

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, November 16, 2017

10:00 a.m. – Advisory Committee Meeting

11:00 a.m. – Watermaster Board Meeting

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

CHINO BASIN WATERMASTER

Thursday, November 16, 2017

10:00 a.m. – Advisory Committee Meeting

11:00 a.m. – Watermaster Board Meeting

AGENDA

**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

10:00 a.m. – November 16, 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 October 19, 2017 (*Page 1*)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of September 2017 (*Page 13*)
2. Watermaster VISA Check Detail for the month of September 2017 (*Page 25*)
3. Combining Schedule for the Period July 1, 2017 through September 30, 2017 (*Page 29*)
4. Treasurer's Report of Financial Affairs for the Period September 1, 2017 through September 30, 2017 (*Page 33*)
5. Budget vs. Actual Report for the Period July 1, 2017 through September 30, 2017 (*Page 37*)

C. ANNUAL FINDING OF SUBSTANTIAL COMPLIANCE WITH THE RECHARGE MASTER PLAN (*Page 55*)

Recommend the Watermaster Board to adopt the finding that Watermaster is in substantial compliance with the Recharge Master Plan.

II. BUSINESS ITEMS

A. FISCAL YEAR 2017/2018 ASSESSMENT PACKAGE (*Page 63*)

Recommend Watermaster Board approval of the Fiscal Year 2017/18 Assessment Package as presented, including no credit for Stormwater New Yield, and postponing the assessment of Desalter Replenishment Obligation.

B. RESOLUTION TO LEVY REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS FOR FISCAL YEAR 2017/18 (*Page 67*)

Review Resolution 2017-07 as presented, and offer advice to Watermaster.

C. INCREASE OF FISCAL YEAR 2017/18 DRY YEAR YIELD PROGRAM DELIVERY LIMIT (*Page 73*)

Approve amending the DYY Annual Operating Plan and increasing the annual delivery limit from 25,000 ac-ft to 50,000 ac-ft for Fiscal Year 2017/18.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

- 1. Appeal of April 28, 2017 Order
- 2. November 9, 2017 Watermaster Board Special Meeting

B. ENGINEER REPORT

- 1. Storage Management
- 2. Northwest MZ-1
- 3. Salinity Management

C. CFO REPORT

- 1. Fiscal Year 2017/18 Assessment Invoicing

D. GM REPORT

- 1. December Meeting Schedule
- 2. Other

E. INLAND EMPIRE UTILITIES AGENCY (WRITTEN) (Page79)

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

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

- 1. Cash Disbursements for October 2017 (Page 121)

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

11/13/17	Mon	1:00 p.m.	Agricultural Pool*
11/16/17	Thu	8:00 a.m.	Appropriative Pool Strategic Planning
11/16/17	Thu	10:00 a.m.	Advisory Committee**
11/16/17	Thu	11:00 a.m.	Watermaster Board***
12/21/17	Thu	9:30 a.m.	Recharge Investigations and Projects Committee (Quarterly)

* Moved from 11/09/17 to 11/13/17

** Moved from 9am to 10am

*** Accelerated by a week due to the Thanksgiving Holiday

NOTE: There will be no regularly scheduled monthly meetings at Watermaster in December 2017.

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
WATERMASTER BOARD MEETING 11:00
a.m. – November 16, 2017**

WITH

Mr. James Curatalo – Chair

Mr. Robert DiPrimio – Vice-Chair

At the Offices of

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

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Watermaster Board Meeting held October 26, 2017 *(Page 7)*
2. Minutes of the Watermaster Board Special Meeting held November 9, 2017 *(Page 11)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of September 2017 *(Page 13)*
2. Watermaster VISA Check Detail for the month of September 2017 *(Page 25)*
3. Combining Schedule for the Period July 1, 2017 through September 30, 2017 *(Page 29)*
4. Treasurer's Report of Financial Affairs for the Period September 1, 2017 through September 30, 2017 *(Page 33)*
5. Budget vs. Actual Report for the Period July 1, 2017 through September 30, 2017 *(Page 37)*

C. ANNUAL FINDING OF SUBSTANTIAL COMPLIANCE WITH THE RECHARGE MASTER PLAN *(Page 55)*

Adopt the finding that Watermaster is in substantial compliance with the Recharge Master Plan.

II. BUSINESS ITEMS

A. FISCAL YEAR 2017/2018 ASSESSMENT PACKAGE *(Page 63)*

Approve the Fiscal Year 2017/18 Assessment Package as presented, including no credit for Stormwater New Yield, and postponing the assessment of Desalter Replenishment Obligation.

B. RESOLUTION TO LEVY REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS FOR FISCAL YEAR 2017/18 *(Page 67)*

Adopt Resolution 2017-07 as presented.

C. INCREASE OF FISCAL YEAR 2017/18 DRY YEAR YIELD PROGRAM DELIVERY LIMIT *(Page 73)*
 Approve amending the DYY Annual Operating Plan and increasing the annual delivery limit from 25,000 ac-ft to 50,000 ac-ft for Fiscal Year 2017/18.

D. CHINO BASIN WATERMASTER ANNUAL FINANCIAL REPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016; AND THE CHINO BASIN WATERMASTER MANAGEMENT REPORT FOR JUNE 30, 2017 *(Page 75)*
 Receive and file (1) the Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2017 and 2016 dated November 16, 2017; and (2) the Chino Basin Watermaster Management Report for June 30, 2017 dated November 16, 2017.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order

B. ENGINEER REPORT

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

C. CFO REPORT

1. Fiscal Year 2017/18 Assessment Invoicing

D. GM REPORT

1. December Meeting Schedule
2. Other

IV. INFORMATION

1. Cash Disbursements for October 2017 *(Page 121)*

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

1. Notices of Appeal from April 28, 2017 Order

VIII. FUTURE MEETINGS AT WATERMASTER

11/13/17	Mon	1:00 p.m.	Agricultural Pool*
11/16/17	Thu	8:00 a.m.	Appropriative Pool Strategic Planning
11/16/17	Thu	10:00 a.m.	Advisory Committee**
11/16/17	Thu	11:00 a.m.	Watermaster Board***
12/21/17	Thu	9:30 a.m.	Recharge Investigations and Projects Committee (Quarterly)

* Moved from 11/09/17 to 11/13/17

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ADJOURNMENT

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR (Advisory Committee Only)

A. MINUTES

1. Advisory Committee Meeting held on October 19, 2017

DRAFT MINUTES
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

October 19, 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 October 19, 2017.

ADVISORY COMMITTEE MEMBERS PRESENT

NON-AGRICULTURAL POOL MEMBER PRESENT

Brian Geye, Chair

California Speedway Corporation

AGRICULTURAL POOL MEMBERS PRESENT

Jeff Pierson, Vice-Chair

Crops

Lawrence Dimock

State of California – CIM

APPROPRIATIVE POOL MEMBERS PRESENT

Todd Corbin

Jurupa Community Services District

Teri Layton

San Antonio Water Company

Ron Craig

City of Chino Hills

Van Jew

Monte Vista Water District

Darron Poulsen

City of Pomona

Marty Zvirbulis

Cucamonga Valley Water District

Cris Fealy

Fontana Water Company

Eric Tarango for Seth Zielke

Fontana Union Water Company

Rosemary Hoerning

City of Upland

Katie Gienger for Scott Burton

City of Ontario

Dave Crosley

City of Chino

WATERMASTER BOARD MEMBER PRESENT

Bob Kuhn

Three Valleys Municipal Water District

WATERMASTER STAFF PRESENT

Peter Kavounas

General Manager

Joseph Joswiak

Chief Financial Officer

Edgar Tellez Foster

Senior Environmental Engineer

Anna Truong

Executive Services Director/Board Clerk

WATERMASTER CONSULTANTS PRESENT

Brad Herrema

Brownstein Hyatt Farber Schreck, LLP

Andy Malone

Wildermuth Environmental, Inc.

OTHERS PRESENT

Eunice Ulloa

City of Chino

Curtis Paxton

Chino Basin Desalter Authority

Joe Grindstaff

Inland Empire Utilities Agency

Richard Rees

AMEC

Steve Corrington

MIH Water Treatment Inc.

Sylvie Lee

Inland Empire Utilities Agency

Sheri Rojo

Basin Creek Consulting

Eduardo Espinoza

Cucamonga Valley Water District

Raul Garibay

City of Pomona

Vivian Castro

Chino Basin Water Conservation District

Steve Sentes

Chino Basin Water Conservation District

Manny Martinez

Monte Vista Water District

John Schatz

John J. Schatz, Attorney at Law

CALL TO ORDER

Chair Geye called the Advisory Committee meeting to order at 9:03 a.m.

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held September 21, 2017

B. FINANCIAL REPORTS

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

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

Recommend to the Watermaster Board to approve.

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

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

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

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

F. CALMAT CO. REQUEST FOR INTERVENTION INTO APPROPRIATIVE POOL

Recommend Watermaster filing the request for intervention with the Court.

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

Recommend Watermaster filing the request for intervention with the Court.

(0:00:25) Ms. Layton requested to have Consent Calendar Items I.F. and I.G. pulls for separate discussion.

(0:00:40)

Motion by Mr. Cris Fealy, seconded by Vice-Chair Jeff Pierson, and by unanimous vote
Moved to approve Consent Calendar Items I.A. to I.E. as presented.

(0:01:03) Ms. Layton commented on Consent Calendar Items I.F. and I.G. A discussion ensued.

(0:12:55) *Volume vote was taken and are attached to these minutes.*

Motion by Mr. Marty Zvirbulis, seconded by Mr. Darron Poulsen and by majority 79.080% volume vote.
Moved to approve Consent Calendar Item I.F., Calmat Co. Request for Intervention into Appropriative Pool and Item I.G., NCL CO., LLC Request for Intervention into Appropriative Pool as presented.

II. BUSINESS ITEMS

A. DESALTER REPLENISHMENT OBLIGATION ALLOCATION

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

(0:14:47) Mr. Kavounas gave a report.

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

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

(0:15:30) Mr. Malone gave a report.

(0:16:03)

Motion by Mr. Darron Poulsen, seconded by Vice-Chair Jeff Pierson, and by unanimous vote

Moved to support Watermaster staff's recommendation on Business Item II.B., to change the Ground-Level Monitoring Committee annual reporting from a calendar year schedule to a fiscal year schedule as presented.

C. EXHIBIT "G" PHYSICAL SOLUTION TRANSFER RATE SUBSTITUTION

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

(0:16:30) Mr. Kavounas gave a report.

(0:17:34) Chair Geye announced that no rate was agreed upon at this time.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

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

(0:17:52) Mr. Herrema gave a report.

B. ENGINEER REPORT

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

(0:20:58) 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

None

D. GM REPORT

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

(0:21:33) 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 (ORAL)

1. Inland Empire Utilities Agency Proposition 1 Application

(0:22:15) Mr. Grindstaff gave a presentation. A discussion ensued.

F. INLAND EMPIRE UTILITIES AGENCY (WRITTEN)

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

G. OTHER METROPOLITAN MEMBER AGENCY REPORTS

None

IV. INFORMATION

1. Cash Disbursements for September 2017

V. COMMITTEE MEMBER COMMENTS

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

None

ADJOURNMENT

Chair Geye adjourned the Advisory Committee meeting at 9:45 a.m.

Secretary: _____

Approved: _____

Attachment: Volume Vote for Consent Calendar Items I.F., Calmat Co., and I.G., NCL Co., LLC, Requests for Intervention Into Appropriative Pool



2017 ADVISORY COMMITTEE VOLUME VOTE

Assessment Year 2016-2017 (Production Year 2015-2016)

**QUORUM
MET?
YES**

Enter Y or N in Each Cell

Party	Present (Y/N)	Vote (Y/N)	Assigned	Reallocated	Available	Quorum	Total Yes
Minor 1 San Antonio Water Company	Y	N	3.158	0.000	3.158	3.158	0.000
Minor 2 Monte Vista Irrigation Company	Y	N	3.158	0.000	3.158	3.158	0.000
Chino Hills, City Of	Y	N	2.090	0.000	2.090	2.090	0.000
Chino, City Of	Y	N	2.759	0.000	2.759	2.759	0.000
Cucamonga Valley Water District	Y	Y	11.040	0.000	11.040	11.040	11.040
Fontana Union Water Company	Y	Y	4.371	0.000	4.371	4.371	4.371
Fontana Water Company	Y	Y	6.389	0.000	6.389	6.389	6.389
Jurupa Community Services District	Y	Y	5.144	0.000	5.144	5.144	5.144
Monte Vista Water District	Y	N	6.721	0.000	6.721	6.721	0.000
Ontario, City Of	Y	Y	15.309	0.000	15.309	15.309	15.309
Pomona, City Of	Y	Y	11.826	0.000	11.826	11.826	11.826
Upland, City Of	Y	N	3.035	0.000	3.035	3.035	0.000
AGRICULTURAL POOL	Y	Y	20.000	0.000	20.000	20.000	20.000
NON-AGRICULTURAL POOL	Y	Y	5.000	0.000	5.000	5.000	5.000
			100.000	0.000	100.000	100.000	79.080

CALCULATE QUORUM	CALCULATE VOTES
RESET ALL	RESET VOTES

"YES" VOTES
79.080%

"NO" VOTES
20.920%

PASSED

P5

Volume Vote for Consent Calendar Items I.F., Calmat Co., and I.G., NCL Co., LLC, Requests for Intervention Into Appropriative Pool from October 19, 2017 Advisory Committee Meeting.

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR (Watermaster Board Only)

A. MINUTES

1. Watermaster Board Meeting held on October 26, 2017
2. Watermaster Board Special Meeting held on November 9, 2017

DRAFT MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
October 26, 2017

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on October 26, 2017.

WATERMASTER BOARD MEMBERS PRESENT

Robert DiPrimio, Vice-Chair
Bob Kuhn, Secretary/Treasurer
Kathy Tiegs for James Curatalo
Bob Bowcock
Geoffrey Vanden Heuvel
Paul Hofer
Steve Elie
Gino L. Filippi
Don Galleano

Fontana Water Company
Three Valleys Municipal Water District
Cucamonga Valley Water District
Calmat Company
Agricultural Pool – Dairy
Agricultural Pool – Crops
Inland Empire Utilities Agency
City of Upland
Western Municipal Water District

WATERMASTER BOARD MEMBER ABSENT

James Curatalo, Chair

Cucamonga Valley Water District

WATERMASTER STAFF PRESENT

Peter Kavounas
Joseph Joswiak
Edgar Tellez Foster
Anna Truong

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

WATERMASTER CONSULTANTS PRESENT

Scott Slater
Brad Herrema
Mark Wildermuth
Andy Malone

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

OTHERS PRESENT

Todd Corbin
Brian Geye
Bob Feenstra
Eunice Ulloa
Steve Sentes
Eduardo Espinoza
Ron Craig
Joe Grindstaff
Pete Hall
Rosemary Hoerning
John Bosler
Katie Gienger
Braden Yu
Sylvie Lee
Kati Parker
Curtis Paxton
Charles Moorrees
Craig Miller
Jeff Pierson
Mark Kinsey
Darron Poulsen

Jurupa Community Services District
California Speedway Corporation
Agricultural Pool – Dairy
City of Chino
Chino Basin Water Conservation District
Cucamonga Valley Water District
City of Chino Hills
Inland Empire Utilities Agency
State of California – CIM
City of Upland
Cucamonga Valley Water District
City of Ontario
Cucamonga Valley Water District
Inland Empire Utilities Agency
Inland Empire Utilities Agency
Chino Basin Desalter Authority
San Antonio Water Company
Western Municipal Water District
Agricultural Pool – Crops
Monte Vista Water District
City of Pomona

Amanda Coker
Dave Crosley
David De Jesus
Raul Garibay
Art Kidman

City of Chino
City of Chino
Three Valleys Municipal Water District
City of Pomona
Kidman Law, LLP

CALL TO ORDER

Vice-Chair DiPrimio chaired the meeting and called the Watermaster Board meeting to order at 11:00 a.m.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

None

AGENDA - ADDITIONS/REORDER

(0:00:46) Vice-Chair DiPrimio announced that Ms. Tiegs will be representing Cucamonga Valley Water District, in Chair Curatalo's absence.

(0:01:09) Mr. Kuhn asked for confidential session to be taken first.

(0:01:35)

Motion by Mr. Bob Kuhn, seconded by Mr. Geoffrey Vanden Heuvel, and by unanimous vote.

Moved to approve reordering of the agenda to take confidential session first.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Meeting held September 28, 2017
2. Minutes of the Watermaster Board Special Meeting held October 13, 2017

B. FINANCIAL REPORTS

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

C. MASTER SERVICE AGREEMENT BETWEEN ACCENT COMPUTER SOLUTIONS, INC. AND CHINO BASIN WATERMASTER

Approve and authorize the General Manager to execute the contract on behalf of Watermaster.

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

Approve and authorize the General Manager to execute the contract on behalf of Watermaster.

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

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

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

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

G. CALMAT CO. REQUEST FOR INTERVENTION INTO APPROPRIATIVE POOL

File the request for intervention with the Court.

H. NCL CO., LLC REQUEST FOR INTERVENTION INTO APPROPRIATIVE POOL

File the request for intervention with the Court.

(0:02:29) Vice-Chair DiPrimio stated there is a request to pull Consent Calendar Items I.G. and I.H. for separate discussion.

(0:02:40)

Motion by Mr. Steve Elie, seconded by Ms. Kathy Tiegs, and by unanimous vote.

Moved to approve the Consent Calendar as presented, excluding Items I.G. and I.H.

(0:03:02) Mr. Kinsey commented on Consent Calendar Items I.G. and I.H. A discussion ensued.

(0:15:27)

Motion by Mr. Steve Elie, seconded by Mr. Bob Kuhn, and by unanimous vote.

Moved to approve the Consent Calendar Items I.G. and I.H. as presented.

