66
					Mileage/Parking Expenses	8575 · BHFS Legal - Non-Ag Pool	11.66
TOTAL							97,800.75
	Bill Pmt -Check	07/24/2017	20251	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	06/30/2017	XXXX-XXXX-XXXX-9341		Send check to SB County	6042 · Postage - General	23.31
				Purchase car phone mounts for staff	6031.7 · Other Office Supplies	24.36
				Purchase laptop power cord for CFO	6055 · Computer Hardware	30.65
				Registration-Zapien-OSHA Confined Space Training	6193.2 · Conference - Registration Fee	618.10
			VICTOR HARRIS	Purchase monitors for front desk	6055 · Computer Hardware	209.62
				Send contract to IEUA for signature	6042 · Postage - General	7.95
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	330.46
				PK meeting w/CVWD and Pomona	8312 · Meeting Expenses	54.83
				Purchase toner for office printers	6031.7 · Other Office Supplies	208.18
				Lunch for pre Ag Pool mtg	8412 · Meeting Expenses	74.75
				Purchase toner for office printers	6031.7 · Other Office Supplies	104.77
				Lunch-June 12, 2017 Chino Basin Groundwater Tou	6909.1 · OBMP Meetings	88.33
				Purchase toner for office printers	6031.7 · Other Office Supplies	132.35
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	12.47
				PK meeting w/legal counsel and MW	6909.1 · OBMP Meetings	70.63
				Purchase supplies for staff meeting	6141.3 · Admin Meetings	17.11
				Purchase book for office library	6031.7 · Other Office Supplies	13.20
				Lunch for June 23, 2017 Prado Basin Tour	6909.1 · OBMP Meetings	160.51
				Lunch for June 23, 2017 Prado Basin Tour	6909.1 · OBMP Meetings	27.17
				Purchase toner for office printers	6031.7 · Other Office Supplies	86.07
				Purchase desk calendar for office	6031.7 · Other Office Supplies	17.33
				Fare for train for PK to MWD for meeting	6174 · Public Transportation	17.59
				Registration for AT for gorundwater course	6192 · Seminars - General	132.18
				Purchase book for field staff re Water Meters	6151 · Small Tools & Equipment	142.16
				Lunch for Chino Basin Technical Issues meeting	6909.1 · OBMP Meetings	88.77
TOTAL						2,692.85
Bill Pmt -Check	07/24/2017	20252	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	07/17/2017	1394905143		1394905143	60182.1 · Medical Insurance	8,174.35
TOTAL						8,174.35
Bill Pmt -Check	07/24/2017	20253	CHEF DAVE'S CAFE & CATERING	6796	1012 · Bank of America Gen'l Ckg	
Bill	06/22/2017	6796		Lunch for 6/22/17 Watermaster Board meeting	6312 · Meeting Expenses	602.00
TOTAL						602.00
Bill Pmt -Check	07/24/2017	20254	COMPUTER NETWORK	102674	1012 · Bank of America Gen'l Ckg	
Bill	07/11/2017	102674		Repair on GIS Specialist computer	6055 · Computer Hardware	195.04
TOTAL						195.04
Bill Pmt -Check	07/24/2017	20255	CORELOGIC INFORMATION SOLUTIONS	81817852	1012 · Bank of America Gen'l Ckg	

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	06/30/2017	81817852			7103.7 · Grdwtr Qual-Computer Svc	62.50
				81817852	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	07/24/2017	20256	CUCAMONGA VALLEY WATER DISTRICT		1012 · Bank of America Gen'l Ckg	
Bill	07/17/2017			Office lease due August 1, 2017	1422 · Prepaid Rent	6,447.61
TOTAL						6,447.61
Bill Pmt -Check	07/24/2017	20257	EGOSCUE LAW GROUP	11641	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	11641		Ag Pool Legal Services - June 2017	8467 · Ag Legal & Technical Services	27,887.50
TOTAL						27,887.50
Bill Pmt -Check	07/24/2017	20258	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
Bill	06/29/2017	L0333302		L0333302	7108.4 · Hydraulic Control-Lab Svcs	1,256.00
Bill	06/29/2017	L0332853		L0332853	7108.41 · Hydraulic Control - PBHSP	1,256.00
Bill	06/29/2017	L0332852		L0332852	7108.41 · Hydraulic Control - PBHSP	3,140.00
Bill	06/29/2017	L0332851		L0332851	7108.41 · Hydraulic Control - PBHSP	1,884.00
Bill	06/29/2017	L0329049		L0329049	7108.41 · Hydraulic Control - PBHSP	1,256.00
Bill	06/29/2017	L0329475		L0329475	7108.41 · Hydraulic Control - PBHSP	2,512.00
TOTAL						11,304.00
Bill Pmt -Check	07/24/2017	20259	FEDAK & BROWN LLP	Audit Services	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017			June 2017	6062 · Audit Services	1,500.00
TOTAL						1,500.00
Bill Pmt -Check	07/24/2017	20260	FIRST LEGAL NETWORK LLC	40010714	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	40010714		Filings on 6/23/17, 6/26/17, 6/27/17, and 6/30/17	6061.5 · Court Filing Services	744.31
TOTAL						744.31
Bill Pmt -Check	07/24/2017	20261	FRONTIER COMMUNICATIONS	909-484-3890-050914-5	1012 · Bank of America Gen'l Ckg	
Bill	07/18/2017	90948438900509145		Office fax	6022 · Telephone	142.75
TOTAL						142.75
Bill Pmt -Check	07/24/2017	20262	GREAT AMERICA LEASING CORP.	20823012	1012 · Bank of America Gen'l Ckg	
Bill	07/17/2017	20984628		Invoice for July 2017	6043.1 · Ricoh Lease Fee	2,553.68
TOTAL						2,553.68
Bill Pmt -Check	07/24/2017	20263	INLAND EMPIRE UTILITIES AGENCY	1800003267	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	1800003267		1,550.5AF @ \$2 OC-59 April 2017	5015.1 · OC-59 Use Fees Repl Wtr	3,101.00
TOTAL						3,101.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
July 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	07/24/2017	20264	JOHN J. SCHATZ	Appropriative Pool Legal Services	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017			April, May, June 2017	8367 · Legal Service	24,014.65
Bill	06/30/2017			Add'l April, May, June 2017	8367 · Legal Service	15,934.00
TOTAL						39,948.65
Bill Pmt -Check	07/24/2017	20265	KUHN, BOB	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	06/05/2017	6/05 Admin Mtg		6/05/17 Check signature	6311 · Board Member Compensation	125.00
Bill	06/08/2017	6/08 Appro Pool Mtg		6/08/17 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	06/15/2017	6/15 Advisory Comm		6/15/17 Advisory Committee meeting	6311 · Board Member Compensation	125.00
Bill	06/20/2017	6/20 Conf Call		6/20/17 Executive Committee Conference Call	6311 · Board Member Compensation	125.00
Bill	06/22/2017	6/22 Board Mtg		6/22/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						625.00
Bill Pmt -Check	07/24/2017	20266	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
Bill	07/19/2017	0222802		Employee deductions - July 2017	60194 · Other Employee Insurance	79.70
TOTAL						79.70
P74 Bill Pmt -Check	07/24/2017	20267	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2017				60182.4 · Retiree Medical	22.24
TOTAL						22.24
Bill Pmt -Check	07/24/2017	20268	VERIZON WIRELESS	9788665420	1012 · Bank of America Gen'l Ckg	
Bill	07/17/2017	9788665420		Acct #470810953-00001	6022 · Telephone	497.28
TOTAL						497.28
Bill Pmt -Check	07/24/2017	20269	SANTA ANA WATERSHED PROJECT AUTHORIT VOID: 9303		1012 · Bank of America Gen'l Ckg	0.00
TOTAL						0.00
General Journal	07/29/2017	07/29/2017	Payroll and Taxes for 07/16/17-07/29/17	Payroll and Taxes for 07/16/17-07/29/17	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 07/16/17-07/29/17	1012 · Bank of America Gen'l Ckg	24,740.56
				Payroll Taxes for 07/16/17-07/29/17	1012 · Bank of America Gen'l Ckg	8,740.28
			ICMA-RC	457(b) Employee Deductions for 07/16/17-07/29/17	1012 · Bank of America Gen'l Ckg	4,410.56
			ICMA-RC	401(a) Employee Deductions for 07/16/17-07/29/17	1012 · Bank of America Gen'l Ckg	1,276.75
TOTAL						39,168.15
General Journal	07/31/2017	07/31/2017	Wage Works FSA Direct Debits - July 2017	Wage Works FSA Direct Debits - July 2017	1012 · Bank of America Gen'l Ckg	
				Wage Works FSA Direct Debits - July 2017	1012 · Bank of America Gen'l Ckg	696.15
				Wage Works FSA Direct Debits - July 2017	1012 · Bank of America Gen'l Ckg	696.15
				Wage Works FSA Direct Debits - July 2017	1012 · Bank of America Gen'l Ckg	81.50

CHINO BASIN WATERMASTER
 Cash Disbursements For The Month of
 July 2017

	Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL							1,473.80
						Total Disbursements:	<u>1,409,317.13</u>

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CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: VISA Check Detail Report - Financial Report B2 (July 31, 2017)

SUMMARY

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

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

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

Future Consideration

Advisory Committee – September 21, 2017: Receive and File

Watermaster Board – September 28, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously approved

Non-Agricultural Pool – September 14, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – September 14, 2017: Unanimously approved

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 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 July 2017 were \$2,692.85. The payment was processed in the amount of \$2,692.85 (by check number 20251 dated July 24, 2017). The monthly charges for July 2017 of \$2,692.85 were for routine and customary expenditures and properly documented with receipts.

ATTACHMENTS

1. Financial Report - B2

CHINO BASIN WATERMASTER
VISA Check Detail Report
July 2017

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	07/24/2017	20251	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2017	XXXX-XXXX-XXXX-9341		Send check to SB County	6042 · Postage - General	23.31
				Purchase car phone mounts for staff	6031.7 · Other Office Supplies	24.36
				Purchase laptop power cord for CFO	6055 · Computer Hardware	30.65
				Registration-Zapien-OSHA Confined Space Training	6193.2 · Conference - Registration Fee	618.10
				Purchase monitors for front desk	6055 · Computer Hardware	209.62
			VICTOR HARRIS	Send contract to IEUA for signature	6042 · Postage - General	7.95
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	330.46
				PK meeting w/CVWD and Pomona	8312 · Meeting Expenses	54.83
				Purchase toner for office printers	6031.7 · Other Office Supplies	208.18
				Lunch for pre Ag Pool mtg	8412 · Meeting Expenses	74.75
				Purchase toner for office printers	6031.7 · Other Office Supplies	104.77
				Lunch-June 12, 2017 Chino Basin Groundwater Tour	6909.1 · OBMP Meetings	88.33
				Purchase toner for office printers	6031.7 · Other Office Supplies	132.35
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	12.47
				PK meeting w/legal counsel and MW	6909.1 · OBMP Meetings	70.63
				Purchase supplies for staff meeting	6141.3 · Admin Meetings	17.11
				Purchase book for office library	6031.7 · Other Office Supplies	13.20
				Lunch for June 23, 2017 Prado Basin Tour	6909.1 · OBMP Meetings	160.51
				Lunch for June 23, 2017 Prado Basin Tour	6909.1 · OBMP Meetings	27.17
				Purchase toner for office printers	6031.7 · Other Office Supplies	86.07
				Purchase desk calendar for office	6031.7 · Other Office Supplies	17.33
				Fare for train for PK to MWD for meeting	6174 · Public Transportation	17.59
				Registration for AT for groundwater course	6192 · Seminars - General	132.18
				Purchase book for field staff re Water Meters	6151 · Small Tools & Equipment	142.16
				Lunch for Chino Basin Technical Issues meeting	6909.1 · OBMP Meetings	88.77
					Total Disbursements:	<u>2,692.85</u>

TOTAL

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2017 through July 31, 2017 - Financial Report B3 (July 31, 2017)

SUMMARY

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

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

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

Future Consideration

Advisory Committee – September 21, 2017: Receive and File

Watermaster Board – September 28, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously approved

Non-Agricultural Pool – September 14, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – September 14, 2017: Unanimously approved

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Net Assets for the period July 1, 2017 through July 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 17.0, 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 JULY 31, 2017

	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	7								7	0
Total Revenues	193,629	-	-	-	-	-	-	-	193,629	11,838,698
Administrative & Project Expenditures:										
Watermaster Administration	163,029								163,029	1,339,393
Watermaster Board-Advisory Committee	19,380								19,380	219,454
Ag Pool Misc. Expense - Ag Fund				-					-	400
Pool Administration			7,412	51,325	8,563				67,301	619,252
Optimum Basin Mgmt Administration		112,913							112,913	1,374,142
OBMP Project Costs		444,676							444,676	5,198,168
Debt Service		515,375							515,375	515,375
Basin Recharge Improvements		57,242							57,242	6,692,293
Total Administrative/OBMP Expenses	182,409	1,130,206	7,412	51,325	8,563	-	-	-	1,379,915	15,958,477
Net Administrative/OBMP Expenses	11,220	(1,130,206)								
Allocate Net Admin Expenses To Pools	(11,220)		(8,443)	(2,457)	(320)				-	
Allocate Net OBMP Expenses To Pools		557,589	419,587	122,120	15,881				-	
Allocate Debt Service to App Pool		515,375	515,375						-	
Allocate Basin Recharge to App Pool		57,242	57,242						-	
Agricultural Expense Transfer*			170,988	(170,988)					-	
Total Expenses			1,162,162	-	24,125	-	-	-	1,379,915	15,958,477
Net Administrative Income			(1,162,162)	-	(24,125)	-	-	-	(1,186,286)	(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		(1,186,286)	(1,162,162)	-	(24,125)	-	-	-	(1,186,286)	(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			7,876,629	486,234	21,021	(102,141)	(11,905)	(740,195)	7,529,643	7,529,643
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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CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period July 1, 2017 through July 31, 2017 -
Financial Report B4 (July 31, 2017)

SUMMARY

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

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

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

Future Consideration

Advisory Committee – September 21, 2017: Receive and File

Watermaster Board – September 28, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously approved

Non-Agricultural Pool – September 14, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – September 14, 2017: Unanimously approved

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period July 1, 2017 through July 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 17.0, the Watermaster accounting system. The Treasurer's Report provided, balances to the supporting documentation in the Watermaster accounting system, as well as the supporting bank statements.

ATTACHMENTS

1. Financial Report - B4

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

Financial Report - B4

DEPOSITORIES:

Cash on Hand - Petty Cash			\$		500
Bank of America					
Governmental Checking-Demand Deposits			\$	66,516	
Zero Balance Account - Payroll			\$	-	66,516
Trust Account - County of San Bernardino					15,000
Local Agency Investment Fund - Sacramento					10,055,833
TOTAL CASH IN BANKS AND ON HAND	7/31/2017				\$ 10,137,849
TOTAL CASH IN BANKS AND ON HAND	6/30/2017				11,475,346
PERIOD INCREASE (DECREASE)					\$ (1,337,497)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable			\$		(106,000)
Assessments Receivable					28,601
Prepaid Expenses, Deposits & Other Current Assets					21,488
(Decrease)/Increase in Liabilities: Accounts Payable					(64,412)
Accrued Payroll, Payroll Taxes & Other Current Liabilities					(33,050)
Long Term Liabilities					2,163
Transfer to/(from) Reserves					(1,186,286)
PERIOD INCREASE (DECREASE)					\$ (1,337,497)

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 6/30/2017	\$ 500	\$ 200,521	\$ 32,887	\$ 15,000	\$ 11,226,438	\$ 11,475,346
Deposits	-	1,275,313	-	-	29,395	1,304,708
Transfers	-	93,734	(67,148)	-	(1,200,000)	(1,173,414)
Withdrawals/Checks	-	(1,503,051)	34,260	-	-	(1,468,791)
Balances as of 7/31/2017	\$ 500	\$ 66,516	\$ -	\$ 15,000	\$ 10,055,833	\$ 10,137,849
PERIOD INCREASE OR (DECREASE)	\$ -	\$ (134,005)	\$ (32,887)	\$ -	\$ (1,170,605)	\$ (1,337,497)

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
7/12/2017	Withdrawal		\$ (1,200,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (1,200,000)	\$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
July 31, 2017**

<u>Financial Institution</u>	<u>Principal Amount</u>	<u>Number of Days</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Local Agency Investment Fund	\$ 10,055,833			
TOTAL INVESTMENTS	\$ 10,055,833			

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



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2017 through July 31, 2017 -
Financial Report B5 (July 31, 2017)

SUMMARY

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

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

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

Future Consideration

Advisory Committee – September 21, 2017: Receive and File

Watermaster Board – September 28, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously approved

Non-Agricultural Pool – September 14, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – September 14, 2017: Unanimously approved

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

A Budget vs. Actual Report for the period July 1, 2017 through July 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 17.0, the Watermaster accounting system. The Budget vs. Actual report provided, balances to the supporting documentation in the Watermaster accounting system, as well as the supporting bank statements.

DISCUSSION

CURRENT MONTH – JULY 2017

Year-To-Date (YTD) for the one month ending July 31, 2017, all but three categories were at or below the projected budget. The categories over budget were (1) Watermaster Legal Services expenses (6070's) over budget by \$10,229 or 54.3% as a result of miscellaneous legal matters as detailed in the BHFS section; (2) Watermaster Board expenses (6300's) over budget by \$3,032 or 23.3% as a result of additional special Board meetings during the month of July 2017; and (3) Agricultural Pool Legal Services (8467's) over budget by \$28,966 or 169.6% as a result of increased legal service performed during the month. 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 \$1,379,915 or 75.4% below the (YTD) Budgeted Expenses of \$5,610,646.

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 ($\$11,838,698 + \$4,119,779.24 = \$15,958,477.24$).

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

PREVIOUSLY REPORTED ACTIONS (Descending Order)

None

SALARIES EXPENSE

CURRENT MONTH – JULY 2017

As of July 31, 2017, the total (YTD) Watermaster salary expenses were \$17,860 or 12.4% below the (YTD) budgeted amount of \$143,632. 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 July 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 - Jul '17 Actual	Jul '17 - Jul '17 Budget	\$ Over Budget	% of Budget	FY 2017/18 Annual Budget
WM Salary Expense					
6011 · WM Staff Salaries	71,677.91	78,052.00	-6,374.09	91.83%	966,354.00
6011.1 · WM Staff Salaries - Overtime	1,094.09	0.00	1,094.09	100.0%	0.00
6011.4 · 457(f) NQDC Plan	2,163.09	1,975.00	188.09	109.52%	23,710.00
6015 · Miscellaneous Payments	0.00	0.00	0.00	0.0%	0.00
6017 · Temporary Services	0.00	1,750.00	-1,750.00	0.0%	21,000.00
6201 · Advisory Committee - WM Staff Salaries	2,324.02	1,995.00	329.02	116.49%	24,708.00
6301 · Watermaster Board - WM Staff Salaries	3,730.13	3,059.00	671.13	121.94%	37,863.00
8301 · Appropriative Pool - WM Staff Salaries	4,891.16	2,733.00	2,158.16	178.97%	33,842.00
8401 · Agricultural Pool - WM Staff Salaries	1,892.54	2,412.00	-519.46	78.46%	29,853.00
8501 · Non-Agricultural Pool - WM Staff Salaries	1,802.37	1,579.00	223.37	114.15%	19,557.00
6901 · OBMP - WM Staff Salaries	7,303.04	7,418.00	-114.96	98.45%	91,832.00
7101.1 · Production Monitor - WM Staff Salaries	4,079.91	4,362.00	-282.09	93.53%	53,992.00
7102.1 · In-line Meter - WM Staff Salaries	0.00	823.00	-823.00	0.0%	10,197.00
7103.1 · Grdwater Quality - WM Staff Salaries	929.32	4,489.00	-3,559.68	20.7%	55,574.00
7104.1 · Grdwater Level - WM Staff Salaries	5,445.06	3,232.00	2,213.06	168.47%	40,022.00
7107.1 · GrdLevel Monitoring - WM Staff Salaries	168.89	0.00	168.89	100.0%	0.00
7108.1 · Hydraulic Control - WM Staff Salaries	0.00	271.00	-271.00	0.0%	3,356.00
7108.11 · Prado Basin - WM Staff Salaries	588.51	503.00	85.51	117.0%	6,219.00
7201 · Comp Recharge - WM Staff Salaries	3,302.37	7,671.00	-4,368.63	43.05%	94,978.00
7301 · PE3&5 - WM Staff Salaries	0.00	1,293.00	-1,293.00	0.0%	16,017.00
7401 · PE4 - WM Staff Salaries	0.00	788.00	-788.00	0.0%	9,747.00
7501 · PE6&7 - WM Staff Salaries	234.62	385.00	-150.38	60.94%	4,759.00
7501.1 · PE 6&7 - WM Staff Salaries (Plume)	0.00	431.00	-431.00	0.0%	5,338.00
7601 · PE8&9 - WM Staff Salaries	167.84	3,848.00	-3,680.16	4.36%	47,656.00
Subtotal WM Staff Costs	111,794.87	129,069.00	-17,274.13	86.62%	1,596,574.00
60185 · Vacation	4,136.45	6,041.00	-1,904.55	68.47%	72,497.00
60186 · Sick Leave	1,389.58	4,261.00	-2,871.42	32.61%	51,138.00
60187 · Holidays	8,450.98	4,261.00	4,189.98	198.33%	51,138.00
Subtotal WM Paid Leaves	13,977.01	14,563.00	-585.99	95.98%	174,773.00
Total WM Salary Costs	125,771.88	143,632.00	-17,860.12	87.57%	1,771,347.00

PREVIOUSLY REPORTED ACTIONS (Descending Order)
None

LEGAL SERVICES
BROWNSTEIN HYATT FARBER SCHRECK EXPENSES

CURRENT MONTH – JULY 2017

As of July 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 \$9,074 or 10.7% above the (YTD) budgeted amount of \$85,010.

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 July 31, 2017, was \$10,415 or 55.2% above the budgeted amount of \$18,854. 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 \$2,992 or 87.0%; Rules and Regulations (6072) under budget by \$1,445 or 57.1%; Personnel Matter (6073) under budget by \$4,919 or 98.4%; Interagency Issues (6074) under budget by \$2,550 or 100.0%; and Party Status Maintenance (6077) under budget by \$2,204 or 92.2%. The specific items within the Administrative Legal Services expenses (6070's) which were over budget were the Miscellaneous Category expenses (6078) over budget by \$24,525 or 832.8%. 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 July 31, 2017 was \$368 or 2.3% below the budgeted amount of \$16,370. 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 July 31, 2017 the category of OBMP legal expenses were \$972 or 2.0% below the budgeted amount of \$49,786. The majority of expenses within this OBMP category were under budget (YTD), however, the Prado Basin Habitat Sustainability legal expenses (6907.41) were over budget by \$1,171 or 92.5%; and the Safe Yield Redetermination and Reset legal expenses (6907.42) were over budget by \$32,604 or 565.5%.

The table listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of July 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 - Jul '17 Actual	Jul '17 - Jul '17 Budget	\$ Over Budget	% of Budget	FY 2017/18 Annual Budget
6070 · Watermaster Legal Services					
6071 · BHFS Legal - Court Coordination	447.30	3,439.00	-2,991.70	13.01%	41,250.00
6072 · BHFS Legal - Rules & Regulations	1,085.40	2,530.00	-1,444.60	42.9%	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	2,550.00	-2,550.00	0.0%	30,600.00
6076 · BHFS Legal - Storage Issues	0.00	0.00	0.00	0.0%	0.00
6077 · BHFS Legal - Party Status Maintenance	185.85	2,390.00	-2,204.15	7.78%	28,700.00
6078 · BHFS Legal - Miscellaneous (Note 1)	27,469.53	2,945.00	24,524.53	932.75%	35,350.00
Total 6070 · Watermaster Legal Services	29,269.08	18,854.00	10,415.08	155.24%	176,075.00
6275 · BHFS Legal - Advisory Committee	994.50	1,700.00	-705.50	58.5%	18,700.00
6375 · BHFS Legal - Board Meeting	7,747.88	7,020.00	727.88	110.37%	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	2,550.00	-130.23	94.89%	28,050.00
8475 · BHFS Legal - Agricultural Pool	2,419.74	2,550.00	-130.26	94.89%	28,050.00
8575 · BHFS Legal - Non-Ag Pool	2,419.72	2,550.00	-130.28	94.89%	28,050.00
Total BHFS Legal Services	16,001.61	16,370.00	-368.39	97.75%	191,233.00
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	2,041.00	-2,041.00	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	2,041.00	-2,041.00	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	1,793.00	-1,793.00	0.0%	21,525.00
6907.34 · Santa Ana River Water Rights	0.00	2,184.00	-2,184.00	0.0%	26,200.00
6907.36 · Santa Ana River Habitat	2,612.25	5,775.00	-3,162.75	45.23%	69,300.00
6907.38 · Reg. Water Quality Cntrl Board	580.05	1,195.00	-614.95	48.54%	14,350.00
6907.39 · Recharge Master Plan	26.55	7,200.00	-7,173.45	0.37%	86,400.00
6907.40 · Storage Agreements	2,625.30	14,466.00	-11,840.70	18.15%	173,600.00
6907.41 · Prado Basin Habitat Sustainability	2,436.75	1,266.00	1,170.75	192.48%	15,200.00
6907.42 · Safe Yield Recalculation	38,370.02	5,766.00	32,604.02	665.45%	69,200.00
6907.44 · SGMA Compliance	2,162.70	3,600.00	-1,437.30	60.08%	43,200.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	2,459.00	-2,459.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	48,813.62	49,786.00	-972.38	98.05%	597,475.00
Total Brownstein, Hyatt, Farber, Schreck Costs	94,084.31	85,010.00	9,074.31	110.67%	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) MWWD 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; and (15) Miscellaneous legal research on current and pending issues.

PREVIOUSLY REPORTED ACTIONS (Descending Order)
None

OBMP ENGINEERING SERVICES AND LEGAL COSTS

CURRENT MONTH – JULY 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 one month ending July 31, 2017, the actual expenses of \$110,415 were below the budgeted amount of \$119,676 by \$9,261 or 7.7%. For a detailed discussion, the following is provided.

For July 31, 2017, the accounts 6901-6903 (Optimum Basin Mgmt. Program) section was below the Year-To-Date (YTD) budget by \$12,369 or 62.9%. 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 relatively the same amount of time on specific OBMP related areas as budgeted. As a result, Watermaster staff allocated about the same actual time to the OBMP project as budgeted, which resulted in an under budget variance of \$115 or 1.5%. 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 July 31, 2017.

For July 31, 2017, the accounts 6906 (Optimum Basin Mgmt. Program Engineering Services) section was above the Year-To-Date (YTD) budget by \$5,052 or 10.3%. 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 July, 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-Pool, Advisory, Board Meeting Engineering Services expenses (6906.31) which were over budget by \$475 or 5.9%; the OBMP-Other General Meetings Engineering Services expenses (6906.32) which were over budget by \$4,003 or 132.1%; the OBMP-Data Requests-CBWM Staff Engineering Services expenses (6906.71) which were over budget by \$5,898 or 64.7%; and the OBMP-2018 RMPU Master Update expenses (6906.90) which were over budget by \$13,144 or 242.7%.

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 \$33,775 while some other line item activities were below the budget by \$34,747. Above the budget line items were the Prado Basin Habitat Sustainability expenses of \$1,171; and the Safe Yield Redetermination and Reset expenses of \$32,604. The individual legal projects/activities that were below budget for the Year-To-Date (YTD) period were the Archibald South Plume of \$2,041; the Chino Airport Plume of \$2,041; the Desalter/Hydraulic Control of \$1,793; the Santa Ana River Water Rights expenses of \$2,184; the Santa Ana River Habitat expenses of \$3,163; the Regional Water Quality Control Board of \$615; the Recharge Master Plan of \$7,173; Storage Agreements of \$11,841; the SGMA Compliance of \$1,437; and the WM Unanticipated legal expenses of \$2,459. For the one month ended July 31, 2017, the overall cumulative (YTD) budget was \$49,786 and the actual (BHFS) legal expenses totaled \$48,814 which resulted in an under budget variance of \$972 or 2.0%.

The OBMP Other Expenses (6909's) were below the budget for the month. These expenses are typically conference calls, meeting expenses, supplies, annual inspection fees, and other miscellaneous type expenses. As of July 31, 2017 this category of expenses was \$972 or 86.4% below the budgeted amount of \$1,125.

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 Sevaime 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 July 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 \$110,415 compared to a (YTD) budget of \$119,676 for an under budget of \$9,261 or 7.7% as of July 31, 2017.

The table listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of July 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 - Jul '17 Actual	Jul '17 - Jul '17 Budget	\$ Over Budget	% of Budget	FY 2017/18 Annual Budget
6900 · Optimum Basin Mgmt Plan					
6901 · WM Staff Salaries	7,303.04	7,418.00	-114.96	98.45%	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	7,303.04	19,672.00	-12,368.96	37.12%	104,086.00
6906 · OBMP Engineering Services					
6906.1 · OBMP - Watermaster Model Update	0.00	4,931.00	-4,931.00	0.0%	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	1,224.15	2,128.00	-903.85	57.53%	25,528.00
6906.23 · SGMA Reporting Requirements	0.00	2,033.00	-2,033.00	0.0%	24,392.00
6906.24 · Compliance - SB88 and SWRCB	0.00	585.00	-585.00	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	8,080.00	475.21	105.88%	96,950.00
6906.32 · OBMP - Other General Meetings	7,034.22	3,031.00	4,003.22	232.08%	36,381.00
6906.71 · OBMP - Data Requests - CBWM Staff	15,017.60	9,120.00	5,897.60	164.67%	109,440.00
6906.72 · OBMP - Data Requests - Non CBWM	0.00	2,646.00	-2,646.00	0.0%	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	1,989.00	5,834.00	-3,845.00	34.09%	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	498.00	2,858.00	-2,360.00	17.43%	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	18,560.00	5,416.00	13,144.00	342.69%	65,000.00
6906 · OBMP Engineering Services - Other	1,267.20	2,431.00	-1,163.80	52.13%	29,164.00
Total 6906 · OBMP Engineering Services	54,145.38	49,093.00	5,052.38	110.29%	574,783.00
6907 · OBMP Legal Fees					
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	2,041.00	-2,041.00	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	2,041.00	-2,041.00	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	1,793.00	-1,793.00	0.0%	21,525.00
6907.34 · Santa Ana River Water Rights	0.00	2,184.00	-2,184.00	0.0%	26,200.00
6907.36 · Santa Ana River Habitat	2,612.25	5,775.00	-3,162.75	45.23%	69,300.00
6907.38 · Reg. Water Quality Cntrl Board	580.05	1,195.00	-614.95	48.54%	14,350.00
6907.39 · Recharge Master Plan	26.55	7,200.00	-7,173.45	0.37%	86,400.00
6907.40 · Storage Agreements	2,625.30	14,466.00	-11,840.70	18.15%	173,600.00
6907.41 · Prado Basin Habitat Sustainability	2,436.75	1,266.00	1,170.75	192.48%	15,200.00
6907.42 · Safe Yield Recalculation	38,370.02	5,766.00	32,604.02	665.45%	69,200.00
6907.44 · SGMA Compliance	2,162.70	3,600.00	-1,437.30	60.08%	43,200.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	2,459.00	-2,459.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	48,813.62	49,786.00	-972.38	98.05%	597,475.00
Total 6907 · OBMP Legal Fees	48,813.62	49,786.00	-972.38	98.05%	597,475.00
6909 · OBMP Other Expenses					
6909.1 · OBMP Meetings	153.10	125.00	28.10	122.48%	1,500.00
6909.3 · Other OBMP Expenses	0.00	166.00	-166.00	0.0%	2,000.00
6909.6 · OBMP Expenses - Miscellaneous	0.00	834.00	-834.00	0.0%	10,000.00
Total 6909 · OBMP Other Expenses	153.10	1,125.00	-971.90	13.61%	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	5,002.23	0.00	5,002.23	100.0%	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	792.00	0.00	792.00	100.0%	0.00
6910.14 · Truing-Up 2013 RMPU Estimates	85,058.70	0.00	85,058.70	100.0%	0.00
6910.15 · WEI Support-HCP Modeling	17,999.14	0.00	17,999.14	100.0%	0.00
6910.20 · RMPU-MPI Analysis	99,539.03	0.00	99,539.03	100.0%	0.00
6910.50 · WEI Support for IEUA-Billings	-208,391.10	0.00	-208,391.10	100.0%	0.00
Total 6910 · WEI Support for IEUA	0.00	0.00	0.00	0.0%	0.00
Total 6900 · Optimum Basin Mgmt Plan	110,415.14	119,676.00	-9,260.86	92.26%	1,289,844.00

PREVIOUSLY REPORTED ACTIONS (Descending Order)
None

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

CURRENT MONTH – JULY 2017

As of July 31, 2017, the total (YTD) Engineering Services expenses were \$333,979 or 62.8% below the (YTD) budget amount of \$531,709. The OBMP Implementation Projects (consolidated accounts 7100's – 7700's) were all under budget as of July 31, 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.

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 July 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 - Jul '17 Actual	Jul '17 - Jul '17 Budget	\$ Over Budget	% of Budget	FY 2017/18 Annual Budget
6906 · OBMP Engineering Services - Other	1,267.20	2,431.00	-1,163.80	52.13%	29,164.00
6906.1 · OBMP - Watermaster Model Update	0.00	4,931.00	-4,931.00	0.0%	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	1,224.15	2,128.00	-903.85	57.53%	25,528.00
6906.23 · SGMA Reporting Requirements	0.00	2,033.00	-2,033.00	0.0%	24,392.00
6906.24 · Compliance - SB88 and SWRCB	0.00	585.00	-585.00	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	8,080.00	475.21	105.88%	96,950.00
6906.32 · OBMP - Other General Meetings	7,034.22	3,031.00	4,003.22	232.08%	36,381.00
6906.71 · OBMP - Data Requests - CBWM Staff	15,017.60	9,120.00	5,897.60	164.67%	109,440.00
6906.72 · OBMP - Data Requests - Non CBWM	0.00	2,646.00	-2,646.00	0.0%	31,752.00
6906.74 · OBMP - Mat'l Physical Injury Requests	1,989.00	5,834.00	-3,845.00	34.09%	70,000.00
6906.81 · Prepare 40th Annual Report	498.00	2,858.00	-2,360.00	17.43%	20,000.00
6906.90 · OBMP - 2018 RMPU Master Update	18,560.00	5,416.00	13,144.00	342.69%	65,000.00
7103.3 · Grdwtr Qual-Engineering	10,925.68	10,717.00	208.68	101.95%	128,595.00
7103.5 · Grdwtr Qual-Lab Svcs	0.00	4,093.00	-4,093.00	0.0%	49,109.00
7104.3 · Grdwtr Level-Engineering	12,608.91	17,154.00	-4,545.09	73.5%	205,859.00
7104.8 · Grdwtr Level-Contracted Services	0.00	834.00	-834.00	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equipment	0.00	666.00	-666.00	0.0%	8,000.00
7107.2 · Grd Level-Engineering	3,382.58	24,924.00	-21,541.42	13.57%	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	36,225.00	-21,929.12	39.46%	168,552.00
7107.8 · Grd Level-Capital Equipment	0.00	291.00	-291.00	0.0%	3,500.00
7108.3 · Hydraulic Control-Engineering	0.00	1,650.00	-1,650.00	0.0%	19,800.00
7108.31 · Hydraulic Control-PBHSP	7,634.50	16,179.00	-8,544.50	47.19%	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	2,006.00	26.00	101.3%	24,064.00
7108.41 · Hydraulic Control-PBHSP	0.00	1,541.00	-1,541.00	0.0%	18,500.00
7108.6 · Hydraulic Control-Outside Professionals	0.00	416.00	-416.00	0.0%	5,000.00
7109.3 · Recharge & Well - Engineering	0.00	1,949.00	-1,949.00	0.0%	23,377.00
7202.2 · Comp Recharge-Engineering Services	14,432.24	13,498.00	934.24	106.92%	161,976.00
7303 · PE3&5-Engineering - Other	0.00	804.00	-804.00	0.0%	9,640.00
7402 · PE4-Engineering	28,637.68	8,607.00	20,030.68	332.73%	103,290.00
7402.10 · PE4-MZ1 Pomona Project	3,148.50	269,486.00	-266,337.50	1.17%	1,669,543.00
7403 · PE4-Contract Svcs	0.00	1,666.00	-1,666.00	0.0%	20,000.00
7502 · PE6&7-Engineering	11,418.60	12,593.00	-1,174.40	90.67%	79,113.00
7510 · PE6&7-IEUA Salinity Mgmt. Plan	10,850.30	10,482.00	368.30	103.51%	125,806.00
7602 · PE8&9-Engineering	24,217.50	25,183.00	-965.50	96.17%	182,207.00
Total Engineering Services Costs	197,729.75	531,709.00	-333,979.25	37.19%	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)

None

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 - Jul. 2017	\$ 7,634.50	\$ (3,817.25)	\$ -	\$ 3,817.25
Totals	\$ 7,634.50	\$ (3,817.25)	\$ -	\$ 3,817.25
	7108.31	7108.31	7108.31	
Maximum Costs	\$ 150,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00

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.

There were no other significant items to report within the category of Other Income and Expenses for the month ending July 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 - JULY 2017

As of July 31, 2017, the total (YTD) amount remaining of the "Carried Over" funding is \$4,035,711.09 (\$4,119,779.24 - \$84,068.15 = \$4,035,711.09).

The following details are provided:

"Carried Over" Expenses At June 30, 2017

			GL Account		
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	\$ (3,382.58)	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	\$ (3,148.50)	D	7402.1 ⁵	FY 2016/17	ENG
San Sevaine Recharge Improvement Project (TO #8)	\$ (19,261.77)	J	7690.4	FY 2014/15	PROJ
Lower Day Basin RMPU (TO #2)	\$ (37,979.42)	N	7690.8	FY 2016/17	PROJ
Updated Balance as of July 31, 2017	\$ 4,035,711.09				

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 Declez 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 December 1, 2017.