II. BUSINESS ITEMS

A. DESALTER REPLENISHMENT OBLIGATION ALLOCATION

No action is being recommended to the Board at this time.

(0:15:58) Mr. Kavounas stated that there was nothing further to add regarding Desalter Replenishment Obligation Allocation. The item was previously discussed during confidential session.

(0:16:05) Mr. Galleano stated he supports Watermaster staff's direction.

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

Approve the suggested changes to the Ground-Level Monitoring Committee annual reporting schedule and file with the Court.

(0:16:27) Mr. Malone gave a report.

Messrs. Elie and Filippi stepped out of the room and were not present for the vote on this item.

(0:17:42)

Motion by Mr. Geoffrey Vanden Heuvel, seconded by Mr. Bob Bowcock, and by unanimous vote.

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

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. Petitions for Extension of Time (State Water Board Permits 19895 and 20753)

(0:18:04) Mr. Slater gave a report.

B. ENGINEER REPORT

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

(0:20:58) Mr. Malone gave a report. A discussion ensued.

C. CFO REPORT

None

D. GM REPORT

- 1. DYY Program Update
- 2. Preservation of Well Data
- 3. FY 2017/18 First Interim Organization Performance Report
- 4. November Meeting Schedule
- 5. Other

(0:24:06) Mr. Kavounas gave a report Item III.D.1. A discussion ensued.

(0:25:54) Mr. Tellez Foster gave a report on Item III.D.2.

(0:27:46) Mr. Kavounas gave a report on Item III.D.3. A discussion ensued.

(0:32:48) Mr. Kavounas announced that the next Board meeting conflicts with the Thanksgiving Holiday and therefore, will be moved up a week to November 16, 2017.

E. INLAND EMPIRE UTILITIES AGENCY REPORT

- 1. Inland Empire Utilities Agency Proposition 1 Application

(0:33:37) Mr. Grindstaff gave a presentation. A discussion ensued.

IV. INFORMATION

- 1. Cash Disbursements for September 2017

V. BOARD MEMBER COMMENTS

(0:48:50) Ms. Tiegs thanked those involved with the active recharge at Victoria Basin as it helped out tremendously during the recent fire storms.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Vice-Chair DiPrimio called for a confidential session at 11:04 a.m. to discuss the Notices of Appeal from April 28, 2017 Order. Confidential session concluded at 12:03 p.m. Mr. Slater provided the following reportable actions:

(0:02:05)

- 1. The Board has resolved to conduct a settlement conference on Thursday, November 9, 2017 at a time to be determined.
- 2. The Board will also hold a confidential session meeting following the settlement conference on November 9, 2017.

ADJOURNMENT

Vice-Chair DiPrimio adjourned the Watermaster Board meeting at 12:51 p.m.

Secretary: _____

Approved: _____

DRAFT MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD SPECIAL MEETING

November 9, 2017

The Watermaster Board special meeting was held at the offices of Chino Basin Watermaster and via conference call using the Chino Basin Watermaster conference call number on November 9, 2017.

WATERMASTER BOARD MEMBERS PRESENT AT WATERMASTER

James Curatalo, Chair	Cucamonga Valley Water District
Robert DiPrimio, Vice-Chair	Fontana Water Company
Bob Kuhn, Secretary/Treasurer	Three Valleys Municipal Water District
Brian Geye for Bob Bowcock	California Speedway Corporation
Steve Elie	Inland Empire Utilities Agency
Gino L. Filippi	City of Upland
Paul Hofer	Agricultural Pool – Crops
Geoffrey Vanden Heuvel	Agricultural Pool – Dairy

WATERMASTER BOARD MEMBER PRESENT ON CALL

Don Galleano	Western Municipal Water District
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WATERMASTER BOARD MEMBER ABSENT

Bob Bowcock	Calmat Co.
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WATERMASTER STAFF PRESENT AT WATERMASTER

Peter Kavounas	General Manager
Edgar Tellez Foster	Senior Environmental Engineer
Anna Truong	Executive Services Director/Board Clerk

WATERMASTER CONSULTANTS PRESENT AT WATERMASTER

Scott Slater	Brownstein Hyatt Farber Schreck, LLP
Brad Herrema	Brownstein Hyatt Farber Schreck, LLP

OTHERS PRESENT AT WATERMASTER

Bob Feenstra	Agricultural Pool – Dairy
Todd Corbin	Jurupa Community Services District
Jeff Pierson	Agricultural Pool – Crops
Teri Layton	San Antonio Water Company

CALL TO ORDER

Chair Curatalo called the special Board meeting to order at 11:04 a.m.

PUBLIC COMMENTS

None

AGENDA - ADDITIONS/REORDER

None

I. CONFIDENTIAL SESSION - POSSIBLE ACTION

The Board went into confidential session to discuss Notices of Appeal from April 28, 2017 Order. Confidential session concluded at 11:57 a.m. with no reportable action.

ADJOURNMENT

Chair Curatalo adjourned the Watermaster Board special meeting at 11:57 a.m.

Secretary: _____

Approved: _____

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of September 2017
2. Watermaster VISA Check Detail for the month of September 2017
3. Combining Schedule for the Period July 1, 2017 through September 30, 2017
4. Treasurer's Report of Financial Affairs for the Period September 1, 2017 through September 30, 2017
5. Budget vs. Actual Report for the Period July 1, 2017 through September 30, 2017



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: November 16, 2017
TO: Advisory Committee and Board Members
SUBJECT: Cash Disbursement Report - Financial Report B1 (September 30, 2017)

SUMMARY

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

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

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

Future Consideration

Advisory Committee – November 16, 2017: Receive and File

Watermaster Board – November 16, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – November 9, 2017: Unanimously approved

Non-Agricultural Pool – November 9, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – November 13, 2017:

Advisory Committee – November 16, 2017:

Watermaster Board – November 16, 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 September 2017 were \$834,301.41.

The most significant expenditures during the month were to Inland Empire Utilities Agency in the amounts of \$71,667.98 and \$264,407.72 (check number 20345 dated September 11, 2017 and check number 20383 dated September 26, 2017); Wildermuth Environmental, Inc. in the amount of \$227,400.57 (check number 20393 dated September 26, 2017); and Brownstein Hyatt Farber Schreck in the amount of \$51,250.01 (check number 20371 dated September 19, 2017).

ATTACHMENTS

1. Financial Report - B1

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/05/2017	ACH 090517	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	08/26/2017	08/26/2017	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 08/13/17-08/26/17	2000 · Accounts Payable	6,739.16
TOTAL						6,739.16
General Journal	09/09/2017	09/09/2017	Payroll and Taxes for 08/27/17-09/09/17	Payroll and Taxes for 08/27/17-09/09/17	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 08/27/17-09/09/17	1012 · Bank of America Gen'l Ckg	25,500.55
				Payroll Taxes for 08/27/17-09/09/17	1012 · Bank of America Gen'l Ckg	9,243.46
			ICMA-RC	457(b) Employee Deductions for 08/27/17-09/09/17	1012 · Bank of America Gen'l Ckg	4,410.56
			ICMA-RC	401(a) Employee Deductions for 08/27/17-09/09/17	1012 · Bank of America Gen'l Ckg	1,276.75
TOTAL						40,431.32
Bill Pmt -Check	09/11/2017	20342	APPLIED COMPUTER TECHNOLOGIES	2913	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	2913		Database Consulting - August 2017	6052.2 · Applied Computer Technol	4,314.20
TOTAL						4,314.20
Bill Pmt -Check	09/11/2017	20343	FEENSTRA, BOB	Ag Pool Fund Expenses	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017			Reimburse meeting expenses-Ag Pool Fund	8485 · Ag Pool - Misc. Expense-Ag Fund	57.02
TOTAL						57.02
Bill Pmt -Check	09/11/2017	20344	GEYE, BRIAN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/30/2017	8/30 Storage Wkshp		8/30/17 Storage Workshop	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	09/11/2017	20345	INLAND EMPIRE UTILITIES AGENCY	1800003394	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	1800003394		RMPU Yield Enhancement Projects Inv# 5	7690.15 · RMPU Amend. Yield (TO #1)	71,667.98
TOTAL						71,667.98
Bill Pmt -Check	09/11/2017	20346	PURCHASE POWER	8000-9090-0016-8851	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	8000909000168851		Postage refill	6042 · Postage - General	500.00
TOTAL						500.00
Bill Pmt -Check	09/11/2017	20347	STATE COMPENSATION INSURANCE FUND	1970970-17	1012 · Bank of America Gen'l Ckg	
Bill	09/01/2017	1970970-17		Monthly premium 8/26/17-9/26/17	60183 · Worker's Comp Insurance	520.50
TOTAL						520.50
Bill Pmt -Check	09/11/2017	20348	VISTAGE WORLDWIDE, INC.	SOPINV00000588121	1012 · Bank of America Gen'l Ckg	
Bill	08/20/2017	SOPINV00000588121		Membership dues for Oct. 2017 - Sept. 2018	1433 · Prepaid Membership Dues	16,482.00
TOTAL						16,482.00

TOTAL
15

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

Financial Report - B1

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/11/2017	20349	WESTERN MUNICIPAL WATER DISTRICT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/30/2017	8/30 Storage Wkshp		8/30/17 Storage Workshop	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	09/11/2017	20350	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	09/01/2017	08-k2 213849		Disposal Service - September 2017	6024 · Building Repair & Maintenance	117.14
TOTAL						117.14
Bill Pmt -Check	09/14/2017	20351	ACWA JOINT POWERS INSURANCE AUTHORITY\	0499665	1012 · Bank of America Gen'l Ckg	
Bill	09/12/2017	0505415		Prepayment - October 2017	1409 · Prepaid Life, BAD&D & LTD	146.27
				September 2017	60191 · Life & Disab.Ins Benefits	144.62
TOTAL						290.89
Bill Pmt -Check	09/14/2017	20352	CLEAN TECH SERVICES	7679	1012 · Bank of America Gen'l Ckg	
Bill	09/07/2017	7679		Window cleaning for office windows	6024 · Building Repair & Maintenance	284.00
TOTAL						284.00
Bill Pmt -Check	09/14/2017	20353	COMPUTER NETWORK	102905	1012 · Bank of America Gen'l Ckg	
Bill	09/05/2017	102905		SSD for GM's desktop	6055 · Computer Hardware	264.00
TOTAL						264.00
Bill Pmt -Check	09/14/2017	20354	CORELOGIC INFORMATION SOLUTIONS	81829026	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	81829026		81829026	7103.7 · Grdwtr Qual-Computer Svc	62.50
				81829026	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	09/14/2017	20355	CURATALO, JAMES	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/14/2017	8/14 Admin Mtg		8/14/17 Admin Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	09/14/2017	20356	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/28/2017	8/28 Special Ag		8/28/17 Special Ag Pool meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						125.00
Bill Pmt -Check	09/14/2017	20357	FEDAK & BROWN LLP	Audit Progress	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017			August 2017	6062 · Audit Services	3,680.00
TOTAL						3,680.00
Bill Pmt -Check	09/14/2017	20358	HUITSING, JOHN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/28/2017	8/28 Special Ag Mtg		8/28/17 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						125.00
Bill Pmt -Check	09/14/2017	20359	KUHN, BOB	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/16/2017	8/16 Admin Mtg		8/16/17 Admin meeting	6311 · Board Member Compensation	125.00
Bill	08/28/2017	8/28 Admin Mtg		8/28/17 Admin meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	09/14/2017	20360	LOEB & LOEB LLP	1734651	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	1734651		Non-Ag Pool Legal Services - August 2017	8567 · Non-Ag Legal Service	7,569.00
TOTAL						7,569.00
Bill Pmt -Check	09/14/2017	20361	MINDSHIFT	0254110	1012 · Bank of America Gen'l Ckg	
Bill	09/01/2017	0254110		IT Managed Services	6052.4 · IT Managed Services	3,770.00
				Backup & Recovery	6052.5 · IT Data Backup/Storage	792.00
TOTAL						4,562.00
Bill Pmt -Check	09/14/2017	20362	PAYCHEX	2017083100	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	2017083100		August 2017	6012 · Payroll Services	466.51
TOTAL						466.51
Bill Pmt -Check	09/14/2017	20363	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/03/2017	8/03 Special Advis		8/03/17 Special Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	08/28/2017	8/28 Special Ag Pool		8/28/17 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	08/30/2017	8/30 Storage Wkshp		8/30/17 Storage Workshop	8470 · Ag Meeting Attend -Special	125.00
TOTAL						375.00
Bill Pmt -Check	09/14/2017	20364	PIETERSMA, RONALD	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	08/28/2017	8/28 Ag Pool Mtg		8/28/17 Special Ag Pool Meeting	8411 · Compensation	25.00
				8/28/17 Special Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	09/14/2017	20365	PREMIERE GLOBAL SERVICES	24294407	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	24294407		DRO Assessment call on 8/01	6909.1 · OBMP Meetings	20.10
				AR report coordination call on 8/02	6909.1 · OBMP Meetings	6.06
				Advisory Committee Special Meeting call on 8/03	6212 · Meeting Expense	29.60
				AR report coordination call on 8/10	6909.1 · OBMP Meetings	6.10
				Evaporative Loss call on 8/24	6909.1 · OBMP Meetings	13.17
				Fee - General	6022 · Telephone	49.00
				Fee - Confidential	6022 · Telephone	49.00
				DYY call on 7/31	6909.1 · OBMP Meetings	6.11

P17

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
				Storage discussion call on 8/25	6909.1 · OBMP Meetings	12.40
				Service fee	6022 · Telephone	3.56
TOTAL						195.10
Bill Pmt -Check	09/14/2017	20366	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
Bill	09/08/2017	1394905143		Annual Unfunded Accrued Liability	60180 · Employers PERS Expense	4,348.52
TOTAL						4,348.52
Bill Pmt -Check	09/14/2017	20367	RR FRANCHISING, INC.	44310	1012 · Bank of America Gen'l Ckg	
Bill	09/01/2017	44310		Janitorial Service - September 2017	6024 · Building Repair & Maintenance	740.00
TOTAL						740.00
Bill Pmt -Check	09/14/2017	20368	STAPLES BUSINESS ADVANTAGE	8046271160	1012 · Bank of America Gen'l Ckg	
Bill	09/02/2017	8046271160		Copy paper	6031.1 · Copy Paper	66.55
TOTAL						66.55
Bill Pmt -Check	09/14/2017	20369	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	7076224530355049		Vehicle Fuel - August 2017	6175 · Vehicle Fuel	57.91
TOTAL						57.91
Bill Pmt -Check	09/14/2017	20370	VERIZON WIRELESS	9792158507	1012 · Bank of America Gen'l Ckg	
Bill	09/12/2017	9792158507		Acct #470810953-00001	6022 · Telephone	413.06
TOTAL						413.06
Check	09/15/2017	09/15/2017	Service Charge	Service Charge	1012 · Bank of America Gen'l Ckg	
				Service Charge	6039.1 · Banking Service Charges	418.56
TOTAL						418.56
Bill Pmt -Check	09/15/2017	ACH 091517	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	09/09/2017	09/09/2017	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 08/27/17-09/09/17	2000 · Accounts Payable	6,739.16
TOTAL						6,739.16
Bill Pmt -Check	09/19/2017	20371	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	691560		NRG BK	6078 · BHFS Legal - Miscellaneous	1,004.63
				Angelica BK	6078 · BHFS Legal - Miscellaneous	1,206.67
				Desalter Repelnishment Assessment	6078 · BHFS Legal - Miscellaneous	803.25
				OBMP	6078 · BHFS Legal - Miscellaneous	4,344.30
				IEUA Cost Sharing Agreement	6078 · BHFS Legal - Miscellaneous	2,963.70
				691560	6078 · BHFS Legal - Miscellaneous	12,869.55
				Research - Lexis	6078 · BHFS Legal - Miscellaneous	37.74

TOTAL
818

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
				Mileage/Parking Expenses	6078 · BHFS Legal - Miscellaneous	36.10
Bill	08/31/2017	691561		691561	6907.34 · Santa Ana River Water Rights	659.70
Bill	08/31/2017	691562		691562	6907.36 · Santa Ana River Habitat	191.25
Bill	08/31/2017	691563		691563	6275 · BHFS Legal - Advisory Committee	153.00
Bill	08/31/2017	691564		691564	6375 · BHFS Legal - Board Meeting	76.50
Bill	08/31/2017	691565		691565	6072 · BHFS Legal - Rules & Regs	285.75
Bill	08/31/2017	691566		691566	6907.38 · Reg. Water Quality Cntrl Board	1,455.30
Bill	08/31/2017	691567		691567	6907.39 · Recharge Master Plan	485.55
Bill	08/31/2017	691568		691568	6907.40 · Storage Agreements	10,510.20
				Mileage/Parking Expense	6907.40 · Storage Agreements	36.10
Bill	08/31/2017	691569		691569	6907.42 · Safe Yield Recalculation	12,726.00
				Filing Fee	6907.34 · Santa Ana River Water Rights	10.50
				Research	6907.42 · Safe Yield Recalculation	3.72
Bill	08/31/2017	691570		691570	6907.44 · SGMA Compliance	1,390.50
TOTAL						51,250.01
P19						
Bill Pmt -Check	09/26/2017	20372	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	XXXX-XXXX-XXXX-9341		Purchase battery backup	6055 · Computer Hardware	45.78
				Purchase power supply for GM laptop (2)	6055 · Computer Hardware	57.98
				Purchase software for GIS desktop	6054 · Computer Software	22.01
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	236.89
				Renew notary for A. Truong	6111 · Membership Dues	458.34
				Purchase stamp and ink	6031.7 · Other Office Supplies	14.52
				Purchase back support pillow	6031.7 · Other Office Supplies	16.99
				Membership for C. Gregory in IAAP	6111 · Membership Dues	150.00
				Lunch for staff for online seminar/training	6192 · Seminars - General	66.39
				Lunch for pre-storage workshop meeting	7604 · PE8&9-Supplies	86.53
				Purchase 5 water bottles	6031.7 · Other Office Supplies	73.20
				Reg.-ETF attend 10/6/17 ACWA Region Event	6191 · Conferences - General	65.00
				Reg.-PK attend 10/6/17 ACWA Region Event	6191 · Conferences - General	65.00
				Lunch for OBMP update meeting	6909.1 · OBMP Meetings	93.35
TOTAL						1,451.98
Bill Pmt -Check	09/26/2017	20373	BLUERIDGE SOFTWARE, INC.	9549	1012 · Bank of America Gen'l Ckg	
Bill	09/15/2017	9549		Annual support/maintenance 10/25/17-10/24/18	6054 · Computer Software	629.82
TOTAL						629.82
Bill Pmt -Check	09/26/2017	20374	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	09/14/2017	1394905143		1394905143	60182.1 · Medical Insurance	8,174.35
TOTAL						8,174.35

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/26/2017	20375	CUCAMONGA VALLEY WATER DISTRICT	Rent Expense	1012 - Bank of America Gen'l Ckg	
Bill	09/19/2017			Office lease due October 1, 2017	1422 - Prepaid Rent	6,608.80
TOTAL						<u>6,608.80</u>
Bill Pmt -Check	09/26/2017	20376	EGOSCUE LAW GROUP	11713	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2017	11713		Ag Pool Legal Services - August 2017	8467 - Ag Legal & Technical Services	22,562.50
TOTAL						<u>22,562.50</u>
Bill Pmt -Check	09/26/2017	20377	EUROFINS EATON ANALYTICAL		1012 - Bank of America Gen'l Ckg	
Bill	08/08/2017	L0341130		L0341130	7103.5 - Grdwtr Qual-Lab Svcs	1,256.00
Bill	08/08/2017	L0341590		L0341590	7103.5 - Grdwtr Qual-Lab Svcs	3,140.00
Bill	08/08/2017	L0343035		L0343035	7103.5 - Grdwtr Qual-Lab Svcs	1,884.00
Bill	08/08/2017	L0342449		L0342449	7103.5 - Grdwtr Qual-Lab Svcs	3,140.00
Bill	08/08/2017	L0343520		L0343520	7103.5 - Grdwtr Qual-Lab Svcs	2,104.00
Bill	08/08/2017	L0343519		L0343519	7103.5 - Grdwtr Qual-Lab Svcs	1,884.00
Bill	08/23/2017	L0345675		L0345675	7103.5 - Grdwtr Qual-Lab Svcs	848.00
TOTAL						<u>14,256.00</u>
P20 Bill Pmt -Check	09/26/2017	20378	FEENSTRA, BOB	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	08/28/2017	8/28 Special Ag Mtg		8/28/17 Special Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	08/30/2017	8/30 Storage Wkshp		8/30/17 Storage Workshop	8470 - Ag Meeting Attend -Special	125.00
Bill	08/30/2017	8/30 S. Burton Mtg		8/30/17 Mtg. w/Burton & Gienger-City of Ontario	8470 - Ag Meeting Attend -Special	125.00
Bill	08/31/2017	7/13 Ag Pool Mtg		7/13/17 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	08/31/2017	7/20 Advisory Comm		7/20/17 Advisory Committee meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	08/31/2017	7/27 Board Mtg		7/27/17 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						<u>750.00</u>
Bill Pmt -Check	09/26/2017	20379	FIRST LEGAL NETWORK LLC	40011765	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2017	40011765		Filings on 8/11/17, 8/16/17	6061.5 - Court Filing Services	212.04
TOTAL						<u>212.04</u>
Bill Pmt -Check	09/26/2017	20380	FRONTIER COMMUNICATIONS	909-484-3890-050914-5	1012 - Bank of America Gen'l Ckg	
Bill	09/18/2017	90948438880509145		Office fax lines	6022 - Telephone	141.45
TOTAL						<u>141.45</u>
Bill Pmt -Check	09/26/2017	20381	GRAINGER	954995506	1012 - Bank of America Gen'l Ckg	
Bill	09/07/2017	9549495506		Miscellaneous supplies	7103.6 - Grdwtr Qual-Supplies	99.93
TOTAL						<u>99.93</u>

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/26/2017	20382	GREAT AMERICA LEASING CORP.	21315096	1012 · Bank of America Gen'l Ckg	
Bill	09/15/2017	21315096		Invoice for September 2017	6043.1 · Ricoh Lease Fee	2,553.68
TOTAL						2,553.68
Bill Pmt -Check	09/26/2017	20383	INLAND EMPIRE UTILITIES AGENCY	90020825	1012 · Bank of America Gen'l Ckg	
Bill	10/01/2017	90020825		GW Recharge O&M Costs - 2nd Quarter	7206 · Comp Recharge-O&M	264,407.72
TOTAL						264,407.72
Bill Pmt -Check	09/26/2017	20384	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
Bill	09/15/2017	0111802		Employee deductions - September 2017	60194 · Other Employee Insurance	79.70
TOTAL						79.70
Bill Pmt -Check	09/26/2017	20385	McMASTER-CARR SUPPLY CO	46219719	1012 · Bank of America Gen'l Ckg	
Bill	09/18/2017	46219719		GW quality supplies	7103.6 · Grdwtr Qual-Supplies	29.80
TOTAL						29.80
Bill Pmt -Check	09/26/2017	20386	PLUMBING WHOLESALE OUTLET	S100202479.001	1012 · Bank of America Gen'l Ckg	
Bill	09/18/2017	S100202479.001		WQ supplies	7103.6 · Grdwtr Qual-Supplies	103.82
TOTAL						103.82
Bill Pmt -Check	09/26/2017	20387	R&D PEST SERVICES	0219320	1012 · Bank of America Gen'l Ckg	
Bill	09/18/2017	0219320		Pest control - inside and out	6024 · Building Repair & Maintenance	100.00
TOTAL						100.00
Bill Pmt -Check	09/26/2017	20388	RAUCH COMMUNICATION CONSULTANTS, LLC Sept-1701		1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	Sept-1701		AR39 - August 2017	6061.3 · Rauch	3,900.00
TOTAL						3,900.00
Bill Pmt -Check	09/26/2017	20389	SANTA ANA WATERSHED PROJECT AUTHORIT 9292		1012 · Bank of America Gen'l Ckg	
Bill	08/08/2017	9292		FY 2017-18 Santa Ana River TMDL Task Force	8471 · Ag Pool Expense	11,153.00
TOTAL						11,153.00
Bill Pmt -Check	09/26/2017	20390	SOCIETY FOR HUMAN RESOURCE MANAGEME 9007062525		1012 · Bank of America Gen'l Ckg	
Bill	09/18/2017	9007062525		Membership-Joswiak 12/01/17-11/30/18	6111 · Membership Dues	199.00
TOTAL						199.00
Bill Pmt -Check	09/26/2017	20391	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2017			Retiree Medical	60182.4 · Retiree Medical	22.24
TOTAL						22.24

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/26/2017	20392	UNITED HEALTHCARE		1012 · Bank of America Gen'l Ckg	
Bill	09/13/2017	0044386300		Dental Insurance Premium - October 2017	60182.2 · Dental & Vision Ins	749.75
TOTAL						749.75
Bill Pmt -Check	09/26/2017	20393	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	2017243		2017243	6906.32 · OBMP-Other General Meetings	3,289.73
Bill	08/31/2017	2017244		2017244	6906.74 · OBMP-Mat'l Phy. Injury Requests	13,486.75
Bill	08/31/2017	2017245		2017245	6906.71 · OBMP-Data Req.-CBWM Staff	1,599.50
Bill	08/31/2017	2017246		2017246	6906.71 · OBMP-Data Req.-CBWM Staff	5,453.50
Bill	08/31/2017	2017247		2017247	6906.72 · OBMP-Data Req.-Non CBWM Staff	195.00
Bill	08/31/2017	2017248		2017248	6906.22 · Water Rights Compliance Rprting	8,236.10
Bill	08/31/2017	2017249		2017249	6906 · OBMP Engineering Services	1,414.00
Bill	08/31/2017	2017250		2017250	6906.1 · OBMP-Watermaster Model Update	12,604.50
Bill	08/31/2017	2017251		2017251	6906.9 · OBMP-2018 RMPU Master Update	21,059.00
Bill	08/31/2017	2017252		2017252	6906.81 · Prepare Annual Reports	5,543.30
Bill	08/31/2017	2017253		2017253	7103.3 · Grdwtr Qual-Engineering	22,150.22
Bill	08/31/2017	2017254		2017254	7104.3 · Grdwtr Level-Engineering	14,649.11
Bill	08/31/2017	2017255		2017255	7107.2 · Grd Level-Engineering	4,032.33
Bill	08/31/2017	2017256		2017256	7108.31 · Hydraulic Control - PBHSP	857.20
Bill	08/31/2017	2017257		2017257	7109.3 · Recharge & Well - Engineering	902.30
Bill	08/31/2017	2017258		2017258	7202.2 · Engineering Svc	17,759.10
Bill	08/31/2017	2017259		2017259	7402 · PE4-Engineering	6,144.75
Bill	08/31/2017	2017260		2017260	7402.10 · PE4 - Northwest MZ1 Area Proj.	26,999.75
Bill	08/31/2017	2017261		2017261	7502 · PE6&7-Engineering	12,541.80
Bill	08/31/2017	2017262		2017262	7510 · PE6&7-IEUA Salinity Mgmt. Plan	2,186.90
Bill	08/31/2017	2017263		2017263	7602 · PE8&9-Engineering	46,295.73
TOTAL						227,400.57
General Journal	09/29/2017	09/29/2017	Payroll and Taxes for 09/10/17-09/23/17	Payroll and Taxes for 09/10/17-09/23/17	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 09/10/17-09/23/17	1012 · Bank of America Gen'l Ckg	23,247.38
				Payroll Taxes for 09/10/17-09/23/17	1012 · Bank of America Gen'l Ckg	7,893.02
			ICMA-RC	457(b) Employee Deductions for 09/10/17-09/23/17	1012 · Bank of America Gen'l Ckg	4,410.56
			ICMA-RC	401(a) Employee Deductions for 09/10/17-09/23/17	1012 · Bank of America Gen'l Ckg	1,276.75
TOTAL						36,827.71
Bill Pmt -Check	09/29/2017	ACH 092917	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	09/29/2017	09/29/2017	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 09/10/17-09/23/17	2000 · Accounts Payable	6,739.16
TOTAL						6,739.16
General Journal	09/30/2017	09/30/2017	Wage Works FSA Direct Debits-Sept. 2017	Wage Works FSA Direct Debits - Sept. 2017	1012 · Bank of America Gen'l Ckg	

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2017

Type	Date	Num	Name	Memo	Account	Paid Amount
				Wage Works FSA Direct Debits - Sept. 2017	1012 · Bank of America Gen'l Ckg	696.15
				Wage Works FSA Direct Debits - Sept. 2017	1012 · Bank of America Gen'l Ckg	696.15
				Wage Works FSA Direct Debits - Sept. 2017	1012 · Bank of America Gen'l Ckg	81.50
TOTAL						<u>1,473.80</u>
					Total Disbursements:	<u><u>834,301.41</u></u>

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: November 16, 2017
TO: Advisory Committee and Board Members
SUBJECT: VISA Check Detail Report - Financial Report B2 (September 30, 2017)

SUMMARY

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

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

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

Future Consideration

Advisory Committee – November 16, 2017: Receive and File

Watermaster Board – November 16, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – November 9, 2017: Unanimously approved

Non-Agricultural Pool – November 9, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – November 13, 2017:

Advisory Committee – November 16, 2017:

Watermaster Board – November 16, 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 September 2017 were \$1,451.98. The payment was processed in the amount of \$1,451.98 (by check number 20372 dated September 26, 2017). The monthly charges for September 2017 of \$1,451.98 were for routine and customary expenditures and properly documented with receipts.

ATTACHMENTS

1. Financial Report - B2

CHINO BASIN WATERMASTER
VISA Check Detail Report
September 2017

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/26/2017	20372	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	08/31/2017	XXXX-XXXX-XXXX-9341		Purchase battery backup	6055 · Computer Hardware	45.78
				Purchase power supply for GM laptop (2)	6055 · Computer Hardware	57.98
				Purchase software for GIS desktop	6054 · Computer Software	22.01
				Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	236.89
				Renew notary for A. Truong	6111 · Membership Dues	458.34
				Purchase stamp and ink	6031.7 · Other Office Supplies	14.52
				Purchase back support pillow	6031.7 · Other Office Supplies	16.99
				Membership for C. Gregory in IAAP	6111 · Membership Dues	150.00
				Lunch for staff for online seminar/training	6192 · Seminars - General	66.39
				Lunch for pre-storage workshop meeting	7604 · PE8&9-Supplies	86.53
				Purchase 5 water bottles	6031.7 · Other Office Supplies	73.20
				Reg.-ETF attend 10/6/17 ACWA Region Event	6191 · Conferences - General	65.00
				Reg.-PK attend 10/6/17 ACWA Region Event	6191 · Conferences - General	65.00
				Lunch for OBMP update meeting	6909.1 · OBMP Meetings	93.35
					Total Disbursements:	<u>1,451.98</u>

TOTAL

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: November 16, 2017
TO: Advisory Committee and Board Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2017 through September 30, 2017 - Financial Report B3 (September 30, 2017)

SUMMARY

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

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

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

Future Consideration

Advisory Committee – November 16, 2017: Receive and File

Watermaster Board – November 16, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – November 9, 2017: Unanimously approved

Non-Agricultural Pool – November 9, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – November 13, 2017:

Advisory Committee – November 16, 2017:

Watermaster Board – November 16, 2017:

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Net Assets for the period July 1, 2017 through September 30, 2017 is provided to keep all members apprised of the FY 2017/18 cumulative Watermaster revenues, expenditures and changes in net assets for the period listed.

DISCUSSION

The Combining Schedule of Revenue, Expenses and Changes in Net Assets has been created from various financial reports and statements created from Intuit QuickBooks Enterprise Solutions 18.0, the Watermaster accounting system. The Combining Schedule provided balances to the supporting documentation in the Watermaster accounting system as presented.

ATTACHMENTS:

1. Financial Report - B3

CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE PERIOD JULY 1, 2017 THROUGH SEPTEMBER 30, 2017

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	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			23,779	1,312	19				25,110	39,906
Mutual Agency Project Revenue	193,622								193,622	191,626
Miscellaneous Income	21								21	0
Total Revenues	193,643	-	23,779	1,312	19	-	-	-	218,753	11,838,698
Administrative & Project Expenditures:										
Watermaster Administration	432,001								432,001	1,339,393
Watermaster Board-Advisory Committee	37,787								37,787	219,454
Ag Pool Misc. Expense - Ag Fund				57					57	400
Pool Administration			36,833	122,924	23,363				183,120	619,252
Optimum Basin Mgmt Administration		289,597							289,597	1,374,142
OBMP Project Costs		892,109							892,109	5,198,168
Debt Service		515,375							515,375	515,375
Basin Recharge Improvements		141,525							141,525	6,692,293
Total Administrative/OBMP Expenses	469,789	1,838,605	36,833	122,924	23,363	-	-	-	2,491,571	15,958,477
Net Administrative/OBMP Expenses	(276,145)	(1,838,605)								
Allocate Net Admin Expenses To Pools	276,145		200,473	65,458	10,214					
Allocate Net OBMP Expenses To Pools		1,181,706	857,881	280,116	43,709					
Allocate Debt Service to App Pool		515,375	515,375							
Allocate Basin Recharge to App Pool		141,525	141,525							
Agricultural Expense Transfer*			468,499	(468,499)						
Total Expenses			2,220,585	57	77,286	-	-	-	2,491,571	15,958,477
Net Administrative Income			(2,196,806)	1,254	(77,266)				(2,272,818)	(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		(2,272,818)	(2,196,806)	1,254	(77,266)	-	-	-	(2,272,818)	(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			6,841,984	487,488	(32,120)	(102,141)	(11,905)	(740,195)	6,443,112	6,443,112
16/17 Assessable Production			82,269.159	26,862.554	4,191.579				113,323.292	
16/17 Production Percentages			72.597%	23.704%	3.699%				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: November 16, 2017
TO: Advisory Committee and Board Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period September 1, 2017 through September 30, 2017 - Financial Report B4 (September 30, 2017)

SUMMARY

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

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

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

Future Consideration

Advisory Committee – November 16, 2017: Receive and File

Watermaster Board – November 16, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – November 9, 2017: Unanimously approved

Non-Agricultural Pool – November 9, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – November 13, 2017:

Advisory Committee – November 16, 2017:

Watermaster Board – November 16, 2017:

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period September 1, 2017 through September 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 18.0, the Watermaster accounting system. The Treasurer's Report provided, balances to the supporting documentation in the Watermaster accounting system, as well as the supporting bank statements.