ASSESSMENT INVOICING

CURRENT MONTH – JULY 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				1/12th (8.33%) of the Total Budget				100% of the Total Budget			
	For The Month of July 2017				Year-To-Date as of July 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	193,621.82	191,626.00	1,995.82	101.04%	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	7.20	0.00	7.20	100.0%	7.20	0.00	7.20	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	193,629.02	191,626.00	2,003.02	101.05%	193,629.02	191,626.00	2,003.02	101.05%	11,840,693.82	11,838,698.00	1,995.82	100.02%
Gross Profit	193,629.02	191,626.00	2,003.02	101.05%	193,629.02	191,626.00	2,003.02	101.05%	11,840,693.82	11,838,698.00	1,995.82	100.02%
Expense												
6010 · Admin. Salary/Benefit Costs	73,405.84	82,151.00	-8,745.16	89.36%	73,405.84	82,151.00	-8,745.16	89.36%	1,022,564.00	1,022,564.00	0.00	100.0%
6020 · Office Building Expense	8,389.74	8,836.00	-446.26	94.95%	8,389.74	8,836.00	-446.26	94.95%	112,914.00	112,914.00	0.00	100.0%
6030 · Office Supplies & Equip.	1,447.34	2,500.00	-1,052.66	57.89%	1,447.34	2,500.00	-1,052.66	57.89%	26,500.00	26,500.00	0.00	100.0%
6040 · Postage & Printing Costs	3,473.43	3,527.00	-53.57	98.48%	3,473.43	3,527.00	-53.57	98.48%	50,193.00	50,193.00	0.00	100.0%
6050 · Information Services	10,933.40	12,166.00	-1,232.60	89.87%	10,933.40	12,166.00	-1,232.60	89.87%	142,912.00	142,912.00	0.00	100.0%
6060 · Contract Services	8,598.13	8,800.00	-201.87	97.71%	8,598.13	8,800.00	-201.87	97.71%	60,000.00	60,000.00	0.00	100.0%
6070 · Watermaster Legal Services	29,083.23	18,854.00	10,229.23	154.26%	29,083.23	18,854.00	10,229.23	154.26%	176,075.00	176,075.00	0.00	100.0%
6080 · Insurance	26,412.35	29,768.00	-3,355.65	88.73%	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	9,024.88	9,250.00	-225.12	97.57%	9,024.88	9,250.00	-225.12	97.57%	23,385.00	23,385.00	0.00	100.0%
6140 · WM Admin Expenses	43.57	350.00	-306.43	12.45%	43.57	350.00	-306.43	12.45%	2,350.00	2,350.00	0.00	100.0%
6150 · Field Supplies	45.00	200.00	-155.00	22.5%	45.00	200.00	-155.00	22.5%	1,450.00	1,450.00	0.00	100.0%
6170 · Travel & Transportation	1,264.08	1,925.00	-660.92	65.67%	1,264.08	1,925.00	-660.92	65.67%	57,469.00	57,469.00	0.00	100.0%
6190 · Training, Conferences, Seminars	3,228.50	3,814.00	-585.50	84.65%	3,228.50	3,814.00	-585.50	84.65%	37,428.00	37,428.00	0.00	100.0%
6200 · Advisory Comm - WM Board	3,318.52	3,695.00	-376.48	89.81%	3,318.52	3,695.00	-376.48	89.81%	43,908.00	43,908.00	0.00	100.0%
6300 · Watermaster Board Expenses	16,061.44	13,029.00	3,032.44	123.28%	16,061.44	13,029.00	3,032.44	123.28%	175,546.00	175,546.00	0.00	100.0%
8300 · Appr PI-WM & Pool Admin	7,412.49	11,658.00	-4,245.51	63.58%	7,412.49	11,658.00	-4,245.51	63.58%	137,642.00	137,642.00	0.00	100.0%
8400 · Agri Pool-WM & Pool Admin	4,475.49	5,187.00	-711.51	86.28%	4,475.49	5,187.00	-711.51	86.28%	60,903.00	60,903.00	0.00	100.0%
8467 · Ag Legal & Technical Services	46,050.00	17,084.00	28,966.00	269.55%	46,050.00	17,084.00	28,966.00	269.55%	205,000.00	205,000.00	0.00	100.0%
8470 · Ag Meeting Attend -Special	800.00	1,850.00	-1,050.00	43.24%	800.00	1,850.00	-1,050.00	43.24%	22,200.00	22,200.00	0.00	100.0%
8471 · Ag Pool Expense	0.00	21,250.00	-21,250.00	0.0%	0.00	21,250.00	-21,250.00	0.0%	85,000.00	85,000.00	0.00	100.0%
8485 · Ag Pool - Misc. Exp. - Ag Fund	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	400.00	400.00	0.00	100.0%
8500 · Non-Ag PI-WM & Pool Admin	8,563.22	9,204.00	-640.78	93.04%	8,563.22	9,204.00	-640.78	93.04%	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	-12,320.90	-33,634.00	21,313.10	36.63%	-12,320.90	-33,634.00	21,313.10	36.63%	-403,615.00	-403,615.00	0.00	100.0%
6900 · Optimum Basin Mgmt Plan	110,415.14	119,676.00	-9,260.86	92.26%	110,415.14	119,676.00	-9,260.86	92.26%	1,289,844.00	1,289,844.00	0.00	100.0%
6950 · Mutual Agency Projects	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9501 · G&A Expenses Allocated-OBMP	2,497.92	7,024.00	-4,526.08	35.56%	2,497.92	7,024.00	-4,526.08	35.56%	84,298.00	84,298.00	0.00	100.0%
7101 · Production Monitoring	4,142.41	4,425.00	-282.59	93.61%	4,142.41	4,425.00	-282.59	93.61%	54,742.00	54,742.00	0.00	100.0%
7102 · In-line Meter Installation	0.00	6,190.00	-6,190.00	0.0%	0.00	6,190.00	-6,190.00	0.0%	68,072.00	68,072.00	0.00	100.0%
7103 · Grdwtr Quality Monitoring	12,017.54	19,809.00	-7,791.46	60.67%	12,017.54	19,809.00	-7,791.46	60.67%	239,388.00	239,388.00	0.00	100.0%
7104 · Gdwtr Level Monitoring	18,053.97	22,864.00	-4,810.03	78.96%	18,053.97	22,864.00	-4,810.03	78.96%	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	17,847.35	83,225.00	-65,377.65	21.45%	17,847.35	83,225.00	-65,377.65	21.45%	331,612.00	331,612.00	0.00	100.0%

	1/12th (8.33%) of the Total Budget				1/12th (8.33%) of the Total Budget				100% of the Total Budget			
	For The Month of July 2017				Year-To-Date as of July 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
7108 · Hydraulic Control Monitoring	21,974.37	22,566.00	-591.63	97.38%	21,974.37	22,566.00	-591.63	97.38%	205,098.00	205,098.00	0.00	100.0%
7109 · Recharge & Well Monitoring Prog	0.00	1,949.00	-1,949.00	0.0%	0.00	1,949.00	-1,949.00	0.0%	23,377.00	23,377.00	0.00	100.0%
7200 · PE2- Comp Recharge Pgm	282,142.33	359,746.86	-77,604.53	78.43%	282,142.33	359,746.86	-77,604.53	78.43%	1,397,464.86	1,397,464.86	0.00	100.0%
7300 · PE3&5-Water Supply/Desalte	0.00	2,681.00	-2,681.00	0.0%	0.00	2,681.00	-2,681.00	0.0%	32,657.00	32,657.00	0.00	100.0%
7400 · PE4- Mgmt Plan	31,786.18	280,756.00	-248,969.82	11.32%	31,786.18	280,756.00	-248,969.82	11.32%	1,805,080.00	1,805,080.00	0.00	100.0%
7500 · PE6&7-CoopEfforts/SaltMgmt	22,503.52	23,891.00	-1,387.48	94.19%	22,503.52	23,891.00	-1,387.48	94.19%	215,016.00	215,016.00	0.00	100.0%
7600 · PE8&9-StorageMgmt/Conj Use	24,385.34	29,061.00	-4,675.66	83.91%	24,385.34	29,061.00	-4,675.66	83.91%	230,213.00	230,213.00	0.00	100.0%
7690 · Recharge Improvement Debt Pymt	572,616.69	4,368,668.38	-3,796,051.69	13.11%	572,616.69	4,368,668.38	-3,796,051.69	13.11%	7,207,668.38	7,207,668.38	0.00	100.0%
7700 · Inactive Well Protection Prgm	0.00	41.00	-41.00	0.0%	0.00	41.00	-41.00	0.0%	500.00	500.00	0.00	100.0%
9502 · G&A Expenses Allocated-Projects	9,822.98	26,609.00	-16,786.02	36.92%	9,822.98	26,609.00	-16,786.02	36.92%	319,317.00	319,317.00	0.00	100.0%
Total Expense	1,379,915.49	5,610,646.24	-4,230,730.75	24.6%	1,379,915.49	5,610,646.24	-4,230,730.75	24.6%	15,958,477.24	15,958,477.24	0.00	100.0%
Net Ordinary Income	-1,186,286.47	-5,419,020.24	4,232,733.77	21.89%	-1,186,286.47	-5,419,020.24	4,232,733.77	21.89%	-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	-1,186,286.47	-5,419,020.24	4,232,733.77	21.89%	-1,186,286.47	-5,419,020.24	4,232,733.77	21.89%	-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 PUBLIC OUTREACH SERVICES AGREEMENT BETWEEN RAUCH COMMUNICATION CONSULTANTS INC. AND CBWM



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Professional Public Outreach Services Contract Between Rauch Communication Consultants Inc. and Watermaster (Consent Calendar Item I.C.)

SUMMARY

Issue: Watermaster seeks to enter into a contract with Rauch Communication Consultants Inc. to aid in the creation of the 40th Annual Report. Rauch Communications Consultants have been providing services to Watermaster since 2002.

Recommendation: Recommend to the Watermaster Board to approve.

Financial Impact: Costs breakdown and Not To Exceed of \$19,925 are shown in the Scope of Work. This item was budgeted in Fiscal Year 2017/18.

Future Consideration

Advisory Committee – September 21, 2017: Recommend to Watermaster Board to approve

Watermaster Board – September 28, 2017: Approve and authorize the General Manager to execute the contract on behalf of Watermaster [Normal Course of Business]

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously approved

Non-Agricultural Pool – September 14, 2017: Unanimously approved recommendation as presented and directed the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate

Agricultural Pool – September 14, 2017: Unanimously approved

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

Paragraph 48 of the Restated Judgment requires that Watermaster file an Annual Report with the Court by January 31 each year. The Restated Judgment states that the Report shall apply to the preceding fiscal years' operation, contain details as to operation of the Pools, contain a certified audit of assessments and expenditures pursuant to this Physical Solution, and review Watermaster activity.

Chino Basin Watermaster (Watermaster) has utilized the services of Rauch Communication Consultants Inc. (RCC) since the preparation of the 26th Annual Report in 2002 and plans to continue the relationship. RCC provides additional research, writing, optimization of photos, graphic design, layout, proofing, printing and delivery of the annual report.

DISCUSSION

The cost and scope of work for RCC's services for prior annual reports have been reviewed by Watermaster, however, a formal contract for services has never been executed. Beginning with the 40th Annual Report, Watermaster plans to enter into a formal contract with RCC (Attachment 1). Entering into a contract for each Annual Report 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.

Costs, and estimated hours relating to the 40th Annual Report are shown in the Scope of Work (Addendum A) – (Attachment 2). All costs for the 40th Annual Report are included in the approved Fiscal Year 2017/18 budget.

ATTACHMENTS

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

Professional Public Outreach Services Agreement

This Professional Public Outreach Services (“Agreement”) is entered into by and between Chino Basin Watermaster (“Watermaster”), located at 9641 San Bernardino Road, Rancho Cucamonga, California 91730, and Rauch Communication Consultants, Inc. (“RCC”), located at 936 Old Orchard Road, Campbell, California 95008, and is effective as of September 28, 2017 (the “Effective Date”).

1. Term of Agreement. This Agreement will terminate upon the completion of the Services (as set forth in the Scope of Work attached as 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. Watermaster and RCC agree that, during the Term, RCC will provide the Services set forth in the Scope of Work, attached as Addendum A to this Agreement and incorporated herein, as it may be modified from time to time by written agreement executed by both parties. RCC must provide regular written progress reports to Watermaster, no less frequently than monthly, and maintain regular contact with Watermaster for project clarification, guidance and issue resolution. RCC may from time to time be required to perform other duties that are reasonably related to RCC’s expertise and skills. Collectively, these are referred to as the “Services.” RCC will coordinate with Justin Nakano as RCC’s Watermaster contact (“Watermaster Contact”).
3. Compensation and Terms of Payment.
 - a. Cost of Services. In compensation for the Services, Watermaster will pay RCC in the amounts and according to the budget set forth in Addendum B. RCC must provide reports on performance and costs incurred against the approved budget on a monthly basis. 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 executed by both parties.
 - i. Billable Time. RCC will not bill Watermaster for any travel time, provided that if Watermaster requests that RCC 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 Watermaster’s benefit, RCC will bill Watermaster for work performed at Watermaster’s facilities, work performed via telephone (including conferences with Watermaster staff and third parties, and communications with customers, vendors or other third parties), and preparation of required Watermaster paperwork and documentation. RCC will not bill Watermaster for administrative time of RCC, including, but not limited to, preparing invoices for submission to Watermaster; communications with Watermaster regarding billing issues, scheduling and the like; negotiating with Watermaster; completing IRS Form W-9; and, communications with RCC’s own insurance carrier(s); and, time spent maintaining the license(s) and certification(s) of RCC and its agents.
 - b. Expenses. RCC 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 Watermaster in advance with respect to particular expenses.

c. Method of Payment.

- i. RCC 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 Watermaster supporting any such costs.
- ii. 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. Watermaster will make a reasonable effort to pay undisputed invoiced amounts within thirty (30) calendar days. Watermaster will communicate with RCC regarding any disputed amounts or amounts as to which inadequate documentation has been provided by RCC.
- iv. 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 Watermaster, with such payments to be released and paid to RCC promptly when the Services are determined by Watermaster to be satisfactory.

4. Affirmation of Independent Contractor Status.

- a. Independent Contractor. Watermaster and RCC each expressly understand, agree and intend that RCC 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 RCC, and RCC agrees to take all precautions necessary for the proper performance thereof. RCC 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 RCC and its agents. RCC 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, Watermaster will have no right to exercise any control whatsoever over the activities or operations of RCC. Notwithstanding the foregoing, however, RCC 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 Watermaster.
- b. Other Engagements. Nothing in this Agreement will be construed as limiting in any manner RCC's ability to procure other engagements consistent with its obligations to Watermaster hereunder, including its post-Term obligations.

- c. Taxes and Related Matters. RCC 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. RCC 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 Watermaster on RCC's behalf or on behalf of any employee or agent of RCC. RCC 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. Watermaster will issue RCC an IRS Form 1099 with respect to payments made under this Agreement. RCC 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 RCC to Watermaster.
 - d. No Employee Benefits from Watermaster. As an independent contractor, neither RCC nor its employees or agents will be eligible for benefits from 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 Watermaster and RCC, and creates no individual rights for any employees or agents of RCC. No employee or agent of RCC will be deemed to be a third-party beneficiary hereunder, nor will any employee or agent of RCC be deemed to have any employment or contractual relationship with Watermaster as a result of this Agreement or his, her or its performance of services for RCC. The parties acknowledge that all individuals performing Services on behalf of RCC are solely the employees and/or agents of RCC. Watermaster will not be responsible for payments due and owing to any subcontractors, employees or agents of RCC; provided, however, that in the event RCC fails timely to pay its subcontractors or agents, if Watermaster deems it appropriate to make payments directly to any such subcontractors or agents on behalf of RCC, notwithstanding that it has no legal obligation to do so, RCC will reimburse 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.

- b. Termination for Cause by Watermaster. Watermaster may terminate this Agreement immediately for "Cause." Cause includes, but is not be limited to, the following, as determined in Watermaster's sole discretion: (i) failure of RCC to comply in any material respect with this Agreement, or any applicable Watermaster policy or procedure, including but not limited to Watermaster's policy against harassment; (ii) serious personal or professional misconduct by RCC or its agents (including, but not limited to, dishonesty, fraud, misappropriation, criminal activity or gross or willful neglect of duty); (iii) breach of RCC's duties to Watermaster (including but not limited to theft or misuse of Watermaster property) by RCC or its agents; (iv) conduct that threatens public health or safety, or threatens to do immediate or substantial harm to Watermaster's business, including potentially subjecting Watermaster to civil or criminal liability; and, (v) falsification by RCC or its agents of any business-related document, including invoices, or the making of any materially false or misleading statement by RCC or its agents to or in connection with Watermaster. 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. In the event of termination for Cause by Watermaster, the only compensation due to RCC 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.
- 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 RCC failed to provide any notice, Watermaster would be entitled to recover a penalty from RCC 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 RCC.

- a. Best Abilities; Good Workmanship. RCC 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 Watermaster. If RCC's workmanship does not conform to these standards and Watermaster so notifies RCC, RCC agrees immediately to take all action necessary to remedy the nonconformance. Any costs incurred by RCC to correct such nonconformance will be at RCC's sole expense. To the extent RCC fails to correct such nonconformance to Watermaster's satisfaction, or Watermaster deems RCC incapable of correcting such nonconformance to Watermaster's satisfaction, Watermaster may elect to have a third party (including a subcontractor of RCC) correct such nonconformance at RCC's sole expense.
- b. Compliance with Law and Policies. RCC 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.

- c. Insurance. Watermaster is not obligated to procure liability or other insurance on behalf of RCC or its employees and agents. Procurement of all appropriate insurance coverage for RCC and/or its employees and agents is the sole responsibility of RCC. Promptly upon request, RCC will provide 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 RCC. Such insurance must be in amounts satisfactory to Watermaster and may not be reduced or canceled without Watermaster's written approval of such reduction or cancellation. Any insurance maintained by RCC and/or its agents will be primary insurance to the full approved limits of liability and, should Watermaster have other valid insurance, Watermaster insurance will be excess insurance only. Watermaster, however, is not required to, and will not, include RCC or its agents as additional insureds under any policy Watermaster maintains on its own behalf, unless otherwise required by applicable law or the terms of Watermaster's existing insurance policies.

- d. Non-Disparagement. RCC 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 Watermaster or its officers, directors, employees, or other consultants. RCC further agrees that neither it nor its agents will engage in any conduct, directly or indirectly, that may be detrimental to Watermaster's mission, reputation, practices or conduct, including but not limited to failing timely to provide payment to RCC's employees, agents and subcontractors.

- e. Confidential Information. In connection with the performance of the Services, RCC and its agents will have access to Confidential Information that has been developed by, created by or provided to Watermaster (including without limitation, information created or developed by RCC and its agents) that has commercial value to Watermaster's business, and is not generally known to the public or others, or is otherwise required to be kept confidential by Watermaster.
 - i. "Confidential Information" includes any information (whether in paper or electronic form, or contained in RCC's memory, or otherwise stored or recorded) that is not generally known and relates to Watermaster's business, if such information has been expressly or implicitly protected by Watermaster from unrestricted use by persons not associated with Watermaster. Confidential Information also includes information of Watermaster's affiliates, customers, vendors, consultants, referral sources, contractors, partners, shareholders, investors, employees and other third parties that was disclosed or entrusted to Watermaster or to RCC in the course of business with the expectation of confidentiality.

 - ii. RCC agrees that, unless authorized in writing by Watermaster's General Manager, neither RCC 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, RCC 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, RCC or its agents will promptly inform Watermaster. Any such disclosure will be pursuant to Watermaster's prior approval.
 - f. 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 RCC and/or its agents in connection with RCC's affiliation with Watermaster are and will remain the property of Watermaster. Upon termination of this Agreement for any reason, or at such earlier time as Watermaster may request, RCC and its agents will immediately (i) discontinue any use of the name, logo, trademarks, or slogans of Watermaster; (ii) discontinue all representations or statements from which it might be inferred that any continuing relationship exists between RCC and/or its agents and Watermaster; (iii) provide to 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 RCC and/or its agents and not previously provided to Watermaster, whether completed or not; (iv) return to Watermaster all tangible and intangible property, documents, information, and products of 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 RCC 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 RCC and/or its agents, and certify the same to Watermaster; and (vi) provide Watermaster with any and all passwords, source codes, security codes, administrative access information and/or other information in the possession of RCC and/or its agents necessary to enable Watermaster to get the benefit of the Services.
 - g. Cooperation. During the Term and thereafter, RCC and its agents will fully cooperate in the investigation by Watermaster of any issues, and the defense of any claims by, against or otherwise involving Watermaster that might arise that could involve RCC and/or its agents or information within their knowledge, regardless of whether RCC 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 Watermaster. Neither RCC nor its agents have any authority, right or ability to bind or commit Watermaster in any way or incur any debts or liabilities in the name of or on behalf of Watermaster (including, without limitation, by entering into contracts or agreeing to contract terms) without the express prior written consent of Watermaster in each individual instance, and will not attempt to do so or imply that it may do so. RCC and its agents agree not to advertise, promote or represent to any third party that RCC or its agents are the employees or agents of Watermaster. RCC and its agents may represent only that the parties have an independent contractor relationship pursuant to which RCC has

accepted an opportunity to provide RCC's customary services to Watermaster. RCC and its agents will refrain from using Watermaster's name in any advertisement, promotion, business card, website, or similar manner without Watermaster's prior written consent. RCC and its agents will not add to, delete from or modify any documentation or forms provided by Watermaster, except with the prior written consent of Watermaster.

8. Indemnification; Limitation on Liability.

- a. By RCC. RCC agrees to indemnify, defend (with counsel selected by Watermaster) and hold harmless 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 Watermaster is the employer (whether sole, joint and/or common law) of any employee or agent provided by RCC and any claims brought under employment laws by RCC'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 RCC or its agents in relation to the Services; (iii) any claim for negligence or misconduct against any of Watermaster Indemnified Parties in connection with the engagement of RCC and/or arising under or relating to this Agreement, including without limitation any unauthorized effort by RCC or its agents to bind Watermaster with respect to third parties or the failure of RCC 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 RCC 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 RCC or its agents that harm or damage (or threaten to harm or damage) any of Watermaster Indemnified Parties or their business, goodwill or reputation; and (vi) any claims that work performed by RCC 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 Watermaster's rights under any applicable law to seek additional relief. The indemnification obligations of RCC under this Paragraph will not be subject to any limitation on amount or type of damages, compensation or benefits payable by or for 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 Watermaster. Watermaster agrees to defend, indemnify and hold RCC 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) Watermaster's gross negligence or willful misconduct relating to its performance under this

Agreement, and (ii) claims brought against RCC by a third party as a result of RCC's activities as authorized by Watermaster and/or RCC'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 RCC and/or its agents. Watermaster may, at its option, elect to provide a defense in lieu of indemnifying RCC 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 RCC, RCC must give prompt written notice of such proceeding to Watermaster. As a condition to receiving indemnification, RCC also must promptly cooperate with all reasonable requests by Watermaster in connection with the defense of such proceeding. The right to indemnification of RCC does not apply to (i) any proceeding initiated by RCC or its agents against Watermaster or any other person or entity, including counterclaims, unless Watermaster has expressly agreed in writing to waive this provision with respect to the proceeding at issue, (ii) any proceeding initiated by Watermaster against RCC and/or its agents, (iii) any proceeding alleging or involving conduct by RCC and/or its agents that 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 RCC and/or its agents, or (iv) any situation in which indemnification of RCC and/or its agents is not authorized or permitted pursuant to applicable law.

- c. Limitation on Watermaster's Liability. Watermaster will not be liable to RCC 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, Watermaster's entire liability, and RCC'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 Watermaster to RCC under this Agreement.

9. General Provisions.

- a. Entire Agreement. This Agreement, along with any other documents incorporated herein, constitutes the entire agreement between Watermaster and RCC 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 RCC, and any purported transfer or assignment is void. This Agreement, or Watermaster's interest in this Agreement, may be assigned and transferred by Watermaster, temporarily or permanently,

whether expressly, by operation of law or otherwise, and RCC agrees to perform the Services for the benefit of any such assignee.

- c. Nonexclusive Nature of Agreement. This Agreement does not grant RCC and/or its agents an exclusive privilege or right to supply Services to Watermaster. Other than as expressly set forth in this Agreement, 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 RCC or its agents to procure other engagements consistent with their obligations to Watermaster hereunder, including the post-Term obligations.
- d. Use of Name, Likeness and Biography. Watermaster will have the right (but not the obligation) to make public announcements concerning the affiliation of RCC and its agents with Watermaster. 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 RCC and its agents to advertise, publicize and promote the business of 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) or a nationally recognized overnight delivery service (signature requested), 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 RCC:

Martin Rauch
Rauch Communication Consultants LLC
936 Old Orchard Road
Campbell, CA 95008

If to Watermaster:

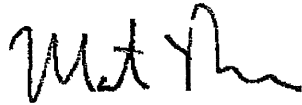
**Peter Kavounas
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730**

- 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 RCC suspends the Services for a period in excess of five (5) calendar/business days, 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 and will be brought 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. The parties irrevocably consent to the exclusive jurisdiction of such court (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 RCC's services are personal and unique, and because RCC and its agents will have access to and become acquainted with the Confidential Information, 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 Watermaster may have for a breach of this Agreement, and RCC and its agents waive the claim or defense that Watermaster has an adequate remedy at law.

- I. 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.

RCC

Watermaster



By: _____
Martin Rauch

By: _____
Peter Kavounas

Its: _____
President

Its: _____
General Manager

Email: _____
martin@rauchcc.com

Email: _____
pkavounas@cbwm.org

Date: _____
August 22, 2017

Date: _____

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Phone: 408-374-4097
 Email: info@rauchcc.com
 Web: www.rauchcc.com
 936 Old Orchard Rd. Campbell, CA 95008

Dynamic Public Outreach, Smart Strategic Planning
For local governments, special districts, and the engineering, environmental and law firms that support them.

DATE: May 15, 2017 **NO OF PAGES:** 2
TO: Justin Nakano, Water Resources Senior Associate
FROM: Martin Rauch

We are pleased to present this scope of work to prepare the Annual Report covering 40th Annual Report for Chino Basin Watermaster.

Description

Full turn-key research, writing, collect, select and optimize photos, graphic design, layout, review/proofing, printing, and delivery of four-color 16-page annual report with covers. Coordinate on development of project timeline. Provide optimized PDF for web. Research includes detailed review of Semi Annual Reports, each agenda and minutes package for the year, numerous reports, presentations, and phone and email discussions with staff. Also, review and comment on appendices, layout of appendices in consistent page format with headers, page numbers, frames. Coordination with staff.

Cost Estimate

FULL COLOR ANNUAL REPORT AND APPENDICES	Senior Consultant	Graphic Designer	Media and Writing	Admin. & Production	Sub Totals
Hourly Fee:	\$175	\$105	\$50	\$70	
Hours	12	0	15	0	
1. Research, coordination, outline	\$2,100	\$0	\$750	\$0	\$2,850
Hours	40	0	8	2	
2. Write, edit, proof document	\$7,000	\$0	\$400	\$140	\$7,540
Hours	6	50	0	0	
3. Graphic design, select, graphics and choose photos	\$1,050	\$5,250	\$0	\$0	\$6,300
Hours	4	15	8	8	
4. Review, comment and insert appendices with consistent formatting	\$700	\$1,575	\$400	\$560	\$3,235
TOTAL	\$10,850	\$6,825	\$1,550	\$700	\$19,925

Sincerely,

Martin Rauch, President

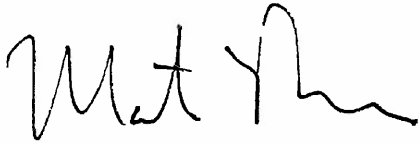
MORE COST ESTIMATE DETAILS.

This is an estimated time and materials, not to exceed cost. Overall costs may be less. Costs for individual tasks may be more or less but the total will not exceed the estimate without advance agreement in writing (email) from the client. No out-of-scope work will be undertaken without prior email approval from the agency. Out-of-scope work includes new tasks, or extra work on existing tasks, which exceeds the total estimated cost for the project.

Current Rates. Management and Strategic Planning Consulting for the senior consultants is \$225 per hour. Outreach and public involvement programs rate for the senior consultants is \$175 per hour. Outreach and public involvement programs rate for associate consultants is \$115 per hour. Graphic designer and webmaster services rate is \$105 per hour. Social media and writing specialist's rate is \$45 to \$90 per hour. Rate for Administration, Production Manager, is \$70 per hour

Travel and Expenses Additional. There are periodically costs to purchase photos between \$25 and \$200 above the labor cost shown above. Basic material expenses, including, travel expense (transportation and lodging), office printing and sales tax are additional and passed on at cost. Car mileage is at the IRS California rate at the time or actual rental car cost plus fuel. For meetings involving travel, the minimum charge is four hours.

Regards,

A handwritten signature in black ink, appearing to read "Martin Rauch". The signature is fluid and cursive, with the first name "Martin" being more legible than the last name "Rauch".

Martin Rauch,
President

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

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



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Semi-Annual Optimum Basin Management Program Status Reports 2016-2 and 2017-1
(Consent Calendar Item I.D.)

SUMMARY

Issue: Watermaster produces the Semi-Annual Optimum Basin Management Program (OBMP) Status Reports. The reports for the period July to December 2016 and January to June 2017 have been drafted.

Recommendation: Recommend to the 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.

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

Future Consideration

Advisory Committee – September 21, 2017: Recommendation to the Watermaster Board.

Watermaster Board – September 28, 2017: Adopt the Semi-Annual OBMP Status Reports 2016-2 and 2017-1, along with filing a copy with the Court, subject to any necessary non-substantive changes [Discretionary Function].

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously recommend that the Advisory Committee recommend to the 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.

Non-Agricultural Pool – September 14, 2017: Unanimously directed their representatives to support at the Advisory Committee and Watermaster Board meetings subject to any changes they deem necessary.

Agricultural Pool – September 14, 2017: Unanimously recommend that the Advisory Committee recommend to the 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.

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

Semi-Annual OBMP Status Report 2016-2 covers the period from July to December 2016; Semi-Annual OBMP Status Report 2017-1 covers the period from January to June 2017. The reports describe work conducted, and the current status of the nine Program Elements of the Optimum Basin Management Program during the six-month period.

DISCUSSION

Semi-Annual OBMP Status Reports 2016-2 and 2017-1 have been drafted. Once adopted by the Board, the Semi-Annual OBMP Status Reports will be filed with the Court.

ATTACHMENTS

1. Semi-Annual Optimum Basin Management Program Status Report 2016-2
2. Semi-Annual Optimum Basin Management Program Status Report 2017-1

Optimum Basin Management Program

Staff Status Report 2016-2: July to December 2016



CHINO BASIN WATERMASTER

Optimum Basin Management Program

Highlighted Activities

- During this reporting period, Watermaster manually measured 400 water levels at about 80 private wells throughout the Chino Basin, conducted two quarterly download events at about 170 wells containing pressure transducers, collected 46 groundwater-quality samples from private and dedicated monitoring wells, and collected four surface-water quality samples.
- Development and planning continues between the Chino Desalter Authority (CDA) and Watermaster to expand the Chino Desalters to an ultimate raw-water production capacity of 40,000 acre-feet per year. During the reporting period, the CDA continued with the land acquisition process for the future construction of Well II-12 and continued construction of a raw-water pipeline to plumb three desalter wells (II-10, II-11, and II-12) into the Chino-II Desalter.
- As a requirement of Mitigation Measure 4.4-3 from the Peace II Subsequent Environmental Impact Report (SEIR), Watermaster, the Inland Empire Utilities Agency (IEUA), and the Orange County Water District (OCWD) continued to develop a Prado Basin Habitat Sustainability Program (PBHSP). During this reporting period, the Prado Basin Habitat Sustainability Committee (PBHSC) adopted the final Adaptive Management Plan in August 2016. A PBHSC meeting was convened in November 2016 to kick-off the PBHSP for fiscal year 2016/17 and preparation of the first Annual Report. The first Annual Report of the PBHSC will be completed by June 2017. Additionally, Watermaster collected two rounds of quarterly groundwater-quality samples and conducted two quarterly downloads of pressure transducers that measure water levels at the eighteen PBHSP monitoring wells.
- Watermaster continued implementation of the Northwest MZ-1 Work Plan, including the installation of transducers within wells in the Study Area to measure and record piezometric levels. Watermaster worked with the Monte Vista Water District and the City of Pomona to determine the best way to modify their facilities and SCADA systems to better monitor groundwater production and levels. Watermaster also worked with the cities of Chino, Pomona, and Upland, and acquired the remaining necessary technical information through a monitoring and testing program. Watermaster worked with the cities of Chino, Pomona, and Upland, and the Golden State Water Company to collect quarterly groundwater levels and production data.
- Watermaster and the IEUA are continuing to implement the 2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU) pursuant to the October 2013 Court Order authorizing its implementation. During this reporting period, Watermaster and the IEUA continued developing agreements to construct the storm and supplemental water recharge projects listed in Table 8-2c of the 2013 RMPU report, to prioritize the construction of these projects relative to the availability of grant funding, and to plan subsequent implementation. Preliminary Design Reports were developed for eight of the chosen projects during the reporting period.
- During this reporting period, stormwater recharge was approximately 4,579 acre-feet, recycled water recharge was approximately 7,085 acre-feet, and imported water recharge was approximately 4,260 acre-feet.
- Watermaster began its evaluation of the Safe Yield in 2013. The Watermaster parties concluded a facilitated process and developed an agreement to implement the recalculated Safe Yield. This proposed agreement was filed with the Court on October 23, 2015 with a motion recommending that the Court reset the Safe Yield of the Chino Basin at 135,000 acre-feet per year. The hearing on this motion was scheduled for December 18, 2015 but was continued to September 23, 2016.

Important Court Hearings and Orders

- SEPTEMBER 23, 2016 - HEARING RE 2015 SAFE YIELD RESET AGREEMENT, AMENDMENT OF RESTATED JUDGMENT, PARAGRAPH 6
- SEPTEMBER 28, 2016 - NOTICE OF RULING ON WATERMASTER'S MOTION REGARDING 2015 SAFE YIELD RESET AGREEMENT, AMENDMENT OF RESTATED JUDGMENT, PARAGRAPH 6
- OCTOBER 5, 2016 - NOTICE OF RULING ON REQUEST BY NON-AGRICULTURAL POOL COMMITTEE FOR ENTRY OF ORDER REGARDING FILING AND SERVICE
- OCTOBER 19, 2016 - NOTICE OF ORDERS: CITY OF CHINO MOTION TO PERMIT CHINO TO CONDUCT DISCOVERY; OBJECTIONS TO DECLARATION OF GUTIERREZ IN SUPPORT OF MOTION TO CONDUCT DISCOVERY; CHINO'S OBJECTIONS TO DECLARATION OF EGOSQUE IN SUPPORT OF AG POOL'S OPPOSITION TO CHINO'S MOTION TO CONDUCT DISCOVERY; CHINO'S OBJECTIONS TO DECLARATION OF HERREMA IN SUPPORT OF WATERMASTER'S OPPOSITION TO CHINO'S MOTION TO CONDUCT DISCOVERY; CHINO'S OBJECTIONS TO DECLARATION OF KAVOUNAS IN SUPPORT OF WATERMASTER'S OPPOSITION TO CHINO'S MOTION TO CONDUCT DISCOVERY
- DECEMBER 9, 2016 - HEARING RE MOTION FOR COURT APPROVAL OF TEMPORARY SUBSTITUTE RATE FOR PHYSICAL SOLUTION TRANSFERS UNDER EXHIBIT "G" TO THE JUDGMENT
- DECEMBER 22, 2016 - ORDER GRANTING MOTION FOR COURT APPROVAL OF TEMPORARY SUBSTITUTE RATE FOR PHYSICAL SOLUTION TRANSFERS UNDER EXHIBIT "G" TO THE JUDGMENT

Optimum Basin Management Program

Program Element 1: Develop and Implement a Comprehensive Monitoring Program

Groundwater Level Monitoring

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

The current groundwater-level monitoring program is comprised of about 1,200 wells. At about 950 of these wells, water levels are measured by well owners, which include municipal water agencies, the California Department of Toxic Substances Control (DTSC), the Counties, and various private consulting firms. Watermaster collects these water level data at least semi-annually. At the remaining 250 wells, water levels are measured by Watermaster staff using manual methods once per month or by using pressure transducers that record data once every 15 minutes. These wells are mainly Agricultural Pool wells or dedicated monitoring wells located south of the 60 freeway.

All groundwater-level data are checked by Watermaster staff and uploaded to a centralized database management system that can be accessed online through HydroDaVEsm. During this reporting period, Watermaster measured 400 manual water levels at about 80 wells throughout the Chino Basin, and conducted two quarterly downloads at about 170 wells containing pressure transducers. Additionally, Watermaster compiled all available groundwater-level data from well owners in the basin for the April 2016 to September 2016 period.

Groundwater Quality Monitoring

Watermaster initiated a comprehensive groundwater-quality monitoring program as part of the implementation of the OBMP. The monitoring program has been refined over time to satisfy the evolving needs of the Watermaster and the IEUA, such as new regulatory requirements and improved data coverage. The groundwater-quality data are used by Watermaster for: the biennial State of the Basin report; the triennial ambient water quality update; the demonstration of hydraulic control, monitoring nonpoint-source groundwater contamination and plumes associated with point-source discharges, and to assess the overall health of the groundwater basin. Groundwater-quality data are also used in conjunction with numerical models to assist Watermaster and other parties in evaluating proposed salinity management and groundwater remediation strategies. The groundwater-quality monitoring program currently consists of the following five components:

1. An annual Key-Well Water-Quality Monitoring Program consisting of about 100 wells, which are mostly privately-owned agricultural wells in the southern portion of Chino Basin, or monitoring wells near the Kaiser Steel Mill Plume, that are otherwise not included in an established sampling program. Twenty of these wells are sampled every year, and the remaining wells are sampled once every three years. The wells sampled annually are for the continuous monitoring of areas of concern associated with the southern edge of the South Archibald Plume, the southern region of the Chino Airport Plume, and the Kaiser Steel Mill Plume.
2. Annual sampling at nine HCMP multi-port monitoring wells, with a total of 21 casings, which are strategically located between the Chino Desalter well fields and the Santa Ana River. The annual sampling results are used to analyze the effect of desalter pumping over time on hydraulic control, by comparing water quality measured at the wells to the water quality of the Santa Ana River.
3. Quarterly sampling at four wells near the Santa Ana River to characterize the interaction between the Santa Ana River and nearby groundwater. These shallow monitoring wells consist of two former US Geological Survey (USGS) National Water Quality Assessment Program wells (Archibald 1 and Archibald 2) and two wells owned by the Santa Ana River Water Company (Well 9 and Well 11).
4. Quarterly sampling of eighteen PBHSP monitoring wells located in nine locations near the fringes of riparian vegetation in the Prado Basin. The data will be used to support the assessment of the impacts from the implementation of the Peace II Agreement on groundwater levels and riparian habitat in the Prado Basin.