ATTACHMENTS

1. Financial Report - B4

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

Financial Report - B4

DEPOSITORIES:

Cash on Hand - Petty Cash			\$	500
Bank of America				
Governmental Checking-Demand Deposits		\$	324,396	
Zero Balance Account - Payroll		\$	-	324,396
Trust Account - County of San Bernardino				15,000
Local Agency Investment Fund - Sacramento				7,655,833
TOTAL CASH IN BANKS AND ON HAND	9/30/2017		\$	7,995,729
TOTAL CASH IN BANKS AND ON HAND	8/31/2017			8,830,031
PERIOD INCREASE (DECREASE)			\$	(834,301)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable			\$	(25,006)
Assessments Receivable				-
Prepaid Expenses, Deposits & Other Current Assets				1,174
(Decrease)/Increase in Liabilities: Accounts Payable				(345,453)
Accrued Payroll, Payroll Taxes & Other Current Liabilities				4,109
Long Term Liabilities				5,195
Transfer to/(from) Reserves				(474,321)
PERIOD INCREASE (DECREASE)			\$	(834,301)

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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 8/31/2017	\$ 500	\$ 158,698	\$ -	\$ 15,000	\$ 8,655,833	\$ 8,830,031
Deposits	-	1,000,000	-	-	-	1,000,000
Transfers	-	(116,690)	(77,518)	-	(1,000,000)	(1,194,207)
Withdrawals/Checks	-	(717,612)	77,518	-	-	(640,094)
Balances as of 9/30/2017	\$ 500	\$ 324,396	\$ -	\$ 15,000	\$ 7,655,833	\$ 7,995,729
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 165,699	\$ -	\$ -	\$ (1,000,000)	\$ (834,301)

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
9/18/2017	Withdrawal		\$ (1,000,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (1,000,000)	\$0			

* The earnings rate for L.A.I.F. is a daily variable rate; 1.07% was the effective yield rate at the Quarter ended September 30, 2017.

**INVESTMENT STATUS
September 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	\$ 7,655,833			
TOTAL INVESTMENTS	\$ 7,655,833			

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

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

Respectfully submitted,



Joseph S. Joswiak
Chief Financial Officer
Chino Basin Watermaster

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CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: November 16, 2017
TO: Advisory Committee and Board Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2017 through September 30, 2017 -
Financial Report B5 (September 30, 2017)

SUMMARY

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

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

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

Future Consideration

Advisory Committee – November 16, 2017: Receive and File

Watermaster Board – November 16, 2017: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – November 9, 2017: Unanimously approved

Non-Agricultural Pool – November 9, 2017: Moved unanimously to receive and file, without approval

Agricultural Pool – November 13, 2017:

Advisory Committee – November 16, 2017:

Watermaster Board – November 16, 2017:

BACKGROUND

A Budget vs. Actual Report for the period July 1, 2017 through September 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 18.0, the Watermaster accounting system. The Budget vs. Actual report provided, balances to the supporting documentation in the Watermaster accounting system, as well as the supporting bank statements.

DISCUSSION

CURRENT MONTH – SEPTEMBER 2017

Year-To-Date (YTD) for the three months ending September 30, 2017, all but four categories were at or below the projected budget. The categories over budget were (1) Administration Salary/Benefits expenses (6010's) which were over budget by \$7,636 or 3.0% as a result of increased staff time and activities in the administrative functions. Please note that the overage is only in the administrative section, not with the entire consolidated staffing budget; (2) Watermaster Legal Services expenses (6070's) over budget by \$35,619 or 76.5% as a result of miscellaneous legal matters as detailed in the BHFS section; (3) Appropriative Pool Administrative expenses (8300's) over budget by \$1,723 or 4.9% as a result of increased legal services performed by the Appropriative Pool legal counsel during the months of July 2017 through September 2017; and (4) Agricultural Pool Legal Services (8467's) over budget by \$47,100 or 91.9% as a result of increased legal services performed during the months of July 2017 through September 2017.

For the majority of the expense categories within the Watermaster budget for FY 2017/18, the individual line-item budgets are divided into 12-monthly amounts and allocated accordingly. As the fiscal year progresses, these categories listed above might level out over time and be within the budget levels.

Overall, the Watermaster (YTD) Actual Expenses were \$4,438,395 or 64.0% below the (YTD) Budgeted Expenses of \$6,929,966.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

August 2017:

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

July 2017:

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

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

SALARIES EXPENSE

CURRENT MONTH – SEPTEMBER 2017

As of September 30, 2017, the total (YTD) Watermaster salary expenses were \$13,877 or 3.2% below the (YTD) budgeted amount of \$438,573. 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 September 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 '17 - Sep '17 Actual	Jul '17 - Sep '17 Budget	\$ Over Budget	% of Budget	FY 2017/18 Annual Budget
WM Salary Expense					
6011 · WM Staff Salaries	256,449.46	241,589.00	14,860.46	106.15%	966,354.00
6011.1 · WM Staff Salaries - Overtime	2,324.42	0.00	2,324.42	100.0%	0.00
6011.4 · 457(f) NQDC Plan	9,556.17	5,927.00	3,629.17	161.23%	23,710.00
6015 · Miscellaneous Payments	0.00	0.00	0.00	0.0%	0.00
6017 · Temporary Services	0.00	5,250.00	-5,250.00	0.0%	21,000.00
6201 · Advisory Committee - WM Staff Salaries	4,789.09	6,176.00	-1,386.91	77.54%	24,708.00
6301 · Watermaster Board - WM Staff Salaries	6,509.24	9,466.00	-2,956.76	68.76%	37,863.00
8301 · Appropriative Pool - WM Staff Salaries	11,275.84	8,460.00	2,815.84	133.28%	33,842.00
8401 · Agricultural Pool - WM Staff Salaries	5,593.76	7,464.00	-1,870.24	74.94%	29,853.00
8501 · Non-Agricultural Pool - WM Staff Salaries	4,494.38	4,888.00	-393.62	91.95%	19,557.00
6901 · OBMP - WM Staff Salaries	17,066.82	22,959.00	-5,892.18	74.34%	91,832.00
7101.1 · Production Monitor - WM Staff Salaries	11,127.62	13,499.00	-2,371.38	82.43%	53,992.00
7102.1 · In-line Meter - WM Staff Salaries	0.00	2,548.00	-2,548.00	0.0%	10,197.00
7103.1 · Grdwater Quality - WM Staff Salaries	6,694.56	13,894.00	-7,199.44	48.18%	55,574.00
7104.1 · Grdwater Level - WM Staff Salaries	13,962.00	10,005.00	3,957.00	139.55%	40,022.00
7107.1 · GrdLevel Monitoring - WM Staff Salaries	253.33	0.00	253.33	100.0%	0.00
7108.1 · Hydraulic Control - WM Staff Salaries	0.00	839.00	-839.00	0.0%	3,356.00
7108.11 · Prado Basin - WM Staff Salaries	588.51	1,555.00	-966.49	37.85%	6,219.00
7201 · Comp Recharge - WM Staff Salaries	17,007.21	23,744.00	-6,736.79	71.63%	94,978.00
7301 · PE3&5 - WM Staff Salaries	0.00	4,004.00	-4,004.00	0.0%	16,017.00
7401 · PE4 - WM Staff Salaries	0.00	2,437.00	-2,437.00	0.0%	9,747.00
7501 · PE6&7 - WM Staff Salaries	1,754.67	1,190.00	564.67	147.45%	4,759.00
7501.1 · PE 6&7 - WM Staff Salaries (Plume)	0.00	1,334.00	-1,334.00	0.0%	5,338.00
7601 · PE8&9 - WM Staff Salaries	3,247.05	11,913.00	-8,665.95	27.26%	47,656.00
Subtotal WM Staff Costs	372,694.13	399,141.00	-26,446.87	93.37%	1,596,574.00
60185 · Vacation	34,685.87	18,125.00	16,560.87	191.37%	72,497.00
60186 · Sick Leave	4,652.32	12,784.00	-8,131.68	36.39%	51,138.00
60187 · Holidays	12,663.63	8,523.00	4,140.63	148.58%	51,138.00
Subtotal WM Paid Leaves	52,001.82	39,432.00	12,569.82	131.88%	174,773.00
Total WM Salary Costs	424,695.95	438,573.00	-13,877.05	96.84%	1,771,347.00

PREVIOUSLY REPORTED ACTIONS (Descending Order)

None

LEGAL SERVICES
BROWNSTEIN HYATT FARBER SCHRECK EXPENSES

CURRENT MONTH – SEPTEMBER 2017

As of September 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 \$36,314 or 14.8% below the (YTD) budgeted amount of \$245,040.

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 September 30, 2017, was \$35,619 or 76.5% above the budgeted amount of \$46,562. The specific items within the Administrative Legal Services expenses (6070's) which were under budget were the expenses for Court Coordination (6071) under budget by \$9,101 or 88.2%; Rules and Regulations (6072) under budget by \$6,217 or 81.9%; Personnel Matter (6073) under budget by \$4,384 or 87.7%; Interagency Issues (6074) under budget by \$7,650 or 100.0%; and Party Status Maintenance (6077) under budget by \$7,174 or 100.0%. The specific items within the Administrative Legal Services expenses (6070's) which were over budget were the Miscellaneous Category expenses (6078) over budget by \$70,144 or 793.8%. 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 September 30, 2017 was \$17,050 or 34.7% below the budgeted amount of \$49,110. 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 September 30, 2017 the category of OBMP legal expenses were \$54,883 or 36.7% below the budgeted amount of \$149,368. The majority of expenses within this OBMP category were under budget (YTD), however, the Safe Yield Redetermination and Reset legal expenses (6907.42) were over budget by \$42,103 or 243.4%.

The table listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of September 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 '17 - Sep '17 Actual	Jul '17 - Sep '17 Budget	\$ Over Budget	% of Budget	FY 2017/18 Annual Budget
6070 · Watermaster Legal Services					
6071 · BHFS Legal - Court Coordination	1,212.30	10,313.00	-9,100.70	11.76%	41,250.00
6072 · BHFS Legal - Rules & Regulations	1,371.15	7,588.00	-6,216.85	18.07%	15,175.00
6073 · BHFS Legal - Personnel Matters	616.50	5,000.00	-4,383.50	12.33%	25,000.00
6074 · BHFS Legal - Interagency Issues	0.00	7,650.00	-7,650.00	0.0%	30,600.00
6076 · BHFS Legal - Storage Issues	0.00	0.00	0.00	0.0%	0.00
6077 · BHFS Legal - Party Status Maintenance	0.00	7,174.00	-7,174.00	0.0%	28,700.00
6078 · BHFS Legal - Miscellaneous (Note 1)	78,980.87	8,837.00	70,143.87	893.75%	35,350.00
Total 6070 · Watermaster Legal Services	82,180.82	46,562.00	35,618.82	176.5%	176,075.00
6275 · BHFS Legal - Advisory Committee	2,484.10	5,100.00	-2,615.90	48.71%	18,700.00
6375 · BHFS Legal - Board Meeting	16,198.35	21,060.00	-4,861.65	76.92%	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	4,459.05	7,650.00	-3,190.95	58.29%	28,050.00
8475 · BHFS Legal - Agricultural Pool	4,459.02	7,650.00	-3,190.98	58.29%	28,050.00
8575 · BHFS Legal - Non-Ag Pool	4,459.01	7,650.00	-3,190.99	58.29%	28,050.00
Total BHFS Legal Services	32,059.53	49,110.00	-17,050.47	65.28%	191,233.00
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	6,125.00	-6,125.00	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	6,125.00	-6,125.00	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	5,381.00	-5,381.00	0.0%	21,525.00
6907.34 · Santa Ana River Water Rights	5,409.36	6,550.00	-1,140.64	82.59%	26,200.00
6907.36 · Santa Ana River Habitat	5,049.00	17,325.00	-12,276.00	29.14%	69,300.00
6907.38 · Reg. Water Quality Cntrl Board	2,035.35	3,587.00	-1,551.65	56.74%	14,350.00
6907.39 · Recharge Master Plan	1,659.60	21,600.00	-19,940.40	7.68%	86,400.00
6907.40 · Storage Agreements	14,013.10	43,400.00	-29,386.90	32.29%	173,600.00
6907.41 · Prado Basin Habitat Sustainability	2,436.75	3,800.00	-1,363.25	64.13%	15,200.00
6907.42 · Safe Yield Recalculation	59,403.29	17,300.00	42,103.29	343.37%	69,200.00
6907.44 · SGMA Compliance	4,478.85	10,800.00	-6,321.15	41.47%	43,200.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	7,375.00	-7,375.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	94,485.30	149,368.00	-54,882.70	63.26%	597,475.00
Total Brownstein, Hyatt, Farber, Schreck Costs	208,725.65	245,040.00	-36,314.35	85.18%	964,783.00

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

PREVIOUSLY REPORTED ACTIONS (Descending Order)
None

OBMP ENGINEERING SERVICES AND LEGAL COSTS

CURRENT MONTH – SEPTEMBER 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 three months ending September 30, 2017, the actual expenses of \$280,626 were below the budgeted amount of \$335,224 by \$54,598 or 16.3%. For a detailed discussion, the following is provided.

For September 30, 2017, the accounts 6901-6903 (Optimum Basin Mgmt. Program) section was below the Year-To-Date (YTD) budget by \$18,146 or 51.5%. Watermaster utilizes an in-house database time

and attendance system to record and document staff's actual hours worked and also allocates those hours to a specific project or activity. Watermaster staff time could be charged to Administrative, OBMP, or Implementation Project categories. Recently, Watermaster staff spent less time on specific OBMP related areas as budgeted. As a result, Watermaster staff allocated less actual time to the OBMP project as budgeted, which resulted in an under budget variance of \$5,892 or 25.7%. 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 September 30, 2017.

For September 30, 2017, the accounts 6906 (Optimum Basin Mgmt. Program Engineering Services) section was above the Year-To-Date (YTD) budget by \$21,339 or 14.5%. 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 September, 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 Water Rights Compliance Reporting expenses (6906.22) which were over budget by \$4,107 or 64.4%; the OBMP-Other General Meetings Engineering Services expenses (6906.32) which were over budget by \$13,330 or 146.6%; the OBMP-Data Requests-CBWM Staff Engineering Services expenses (6906.71) which were over budget by \$7,770 or 28.4%; Preparation of the 40th Annual Report expenses (6906.81) which were over budget by \$864 or 10.1%; and the OBMP-2018 RMPU Master Update expenses (6906.90) which were over budget by \$23,369 or 143.8%.

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 \$42,103 while some other line item activities were below the budget by \$96,986. Above the budget line items was the Safe Yield Redetermination and Reset expenses of \$42,103. The individual legal projects/activities that were below budget for the Year-To-Date (YTD) period were the Archibald South Plume of \$6,125; the Chino Airport Plume of \$6,125; the Desalter/Hydraulic Control of \$5,381; the Santa Ana River Water Rights expenses of \$1,141; the Santa Ana River Habitat expenses of \$12,276; the Regional Water Quality Control Board of \$1,552; the Recharge Master Plan of \$19,940; Storage Agreements of \$29,387; the Prado Basin Habitat Sustainability of \$1,363; the SGMA Compliance of \$6,321; and the WM Unanticipated legal expenses of \$7,375. For the three months ended September 30, 2017, the overall cumulative (YTD) budget was \$149,368 and the actual (BHFS) legal expenses totaled \$94,485 which resulted in an under budget variance of \$54,883 or 36.7%.

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 September 30, 2017 this category of expenses was \$2,908 or 86.2% below the budgeted amount of \$3,375.

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 September 30, 2017 this category of expenses was fully invoiced in the amount of \$0 to IEUA.

Overall, the Optimum Basin Management Program (OBMP) category was \$280,626 compared to a (YTD) budget of \$335,224 for an under budget of \$54,598 or 16.3% as of September 30, 2017.

The table listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of September 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 '17 - Sep '17 Actual	Jul '17 - Sep '17 Budget	\$ Over Budget	% of Budget	FY 2017/18 Annual Budget
6900 · Optimum Basin Mgmt Plan					
6901 · WM Staff Salaries	17,066.82	22,959.00	-5,892.18	74.34%	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	17,066.82	35,213.00	-18,146.18	48.47%	104,086.00
6906 · OBMP Engineering Services					
6906.1 · OBMP - Watermaster Model Update	12,604.50	14,791.00	-2,186.50	85.22%	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	10,489.15	6,382.00	4,107.15	164.36%	25,528.00
6906.23 · SGMA Reporting Requirements	0.00	6,098.00	-6,098.00	0.0%	24,392.00
6906.24 · Compliance - SB88 and SWRCB	0.00	1,753.00	-1,753.00	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.	16,974.94	24,238.00	-7,263.06	70.03%	96,950.00
6906.32 · OBMP - Other General Meetings	22,424.68	9,095.00	13,329.68	246.56%	36,381.00
6906.71 · OBMP - Data Requests - CBWM Staff	35,129.80	27,360.00	7,769.80	128.4%	109,440.00
6906.72 · OBMP - Data Requests - Non CBWM	577.50	7,938.00	-7,360.50	7.28%	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	16,273.00	17,500.00	-1,227.00	92.99%	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	9,435.60	8,572.00	863.60	110.08%	20,000.00
6906.82 · Support for Assessment Package	0.00	0.00	0.00	0.0%	0.00
6906.90 · OBMP - 2018 RMPU Master Update	39,619.00	16,250.00	23,369.00	243.81%	65,000.00
6906 · OBMP Engineering Services - Other	5,078.60	7,291.00	-2,212.40	69.66%	29,164.00
Total 6906 · OBMP Engineering Services	168,606.77	147,268.00	21,338.77	114.49%	574,783.00
6907 · OBMP Legal Fees					
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	6,125.00	-6,125.00	0.0%	24,500.00
6907.32 · Chino Airport Plume	0.00	6,125.00	-6,125.00	0.0%	24,500.00
6907.33 · Desalter/Hydraulic Control	0.00	5,381.00	-5,381.00	0.0%	21,525.00
6907.34 · Santa Ana River Water Rights	5,409.36	6,550.00	-1,140.64	82.59%	26,200.00
6907.36 · Santa Ana River Habitat	5,049.00	17,325.00	-12,276.00	29.14%	69,300.00
6907.38 · Reg. Water Quality Cntrl Board	2,035.35	3,587.00	-1,551.65	56.74%	14,350.00
6907.39 · Recharge Master Plan	1,659.60	21,600.00	-19,940.40	7.68%	86,400.00
6907.40 · Storage Agreements	14,013.10	43,400.00	-29,386.90	32.29%	173,600.00
6907.41 · Prado Basin Habitat Sustainability	2,436.75	3,800.00	-1,363.25	64.13%	15,200.00
6907.42 · Safe Yield Recalculation	59,403.29	17,300.00	42,103.29	343.37%	69,200.00
6907.44 · SGMA Compliance	4,478.85	10,800.00	-6,321.15	41.47%	43,200.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	7,375.00	-7,375.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	94,485.30	149,368.00	-54,882.70	63.26%	597,475.00
Total 6907 · OBMP Legal Fees	94,485.30	149,368.00	-54,882.70	63.26%	597,475.00
6909 · OBMP Other Expenses					
6909.1 · OBMP Meetings	467.27	375.00	92.27	124.61%	1,500.00
6909.3 · Other OBMP Expenses	0.00	500.00	-500.00	0.0%	2,000.00
6909.6 · OBMP Expenses - Miscellaneous	0.00	2,500.00	-2,500.00	0.0%	10,000.00
Total 6909 · OBMP Other Expenses	467.27	3,375.00	-2,907.73	13.85%	13,500.00
6910 · WEI Support for IEUA					
6910.10 · IRP Groundwater Modeling - WEI	0.00	0.00	0.00	0.0%	0.00
6910.11 · WEI Support-Grant Funding-RMPU	0.00	0.00	0.00	0.0%	0.00
6910.12 · WEI Support-Stormwater Recharge	0.00	0.00	0.00	0.0%	0.00
6910.13 · IEUA-San Sevaine Improvement Project	0.00	0.00	0.00	0.0%	0.00
6910.14 · Truing-Up 2013 RMPU Estimates	0.00	0.00	0.00	0.0%	0.00
6910.15 · WEI Support-HCP Modeling	0.00	0.00	0.00	0.0%	0.00
6910.20 · RMPU-MPI Analysis	0.00	0.00	0.00	0.0%	0.00
6910.50 · WEI Support for IEUA-Billings	0.00	0.00	0.00	0.0%	0.00
Total 6910 · WEI Support for IEUA	0.00	0.00	0.00	0.0%	0.00
Total 6900 · Optimum Basin Mgmt Plan	280,626.16	335,224.00	-54,597.84	83.71%	1,289,844.00

PREVIOUSLY REPORTED ACTIONS (Descending Order)
None

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

CURRENT MONTH – SEPTEMBER 2017

As of September 30, 2017, the total (YTD) Engineering Services expenses were \$548,713 or 43.8% below the (YTD) budget amount of \$1,252,838. The OBMP Implementation Projects (consolidated accounts 7100's – 7700's) were all under budget as of September 30, 2017.

Wildermuth Environmental, Inc. provides Watermaster an Estimated Cost at Completion (ECAC) report each quarter. The purpose of this ECAC report is to update Watermaster on whether or not the Engineering Services budget will be above or below budget at the end of the fiscal year. If the Engineering Services budget is expected to be above budget at fiscal year-end, a Budget Amendment or Budget Transfer Form would need to be approved to ensure funding. The first quarter ECAC report (for the months July 2017 - September 2017) is scheduled to be produced by Wildermuth Environmental, Inc. and distributed to Watermaster during the month of November 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 September 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 '17 - Sep '17	Jul '17 - Sep '17	\$ Over Budget	% of Budget	FY 2017/18
	Actual	Budget			Annual Budget
6906 · OBMP Engineering Services - Other	5,078.60	7,291.00	-2,212.40	69.66%	29,164.00
6906.1 · OBMP - Watermaster Model Update	12,604.50	14,791.00	-2,186.50	85.22%	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	10,489.15	6,382.00	4,107.15	164.36%	25,528.00
6906.23 · SGMA Reporting Requirements	0.00	6,098.00	-6,098.00	0.0%	24,392.00
6906.24 · Compliance - SB88 and SWRCB	0.00	1,753.00	-1,753.00	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.	16,974.94	24,238.00	-7,263.06	70.03%	96,950.00
6906.32 · OBMP - Other General Meetings	22,424.68	9,095.00	13,329.68	246.56%	36,381.00
6906.71 · OBMP - Data Requests - CBWM Staff	35,129.80	27,360.00	7,769.80	128.4%	109,440.00
6906.72 · OBMP - Data Requests - Non CBWM	577.50	7,938.00	-7,360.50	7.28%	31,752.00
6906.74 · OBMP - Mat'l Physical Injury Requests	16,273.00	17,500.00	-1,227.00	92.99%	70,000.00
6906.81 · Prepare 40th Annual Report	9,435.60	8,572.00	863.60	110.08%	20,000.00
6906.90 · OBMP - 2018 RMPU Master Update	39,619.00	16,250.00	23,369.00	243.81%	65,000.00
7103.3 · Grdwtr Qual-Engineering	52,440.86	41,149.00	11,291.86	127.44%	128,595.00
7103.5 · Grdwtr Qual-Lab Svcs	19,890.00	24,554.00	-4,664.00	81.01%	49,109.00
7104.3 · Grdwtr Level-Engineering	37,529.29	51,464.00	-13,934.71	72.92%	205,859.00
7104.8 · Grdwtr Level-Contracted Services	0.00	2,500.00	-2,500.00	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equipment	843.20	2,000.00	-1,156.80	42.16%	8,000.00
7107.2 · Grd Level-Engineering	8,935.08	33,366.00	-24,430.92	26.78%	71,356.00
7107.3 · Grd Level-SAR Imagery	12,000.00	21,652.00	-9,652.00	55.42%	86,608.00
7107.6 · Grd Level-Contract Svcs	14,295.88	60,285.00	-45,989.12	23.71%	168,552.00
7107.8 · Grd Level-Capital Equipment	0.00	875.00	-875.00	0.0%	3,500.00
7108.3 · Hydraulic Control-Engineering	0.00	4,950.00	-4,950.00	0.0%	19,800.00
7108.31 · Hydraulic Control-PBHSP	19,782.46	36,539.00	-16,756.54	54.14%	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	6,016.00	-3,984.00	33.78%	24,064.00
7108.41 · Hydraulic Control-PBHSP	4,216.00	4,625.00	-409.00	91.16%	18,500.00
7108.6 · Hydraulic Control-Outside Professionals	0.00	1,250.00	-1,250.00	0.0%	5,000.00
7109.3 · Recharge & Well - Engineering	902.30	5,845.00	-4,942.70	0.0%	23,377.00
7202.2 · Comp Recharge-Engineering Services	49,418.18	40,494.00	8,924.18	122.04%	161,976.00
7303 · PE3&5-Engineering - Other	0.00	2,410.00	-2,410.00	0.0%	9,640.00
7402 · PE4-Engineering	47,961.71	25,822.00	22,139.71	185.74%	103,290.00
7402.10 · PE4-MZ1 Pomona Project	46,838.25	524,042.00	-477,203.75	8.94%	1,669,543.00
7403 · PE4-Contract Svcs	0.00	5,000.00	-5,000.00	0.0%	20,000.00
7502 · PE6&7-Engineering	28,846.40	26,779.00	2,067.40	107.72%	79,113.00
7510 · PE6&7-IEUA Salinity Mgmt. Plan	64,382.70	65,902.00	-1,519.30	97.7%	125,806.00
7602 · PE8&9-Engineering	125,203.43	118,051.00	7,152.43	106.06%	182,207.00
Total Engineering Services Costs	704,124.51	1,252,838.00	-548,713.49	56.2%	3,876,837.00 *

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

PREVIOUSLY REPORTED ACTIONS (Descending Order)

July 2017:

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

The approved "Original" Engineering Services budget of \$3,683,730 was increased by "Carry Over" funding in the amount of \$193,107 to the "Amended" amount of \$3,876,837 for FY 2017/18 as provided in the Engineering Services Task Order. All of the "Carry Over" funding is for projects or activities that have bridged previous fiscal years and are expected to be completed in the FY 2017/18 timeframe or future years. The Carry-Over amount of \$193,107 from FY 2016/17 to the FY 2017/18 budget are provided in detail as follows:

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

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

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

PRADO BASIN HABITAT SUSTAINABILITY PROGRAM

Ongoing Costs

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

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

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

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

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

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

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

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

PREVIOUSLY REPORTED ACTIONS (Descending Order)

July 2017:

Start-up Costs

The Prado Basin Habitat Sustainability Program came about as a result of the Peace II Agreement SEIR mitigation measure 4.4-3 and was adopted by IEUA's Board in October, 2010. The purpose of the mitigation measure was to ensure that the Prado Basin riparian habitat was not impacted by Hydraulic Control. The basic program tasks were to convene a committee that would develop this adaptive management plan, to install necessary monitoring wells, to complete vegetation and aerial surveys, and to implement photo station monitoring. In terms of the financial aspects of this program, there was a cost sharing agreement, which was approved by the Watermaster Board in September, 2012 for a total budget of \$440,000. The cost sharing agreement between IEUA and Watermaster was increased from \$220,000 to \$300,000 effective August 22, 2013 with the approval of the Watermaster Board. The increase from \$220,000 to \$300,000 was to reflect a change in the consultant preparing the Adaptive Management Plan. On August 25, 2016, the cost sharing agreement between IEUA and Watermaster was increased

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

The agreement was a 50/50 cost sharing agreement between Watermaster and IEUA with a not to exceed amount of \$385,000 for each party. Included in that cost was hiring a consultant to develop the adaptive management plan, WEI performing the project management tasks related to the monitoring well installation, hiring a contractor to construct and install up to seventeen monitoring wells at nine separate sites, and United States Bureau of Reclamation performing vegetation monitoring every three years. Grants had been applied for to offset the cost of this program; however, the Grants were not approved.

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

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

OTHER INCOME AND EXPENSE

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

PREVIOUSLY REPORTED ACTIONS (Descending Order)

August 2017:

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

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

"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 – SEPTEMBER 2017

As of September 30, 2017, the total (YTD) amount remaining of the "Carried Over" funding is \$3,902,304.98 (\$4,119,779.24 - \$217,474.26 = \$3,902,304.98).

The following details are provided:

"Carried Over" Expenses At June 30, 2017

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

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

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

Ground Level - Engineering Services	\$	(8,815.91)	A 7107.2 ²	FY 2016/17	ENG
Ground Level - Contract Services	\$	(14,295.88)	B 7107.6 ³	FY 2016/17	ENG
Hydraulic Control Engineering - PBHSP	\$	(6,000.00)	C 7108.31 ⁴	FY 2016/17	ENG
PE4 - Northwest MZ-1 Area Project	\$	(46,838.25)	D 7402.1 ⁵	FY 2016/17	ENG
RMPU Amendment (TO #1)	\$	(71,667.98)	G 7690.15	FY 2016/17	PROJ
San Sevaine Recharge Improvement Project (TO #8)	\$	(19,261.77)	J 7690.4	FY 2014/15	PROJ
GWR SCADA Upgrades (TO #4)	\$	(12,615.05)	L 7690.61	FY 2014/15	PROJ
Lower Day Basin RMPU (TO #2)	\$	(37,979.42)	N 7690.8	FY 2016/17	PROJ
Updated Balance as of September 30, 2017	\$	3,902,304.98			

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

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

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

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

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

ENGINEERING SERVICES:

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

COMPLETED PROJECTS WITH FUNDING AVAILABLE:

Several projects were completed during FY 2016/17 or in prior years and have remaining funds available to be either (1) transferred to other project(s) that need additional funding, (2) keep amounts on reserve for future Capital Improvement Projects, or (3) refunded back to the Appropriative Pool when the Assessment package is invoiced. The funding amounts available are as follows: Jurupa Pumping Station [E] in the amount of \$37,981.33 (account 7209.1); Wineville Basin Proof of Concept [F] in the amount of \$35,397.53 (account 7209.2); East 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 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.

ASSESSMENT INVOICING

CURRENT MONTH – SEPTEMBER 2017

The Assessment Year 2017-2018 Package (Production Year 2016-2017) is scheduled for presentation to the Appropriative Pool and Non-Agricultural Pool at the November 9, 2017 meetings; the Agricultural Pool on November 13, 2017; and approval by the Advisory Committee and adoption by the Watermaster Board at the November 16, 2017 meetings.

Once the Watermaster Board adopts the Assessment Package, Watermaster staff intends to create and email the Assessment invoices on Friday, November 17, 2017. 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 18, 2017. As in prior years, payments can be made by either check or wire transfer

PREVIOUSLY REPORTED ACTIONS (Descending Order)
None

ATTACHMENTS

1. Financial Report - B5

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	1/12th (8.33%) of the Total Budget				3/12th (25.00%) of the Total Budget				100% of the Total Budget			
	For The Month of September 2017				Year-To-Date as of September 30, 2017				Fiscal Year End as of June 30, 2018			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
Income												
4010 · Local Agency Subsidies	0.00	0.00	0.00	0.0%	193,621.82	191,626.00	1,995.82	101.04%	193,621.82	191,626.00	1,995.82	101.04%
4110 · Admin Asmnts-Approp Pool	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	11,279,242.00	11,279,242.00	0.00	100.0%
4120 · Admin Asmnts-Non-Agri Pool	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	327,924.00	327,924.00	0.00	100.0%
4700 · Non Operating Revenues	25,120.52	7,981.00	17,139.52	314.75%	25,131.28	7,981.00	17,150.28	314.89%	105,138.16	39,906.00	65,232.16	263.47%
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	25,120.52	7,981.00	17,139.52	314.75%	218,753.10	199,607.00	19,146.10	109.59%	11,905,925.98	11,838,698.00	67,227.98	100.57%
Gross Profit	25,120.52	7,981.00	17,139.52	314.75%	218,753.10	199,607.00	19,146.10	109.59%	11,905,925.98	11,838,698.00	67,227.98	100.57%
Expense												
6010 · Admin. Salary/Benefit Costs	80,579.31	82,153.00	-1,573.69	98.08%	261,526.25	253,890.00	7,636.25	103.01%	1,022,564.00	1,022,564.00	0.00	100.0%
6020 · Office Building Expense	8,476.57	11,731.00	-3,254.43	72.26%	25,154.73	29,498.00	-4,343.27	85.28%	112,914.00	112,914.00	0.00	100.0%
6030 · Office Supplies & Equip.	1,148.77	2,375.00	-1,226.23	48.37%	3,847.03	6,875.00	-3,027.97	55.96%	26,500.00	26,500.00	0.00	100.0%
6040 · Postage & Printing Costs	2,955.59	5,529.00	-2,573.41	53.46%	9,479.94	12,110.00	-2,630.06	78.28%	50,193.00	50,193.00	0.00	100.0%
6050 · Information Services	10,221.23	11,791.00	-1,569.77	86.69%	31,203.85	36,353.00	-5,149.15	85.84%	142,912.00	142,912.00	0.00	100.0%
6060 · Contract Services	0.00	5,300.00	-5,300.00	0.0%	16,390.17	22,400.00	-6,009.83	73.17%	60,000.00	60,000.00	0.00	100.0%
6070 · Watermaster Legal Services	29,545.90	13,854.00	15,691.90	213.27%	82,180.82	46,562.00	35,618.82	176.5%	176,075.00	176,075.00	0.00	100.0%
6080 · Insurance	0.00	0.00	0.00	0.0%	26,412.35	29,768.00	-3,355.65	88.73%	29,768.00	29,768.00	0.00	100.0%
6110 · Dues and Subscriptions	199.00	350.00	-151.00	56.86%	9,832.22	10,080.00	-247.78	97.54%	23,385.00	23,385.00	0.00	100.0%
6140 · WM Admin Expenses	49.58	450.00	-400.42	11.02%	250.40	800.00	-549.60	31.3%	2,350.00	2,350.00	0.00	100.0%
6150 · Field Supplies	0.00	150.00	-150.00	0.0%	34.22	550.00	-515.78	6.22%	1,450.00	1,450.00	0.00	100.0%
6170 · Travel & Transportation	1,029.37	1,530.00	-500.63	67.28%	3,983.58	4,780.00	-796.42	83.34%	57,469.00	57,469.00	0.00	100.0%
6190 · Training, Conferences, Seminars	1,703.41	3,814.00	-2,110.59	44.66%	6,829.86	10,092.00	-3,262.14	67.68%	37,428.00	37,428.00	0.00	100.0%
6200 · Advisory Comm - WM Board	3,545.44	3,695.00	-149.56	95.95%	7,302.79	11,401.00	-4,098.21	64.05%	43,908.00	43,908.00	0.00	100.0%
6300 · Watermaster Board Expenses	13,550.70	12,953.00	597.70	104.61%	30,484.46	39,226.00	-8,741.54	77.72%	175,546.00	175,546.00	0.00	100.0%
8300 · Appr PI-WM & Pool Admin	11,044.64	11,658.00	-613.36	94.74%	36,832.63	35,110.00	1,722.63	104.91%	137,642.00	137,642.00	0.00	100.0%
8400 · Agri Pool-WM & Pool Admin	5,135.24	5,186.00	-50.76	99.02%	10,421.48	15,864.00	-5,442.52	65.69%	60,903.00	60,903.00	0.00	100.0%
8467 · Ag Legal & Technical Services	29,737.50	17,083.00	12,654.50	174.08%	98,350.00	51,250.00	47,100.00	191.9%	205,000.00	205,000.00	0.00	100.0%
8470 · Ag Meeting Attend -Special	725.00	1,850.00	-1,125.00	39.19%	3,000.00	5,550.00	-2,550.00	54.05%	22,200.00	22,200.00	0.00	100.0%
8471 · Ag Pool Expense	0.00	0.00	0.00	0.0%	11,153.00	21,250.00	-10,097.00	52.49%	85,000.00	85,000.00	0.00	100.0%
8485 · Ag Pool - Misc. Exp. - Ag Fund	0.00	0.00	0.00	0.0%	57.02	100.00	-42.98	57.02%	400.00	400.00	0.00	100.0%
8500 · Non-Ag PI-WM & Pool Admin	6,452.13	9,204.00	-2,751.87	70.1%	23,362.91	27,763.00	-4,400.09	84.15%	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	-13,984.48	-33,635.00	19,650.52	41.58%	-45,124.14	-100,904.00	55,779.86	44.72%	-403,615.00	-403,615.00	0.00	100.0%
6900 · Optimum Basin Mgmt Plan	63,512.80	107,420.00	-43,907.20	59.13%	280,626.16	335,224.00	-54,597.84	83.71%	1,289,844.00	1,289,844.00	0.00	100.0%
9501 · G&A Expenses Allocated-OBMP	2,385.07	7,025.00	-4,639.93	33.95%	8,970.63	21,074.00	-12,103.37	42.57%	84,298.00	84,298.00	0.00	100.0%
7101 · Production Monitoring	3,485.34	4,424.00	-938.66	78.78%	11,315.12	13,687.00	-2,371.88	82.67%	54,742.00	54,742.00	0.00	100.0%
7102 · In-line Meter Installation	0.00	7,159.00	-7,159.00	0.0%	0.00	17,017.00	-17,017.00	0.0%	68,072.00	68,072.00	0.00	100.0%
7103 · Grdwtr Quality Monitoring	27,943.90	26,898.00	1,045.90	103.89%	80,054.29	81,124.00	-1,069.71	98.68%	239,388.00	239,388.00	0.00	100.0%
7104 · Gdwtr Level Monitoring	14,998.69	22,868.00	-7,869.31	65.59%	52,334.49	68,907.00	-16,572.51	75.95%	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	13,520.17	16,676.00	-3,155.83	81.08%	35,484.29	116,577.00	-81,092.71	30.44%	331,612.00	331,612.00	0.00	100.0%
7108 · Hydraulic Control Monitoring	4,216.00	16,567.00	-12,351.00	25.45%	26,618.97	55,774.00	-29,155.03	47.73%	205,098.00	205,098.00	0.00	100.0%