Optimum Basin Management Program

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

5. A cooperative basin-wide data-collection effort known as the Chino Basin Data Collection program, which relies on municipal producers and other government agencies to supply groundwater-quality data on a cooperative basis. These sources include the Chino Basin Appropriators, the DTSC, the Regional Water Quality Control Board (Regional Board), the USGS, the Counties, and other cooperators.

All groundwater-quality data are checked by Watermaster staff and uploaded to a centralized database management system that can be accessed online through HydroDaVEsm. During this reporting period, Watermaster collected 46 groundwater-quality samples from private and dedicated monitoring wells and compiled all available groundwater-quality data collected from other parties for the January to June 2016 period.

Groundwater Production Monitoring

All active agricultural production wells (except for minimal producer wells) are now metered. Watermaster reads the meters on a quarterly basis and enters the production data into Watermaster's relational database, which can be accessed online through HydroDaVEsm.

Surface Water Monitoring in the Santa Ana River

Watermaster collects grab water quality samples at two sites along the Santa Ana River (Santa Ana River at River Road and Santa Ana River at Etiwanda) on a quarterly basis. Along with data collected at four wells near the Santa Ana River, these data are used to characterize the interaction between the Santa Ana River and nearby groundwater. During this reporting period, Watermaster collected four surface-water quality samples.



Santa Ana River

Prado Basin Habitat Sustainability Monitoring Program

Mitigation Measure 4.4-3 from the Peace II SEIR requires that Watermaster and the IEUA, and allows the OCWD, develop an Adaptive Management Plan for the PBHSP and form the Prado Basin Habitat Sustainability Committee (PBHSC), convened by Watermaster and the IEUA, to implement the Adaptive Management Plan, and to perform annual reporting. The objective of this plan is to ensure that the riparian habitat in the Prado Basin is not adversely impacted by drawdown associated with the implementation of the Peace II activities. Sixteen monitoring wells at nine sites were constructed in April and May 2015 as part of the monitoring program for the PBHSP. Two existing wells will also be monitored as part of the PBHSP. The PBHSC developed the Adaptive Management Plan of the PBHSP to describe an initial monitoring program and a process to modify the monitoring program and/or implement mitigation strategies, as necessary.

In August 2016, Watermaster approved the final Adaptive Management Plan adopted by the PBHSC. A PBHSC meeting was convened in November 2016 to kick-off the PBHSP for fiscal year 2016/17 and to organize the preparation of the first Annual Report. The first Annual Report of the PBHSC will be completed by June 2017. Additionally, Watermaster collected two rounds of quarterly groundwater-quality samples and conducted two quarterly downloads of pressure transducers that measure water levels at the eighteen PBHSP monitoring wells (these data make up a part of the groundwater level and water quality monitoring programs described earlier in this section).

Chino Basin Groundwater Recharge Monitoring Program

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

Watermaster and the IEUA measure the quantity of storm and supplemental water that enters into recharge basins using pressure transducers or staff gauges that measure water levels during recharge operations. They also collect weekly water quality samples from recharge basins that are actively recharging recycled water and from lysimeters installed within those recharge basins. Additionally, imported water quality data for State Water Project water are obtained from the Metropolitan Water District of Southern California (MWDSC) and recycled water quality data for the RP-1 and RP-4 treatment plant effluents are obtained from the IEUA. Combining the measured flow data with the respective water qualities enables the calculation of the blended water quality

Optimum Basin Management Program

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

of the recharge sources in each recharge basin and the assessment of whether there is adequate dilution of recycled water as required by the recycled water recharge permits held with the Department of Drinking Water (DDW). Additionally, the measurements of recharge are used to estimate the New Yield to the Chino Basin as a result of the recharge activities.

Monitoring Activities. During this reporting period, the IEUA performed its on-going monitoring program to measure and record recharge volumes and collect stormwater quality samples pursuant to its permit requirements. Also, during this reporting period, approximately 289 recharge basin and lysimeter samples were collected and 30 recycled water samples were collected for alternative monitoring plans that include the application of a correction factor for soil-aquifer treatment determined from each recharge basin's start-up period. Monitoring wells located down-gradient of the recharge basins were sampled, at a minimum, on a quarterly basis; however, some monitoring wells were sampled more frequently during the reporting period for a total of 118 samples.

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

- 2Q-2016 Quarterly Report, submitted to the RWQCB – August 2016
- 3Q-2016 Quarterly Report, submitted to the RWQCB – November 2016

Ground-Level Monitoring

In response to the occurrence of land subsidence in the City of Chino, Watermaster prepared and submitted a subsidence management plan (known as the MZ-1 Plan) to the Court for approval and, in November 2007, the Court ordered its implementation (see the update in this report under Program Element 4 for more on the MZ-1 Plan implementation). The MZ-1 Plan required several monitoring and mitigation measures to minimize or abate the future occurrence of land subsidence and ground fissuring in the western Chino Basin. These measures and activities included:

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

Since the initial MZ-1 Plan was adopted in 2007, Watermaster has conducted the annual Ground-Level Monitoring Program (GLMP) to implement the monitoring and reporting program. The main results of the GLMP were that very little permanent land subsidence has occurred in the MZ-1 Managed Area, indicating that subsidence is being successfully managed in this area, and that land subsidence has been occurring in the Northwest MZ-1 Area. One concern is that subsidence in Northwest MZ-1 has occurred differentially across the San Jose Fault, following the same pattern of differential subsidence that occurred in the MZ-1 Managed Area during the time of ground fissuring.

Optimum Basin Management Program

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

Based on these results, Watermaster determined that the subsidence management plan needed to be updated to include a *Subsidence Management Plan for the Northwest MZ-1 Area* with the long-term objective to minimize or abate the occurrence of the differential land subsidence. Thus, Watermaster expanded the GLMP into the Northwest MZ-1 Area and prepared an updated 2015 *Chino Basin Subsidence Management Plan (SMP)*, which included the *Work Plan to Develop a Subsidence-Management Plan for the Northwest MZ-1 Area (Work Plan)* as an appendix.

During this reporting period, Watermaster undertook the following activities called for in the SMP:

- Continued high-resolution water-level monitoring at wells within the Managed Area and within the Areas of Subsidence Concern. All monitoring equipment is inspected at least quarterly and is repaired and/or replaced as necessary. The data collected were checked and analyzed to assess the functionality of the monitoring equipment and for compliance with the MZ-1 Plan.
- Continued monitoring and maintenance at the extensometer facilities at the Ayala Park and Chino Creek sites. Performed equipment maintenance at the Ayala Park and Chino Creek Extensometer facilities which included recalibration of the transducer at the PC-2 piezometer and security updates to the software on the telemetry modem at the Chino Creek Extensometer.
- Collected InSAR data scenes across the western Chino Basin from the German Aerospace Center's TerraSAR-X satellite.
- Conducted ground-level surveys and electronic distance measurements (EDMs) at benchmarks in the Northwest MZ-1 and the San Jose Fault Zone areas. Installed a new line of benchmark monuments across the Northwest MZ-1 Area.
- Continued implementation of the Work Plan, including:
 - Installed transducers within wells in the Study Area to measure and record piezometric levels. Collected, processed and checked groundwater level data and production data from wells in the Study Area monthly.
 - Worked with the Monte Vista Water District and the City of Pomona to determine the best way to modify their facilities and SCADA systems to better monitor groundwater production and levels. This involved coordinating with Pomona's operations staff and subcontracting with SCADA Integrations to assess the MVWD's SCADA system. Conducted a meeting and field visit at one MVWD well. Reviewed report prepared by SCADA Integrations.
 - Worked with the cities of Chino, Pomona, and Upland, and the Golden State Water Company to collect quarterly groundwater levels and production data.

Program Element 2: Develop and Implement a Comprehensive Recharge Program

The objectives of the comprehensive recharge program include enhancing the yield of the Chino Basin through the development and implementation of a Recharge Master Plan to improve, expand, and construct recharge facilities that enable the recharge of storm, recycled, and imported waters; to ensure a balance of recharge and discharge in the Chino Basin management zones; and to ensure that sufficient storm and imported waters are recharged to comply with recycled water dilution requirements in Watermaster and the IEUA's recycled water recharge permits.

Pursuant to PE2 of the OBMP, Watermaster and the IEUA partnered with the San Bernardino County Flood Control District and the Chino Basin Water Conservation District to construct and/or improve eighteen recharge sites. This project was known as the Chino Basin Facilities Improvement Project (CBFIP). The average annual stormwater recharge of the CBFIP facilities is approximately 10,000 acre-feet per year, the supplemental "wet"¹ water recharge capacity is approximately 74,700 acre-feet per year, and the in-lieu supplemental water recharge capacity ranges from 25,000 to 40,000 acre-feet per year. In addition to the CBFIP facilities, the Monte Vista Water District has five ASR wells with a demonstrated well injection capacity of 5,600 acre-feet per year. The current total supplemental water recharge capacity ranges from 105,300 to 120,300 acre-feet per year which is greater than the projected supplemental water recharge capacity required by Watermaster.



Capturing Imported Water at the College Heights Basins

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

Optimum Basin Management Program

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

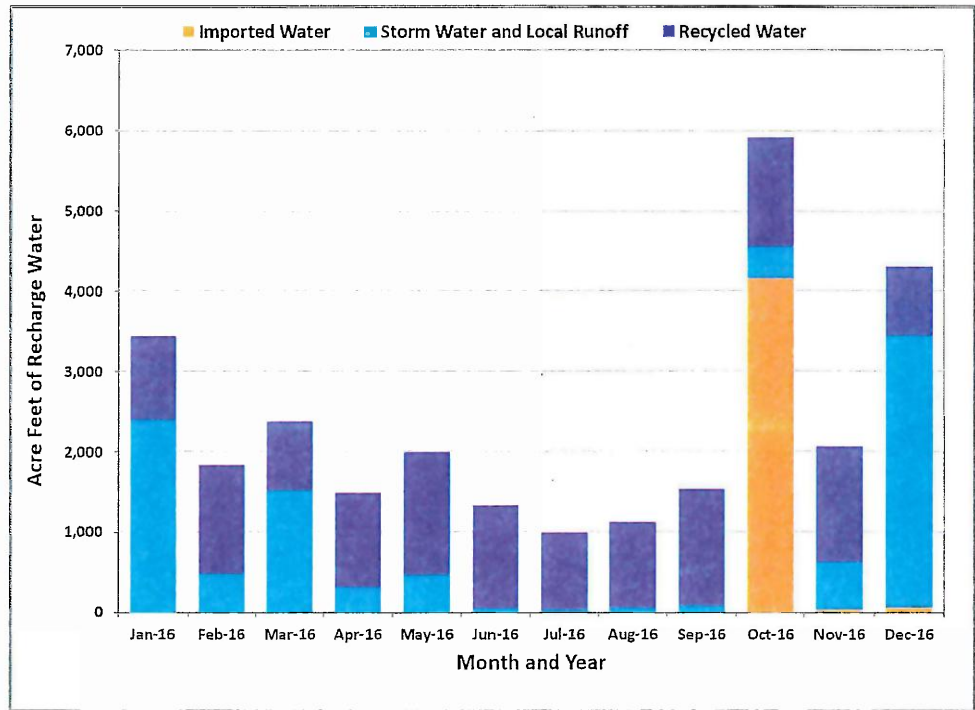
In 2008, Watermaster began preparing the *2010 Recharge Master Plan Update* (2010 RMPU) pursuant to the December 21, 2007 Court Order (the Peace II Agreement) to complete a Recharge Master Plan Update by July 1, 2010. In October 2010, the Court accepted the 2010 RMPU as satisfying the condition and ordered that certain recommendations of the 2010 RMPU be implemented. In November 2011, Watermaster reported its progress to the Court pursuant to the October 2010 Court Order; after which, in December 2011, the Court issued an order directing Watermaster to continue with its implementation of the 2010 RMPU per its October 2010 order but with a revised schedule. And, on December 15, 2011, the Watermaster Board moved to:

“approve that within the next year there will be the completion of [a] Recharge Master Plan Update, there will be the development of an Implementation Plan to address balance issues within the Chino Basin subzones, and the development of a Funding Plan, as presented.”

This motion led to the development of an update to the 2010 RMPU and in 2012, Watermaster staff sent out a “call for projects” to the Watermaster parties, seeking their recommendations for recharge improvement projects that should be considered in the update. The *2013 Amendment to the 2010 Recharge Master Plan Update* (2013 RMPU) outlines the recommended projects to be implemented by Watermaster and the IEUA and lays out the implementation and financing plans. The 2013 RMPU report was approved by the Watermaster Board in September 2013 and filed with the Court in October 2013. In December 2013, the Court approved the 2013 RMPU except for Section 5 that dealt with the accounting for new recharge from Municipal Separate Stormwater Sewer Systems; Section 5 was later approved by the Court in April 2014.

2013 RMPU Implementation.

Watermaster and the IEUA are continuing to carry out the October 2013 Court Order, which authorizes them to implement the 2013 RMPU. During the reporting period, Watermaster and the IEUA continued developing agreements to construct the storm and supplemental water recharge projects listed in Table 8-2c of the 2013 RMPU report, prioritizing the construction of these projects relative to the availability of grant funding. During the reporting period, Preliminary Design Reports (PDRs) were developed for eight of the chosen 2013 RMPU projects: CSI Basin, Wineville/Jurupa/RP3 Basins, Declaz Basin, Victoria Basin, Lower Day Basin, Turner Basin, Ely Basin, and the Montclair Basins. The expected yields of each of these projects were updated due to the new information generated through the development of the PDRs and other updated basin information provided by the IEUA.



Additionally, Watermaster and the IEUA continued to develop a series of projects outside of the 2013 RMPU effort that will increase and/or facilitate stormwater and supplemental water recharge and have jointly agreed to fund these projects, including monitoring upgrades and habitat conservation. Watermaster’s share of the cost of these projects was included in the budget adopted by Watermaster for fiscal 2016/17.

The Recharge Improvements Project Committee met monthly on the progress of implementing the 2013 RMPU Projects and other recharge-related projects.

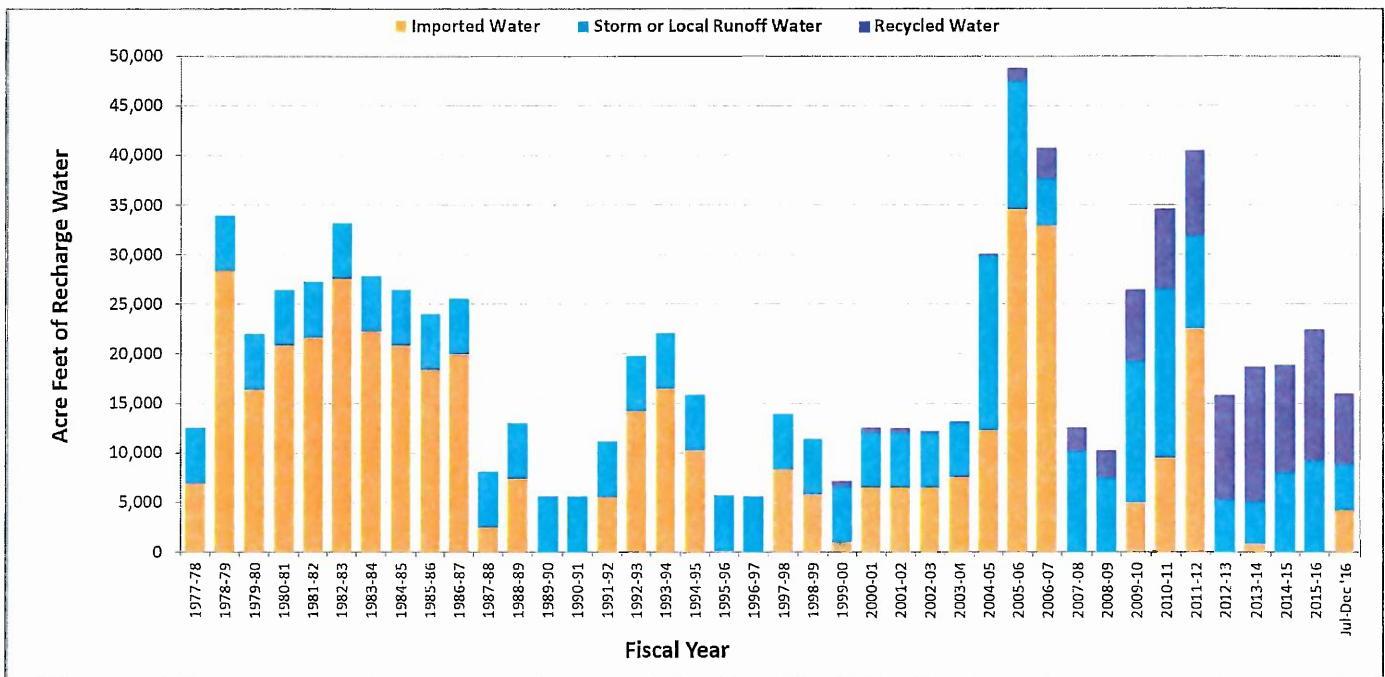
Recharge for Dilution of Recycled Water. In fiscal year 2009/10, Watermaster and the IEUA’s recharge permit was amended to allow for existing underflow dilution and extended the period for calculating dilution from a running 60-month to a running 120-month

Optimum Basin Management Program

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

period. Additionally, the IEUA has worked with the DDW to obtain approval to increase the allowable recycled water contribution (RWC) at wells to 50 percent. These permit amendments allow for increased recycled water recharge without having to increase the amount of imported and storm waters required for dilution. The IEUA projects its dilution requirements as part of its annual reporting to the DDW. Based on the latest Annual Report (May 2017), the IEUA projects that dilution requirements will be met through 2020, even if no imported water were available for dilution.

Recharge Activities. During this reporting period, ongoing recycled water recharge occurred in the Brooks, 7th Street, 8th Street, Turner, Ely, Hickory, Declaz, RP-3, Victoria, and Banana Basins; stormwater was recharged at 18 recharge basins across all management zones of the Chino Basin; and imported water was recharged in the Upland, College Heights, Montclair, Brooks, Turner, Lower Day, San Sevaine, and Victoria Basins. During this reporting period, stormwater recharge was approximately 4,579 acre-feet, recycled water recharge was approximately 7,085 acre-feet, and imported water recharge was 4,260 acre-feet.



Balance of Recharge and Discharge in MZ-1. The total amount of supplemental water recharged in MZ-1 since the Peace II Agreement through December 31, 2016 was approximately 53,703 acre-feet, which is more than 11,000 acre-feet less than the 65,000 acre-feet that is required to be recharged by June 30, 2017 (annual requirement of 6,500 acre-feet); the shortfall will be recharged in MZ-1 in subsequent years as supplemental water becomes available. The amount of supplemental water recharged into MZ-1 during the reporting period was approximately 5,922 acre-feet.

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

As stated in the OBMP, “the goal of Program Elements 3 and 5 is to develop a regional, long range, cost-effective, equitable, water supply plan for producers in the Chino Basin that incorporates sound basin management.” One element of the water supply plan is the development of a way to replace the decline in groundwater production to prevent significant amounts of degraded groundwater from discharging to the Santa Ana River and violating the Basin Plan. Replacing the decline in agricultural groundwater production will mitigate the reduction of the Safe Yield of the Basin and allow for more flexibility in the Basin’s supplemental water supplies if the produced groundwater is treated. This is achieved through the operation of the Chino Basin Desalter facilities, which comprise a series

Optimum Basin Management Program

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

of wells and treatment facilities in the southern Chino Basin that are designed to replace the decline in production of the agricultural groundwater producers, and to treat and serve this groundwater to various Appropriative Pool members.

The Chino I Desalter Expansion and the Chino II Desalter facilities were completed in February 2006. As currently configured, the Chino I Desalter produces about 13,500 acre-feet per year (12.1 million gallons per day [MGD]) of groundwater at 15 wells (I-1 through I-15) that is treated through air stripping (volatile organic compound [VOC] removal), ion exchange (nitrate removal), and/or reverse osmosis (for nitrate and TDS removal). The Chino II Desalter produces about 15,800 acre-feet per year (14.1 MGD) of groundwater at eight wells (II-1 through II-4 and II-6 through II-9) that is treated through ion exchange and/or reverse osmosis. Development and planning continues between the CDA and Watermaster to expand the production and treatment capacity of the Chino Desalters by about 10,500 acre-feet per year (9.5 MGD). More than \$77 million in grant funds have been secured toward this expansion.

The most recently completed expansion project includes the construction of five wells for the new Chino Creek Well Field (CCWF), which includes wells I-16, I-17, I-18, I-20 and I-21. These wells were constructed to meet the hydraulic control commitment associated with the maximum benefit (see Program Element 7 update in this status report) and provide additional raw water to the Chino I Desalter. Production at wells I-16 and I-17 began in mid-2014, production at wells I-20 and I-21 began in early 2016. Well I-18 is currently not planned for operation by the CDA due to high concentrations of VOCs.

Three additional wells (II-10, II-11, and II-12) are planned for construction to provide additional raw water to the Chino II Desalter and are also required to meet the maximum-benefit commitment to produce a total of 40,000 acre-feet per year from the combined desalter well fields. These wells are also being constructed as part of the remediation action plan to clean-up the South Archibald Plume (See Program Element 6 update in this status report). The construction of wells II-10 and II-11 was completed in late-2015, and equipping of the wells began in 2016. Full equipping of wells II-10 and II-11 is on-hold and planned for completion in mid-2017 after the CDA completes construction of the raw-water pipeline to plumb the three new wells into the Chino-II Desalter. During this reporting period, the CDA continued with the land acquisition process for Well II-12. As soon as that land is acquired, a monitoring well will be constructed to support the design of the production well. The CDA has retained consultants for the construction and design of Well II-12, which is anticipated to begin in 2017.

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

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

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

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

The MZ-1 Plan states that if data from existing monitoring efforts in the so-called Areas of Subsidence Concern indicate the potential for adverse impacts due to subsidence, Watermaster will revise the MZ-1 Plan pursuant to the process outlined in Section 3 of the MZ-1 Plan. In early 2015, Watermaster prepared an update to the MZ-1 Plan, which included a name change to the *2015 Chino*

Optimum Basin Management Program

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

Basin Subsidence Management Plan (SMP) and a Work Plan to Develop the Subsidence Management Plan for the Northwest MZ-1 Area (Work Plan) as an appendix. The SMP and the Work Plan were adopted through the Watermaster Pool process during July 2015.

The data, analysis, and reports generated through the implementation of the MZ-1 Plan, SMP, and Work Plan are reviewed and discussed by the Ground-Level Monitoring Committee (GLMC), which meets on a periodic basis throughout the year. The GLMC is open to all interested participants, including the Watermaster Parties and their consultants. During this reporting period, Watermaster undertook the following data analysis and reporting tasks:

- Reviewed water levels at the PA-7 piezometer and determined that levels remained above the Guidance Level during the reporting period, and very little, if any, permanent compaction was recorded at the Ayala Park Extensometer.
- Prepared the final version of the *2015 Annual Report of the Ground-Level Monitoring Committee*, following approval of the draft report by the Watermaster Board. Submitted final report to the Court on October 28, 2016.
- Completed draft technical memorandum: *Initial Hydrogeologic Conceptual Model and the Monitoring and Testing Program for the Northwest MZ-1 Area*. The technical memorandum describes (1) the technical information that is required to develop a subsidence management plan for the Northwest MZ-1 Area, (2) the currently known technical information, and (3) a strategy to acquire the remaining necessary technical information through a monitoring and testing program.
- Prepared a draft technical memorandum discussing the projected basin-management strategies (i.e. baseline management alternative), documenting the one-dimensional aquifer-system compaction model and results, and summarizing the results from the historical benchmark data review.
- Conducted a siting study for the Pomona Extensometer. This work included preparation of criteria for selecting and ranking parcels within the target areas for the Pomona Extensometer. The draft siting study was submitted to the Ground-Level Monitoring Committee for review and comment.
- The GLMC met in September, October, and December of 2016.

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

Program Elements 6 and 7 are necessary to address the water quality management problems that occur in the Chino Basin. During the development of the OBMP, it was identified that Watermaster does not have sufficient information to determine whether point and non-point sources of groundwater contamination are being adequately addressed, including the various contaminant plumes in the Chino Basin. With the Regional Board and other agencies, Watermaster has worked to address the following major point source contaminant plumes in the Chino Basin:

South Archibald Plume

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

In 2008, Regional Board staff conducted research pertaining to the likely source of the TCE contamination and identified discharges of wastewater that may have contained TCE to the RP-1 treatment plant and associated disposal areas to be a potential source. The



Watermaster Staff Taking WQ Sampling Notes

Optimum Basin Management Program

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

Regional Board identified several industries, including some previously identified tenants of the Ontario Airport property, that likely used TCE solvents before and during the early-1970s, and discharged wastes to the Cities of Ontario and Upland's sewage systems and subsequently to the RP-1 treatment plant and disposal areas. In 2012, an additional Draft CAO was issued by the Regional Board jointly to the City of Ontario, City of Upland, and IEUA as the previous and current operators of the RP-1 treatment plant and disposal area (collectively, the RP-1 parties). In part, the draft CAOs require that RP-1 parties "supply uninterrupted replacement water service...to all residences south of Riverside Drive that are served by private domestic wells at which TCE has been detected at concentrations at or exceeding 5 µg/L [...]" and to report this information to the Regional Board. In addition, the RP-1 parties are to "prepare and submit [a] [...] feasibility study" and "prepare, submit and implement the Remedial Action Plan" to mitigate the "effects of the TCE groundwater plume."

Under the Regional Board's oversight, sampling at private residential wells and taps has been conducted approximately every two years (2007-2008, 2009, 2011, 2013-2014) by multiple parties in the region where groundwater is potentially contaminated with TCE. As of 2014, all private residences in the area of the plume have been sampled at least once. Alternative water systems (tanks) have been installed at residences in the area where well water contains TCE at or above 80% of the MCL for TCE. Residents who declined tank systems are being provided bottled water. Watermaster also routinely samples for water quality at private wells in the area, and uses data obtained from this monitoring to delineate the spatial extent of the plume. In July 2015, the RP-1 parties completed the Draft Feasibility Study Report for the South Archibald Plume (Feasibility Study). The Feasibility Study establishes clean-up objectives for both domestic water supply and plume remediation, and evaluates alternatives to accomplish these objectives. A Draft Remedial Action Plan (RAP) was concurrently prepared and published in August 2015. Two community meetings were convened in September 2015 to educate the public about the plume, the Feasibility Study and the RAP, and to solicit comments on these reports. In November 2015, a revised Draft Feasibility Study, RAP, and Responses to Comments were completed to address input from the public, the ABGL, and others.

The preferred plume remediation alternative identified in the Draft Feasibility Study and RAP involves the use of existing and proposed CDA production wells and facilities. The RP-1 parties reached a Joint Facility Development Agreement with the CDA for implementation of a project designed to remediate the South Archibald Plume. The proposed project includes the operation of three new CDA desalter wells (II-10, II-11, and II-12), and a dedicated pipeline to convey produced groundwater from the three new wells and existing CDA well I-11 to the Desalter II treatment facility.

The preferred domestic water supply alternative identified in the Feasibility Study and RAP for those private residences affected by the TCE groundwater contamination that are currently receiving bottled water, is a hybrid between the installation of tank systems for some residences where water is delivered from the City of Ontario potable supply via truck deliveries, and the installation of a temporary pipeline to connect some residences to the City of Ontario potable water system. The City of Ontario has assumed the responsibility for implementing the domestic water supply alternative.

In September 2016, the Regional Board issued the Final CAO R8-2016-0016 collectively to the RP-1 parties and the ABGL parties. The Final CAO was adopted by all parties in November 2016, thus approving the plume remediation and domestic water supply alternatives identified in the RAP. The parties also reached a settlement agreement that aligns with the Final CAO and authorizes funding to initiate implementation of the plume remediation alternative. Project initiation of the plume remediation alternative is expected to begin in the second quarter of 2017.

Chino Airport Plume

In 1990, the Regional Board issued CAO No. 90-134 to the County of San Bernardino, Department of Airports (County) to address groundwater contamination originating from the Chino Airport. During 1991 to 1992, ten underground storage tanks and 310 containers of hazardous waste were removed, and 81 soil borings were drilled and sampled on the airport property. During 2003 to 2005, nine onsite monitoring wells were installed and used to collect groundwater quality samples. In 2007, the County conducted its first offsite monitoring effort, and in 2008, the Regional Board issued CAO No. R8-2008-0064, which requires the County to define the lateral and vertical extent of the plume and prepare a remedial action plan. From 2009 to 2012, Tetra Tech, the consultant to the County, conducted several off-site plume characterization studies to delineate the areal and vertical extent of the plume, and constructed 33 offsite monitoring wells. From 2013 to early-2015 Tetra Tech conducted an extensive investigation of several areas identified for additional characterization of soil and groundwater contamination; and at the conclusion of the work, they constructed an additional 33 groundwater monitoring wells on and adjacent to the Airport property. The County conducts quarterly and/or annual monitoring events at all 75 of their monitoring wells constructed to date. Conclusions from this monitoring program can be

Optimum Basin Management Program

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

found in reports posted on the Regional Board's GeoTracker website. In September 2016, Tetra Tech submitted the *Semiannual Groundwater Monitoring Report, Winter and Spring 2016, Chino Airport Groundwater Assessment, San Bernardino County, California*.

The County completed a Draft Feasibility Study for the Chino Airport in August 2016. The Feasibility Study identifies remedial action objectives for contaminated groundwater originating from the Chino Airport and evaluates remediation alternatives for mitigation. The recommended remediation alternative in the Feasibility Study is a groundwater pump-and-treat system to provide hydraulic containment and treatment of both the West Plume and East Plume originating from the Chino Airport. The system consists of seven extraction wells that will produce approximately 650 gallons per minute of groundwater for treatment onsite using carbon adsorption. An air stripper may be added to the system if found necessary. The preferred option for discharge of treated groundwater is to construct a pipeline to the onsite CDA Chino-I Desalter influent pipeline. If this discharge option is not available at the time of system construction the backup options are to discharge to the local surface waters or treatment plants or to six injection wells at the northeast corner of the Chino Airport. Additionally, the County has proposed an interim remediation plan to construct a granular activated carbon wellhead treatment system at CDA well I-18 located at the center of the plume, which is currently not being used by the CDA for groundwater production for the Chino Desalters. The CDA is currently reviewing the proposed design and operations plan for this well-head treatment system. The Draft Feasibility Study will be finalized after comments from the Regional Board are received and adequately addressed. Watermaster periodically collects groundwater-quality samples from dedicated monitoring wells and private wells in and around the Chino Airport plume area. And, Watermaster has also used its calibrated groundwater model to estimate cleanup times and contaminant concentrations in the vicinity of the CCWF. This work will be updated, given new information about the extent of contamination, subsurface hydrogeology, well performance, and the need for habitat sustainability in the Prado Basin.

Other Water Quality Issues

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

Program Element 7: Develop and Implement a Salt Management Program

Maximum Benefit Salinity Management Plan

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



Chino Desalter I Facility

Monitoring Programs. Two of the maximum-benefit commitments are to implement surface and groundwater monitoring programs. On April 15, 2005, the Regional Board adopted resolution R8-2005-0064, approving Watermaster and the IEUA's surface and groundwater monitoring programs. These monitoring programs were conducted pursuant to the 2005 work plan until 2012, when the Basin Plan was amended to remove all references to the specific monitoring locations and the sampling frequencies required for groundwater and surface water monitoring. The Basin Plan amendment allows for the monitoring programs to be modified over time on a go-forward basis, subject to the approval of the Executive Officer of the Regional Board. The Basin Plan amendment was approved by the Regional Board on February 12, 2012 and by the State Office of Administrative Law on December 6, 2012. This amendment was adopted based on demonstrations made by Watermaster and the IEUA, showing that the surface water monitoring program, as explicitly described in the Basin Plan, was not

Optimum Basin Management Program

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

meaningfully adding to the body of evidence required to demonstrate hydraulic control. In the place of specific monitoring requirements, the Basin Plan required that Watermaster and the IEUA submit a new surface water monitoring program work plan by February 25, 2012 and a new groundwater monitoring program work plan by December 31, 2013. In February 2012, Watermaster and the IEUA submitted, and the Regional Board approved, a new surface water monitoring program that reduced the 2005 monitoring program from bi-weekly surface water quality measurements at 17 sites and direct discharge measurements at six sites to quarterly surface water quality sampling at two sites.

In December 2013, Watermaster and the IEUA submitted an updated Maximum Benefit Monitoring Program Work Plan and Proposed Schedule for Achieving Hydraulic Control to the Regional Board. The updated Work Plan states that Watermaster and the IEUA will recalibrate the Chino Basin groundwater model every five years and use the model to estimate groundwater discharge from the Chino-North GMZ to the Santa Ana River (i.e. annual underflow past the CCWF) and determine whether hydraulic control has been achieved. The new Maximum Benefit Monitoring Program Work Plan was adopted by the Regional Board in April 2014. Maximum benefit monitoring is incorporated as part of the groundwater level, groundwater quality, and surface water monitoring programs described in Program Element 1. During this reporting period, Watermaster continued implementing the monitoring programs (see Program Element 1 of this report for details).

Hydraulic Control and Chino Desalters. One of the main maximum-benefit commitments is to achieve and maintain “hydraulic control” of the Chino Basin so the downstream beneficial uses of the Santa Ana River are protected. The mechanism for achieving hydraulic control is the construction of the Chino Basin Desalters in the southern Chino Basin, thereby replacing the diminishing agricultural production that previously prevented the outflow of high TDS and nitrate groundwater. Hydraulic control is defined by the Basin Plan as the elimination of groundwater discharge from the Chino-North GMZ to the Santa Ana River or its reduction to a de minimus level. In October 2011, the Regional Board indicated that groundwater discharge from the Chino-North GMZ to the Prado Basin surface water management zone (Prado Basin) in an amount less than 1,000 acre-feet per year is considered de minimus. Watermaster and the IEUA have demonstrated, in Annual Reports to the Regional Board, that complete hydraulic control has been achieved at and east of Chino-I Desalter Well 5. The construction and operation of the CCWF (see Program Element 5), which began in 2010, is intended to achieve hydraulic control in the area west of Chino-I Desalter Well 5. In February 2016, the CCWF commenced full-scale operation with production at wells I-16, I-17, I-20, and I-21. The CCWF wells produced a total of about 1,665 acre-feet in 2016, which is more than the model-estimated production needed to achieve hydraulic control to the de minimus standard west of Chino-I Desalter Well 5. With this accomplishment, Watermaster has achieved full hydraulic control of the Chino Basin.

Although full hydraulic control has been achieved, future agricultural groundwater production in the southern part of the basin is expected to continue to decline, necessitating future expansion of the desalters to sustain hydraulic control. In a letter dated January 23, 2014, the Regional Board required that by May 31, 2014, Watermaster and the IEUA submit a plan detailing how hydraulic control will be sustained in the future as agricultural production in the southern region of Chino-North continues to decrease, specifically how the Chino Basin Desalters will achieve the required total groundwater production level of 40,000 acre-feet per year. On May 30, 2014 Watermaster and the IEUA submitted a draft plan and schedule to install three new desalter wells—with the location of one well being provisional. On June 30, 2015 Watermaster and the IEUA submitted a final plan and schedule for the construction and operation of the three new desalter wells including the final well locations. These wells are under construction. During this reporting period, Watermaster coordinated with the Chino Desalter Authority to track the progress of construction of the desalter expansion facilities. A full status report on the desalter expansion facilities is described in this status report under Program Element 3.



Recycled Water Line at the San Seavine Basins

Recycled Water Recharge and Quality. The maximum benefit commitments require Watermaster and the IEUA to construct and operate expanded facilities for the recharge of storm and recycled waters and to report on the quality of the individual and combined sources of water used for recharge. This data is compiled and analyzed each year for reporting to the Regional Board. During this reporting period, Watermaster and the IEUA continued their monitoring programs to collect the data required for analysis and reporting to the Regional Board.

Ambient Water Quality. Commitment number 9 requires that Watermaster and the IEUA recompute the ambient TDS and nitrate concentrations for the Chino Basin and Cucamonga GMZs every three years. The recomputation of ambient water quality is performed for the entire Santa Ana River Watershed, and the technical work is contracted, managed, and directed by the Santa Ana Watershed Project Authority’s Basin Monitoring Program Task

Optimum Basin Management Program

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

Force. Watermaster and the IEUA have participated in each triennial, watershed-wide ambient water quality determination as members of the Task Force. The most recent recomputation, covering the 20-year period from 1993 to 2012, was completed in August 2014. During this reporting period, the Task Force initiated the effort to compute the ambient water quality for the 20-year period from 1996 to 2015, and Watermaster and the IEUA provided the Task Force with a portion of the groundwater data necessary for the recomputation of the management zones in the Chino and Cucamonga Basins. The remainder of the data is anticipated to be delivered in early 2017.

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

Groundwater storage is important to the Chino Basin. The OBMP outlines Watermaster's commitments to investigate the technical and management implications of Local Storage Agreements, improve related policies and procedures, and then revisit all pending Local Storage Agreement applications.

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

Safe Yield Redetermination

The Basin's Safe Yield was initially set by the Judgment at 140,000 acre-feet per year. The Safe Yield was based in on the hydrology of the period 1965 through 1974. Pursuant to the Judgment, the Chino Basin Safe Yield is to be re-determined periodically, but it provides that the Safe Yield would not be reexamined for at least ten years from 1978. Pursuant to the OBMP Implementation Plan and Watermaster's Rules and Regulations, in year 2010/11 and every ten years thereafter, Watermaster is to compute the Safe Yield. The 2011 Safe Yield recalculation was to be based in part on the information obtained in the prior ten-year period.

In 2011, Watermaster authorized its staff to compile the necessary data and update its model of the basin and, based on the data and the model, to recalculate the Safe Yield. The model calibration was completed in 2012, and the evaluation of Safe Yield began in 2013. During fiscal year 2014/15, the Watermaster parties, pursuant to Watermaster Board direction, met intensively in a facilitated process which resulted in a majority consensus regarding the implementation of the recalculated Safe Yield and drafted the 2015 Safe Yield Reset Agreement. At its September 24, 2015 meeting, the Board adopted Resolution 2015-06, endorsing the 2015 Safe Yield Reset Agreement, and directed Watermaster legal counsel to file the Agreement with the Court. Resolution 2015-06 was adopted by majority vote, with two of the nine Board members opposing the action. The agreement was filed with the Court on October 23, 2015 with a motion recommending that the Court reset the Safe Yield of the Chino Basin at 135,000 acre-feet per year. The hearing on this motion was originally scheduled for December 18, 2015. The Court continued the hearing to September 23, 2016. The Court conducted a hearing on September 23, 2016, heard oral arguments from various parties and Watermaster legal counsel, requested further briefing from the interested parties, and scheduled a hearing in the next reporting period.

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Optimum Basin Management Program

Staff Status Report 2017-1: January to June 2017



CHINO BASIN WATERMASTER

Optimum Basin Management Program

Highlighted Activities

- On June 30, 2017, Watermaster published the *2016 State of the Basin Report*, which contains detailed exhibits, characterizing current conditions in the Chino Basin related to hydrology, groundwater production and recharge, groundwater levels, groundwater quality, and ground-level monitoring as of the end of fiscal year (FY) 2015-2016. This report is prepared every two years pursuant to the Optimum Basin Management Program (OBMP) Phase 1 Report, the Peace Agreement and the associated OBMP Implementation Plan, and the November 15, 2011 Court Order.
- During this reporting period, Watermaster manually measured 400 water levels at about 70 private wells throughout the Chino Basin, conducted two quarterly download events at about 120 wells containing pressure transducers, collected 45 groundwater-quality samples from private and dedicated monitoring wells, and collected four surface-water quality samples.
- Pursuant to a monitoring and mitigation requirement of the Peace II Subsequent Environmental Impact Report, Watermaster, the Inland Empire Utilities Agency (IEUA), and the Orange County Water District (OCWD) continued to implement the Prado Basin Habitat Sustainability Program (PBHSP). During this reporting period, the Prado Basin Habitat Sustainability Committee (PBHSC) prepared its first annual report: *Annual Report of the Prado Basin Habitat Sustainability Committee for Water Year 2015/16*.
- Pursuant to the *Chino Basin Subsidence Management Plan*, Watermaster continued to implement the Ground-Level Monitoring Program and began drafting the *2016 Annual Report of the Ground-Level Monitoring Committee*, which analyzes and interprets data from the monitoring program and recommends future monitoring and testing activities. A main conclusion from the monitoring program is that land subsidence is being successfully managed within the MZ-1 Managed Area within the City of Chino, where land subsidence and ground fissuring occurred in the 1990s.
- Watermaster and the IEUA are continuing to implement the 2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU) pursuant to the October 2013 Court Order authorizing its implementation. During this reporting period, Watermaster and the IEUA continued developing agreements to construct the storm and supplemental water recharge projects listed in Table 8-2c of the 2013 RMPU report, to prioritize the construction of these projects relative to the availability of grant funding, and to plan subsequent implementation. The San Sevaine Basin project went to bid for construction, and a consultant was selected for the design of five other 2013 RMPU projects.
- During this reporting period, Watermaster and the IEUA recharged a total of 22,726 acre-feet of water in the basin: 6,996 acre-feet of stormwater, 6,839 acre-feet of recycled water, and 8,891 acre-feet of imported water.
- To recalculate the Safe Yield, Watermaster began updating the groundwater model in 2011 and using it to evaluate Safe Yield in 2013. The Watermaster parties concluded a facilitated process and developed an agreement to implement the recalculated Safe Yield. This **proposed** agreement was filed with the Court on October 23, 2015 with a motion recommending that the Court reset the Safe Yield of the Chino Basin at 135,000 acre-feet per year. The Court conducted a hearing on September 23, 2016, heard oral arguments from various parties and Watermaster legal counsel, requested further briefing from the interested parties, and scheduled a hearing in the next reporting period. On April 28, 2017, the Court issued a final order resetting the Safe Yield at 135,000 acre-feet per year.
- Watermaster and the IEUA proposed a temporary change in the Safe Storage Capacity of the Chino Basin from 500,000 to 600,000 acre-feet, based on new information regarding storage management and basin conditions versus what was known in 2000 when the OBMP storage management plan was developed and evaluated in the programmatic environmental impact reports (PEIR). This change in Safe Storage Capacity was submitted as an addendum to the 2000 PEIR and approved by the IEUA Board of Directors on March 15, 2017. Watermaster staff, at the direction of its Board of Directors, began the development of a scope of work to develop the architecture for an updated storage management plan.

Important Court Hearings and Orders

- FEBRUARY 22, 2017—NOTICE OF REVISED ORDER ON CHINO BASIN WATERMASTER'S MOTION REGARDING 2015 SAFE YIELD RESET AGREEMENT, AMENDMENT OF RESTATED JUDGMENT, PARAGRAPH 6
- APRIL 28, 2017—CHINO BASIN WATERMASTER COURT HEARING
- APRIL 28, 2017—NOTICE OF RULINGS AFTER HEARING ON WATERMASTER'S MOTION REGARDING 2015 SAFE YIELD RESET AGREEMENT, AMENDMENT OF RESTATED JUDGMENT, PARAGRAPH 6

Optimum Basin Management Program

Program Element 1: Develop and Implement a Comprehensive Monitoring Program

Fundamental to the implementation of each of the OBMP Program Elements are the monitoring and data collection efforts performed in accordance with Program Element 1, which includes monitoring basin hydrology, production, recharge, groundwater levels, groundwater quality, and ground-level movement. Monitoring is performed by basin pumpers, Watermaster staff and other cooperating entities as follows.

Groundwater Level Monitoring

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

The current groundwater-level monitoring program is comprised of about 1,100 wells. At about 900 of these wells, water levels are measured by well owners, which include municipal water agencies, the California Department of Toxic Substances Control (DTSC), the Counties, and various private consulting firms. Watermaster collects these water level data at least semi-annually. At the remaining 200 wells, water levels are measured by Watermaster staff using manual methods once per month or by using pressure transducers that record data once every 15 minutes. These wells are mainly Agricultural Pool wells or dedicated monitoring wells located south of the 60 freeway.

All groundwater-level data are checked by Watermaster staff and uploaded to a centralized database management system that can be accessed online through HydroDaVEsm. During this reporting period, Watermaster measured 400 manual water levels at about 70 wells throughout the Chino Basin and conducted two quarterly downloads of 120 pressure transducers installed in private, municipal, and monitoring wells. Additionally, Watermaster compiled all available groundwater-level data from well owners in the basin for the October 2016 to March 2017 period.

Groundwater Quality Monitoring

Watermaster initiated a comprehensive groundwater-quality monitoring program as part of the implementation of the OBMP. The monitoring program has been refined over time to satisfy the evolving needs of Watermaster and the IEUA, such as new regulatory requirements and improved data coverage. The groundwater-quality data are used by Watermaster for: the biennial State of the Basin report; the triennial ambient water quality update; the demonstration of hydraulic control, monitoring nonpoint-source groundwater contamination and plumes associated with point-source discharges, and assessing the overall health of the groundwater basin. Groundwater-quality data are also used in conjunction with numerical models to assist Watermaster and other parties in evaluating proposed salinity management and groundwater remediation strategies. The details of the groundwater monitoring programs as of FY 2016/17 are described below.

Chino Basin Data Collection (CBDC). Watermaster routinely and proactively collects groundwater-quality data from well owners, such as municipal producers and government agencies. Groundwater-quality data are also obtained from special studies and monitoring that takes place under orders of the Santa Ana Regional Water Quality Control Board (Regional Board)—such as for landfills and other groundwater quality investigations, the Department of Toxic Substances Control (DTSC), the US Geological Survey (USGS), and others. These data are collected from well owners and monitoring entities at least twice per year. Data is collected for about 840 wells as part of the CBDC program. During this reporting period, Watermaster compiled data collected for the CBDC program for the July to December 2016 period.

Watermaster Field Groundwater Quality Monitoring Programs. Watermaster continues to sample privately owned wells and its own monitoring wells on a routine basis as follows:

1. *Private Wells.* About 100 private wells, located predominantly in the southern portion of the basin, are sampled at various frequencies based on their proximity to known point-source contamination plumes. 76 wells are sampled on a triennial basis, and 20 wells near contaminant plumes are sampled on an annual basis.

Optimum Basin Management Program

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

2. *Watermaster Monitoring Wells.* Watermaster collects groundwater quality samples from a total of about 22 multi-nested monitoring wells located throughout the southern Chino Basin. These include nine nested HCMP monitoring wells constructed to support the demonstration of Hydraulic Control, nine sites constructed to support the PBHSP, and four sites that fill spatial data gaps near contamination plumes in MZ-3. Each nested well site contains up to three wells in the borehole. Currently, the HCMP and MZ-3 wells are sampled annually, and the PBHSP wells are sampled quarterly.
3. *Other wells.* Watermaster collects quarterly samples from four near-river wells to characterize the interaction of the Santa Ana River and groundwater. These shallow monitoring wells along the Santa Ana River consist of two former USGS National Water Quality Assessment Program wells (Archibald 1 and Archibald 2) and two Santa Ana River Water Company wells (well 9 and well 11).

During this reporting period, Watermaster collected 45 groundwater-quality samples from private and dedicated monitoring wells. All groundwater-quality data are checked by Watermaster staff and uploaded to a centralized database management system that can be accessed online through HydroDaVEsm.

Groundwater Production Monitoring

As of the end of this reporting period, there were a total of 519 producing wells, 304 of it was agricultural. All active agricultural production wells, with a few exceptions, are now metered. Wells that are not metered include minimal producer wells, and wells where installing a meter is not feasible. Watermaster reads the meters on a quarterly basis and enters the production data into Watermaster's relational database, which can be accessed online through HydroDaVEsm.

Surface Water Monitoring in the Santa Ana River

Watermaster collects grab water quality samples at two sites along the Santa Ana River (Santa Ana River at River Road and Santa Ana River at Etiwanda) on a quarterly basis. Along with data collected at four wells near the Santa Ana River, these data are used to characterize the interaction between the Santa Ana River and nearby groundwater. During this reporting period, Watermaster collected four surface-water quality samples.

Prado Basin Habitat Sustainability Program (PBHSP)

Mitigation Measure 4.4-3 from the Peace II SEIR requires that Watermaster and the IEUA, in collaboration with OCWD, form a committee, the PBHSC, and develop and implement an Adaptive Management Plan for the PBHSP. The PBHSC is open to all interested participants, including the Watermaster Parties, IEUA member agencies, OCWD, and other interested stakeholders. The objective of the PBHSP is to ensure that riparian habitat in the Prado Basin is not adversely impacted by the implementation of Peace II activities. Currently, the PBHSP consists of a monitoring program and annual reporting on the results of the monitoring program. The monitoring program includes an assessment of the riparian habitat and all factors that could potentially impact the riparian habitat, including those factors affected by Peace II activities, such as changes in groundwater levels. Sixteen monitoring wells at nine sites were constructed in 2015 to support the PBHSP.



Prado Wetlands

During the reporting period, Watermaster performed the following tasks:

- Conducted the groundwater monitoring program, which included the quarterly collection of groundwater-level and groundwater-quality data from the PHBSP monitoring wells.
- Prepared a memorandum titled: *Recommended Scope and Budget of the Prado Basin Habitat Sustainability Program for FY 2017-18*. This memorandum was used by Watermaster and the IEUA to develop and approve their respective FY 2017-18 budgets.
- Prepared the first annual report: *Annual Report of the Prado Basin Habitat Sustainability Committee for Water Year 2015/16*. The main conclusion of the annual report was that there has been no observed degradation of riparian habitat contemporaneous with the implementation of the Peace II Agreement.

Optimum Basin Management Program

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

- Conducted three meetings of the PBHSC:
 - On March 21, 2017 to present the preliminary results of the PBHSP and the Recommended Scope and Budget of the PBHSP for FY 2017-18.
 - On April 25, 2017 to present the draft 2016 Annual Report of the PBHSC through Section 3.1.
 - On June 6, 2017 to present the draft-final 2016 Annual Report of the PBHSC.

Chino Basin Groundwater Recharge Monitoring Program

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

Watermaster and the IEUA measure the quantity of storm and supplemental water that enters into recharge basins using pressure transducers or staff gauges and collect weekly water quality samples from recharge basins that are actively recharging recycled water and from lysimeters installed within those recharge basins. Imported water quality data for State Water Project water are obtained from the Metropolitan Water District of Southern California (MWDSC) and recycled water quality data for RP-1 and RP-4 treatment plant effluents are obtained from the IEUA. Combining measured flow data with respective water quality data enables the calculation of the blended water quality of the recharge sources in each recharge basin and the assessment of adequate dilution of recycled water, as required by the recycled water recharge permits held with the Department of Drinking Water (DDW). The recharge measurements are also used to estimate the New Yield to the Chino Basin as a result of the recharge activities.



Montclair 1 Basin after a rain storm.

Monitoring Activities. During this reporting period, the IEUA performed its ongoing monitoring program to measure and record recharge volumes and to collect stormwater quality samples pursuant to its permit requirements. Also, during this reporting period, approximately 58 recharge basin and lysimeter samples were collected for water quality analysis, and 28 recycled water samples were collected for alternative water quality monitoring plans, including the application of a correction factor for soil-aquifer treatment, determined from each recharge basin's startup period. Monitoring wells located downgradient of the recharge basins were sampled, at a minimum, on a quarterly basis; that said, some monitoring wells were sampled more frequently during the reporting period for a total of 123 samples.

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

- 4Q-2016 Quarterly Report, submitted to the RWQCB – February 2017
- 1Q-2017 Quarterly Report, submitted to the RWQCB – May 2017
- 2016 Annual Report, submitted to the RWQCB – May 2017

Ground-Level Monitoring

To address the historical occurrence of land subsidence and ground fissuring in the Chino Basin, Watermaster prepared and submitted a subsidence management plan (known as the MZ-1 Plan) to the Court for approval, and in November 2007, the Court ordered its implementation (see Program Element 4 in this report for more on the MZ-1 Plan implementation). The MZ-1 Plan required several monitoring and mitigation measures to minimize or abate the future occurrence of land subsidence and ground fissuring. These measures and activities included:

- Continuing the scope and frequency of monitoring within the so-called Managed Area (southwest MZ-1) that was conducted during the period when the MZ-1 Plan was being developed.

Optimum Basin Management Program

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

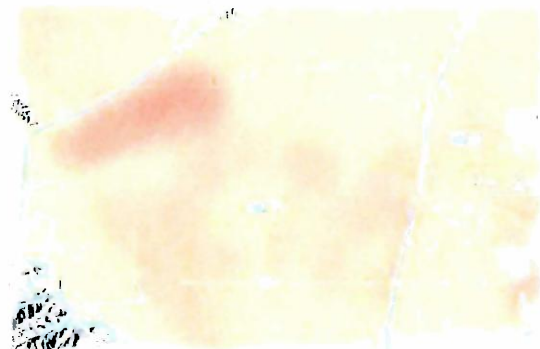
- Expanding the monitoring of the aquifer system and ground-level movement into other areas of MZ-1 and the Chino Basin where data indicate concern for future subsidence and ground fissuring (Areas of Subsidence Concern).
- Monitoring of horizontal strain across the historical zone of ground fissuring.
- Evaluating the potential contribution of groundwater production in northern MZ-1 on ground-level conditions in southern MZ-1.
- Conducting additional testing and monitoring to refine the MZ-1 Guidance Criteria for subsidence management (e.g. the Long-Term Pumping Test).
- Developing alternative pumping plans for the MZ-1 producers impacted by the MZ-1 Plan.
- Constructing and testing a lower-cost cable extensometer facility at Ayala Park.
- Evaluating and comparing ground-level surveying and Interferometric Synthetic Aperture Radar (InSAR), and recommending future monitoring protocols for both techniques.
- Conducting an aquifer storage recovery (ASR) feasibility study at a City of Chino Hills production well within the MZ-1 Managed Area (Well 16).
- Providing for recovery of groundwater levels in the MZ-1 Managed Area.

Since the initial MZ-1 Plan was adopted in 2007, Watermaster has conducted the annual Ground-Level Monitoring Program (GLMP). The main results of the GLMP are: very little permanent land subsidence has occurred in the MZ-1 Managed Area, indicating that subsidence is being successfully managed in this area, and land subsidence has been occurring in the Northwest MZ-1 Area. One concern is that subsidence in Northwest MZ-1 has occurred differentially across the San Jose Fault, following the same pattern of differential subsidence that occurred in the MZ-1 Managed Area during the time of ground fissuring.

Based on these results, Watermaster determined that the subsidence management plan needed to be updated to include a *Subsidence Management Plan for the Northwest MZ-1 Area* with the long-term objective of minimizing or abating the occurrence of the differential land subsidence. Thus, Watermaster expanded the GLMP into the Northwest MZ-1 Area and prepared an updated *Chino Basin Subsidence Management Plan (SMP)*, which included the *Work Plan to Develop a Subsidence-Management Plan for the Northwest MZ-1 Area (Work Plan)* as an appendix.

During this reporting period, Watermaster undertook the following SMP activities:

- Continued high-resolution water-level monitoring at wells within the Managed Area and within the Areas of Subsidence Concern. All monitoring equipment is inspected at least quarterly and is repaired and/or replaced as necessary. The data collected were checked and analyzed to assess the functionality of the monitoring equipment and for compliance with the SMP.
- Performed monthly routine maintenance, data collection, and verification at the Ayala Park and Chino Creek extensometer facilities. This included repair and the reinstallation of the Ayala Park data logger, which was malfunctioning.
- Collected InSAR data scenes across the western Chino Basin from the German Aerospace Center's TerraSAR-X satellite.
- Conducted vertical ground-level surveys at benchmarks in the Southeast and Northwest Areas. Electronic distance measurements (EDMs) were also conducted across the San Jose Fault Zone. Installed a new line of benchmark monuments across the Northwest MZ-1 Area.
- Continued implementation of the Work Plan:
 - Collected, processed, and checked groundwater level data and production data from wells in the Northwest MZ-1 Study Area monthly.
 - Coordinated with the Monte Vista Water District, City of Pomona, and SCADA Integrations (consulting firm) to prepare a proposal to equip and integrate up to 21 wells with SCADA-based monitoring of groundwater levels and production. Developed a SCADA Installation, Monitoring, and Reimbursement Letter Agreement between the Monte Vista Water District and Watermaster.



Utilization of InSAR data in maps for analysis.

Optimum Basin Management Program

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

- The Long-Term Pumping Test, described in the SMP, was developed by the GLMC to test and refine the Guidance Level for the Managed Area. The test requires the City of Chino Hills to pump wells CH-15B and CH-17 such that they cause water levels at PA-7 to decline below the Guidance Level. The recovery phase of the test includes groundwater injection cycles at City of Chino Hills well CH-16. The following work was performed during this reporting period:
 - The City of Chino Hills worked on the wellhead-treatment filters for arsenic at CH-15B.
 - The City of Chino Hills connected CH-16 to a potable source water pipeline.
 - Pumping at wells in the MZ-1 Managed Area did not result in water levels to decline below the Guidance Level at PA-7.

Program Element 2: Develop and Implement a Comprehensive Recharge Program

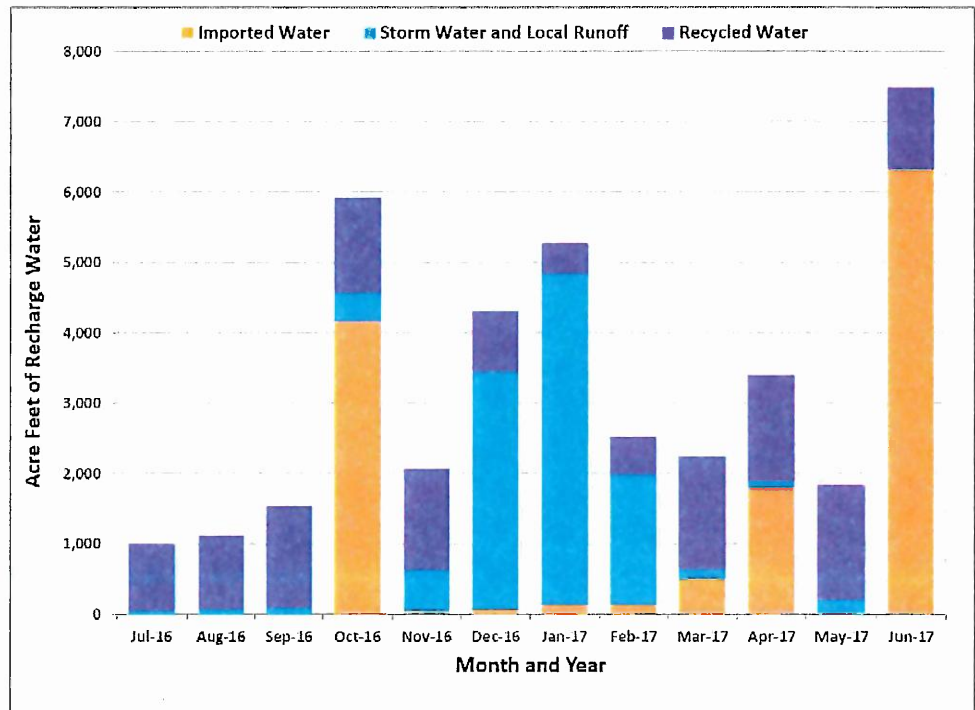
The objectives of the comprehensive recharge program include enhancing the yield of the Chino Basin through the development and implementation of a Recharge Master Plan to improve, expand, and construct recharge facilities that enable the recharge of storm, recycled, and imported waters; to ensure a balance of recharge and discharge in the Chino Basin management zones; and to ensure that sufficient storm and imported waters are recharged to comply with the recycled water dilution requirements in Watermaster and the IEUA's recycled water recharge permits.

Pursuant to PE2 of the OBMP, Watermaster and the IEUA partnered with the San Bernardino County Flood Control District and the Chino Basin Water Conservation District to construct and/or improve eighteen recharge sites. This project is known as the Chino Basin Facilities Improvement Project (CBFIP).

The average annual stormwater recharge of the CBFIP facilities is approximately 10,000 acre-feet per year, the supplemental "wet"¹ water recharge capacity is approximately 74,700 acre-feet per year, and the in-lieu supplemental water recharge capacity ranges from 25,000 to 40,000 acre-feet per year. In addition to the CBFIP facilities, the Monte Vista Water District has five ASR wells with a demonstrated well injection capacity of 5,600 acre-feet per year. The current total supplemental water recharge capacity ranges from 105,300 to 120,300 acre-feet per year, which is greater than the projected supplemental water recharge capacity required by Watermaster.

In 2008, Watermaster began preparing the *2010 Recharge Master Plan Update* (2010 RMPU) pursuant to the December 21, 2007 Court Order (the Peace II Agreement) to complete a Recharge Master Plan Update by July 1, 2010. In October 2010, the Court accepted the 2010 RMPU as satisfying the condition and ordered that certain recommendations of the 2010 RMPU be implemented. In November 2011, Watermaster reported its progress to the Court pursuant to the October 2010 Court Order, and in December 2011, the Court issued an order directing Watermaster to continue with its implementation of the 2010 RMPU per its October 2010 order but with a revised schedule. On December 15, 2011, the Watermaster Board moved to:

"approve that within the next year there will be the completion of [a] Recharge Master Plan Update, there will be the development of an Implementation Plan to address balance issues within the Chino Basin subzones, and the development of a Funding Plan, as presented."



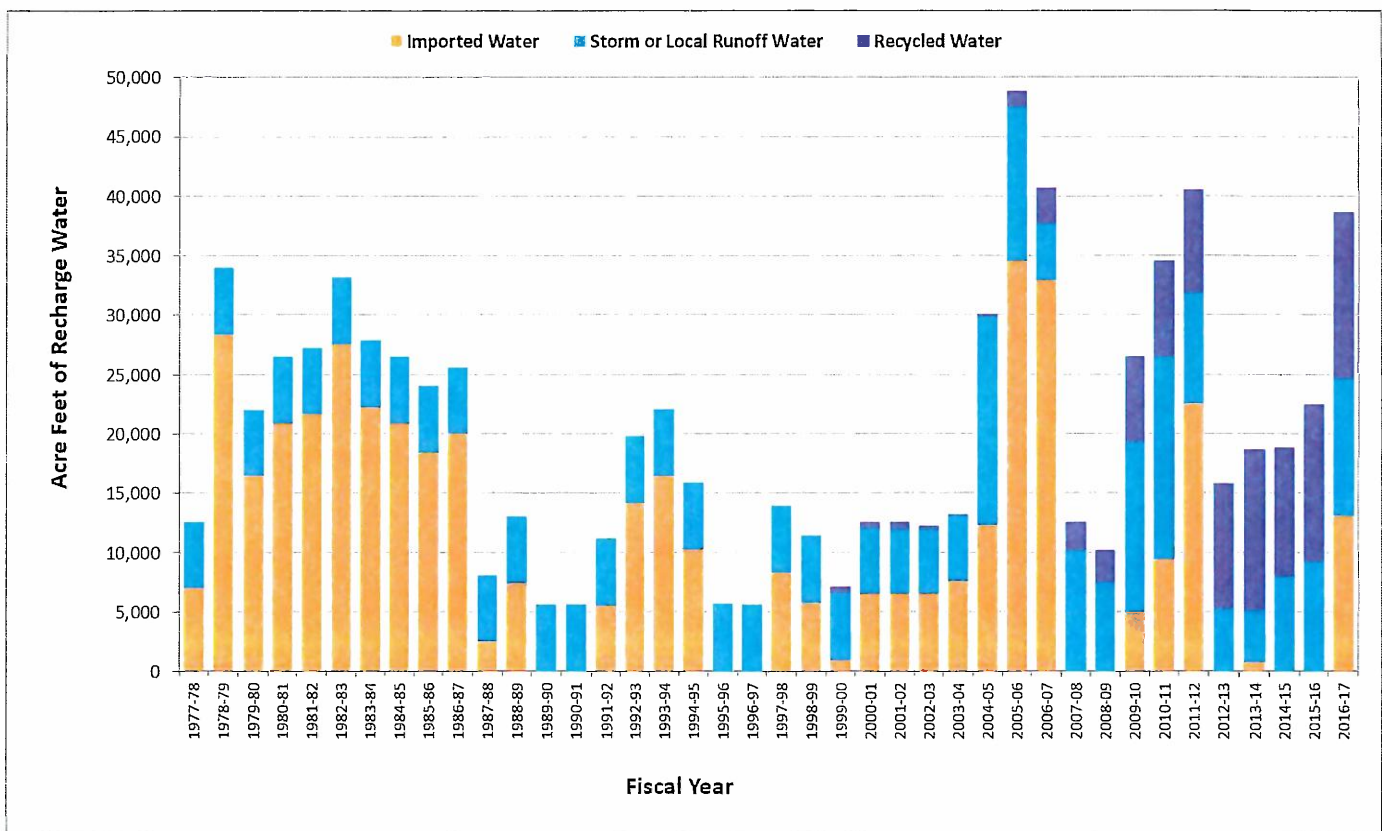
¹The modifier "wet" means actual physical water is being recharged in spreading basins as opposed to the dedication of water from storage or in-lieu recharge.

Optimum Basin Management Program

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

This motion led to the development of an update to the 2010 RMPU, and in 2012, Watermaster staff sent out a “call for projects” to the Watermaster parties, seeking their recommendations for recharge improvement projects that should be considered in the update. The *2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU)* outlines the recommended projects to be implemented by Watermaster and the IEUA and lays out the implementation and financing plans. The 2013 RMPU report was approved by the Watermaster Board in September 2013 and filed with the Court in October 2013. In December 2013, the Court approved the 2013 RMPU except for Section 5, which dealt with the accounting for new recharge from Municipal Separate Stormwater Sewer Systems; Section 5 was later approved by the Court in April 2014.

During this reporting period, Watermaster staff developed a budget and schedule to complete the forthcoming 2018 Recharge Master Plan Update (2018 RMPU), which is due to the Court by October 2018.



2013 RMPU Implementation. Watermaster and the IEUA are continuing to carry out the October 2013 Court Order, which authorizes them to implement the 2013 RMPU. During the reporting period, Watermaster and the IEUA continued developing agreements to construct the storm and supplemental water recharge projects listed in Table 8-2c of the 2013 RMPU report, prioritizing the construction of projects relative to the availability of grant funding. During the reporting period, the San Seavine Basin project was put out to bid for construction. A design consultant was selected for the design of five of the chosen 2013 RMPU projects: CSI Basin, Wineville/Jurupa/RP3 Basins, Montclair Basins, Lower Day Basin, and Victoria Basin. Watermaster stakeholders chose to defer the remaining 2013 RMPU projects for consideration in a future RMPU.

Additionally, Watermaster and the IEUA continued to develop a series of projects outside of the 2013 RMPU effort that will increase and/or facilitate stormwater and supplemental water recharge and have jointly agreed to fund these projects, including monitoring upgrades and habitat conservation. Watermaster’s share of the cost of these projects was included in the budget adopted by Watermaster for fiscal 2016/17.

Optimum Basin Management Program

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

The Recharge Improvements Project Committee met monthly on the progress of implementing the 2013 RMPU Projects and other recharge-related projects.

Recharge for Dilution of Recycled Water. In fiscal year 2009/10, Watermaster and the IEUA's recharge permit was amended to allow for existing underflow dilution and extended the period for calculating dilution from a running 60-month to a running 120-month period. Additionally, the IEUA has worked with the DDW to obtain approval to increase the allowable recycled water contribution (RWC) at wells to 50 percent. These permit amendments allow for increased recycled water recharge without having to increase the amount of imported and storm waters required for dilution. The IEUA projects its dilution requirements as part of its annual reporting to the DDW. Based on the latest Annual Report (May 2017), the IEUA projects that dilution requirements will be met through 2027 even if no imported water is available for dilution.



Recycled water line at the Ely Basins.

Recharge Activities. During this reporting period, ongoing recycled water recharge occurred in the Brooks, 7th Street, 8th Street, Turner, Ely, Declez, RP-3, Victoria, and Banana Basins; stormwater was recharged at 18 recharge basins across all management zones of the Chino Basin; and imported water was recharged in 13 recharge basins, primarily in MZ-1. Watermaster and the IEUA recharged a total of 22,726 acre-feet of water: 6,996 acre-feet of stormwater, 6,839 acre-feet of recycled water, and 8,891 acre-feet of imported water.

Balance of Recharge and Discharge in MZ-1. The total amount of supplemental water recharged in MZ-1 since the Peace II Agreement through June 30, 2017 was approximately 61,547 acre-feet, which is about 3,500 acre-feet less than the 65,000 acre-feet that required by that date (annual requirement of 6,500 acre-feet); the shortfall will be recharged in MZ-1 in subsequent years as supplemental water becomes available. The amount of supplemental water recharged into MZ-1 during the reporting period was approximately 7,844 acre-feet.

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

As stated in the OBMP, "the goal of Program Elements 3 and 5 is to develop a regional, long range, cost-effective, equitable, water supply plan for producers in the Chino Basin that incorporates sound basin management." One element of the water supply plan is the development of a way to replace the decline in groundwater production to prevent significant amounts of degraded groundwater from discharging to the Santa Ana River and violating the Basin Plan. Replacing the decline in agricultural groundwater production will mitigate the reduction of the Safe Yield of the basin and allow for more flexibility in the basin's supplemental water supplies if the produced groundwater is treated. This is achieved through the operation of the Chino Basin Desalter facilities, which comprise a series of wells and treatment facilities in the southern Chino Basin that are designed to replace the decline in production of the agricultural groundwater producers and to treat and serve this groundwater to various Appropriative Pool members.

The Chino I Desalter Expansion and the Chino II Desalter facilities were completed in February 2006. As currently configured, the Chino I Desalter produces about 13,500 acre-feet of groundwater per year (12.1 million gallons per day [MGD]) at 15 wells (I-1 through I-15). This water is treated through air stripping (volatile organic compound [VOC] removal), ion exchange (nitrate removal), and/or reverse osmosis (for nitrate and TDS removal). The Chino II Desalter produces about 15,800 acre-feet of groundwater per year (14.1 MGD) at eight wells (II-1 through II-4 and II-6 through II-9). This water is treated through ion exchange and/or reverse osmosis. Development and planning continues between the CDA and Watermaster to expand the production and treatment capacity of the Chino Desalters by about 10,500 acre-feet per year (9.5 MGD). More than \$77 million in grant funds have been secured toward this expansion.

The most recently completed expansion project included the construction of five wells for the new Chino Creek Well Field (CCWF): wells I-16, I-17, I-18, I-20, and I-21. These wells were constructed to meet the hydraulic control commitment associated with the maximum benefit (see the Program Element 7 update in this status report) and provide additional raw water to the Chino I Desalter. Production began at wells I-16 and I-17 in mid-2014 and at wells I-20 and I-21 in early 2016. Well I-18 is not planned for operation by the CDA due to high concentrations of VOCs.

Optimum Basin Management Program

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

Three final wells (II-10, II-11, and II-12) are planned for construction to provide additional raw water to the Chino II Desalter and are required to meet the maximum-benefit commitment to produce a total of 40,000 acre-feet per year from the combined desalter well fields. These wells are also being constructed as part of the remediation action plan to clean-up the South Archibald Plume (See the Program Element 6 update in this status report). The construction of wells II-10 and II-11 was completed in late-2015, and equipping the wells is planned for completion in July 2017 once the CDA completes the construction of the raw-water pipeline to plumb the new wells into the Chino-II Desalter. During this reporting period, the CDA continued with the land acquisition process for Well II-12. As soon as that land is acquired, a monitoring well will be constructed to support the design of the production well. The CDA has retained consultants for the construction and design of Well II-12, which is anticipated to be completed and operational by July 2019.

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

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

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

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



Extensometer at Ayala Park.

The MZ-1 Plan states that if data from existing monitoring efforts in the so-called Areas of Subsidence Concern indicate the potential for adverse impacts due to subsidence, Watermaster will revise the MZ-1 Plan pursuant to the process outlined in Section 3 of the MZ-1 Plan. In early 2015, Watermaster prepared an update to the MZ-1 Plan, which included a name change to the 2015 Chino Basin Subsidence Management Plan (SMP) and a Work Plan to Develop the Subsidence Management Plan for the Northwest MZ-1 Area (Work Plan) as an appendix. The SMP and the Work Plan were adopted through the Watermaster Pool process during July 2015.

The data, analysis, and reports generated through the implementation of the MZ-1 Plan, SMP, and Work Plan are reviewed and discussed by the Ground-Level Monitoring Committee (GLMC), which meets on a periodic basis throughout the year. The GLMC is open to all interested participants, including the Watermaster Parties and their consultants. During this reporting period, Watermaster undertook the following data analysis and reporting tasks:

- Reviewed water levels at the PA-7 piezometer and determined that levels remained above the Guidance Level during the reporting period; very little, if any, permanent compaction was recorded at the Ayala Park Extensometer.
- Analyzed historical EDM data collected in the Managed Area and Northwest MZ-1 Area. The results of the analysis will be used to identify potential sites for the re-installation of a horizontal extensometer in the Managed Area and make recommendations for future EDM methods.

Optimum Basin Management Program

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

- Analyzed data from the GLMP during 2016, and prepared draft text, tables and figures for the *2016 Annual Report of the Ground-Level Monitoring Committee*.
- For the *Work Plan to Develop a Subsidence Management Plan for the Northwest MZ-1 Area*:
 - Prepared draft response to comments on the memorandum: *Initial Hydrogeologic Conceptual Model and the Monitoring and Testing Program for the Northwest MZ-1 Area*. The response to comments is currently under internal review.
 - Prepared the draft technical memorandum: *Development and Characterization of the Baseline Management Alternative and Initial Subsidence-Management Alternative for the Northwest MZ-1 Area*. The technical memorandum is currently under internal review.
 - Finalized the technical memorandum: *Siting Study for the Pomona Extensometer*.
 - Prepared the final technical specifications: *Detailed Technical Specifications for the Drilling and Construction of Two Dual-Nested Piezometers for the Pomona Extensometer Facility*. The technical specifications will be incorporated in the Pomona Extensometer Piezometers construction bid package at the completion of CEQA.
- The GLMC met on March 23 and April 11, 2017. The meeting agendas included the following items:
 - Preliminary results of the GLMP for 2016.
 - Recommended scope and budget of the GLMC for FY 2017-18.
 - Cost estimates for the proposed modifications to the SCADA systems at MVWD and the City of Pomona.
 - Draft Technical Specifications for the Pomona Extensometer piezometers.
 - Review the GLMC's next steps: finalize the recommended scope and budget for FY 2017-18 and upcoming GLMC deliverables and meetings.

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

Program Elements 6 and 7 are necessary to address the water quality management problems that occur in the Chino Basin. During the development of the OBMP, it was identified that Watermaster did not have sufficient information to determine whether point and non-point sources of groundwater contamination are being adequately addressed, including the various contaminant plumes in the Chino Basin. With the Regional Board and other agencies, Watermaster has worked to address the following major point source contaminant plumes in the Chino Basin:

South Archibald Plume

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

In 2008, Regional Board staff conducted research pertaining to the likely source of the TCE contamination and identified discharges of wastewater that may have contained TCE to the RP-1 treatment plant and associated disposal areas to be a potential source. The Regional Board identified several industries, including some previously identified tenants of the Ontario Airport property, that likely used TCE solvents before and during the early-1970s, and discharged wastes to the Cities of Ontario and Upland's sewage systems and subsequently to the RP-1 treatment plant and disposal areas. In 2012, an additional Draft CAO was issued by the Regional Board jointly to the City of Ontario, City of Upland, and IEUA as the previous and current operators of the RP-1 treatment plant and

Optimum Basin Management Program

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

disposal area (collectively, the RP-1 parties). In part, the draft CAOs require that RP-1 parties “supply uninterrupted replacement water service [...] to all residences south of Riverside Drive that are served by private domestic wells at which TCE has been detected at concentrations at or exceeding 5 µg/L [...]” and to report this information to the Regional Board. In addition, the RP-1 parties are to “prepare and submit [a] [...] feasibility study” and “prepare, submit and implement the Remedial Action Plan” to mitigate the “effects of the TCE groundwater plume.”