P53

	1/12th (8.33%) of the Total Budget				3/12th (25.00%) of the Total Budget				100% of the Total Budget			
	For The Month of September 2017				Year-To-Date as of September 30, 2017				Fiscal Year End as of June 30, 2018			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
7109 · Recharge & Well Monitoring Prog	0.00	1,948.00	-1,948.00	0.0%	902.30	5,845.00	-4,942.70	15.44%	23,377.00	23,377.00	0.00	100.0%
7200 · PE2- Comp Recharge Pgm	23,545.42	21,961.00	1,584.42	107.22%	330,833.11	404,399.86	-73,566.75	81.81%	1,397,464.86	1,397,464.86	0.00	100.0%
7300 · PE3&5-Water Supply/Desalte	0.00	2,680.00	-2,680.00	0.0%	0.00	8,164.00	-8,164.00	0.0%	32,657.00	32,657.00	0.00	100.0%
7400 · PE4- Mgmt Plan	29,869.28	138,547.00	-108,677.72	21.56%	94,799.96	557,926.00	-463,126.04	16.99%	1,805,080.00	1,805,080.00	0.00	100.0%
7500 · PE6&7-CoopEfforts/SaltMgmt	56,738.19	30,376.00	26,362.19	186.79%	94,983.77	95,205.00	-221.23	99.77%	215,016.00	215,016.00	0.00	100.0%
7600 · PE8&9-StorageMgmt/Conj Use	55,512.38	56,562.00	-1,049.62	98.14%	128,628.94	130,052.00	-1,423.06	98.91%	230,213.00	230,213.00	0.00	100.0%
7690 · Recharge Improvement Debt Pymt	0.00	0.00	0.00	0.0%	656,899.72	4,368,668.38	-3,711,768.66	15.04%	7,207,668.38	7,207,668.38	0.00	100.0%
7700 · Inactive Well Protection Prgm	0.00	42.00	-42.00	0.0%	0.00	125.00	-125.00	0.0%	500.00	500.00	0.00	100.0%
9502 · G&A Expenses Allocated-Projects	11,599.41	26,610.00	-15,010.59	43.59%	36,153.51	79,829.00	-43,675.49	45.29%	319,317.00	319,317.00	0.00	100.0%
Total Expense	499,441.55	654,784.00	-155,342.45	76.28%	2,491,570.83	6,929,966.24	-4,438,395.41	35.95%	15,958,477.24	15,958,477.24	0.00	100.0%
Net Ordinary Income	-474,321.03	-646,803.00	172,481.97	73.33%	-2,272,817.73	-6,730,359.24	4,457,541.51	33.77%	-4,052,551.26	-4,119,779.24	67,227.98	98.37%
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	-474,321.03	-646,803.00	172,481.97	73.33%	-2,272,817.73	-6,730,359.24	4,457,541.51	33.77%	-4,052,551.26	-4,119,779.24	67,227.98	98.37%

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

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. ANNUAL FINDING OF SUBSTANTIAL COMPLIANCE WITH THE RECHARGE MASTER PLAN



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: November 16, 2017
TO: Advisory Committee and Board Members
SUBJECT: Annual Finding of Substantial Compliance with the Recharge Master Plan
(Consent Calendar Item I.C.)

SUMMARY

Issue: The Finding is required on an annual basis according to Section 8.3 of the Peace II Agreement

Recommendations:

Advisory Committee – Recommend to the Watermaster Board to adopt the finding that Watermaster is in substantial compliance with the Recharge Master Plan.

Watermaster Board – Adopt the finding that Watermaster is in substantial compliance with the Recharge Master Plan.

Financial Impact: There is no financial impact associated with this action.

Future Consideration

Agricultural Pool – November 13, 2017: Recommendation to the Advisory Committee
Advisory Committee – November 16, 2017: Recommendation to the Watermaster Board
Watermaster Board – November 16 2017: Adopt the Finding of Compliance [Discretionary Function]

ACTIONS:

November 9, 2017 – Appropriative Pool: Unanimously recommended Advisory Committee approval.
November 9, 2017 – Non-Agricultural Pool: Unanimously recommended their representatives to support at Advisory Committee and Watermaster Board meetings subject to changes they deem necessary.
November 13, 2017 – Agricultural Pool:
November 16, 2017 – Advisory Committee:
November 16, 2017 – Watermaster Board:

BACKGROUND

During the period of 2008-2010, Watermaster, in collaboration with the Inland Empire Utilities Agency (IEUA) and Chino Basin Water Conservation District (CBWCD), completed the 2010 Recharge Master Plan Update (RMPU). The RMPU was submitted to the Court in June 2010, and the Court subsequently approved the 2010 RMPU in October 2010. Watermaster has completed the amendment of the 2010 RMPU, pursuant to the Court's order, which the Board adopted in September 2013. The 2013 RMPU Amendment includes a Funding and Implementation Plan for the further recharge projects recommended for construction.

Pursuant to Section 8.3 of the Peace II Agreement, Watermaster is obligated to make an annual finding that it is in substantial compliance with the Recharge Master Plan, as it is revised. This requirement exists to ameliorate any long-term risk attributable to reliance upon un-replenished groundwater production by the Desalters, and is a condition on the annual availability of any portion of the 400,000 acre-feet set aside as controlled overdraft. Wildermuth Environmental, Inc. (WEI) has prepared the attached opinion regarding the adequacy of replenishment capacity, which includes the information that Watermaster needs to make this finding for Fiscal Year 2017-2018.

DISCUSSION

WEI's analysis finds that current projections indicate that Watermaster has sufficient recharge capacity to meet the future replenishment obligations identified in the 2010 RMPU. Current analysis indicates that if Re-Operation were terminated at any time through 2030, Watermaster would be able to immediately increase its replenishment activity and replenish any overproduction in the Basin as required by the Judgment.

ATTACHMENTS

1. Annual Finding of Substantial Compliance – Fiscal Year 2017/18 (10/31/17 WEI Letter to CBWM)



October 31, 2017

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

Subject: *Annual Finding of Substantial Compliance – Fiscal 2017-18 (2018)*

Dear Mr. Kavounas:

At your direction and pursuant to the Peace II Agreement, Wildermuth Environmental, Inc. (WEI) has prepared this opinion regarding the adequacy of replenishment capacity in the Chino Basin.

In part, Section 7.3 of the Peace II Agreement reads:

“Re-Operation and Watermaster’s apportionment of controlled overdraft will not be suspended in the event that Hydraulic Control is achieved in any year *before* the full 400,000 acre-feet has been produced so long as: [...] Watermaster is in substantial compliance with a Court approved Recharge Master Plan as set forth in Paragraph 8.1 below.”

Review of Section 8.1 of the Peace II Agreement indicates that this compliance relates to the implementation of plans to ensure that Watermaster has enough supplemental water recharge capacity to meet its replenishment obligation after the re-operation water is completely exhausted. Section 8.3 of the Peace II Agreement states:

“To ameliorate any long-term risks attributable to reliance upon un-replenished groundwater production by the Desalters, the annual availability of any portion of the 400,000 acre-feet set aside as controlled overdraft as a component of the Physical Solution, is expressly subject to Watermaster making an annual finding about whether it is in substantial compliance with the revised Watermaster Recharge Master Plan pursuant to Paragraphs 7.3 and 8.1 above.”

Pursuant to the Peace II Agreement, Watermaster is obligated, following the completion of the 2010 Recharge Master Plan Update (RMPU), to make an annual finding that there is enough supplemental water recharge capacity to meet replenishment obligations. This letter report includes the information required by Watermaster to make this finding for fiscal 2018.

During the period of 2008-2010, Watermaster, in collaboration with the Inland Empire Utilities Agency (IEUA) and Chino Basin Water Conservation District (CBWCD), completed the 2010 RMPU, which was submitted to the Court in June 2010. The Court subsequently approved the 2010 RMPU in October 2010.

In approving the 2010 RMPU, the Court ordered the Watermaster to update groundwater pumping and replenishment projections. Watermaster and the IEUA updated the groundwater pumping projections and reported on them in the 2013 Amendment to the 2010 Recharge Master Plan Update (2013 RMPU) pursuant to the October 2010 Court Order. The table below shows the projected replenishment obligations developed in the Safe Yield reset process completed in 2015 and reported in Table 7-5 of the *2013 Chino Basin Groundwater Model Update and Recalculation of Safe Yield*¹ report, finalized in October 2015.

Table 1 Projected Replenishment Obligations
(afy)

Fiscal Year	Wet-water Replenishment Projection from the October 2015 Chino Basin Groundwater Model Update and Recalculation of Safe Yield ²
2020	0
2025	3,400
2030	14,000
2035	31,800
2040	31,800

The projected replenishment obligation is based on the groundwater pumping projections developed in the 2013 RMPU and projections of future safe yield. The 2018 projected supplemental water recharge capacity in the Chino Basin is listed in the table below along with prior estimate for fiscal year 2017 as estimated in the *2017 Annual Findings of Substantial Compliance*.

Table 2 Projected Supplemental Water Recharge Capacity Estimates by Fiscal Year
(afy)

Recharge Facility	2017	2018
Spreading Basins ³	74,700	56,600 to 70,200
ASR Wells ⁴	5,600	5,500
In-Lieu ⁵	25,000 to 40,000	25,000 to 40,000
Total	105,300 to 120,300	87,100 to 115,700

¹ The following links to the report: http://www.cbwm.org/rep_engineering.htm

² See column 10 in Table 7-5 of "2013 Chino Basin Groundwater Model Update and Recalculation of Safe Yield" http://www.cbwm.org/rep_engineering.htm.

³ Aggregate spreading basin recharge capacity revised since 2017, based on an update to the infiltration rates by WEI and IEUA.

⁴ ASR recharge capacity will be reevaluated in 2018

⁵ In-lieu recharge capacity will be reevaluated in 2018

Figure 1 shows the locations of spreading basins utilized by Watermaster and the IEUA for recharge in the Chino Basin. Table 3 lists the spreading basins available to Watermaster and their respective supplemental water recharge capacities⁶. The projected range in supplemental recharge capacity of 56,600 to 70,200 afy is less than reported in last year's Annual Finding of Substantial Compliance. This decrease in supplemental water recharge capacity is attributed to IEUA field observations of recharge performance and the application of a new method of estimating the time history of infiltration capacity under various recharge loading rates and periods between maintenance.

The Metropolitan Water District of Southern California (Metropolitan) provides imported water to the Chino Basin area through the IEUA. In its 2015 Integrated Regional Plan (IRP) Update,⁷ Metropolitan indicated that it will have enough water to meet all the supplemental water requirements within its service area through 2040, provided that it and member agencies implement the programs described in the 2015 IRP Update. The Watermaster parties can also import non-State Water Project (SWP) water into the Chino Basin area through Metropolitan's system. Watermaster uses SWP water served by Metropolitan for replenishment. In October 2017, Quagga mussels were discovered in the East Branch of the SWP. The full impact on the delivery of SWP water for recharge in the Chino basin due occurrence of Quagga mussels is unknown. The occurrence of Quagga mussels may limit the availability of recharge facilities during parts of the year to enable their eradication. The impact of Quagga mussels on the Watermaster's ability to recharge supplemental and storm waters will be evaluated prior to the 2019 Annual Finding of Substantial Compliance and will be included in that report.

Based on the best available information and excluding consideration of Quagga mussel impacts, the supplemental water recharge capacity available to Watermaster is about three to four times the projected replenishment obligation.

Based on our knowledge of the conditions in fiscal year 2018 and future water management projections, Watermaster's ability to recharge the basin with supplemental water to mitigate future overproduction is sufficient to meet expected future replenishment obligations. If re-operation were discontinued at any time through 2030, Watermaster would be able to increase its replenishment activity and maintain the hydrologic balance in the basin required by the Judgment.

Moreover, in November 2011, Watermaster committed to engage in a process to develop a preemptive replenishment program that would involve the acquisition and recharge of supplemental water in advance of incurring replenishment obligations and storing that water until future replenishment obligations occur. Preemptive replenishment is a complementary management tool that further enhances Watermaster's ability to meet its future replenishment requirements. In fiscal years 2011 and 2012, about 32,000 af of imported water was preemptively recharged. The IEUA has been recharging significant amounts of recycled water in the Chino Basin since 2006 and recharged about 13,900 af in fiscal 2017. And, the Peace II requirement to recharge 6,500 afy of supplemental water in Management Zone 1 is another example of preemptive replenishment that is currently active and will be so through 2030.

⁶ Infiltration rates were based either on an exponential decay function if data were available to develop such a function and its R² value was greater than 0.5 or the average long-term infiltration rate; both based on IEUA data and reported infiltration rates. This work will be documented in the 2018 Recharge Master Plan Update.

⁷ This report is located here: <http://mwdh2o.com/>

Please contact Garrett Rapp or me if you have any questions or concerns regarding this opinion.

Very truly yours,

Wildermuth Environmental, Inc.