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

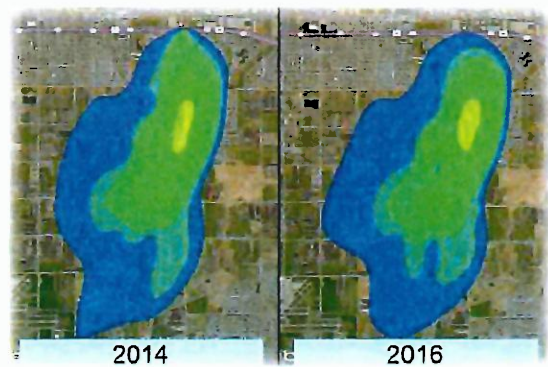
In July 2015, the RP-1 parties completed the Draft Feasibility Study Report for the South Archibald Plume (Feasibility Study). The Feasibility Study established cleanup objectives for both domestic water supply and plume remediation and evaluates alternatives to accomplish these objectives. In August 2015, a Draft Remedial Action Plan (RAP) was concurrently prepared by the RP-1 parties to present the preferred plume remediation and domestic water supply alternatives. A public review period followed along with two community meetings to educate the public about the plume, the Feasibility Study, and the RAP, and to solicit comments on these reports. In November 2015, a revised Draft Feasibility Study, RAP, and Responses to Comments were completed to address input from the public, the ABGL, and others. In September 2016, the Regional Board issued the Final CAO R8-2016-0016 collectively to the RP-1 parties and the ABGL parties. The Final CAO was adopted by all parties in November 2016, thus approving the preferred plume remediation and domestic water supply alternatives identified in the RAP. The parties also reached a settlement agreement that aligns with the Final CAO and authorizes funding to initiate implementation of the plume remediation alternative.

The plume remediation alternative involves the use of existing and proposed CDA production wells and facilities. The RP-1 parties reached a Joint Facility Development Agreement with the CDA for implementation of a project designed to remediate the South Archibald Plume. The proposed project includes the operation of three new CDA desalter wells (II-10, II-11, and II-12) and a dedicated pipeline to convey produced groundwater from the three new wells and existing CDA well I-11 to the Desalter II treatment facility. As noted previously in this status report, the CDA has completed construction of two of the three wells, which will be operational by July 2017. The third well will be completed and operational by July 2019.

The domestic water supply alternative for those private residences affected by TCE groundwater contamination is a hybrid between the installation of tank systems for some residences, where water is delivered from the City of Ontario potable supply via truck deliveries, and the installation of a temporary pipeline to connect some residences to the City of Ontario potable water system. The City of Ontario has assumed responsibility for implementing the domestic water supply alternative.

During the reporting period, the City of Ontario submitted a private water supply well sampling work plan and a domestic water supply work plan to the Regional Board, including performance objectives for both the plume remediation and domestic water supply alternatives. Pursuant to the February 2017 work plans, an Annual Groundwater Monitoring Report was completed on May 15, 2017 by the Cities of Ontario and Upland and submitted to the Regional Board. The groundwater sampling effort took place during February and March 2017 and included 41 private and municipal well locations. Based on the results of the 2017 sampling event, no additional residences were recommended for participation in the alternative water supply program.

Also during the reporting period, Watermaster prepared an updated delineation of the spatial extent of the South Archibald TCE plume. The updated plume delineation was published on June 30, 2017 as part of the 2016 State of the Basin Report.



South Archibald TCE plume from 2014 to 2016.

Optimum Basin Management Program

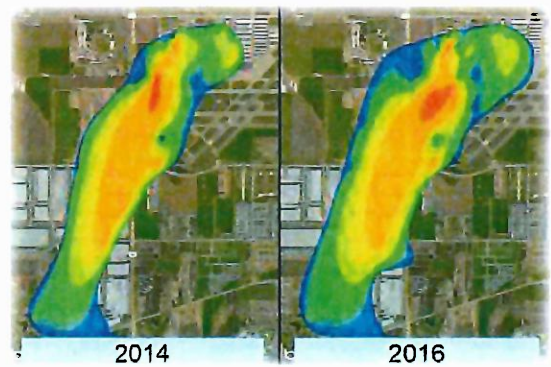
Program Element 6: Develop and Implement Cooperative Programs with the Regional Water Quality Control Board, Santa Ana Region and Other Agencies to Improve Basin Management (Continued)

Chino Airport Plume

In 1990, the Regional Board issued CAO No. 90-134 to the County of San Bernardino, Department of Airports (County) to address groundwater contamination originating from the Chino Airport. During 1991 to 1992, ten underground storage tanks and 310 containers of hazardous waste were removed, and 81 soil borings were drilled and sampled on the airport property. From 2003 to 2005, nine onsite monitoring wells were installed and used to collect groundwater quality samples. In 2007, the County conducted its first offsite monitoring effort, and in 2008, the Regional Board issued CAO No. R8-2008-0064, requiring the County to define the lateral and vertical extent of the plume and prepare a remedial action plan. From 2009 to 2012, Tetra Tech, the consultant to the County, conducted several off-site plume characterization studies to delineate the areal and vertical extent of the plume and constructed 33 offsite monitoring wells. From 2013 to early-2015, Tetra Tech conducted an extensive investigation of several areas identified for additional characterization of soil and groundwater contamination; and at the conclusion of the work, they constructed an additional 33 groundwater monitoring wells on and adjacent to the Airport property. In August 2016, the County completed a Draft Feasibility Study to identify remedial action objectives and evaluate remediation alternatives for mitigation.

The County conducts quarterly and/or annual monitoring events at all 75 of their monitoring wells constructed to date. The conclusions from this monitoring program can be found in reports posted on the Regional Board's GeoTracker website. In April 2017, Tetra Tech submitted the *Semiannual Groundwater Monitoring Report, Summer and Fall 2017, Chino Airport Groundwater Assessment, San Bernardino County, California*, which included the County's most recent characterizations of the TCE plume. Watermaster also routinely samples for water quality at private and monitoring wells in the area and uses this and other data obtained from its data collection programs to independently delineate the spatial extent of the plume.

During this reporting period, the Regional Board issued CAO R8-2017-0011, which requires the County to prepare a Final Feasibility Study that incorporates comments from the Regional Board and to prepare, submit, and implement a Remedial Action Plan. The County submitted a Final Feasibility Study for the Chino Airport on June 6, 2017, and it was approved by the Regional Board on June 7, 2017. The recommended remediation alternative is a groundwater pump-and-treat system to provide hydraulic containment and treatment of both the West Plume and the East Plume originating from the Chino Airport. The system consists of ten extraction wells that combined will produce approximately 900 gallons per minute of groundwater for onsite treatment using carbon adsorption. Included among the 10 wells is CDA well I-18, which is no longer planned for use by the CDA. Once treated, the preferred option is to discharge the treated groundwater to the CDA's Chino-I Desalter influent pipeline via a newly constructed pipeline. If this discharge option is not available at the time the system is constructed, the alternative options are to discharge the treated groundwater to either the local surface-water channels or wastewater treatment plants or to inject the treated groundwater back into the basin with six injection wells at the northeast corner of the Chino Airport. The final RAP, based on the approved final Feasibility Study, is due to the Regional Board by August 7, 2017.



Chino Airport TCE Plume from 2014 to 2016.

Also during the reporting period, Watermaster prepared an updated delineation of the spatial extent of the Chino Airport TCE plume. The updated plume delineation was published on June 30, 2017 as part of the 2016 State of the Basin Report.

Other Water Quality Issues

Watermaster continues to track monitoring programs and mitigation measures associated with other point sources in the Chino Basin, including: Alumax Aluminum Recycling, Alger Manufacturing Facility, the Former Crown Coach Facility, General Electric Test Cell and Flatiron, Former Kaiser Steel Mill, Milliken Landfill, Upland Landfill, and the Stringfellow National Priorities List sites. During the reporting period, Watermaster prepared updated delineations of the extent of the VOC plumes for GE Test Cell, GE Flatiron, Milliken Landfill, and the so-called Pomona VOC plume. The updated plume delineations were published on June 30, 2017 as part of the 2016 State of the Basin Report.

Optimum Basin Management Program

Program Element 7: Develop and Implement a Salt Management Program

Maximum Benefit Salinity Management Plan

In January 2004, the Regional Board amended the Basin Plan to incorporate an updated total dissolved solids (TDS) and nitrogen (N) management plan. The Basin Plan amendment includes both "antidegradation" and "maximum benefit" objectives for TDS and nitrate-N for the Chino-North and Cucamonga groundwater management zones (GMZs). The maximum benefit objectives allow for the reuse and recharge of recycled water and the recharge of imported water without mitigation; these activities are an integral part of the OBMP. The application of the maximum-benefit objectives is contingent on Watermaster and the IEUA's implementation of specific projects and requirements termed the maximum-benefit commitments. There are a total of nine commitments, and Watermaster and the IEUA report the status of compliance with each commitment to the Regional Board annually. During this reporting period, Watermaster prepared and submitted the 2016 *Chino Basin Maximum Benefit Annual Report*. Specific details of the commitments and related activities are described below.

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

In December 2013, Watermaster and the IEUA submitted an updated Maximum Benefit Monitoring Program Work Plan and Proposed Schedule for Achieving Hydraulic Control to the Regional Board. The updated Work Plan states that Watermaster and the IEUA will recalibrate the Chino Basin groundwater model every five years and use the model to estimate groundwater discharge from the Chino-North GMZ to the Santa Ana River (i.e. annual underflow past the CCWF) and determine whether hydraulic control has been achieved. The new Maximum Benefit Monitoring Program Work Plan was adopted by the Regional Board in April 2014. Maximum benefit monitoring is incorporated as part of the groundwater level, groundwater quality, and surface water monitoring programs described in Program Element 1. During this reporting period, Watermaster continued implementing the monitoring programs (see Program Element 1 of this report for details).

Hydraulic Control and Chino Desalters. One of the main maximum-benefit commitments is to achieve and maintain "hydraulic control" of the Chino Basin so downstream beneficial uses of the Santa Ana River are protected. The mechanism for achieving hydraulic control is the construction of the Chino Basin Desalters in the southern Chino Basin, thereby replacing the diminishing agricultural production that previously prevented the outflow of high TDS and nitrate groundwater. Hydraulic control is defined by the Basin Plan as the elimination of groundwater discharge from the Chino-North GMZ to the Santa Ana River or its reduction to a de minimus level. In October 2011, the Regional Board indicated that groundwater discharge from the Chino-North GMZ to the Prado Basin surface water management zone (Prado Basin) in an amount less than 1,000 acre-feet per year is considered de minimus. Watermaster and the IEUA have demonstrated, in Annual Reports to the Regional Board, that complete hydraulic control has been achieved at and east of Chino-I Desalter Well 5. The construction and operation of the CCWF (see Program Element 5), which began in 2010, is intended to achieve hydraulic control in the area west of Chino-I Desalter Well 5. In February 2016, the CCWF commenced full-scale operation with production at wells I-16, I-17, I-20, and I-21. The CCWF wells produced a total of about 1,665 acre-feet in 2016, which is more than the model-estimated production needed to achieve hydraulic control to the de minimus standard west of Chino-I Desalter Well 5. With this accomplishment, Watermaster has achieved full hydraulic control of the Chino Basin.

Although full hydraulic control has been achieved, future agricultural groundwater production in the southern part of the basin is expected to continue to decline, necessitating future expansion of the desalters to sustain hydraulic control. In a letter dated January 23, 2014, the Regional Board required that by May 31, 2014, Watermaster and the IEUA submit a plan detailing how hydraulic control will be sustained in the future as agricultural production in the southern region of Chino-North continues to decrease—specifically, how the Chino Basin Desalters will achieve the required total groundwater production level of 40,000 acre-feet per year. On June 30, 2015 Watermaster and the IEUA submitted a final plan and schedule for the construction and operation of the three new

Optimum Basin Management Program

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

desalter wells. These wells are under construction. During this reporting period, Watermaster coordinated with the CDA to track the progress of construction of the desalter expansion facilities. A full status report on the desalter expansion facilities is described in this status report under Program Element 3.

Recycled Water Recharge and Quality. The maximum benefit commitments require Watermaster and the IEUA to construct and operate expanded facilities for the recharge of storm and recycled waters and to report on the quality of the individual and combined sources of water used for recharge. This data is compiled and analyzed each year for reporting to the Regional Board. During this reporting period, Watermaster and the IEUA continued their monitoring programs to collect the data required for analysis and reporting to the Regional Board.

Ambient Water Quality. Commitment number 9 requires that Watermaster and the IEUA recompute ambient TDS and nitrate concentrations for the Chino Basin and Cucamonga GMZs every three years. The recomputation of ambient water quality is performed for the entire Santa Ana River Watershed, and the technical work is contracted, managed, and directed by the Santa Ana Watershed Project Authority's Basin Monitoring Program Task Force. Watermaster and the IEUA have participated in each triennial, watershed-wide ambient water quality determination as members of the Task Force. The most recent recomputation, covering the 20-year period from 1993 to 2012, was completed in August 2014. In July 2016, the Task Force initiated the effort to compute the ambient water quality for the 20-year period from 1996 to 2015. The final report is due to be published in August 2017.

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

Groundwater storage is critical to the Chino Basin. The OBMP outlines Watermaster's commitments to investigate the technical and management implications of Local Storage Agreements, improve related policies and procedures, and then revisit all pending Local Storage Agreement applications.

The existing Watermaster/IEUA/MWDSC/Three Valleys Municipal Water District Dry-Year Yield (DYY) program continues to be implemented. By April 30, 2011, all DYY program construction projects and a full "put" and "take" cycle had been completed, leaving the DYY storage account with a zero balance. Since that time the balance has increased, as during the reporting period, about 6,320 acre-feet was recharged in June and placed into storage for the DYY Program.

Safe Yield Recalculation

The Basin's Safe Yield was initially set by the Judgment at 140,000 acre-feet per year. The Safe Yield was based in on the hydrology for the period of 1965 through 1974. Pursuant to the Judgment, the Chino Basin Safe Yield is to be recalculated periodically but not for at least ten years following 1978. Pursuant to the OBMP Implementation Plan and Watermaster's Rules and Regulations, in year 2010/11 and every ten years thereafter, Watermaster is to recalculate the Safe Yield. The 2011 Safe Yield recalculation was to be based in part on the information obtained in the prior ten-year period.

In 2011, Watermaster authorized its staff to compile the necessary data and update the model of the basin and to recalculate the Safe Yield. The model calibration was completed in 2012, and the evaluation of Safe Yield began in 2013. During fiscal 2014/15, the Watermaster parties, pursuant to the Watermaster Board's direction, met intensively in a facilitated process, which resulted in a majority consensus regarding the implementation of the recalculated Safe Yield, and drafted the 2015 Safe Yield Reset Agreement. At its September 24, 2015 meeting, the Board adopted Resolution 2015-06, endorsing the 2015 Safe Yield Reset Agreement, and directed Watermaster legal counsel to file the Agreement with the Court. Resolution 2015-06 was adopted by a majority vote with two of the nine Board members opposing the action. The agreement was filed with the Court on October 23, 2015 with a motion recommending that the Court reset the Safe Yield of the Chino Basin to 135,000 acre-feet per year. The hearing on this motion was originally scheduled for December 18, 2015. The Court continued the hearing and conducted it on September 23, 2016; the Court heard oral arguments from various parties and Watermaster legal counsel, requested further briefing from the interested parties, and scheduled a hearing in the next reporting period. On April 28, 2017, the Court issued a final order, resetting the Safe Yield to 135,000 acre-feet per year.



Dry Year Yield inflow at Montclair 1 Basin.

Optimum Basin Management Program

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

Groundwater Storage Management

Addendum to PEIR. The OBMP storage management plan was temporarily revised during the reporting period. The original OBMP storage management program consists of managing groundwater production, replenishment, recharge, and storage such that the total storage within the basin would range from a low of 5,300,000 acre-feet to a high of 5,800,000 acre-feet. The following storage-related definitions are included in the OBMP Implementation Plan:

- **Operational Storage Requirement** – The Operational Storage Requirement is the storage or volume in the Chino Basin that is necessary to maintain the Safe Yield. [Author's note: This is an average value with the storage oscillating around this value due to dry and wet periods in precipitation. The Operational Storage Requirement was estimated in the development of the OBMP to be about 5.3 million acre-feet. This storage value was set at the estimated storage in the basin in 1997.]
- **Safe Storage** – Safe Storage is an estimate of the maximum storage in the basin that will not cause significant water-quality and high-groundwater related problems. [Author's note: Safe storage was estimated in the development of the OBMP to be about 5.8 million acre-feet.]
- **Safe Storage Capacity** – Safe Storage Capacity is the difference between the Safe Storage and the Operational Storage Requirement. The allocation and use of storage space in excess of the Safe Storage Capacity will preemptively require mitigation; mitigation must be defined and resources committed to mitigation prior to allocation and use.

Water occupying the Safe Storage Capacity includes Local Storage Account Water, Carryover Water, and water that was anticipated to be stored in future groundwater storage programs. This storage management program was evaluated in the OBMP programmatic environmental impact report (PEIR) in 2000.

Subsequent to the OBMP PEIR, Watermaster and the Parties developed revisions to the OBMP based on: new monitoring and borehole data collected since 1998, an improved hydrogeologic conceptualization of the basin, new numerical models that have improved the understanding of basin hydrology since 2000, and the need to expand the Chino Basin Desalters (desalters) to the 40,000 acre-feet per year of groundwater production required in the OBMP Implementation Plan. These investigations included a recalculation of the total water in storage in the basin, based on the improved hydrogeologic understanding. The total storage in the Chino Basin for 2000 was estimated to be about 5,935,000 acre-feet.

The Peace II Agreement was negotiated by the Parties to implement, among other things, the expansion of the desalters, the dedication of 400,000 acre-feet of groundwater in storage to desalter replenishment, and changes in the Judgment to implement the Peace II Agreement. However, there was no change to the storage management plan in the OBMP Implementation Plan even though the revised storage estimated for 2000 was greater than the Safe Storage and the implementation of the Peace II Agreement would result in 400,000 acre-feet of new controlled overdraft. The IEUA completed and subsequently adopted a supplemental environmental impact report (SEIR) for the Peace II Agreement in 2010.

There is a significant difference in what is known today regarding storage management and basin conditions versus what was known in 2000 when the OBMP storage management plan was developed and evaluated in the PEIR. Watermaster and the IEUA proposed a temporary change in the Safe Storage Capacity, increasing it from 500,000 acre-feet to 600,000 acre-feet for the period July 1, 2017 through June 30, 2021. This temporary increase in Safe Storage Capacity was found to not cause Material Physical Injury and/or loss of Hydraulic Control, and it will provide Watermaster and the IEUA time to develop a new storage management plan and agreements to implement it. The IEUA adopted an addendum to the 2000 PEIR, increasing the Safe Storage Capacity from 500,000 acre-feet to 600,000 acre-feet for the period July 1, 2017 through June 30, 2021. The addendum was approved by the IEUA Board of Directors on March 15, 2017.

Storage Management Plan Architecture. Watermaster staff, at the direction of its Board of Directors, began the development of a scope of work to develop the architecture for an updated storage management plan. The intent of this effort is to provide the technical information to enable the development of a storage management plan based on a scientific and sustainable foundation.

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

E. FONTANA WATER COMPANY APPLICATION FOR RECHARGE



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Fontana Water Company Application for Recharge (Consent Calendar Item I.E.)

SUMMARY

Issue: On July 6, 2017, Fontana Water Company submitted an Application for Recharge for up to 300 acre-feet to be recharged into the Vulcan Basin through September 2018.

Recommendation: 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.

Financial Impact: None

Future Consideration

Advisory Committee – September 21, 2017: Recommend Board approval
Watermaster Board – September 28, 2017: Approval [Within WM Duties and Powers]

ACTIONS:

Appropriative Pool – July 13, 2017: Unanimously recommended to Advisory Committee to recommend to the Watermaster Board to approve

Non-Agricultural Pool – July 13, 2017: Unanimously recommended Advisory Committee and Board representatives to approve the Recharge application, subject to changes they deem necessary.

Agricultural Pool – July 13, 2017: Unanimously recommended to Advisory Committee to recommend to the Watermaster Board to approve

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 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, 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 Material Physical Injury to a Party to the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

In April 2015, Fontana Water Company was granted an Application for Recharge of 50 acre feet by the Watermaster Board, given that the recharge take place in a 1-acre foot area within the Vulcan Basin. Wildermuth Environmental Inc. (WEI) recommended that there should be no subsequent regular use of the entire Basin for recharge of storm and supplemental waters until a comprehensive investigation of the potential for arsenic degradation of groundwater be completed.

DISCUSSION

On July 6, 2017, Fontana Water Company submitted an Application for Recharge for up to 300 acre-feet. The Application states that the method of recharge is percolation into the Vulcan Basin (Attachment 1). The Application identifies the source of water to be treated Lytle Creek Surface Water. Attached to the Application is a Certificate of Analysis for the water quality (Attachment 2). This recharge event is being proposed only in the 1 acre area that was previously used; use of the entire site for broader recharge would still be contingent on a full scale evaluation.

If and when approved, Fontana Water Company intends to recharge the water into the Vulcan 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. 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 storage. 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, Fontana Water Company and the other Party will need to submit appropriate water transfer forms, which include the recapture plan.

WEI performed a Material Physical Injury analysis of the Application for Recharge. WEI prepared a letter, dated July 7, 2017, which states that there will be no MPI due to the FWC proposed recharge as described in their revised July 6, 2017 recharge application (Attachment 3). WEI did make recommendations which were: 1) The berm system used to constrain the recharge area be improved such that it will not fail due to seepage pressures or overtopping during the recharge test. The berm system failed during the 2015 recharge test. 2) Require the recharge water be conveyed from the source to the test recharge area in a closed system to ensure that the recharge water does not contact soil outside of the test recharge area. 3) Watermaster's Engineer is concerned that continuous use of the site for recharge events, even small ones, could lead to material physical injury. As such, future use of the Vulcan Basin will require MPI analyses, until a recharge feasibility analysis of the entire site is performed.

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

ATTACHMENTS

1. FWC Recharge Application
2. Weck Laboratories, Inc Certificate of Analysis, Title 22 Monitoring Report
3. July 7, 2017 letter from WEI to Watermaster: "Analysis of Material Physical Injury for the Fontana Water Company (FWC) Recharge Application, as submitted to the Chino Basin Watermaster on July6, 2017 and revised on July 7, 2017"

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Form 2a - Application for Supplemental Water Recharge

Applicant Information and Recharge Request			
Person	Fontana Water Company (FWC)	Date Requested	7/6/17
Contact (individual)	Cris Fealy	Date Approved	
Street Address	15966 Arrow Route	Proposed Period of Time Covered by Recharge Application (mm/yyyy to mm/yyyy)	09/2017 to 09/2018
City	Fontana Water Comapny		
State	CA		
Zip Code	92335	Requested Total Amount of Recharge Over the Application Period (AF)	up to 300
Telephone	909-822-2201	Approved Total Amount of Recharge Over the Application Period (AF)	
Fax	909-823-5046		
Email	cifealy@fontanawater.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) Treated Lytle Creek Water from Sandhill Treatment Plant (F14)
<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) Vulcan Basin
	Expected Period of Recharge (mm/dd to mm/dd) Varies
	Depth to Water in Recharge Area (ft-bgs) Unknown
	Water Quality in Recharge Area (attach characterization) Treated to Potable Standards.
<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

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 rationale either below or attach one to this application)

Fontana Water Company will utilize only the previously approved 1-acre recharge area to continue testing.

BY:



Applicant

7/7/16
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 Appropriate Pool (mm/dd/yyyy) _____

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

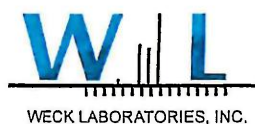
Date of Approval from Overlying Ag Pool (mm/dd/yyyy) _____

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 _____



Certificate of Analysis

FINAL REPORT

Work Orders: 7B01071

Project: Title 22 Monitoring

Attn: John Catone

Client: San Gabriel Valley Water Company - Fontana
P. O. Box 6010
El Monte, CA 91734

Report Date: 3/06/2017

Received Date: 2/1/2017

Turnaround Time: Normal

Phones: (909) 201-7331

Fax: (626) 582-1571

P.O. #:

Billing Code:

Dear John Catone :

Enclosed are the results of analyses for samples received 2/1/2017 with the Chain-of-Custody document. The samples were received in good condition, at 2.3 °C and on ice. All analysis met the method criteria except as noted in the case narrative or in the report with data qualifiers.

Sample Results

Sample: Sandhill- Treated, RegID: 3610041-003
7B01071-01 (Water)

Sampled: 02/01/17 8:10 by John Cantone / Eric Tarango

Analyte	Result	MDL	MRL	Units	Dil	Analyzed	Qualifier
Method: _Various	Batch ID: [CALC]	Instr: [CALC]		Prepared: 02/05/17 08:00		Analyst: jan	
Total Anions	3.9		0.23	meq/l	1	02/08/17 19:19	
Total Cations	3.4		0.038	meq/l	1	02/06/17 13:13	
Total hardness as CaCO3	130		0.66	mg/l	1	02/06/17 13:13	
Method: AWWA	Batch ID: W7B0890	Instr: Inst		Prepared: 02/14/17 11:08		Analyst: jck	
Aggressive Index	12.2			N/A	1	02/14/17 13:59	
Method: EPA 140.1	Batch ID: W7B0086	Instr: Inst		Prepared: 02/01/17 18:09		Analyst: ymt	
Threshold Odor Number	1.0		1.0	T.O.N.	1	02/01/17 19:00	
Method: EPA 1613B	Batch ID: W7B0196	Instr: GCMS15		Prepared: 02/03/17 09:24		Analyst: EFC	
2,3,7,8-TCDD (Dioxin)	ND		5.00	pg/l	1	02/22/17 15:07	
Method: EPA 180.1	Batch ID: W7B0180	Instr: TURB01		Prepared: 02/02/17 21:37		Analyst: dmn	
Turbidity	ND		0.10	NTU	1	02/02/17 23:12	
Method: EPA 200.7	Batch ID: W7B0211	Instr: ICP02		Prepared: 02/05/17 08:00		Analyst: JCK	
Boron, Total	42		10	ug/l	1	02/06/17 13:13	
Calcium, Total	38.4		0.100	mg/l	1	02/06/17 13:13	
Iron, Total	ND		10	ug/l	1	02/06/17 13:13	
Magnesium, Total	7.69		0.100	mg/l	1	02/06/17 13:13	
Potassium, Total	2.2		0.10	mg/l	1	02/06/17 13:13	
Sodium, Total	18		0.50	mg/l	1	02/06/17 13:13	
Method: EPA 200.8	Batch ID: W7B0486	Instr: Elan		Prepared: 02/08/17 09:48		Analyst: jck	
Aluminum, Total	28		5.0	ug/l	1	02/23/17 17:52	

7B01071

Page 1 of 8

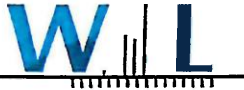
Sample Results

(Continued)

Sample: Sandhill- Treated, RegID: 3610041-003
7801071-01 (Water)

Sampled: 02/01/17 8:10 by John Cantone / Eric Tarango
(Continued)

Analyte	Result	MDL	MRL	Units	Dil	Analyzed	Qualifier
Method: EPA 200.8 (Continued)	Batch ID: W780486	Instr: Elan				Prepared: 02/08/17 09:48	Analyst: jck
Antimony, Total	ND		0.50	ug/l	1	02/21/17 14:28	
Arsenic, Total	0.48		0.40	ug/l	1	02/24/17 12:51	
Barium, Total	22		0.50	ug/l	1	02/21/17 14:28	
Beryllium, Total	ND		0.10	ug/l	1	02/21/17 14:28	
Cadmium, Total	ND		0.10	ug/l	1	02/21/17 14:28	
Chromium, Total	ND		0.20	ug/l	1	02/24/17 12:51	
Copper, Total	0.84		0.50	ug/l	1	02/21/17 14:28	
Lead, Total	ND		0.20	ug/l	1	02/21/17 14:28	
Manganese, Total	0.35		0.20	ug/l	1	02/23/17 17:52	
Nickel, Total	1.2		0.80	ug/l	1	02/21/17 14:28	
Selenium, Total	ND		0.40	ug/l	1	02/24/17 12:51	
Silver, Total	ND		0.20	ug/l	1	02/21/17 14:28	
Thallium, Total	ND		0.20	ug/l	1	02/21/17 14:28	
Zinc, Total	ND		5.0	ug/l	1	02/21/17 14:28	
Method: EPA 218.6	Batch ID: W780733	Instr: LC13				Prepared: 02/14/17 06:44	Analyst: blg
Chromium 6+	0.27		0.020	ug/l	1	02/14/17 11:59	
Method: EPA 245.1	Batch ID: W780214	Instr: Cetac				Prepared: 02/03/17 12:12	Analyst: apa
Mercury, Total	ND		0.050	ug/l	1	02/07/17 14:45	
Method: EPA 300.0	Batch ID: W780005	Instr: LC12				Prepared: 02/01/17 08:33	Analyst: jan
Chloride, Total	26		0.50	mg/l	1	02/01/17 11:48	
Fluoride, Total	0.28		0.10	mg/l	1	02/01/17 11:48	
Sulfate as SO4	25		0.50	mg/l	1	02/01/17 11:48	
Method: EPA 314.0	Batch ID: W780863	Instr: LC08_Channel1				Prepared: 02/13/17 20:13	Analyst: blg
Perchlorate	ND		2.0	ug/l	1	02/14/17 14:28	
Method: EPA 335.4	Batch ID: W780946	Instr: AA01				Prepared: 02/14/17 20:31	Analyst: nat
Cyanide, Total	ND		5.0	ug/l	1	02/15/17 00:00	
Method: EPA 353.2	Batch ID: W780116	Instr: Inst				Prepared: 02/02/17 09:42	Analyst: ajk
Nitrate as N	0.78		0.10	mg/l	1	02/02/17 14:35	
Nitrite as N	ND		100	ug/l	1	02/02/17 19:48	
NO2+NO3 as N	780		100	ug/l	1	02/02/17 14:35	
Method: EPA 504.1	Batch ID: W780529	Instr: GC03				Prepared: 02/08/17 15:24	Analyst: cam
1,2-Dibromo-3-chloropropane	ND		0.010	ug/l	1	02/08/17 22:37	
1,2-Dibromoethane (EDB)	ND		0.020	ug/l	1	02/08/17 22:37	
Method: EPA 508	Batch ID: W780194	Instr: GC07				Prepared: 02/06/17 09:17	Analyst: rmr
4,4'-DDD	ND		0.010	ug/l	1	02/15/17 06:42	
4,4'-DDE	ND		0.010	ug/l	1	02/15/17 06:42	
4,4'-DDT	ND		0.010	ug/l	1	02/15/17 06:42	
Aldrin	ND		0.010	ug/l	1	02/15/17 06:42	
alpha-BHC	ND		0.010	ug/l	1	02/15/17 06:42	
Aroclor 1016	ND		0.10	ug/l	1	02/15/17 06:42	



WECK LABORATORIES, INC.

Certificate of Analysis

FINAL REPORT

Sample Results

(Continued)

Sample: Sandhill- Treated, RegID: 3610041-003
7B01071-01 (Water)

Sampled: 02/01/17 8:10 by John Cantone / Eric Tarango
(Continued)

Analyte	Result	MDL	MRL	Units	DII	Analyzed	Qualifier
Method: EPA 508 (Continued)	Batch ID: W7B0194	Instr: GC07				Prepared: 02/06/17 09:17	Analyst: rmr
Aroclor 1221	ND		0.10	ug/l	1	02/15/17 06:42	
Aroclor 1232	ND		0.10	ug/l	1	02/15/17 06:42	
Aroclor 1242	ND		0.10	ug/l	1	02/15/17 06:42	
Aroclor 1248	ND		0.10	ug/l	1	02/15/17 06:42	
Aroclor 1254	ND		0.10	ug/l	1	02/15/17 06:42	
Aroclor 1260	ND		0.10	ug/l	1	02/15/17 06:42	
beta-BHC	ND		0.010	ug/l	1	02/15/17 06:42	
Chlordane (tech)	ND		0.10	ug/l	1	02/15/17 06:42	
Chlorothalonil	ND		0.050	ug/l	1	02/15/17 06:42	
delta-BHC	ND		0.010	ug/l	1	02/15/17 06:42	
Dieldrin	ND		0.010	ug/l	1	02/15/17 06:42	
Endosulfan I	ND		0.010	ug/l	1	02/15/17 06:42	
Endosulfan II	ND		0.010	ug/l	1	02/15/17 06:42	
Endosulfan sulfate	ND		0.010	ug/l	1	02/15/17 06:42	
Endrin	ND		0.010	ug/l	1	02/15/17 06:42	
Endrin aldehyde	ND		0.010	ug/l	1	02/15/17 06:42	
gamma-BHC (Lindane)	ND		0.010	ug/l	1	02/15/17 06:42	
Heptachlor	ND		0.010	ug/l	1	02/15/17 06:42	
Heptachlor epoxide	ND		0.010	ug/l	1	02/15/17 06:42	
Hexachlorobenzene	ND		0.050	ug/l	1	02/15/17 06:42	
Hexachlorocyclopentadiene	ND		0.050	ug/l	1	02/15/17 06:42	
Methoxychlor	ND		0.010	ug/l	1	02/15/17 06:42	
PCBs, Total	ND		0.50	ug/l	1	02/15/17 06:42	
Propachlor	ND		0.050	ug/l	1	02/15/17 06:42	
Toxaphene	ND		1.0	ug/l	1	02/15/17 06:42	
Trifluralin	ND		0.010	ug/l	1	02/15/17 06:42	
<i>Surrogate(s)</i>							
Decachlorobiphenyl	82%		70-130	Conc: 0.0817		02/15/17 06:42	
Tetrachloro-meta-xylene	86%		70-130	Conc: 0.0864		02/15/17 06:42	

Analyte	Result	MDL	MRL	Units	DII	Analyzed	Qualifier
Method: EPA 515.3	Batch ID: W7B0186	Instr: GC08				Prepared: 02/03/17 08:27	Analyst: rmr
2,4,5-T	ND		0.20	ug/l	1	02/07/17 19:27	
2,4,5-TP (Silvex)	ND		0.20	ug/l	1	02/07/17 19:27	
2,4-D	ND		0.40	ug/l	1	02/07/17 19:27	
2,4-DB	ND		2.0	ug/l	1	02/07/17 19:27	
3,5-Dichlorobenzoic acid	ND		1.0	ug/l	1	02/07/17 19:27	
Acifluorfen	ND		0.40	ug/l	1	02/07/17 19:27	
Bentazon	ND		2.0	ug/l	1	02/07/17 19:27	
Dalapon	ND		0.40	ug/l	1	02/07/17 19:27	
DCPA	ND		0.10	ug/l	1	02/07/17 19:27	
Dicamba	ND		0.60	ug/l	1	02/07/17 19:27	



Certificate of Analysis

FINAL REPORT

Sample Results

(Continued)

Sample: Sandhill- Treated, RegID: 3610041-003
7B01071-01 (Water)

Sampled: 02/01/17 8:10 by John Cantone / Eric Tarango
(Continued)

Analyte	Result	MDL	MRL	Units	Dil	Analyzed	Qualifier
Method: EPA 515.3 (Continued)		Batch ID: W7B0186	Instr: GC08	Prepared: 02/03/17 08:27		Analyst: rmr	
Dichloroprop	ND		0.30	ug/l	1	02/07/17 19:27	
Dinoseb	ND		0.40	ug/l	1	02/07/17 19:27	
Pentachlorophenol	ND		0.20	ug/l	1	02/07/17 19:27	
Picloram	ND		0.60	ug/l	1	02/07/17 19:27	
<i>Surrogates</i>							
2,4-DCAA	105%		70-130	Conc: 10.5		02/07/17 19:27	
Method: EPA 524.2		Batch ID: W7B0298	Instr: GCMS14	Prepared: 02/06/17 07:08		Analyst: rdt	
1,1,1,2-Tetrachloroethane	ND	0.10	0.50	ug/l	1	02/06/17 16:28	
1,1,1-Trichloroethane	ND	0.11	0.50	ug/l	1	02/06/17 16:28	
1,1,2,2-Tetrachloroethane	ND	0.20	0.50	ug/l	1	02/06/17 16:28	
1,1,2-Trichloroethane	ND	0.19	0.50	ug/l	1	02/06/17 16:28	
1,1-Dichloroethane	ND	0.12	0.50	ug/l	1	02/06/17 16:28	
1,1-Dichloroethene	ND	0.16	0.50	ug/l	1	02/06/17 16:28	
1,1-Dichloropropene	ND	0.14	0.50	ug/l	1	02/06/17 16:28	
1,2,3-Trichlorobenzene	ND	0.19	0.50	ug/l	1	02/06/17 16:28	
1,2,3-Trichloropropane	ND	0.22	0.50	ug/l	1	02/06/17 16:28	
1,2,4-Trichlorobenzene	ND	0.17	0.50	ug/l	1	02/06/17 16:28	
1,2,4-Trimethylbenzene	ND	0.20	0.50	ug/l	1	02/06/17 16:28	
1,2-Dichloroethane	ND	0.12	0.50	ug/l	1	02/06/17 16:28	
1,2-Dichloropropane	ND	0.13	0.50	ug/l	1	02/06/17 16:28	
1,3,5-Trimethylbenzene	ND	0.17	0.50	ug/l	1	02/06/17 16:28	
1,3-Dichloropropane	ND	0.11	0.50	ug/l	1	02/06/17 16:28	
1,3-Dichloropropene, Total	ND	0.15	0.50	ug/l	1	02/06/17 16:28	
2,2-Dichloropropane	ND	0.17	0.50	ug/l	1	02/06/17 16:28	
2-Butanone	ND	0.72	5.0	ug/l	1	02/06/17 16:28	
2-Chloroethyl vinyl ether	ND	0.61	1.0	ug/l	1	02/06/17 16:28	
2-Chlorotoluene	ND	0.15	0.50	ug/l	1	02/06/17 16:28	
2-Hexanone	ND	1.2	5.0	ug/l	1	02/06/17 16:28	
4-Chlorotoluene	ND	0.15	0.50	ug/l	1	02/06/17 16:28	
4-Methyl-2-pentanone	ND	0.56	5.0	ug/l	1	02/06/17 16:28	
Benzene	ND	0.15	0.50	ug/l	1	02/06/17 16:28	
Bromobenzene	ND	0.15	0.50	ug/l	1	02/06/17 16:28	
Bromochloromethane	ND	0.15	0.50	ug/l	1	02/06/17 16:28	
Bromodichloromethane	9.1	0.090	0.50	ug/l	1	02/06/17 16:28	
Bromoform	1.3	0.19	0.50	ug/l	1	02/06/17 16:28	
Bromomethane	ND	0.49	0.50	ug/l	1	02/06/17 16:28	
Carbon tetrachloride	ND	0.12	0.50	ug/l	1	02/06/17 16:28	
Chlorobenzene	ND	0.15	0.50	ug/l	1	02/06/17 16:28	
Chloroethane	ND	0.17	0.50	ug/l	1	02/06/17 16:28	
Chloroform	10	0.12	0.50	ug/l	1	02/06/17 16:28	



Certificate of Analysis

FINAL REPORT

Sample Results

(Continued)

Sample: Sandhill- Treated, RegID: 3610041-003
7B01071-01 (Water)

Sampled: 02/01/17 8:10 by John Cantone / Eric Tarango
(Continued)

Analyte	Result	MDL	MRL	Units	Dil	Analyzed	Qualifier
Method: EPA 524.2 (Continued)	Batch ID: W7B0298	Instr: GCMS14	Prepared: 02/06/17 07:08				Analyst: rdt
Chloromethane	ND	0.11	0.50	ug/l	1	02/06/17 16:28	
cis-1,2-Dichloroethene	ND	0.11	0.50	ug/l	1	02/06/17 16:28	
cis-1,3-Dichloropropene	ND	0.11	0.50	ug/l	1	02/06/17 16:28	
Dibromochloromethane	5.1	0.20	0.50	ug/l	1	02/06/17 16:28	
Dibromomethane	ND	0.20	0.50	ug/l	1	02/06/17 16:28	
Dichlorodifluoromethane (Freon 12)	ND	0.12	0.50	ug/l	1	02/06/17 16:28	
Di-isopropyl ether	ND	0.80	2.0	ug/l	1	02/06/17 16:28	
Ethyl tert-butyl ether	ND	0.40	2.0	ug/l	1	02/06/17 16:28	
Ethylbenzene	ND	0.21	0.50	ug/l	1	02/06/17 16:28	
Freon 113	ND	0.27	5.0	ug/l	1	02/06/17 16:28	
Hexachlorobutadiene	ND	0.40	0.50	ug/l	1	02/06/17 16:28	
Isopropylbenzene	ND	0.18	0.50	ug/l	1	02/06/17 16:28	
m,p-Xylene	ND	0.33	0.50	ug/l	1	02/06/17 16:28	
m-Dichlorobenzene	ND	0.14	0.50	ug/l	1	02/06/17 16:28	
Methyl tert-butyl ether (MTBE)	ND	0.19	2.0	ug/l	1	02/06/17 16:28	
Methylene chloride	ND	0.14	0.50	ug/l	1	02/06/17 16:28	
Naphthalene	ND	0.42	0.50	ug/l	1	02/06/17 16:28	
n-Butylbenzene	ND	0.29	0.50	ug/l	1	02/06/17 16:28	
n-Propylbenzene	ND	0.18	0.50	ug/l	1	02/06/17 16:28	
o-Dichlorobenzene	ND	0.19	0.50	ug/l	1	02/06/17 16:28	
o-Xylene	ND	0.20	0.50	ug/l	1	02/06/17 16:28	
p-Dichlorobenzene	ND	0.18	0.50	ug/l	1	02/06/17 16:28	
p-Isopropyltoluene	ND	0.25	0.50	ug/l	1	02/06/17 16:28	
sec-Butylbenzene	ND	0.24	0.50	ug/l	1	02/06/17 16:28	
Styrene	ND	0.19	0.50	ug/l	1	02/06/17 16:28	
Tert-amyl methyl ether	ND	0.59	2.0	ug/l	1	02/06/17 16:28	
tert-Butylbenzene	ND	0.18	0.50	ug/l	1	02/06/17 16:28	
Tetrachloroethene	ND	0.18	0.50	ug/l	1	02/06/17 16:28	
THMs, Total	26	0.60	2.0	ug/l	1	02/06/17 16:28	
Toluene	ND	0.14	0.50	ug/l	1	02/06/17 16:28	
trans-1,2-Dichloroethene	ND	0.11	0.50	ug/l	1	02/06/17 16:28	
trans-1,3-Dichloropropene	ND	0.15	0.50	ug/l	1	02/06/17 16:28	
Trichloroethene	ND	0.18	0.50	ug/l	1	02/06/17 16:28	
Trichlorofluoromethane	ND	0.18	0.50	ug/l	1	02/06/17 16:28	
Vinyl chloride	ND	0.18	0.50	ug/l	1	02/06/17 16:28	
Xylenes, Total	ND	0.33	1.0	ug/l	1	02/06/17 16:28	
<i>Surrogate</i>							
1,2-Dichlorobenzene-d4	77%		70-130	Conc: 7.69		02/06/17 16:28	
4-Bromofluorobenzene	78%		70-130	Conc: 7.82		02/06/17 16:28	

Method: EPA 525.2

Batch ID: W7B0375

Instr: GCMS16

Prepared: 02/07/17 08:40

Analyst: Statio

7B01071

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Sample Results

(Continued)

Sample: Sandhill- Treated, RegID: 3610041-003
7801071-01 (Water)

Sampled: 02/01/17 8:10 by John Cantone / Eric Tarango
(Continued)

Analyte	Result	MDL	MRL	Units	Dil	Analyzed	Qualifier
Method: EPA 525.2 (Continued)	Batch ID: W780375	Instr: GCMS16		Prepared: 02/07/17 08:40		Analyst: Statio	
Alachlor	ND		0.10	ug/l	1	02/28/17 12:30	
Atrazine	ND		0.10	ug/l	1	02/28/17 12:30	
Benzo (a) pyrene	ND		0.10	ug/l	1	02/28/17 12:30	
Bis(2-ethylhexyl)adipate	ND		5.0	ug/l	1	02/28/17 12:30	
Bis(2-ethylhexyl)phthalate	ND		3.0	ug/l	1	02/28/17 12:30	
Bromacil	ND		0.50	ug/l	1	02/28/17 12:30	
Butachlor	ND		0.10	ug/l	1	02/28/17 12:30	
Captan	ND		1.0	ug/l	1	02/28/17 12:30	
Chlorpropham	ND		0.10	ug/l	1	02/28/17 12:30	
Cyanazine	ND		0.10	ug/l	1	02/28/17 12:30	
Diazinon	ND		0.10	ug/l	1	02/28/17 12:30	
Dimethoate	ND		0.20	ug/l	1	02/28/17 12:30	
Diphenamid	ND		0.10	ug/l	1	02/28/17 12:30	
Disulfoton	ND		0.10	ug/l	1	02/28/17 12:30	
EPTC	ND		0.10	ug/l	1	02/28/17 12:30	
Melolachlor	ND		0.10	ug/l	1	02/28/17 12:30	
Metribuzin	ND		0.10	ug/l	1	02/28/17 12:30	
Molinate	ND		0.10	ug/l	1	02/28/17 12:30	
Prometon	ND		0.10	ug/l	1	02/28/17 12:30	
Prometryn	ND		0.10	ug/l	1	02/28/17 12:30	
Simazine	ND		0.10	ug/l	1	02/28/17 12:30	
Terbacil	ND		2.0	ug/l	1	02/28/17 12:30	
Thiobencarb	ND		0.10	ug/l	1	02/28/17 12:30	
Trithion	ND		0.10	ug/l	1	02/28/17 12:30	
<i>Succinate 11</i>							
1,3-Dimethyl-2-nitrobenzene	101%		73-138	Conc: 5.03		02/28/17 12:30	
Perylene-d12	43%		30-118	Conc: 2.15		02/28/17 12:30	
Triphenyl phosphale	60%		70-149	Conc: 3.01		02/28/17 12:30	S-GC
Method: EPA 531.1	Batch ID: W780245	Instr: LC10		Prepared: 02/03/17 17:09		Analyst: pjs	
3-Hydroxycarbofuran	ND		2.0	ug/l	1	02/07/17 07:46	
Aldicarb	ND		2.0	ug/l	1	02/07/17 07:46	
Aldicarb sulfone	ND		2.0	ug/l	1	02/07/17 07:46	
Aldicarb sulfoxide	ND		2.0	ug/l	1	02/07/17 07:46	
Carbaryl	ND		2.0	ug/l	1	02/07/17 07:46	
Carbofuran	ND		2.0	ug/l	1	02/07/17 07:46	
Methiocarb	ND		2.0	ug/l	1	02/07/17 07:46	
Methomyl	ND		2.0	ug/l	1	02/07/17 07:46	
Oxamyl	ND		2.0	ug/l	1	02/07/17 07:46	
Propoxur (Baygon)	ND		2.0	ug/l	1	02/07/17 07:46	

Method: EPA 547

Batch ID: W780135

Instr: LC10

Prepared: 02/02/17 12:19

Analyst: pjs

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Sample Results

(Continued)

Sample: Sandhill- Treated, RegID: 3610041-003
7B01071-01 (Water)

Sampled: 02/01/17 8:10 by John Cantone / Eric Tarango
(Continued)

Analyte	Result	MDL	MRL	Units	Dil	Analyzed	Qualifier
Method: EPA 547 (Continued) Glyphosate	Batch ID: W7B0135	Instr: LC10				Prepared: 02/02/17 12:19	Analyst: pjs
	ND		5.0	ug/l	1	02/03/17 12:16	
Method: EPA 548.1 Endothall	Batch ID: W7B0106	Instr: GCMS06				Prepared: 02/02/17 09:07	Analyst: etn
	ND		45	ug/l	1	02/09/17 01:25	
Method: EPA 549.2 Diquat	Batch ID: W7B0107	Instr: LC11				Prepared: 02/02/17 09:10	Analyst: pjs
	ND		4.0	ug/l	1	02/03/17 12:29	
Method: SM 2120B Color	Batch ID: W7B0099	Instr: Inst				Prepared: 02/02/17 08:24	Analyst: ajk
	ND		3.0	Color Units	1	02/02/17 10:00	
Method: SM 2320B Alkalinity as CaCO3	Batch ID: W7B0527	Instr: AA02				Prepared: 02/08/17 13:14	Analyst: dmn
	130		10	mg/l	1	02/08/17 19:19	
Bicarbonate Alkalinity as HCO3	160		10	mg/l	1	02/08/17 19:19	
Carbonate Alkalinity as CaCO3	ND		2.0	mg/l	1	02/08/17 19:19	
Hydroxide Alkalinity as CaCO3	ND		2.0	mg/l	1	02/08/17 19:19	
Method: SM 2330B Langelier Index @ 60 C	Batch ID: W7B0891	Instr: Inst				Prepared: 02/14/17 11:08	Analyst: jck
	0.921		-10.0	N/A	1	02/14/17 14:14	
Langelier Index @ Source Temp	0.324		-10.0	N/A	1	02/14/17 14:14	
Method: SM 2510B Specific Conductance (EC)	Batch ID: W7B0243	Instr: AA02				Prepared: 02/03/17 16:05	Analyst: dmn
	390		2.0	umhos/cm	1	02/03/17 22:18	
Method: SM 2540C Total Dissolved Solids	Batch ID: W7A3061	Instr: Inst				Prepared: 02/05/17 09:45	Analyst: ymt
	200		10	mg/l	1	02/05/17 12:20	
Method: SM 4500H+-B pH	Batch ID: W7B0089	Instr: AA02				Prepared: 02/01/17 18:43	Analyst: dmn
	8.09		0.10	Units	1	02/01/17 20:59	
Method: SM 5540C MBAS	Batch ID: W7B0176	Instr: UVVIS03				Prepared: 02/02/17 18:59	Analyst: nat
	ND		0.050	mg/l	1	02/02/17 22:07	
Method: SM 7110C Gross Alpha	Batch ID: W7B0528	Instr: MPC 9604-1				Prepared: 02/08/17 13:14	Analyst: jea
	1.27			pCi/L	1	02/10/17 11:01	
Uncertainty: 0.135		MDA: 0.034					

Notes and Definitions

Item	Definition
*	The recommended holding time for this analysis is only 15 minutes. The sample was analyzed as soon as it was possible but it was received and analyzed past holding time.
BS-04	The recovery of this analyte in LCS or LCSD was outside control limit. Sample was accepted based on the remaining LCS, LCSD or LCS-LL.
MS-02	The RPD and/or percent recovery for this QC spike sample cannot be accurately calculated due to the high concentration of analyte inherent in the sample.
MS-05	The spike recovery and/or RPD were outside acceptance limits for the MS and/or MSD due to possible matrix interference. The LCS and/or LCSD were within acceptance limits showing that the laboratory is in control and the data is acceptable.
QC-2	This QC sample was reanalyzed to complement samples that require re-analysis on different date. See analysis date.
Q-ME	Acceptable QC with marginal exceedance
S-GC	Surrogate recovery outside of control limits due to a possible matrix effect. The data was accepted based on valid recovery of the remaining surrogate.
ND	NOT DETECTED at or above the Method Reporting Limit (MRL). If Method Detection Limit (MDL) is reported, then ND means not detected at or above the MDL.
Dil	Dilution
dry	Sample results reported on a dry weight basis
RPD	Relative Percent Difference
% Rec	Percent Recovery
Source	Sample that was matrix spiked or duplicated.
MDL	Method Detection Limit
MRL	The minimum levels, concentrations, or quantities of a target variable (e.g., target analyte) that can be reported with a specified degree of confidence. The MRL is also known as Limit of Quantitation (LOQ) and Detection Limit for Reporting (DLR)
MDA	Minimum Detectable Activity
NR	Not Reportable
TIC	Tentatively Identified Compound (TIC) using mass spectrometry. The reported concentration is relative concentration based on the nearest internal standard. If the library search produces no matches at, or above 85%, the compound is reported as unknown.

Any remaining sample(s) will be disposed of one month from the final report date unless other arrangements are made in advance.

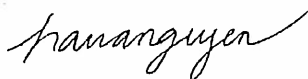
An Absence of Total Coliform meets the drinking water standards as established by the California State Water Resources Control Board (SWRCB)

All results are expressed on wet weight basis unless otherwise specified.

All samples collected by Weck Laboratories have been sampled in accordance to laboratory SOP Number MIS 002.

Not Certified Analyses Summary

Analyte	CAS #	Not Accredited By
AWWA in Water Aggressive Index		NELAP
Reviewed by:		



Hai Van Nguyen
Senior Project Manager



ELAP-CA #1132 • EPA-UCMR #CA00211 • LACSD #10143 • NJ-DEP #CA015 • NV-DEP #NAC 445A

This is a complete final report. The information in this report applies to the samples analyzed in accordance with the chain-of-custody document. Weck Laboratories certifies that the test results meet all requirements of TNI unless noted by qualifiers or written in the Case Narrative. This analytical report must be reproduced in its entirety.



July 7, 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 Fontana Water Company (FWC) Recharge Application, as submitted to the Chino Basin Watermaster on July 6, 2017 and revised on July 7, 2017 (hereafter revised July 6, 2017 recharge application)

Dear Mr. Kavounas,

Pursuant to your direction, Wildermuth Environmental, Inc. (WEI) conducted a material physical injury (MPI) analysis of the FWC's revised July 6, 2017 recharge application. This MPI analysis has been done pursuant to the Watermaster Rules and Regulations and the Peace Agreement. Specifically, Article 10 of 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.

FWC's Recharge Application of July 6, 2017

The FWC proposes to recharge up to 300 acre-feet (af) of Lytle Creek water into the Vulcan Pit during the period September 2017 through September 2018. The water would be treated to potable standards and diverted into the Vulcan Pit from the FWC distribution system. The FWC proposes to use the same one to two-acre part of the pit that was used by Vulcan and FWC for a recharge event in 2015.

The scope of this analysis is to determine if the proposed recharge event of up to 300 af of Lytle Creek water by the FWC, as proposed in its revised July 6, 2017 recharge application, has the potential to cause MPI.

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

The proposed recharge event will produce a localized increase in groundwater levels in the vicinity of the Vulcan Pit where the recharge occurs, followed by a return to the groundwater levels that would occur had the water not been recharged. The current depth to groundwater beneath the Vulcan Pit is presently about 490 feet below ground surface (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 FWC.

Balance of Recharge and Discharge in Every Area and Subarea

Per the application, FWC intends to use the proposed recharge water to partially offset its overproduction that will occur from its production in MZ3. The Vulcan Pit is located in MZ3. In the absence of the proposed recharge event, the FWC would meet its replenishment obligation from transfers of water from other appropriators that produce groundwater in MZ1 and MZ2 and Watermaster replenishment that may or may not occur in MZ3. The proposed recharge event will improve the balance of recharge and discharge in MZ3.

Total Dissolved Solids and Nitrate Concentration of the Recharge Water

The 2004 Regional Water Quality Control Plan (Basin Plan) for the Santa Ana River Watershed has total dissolved solids (TDS) and nitrate (expressed as nitrogen) concentration objectives in the Chino-North Groundwater Management Zone (GMZ) of 430 milligrams per liter (mg/L) and 5 mg/L, respectively. The proposed recharge event will occur in the Chino-North GMZ. Pursuant to the Basin Plan, Watermaster and the IEUA are required to manage recharge in spreading basins in the Chino Basin such that the five-year, volume-weighted average TDS and nitrate concentration of the recycled water, imported water, supplemental native water, and new stormwater recharged across all recharge basins will not exceed the Basin Plan objectives. The FWC provided a recent

characterization of Lytle Creek water quality in their revised July 6, 2017 recharge application. This characterization indicates that the TDS and nitrate concentrations of the water proposed to be recharged are generally less than 250 mg/L and 1 mg/L, respectively. The current ambient TDS and nitrate concentrations in the Chino-North GMZ are 350 mg/L and 10 mg/L, respectively, and therefore the proposed recharge event will not encroach on the current assimilative capacity or interfere with Watermaster and the IEUA's regulatory obligations. In fact, the proposed recharge event will be helpful in complying with the Basin Plan. There will be no adverse TDS or nitrate concentration impacts caused by the proposed recharge event.

Water Quality Impacts on Other Pumpers

The water quality of the proposed recharge water is comparable to State Water Project water, and the proposed recharge event will improve the general water quality in MZ3 and the Basin. The proposed recharge will not change the direction and/or speed of movement of known contaminant plumes. There will be no adverse water quality impacts caused by the proposed recharge event.

Conclusion and Recommendations

There will be no MPI due to the FWC proposed recharge event as described in their revised July 6, 2017 recharge application.

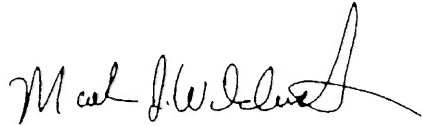
We recommend that Watermaster consider requiring the following conditions on the approval of the recharge application:

1. The berm system used to constrain the recharge area be improved such that it will not fail due to seepage pressures or overtopping during the FWC proposed recharge event. The berm system failed during the 2015 recharge event.
2. Require the recharge water be conveyed from the source to the proposed recharge area in a closed system to ensure that the recharge water does not contact soil outside of the proposed recharge area.
3. We are concerned that continuous use of the site for recharge events, even small ones, could lead to material physical injury. As such, each future use of the Vulcan Pit should require MPI analyses, until a recharge feasibility analysis of the entire site is performed.

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

Very truly yours,

Wildermuth Environmental, Inc.

A handwritten signature in black ink, appearing to read "Mark Wildermuth". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mark Wildermuth, PE
President, Principal Engineer

CHINO BASIN WATERMASTER

- I. CONSENT CALENDAR**
- F. WATER TRANSACTIONS**



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Summary and Analysis of Application for Water Transaction
(Consent Calendar Item I.F.1)

SUMMARY

Issue: Notice of Sale or Transfer – 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.

Recommendation: Provide advice and assistance to the Watermaster Board on the proposed transaction.

Financial Impact: May reduce assessments under the 85/15 rule.

Future Consideration

Advisory Committee – September 21, 2017: Recommend to Watermaster Board to approve

Watermaster Board – September 28, 2017: Approval [Upon Advisory Committee recommendation]

ACTIONS:

Appropriative Pool – July 13, 2017: Unanimously approved.

Non-Agricultural Pool – July 13, 2017: Unanimously recommended Pool representatives to support at the Advisory Committee and Board meetings subject to changes which they deem appropriate.

Agricultural Pool – July 13, 2017: Unanimously approved.

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

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

Where there is no material physical injury, Watermaster must approve the transaction. Where the request for Watermaster approval is submitted by a party to the Judgment, there is a rebuttable presumption that most of the transactions do not result in Material Physical Injury to a party to the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

The date of this application is May 24, 2017. Notice of the transaction was electronically posted and mailed on July 7, 2017, along with the materials submitted by the requestors.

DISCUSSION

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

This water transaction was unanimously approved by all three Pool Committees at its July 13, 2017 meetings.

ATTACHMENTS

1. Consolidated Forms 3, 4, & 5
2. Notice Forms

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 2016 - 2017

DATE REQUESTED: May 24, 2017AMOUNT REQUESTED: 119,844 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<u>City of Upland</u>	<u>Golden State Water Company</u>
Name of Party	Name of Party
<u>460 N. Euclid Avenue</u>	<u>630 E. Foothill Blvd</u>
Street Address	Street Address
<u>Upland</u> <u>CA</u> <u>91786</u>	<u>San Dimas</u> <u>CA</u> <u>91733</u>
City State Zip Code	City State Zip Code
<u>(909)931-4102</u>	<u>(909) 394-3600</u>
Telephone	Telephone
<u>(909)931-4301</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 Annual Production Right / Operating Safe Yield first, then any additional from Excess Carryover

WATER IS TO BE TRANSFERRED TO:

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:	
Projected Rate of Recapture	Projected Duration of Recapture
METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):	
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

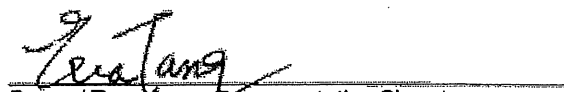
Yes No



Seller / Transferor Representative Signature

Martin Thouvenell

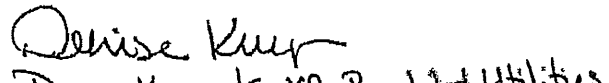
Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Eva Tang / Sr. VP-Finance & CFO

Buyer / Transferee Representative Name (Printed)


Denise Kruger / Sr VP - Regulated Utilities

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

July 7, 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: **May 24, 2017**

Date of this notice: **July 7, 2017**

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

- Notice of Sale or Transfer – 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.

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

Appropriative Pool: July 13, 2017

Non-Agricultural Pool: July 13, 2017

Agricultural Pool: July 13, 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



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Summary and Analysis of Application for Water Transaction
(Consent Calendar Item I.F.2)

SUMMARY

Issue: Notice of Sale or Transfer – 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. Golden State Water Company is utilizing this transaction to produce its West End Consolidated Water Company shares.

Recommendation: Provide advice and assistance to the Watermaster Board on the proposed transaction.

Financial Impact: None

Future Consideration

Advisory Committee – September 21, 2017: Recommend to Watermaster Board to approve

Watermaster Board – September 28, 2017: Approval [Upon Advisory Committee recommendation]

ACTIONS:

Appropriative Pool – July 13, 2017: Unanimously approved.

Non-Agricultural Pool – July 13, 2017: Unanimously recommended Pool representatives to support at the Advisory Committee and Board meetings subject to changes which they deem appropriate.

Agricultural Pool – July 13, 2017: Unanimously approved.

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

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

Where there is no material physical injury, Watermaster must approve the transaction. Where the request for Watermaster approval is submitted by a party to the Judgment, there is a rebuttable presumption that most of the transactions do not result in Material Physical Injury to a party to the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

The date of this application is May 24, 2017. Notice of the transaction was electronically posted and mailed on July 7, 2017, along with the materials submitted by the requestors.

The 85/15 rule does not apply for this water transaction because Golden State Water Company is utilizing this transaction to produce its West End Consolidated Water Company shares.

DISCUSSION

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

This water transaction was unanimously approved by all three Pool Committees at its July 13, 2017 meetings.

ATTACHMENTS

1. Consolidated Forms 3, 4, & 5
2. Notice Forms

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 2016 - 2017

DATE REQUESTED: May 24, 2017AMOUNT REQUESTED: 138.156 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<u>West End Consolidated Water Company</u>	<u>Golden State Water Company</u>
Name of Party	Name of Party
<u>1370 N. Benson Avenue</u>	<u>630 E. Foothill Blvd</u>
Street Address	Street Address
<u>Upland</u> <u>CA</u> <u>91786</u>	<u>San Dimas</u> <u>CA</u> <u>91733</u>
City State Zip Code	City State Zip Code
<u>(909)291-2931</u>	<u>(909) 394-3600</u>
Telephone	Telephone
<u>(909)291-2974</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 Transfer undelivered entitlement

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

Projected Rate of Recapture

Projected Duration of Recapture

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

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

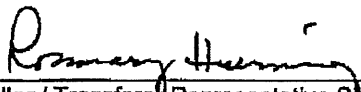
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

SAID TRANSFER SHALL BE CONDITIONED UPON:

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- (2) Transferee shall put all waters utilized pursuant to said Transfer to reasonable beneficial use.
- (3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred.
- (4) Any Transferee not already a party must Intervene and become a party to the Judgment.

ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature

Rosemary Hoerning

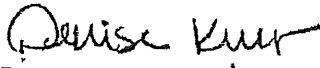
Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Eva Tang / Sr. VP-Finance & CFO

Buyer / Transferee Representative Name (Printed)


Denise Kruger / Sr VP - Regulated Utilities

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

July 7, 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: **May 24, 2017**

Date of this notice: **July 7, 2017**

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

- Notice of Sale or Transfer – 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. Golden State Water Company is utilizing this transaction to produce its West End Consolidated Water Company shares.

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

Appropriative Pool:	July 13, 2017
Non-Agricultural Pool:	July 13, 2017
Agricultural Pool:	July 13, 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



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Summary and Analysis of Application for Water Transaction
(Consent Calendar Item I.F.3)

SUMMARY

Issue: Notice of Sale or Transfer – 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. The City of Upland is utilizing this transaction to produce its West End Consolidated Water Company shares.

Recommendation: Provide advice and assistance to the Watermaster Board on the proposed transaction.

Financial Impact: None

Future Consideration

Advisory Committee – September 21, 2017: Recommend to Watermaster Board to approve

Watermaster Board – September 28, 2017: Approval [Upon Advisory Committee recommendation]

ACTIONS:

Appropriative Pool – July 13, 2017: Unanimously approved.

Non-Agricultural Pool – July 13, 2017: Unanimously recommended Pool representatives to support at the Advisory Committee and Board meetings subject to changes which they deem appropriate.

Agricultural Pool – July 13, 2017: Unanimously approved.

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

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

Where there is no material physical injury, Watermaster must approve the transaction. Where the request for Watermaster approval is submitted by a party to the Judgment, there is a rebuttable presumption that most of the transactions do not result in Material Physical Injury to a party to the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

The date of this application is May 24, 2017. Notice of the transaction was electronically posted and mailed on July 7, 2017, along with the materials submitted by the requestors.

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

DISCUSSION

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

This water transaction was unanimously approved by all three Pool Committees at its July 13, 2017 meetings.

ATTACHMENTS

1. Consolidated Forms 3, 4, & 5
2. Notice Forms

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 20¹⁶ - 20¹⁷

DATE REQUESTED: May 24, 2017

AMOUNT REQUESTED: 1474.258 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<u>West End Consolidated Water Company</u> Name of Party	<u>City of Upland</u> Name of Party
<u>460 N. Euclid Avenue</u> Street Address	<u>460 N. Euclid Avenue</u> Street Address
<u>Upland</u> <u>CA</u> <u>91786</u> City State Zip Code	<u>Upland</u> <u>CA</u> <u>91786</u> City State Zip Code
<u>(909)291-2931</u> Telephone	<u>(909)931-4102</u> Telephone
<u>(909)291-2974</u> Facsimile	<u>909-931-4301</u> Facsimile

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

Projected Rate of Recapture _____ Projected Duration of Recapture _____

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

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:

NITRATE ~ 56 ppm & DBCP ~ 0.35 ppb

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

Static Water Level ~ 550 to 610 bgs

MATERIAL PHYSICAL INJURY

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

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

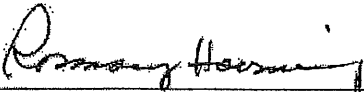
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

SAID TRANSFER SHALL BE CONDITIONED UPON:

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- (2) Transferee shall put all waters utilized pursuant to said Transfer to reasonable beneficial use.
- (3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred.
- (4) Any Transferee not already a party must Intervene and become a party to the Judgment.

ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature

Rosemary Hoerning

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Martin Thovenell

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

July 7, 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: **May 24, 2017**

Date of this notice: **July 7, 2017**

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

- Notice of Sale or Transfer – 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. The City of Upland is utilizing this transaction to produce its West End Consolidated Water Company shares.

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

Appropriative Pool: July 13, 2017

Non-Agricultural Pool: July 13, 2017

Agricultural Pool: July 13, 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



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Summary and Analysis of Application for Water Transaction
(Consent Calendar Item I.F.4)

SUMMARY

Issue: Notice of Sale or Transfer – 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.

Recommendation: Provide advice and assistance to the Watermaster Board on the proposed transaction.

Financial Impact: May reduce assessments under the 85/15 rule

Future Consideration

Advisory Committee – September 21, 2017: Recommend to Watermaster Board to approve

Watermaster Board – September 28, 2017: Approval [Upon Advisory Committee recommendation]

ACTIONS:

Appropriative Pool – July 13, 2017: Unanimously approved.

Non-Agricultural Pool – July 13, 2017: Unanimously recommended Pool representatives to support at the Advisory Committee and Board meetings subject to changes which they deem appropriate.

Agricultural Pool – July 13, 2017: Unanimously approved.

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

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

Where there is no material physical injury, Watermaster must approve the transaction. Where the request for Watermaster approval is submitted by a party to the Judgment, there is a rebuttable presumption that most of the transactions do not result in Material Physical Injury to a party to the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

The date of this application is June 14, 2017. Notice of the transaction was electronically posted and mailed on July 7, 2017, along with the materials submitted by the requestors.

DISCUSSION

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

This water transaction was unanimously approved by all three Pool Committees at its July 13, 2017 meetings.

ATTACHMENTS

1. Consolidated Forms 3, 4, & 5
2. Notice Forms

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 2016 - 2017

DATE REQUESTED: June 14, 2017AMOUNT REQUESTED: 6,000.0 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<u>City of Upland</u> Name of Party	<u>Fontana Water Company</u> Name of Party
<u>460 N. Euclid Avenue</u> Street Address	<u>15966 Arrow Route</u> Street Address
<u>Upland</u> <u>CA</u> <u>91786</u> City State Zip Code	<u>Fontana</u> <u>CA</u> <u>92335</u> City State Zip Code
<u>(909)931-4102</u> Telephone	<u>(909) 822-2201</u> Telephone
<u>(909)931-4301</u> Facsimile	<u>(909) 823-5046</u> 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 Annual Production Right / Operating Safe Yield first, then any additional from excess carry over storage

WATER IS TO BE TRANSFERRED TO:

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:	
Varies _____	2016-2017 _____
Projected Rate of Recapture	Projected Duration of Recapture
METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):	
Pumping _____	
PLACE OF USE OF WATER TO BE RECAPTURED:	
Chino Basin Management Zone 3 _____	
LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES):	
N/A _____	

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

Of the wells routinely pumped, treatment is used for high perchlorate and nitrate levels in various areas.

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

Static water levels ranging from 314 feet bgs to 699 feet bgs as of December 2016.

MATERIAL PHYSICAL INJURY

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

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

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

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

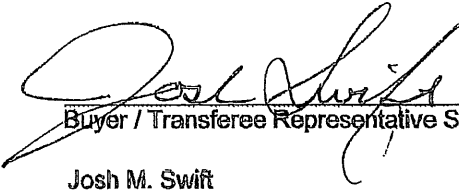
ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature

Martin Thouvenell
Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Josh M. Swift
Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

July 7, 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: **June 14, 2017**

Date of this notice: **July 7, 2017**

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

- Notice of Sale or Transfer – 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.

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

Appropriative Pool:	July 13, 2017
Non-Agricultural Pool:	July 13, 2017
Agricultural Pool:	July 13, 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



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Summary and Analysis of Application for Water Transaction
(Consent Calendar Item I.F.5)

SUMMARY

Issue: Notice of Sale or Transfer – Angelica Corporation is requesting the permanent transfer of 18.789 acre-feet of Non-Agricultural Pool rights 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.

Recommendation: Provide advice and assistance to the Watermaster Board on the proposed transaction.

Financial Impact: None

Future Consideration

Advisory Committee – September 21, 2017: Recommend to Watermaster Board to approve

Watermaster Board – September 28, 2017: Approval [Upon Advisory Committee recommendation]

ACTIONS:

Appropriative Pool – July 13, 2017: Unanimously approved.

Non-Agricultural Pool – July 13, 2017: Unanimously recommended Pool representatives to support at the Advisory Committee and Board meetings subject to changes which they deem appropriate.

Agricultural Pool – July 13, 2017: Unanimously approved.

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

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

Where there is no material physical injury, Watermaster must approve the transaction. Where the request for Watermaster approval is submitted by a party to the Judgment, there is a rebuttable presumption that most of the transactions do not result in Material Physical Injury to a party to the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

The date of this application is July 6, 2017. Notice of the transaction was electronically posted and mailed on July 7, 2017, along with the materials submitted by the requestors.

DISCUSSION

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

This water transaction was unanimously approved by all three Pool Committees at its July 13, 2017 meetings.

ATTACHMENTS

1. Consolidated Forms 3, 4, & 5
2. Notice Forms

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: July 6, 2017AMOUNT REQUESTED: 18.789 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<u>Angelica Corporation</u> Name of Party	<u>9W Halo Western OpCo L.P.</u> Name of Party
<u>1105 Lakewood Parkway, Suite 210</u> Street Address	<u>1105 Lakewood Parkway, Suite 210</u> Street Address
<u>Alpharetta</u> <u>GA</u> <u>30009</u> City State Zip Code	<u>Alpharetta</u> <u>GA</u> <u>30009</u> City State Zip Code
<u>(678) 823-4100</u> Telephone	<u>(678) 823-4100</u> Telephone
<u>(678) 823-4165</u> Facsimile	<u>(678) 823-4165</u> Facsimile

Have any other transfers been approved by Watermaster between these parties covering the same fiscal year?

Yes No

PURPOSE OF TRANSFER:

- Pump when other sources of supply are curtailed
 Pump to meet current or future demand over and above production right
 Pump as necessary to stabilize future assessment amounts
 Other, explain Transfer of 18.789 AF of Non-Agricultural Pool rights to purchaser of Angelica Corporation assets

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 Permanent transfer of 18.789 AF of Non-Agricultural Pool rights

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common)
 Storage (rare)
 Other, explain Permanent transfer of 18.789 AF of Non-Agricultural Pool rights

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?

N/A

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) Transferor 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 periods 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 Transferor from the Chino Basin shall be that produced hereunder.
- (2) Transferor shall ensure that water is utilized pursuant to said Transfer for reasonable beneficial use.
- (3) Transferor shall enter into any necessary agreements on account of the water production hereby transferred.
- (4) Transferor shall ensure that its successors and assigns become a party to the Judgment.



 [Illegible Title]

TO BE COMPLETED BY WATERMASTER STAFF

- DATE OF WATERMASTER NOTICE: _____
- DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____
- DATE OF APPROVAL FROM NON-IRRIGATIONAL POOL: _____
- DATE OF APPROVAL FROM AGRICULTURAL POOL: _____
- REMARKS, IF ANY: _____
- DATE OF ADVISORY COMMITTEE APPROVAL: _____
- DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

July 7, 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: **July 6, 2017**

Date of this notice: **July 7, 2017**

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

- Notice of Sale or Transfer – Angelica Corporation is requesting the permanent transfer of 18.789 acre-feet of Non-Agricultural Pool rights 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.

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

Appropriative Pool: July 13, 2017

Non-Agricultural Pool: July 13, 2017

Agricultural Pool: July 13, 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: September 21, 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 – September 21, 2017: Offer advice and assistance

Watermaster Board – September 28, 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

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 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 (Attachment 3); this is still draft since the minutes of the meeting have not been approved yet. The Overlying (Non-Agricultural) Pool and Appropriative Pool also met and discussed the item without any explicit advice or recommendation.

ATTACHMENTS

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



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 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 Appropriative 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

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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 'BG', with a long horizontal line extending to the right.

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. EVAPORATIVE LOSSES TO SUPPLEMENTAL WATER RECHARGE IN CHINO BASIN



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Pool Committee Members
SUBJECT: Evaporative Losses to Supplemental Water Recharge in Chino Basin
(Business Item II.B.)

SUMMARY

Issue: Evaporative losses of Supplemental water recharged in Chino Basin through recharge basins are currently not being tracked.

Recommendation: Recommend to the Advisory Committee to 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.

Financial Impact: None

Future Consideration

Advisory Committee – September 21, 2017: Approval

Watermaster Board – September 28, 2017: Adopt the Amendment to the Rules and Regulations [Advisory Committee Approval Required]

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously approved, with the understanding that the loss rate will only be applied on a prospective basis

Non-Agricultural Pool – September 14, 2017: Unanimously approved recommendation as presented and directed the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate

Agricultural Pool – September 14, 2017: Unanimously approved

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

Chino Basin Watermaster (Watermaster), in cooperation with the Inland Empire Utilities Agency (IEUA), and the Chino Basin Water Conservation District (CBWCD), operate recharge facilities within the Chino Basin to capture recycled and imported water (Supplemental Water). Within the original Rules and Regulations adopted in 1979, spreading losses were calculated at three percent. However, as of the updated Rules and Regulations adopted in 2001, those losses were no longer assessed. Therefore, any Supplemental Water spread within the Basin at this time is not assessed an evaporative loss and the full amount delivered to the spreading basin may be recovered (less any leave behind if agreed upon) by parties, potentially putting Chino Basin in a deficit.