Mark Wildermuth, PE
President



Garrett Rapp, PE
Staff Engineer

Encl: Figure 1, Table 3

**Table 3
Supplemental Water Recharge Capacity Estimates**

Recharge Facility	Average Operational Availability for Supplemental Water Recharge												Recharge Capacity Limitations for Supplemental Water Recharge Facilities					Theoretical Maximum Supplemental Water Recharge Capacity									
	Quarter 3			Quarter 4			Quarter 1			Quarter 2			Spillway, Outlet, Cons. Berm or Inlet Controlled	Freeboard	Maximum Operating Level	Wetted Area at Maximum Operating Level	Assumed Number of Years Between Maintenance ²	Parameter Values for Estimating Infiltration Rate ³			Maximum Theoretical One-Month Recharge Total ⁴	Maximum Theoretical Three-Month Recharge Total ⁵	Maximum Theoretical Annual Recharge Total ⁶	Maximum Average Theoretical Annual Recharge Between Maintenance Periods ⁷			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec						Elevation	Control Structure ¹	Alpha					Maximum Infiltration Rate	R-Squared Goodness of Fit	Long-Term Average Infiltration Rate
	(ft-amsl)	(ft)	(ft-amsl)	(acres)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)	(ft/day)			
Brooks Street Basin	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	889.5	a	1.5	888.0	9.6	3	0.0003	1.8	0.674	-	385	1,031	2,401	1,658	
College Heights Basin - East	0.74	0.74	0.75	0.83	0.92	1.00	0.90	0.90	0.96	0.91	0.84	0.78	1242.0	a	1	1241.0	6.2	10	-	-	-	3.0	558	1,552	5,816	5,816	
College Heights Basin - West	0.74	0.74	0.75	0.83	0.92	1.00	0.90	0.90	0.96	0.91	0.84	0.78	1242.0	a	16	1226.0	3.3	10	-	-	-	2.0	198	551	2,064	2,064	
Montclair Basin 1	0.74	0.74	0.75	0.83	0.92	1.00	0.75	0.75	0.96	0.91	0.84	0.78	1128.2	b	1	1127.2	7.4	4	0.002	3.8	0.879	-	302	608	994	409	
Montclair Basin 2	0.74	0.74	0.75	0.83	0.92	1.00	0.75	0.75	0.96	0.91	0.84	0.78	1097.0	b	0	1097.0	11.6	4	0.0002	4.4	0.622	-	1,188	2,923	5,960	2,940	
Montclair Basin 3	0.74	0.74	0.75	0.83	0.92	1.00	0.75	0.75	0.96	0.91	0.84	0.78	1057.0	b	0	1057.0	4.3	4	0.002	3.2	0.625	-	280	572	964	400	
Montclair Basin 4	0.74	0.74	0.75	0.83	0.92	1.00	0.75	0.75	0.96	0.91	0.84	0.78	1037.0	b	2	1035.0	5.5	4	0.0005	1.4	0.720	-	270	702	1,609	915	
Eighth Street Basin	0.74	0.74	0.75	0.83	0.92	1.00	0.50	0.50	0.96	0.91	0.84	0.78	1144.5	b	0	1144.5	17.0	2	-	-	-	0.7	357	993	3,426	3,426	
Seventh Street Basin	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	1130.0	c	0	1130.0	5.6	3	-	-	-	0.7	118	327	1,170	1,170	
Upland Basin	0.74	0.74	0.75	0.83	0.92	1.00	0.90	0.90	0.96	0.91	0.84	0.78	1210.0	f	30	1180.0	13.2	10	0.00022	1.3	0.986	-	283	801	2,027	891	
Subtotal Management Zone 1																							3,939	10,058	26,429	19,689	
Ely	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	838.0	b	3	835.0	33.0	3	0.0001	1.2	0.511	-	948	2,578	6,274	4,501	
Etiwanda Debris Basin	0.74	0.74	0.75	0.83	0.92	1.00	0.90	0.90	0.96	0.91	0.84	0.78	1605.0	d	0	1605.0	15.5	10	-	-	-	0.6	279	776	2,908	2,908	
Hickory Basin East	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	1117.0	d	3	1114.0	4.1	3	-	-	-	0.7	86	239	856	856	
Hickory Basin West	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	1115.0	d	1	1114.0	6.8	3	-	-	-	0.7	143	397	1,420	1,420	
Lower Day Basin Cell 1	0.74	0.74	0.75	0.83	0.92	1.00	0.80	0.80	0.96	0.91	0.84	0.78	1379.8	e	1	1377.0	3.6	5	-	-	-	-	-	-	-	-	-
Lower Day Basin Cell 2	0.74	0.74	0.75	0.83	0.92	1.00	0.80	0.80	0.96	0.91	0.84	0.78	1379.8	e	1	1372.0	4.9	5	0.0005	1.8	0.909	-	438	1,088	2,244	983	
Lower Day Basin Cell 3	0.74	0.74	0.75	0.83	0.92	1.00	0.80	0.80	0.96	0.91	0.84	0.78	1379.8	e	1	1373.0	6.3	5	-	-	-	-	-	-	-	-	-
San Sevaine No. 1	0.74	0.74	0.75	0.83	0.92	1.00	0.80	0.80	0.96	0.91	0.84	0.78	1488.7	d	0	1488.7	9.7	5	0.01	3.4	0.732	-	231	324	418	114	
San Sevaine No. 2	0.74	0.74	0.75	0.83	0.92	1.00	0.80	0.80	0.96	0.91	0.84	0.78	1472.5	f	0	1472.5	8.5	5	0.0001	2.8	1.000	-	647	1,774	4,626	2,869	
San Sevaine No. 3	0.74	0.74	0.75	0.83	0.92	1.00	0.80	0.80	0.96	0.91	0.84	0.78	1458.0	f	0	1458.0	5.3	5	0.0001	2.8	1.000	-	403	1,132	3,126	2,226	
Turner Basin No. 1	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	1000.0	b	2	998.0	12.7	3	0.002	2.0	0.698	-	424	785	1,172	577	
Turner Basin No. 2	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	990.5	b	1	989.5	3.9	3	0.0045	1.8	0.505	-	139	276	453	227	
Turner Basin No. 3	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	980.5	a	2	978.5	2.8	3	-	-	-	0.5	42	117	418	418	
Turner Basin No. 4A	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	980.5	a	2	978.5	6.6	3	-	-	-	-	99	274	981	981	
Turner Basin No. 4B	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	980.5	a	2	978.5	1.1	3	-	-	-	0.5	17	46	164	164	
Turner Basin No. 4C	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	980.5	a	2	978.5	1.3	3	-	-	-	-	19	53	191	191	
Victoria Basin	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	1323.9	b	1	1322.9	19.1	3	-	-	-	0.4	229	637	2,279	2,279	
Subtotal Management Zone 2																							4,144	10,497	27,528	20,713	
Banana Basin	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	1143.0	b	0	1143.0	7.5	3	-	-	-	0.8	180	501	1,790	1,790	
Declez Basin Cell 1	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	833.2	d	0	833.2	6.9	3	-	-	-	0.6	124	345	1,235	1,235	
Declez Basin Cell 2	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	831.0	d	1	830.0	4.6	3	-	-	-	-	83	230	823	823	
Declez Basin Cell 3	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	831.0	d	1	830.0	4.3	3	-	-	-	0.6	77	215	770	770	
IEUA RP3 Basin Cell 1	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	961.0	d	3	958.0	10.4	3	-	-	-	1.5	468	1,301	4,653	4,653	
IEUA RP3 Basin Cell 3	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	950.0	d	0	950.0	7.3	3	-	-	-	1.5	329	913	3,266	3,266	
IEUA RP3 Basin Cell 4	0.74	0.74	0.75	0.83	0.92	1.00	0.67	0.67	0.96	0.91	0.84	0.78	945.0	d	1	944.0	8.2	3	-	-	-	1.5	369	1,026	3,669	3,669	
Subtotal Management Zone 3																							1,630	4,532	16,204	16,204	
Totals																							9,713	25,088	70,162	56,606	

1 - Limiting control structure types are the following: a = inlet, b = spillway, c = flood control restriction, d = conservation berm, e = outlet, f = other restriction
 2 - The term Maintenance as used in the table means maintenance activities that restore infiltration rates (removal of clogging layers followed by ripping or functionally equivalent activities).
 3 - Infiltration rates were based either on an exponential decay function if data were available to develop such a function and its R² value was greater than 0.5 or the average long-term infiltration rate; both based on IEUA data and reported infiltration rates. This work will be documented in the 2018 Recharge Master Plan Update.
 4 - Assumes recharge facility has been cleaned over the period of July to August, and is filled to operating level on September 1st. Average September operational availability factor applied.
 5 - Maximum Theoretical Three-Month Recharge Total is the total recharge from the three-month period directly after a cleaning (September through November). Average operational availability factors applied.
 6 - Maximum Theoretical Annual Recharge Total is the total recharge from the 10-month period directly after a cleaning (September through June). Average operational availability factors applied.
 7 - Average annual recharge over span between maintenance. When recharge facilities are not being cleaned, operational availability is 1.0 for July and August. Average cleaning frequency of each recharge facility was provided by IEUA.



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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

A. FISCAL YEAR 2017/2018 ASSESSMENT PACKAGE



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: November 16, 2017
TO: Advisory Committee and Board Members
SUBJECT: Fiscal Year 2017/18 Assessment Package (Business Item II.A.)

SUMMARY

Issue: Chino Basin Watermaster Fiscal Year 2017/18 Assessment Package, based on Production Year 2016/17.

Advisory Committee Recommendation: Approve the Fiscal Year 2017/18 Assessment Package as presented, including no credit for Stormwater New Yield, and postponing the assessment of Desalter Replenishment Obligation.

Board Recommendation: Approve the Fiscal Year 2017/18 Assessment Package as presented, including no credit for Stormwater New Yield, and postponing the assessment of Desalter Replenishment Obligation.

Financial Impact: Collection of assessments according to the Assessment Package creates the funds that are used during the current fiscal year for budgeted expenses.

Future Consideration

Agricultural Pool – November 13, 2017: Recommend Advisory Committee approval

Advisory Committee – November 16, 2017: Approval

Watermaster Board – November 16, 2017: Approval [Advisory Committee Approval Required]

ACTIONS:

Appropriative Pool – November 9, 2017: Unanimously recommended Advisory Committee approval

Non-Agricultural Pool – November 9, 2017: Unanimously moved to approve staff recommendation of the FY 2017/18 Assessment Package and direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate. In making and adopting the action, the Pool directed that the minutes reflect that the Pool may not be obligated under the Judgment to pay assessments for some of the costs included, that approval of the assessment for these costs (and any other costs which the Pool is not obligated to pay) is and has been voluntary, and that the members of the Pool reserve the right not to approve or pay such assessments in the future.

Agricultural Pool – November 13, 2017:

Advisory Committee – November 16, 2017:

Watermaster Board – November 16, 2017:

BACKGROUND

Watermaster issues an Assessment Package annually based on production during the previous production year (July 1 through June 30). Production information is generally collected quarterly, and other necessary information is collected annually. Assessments create funds that are used during the current fiscal year for budgeted expenses. Assessments are based on the approved budget allocated across the total assessable production in the Basin.

There is ongoing process related to the Safe Yield recalculation. The Court's April 28, 2017 Order has been appealed; until the resolution of the issues related to the appeal Watermaster is continuing to apply the same methodology in calculating the parties' production rights and replenishment responsibilities.

DISCUSSION

The Parties of the Non-Agricultural Pool and the Appropriative Pool were each sent a copy of their Water Activity Report in August that summarized their water activity for the previous year, including production, Dry Year Yield (DYY), land use conversions, transfers, voluntary agreements, and assignments. Each Party was asked to verify the data gathered and summarized by Watermaster. The Water Activity Reports were received back, and any necessary corrections were made.

The Assessments generate funds to cover the current year, FY 2017/18, approved budget, in addition to reserves according to existing reserve policies. Monies not expended during a fiscal year are refunded to the parties. The Assessment Package does not factor in unspent monies, those are returned to parties as a credit on the assessment invoicing. The FY 2017/18 excess cash for distribution is \$0.00; the Debt Payment excess to be refunded is \$78,397.00.

Considering the pending appeal from the April 28, 2017 Court Order regarding the 2015 Safe Yield Reset Agreement, which has the possibility of changing the Assessment Package calculations, this Assessment Package continues to be based on the same Safe Yield and accounting methodology as prior years. The Assessment Package will be revisited, if necessary, after the appeal from the April 28, 2017 Court Order has been exhausted.

Watermaster held an Assessment Package Workshop on October 30, 2017. The purpose of the Assessment Package Workshop was to review the prior year production, transfers, DYY, etc., and to review the current year cash requirements pursuant to the adopted budget and the resulting impact on assessments. Discussion at the workshop covered the detail of how assessments have been calculated.

The Draft Assessment Package is attached. It is based on the FY 2017/18 Budget, as it was approved in May 2017. The Assessment Package identifies total assessable production for all Pools as 113,323 acre-feet, resulting in assessments of \$18.03/acre-foot for Admin and \$53.60/acre-foot for OBMP, excluding recharge debt service, recharge improvement project expenses, "Pomona Credit" assessments, and assessments for replenishment and CURO water. For production year 2016/17, using the Restated Judgment's Safe Yield, there is a replenishment obligation of 953 acre-feet. The new replenishment rate is \$668, which is MWD's 2017 Tier 1 Untreated rate (\$666 per acre foot) plus OCWD's \$2 connection fee. There is no IEUA surcharge for projected spreading but an RTS charge will be applied for Assessment Years 2016/17 and 2017/18 over a period of ten years beginning with Assessment Year 2018/19.

The additional assessments approved as part of the budget, allocated amongst the Appropriators based on their percentage of Operating Safe Yield, are: Pomona Credit assessment of \$66,667.00, recharge debt payment assessment of \$515,375, and recharge improvement project assessment of \$2,839,000. Watermaster will not be assessing the recharge improvement project assessment of \$2,839,000 at this time, as it appears that there is a chance that State Revolving Fund loan monies will be made available

before the money is spent by IEUA. In case there is need to pay IEUA for project expenses before loans are secured, a special assessment will be recommended.

Stormwater New Yield is to be allocated to the Appropriators based on their percentages of OSY. Watermaster has completed the process for correction of prior over-allocation that was documented through Condition Subsequent 7. Due to the ongoing Safe Yield recalculation process and related questions as to the proper method for allocating Stormwater New Yield, staff recommends that 0 acre-feet be allocated during production year 2016/17. When the Safe Yield recalculation and Stormwater New Yield allocation matters are resolved, the 2016/17 allocation will be recalculated, if necessary, and credited, if necessary.

The projection in Desalter Induced Recharge (DIR) in Appendix B is shown as zero for each year. In addition to the production years 2013/14, 2014/15, and 2015/16 desalter replenishment obligations of 27,940 ac-ft, 29,541 ac-ft, and 27,009 ac-ft respectively which have not been assessed, the production year 2016/17 desalter replenishment obligation could be as high as 25,991 ac-ft. Due to the ongoing court process, staff recommends that the desalter replenishment obligation not be assessed at this time. After the appeal from the April 28, 2017 Court Order is exhausted, the desalter replenishment obligation will be recalculated and assessed, if necessary.

In Fiscal Year 2016/17, parties were given an option to remit funds toward their share of future desalter replenishment obligation; several parties have purchased water toward that purpose and their purchases are reflected in the Assessment Package. Staff recommends that the assessment invoices which will be issued later this month for the Fiscal Year 2017/18 (Production Year 2016/17) continue to include an option for each party to pay for a portion of its share of the future obligation. Any such purchases would be accounted for by Watermaster and applied toward desalter replenishment obligation in the future.

Hydraulic Control was achieved on February 1, 2016, changing the loss rate from 2% to 0.07%. This rate is reflected in the Assessment Package and has been applied to beginning balances of local stored water accounts.

As a result of a process undertaken in early 2017, Watermaster has entered into storage agreements for all local water accounts. In cases where the ending balance of an account has increased from the beginning balance on July 1, 2016, a new storage agreement will be required. Watermaster will reach out to parties that need new storage agreements and facilitate their application for new agreements.

The quantity of Supplemental Water the Assessment Package shows in local storage accounts exceeds the Peace Agreement safe harbor threshold of 100,000 ac-ft, within which Watermaster must approve storage agreements where they comply with prescribed conditions. Moreover, pursuant to Peace Agreement section 5.2(b)(v), in considering agreements for storage of water beyond this threshold, the rebuttable presumption that such storage does not cause MPI does not apply. Following approval of the Assessment Package, Watermaster will process applications for storage agreements for water in storage beyond previously approved quantities. In this process, for quantities beyond the safe harbor threshold, Watermaster must make a finding that MPI will not result from the storage of this water in the Basin, and has the discretion to place reasonable restrictions on the time, place, and manner of storage of water in and recovery of water from the Basin.

ATTACHMENTS

1. Fiscal Year 2017/18 Assessment Package (DRAFT)
Click on the link below to access:
[http://www.cbwm.org/FTP/Draft%20FY%202017-18%20Assessment%20Package/Draft%20FY%202017-18%20Assessment%20Package/2017-2018%20Assessment%20Package%20\(Production%20Year%202016-2017\)%20-%20WORKSHOP%20DRAFT.pdf](http://www.cbwm.org/FTP/Draft%20FY%202017-18%20Assessment%20Package/Draft%20FY%202017-18%20Assessment%20Package/2017-2018%20Assessment%20Package%20(Production%20Year%202016-2017)%20-%20WORKSHOP%20DRAFT.pdf)

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. RESOLUTION TO LEVY REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS FOR FISCAL YEAR 2017/18



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: November 16, 2017
TO: Advisory Committee and Board Members
SUBJECT: Resolution to Levy Replenishment and Administrative Assessments for Fiscal Year 2017/18 (Based on Production Year 2016/17) – (Business Item II.B.)

SUMMARY

Issue: A resolution is required for the Chino Basin Watermaster to levy administrative, special project, and replenishment assessments for Fiscal Year 2017/2018.

Recommendation:

Advisory Committee – Review Resolution 2017-07 as presented, and offer advice to Watermaster.

Watermaster Board – Adopt Resolution 2017-07 as presented.

Financial Impact: Collection of the assessments according to the Assessment Package creates the funds that are used during the current fiscal year for budgeted expenses.

Future Consideration

Agricultural Pool – November 13, 2017: Recommendation to the Advisory Committee

Advisory Committee – November 16, 2017: Recommendation to the Watermaster Board

Watermaster Board – November 16 2017: Adopt the Finding of Compliance [Discretionary Function]

ACTIONS:

November 9, 2017 – Appropriative Pool: Unanimously recommended Advisory Committee to approve.

November 9, 2017 – Non-Agricultural Pool: Unanimously recommended their representatives to support at Advisory Committee and Watermaster Board meetings subject to changes they deem necessary.

November 13, 2017 – Agricultural Pool:

November 16, 2017 – Advisory Committee:

November 16, 2017 – Watermaster Board:

BACKGROUND

Watermaster issues an Assessment Package annually based on the previous production year (July 1 through June 30). Production information is generally collected quarterly, and other necessary information is collected annually. The Assessment Package creates funds that are used during the current fiscal year for budgeted expenses. Assessments are based on the approved budget divided by the total assessable production in the Basin. 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.

DISCUSSION

The draft Fiscal Year 2017/18 Assessment Package is being considered for approval this month. It is based on the budget that was approved in May 2017. The Assessment Package identifies total assessable production for all Pool Committees as 113,323.292 acre-feet, resulting in assessments of \$18.03/acre-foot for General Administration and \$53.60/acre-foot for OBMP, excluding recharge debt service, recharge improvement project expenses, "Pomona Credit" assessments, and assessments for replenishment water.

For production year 2016/2017, there is a replenishment obligation of 952.757 acre-feet, in addition to the Cumulative Unmet Replenishment Obligation (CURO) of 0.409 acre-feet. The new replenishment rate is \$668, which is MWD's 2017 Tier 1 Untreated Rate (\$666 per acre foot) plus OCWD's \$2 connection fee. There will be no longer be a "Projected Spreading – IEUA Surcharge", instead, a Readiness To Serve (RTS) charge will be applied for Assessment Years 2016/17 and 2017/18 over a period of ten years beginning with Assessment Year 2018/19.

Recovery of the following is also included in the assessment, allocated amongst the Appropriators based on their percentage of Operating Safe Yield: Pomona Credit assessment of \$66,667.00, recharge debt payment assessment of \$515,374.99. The recharge improvement project assessment of \$2,839,000 is not included in the assessment, as it appears that there is a chance that State Revolving Fund loan monies will be made available before the money is spent by IEUA. In case there is need to pay IEUA for project expenses before loans are secured, a special assessment will be recommended.

If Resolution 2017-07 is approved through the Watermaster process in November 2017, the invoices will be mailed in late November and assessments will be due 30 days later.

ATTACHMENTS

1. Resolution 2017-07: A resolution of the Chino Basin Watermaster levying administrative, replenishment, and special project assessments for Fiscal Year 2017/2018.