DISCUSSION

In March 2017, Wildermuth Environmental (WEI), at the direction of the Watermaster parties, completed a Proof of Concept Study which evaluated evaporative losses at the Brooks and Ely Basins. Based on the results, Watermaster expanded the study to include all Basins using data from the last five years.

On July 24 2017, WEI delivered a draft technical memorandum which came with three recommendations. (1) Consider an adoption of an interim evaporative loss rate of 3.1 percent. (2) Install two evaporation stations to measure daily evaporation, to be reviewed every three to five years. (3) Relocate or replace water level sensors where stage data are insufficient or unreliable. These recommendations were based on the findings that evaporative losses varied significantly over time at each recharge basin. Factors such as the time of the year, amount of water being delivered, elevation, and physical characteristics of the Basins themselves were factored into the analyses.

The memorandum was also reviewed on August 22, 2017 by the Groundwater Recharge Coordinating Committee (GRCC), who found the study to be technically sound and provided the following recommendations:

- No need for extra evaporation stations, IEUA has plans to install evaporation stations with a different project and can make the data available.
- Rather than adopting a single loss rate for the whole year, consider semi-annual or seasonal rates, since evaporative losses are significantly less than the yearly average in the winter and spring months. The loss rates are to be applied to all recharge basins throughout Chino Basin.
- Reevaluate the evaporative loss with new data to coincide with the Safe Yield Reset. The next evaluation will take place in 2020.

Based on the suggestions from the GRCC, WEI analyzed the evaporation rates during the months of November through March (Rainy Season) and April through October (Dry Season) to be 1.5% and 4.2% respectively. The July 24, 2017 Technical Memorandum will be revised to include the new table and seasonal rates and will be distributed separately for the Advisory Committee's consideration.

In order for Watermaster staff to begin tracking and assessing evaporative losses on all Supplemental Water recharged via recharge basins in Chino Basin, the Advisory Committee must approve the amendment to add the provisional language and recommend the Watermaster Board to adopt it into the Rules and Regulations. The amendment will add a new subsection to section 7.2. (Attachment 1).

Currently, Metropolitan Water District is delivering water under the Dry Year Yield (DYY) Agreement. Under the current rules, they can deliver up to 25,000 acre-feet this fiscal year and will be credited that amount despite evaporative losses occurring. Upon the Watermaster Board's adoption of the amendment, water recharged under the DYY Program through recharge basins will be subject to the evaporation rate effective October 1, 2017.

Future evaluations will be performed periodically, and will be applied prospectively.

There is no financial impact to Watermaster in adopting the amendment.

ATTACHMENTS

1. Proposed Section 7.2 (d) Evaporative Loss Policy provision

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Rules and Regulations

7.2 Recharge of Supplemental Water. All Recharge of the Chino Basin with Supplemental Water shall be subject to Watermaster approval obtained by Application made to Watermaster in accordance with provisions of Article X. [Peace Agreement § 5.1(a).] In reviewing any such application, Watermaster shall comply with the following.

- (a) Watermaster will ensure that any person may make Application to Watermaster to Recharge the Chino Basin with Supplemental Water pursuant to Article X, including the exercise of the right to offer to sell In-Lieu Recharge Water to Watermaster as provided in the Judgment and the Peace Agreement in a manner that is consistent with the OBMP and the law. [Peace Agreement § 5.1(b).]
- (b) Watermaster shall not approve an Application by any party to the Judgment under Article X if it is inconsistent with the terms of the Peace Agreement, or will cause any Material Physical Injury to any party to the Judgment or the Basin. [Peace Agreement § 5.1(b).]
- (c) Any potential or threatened Material Physical Injury to any party to the Judgment or the Basin caused by the Recharge of Supplemental Water shall be fully and reasonably mitigated as a condition of approval. In the event the Material Physical Injury cannot be fully and reasonably mitigated, the request for Recharge of Supplemental Water must be denied. [Peace Agreement § 5.1(b).]
- (d) Absent a clear showing as to peculiar circumstances or changes, Recharge of the Chino Basin with Supplemental Water conducted through spreading grounds shall be assessed: (i) a 1.5% evaporation loss if the Recharge occurs in November through March; or (ii) a 4.2% evaporation loss if the Recharge occurs in April through October. Such loss shall be a one-time adjustment applicable to the Party engaging in Recharge. Losses for Recharge through injection wells shall be separately determined on a case by case basis. [Judgment at ¶ 41.]

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

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



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: 2016 Annual Report of the Ground-Level Monitoring Committee (Business Item II.C.)

SUMMARY

Issue: Watermaster is required annually to file a Ground-Level Monitoring report with the Court. The 2016 annual report has been drafted and reviewed by the Ground-Level Monitoring Committee.

Recommendation: 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.

The report is attached as a PDF file that is downloadable from the Watermaster's FTP site.

Financial Impact: Approval of the report does not result in additional expenses. All of the recommendations in the 2016 annual report for the ongoing monitoring program are included in the approved FY 2017/18 budget.

Future Consideration

Advisory Committee – September 21, 2017: Recommendation to the Watermaster Board

Watermaster Board – September 28, 2017: Approve the 2016 Annual Report of the Ground-Level Monitoring Committee along with filing a copy with the Court [Discretionary Function]

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously approved

Non-Agricultural Pool – September 14, 2017: Unanimously approved recommendation as presented and directed the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate

Agricultural Pool – September 14, 2017: Unanimously approved

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

In 1999, the OBMP Phase I Report identified pumping-induced drawdown and resultant aquifer-system compaction as the most likely cause of land subsidence and ground fissuring that had been observed in Management Zone 1 (MZ-1). Program Element 4 of the OBMP, "Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1," called for the development and implementation of a long-term Subsidence Management Plan (SMP) to minimize or abate the occurrence of subsidence and ground fissuring.

From 2001 to 2005, Watermaster developed, coordinated, and conducted a comprehensive investigation under the guidance of the MZ-1 Technical Committee (now called the Ground-Level Monitoring Committee or GLMC) to understand the causes of the subsidence and fissuring in the southwestern portion of MZ-1. The investigation provided enough information for Watermaster to develop Guidance Criteria for the producers in the investigation area that, if followed, would minimize the potential for subsidence and fissuring during the completion of the SMP. The Guidance Criteria formed the basis for the SMP, which was developed by the GLMC and approved by Watermaster in October 2007. By a November 15, 2007 Order, the Watermaster Court approved the SMP and ordered its implementation. The SMP was updated in 2015 to include a recommendation to develop a subsidence management plan specific to the northwestern portion of the Chino Basin where gradual and persistent subsidence is an ongoing concern.

The SMP states that Watermaster will produce an annual report, which includes the results of ongoing monitoring efforts, interpretations of the data, recommendations for future monitoring efforts, and recommendations for adjustments to the SMP, if any. The Court's 2007 Order directed Watermaster to file the annual reports with the Court.

DISCUSSION

The final 2016 Annual Report of the GLMC includes results and interpretations for data that were collected during calendar year 2016, and includes recommendations for Watermaster's Ground-Level Monitoring Program for FY 2017/18.

The GLMC met on March 21 and April 11, 2017 to review and discuss to discuss monitoring results and to develop a scope-of-work and budget for FY 2017/18. Subsequently, an overview of the monitoring results and recommendations, including the proposed scope-of-work and budget for FY 2017/18, were presented to the Pool Committees in April 2017 and at Watermaster's budget workshops.

The GLMC was provided with the draft annual report on July 20, 2016 for review and comment. The GLMC met on July 27, 2017 to review and discuss the draft annual report with Watermaster Staff and Engineer. The GLMC submitted comments and suggested revisions to the annual report by August 24, 2017, and the final report was prepared with an appendix to document the comments and suggestions of the GLMC and the responses of Watermaster Staff and Engineer.

ATTACHMENTS

1. The final *2016 Annual Report of the Ground-Level Monitoring Committee* is available for download and review on Watermaster's FTP site and also accessible at link below:

[http://www.cbwm.org/FTP/Ground-Level%20Monitoring%20Committee%20\(Formerly%20Land%20Subsidence%20Committee\)/Annual%20Reports/2016/Final/](http://www.cbwm.org/FTP/Ground-Level%20Monitoring%20Committee%20(Formerly%20Land%20Subsidence%20Committee)/Annual%20Reports/2016/Final/).

CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

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



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Master Agreement between Chino Basin Watermaster and Inland Empire Utilities Agency Regarding the Management of Collaborative Projects (Business Item II.D.)

SUMMARY

Issue: Watermaster and IEUA collaborate on multiple projects and need to memorialize their respective expectations on a case-by-case basis. A Master Agreement will create an efficient way to expedite agreements on future collaborative projects.

Recommendation: Approve the proposed Master Agreement between Chino Basin Watermaster and Inland Empire Utilities Agency Regarding the Management of Collaborative Projects.

Financial Impact: None.

Future Consideration

Advisory Committee – September 21, 2017: Approval

Watermaster Board – September 28, 2017: Approval [Advisory Committee approval required]

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously recommended approval

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 approval

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

Pursuant to the Peace II Agreement, Optimum Basin Management Program, and the Basin Plan, the Chino Basin Watermaster and the Inland Empire Utilities Agency collaborate on many projects within the Chino Basin and therefore seek to develop a Master Agreement for joint management and cost sharing of projects in the Chino Basin. Projects may include but are not limited to engineering studies, management plans, modeling, permitting, CEQA, and other joint efforts.

The current process to start a new collaborative project involves the approval of individual agreements on an ad hoc basis.

This item was presented to the three Pools and was recommended for Advisory Committee approval unanimously.

DISCUSSION

The Master Agreement establishes a framework for both parties' responsibilities on jointly managed projects in terms of cost sharing, project management, indemnity, and other provisions. As Task Orders are approved by both parties for joint projects, they will detail each party's commitments regarding scope, schedule, budget, financing, environmental responsibilities, and other details as needed.

The proposed Agreement will simplify this process by providing a broader umbrella under which new projects can be incorporated similar to the current Master Agreement between Chino Basin Watermaster and Inland Empire Utilities Agency Regarding the Management of Collaborative Recharge Projects. As needed, new projects will be brought through the Watermaster process for approval as individual Task Orders.

The proposed Master Agreement is scheduled for IEUA Board approval in September 2017.

ATTACHMENTS

1. Master Agreement Between Chino Basin Watermaster and Inland Empire Utilities Agency Regarding the Management of Collaborative Projects

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

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

WHEREAS, both Parties share responsibility for meeting certain monitoring and reporting requirements detailed in the Basin Plan Amendment approved by the Santa Ana Regional Water Quality Control Board (“RWQCB”) in 2004 (R8-2004-0001, R8-2012-0002);

WHEREAS, both Parties have made commitments to the RWQCB to obtain Maximum Benefit Groundwater Quality Objectives (Quarterly Surface Water and Hydraulic Control monitoring and reporting);

WHEREAS, the Parties are co-permittees for the Recycled Water Groundwater Recharge Program and share responsibility for meeting certain monitoring and reporting requirements of the RWQCB, Santa Ana Region Order No. R8-2007-0039 and the Monitoring and Reporting Program No. R8-2007-0039;

WHEREAS, the Peace II Agreement, Section 2.2 acknowledges that IEUA has been properly designated as the Lead Agency for the purposes of completing the environmental assessment and review of the “proposed project” as that term is defined in the Peace II Agreement;

WHEREAS, the Master Agreement Between Chino Basin Watermaster and Inland Empire Utilities Agency Regarding the Management of Collaborative Recharge Projects, dated July 24, 2014, defines the cost sharing arrangement for Recharge Master Plan Update (RMPU) projects between IEUA and Watermaster. The RMPU projects are not included within the scope of this Master Agreement;

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

WHEREAS, the Parties seek to develop a Master Agreement for joint management, cost sharing and financing for projects in the Basin, and as individual Task Orders are approved by the Parties, such projects will be incorporated as part of the Master Agreement as individual tasks. Projects may include, but are not limited to: CEQA support, engineering studies, management plans, modeling evaluation & analysis, permitting, and other associated tasks.

ARTICLE 1

PROJECT MANAGEMENT

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

1.2 Changes in Scope of Task Orders. Should either Party determine that a change in scope requiring a budget increase of any Task Order is necessary for a project, to be effective, the change in scope must be approved by each Party pursuant to the procedures described in Section 1.1.

1.3 Amendment to Task Order Budgets. If any project undertaken pursuant to a Task Order subject to this Agreement will exceed the budget allocated for such Task Order, Watermaster and IEUA shall amend the Task Order authorizing the project. Similarly, if grant funding is obtained for any project undertaken pursuant to a Task Order subject to this Master Agreement, Watermaster and IEUA shall amend the Task Order authorizing the project to reduce the Task Order cost share accordingly. All amendments must be approved by each Party pursuant to the procedures described in Section 1.1. The Parties shall reasonably and diligently process any necessary amendments of the Task Order authorizing the project to prevent unnecessary delays in the projects.

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

ARTICLE 2

COST SHARING

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

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

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

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

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

2.6 Project Litigation. In the event that litigation arises in regard to any project that is the subject of a Task Order, the litigation costs shall be shared between the Parties according to the Parties' cost allocation for the project.

ARTICLE 3

REIMBURSEMENT OF COSTS

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

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

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

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

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

3.4 Reimbursement Limitations. Neither Party shall be obligated to reimburse the other for any administrative time or overhead expenses incurred by the other Party that is unrelated to the Task Orders issued under this Master Agreement. However, each Party is obligated to reimburse the other for capital cost and administrative time and overhead expenses as part of each Party's responsibilities as stated within each Task Order. All legal and technical consultants, contractors, or other personnel retained by either Party for work eligible for reimbursement under this Agreement shall be under contract to or employed by that individual retaining Party alone and shall look solely to that retaining Party for payment. Each Party assumes absolutely no liability or obligation to the other Party's consultants, contractors, or personnel retained outside this Master Agreement and its respective Task Orders.

ARTICLE 4

TERM

4.1 Effective Date. The effective date of this Master Agreement is September ___, 2017 (“Effective Date”).

4.2 Termination. Upon 60-days written notice, this Master Agreement shall be mutually terminable at any time in accordance with each Party’s policies and procedures, 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 settlement costs thereof, shall be paid after receipt of an invoice as provided in Section 3.1 above.

ARTICLE 5

INDEMNITY

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

5.2 Watermaster. Watermaster shall indemnify IEUA against and hold IEUA harmless from any and all claims, suits, losses, damages, and liability for damages of every name, kind and description, including attorneys’ fees and other costs of defense incurred, brought for, or on account of, injuries to or death of any person, including, but not limited to, workers, the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with Watermaster’s activities pursuant to this Master Agreement, any Task Order thereunder, regardless of the existence or degree of fault or negligence on the part of the Parties, a third-party contractor, the subcontractor(s) and employee(s) of any of these, except for the active negligence or willful misconduct of employees or agents of the Parties, or as expressly prohibited by statute. The provisions of this Section 5.2 will survive termination of this Agreement.

ARTICLE 6

GENERAL PROVISIONS

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

If to Watermaster:

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

If to IEUA:

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

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

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

6.3 Waiver. No waiver by any Party of any of the provisions shall be effective unless explicitly stated in writing and executed by the Party so waiving. Except as provided in the preceding sentence, no action taken pursuant to this Master 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 Master Agreement and in any documents delivered or to be delivered pursuant to this Master Agreement. The waiver by any Party of a breach of any provision of this Master Agreement shall not operate or be construed as a waiver of any subsequent breach. No waiver of any of the provisions of this Master Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.

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

6.5 Severability. If any term, provision, covenant or condition of this Master Agreement shall be or become illegal, null, void or unenforceable, the remaining provisions of this Master 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 Master Agreement.

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

6.7 Parties in Interest. Nothing in this Master Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Master Agreement on any persons other than the Parties to it and their respective successors and assigns, nor is anything in this Master Agreement intended to relieve or discharge the obligation or liability of any third persons to any Party to this Master

Agreement, nor shall any provision give any third persons any right of subrogation or action against any party to this Master Agreement.

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

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

6.10 Construction. The provisions of this Master Agreement should be liberally construed to effectuate its purposes. The language of all parts of this Master Agreement shall be construed simply according to its plain meaning and shall not be construed for or against either Party, as each Party has participated in the drafting of this document and had the opportunity to have their counsel review it. Whenever the context and construction so requires, all words used in the singular shall be deemed to be used in the plural, all masculine shall include the feminine and neuter, and vice versa.

6.11 Entire Agreement. This Master Agreement contains the entire understanding and agreement of the Parties, and supersedes all prior agreements and understandings, oral and written, between the Parties concerning the subject matter of this Master 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 Master Agreement. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the Parties to this Master Agreement and by no other means. Each Party waives its future right to claim, contest or assert that this Master Agreement was modified, canceled, superseded or changed by any oral agreement, course of conduct, waiver or estoppels.

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

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

~~Inland Empire Utilities Agency~~

Chino Basin Watermaster

P. Joseph Grindstaff
General Manager

Peter Kavounas, P.E.
General Manager

CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

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



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: Task Order No. 1 Under the Master Agreement Regarding the Management of Collaborative Projects (Salinity Management) (Business item II.E.)

SUMMARY

Issue: Increased TDS concentrations during the drought may have consequences in the recycled water recharge permits from the Regional Board, a Salinity Management study is necessary to maintain the recycled water recharge programs.

Recommendation: Approve Task Order No. 1 (Salinity Management).

Financial Impact:

For Fiscal Year 2017/2018 the maximum estimated cost for Watermaster is \$134,000 which was already included in the 2017/2018 Engineering Services Budget. Creation of the Task Order does not result in additional expense.

Future Consideration

Advisory Committee – September 21, 2017: Approval

Watermaster Board – September 28, 2017: Approval (Upon Advisory Committee approval)

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 – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

Inland Empire Utilities Agency (IEUA) owns and operates four treatment facilities that treat wastewater to tertiary standards prior to being recharged in the Chino Basin to support groundwater supply augmentation, be directly reused for irrigation or discharged to streams and channels that are tributary to the Prado Basin Reservoir in the Santa Ana River. The discharge, reuse, and recharge of recycled water by IEUA are regulated under two permits held with the Santa Ana Regional Water Quality Control Board (Regional Board). Regional Board Order R8-2015-0036 (NPDES No. CA 8000409)¹ regulates the discharge and direct reuse of recycled water. Order R8-2007-0039² (as amended by R8-2009-0057³) regulates the recharge of recycled water for indirect potable reuse, and is a joint permit held by IEUA and Chino Basin Watermaster (Watermaster). Additionally, the reuse of recycled water is regulated by the Basin Plan as part of the maximum benefit commitments for the Chino Basin⁴.

The permits specify limitations for total dissolved solids (TDS) and nitrogen concentrations, along with limitations for many other chemical constituents. The TDS limitation of recycled water is characterized in these permits as follows:

“The 12-month flow weighted running average TDS constituent concentration and mass emission rates shall not exceed 550 mg/L ... This limitation may be met on an agency-wide basis using flow weighted averages of the discharges from the Discharger’s RP-1, RP-4, RP-5, and CCWRF...”

The Basin Plan, specifically maximum benefit commitment number 9, specifies that:

“Within 60 days after IEUA 12-month running average effluent concentration (measured as an average for all IEUA wastewater treatment facilities) for TDS exceeds 545 mg/L for 3 consecutive months, or the 12-month running average total inorganic nitrogen (TIN) concentration (measured as an average for all IEUA wastewater treatment facilities) exceeds 8 mg/L in any month, IEUA shall submit to the Regional Board a plan and time schedule for implementation of measures to insure that the 12-month running average agency wastewater effluent quality does not exceed 550 mg/L and 8 mg/L for TDS and TIN, respectively. The Plan and schedule are to be implemented upon Regional Board approval.”

In 2015, the 12-month running average TDS concentration in recycled water produced by IEUA approached the 545 mg/L metric that would require IEUA and Watermaster to submit a plan and schedule to manage recycled water TDS concentrations. Research performed by IEUA found that the primary driver for the increasing TDS concentration in its recycled water was an increase in the TDS concentration of the water supplies used by its member agencies. The increase may also be, in part, due to an increase of the TDS waste increment resulting from indoor water conservation.

Although the 12-month running average TDS concentration declined from the 2015 peak before the three-consecutive-month trigger, it was an important indicator that the TDS concentration of recycled water is

¹ Order No. R8-2015-0036 and NPDES No. CA 8000409 - WASTE DISCHARGE REQUIREMENTS AND MASTER RECLAMATION PERMIT FOR INLAND EMPIRE UTILITIES AGENCY REGIONAL WATER RECYCLING FACILITIES – SURFACE WATER DISCHARGES AND RECYCLED WATER USE.

² Order No. R8-2007-0039 – Water Recycling Requirements for Inland Empire Utilities Agency and Chino Basin Watermaster – Chino Basin Recycled Water Groundwater Recharge Program – Phase I and Phase II Projects in San Bernardino County

³ Order No. R8-2009-0057 Amending Order No. R8-2007-0039, Water Recycling Requirements for Inland Empire Utilities Agency and Chino Basin Watermaster – Chino Basin Recycled Water Groundwater Recharge Program – Phase I and Phase II Projects in San Bernardino County

⁴ See Table 5-8a and pages 5-49 in the Basin Plan located here:

http://www.waterboards.ca.gov/rwqcb8/water_issues/programs/basin_plan/docs/2016/Chapter_5_February_2016.pdf

likely to approach or exceed the discharge limitation and trigger the planning for recycled water quality improvements during the next prolonged dry period. Given the potential cost of implementing recycled water quality improvements for what might only be short-term exceedances of the 12-months running average limitation, IEUA and Watermaster are interested in modifying the recycled water permits and the Basin Plan to allow for a longer-term averaging period for TDS concentrations.

To obtain approval from the Regional Board for these permit and Basin Plan modifications, IEUA and Watermaster must perform a detailed evaluation and antidegradation analysis of the TDS concentration impacts to Chino Basin groundwater. The objective of the analysis is to compare the relative water quality and economic impacts of the existing and proposed regulatory compliance strategies. IEUA and Watermaster last performed an antidegradation analysis in June 2009, to support R8-2009-057, which amended R8-2007-039 to change the recycled water contribution averaging period from a 60-month to a 120-month period.

IEUA, Watermaster and its consultant Wildermuth Environmental Inc. (WEI), met with the Regional Board staff in October 2016 to discuss the requested modifications to the recycled water permits and the Basin Plan. At that meeting, Regional Board staff indicated their support for the concept of a longer-term averaging period and directed IEUA and Watermaster to proceed with submitting an outline describing the proposed scope of work to perform the technical and antidegradation analyses, and to update the Basin Plan, prior to proceeding with the work.

The item was presented to the three Pools and was unanimously recommended to Advisory Committee for recommendation for Board Approval.

DISCUSSION

Business item II.D in the agenda introduced a new Master Agreement between IEUA and CBWM Regarding the Management of Collaborative Projects. This agreement provides the framework for a more efficient and transparent management of joint projects between IEUA and Watermaster.

The proposed Salinity Management Study will be the first Task Order under the new Master Agreement and it will update the groundwater modeling for the Chino Basin to include future salinity projects, source water forecast, groundwater conditions, and climate impacts. Water quality analysis will be prepared for total dissolve solids and nitrogen concentrations. The effort will support obtaining approval for a Basin Plan Amendment and permit modifications.

ATTACHMENTS

1. Task Order No. 1 Under the Master Agreement Regarding the Management of Collaborative Projects (Salinity Management)
2. Exhibit A – Scope of work

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

**TASK ORDER NO. 1
BASIN PLAN AMENDMENT**

This Task Order is made and entered into as of the ____ day of September, 2017 by and between the Chino Basin Watermaster, hereinafter referred to as "Watermaster," and the Inland Empire Utilities Agency, hereinafter referred to as "IEUA" (each a "Party" and collectively, the "Parties").

In consideration of the mutual promises, covenants, and conditions as addressed in the Master Agreement dated September ____, 2017 and as specifically hereinafter set forth, the Parties do hereby agree as follows:

1. PURPOSE

The purpose of this Task Order is to govern the development of an amendment to the current Basin Plan for the Chino Groundwater Basin ("Basin") in coordination with the Santa Ana Regional Water Quality Control Board ("Regional Board"). This effort will include support for updating the Recycled Water Discharge and Reuse Permit, Groundwater Recharge Permit, and Maximum Benefit Salinity Management Plan for the Basin, with regards to the total dissolved solids ("TDS") limit.

The IEUA owns and operates four treatment facilities that treat wastewater to tertiary standards for recharge in the Basin for groundwater supply augmentation, direct reuse for irrigation or discharge to streams and channels that are tributary to the Prado Basin Reservoir on the Santa Ana River. These actions are regulated under two permits held with the Regional Board. Regional Board Order R8-2007-00392 (as amended by R8-2009-00573) regulates the recharge of recycled water for indirect potable reuse, and is a joint permit held by the IEUA and Watermaster. And Regional Board Order R8-2015-0036 (NPDES No. CA 8000409) regulates the discharge and direct reuse of recycled water. Additionally, the reuse of recycled water is regulated by the Basin Plan as part of the IEUA and Watermaster maximum benefit commitments for the Basin and is impacted by both the TDS and nitrogen ("N") limits.

2. SCOPE

To obtain approval from the Regional Board for permit and Basin Plan modifications, the IEUA and Watermaster must perform a detailed evaluation of the TDS concentration impacts to Basin groundwater. Such an evaluation is referred to by the Regional Board as an Antidegradation Analysis. The objective of the analysis is to compare the relative water quality and economic impacts of the existing and proposed regulatory compliance

strategies.

The scope of work encompassed by this Task Order is attached hereto as **Exhibit A** as well as any environmental review that is necessary to complete the projects contemplated by the Task Order.

The following is a projected schedule and budget for the project:

Description	Start	Finish	Projected Cost
Salinity Basin Plan Amendment	09/28/17	12/31/19	\$408,000
Nitrogen Modeling & Evaluation*	09/28/17	12/31/19	\$229,000
Environmental Review	08/01/18	12/31/19	\$20,000
Contingency			\$66,000
		Total	\$723,000

*Budget associated with the nitrogen effort will initially be carried by IEUA to initiate this effort. This item will continue to be considered to determine the appropriate cost share.

3. IEUA RESPONSIBILITIES

IEUA agrees to provide project management and contract administration services that include, but are not limited to:

- Engagement and management of consulting services as needed;
- Coordination and communication with the Regional Board;
- Payment of consultant invoices

IEUA will supply all personnel and equipment required to perform the assigned services.

4. WATERMASTER RESPONSIBILITIES

Watermaster agrees that it and its employees and consultants will cooperate with IEUA and the project consultants in the performance of services under this Task Order and will provide any necessary documentation and information in Watermaster's possession.

5. BUDGET AND COST ALLOCATION

Unless the scope of work is changed and an increase is authorized by the Parties, the total projected cost for the activities to be undertaken pursuant to this Task Order is seven hundred twenty-three thousand dollars (\$723,000) ("Budget"). The Parties agree that the Budget is shared as shown in the table below. The Budget shown below is shared equally, except for the portion specific to nitrogen and the associated portion of contingency. IEUA will initially carry the Budget for the nitrogen portion of the scope of work. The potential cost share for the nitrogen portion of the Budget will be further considered as the effort is initiated and potential impacts, benefits and responsibilities are investigated by the

Parties. The cost share and associated budgets for the nitrogen effort will be determined by the budgeting cycle for Fiscal Year 2018/19. The Parties shall budget, pursuant to their own budget mechanism, such that each is able to expend the amounts shown in the Fiscal Years shown in the table below, or as amended to this Task Order.

Description	Fiscal Year 2017/18	Fiscal Year 2018/19	Fiscal Year 2019/2020	Total
Salinity Basin Plan Amendment	\$241,000	\$110,000	\$57,000	\$408,000
Nitrogen Modeling & Evaluation	\$156,000	\$70,000	\$3,000	\$229,000
Environmental	\$0	\$10,000	\$10,000	\$20,000
Contingency	\$40,000	\$19,000	\$7,000	\$66,000
Total	\$437,000	\$209,000	\$77,000	\$723,000

Entity	Fiscal Year 2017/18	Fiscal Year* 2018/19	Fiscal Year* 2019/2020	Total
Watermaster	\$134,000	\$66,000	\$36,000	\$236,000
IEUA	\$303,000	\$143,000	\$41,000	\$487,000
Total	\$437,000	\$209,000	\$77,000	\$723,000

*Budget associated with the nitrogen effort will initially be carried by IEUA to initiate the Scope of Work. This item will continue to be considered to determine the appropriate cost share.

6. TOTAL BUDGETED COST

The Parties agree to pay their respective portion of the total costs. The Parties shall not be required to pay more than \$723,000 ("Total Budgeted Cost").

7. MAXIMUM COSTS TO WATERMASTER

The costs to be required of Watermaster under this Agreement shall not exceed its share of the Total Budgeted Cost, as shown in Section 5 above, or \$236,000.

8. MAXIMUM COSTS TO IEUA

The costs to be required of IEUA under this Agreement shall not exceed its share of the Total Budgeted Cost, as shown in Section 5 above, or \$487,000.

9. TERM

Work to be undertaken pursuant to this Task Order shall be initiated upon the Effective Date, as described in Section 11, below. The terms of this Task Order shall remain effective until IEUA's receipt of Watermaster's share of costs expended pursuant to the Budget shown above, so that IEUA may close out the activities.

10. REIMBURSEMENT

Watermaster's reimbursement of IEUA for work performed under this Task Order shall be as provided in Article 3 of the September 2017 Master Agreement.

11. EFFECTIVE DATE

This Task Order No. 1 will become effective upon execution by both Parties.

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

CHINO BASIN WATERMASTER

By _____
PETER KAVOUNAS, P.E.
General Manager

INLAND EMPIRE UTILITIES AGENCY

By _____
P. JOSEPH GRINDSTAFF
General Manager

DRAFT

Exhibit A

Scope of Work Outline to Update the Inland Empire Utilities Agency's Recycled Water Permits and the Maximum Benefit Salinity Management Plan for the Chino Basin

Background and Project Objectives

The IEUA owns and operates four treatment facilities that treat wastewater to tertiary standards prior to being recharged in the Chino Basin to support groundwater supply augmentation, directly reused for irrigation or discharged to streams and channels that are tributary to the Prado Basin Reservoir on the Santa Ana River. The discharge, reuse, and recharge of recycled water by the IEUA are regulated under two permits held with the Santa Ana Regional Water Quality Control Board (Regional Board). Regional Board Order R8-2015-0036 (NPDES No. CA 8000409)¹ regulates the discharge and direct reuse of recycled water. Order R8-2007-0039² (as amended by R8-2009-0057³) regulates the recharge of recycled water for indirect potable reuse, and is a joint permit held by the IEUA and Chino Basin Watermaster (Watermaster). Additionally, the reuse of recycled water is regulated by the Basin Plan as part of the maximum benefit commitments for the Chino Basin⁴.

The permits specify limitations for total dissolved solids (TDS) and nitrogen concentrations, along with limitations for many other chemical constituents. The TDS limitation of recycled water is characterized as follows in these permits:

“The 12-month flow weighted running average TDS constituent concentration and mass emission rates shall not exceed 550 mg/L ... This limitation may be met on an agency-wide basis using flow weighted averages of the discharges from the Discharger’s RP-1, RP-4, RP-5, and CCWRF...”

The Basin Plan, specifically maximum benefit commitment number 9, specifies that:

“Within 60 days after the IEUA 12-month running average effluent concentration (measured as an average for all IEUA wastewater treatment facilities) for TDS exceeds 545 mg/L for 3 consecutive months, or the 12-month running average total inorganic nitrogen (TIN) concentration (measured as an average for all IEUA wastewater treatment facilities) exceeds 8 mg/L in any month, the IEUA shall submit to the Regional Board a plan and time schedule for implementation of measures to insure that the 12-month running average agency wastewater

¹ Order No. R8-2015-0036 and NPDES No. CA 8000409 - WASTE DISCHARGE REQUIREMENTS AND MASTER RECLAMATION PERMIT FOR INLAND EMPIRE UTILITIES AGENCY REGIONAL WATER RECYCLING FACILITIES – SURFACE WATER DISCHARGES AND RECYCLED WATER USE.

² Order No. R8-2007-0039 – Water Recycling Requirements for Inland Empire Utilities Agency and Chino Basin Watermaster – Chino Basin Recycled Water Groundwater Recharge Program – Phase I and Phase II Projects in San Bernardino County

³ Order No. R8-2009-0057 Amending Order No. R8-2007-0039, Water Recycling Requirements for Inland Empire Utilities Agency and Chino Basin Watermaster – Chino Basin Recycled Water Groundwater Recharge Program – Phase I and Phase II Projects in San Bernardino County

⁴ See Table 5-8a and pages 5-49 in the Basin Plan located here:

http://www.waterboards.ca.gov/rwqcb8/water_issues/programs/basin_plan/docs/2016/Chapter_5_February_2016.pdf

effluent quality does not exceed 550 mg/L and 8 mg/L for TDS and TIN, respectively. The Plan and schedule are to be implemented upon Regional Board approval.”

In 2015, the 12-month running average TDS concentration in recycled water produced by the IEUA approached the 545 mg/L metric that would require the IEUA and Watermaster to submit a plan and schedule to manage recycled water TDS concentrations. Research performed by the IEUA found that the primary driver for the increasing TDS concentration in its recycled water was an increase in the TDS concentration of the water supplies used by its member agencies. The increase may also be, in part, due to an increase of the TDS waste increment resulting from indoor water conservation.

Although the 12-month running average TDS concentration declined from the 2015 peak before the three-consecutive-month trigger, it was an important indicator that the TDS concentration of recycled water is likely to approach or exceed the discharge limitation and trigger the planning for recycled water quality improvements during the next prolonged dry period. Given the potential cost of implementing recycled water quality improvements for what might only be short-term exceedances of the 12-months running average limitation, the IEUA and Watermaster are interested in modifying the recycled water permits and the Basin Plan to allow for a longer-term averaging period for TDS concentrations.

To obtain approval from the Regional Board for these permit and Basin Plan modifications, the IEUA and Watermaster must perform a detailed evaluation and antidegradation analysis of the TDS concentration impacts to Chino Basin groundwater. The objective of the analysis is to compare the relative water quality and economic impacts of the existing and proposed regulatory compliance strategies. The IEUA and Watermaster last performed an antidegradation analysis in June 2009, to support R8-2009-057, which amended R8-2007-039 to change the recycled water contribution averaging period from a 60-month to a 120-month period.

The IEUA, Watermaster and its consultant Wildermuth Environmental Inc. (WEI) met with Regional Board staff in October 2016 to discuss the requested modifications to the recycled water permits and the Basin Plan. At that meeting, Regional Board staff indicated their support for the concept of a longer-term averaging period and directed the IEUA and Watermaster to proceed with submitting an outline describing the proposed scope of work to perform the technical and antidegradation analyses, and to update the Basin Plan, prior to proceeding with the work.

Scope of Work

The primary objectives of the following scope of work to support the permit and Basin Plan modifications are: to develop and use updated modeling tools to evaluate the TDS concentrations of the Chino Basin, to define planning scenarios and perform an antidegradation analysis, to use the results to develop a regulatory compliance strategy that includes a longer-term average period for recycled water TDS concentrations, to support the negotiation of a final compliance strategy with the Regional Board, and to provide required assistance to the Regional Board to prepare a Basin Plan amendment. The scope of work is broken down into eight tasks, as follows. WEI will execute the scope of work under the direction and support of the IEUA and Watermaster.

Task 1 Develop Planning Data

The objective of this task is to collect, process, and analyze the planning data required to prepare a range of plausible water management scenarios for the Chino Basin that can be evaluated to assess their relative impacts to TDS concentrations in the basin. This data includes agency water supply sources, the associated TDS concentrations of each supply source, and their supply plans based on wet, dry, and

normal conditions. The data will be collected from IEUA staff and compiled into tables and charts that characterize the individual and collective water supply plans and the range of existing and potential future TDS concentrations for each supply source. The planning data will be verified with the Chino Basin water supply agencies to ensure accuracy. The planning data, once verified, will be documented in a task memorandum. The subtasks are:

- 1.1. Collect Water Supply, TDS, and Waste Increment Data from IEUA, and Others as Necessary
- 1.2. Develop Water Supply Plans for Dry, Wet and Other Conditions and Confirm Accuracy with Agencies
- 1.3. Estimate TDS Concentrations in Local Supplies
- 1.4. Estimate the TDS Concentrations for SWP Water Based on Historical TDS and associated SWP Allocations and Most Recent SWP Delivery Reliability Report
- 1.5. Evaluate TDS Waste Increment and Develop Future Projection of It
- 1.6. Collect, Compile and Validate Projected Surface Water Discharge and TDS data for Discharges in the Model Domain (Riverside Narrows, Temescal Wash, other SAR Tributaries, POTWs, and Recharge) for the Planning Period
- 1.7. Document Planning Data in a Tech Memo

Task 2 Develop Planning Scenarios

The objectives of this task are to clearly articulate the TDS management challenge; describe the factors that can impact the TDS concentration in the water supply, groundwater, and wastewater; and develop a range of plausible water management planning scenarios based on historical hydrologic conditions. A total of four scenarios will be developed (baseline and three planning variants) and a series of performance metrics will be defined to evaluate the scenarios. The work performed for this task will be documented in a task memorandum. The subtasks are:

- 2.1. Articulate the TDS Management Challenge and the Drivers of TDS Concentration Changes Over Time
- 2.2. Develop Four Plausible Planning Scenarios Based on Historical Dry Periods that Can Be Identified in Local Data and in the Planning Hydrology in the SWP Delivery Reliability Report
- 2.3. Develop Performance Metrics for Scenario Evaluation
- 2.4. Document Planning Scenarios in a Tech Memo

Task 3 Develop Solute Transport Model Based on the 2017 Chino Basin Watermaster Model and Evaluate Baseline Planning Scenario

The objective of this task is to develop a water quality modeling projection tool that will enable the development of TDS concentration projections for the Chino Basin and to apply the tool to develop a TDS concentration projection for the baseline planning scenario. WEI proposes to develop an MT3D-based numerical solute transport model⁵ that is based on the Watermaster's existing groundwater flow model, specifically, the 2017 Chino Basin Model. The 2017 Chino Basin Model is an updated version of the Watermaster's 2013 groundwater flow model that has been extensively calibrated, peer reviewed, accepted by the Chino Basin parties and relied on by the Court to reset the safe yield of the Chino Basin. The 2017 Chino Basin Model includes updated groundwater management plans. WEI proposes to build

⁵ Zheng, C. 1990. MT3D, A Modular Three-Dimensional Transport Model for Simulation of Advection, Dispersion and Chemical Reactions of Contaminants in Groundwater Systems, Report to the U.S. Environmental Protection Agency Robert S. Kerr Environmental Research Laboratory, Ada, Oklahoma.

the MT3D water quality transport model for forward projections, consistent with the TDS projection strategies used in the antidegradation analyses required in the Cooperative Agreement, and defer a formal calibration of it to a later time. This MT3D model can be used to test the impacts of different TDS management strategies future TDS concentrations in the Chino Basin.

This task will produce a TDS concentration projection for the baseline scenario. The work will be documented in a task memorandum. The following are the subtasks.

- 3.1. Develop 2017 Initial Conditions in the Saturated and Vadose Zones
- 3.2. Develop TDS Concentrations for Each Recharge and Discharge Component for the Planning Period
- 3.3. Run Baseline Scenario Simulations and Sensitivity Analysis
- 3.4. Document Evaluation Tool in a Tech Memo

Task 4 Evaluate Planning Scenarios

The objectives of this task are to use the water quality model developed in Task 3 to evaluate the planning scenarios defined in Task 2. This task will produce a series of projected TDS concentration time-histories for the Chino Basin groundwater management zones for the Chino Basin that can be compared to the results of the baseline scenario evaluated Task 3. And, this information will be used to support the antidegradation analysis required by the Regional Board. This task will be performed in a step-wise process as the results of each planning scenario will inform how the subsequent scenario is run and evaluated. The process will be to run one planning scenario, summarize the results in charts and tables, evaluate it based on the performance metrics defined in Task 2, and review it with the IEUA and Watermaster. Based on the review of the results, the next planning scenario will be modified as appropriate and simulated. The work performed in this task will be documented in a task memorandum. The subtasks are:

- 4.1. Simulate First Planning Scenario with the Transport Model
- 4.2. Summarize Results of the Scenario Based on Performance Metrics
- 4.3. Review Scenario Results with IEUA/Watermaster Staff
- 4.4. Repeat Tasks 4.1 Through 4.3 for Remaining Planning Scenarios
- 4.5. Document Evaluation of Planning Scenarios in a Tech Memo

Task 5 Develop Salinity Management Proposal

The objective of this task is to prepare and document a salinity management proposal to the Regional Board that will enable the IEUA to modify its permitted TDS discharge limitations to include a long-term averaging period. The proposal will describe the TDS management challenge, the antidegradation analysis to characterize the TDS concentration projections for a series of planning scenarios, the recommended discharge limitation, and any revisions to the maximum-benefit salinity management program (e.g. the maximum benefit commitments). Upon completion, the draft proposal will be submitted to the Regional Board to initiate discussions on a final regulatory strategy. The subtasks are:

- 5.1. Develop Draft Salinity Management Proposal and Update Maximum Benefit Commitments
- 5.2. Review Draft Proposal with IEUA/Watermaster Staff
- 5.3. Finalize Proposal for Formal Submittal to Regional Board

Task 6 Provide Support to IEUA/ Watermaster in Communicating the Salinity Management Proposal to Their Stakeholders

The objectives of this task are to prepare a summary presentation to document the salinity management proposal and attend meetings to assist IEUA and Watermaster Staff in communicating the proposal to their stakeholders. This could include Watermaster process meetings, IEUA Board meetings, and Basin Monitoring Program Task Force Meetings. The subtasks are:

- 6.1. Summarize Salinity Management Proposal in a Microsoft PowerPoint Presentation
- 6.2. Attend up to Four Meetings to Present the Proposal to Stakeholders

Task 7 Provide Technical Support to IEUA/ Watermaster in Negotiating the Salinity Management Proposal with the Regional Board

The objective of this task is to attend meetings with the Regional Board to present the Salinity Management Proposal, and its associated technical demonstrations, in support of the IEUA's permit negotiation process. Based on input from the Regional Board, the Salinity Management Proposal will need to be updated to address their comments and concerns. Once a final strategy is agreed upon between the IEUA, Watermaster and the Regional Board, the Salinity Management Proposal will be finalized. The subtasks are:

- 7.1. Attend up to Four Meetings with Regional Board Staff
- 7.2. Prepare Updates to the Salinity Management Proposal Based on Regional Board Feedback
- 7.3. Finalize Salinity Management Proposal

Task 8 Support Development of a Basin Plan Amendment to Formalize the Salinity Management Proposal

The objective of this task is to support the Regional Board staff's efforts to prepare a Basin Plan amendment to incorporate any updates to the Maximum Benefit Salinity Management Plan. This work includes performing the Substitute Environmental Document (SED), preparing a staff report to support the amendment, preparing the amendment language, documenting the administrative record, and other miscellaneous support tasks. WEI will work with Tom Dodson and Associates to prepare the SED checklist in support of the amendment. The subtasks are:

- 8.1. Prepare SED Checklist
- 8.2. Prepare Staff Report and Other Supporting Documentation for the Basin Plan Amendment at the Request of Regional Board Staff

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

F. FIRST AMENDMENT TO THE MASTER RECHARGE FACILITIES FINANCING AGREEMENT



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: First Amendment to the Master Recharge Facilities Financing Agreement
(Business Item II.F.)

SUMMARY

Issue: Amend the Master Recharge Facilities Financing Agreement to include the State Water Resources Control Board as a third party beneficiary.

Recommendation: Recommend to the Watermaster Board to approve.

Financial Impact: None. Adding the State Water Resources Control Board to the Agreement will assist in securing grants and loans for various Capital Projects in the future.

Future Consideration

Advisory Committee – September 21, 2017: Recommend to Watermaster Board to approve

Watermaster Board – September 28, 2017: Approve and authorize the General Manager to execute the amended agreement on behalf of Watermaster [Upon Advisory Committee recommendation]

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously recommended Advisory Committee to approve

Non-Agricultural Pool – September 14, 2017: Unanimously recommended Advisory Committee and Board representatives to approve the Amendment, subject to changes they deem necessary.

Agricultural Pool – September 14, 2017: Unanimously recommended Advisory Committee to approve

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

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

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

On July 1, 2016, the agreement was re-written in a manner that was compatible with the Financing Plan for the 2013 Amendment to the 2010 Recharge Master Plan Update (RMPU) (Attachment 1). In the Financing Plan, it is intended that debt and grants associated with all the 2013 Recharge Master Plan projects would be obtained through the CBRFA.

DISCUSSION

Pursuant to the Financing Plan, IEUA with the support of Watermaster has been actively pursuing grant opportunities which include applications to the State Water Resources Control Board (State). During a recent State Revolving Fund loan review, the State requested that language be added to the MRFFA to add them as a third party beneficiary to the Agreement (Attachment 2). Staff views the inclusion of the State into the MRFFA as a necessary step that will aid in securing both grants and loans for the RMPU projects. Currently, the CBFRA has been awarded up to 10 million dollars in State grants and still has applications for more funding under review.

ATTACHMENTS

1. Master Recharge Facilities Financing Agreement
(Click on link below to access):
[http://www.cbwm.org/FTP/Recharge%20Investigations%20and%20Projects%20Committee%20\(RIPCom\)/RMPU%20Agreements/20160601%20Fully%20Executed%20Master%20Recharge%20Facilities%20Financing%20Agreement%20by%20CBRFA,%20IEUA,%20and%20CBWM.pdf](http://www.cbwm.org/FTP/Recharge%20Investigations%20and%20Projects%20Committee%20(RIPCom)/RMPU%20Agreements/20160601%20Fully%20Executed%20Master%20Recharge%20Facilities%20Financing%20Agreement%20by%20CBRFA,%20IEUA,%20and%20CBWM.pdf)
2. First Amendment to the Master Recharge Facilities Financing Agreement

Stradling Yocca Carlson & Rauth
Draft of 8/10/2017

FIRST AMENDMENT TO MASTER RECHARGE FACILITIES FINANCING AGREEMENT

Dated as of July 1, 2017

By and Among

CHINO BASIN REGIONAL FINANCING AUTHORITY,

INLAND EMPIRE UTILITIES AGENCY

and

CHINO BASIN WATERMASTER

FIRST AMENDMENT TO RECHARGE FACILITIES FINANCING AGREEMENT

This First Amendment to Master Recharge Facilities Financing Agreement (“Amendment”), dated as of July 1, 2017, by and among the Chino Basin Regional Financing Authority (the “Authority”), a joint exercise of powers agency duly organized and existing pursuant to Article 1, Chapter 5, Division 7, Title 1 of the Government Code (the “Joint Powers Act”), commencing with Section 6500, Inland Empire Utilities Agency (“IEUA”), a municipal water district duly organized and existing pursuant to Division 20 of the Water Code and the Chino Basin Watermaster (“Watermaster”), created pursuant to the terms of the Judgment amends that certain Master Recharge Facilities Financing Agreement, dated as of June 1, 2016, by and among the Authority, IEUA and Watermaster (the “Original Agreement”).

WITNESSETH:

WHEREAS, the Authority, IEUA and Watermaster entered into the Original Agreement which facilitates the financing of certain recharge projects as described therein.

WHEREAS, Section 12 of the Original Agreement provides that the Original Agreement may be amended, modified, changed or rescinded in writing by each of the parties thereto.

WHEREAS, in order to conform the Original Agreement to such terms and conditions of State Water Resources Control Board (“SWRCB”) grants or loans, the parties desire to amend the Original Agreement to include the SWRCB as a third party beneficiary under the Agreement and to permit the Authority to assign its rights and interests under the Agreement to any Trustee or to the SWRCB with respect to any loan or other agreement made thereby, other than the payments received by the Authority under the Original Agreement from Watermaster.

NOW THEREFORE, the parties hereto do agree as follows:

Section 1. Definitions.

Except as otherwise defined herein or unless the context otherwise requires, the capitalized terms used herein shall have the meanings ascribed to such terms in Original Agreement.

Section 2. Amendment to Section 7(d) of the Original Agreement. Section 7(d) of the Original Agreement is hereby amended and restated in its entirety to read as follows:

Third Party Beneficiaries. Any Trustee for Authority Debt and the State Water Resources Control Board (“SWRCB”) shall have the right, as a third party beneficiary, to initiate and maintain suit to enforce this Agreement to the extent provided in any Debt Resolution or a loan or other agreement from the SWRCB, as the case may be.

Section 3. Amendment to Section 11 of the Original Agreement. Section 11 of the Original Agreement is hereby amended and restated in its entirety to read as follows:

The Authority may (a) pledge and assign to any Trustee for Authority Debt, all or any portion of the payments received under this Agreement from Watermaster and (b) assign to any Trustee or to the State Water Resources Control Board (“SWRCB”) with respect to any loan or other agreement made thereby, the Authority’s other rights and interests under this Agreement. Such pledge and

assignment by the Authority shall be made effective for such time as the Authority shall determine and provide that the Trustee or the SWRCB shall have the power to enforce this Agreement in the event of a default by the Authority under a Debt Resolution or a loan or other agreement from the SWRCB, as the case may be. Watermaster may assign its rights or obligations under this Agreement only with the written consent of the Authority.

Section 4. Amendment.

This Amendment has been authorized, executed and delivered by the Authority, IEUA and Watermaster in accordance with Section 12 of the Original Agreement.

Section 5. Provisions of Original Agreement in Effect.

Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect.

Section 6. Effectiveness.

This Amendment shall take effect on the date first mentioned above.

Section 7. Partial Invalidity.

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

Section 8. Counterparts.

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

Section 9. Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

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

CHINO BASIN REGIONAL FINANCING
AUTHORITY

By: 

General Manager

CHINO BASIN WATERMASTER

By: _____

General Manager

INLAND EMPIRE UTILITIES AGENCY

By: 

General Manager

CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

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



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: FY 2016/17 Budget Transfer Form T-17-06-01 (Business Item II.G.)

SUMMARY

Issue: Approve FY 2016/17 Budget Transfer Form T-17-06-01.

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

Financial Impact: No financial impact. The Budget Transfer Form T-17-06-01 is a reallocation of approved budgeted funds and does not have any financial impact on the total FY 2016/17 "Amended" budget of \$13,364,563.45 which includes \$2,630,337.45 of Carry-Over funding.

Future Consideration

Advisory Committee – September 21, 2017: Approval

Watermaster Board – September 28, 2017: Adoption [Advisory Committee approval required]

ACTIONS:

Appropriative Pool – September 14, 2017: Unanimously approved

Non-Agricultural Pool – September 14, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – September 14, 2017: Unanimously approved

Advisory Committee – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

Utilizing the Watermaster's accounting software (Intuit QuickBooks Enterprise Solutions 17.0), on a continuing basis the Watermaster staff reviews the budget vs. actual reports and ensures that adequate budget and funds are maintained. Watermaster also provides monthly financial reports to keep all members apprised of the actual and projected total expenses for the current fiscal year. Watermaster also provides a process for reallocating budget to other expense categories to provide continued funding, or amending the approved budget to ensure the categories are funded properly.

BUDGET TRANSFERS:

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

The Chino Basin Watermaster budget has four main budget categories:

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

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

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

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

DISCUSSION

During the closing of the financials for the period June 30, 2017, several budget transfers were required. Normally, the Budget Transfer Form would have been presented for approval to the Pools, Advisory and Board at the next upcoming monthly meeting. Because the meetings in August 2017 were cancelled, the next upcoming meetings were scheduled for September 2017. In order to close the books as of June 30, 2017, the Budget Transfer Form T-17-06-01 has been included in the financials as presented.

Budget Transfer Form T-17-06-01

The attached Budget Transfer Form T-17-06-01 is provided as documentation to clearly show which general ledger accounts are being reduced and which general ledger accounts are being increased. Budget Transfer Form T-17-06-01 is reallocating existing approved budget dollars between Watermaster accounts as needed. The Budget Transfer Form T-17-06-01 is a "net zero" document, which means the budget reductions of \$112,000 and budget additions of \$112,000 within the general ledger accounts are equal. There is no change to the overall budget as a result of Budget Transfer Form T-17-06-01 and no new funds or assessments are required. The effective date of the Budget Transfer Form T-17-06-01 will be June 30, 2017 and all adjustments will be recorded within the June 2017 accounting period.

The general ledger accounts increased by Budget Transfer Form T-17-06-01 are the BHFS Legal-Miscellaneous expenses (account 6078) in the amount of \$90,000; and the BHFS-Safe Yield Recalculation expenses (account 6907.42) in the amount of \$22,000 (\$90,000 + \$22,000 = \$112,000).

The budget reductions in the amount of \$112,000 were from the following areas of the FY 2016/17 expense budget: Agricultural Pool Legal Services expense (account 8467) of \$73,000; BHFS-Appropriative Pool Legal Service expense (account 8375) of \$8,500; BHFS-Agricultural Pool Legal Service expense (account 8475) of \$8,400; BHFS-Non-Agricultural Pool Legal Service expense (account 8575) of \$8,000; BHFS-Advisory Committee Legal Service expense (account 6275) of \$3,500; Business Insurance Package expenses (account 6085) of \$4,000; Employee Training expenses (account 6193) of \$4,000; and Copier Lease Fees (account 6043.1) of \$2,600 ($\$73,000 + \$8,500 + \$8,400 + \$8,000 + \$3,500 + \$4,000 + \$4,000 + \$2,600 = \$112,000$).

The Approved "Amended" Budget for FY 2016/17 of \$13,364,563.45 (which includes the additional "Carry Over" funding of \$2,630,337.45) was NOT increased with the Budget Transfer Form T-17-06-01.

SOURCES OF FUNDING:

Agricultural Pool Legal Services of \$73,000

The FY 2016/17 amended budget for the Agricultural Pool Legal Services (account 8467) was funded at \$370,000 which included Budget Amendment Form A-17-05-01 in the amount of \$100,000 approved by the Watermaster Board on June 22, 2017 and Budget Transfer Form T-17-05-01 in the amount of \$65,000 also approved by the Watermaster Board on June 22, 2017 ($\$205,000 + \$100,000 + \$65,000 = \$370,000$). Upon receipt of the final June 30, 2017 invoicing from the Agricultural Pool attorney, it was determined that an amount of \$73,000 could be reallocated to the BHFS budget. The final Agricultural Pool Legal Service expenses were \$296,352.50 which after the budget transfer of \$73,000 provided for a final budget amount of \$297,000 for the Agricultural Pool Legal Services.

BHFS Pool Legal Services of \$28,400

Several BHFS Legal Service expenses for the Pools and Advisory Committee were below budget as of June 30, 2017. These accounts were the BHFS-Appropriative Pool Legal Service expense (account 8375) with an available budget balance of \$8,500; BHFS-Agricultural Pool Legal Service expense (account 8475) with an available budget balance of \$8,400; BHFS-Non-Agricultural Pool Legal Service expense (account 8575) with an available budget balance of \$8,000; and the BHFS-Advisory Committee Legal Service expense (account 6275) with a budget balance of \$3,500. The combination of these four BHFS accounts in the amount of \$28,400 ($\$8,500 + \$8,400 + \$8,000 + \$3,500 = \$28,400$) were available for use as of June 30, 2017.

Administrative Expenses of \$10,600

Several Watermaster Administrative expenses were below budget as of June 30, 2017. These accounts were the Business Insurance Package expenses (account 6085) with an available budget balance of \$4,000; Employee Training expenses (account 6193) with an available budget balance of \$4,000; and Copier Lease Fees (account 6043.1) with an available budget balance of \$2,600. The combination of these three Watermaster Administrative expense categories in the amount of \$10,600 ($\$4,000 + \$4,000 + \$2,600 = \$10,600$) were available for use as of June 30, 2017.

USES OF FUNDING:

BHFS-Legal-Miscellaneous of \$90,000

The 12-month annual legal budget for the Watermaster Administrative Legal Services (accounts 6071 through 6078) was originally approved at \$200,713. The annual legal services budget was equally divided into 12 months and allocated to the FY 2016/17 budget, by month. During the year a Budget Amendment Form A-17-04-01 was approved by the Watermaster Board on May 25, 2017 in the amount of \$75,000. Watermaster has been consistently reporting an over budget as a result of increased activities in the miscellaneous area. At fiscal year-end 2016/17 the category of Watermaster BHFS Administrative Legal Services was over budget by \$90,000 and needed additional funding. The final

amended budget for the Watermaster Administrative Legal Services section was \$365,713 ($\$200,713 + \$75,000 + \$90,000 = \$365,713$).

BHFS-Safe Yield Recalculation of \$22,000

The 12-month annual legal budget for the Watermaster BHFS OBMP Legal Services (accounts 6907.31 through 6907.90) was originally approved at \$479,480. The annual legal services budget was equally divided into 12 months and allocated to the FY 2016/17 budget, by month. During the year a Budget Amendment Form A-17-04-01 was approved by the Watermaster Board on May 25, 2017 in the amount of \$25,000. Watermaster had been consistently reporting an over budget as a result of increased activities in this area. At fiscal year-end 2016/17 the category of Watermaster BHFS OBMP Legal Services was over budget by \$22,000 and needed additional funding. The final amended budget for the Watermaster OBMP Legal Services section was \$526,480 ($\$479,480 + \$25,000 + \$22,000 = \$526,480$).

ATTACHMENT

1. Budget Transfer Form T-17-06-01



**CHINO BASIN WATERMASTER
BUDGET TRANSFER FORM T-17-06-01**

To: **All Parties**

From: Joseph S. Joswiak, CFO Date: September 14, 2017 Fiscal Year: 2016/17

Describe reason for the transfer between budget categories here: To close the fiscal year-end as of June 30, 2017, a Budget Transfer Form was required to reallocate the approved budget between several budget accounts, which resulted in an increase of the BHFS budget from \$971,426 to \$1,055,026. (1) The Agricultural Pool Legal Services budget was reallocated to the BHFS budget in the amount of \$73,000. (2) The BHFS Legal Services for the Pools and Advisory Meeting activities was reallocated to other areas within the BHFS budget in the amount of \$28,400. (3) Several Watermaster administrative accounts were reallocated to the BHFS budget in the amount of \$10,600. Overall, the net budget adjustment was \$112,000. The overall Watermaster Amended Budget of \$13,364,563.45 was not increased as a result of the Budget Transfer Form T-17-06-01.

Budgetary account reduction

<i>Line Item Description</i>	<i>Account Number</i>		<i>Amount</i>	
Agricultural Pool Legal Services	8467	Ag Pool	\$ (73,000)	(1)
BHFS - Appropriative Pool Legal Services	8375	BHFS	\$ (8,500)	(2)
BHFS - Agricultural Pool Legal Services	8475	BHFS	\$ (8,400)	(2)
BHFS - Non-Agricultural Pool Legal Services	8575	BHFS	\$ (8,000)	(2)
BHFS - Advisory Committee Legal Services	6275	BHFS	\$ (3,500)	(2)
Business Insurance Package	6085	Admin	\$ (4,000)	(3)
Employee Training	6193	Admin	\$ (4,000)	(3)
Copier Lease Fees	6043.1	Admin	\$ (2,600)	(3)
Total Amount of Budget To Transfer "OUT"			\$ (112,000)	

Budgetary account addition

BHFS - Legal - Miscellaneous	6078	BHFS	\$ 90,000
BHFS - Safe Yield Recalculation	6907.42	BHFS	\$ 22,000
Total Amount of Budget To Transfer "IN"			\$ 112,000
Net Transfer Amount			\$ -

Transfer Procedure

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

Finance Use Only

Date Board Approved _____
 Finance Log # _____
 Date Posted _____
 Posted By _____
 Approved by _____
 Date approved _____

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

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



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: September 21, 2017
TO: Advisory Committee Members
SUBJECT: SCADA Installation, Monitoring and Reimbursement Letter Agreement between Watermaster and Monte Vista Water District (Business Item II.H.)

SUMMARY

Issue: Watermaster needs to collect groundwater elevation data in the northwest MZ1 area to support ground level movement studies. Monte Vista Water District (MVWD) wells are ideally suited locations for data, however they lack necessary instrumentation.

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

Financial Impact: The agreement will reimburse MVWD for an amount not to exceed \$72,014.44 in exchange for receiving groundwater level data from eleven wells through 2020. This cost was included in the 2017/2018 Fiscal Year budget under Engineering Services.

Future Consideration

Advisory Committee – September 21, 2017: Approval

Watermaster Board – September 28, 2017: Approval [Advisory Committee approval required]

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 – September 21, 2017:

Watermaster Board – September 28, 2017:

BACKGROUND

The Subsidence Management Plan for Northwest MZ-1 under Task 2 recommends: "Measuring and recording piezometric levels at the wells in Northwest MZ-1. To the extent possible, the existing transducers and SCADA systems of the producers in Northwest MZ-1 will be used. If necessary, Watermaster will install pressure-transducers in all other wells in Northwest MZ-1. Water levels will be recorded once every 15 minutes."

After reviewing options, the Ground Level Monitoring Committee determined that the best alternative was to equip certain MVWD wells with SCADA components to gather the necessary data for Watermaster's consultant, Wildermuth Environmental, Inc. (WEI), to conduct the necessary monitoring.

This recommendation was made in the Chino Basin Subsidence Management Plan for Northwest MZ-1 published in July 2015 and adopted unanimously by the Watermaster Board on July 23, 2015.

This item was presented to the three Pools and was unanimously recommended for Advisory Committee approval.

DISCUSSION

The proposed agreement contemplates that Watermaster will reimburse MVWD the cost of equipping their wells with SCADA systems for an amount not to exceed \$72,014.44 as shown in Exhibit A (Attachment 2); and in exchange MVWD will provide pumping information on a quarterly basis and groundwater elevation data on a monthly basis.

The term of the agreement is through June 30, 2020 and it is contemplated that Watermaster will reimburse MVWD for any appropriate maintenance costs for the SCADA equipment.

ATTACHMENTS

1. SCADA Installation, Monitoring and Reimbursement Letter Agreement between Watermaster and Monte Vista Water District.
2. Exhibit A – SCADA Integrations MVWD/Watermaster Quote

September 28, 2017

Mark Kinsey
Monte Vista Water District
10575 Central Avenue
Montclair, CA 91763

Mark Wildermuth
Wildermuth Environmental, Inc.
23692 Birtcher Drive
Lake Forest, CA 92630

RE: SCADA Installation, Monitoring and Reimbursement Letter Agreement

Dear Mr. Kinsey and Mr. Wildermuth

Pursuant to the recommendation of the Groundwater Level Monitoring Committee, the Chino Basin Watermaster ("Watermaster"), through its contract with consultant Wildermuth Environmental, Inc. ("WEI"), wishes to develop a more extensive supervisory control and data acquisition ("SCADA") groundwater level monitoring system in the Monte Vista Water District ("MVWD") service area. In order to do so, MVWD will permit the installation of SCADA equipment to several of its wells and integration of the equipment into its existing SCADA system.

Watermaster, WEI and MVWD agree as follows:

1. **SCADA Equipment Installation.** MVWD shall retain SCADA Integrations to install the SCADA equipment on MVWD wells 4, 5, 19, 26, 27, 28, 30, 31, 32, 33 and 34 ("Wells"). SCADA Integrations' scope of work is more specifically defined in Exhibit A hereto.
2. **Reimbursement.** Watermaster shall reimburse MVWD for SCADA Integrations' costs incurred by MVWD in the performance of its obligations described in Section 1, above. MVWD shall transmit to Watermaster invoices with supporting documentation. Reimbursement shall be due and payable in full no later than 30 days from the date of receipt of the invoice. If Watermaster disputes any portion of an invoice, Watermaster shall furnish prompt notice of the basis for the dispute and shall pay the undisputed portion. The due date for payment of the disputed portion shall be extended 30 days to allow the Parties to resolve the dispute. Remittance for payment shall be made to the following:

Monte Vista Water District
Attn: Accounts Receivable
10575 Central Avenue
Montclair, CA 91763
3. **SCADA Monitoring.** After the SCADA equipment has been installed and integrated, MVWD shall, on a quarterly basis, download time, pumping rates, and water levels for the Wells and provide it to Watermaster, WEI or another Watermaster designated agent. MVWD will also provide its available monthly groundwater level reads for the Wells. MVWD shall permit WEI to accompany MVWD field staff during the taking of the monthly manual groundwater level reads.
4. **SCADA Maintenance.** Should the SCADA equipment or software fall out of calibration, fail to work, or need upgrade, repair, or replacement, Watermaster shall, following consultation with MVWD, determine its course of action and pay for all third party costs and MVWD incurred costs related to that action.

5. **Term.** This Agreement shall be effective from the date of its execution through June 30, 2020. MVWD, however, reserves the right, following consultation with Watermaster and WEI as to whether changes to the SCADA system might be made to eliminate negative impacts and to cancel, at any time and at its sole discretion, any SCADA installation that negatively impacts MVWD's operation of a particular well facility.
6. **Enforceability.** The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of California.
7. **Indemnification.** Watermaster, WEI and their agents waive all claims against MVWD, its officers, agents, and employees, for loss or damage caused by, arising out of, or in any way connected with the exercise of this Agreement, and Watermaster, WEI and their agents agree to protect, save harmless, indemnify, and defend MVWD, its officers, agents and employees, from any and all loss, damage or liability, including, without limitation, all legal fees, expert witness or consultant fees and expenses related to the response to, settlement of, or defense of any claims or liability which may be suffered or incurred by MVWD, its officers, agents and employees that is caused by, arises out of, or is in any way connected with Watermaster, WEI and their agents exercise of the rights hereby granted, except those arising out of the sole negligence of MVWD.
8. **Insurance.** WEI shall furnish to MVWD Insurance Certificates on MVWD approved forms with endorsements as appropriate evidencing insurance as follows:
 - (a) Commercial General Liability: WEI shall maintain Commercial General Liability aggregate for bodily injury and property damage and Fire Legal Liability with those limits of not less than \$1,000,000 combined per occurrence. The policy shall include coverage for liabilities arising out of premises, operations, personal and advertising injury and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Provider's limit of liability. The policy must include MVWD its officers, agents and employees, as additional insured, not only insofar as the operations under this Agreement are concerned.
 - (b) Automobile Liability: WEI shall maintain motor vehicle liability with limits of not less than \$100,000 per accident for bodily injury and property damage. MVWD, its officers, agents and employees, are to be additional insured with respect to liability arising out of all vehicles, owned, leased and non-owned.
 - (c) Workers' Compensation/Employer's Liability. WEI shall cover or insure the existence of coverage under the applicable laws relating to Workers' Compensation insurance, all of their employees employed directly by them or through subconsultants at all times in carrying out its rights as contemplated under this Agreement, in accordance with the "Workers' Compensation and Insurance Act" of the California Labor Code and any amendatory Acts. WEI shall provide Employer's Liability insurance with limits of at least \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.
 - (d) MVWD shall not be liable for the payment of any premiums or assessments on the insurance coverage required by the above provisions. The certificate of insurance shall provide that the insurer will not cancel the insured's coverage without thirty (30) days prior written notice to MVWD. WEI agrees that the insurance herein provided for shall be in effect at all times during the term of this Agreement.
 - (e) In the event that said insurance coverage expires or is terminated at any time during the term of this Agreement, WEI agrees to provide MVWD, at least thirty (30) days prior to said expiration or termination date, a new certificate of insurance evidencing insurance coverage as provided for herein.
 - (f) In the event WEI fails to keep in effect, at all times, insurance coverage as herein provided, MVWD may, in addition to any other remedies it may have, immediately terminate this Agreement upon failure of WEI to cure such breach within 15 days of the giving of such notice.

(g) WEI shall require any subconsultants performing work related to this Agreement to obtain and maintain in force policies of insurance with the same coverage and limits as required of WEI hereunder, prior to commencing work on MVWD property.

Sincerely,

CHINO BASIN WATERMASTER

Peter Kavounas, P.E.
General Manager

In executing this Agreement, I expressly agree on behalf of Monte Vista Water District to the terms described herein.

MONTE VISTA WATER DISTRICT

By _____
Mark Kinsey
General Manager

In executing this Agreement, I expressly agree on behalf of Wildermuth Environmental, Inc. to the terms described herein.

WILDERMUTH ENVIRONMENTAL, INC.

By _____
Mark Wildermuth
President

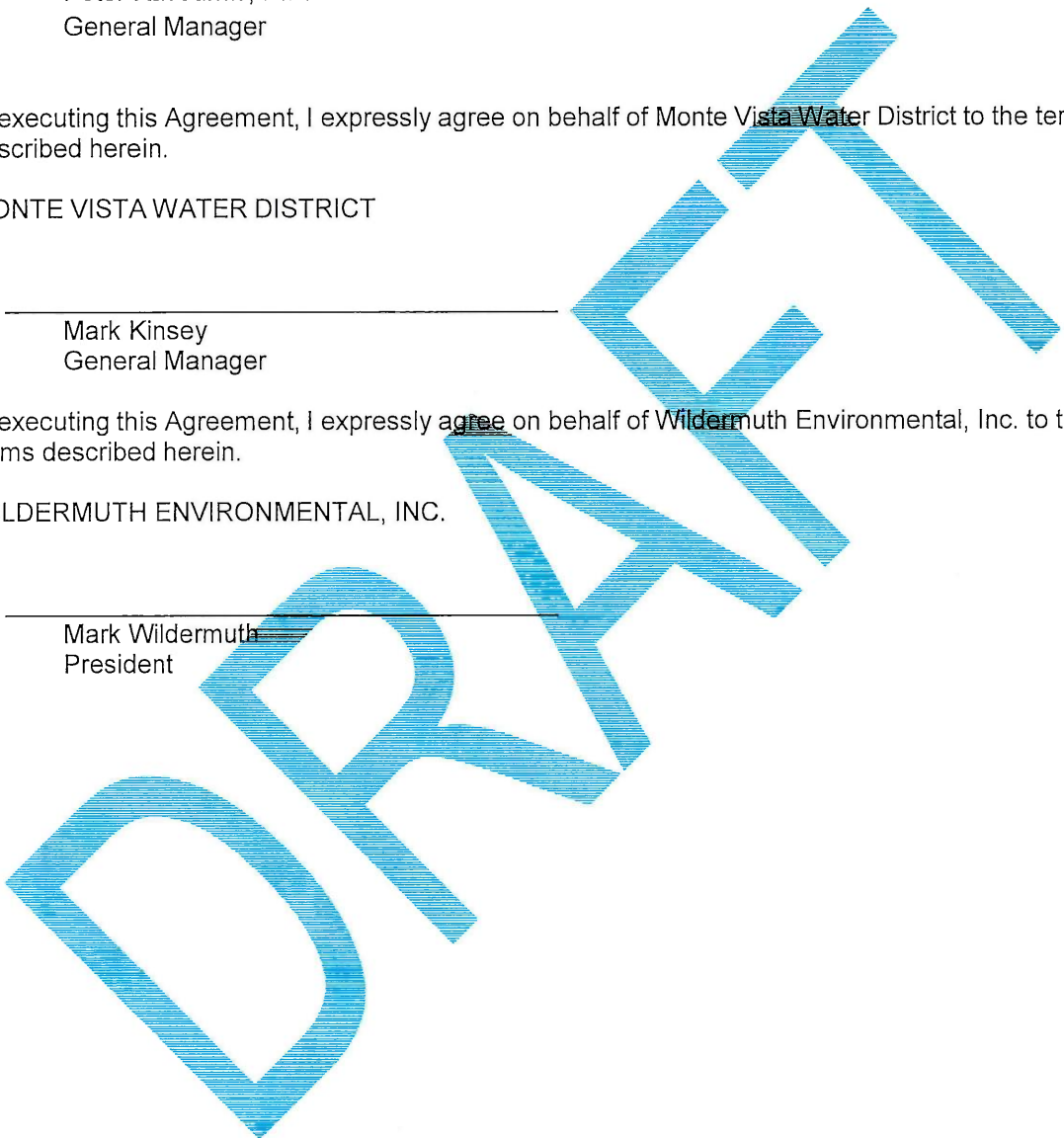


Exhibit A
SCADA Intergrations MVWD Watermaster Quote

Well Name	Status	Reviewed*?	Type of transducer needed	Construction Labor	Parts	PLC Programming	Wonderware Programming	Site Totals
MVWD 4	Active	Yes	Above ground with nitrogen	\$2,625.00	\$1,910.00	\$1,250.00	\$1,250.00	\$7,035.00
MVWD 5	Active	Yes	Above ground with nitrogen	\$2,625.00	\$1,900.00	\$1,250.00	\$1,250.00	\$7,025.00
MVWD 19	Active	Yes	Downshaft transducer	\$2,000.00	\$2,648.68	\$1,250.00	\$1,250.00	\$7,148.68
MVWD 26	Active	Yes	Downshaft transducer	\$750.00	\$2,348.68	\$1,250.00	\$1,250.00	\$5,598.68
MVWD 27	Active	Yes	Downshaft transducer	\$2,000.00	\$2,628.68	\$1,250.00	\$1,250.00	\$7,128.68
MVWD 28	Active	Yes	Downshaft transducer	\$750.00	\$2,348.68	\$1,250.00	\$1,250.00	\$5,598.68
MVWD 30	Active	Yes	Downshaft transducer	\$750.00	\$2,348.68	\$1,250.00	\$1,250.00	\$5,598.68
MVWD 31	Active	Yes	Above ground with nitrogen	\$2,625.00	\$1,960.00	\$1,250.00	\$1,250.00	\$7,085.00
MVWD 32	Active	Yes	Downshaft transducer	\$750.00	\$2,348.68	\$1,250.00	\$1,250.00	\$5,598.68
MVWD 33	Active	Yes	Downshaft transducer	\$750.00	\$2,348.68	\$1,250.00	\$1,250.00	\$5,598.68
MVWD 34	Active	Yes	Downshaft transducer	\$750.00	\$2,348.68	\$1,250.00	\$1,250.00	\$5,598.68
MVWD 6	Active	No Options	N/A					
MVWD 7	Abandoned	Abandoned	N/A					
MVWD 11	Destroyed	Abandoned	N/A					
MVWD 21	Active	No Options	N/A					
Subtotals				\$16,375.00	\$25,139.44	\$13,750.00	\$13,750.00	
							Total for all sites	\$69,014.44
							Database programming and automatic report generation	\$3,000.00
							TOTAL BUDGETARY QUOTE	\$72,014.44

Production rate is already transmitted "live" (with transmittal delay). SCADA Integrations can program a timestamp and recordation of the instantaneous GPM. This is included in the \$3K in cell I21.

CHINO BASIN WATERMASTER

III. REPORTS/UPDATES

E. INLAND EMPIRE UTILITIES AGENCY (WRITTEN)

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



CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

September 21, 2017

INLAND EMPIRE UTILITIES AGENCY REPORTS

The following items are provided for receive and file.

- Water Supply Conditions
- State and Federal Legislative Reports
- Community Outreach/Public Relations Report
- IEUA Water Forum Newsletter

Please click on the link below to access the reports:

<http://www.cbwm.org/FTP/Meeting%20Packets%20and%20Agendas/20170921%20IEUA%20Interagency%20Water%20Managers%20Report.pdf>

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IV. INFORMATION

1. Cash Disbursements for August 2017

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

For Informational Purposes Only

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						<u>35.00</u>
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						<u>1,047.26</u>
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						<u>524.08</u>
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						<u>100.00</u>
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						<u>262.50</u>
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						<u>50.29</u>
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						<u>600.00</u>
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						<u>765.80</u>
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						<u>749.75</u>
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						<u>100.04</u>

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

For Informational Purposes Only

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

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

For Informational Purposes Only

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

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2017

For Informational Purposes Only

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

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TOTAL

CHINO BASIN WATERMASTER
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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 AUTHORIT	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
P277 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

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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>
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>
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

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Type	Date	Num	Name	Memo	Account	Paid Amount
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
Bill Pmt -Check	08/24/2017	20317	GREAT AMERICA LEASING CORP.	21150282	1012 · Bank of America Gen'l Ckg	
Bill	08/16/2017	21150282		Invoice for August 2017	6043.1 · Ricoh Lease Fee	2,553.68
TOTAL						2,553.68
P279 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	
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

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Type	Date	Num	Name	Memo	Account	Paid Amount
				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	
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	

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Type	Date	Num	Name	Memo	Account	Paid Amount
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
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
				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

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Type	Date	Num	Name	Memo	Account	Paid Amount
				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
				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

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Type	Date	Num	Name	Memo	Account	Paid Amount
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
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 Disbursements:	1,639,901.29

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