RESOLUTION 2017-07

**A RESOLUTION OF THE CHINO BASIN WATERMASTER
LEVYING ADMINISTRATIVE, REPLENISHMENT, AND SPECIAL PROJECT ASSESSMENTS
FOR FISCAL YEAR 2017-2018**

WHEREAS, the Chino Basin Watermaster was appointed on January 27, 1978, under Case No. RCV 51010 (formerly case No. SCV 164327) entitled Chino Basin Municipal Water District v. City of Chino, et al., with powers to levy and collect administrative and replenishment assessments necessary to maintain water levels and to cover the cost of administering the Chino Basin Judgment; and

WHEREAS, the Watermaster Advisory Committee approved and the Watermaster Board adopted the Fiscal Year 2017-2018 Budget on May 25, 2017, to carry out the necessary Watermaster functions under the Judgment; and

WHEREAS, the parties named in this Judgment have pumped 952.757 acre-feet of water in excess of the operating safe yield, which is required to be replaced at the expense of the parties in accordance with the assessment formulas for the respective pools.

NOW, THEREFORE, BE IT RESOLVED that the Chino Basin Watermaster levies the respective assessments for each pool effective November 16, 2017 as shown on Exhibit "A" attached hereto.

BE IT FURTHER RESOLVED, that pursuant to the Judgment, each party has thirty (30) 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.

THE FOREGOING RESOLUTION was

ADOPTED by the Watermaster Board on the 16th day of November 2017.

By: _____
Chair – Watermaster Board

ATTEST:

Secretary/Treasurer – Watermaster Board

Exhibit "A"
Resolution 2017-07

Summary of Assessments
Fiscal Year 2017-2018
Production Year 2016-2017

1. OVERLYING (NON-AGRICULTURAL) POOL

a.	2017-2018 Budget	\$ <u>18.03</u> Per AF - Admin.
		\$ <u>53.60</u> Per AF - OBMP
b.	Replenishment	\$ <u>668.00</u> Per AF
c.	CURO	\$ <u>1,998.50</u> Total

2. APPROPRIATIVE POOL

a.	Administration	
	1. 2017-2018 Budget	\$ <u>18.03</u> Per AF - Admin.
		\$ <u>53.60</u> Per AF - OBMP
	2. Ag Pool Reallocated	
		\$ <u>8.66</u> Per AF - Admin.
		\$ <u>25.74</u> Per AF - OBMP
b.	100% Net Replenishment	\$ <u>668.00</u> Per AF
c.	15/85 Water Activity	
	15% Replenishment Assessments	\$ <u>1,306.30</u> Total
	15% Water Transaction Activity	\$ <u>1,029,060.96</u> Total
d.	CURO	\$ <u>101,034.03</u> Total
e.	Pomona Credit (2016-17 Assessment)	\$ <u>66,667.00</u> Total
f.	Recharge Debt Payment	\$ <u>515,374.99</u> Total
g.	Recharge Improvement Project	\$ <u>2,839,000.00</u> Total

ATTACHMENT 1

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Bob Kuhn, Secretary/Treasurer of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 2017-07, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CHINO BASIN WATERMASTER

Secretary

Date: _____

CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

**C. INCREASE OF FISCAL YEAR 2017/18 DRY YEAR YIELD
PROGRAM DELIVERY LIMIT**



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: November 16, 2017
TO: Advisory Committee and Board Members
SUBJECT: Increase of FY 2017/18 Dry Year Yield Program Delivery Limit (Business Item II.C.)

SUMMARY

Issue: Metropolitan Water District (MWD) has requested to increase the amount of water it can put in Chino Basin pursuant to the Dry Year Yield (DYY) agreement, which permits an annual recharge of up to 25,000 ac-ft. Chino Basin parties have indicated their willingness to allow the increase.

Recommendation: Approve amending the DYY Annual Operating Plan and increasing the annual delivery limit from 25,000 ac-ft to 50,000 ac-ft for Fiscal Year 2017/18.

Financial Impact: There is no financial impact associated with this recommendation.

Future Consideration

Agricultural Pool – November 13, 2017: Recommend Advisory Committee approval

Advisory Committee – November 16, 2017: Approval

Watermaster Board – November 16, 2017: Approval [Advisory Committee Approval Required]

ACTIONS:

Appropriative Pool – November 9, 2017: Unanimously recommended Advisory Committee approval

Non-Agricultural Pool – November 9, 2017: Unanimously recommended their representatives to support at Advisory Committee and Watermaster Board meetings subject to changes they deem necessary.

Agricultural Pool – November 13, 2017:

Advisory Committee – November 16, 2017:

Watermaster Board – November 16, 2017:

BACKGROUND

The Dry Year Yield Agreement provides for MWD delivery of up to 25,000 ac-ft during a fiscal year, for a program maximum of 100,000 ac-ft subject to higher amounts if approved in advance by Chino Basin Watermaster. MWD can call for this water in future years, at the maximum rate of 33% of the volume in the MWD account during a fiscal year.

Given the wet conditions of the prior winter MWD has already recharged nearly 25,000 ac-ft in FY 2017/18 and requested to recharge beyond this amount. During the DYY Operating Committee meeting held on October 25, 2017 parties indicated support for increasing the put amount by an additional 25,000 ac-ft during the FY 2017/18.

DISCUSSION

Watermaster's Engineer is of the opinion there is no Material Physical Injury (MPI) associated with the proposed increased deliveries during the current fiscal year.

The increase in the delivery limit for Fiscal Year 2017/18 will require an amendment to the Annual Operating Plan.

In light of the parties' willingness to accommodate MWD's request, and the absence on MPI associated with the request, Watermaster staff recommends approval of the Annual Operating Plan amendment, and increasing the delivery limit for MWD from 25,000 ac-ft to 50,000 ac-ft in Fiscal Year 2017/18.

CHINO BASIN WATERMASTER

II. BUSINESS ITEMS (Watermaster Board Only)

- D. CHINO BASIN WATERMASTER ANNUAL FINANCIAL REPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016; AND THE CHINO BASIN WATERMASTER MANAGEMENT REPORT FOR JUNE 30, 2017**



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: November 16, 2017

TO: Board Members

SUBJECT: Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2017 and 2016; and the Chino Basin Watermaster Management Report for June 30, 2017 (Business Item II.D.)

SUMMARY

Issue: Two reports (Annual Financial Report for the Fiscal Years Ended June 30, 2017 and 2016 dated November 16, 2017; and Management Report for June 30, 2017 dated November 16, 2017) have been prepared.

Recommendation: Receive and file (1) the Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2017 and 2016 dated November 16, 2017; and (2) the Chino Basin Watermaster Management Report for June 30, 2017 dated November 16, 2017.

Financial Impact: There is no financial impact.

Future Consideration

Watermaster Board – November 16, 2017: Receive and File (Normal Course of Business)

ACTIONS:

November 16, 2017 – Watermaster Board:

BACKGROUND

Chino Basin Watermaster is required to have an annual audit every year.

DISCUSSION

Attached is the Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2017 and 2016 dated November 16, 2017; and the Chino Basin Watermaster Management Report for June 30, 2017 dated November 16, 2017. Please note that these reports are in draft format and the final version will be distributed several weeks after the Board has received and filed the draft reports. Watermaster does not anticipate or expect any material changes between the draft and final versions. Both the Annual Financial Report and the Management Report was issued by the audit firm of Fedak & Brown LLP, Watermaster's auditor.

The Independent Auditor's Report is detailed on pages 4-6 of the Annual Financial Report. Fedak & Brown LLP audited the financial statements of Chino Basin Watermaster as of and for the years ended June 30, 2017 and 2016. In the opinion of Fedak & Brown LLP, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Watermaster, as of June 30, 2017 and 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Furthermore, Fedak & Brown LLP made the following comments with respect to the audit:

1. Performed the audit according to the planned scope and timing requirements as previously communicated to management as stated in the Audit Engagement letter dated March 1, 2017.
2. Noted no transactions entered into by the Watermaster during fiscal year ended 2017 for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.
3. Noted no issues with Management's Judgments, Accounting Estimates and Financial Disclosures.
4. Noted seven audit adjustments and or reclassifying journal entries recorded to adjust the original trial balance presented to the auditors at the start of the audit.
 - a. Four audit adjustments and or reclassifying journal entries were recorded with the adoption of GASB Nos 68 and 71 (Year 3).
 - b. One audit adjustment and or reclassifying journal entry in the amount of \$158,251.00 was recorded to reverse income and expense related to the use of SB 222 Funds in implementing OBMP; and one audit adjustment and or reclassifying journal entry in the amount of \$32,887.33 was recorded to revert back direct deposit for pay period ending July 1, 2017 that was paid on July 7, 2017, back to cash as of June 30, 2017.
5. Watermaster did not consult with other accountants about auditing and accounting matters.
6. There were no other audit findings or issues.
7. Encountered no difficulties in dealing with management in performing and completing the audit.
8. No disagreements with Watermaster management arose during the course of the audit of Watermaster.

ATTACHMENTS

1. The Chino Basin Watermaster Annual Financial Report For the Fiscal Years Ended June 30, 2017 and 2016 dated November 16, 2017 – Please access this link
<http://www.cbwm.org/FTP/FY%202016-17%20Audit%20Report/CBWM%20Annual%20Financial%20Report%20as%20of%20June%2030,%202017-DRAFT.pdf>
2. The Chino Basin Watermaster Management Report for June 30, 2017 dated November 16, 2017 – Please access this link
<http://www.cbwm.org/FTP/FY%202016-17%20Audit%20Report/CBWM%20Management%20Report%20as%20of%20June%2030,%202017-DRAFT.pdf>

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CHINO BASIN WATERMASTER

III. REPORTS/UPDATES (Advisory Committee Only)

E. INLAND EMPIRE UTILITIES AGENCY (WRITTEN)

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



CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

November 16, 2017

INLAND EMPIRE UTILITIES AGENCY REPORTS

The following items are provided for receive and file.

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

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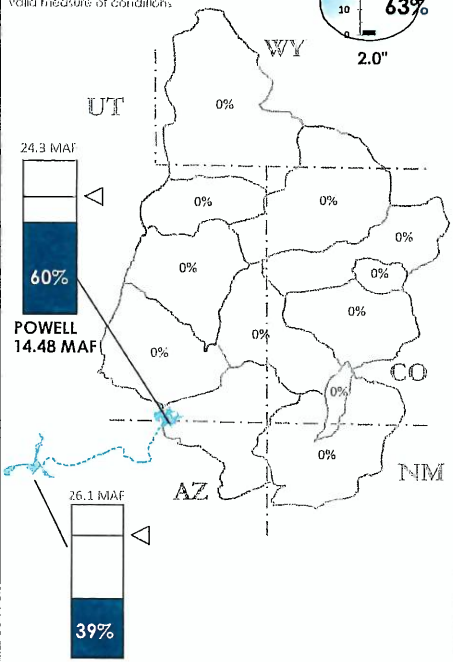
**CBWM Advisory Committee Meeting
November 16, 2017**

Inland Empire Utilities Agency
Water Resources Updates

MWD:

- Dry Year Yield Program (DYY): On June 1, 2017, MWD issued a request to store water under the DYY agreement. For FY2017-18, a total of 22,789.6 acre-feet (AF) was delivered through the month of October for a total of 29,108.3 AF in the MWD DYY account. In addition, the annual maximum PUT has been increased from 25k to 50k AF.
- In October MWD staff reported a confirmation for quagga mussel in the Rialto pipeline. The water samples were taken west of IEUAs service area in San Gabriel Valley. Last week, IEUA received an update that the water samples taken were mixed with samples from the Colorado River Aqueduct. Therefore, we received confirmation that there is no quagga mussels in the Rialto pipeline. Due to the many recent false-positives, IEUA is in the process of developing a Quagga Control Plan as required by the CFWS in coordination with MWD and OCWD.
- MWDs dry-year storage is on track to exceed 3 MAF by end of the year. If accomplished, will be the largest PUT year to storage to date.

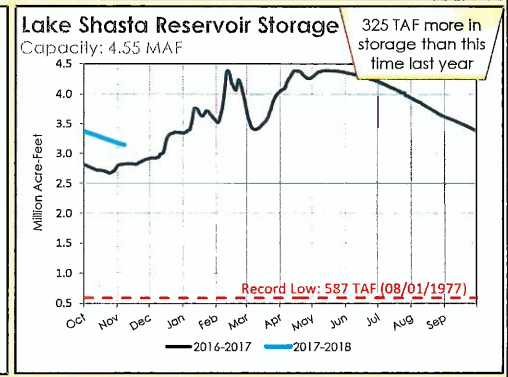
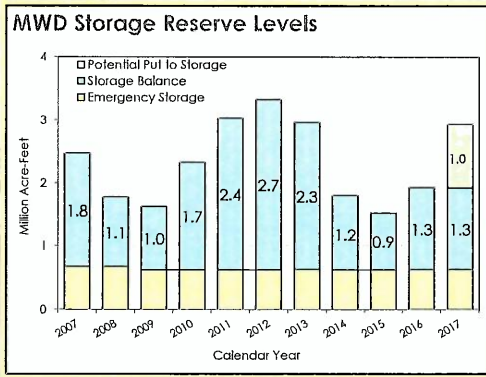
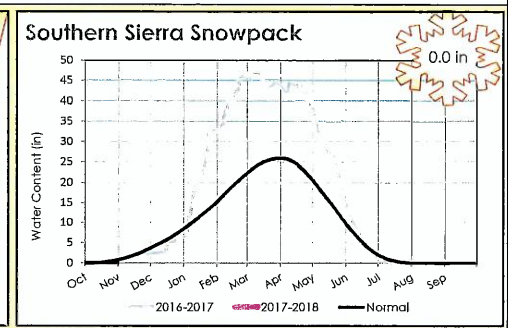
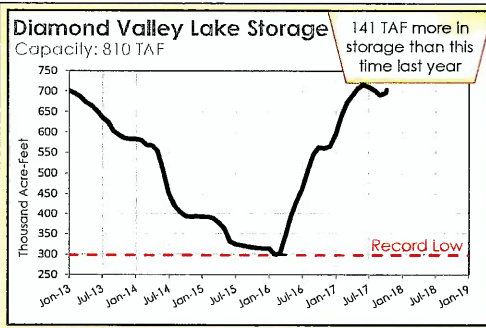
2017 Colorado River
Upper Colorado River Basin
90%
Does not include storage withdrawals
967,370 AF
77% of full CRA



Snow Water Equivalent (% of Normal)
 No Data
 Less than 50
 50 - 80
 81 - 120
 121 - 150
 Greater than 150

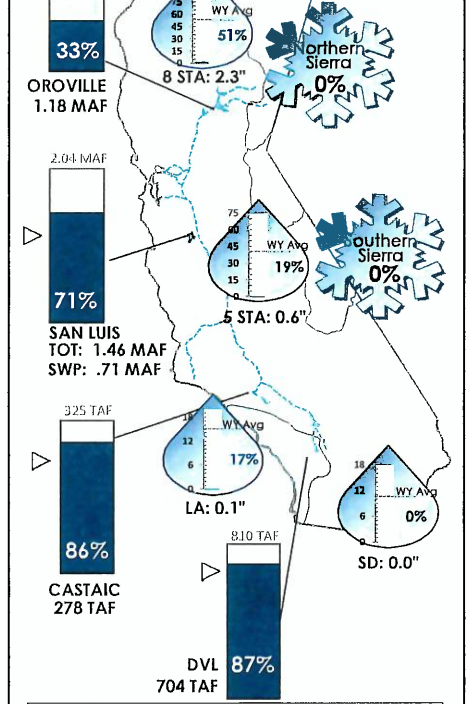
Highlights

- Oroville has 370 TAF less in storage than this time last year
- San Luis Reservoir has 233 TAF more in SWP storage than this time last year
- Precipitation as indicated by the 8-Station index is at 51% of normal for this time of the year



This report is produced by the Water Resource Management and contains information from various federal, state, and local agencies. The Metropolitan Water District of Southern California cannot guarantee the accuracy or completeness of this information. Readers should refer to the relevant state, federal, and local agencies for additional or for the most up to date water supply information. Reservoir, lake, aqueduct, map, waterhead, and all other visual representations on this report are not drawn to scale.
<http://www.mwdh2o.com/WSCR>
This report is best printed double sided on local size paper (8.5" x 14") and folded in quarters.

2017 SWP Allocation
1,624,775 AF
85% of Table A
Statewide **0%**



Legend:
 WY Avg
 % Normal WY to Date
 Rainfall to Date (in)
 Capacity
 <1 Average EOM
 Current Storage (% Capacity)

P82



October 27, 2017

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

Overview:

The first year of the 2017-2018 Legislative Session concluded with the Governor taking final action on bills before the October 15 deadline. Of the 997 bills that were sent to him, he signed 859 and vetoed 118, a 12 percent veto rate.

Establishing long-term water-use efficiency standards and a drinking water fee were among the hottest topics in Sacramento at the end of the session, and will likely pick back up quickly when the legislature returns on January 3.

With the start of the new water year on October 1, California's major reservoirs are in the best position they have been in at the start of a new water year in nearly six years. Water managers are cautiously optimistic for the upcoming year; it is too early to tell at this point what the winter months might have in store.

As widely reported, the Metropolitan Water District of Southern California voted to support the California WaterFix on October 10. Ten of the other twelve contractors have voted to support the project with two, Kern County Water Agency and Santa Clara Valley Water District conditionally supporting the project.

The State Water Resources Control Board (SWRCB) released additional specifics and scientific support for Phase II of their Bay-Delta Plan update, covering the Sacramento River and its tributaries. Most notably the plan suggests a range of 35-75% unimpaired flows for Sacramento River Delta inflow.

Southern California Gas Co. recently filed a general rate case application at the California Public Utilities Commission (CPUC) asking for a 40 percent, \$3.3 billion, increase in revenues over the next four years.

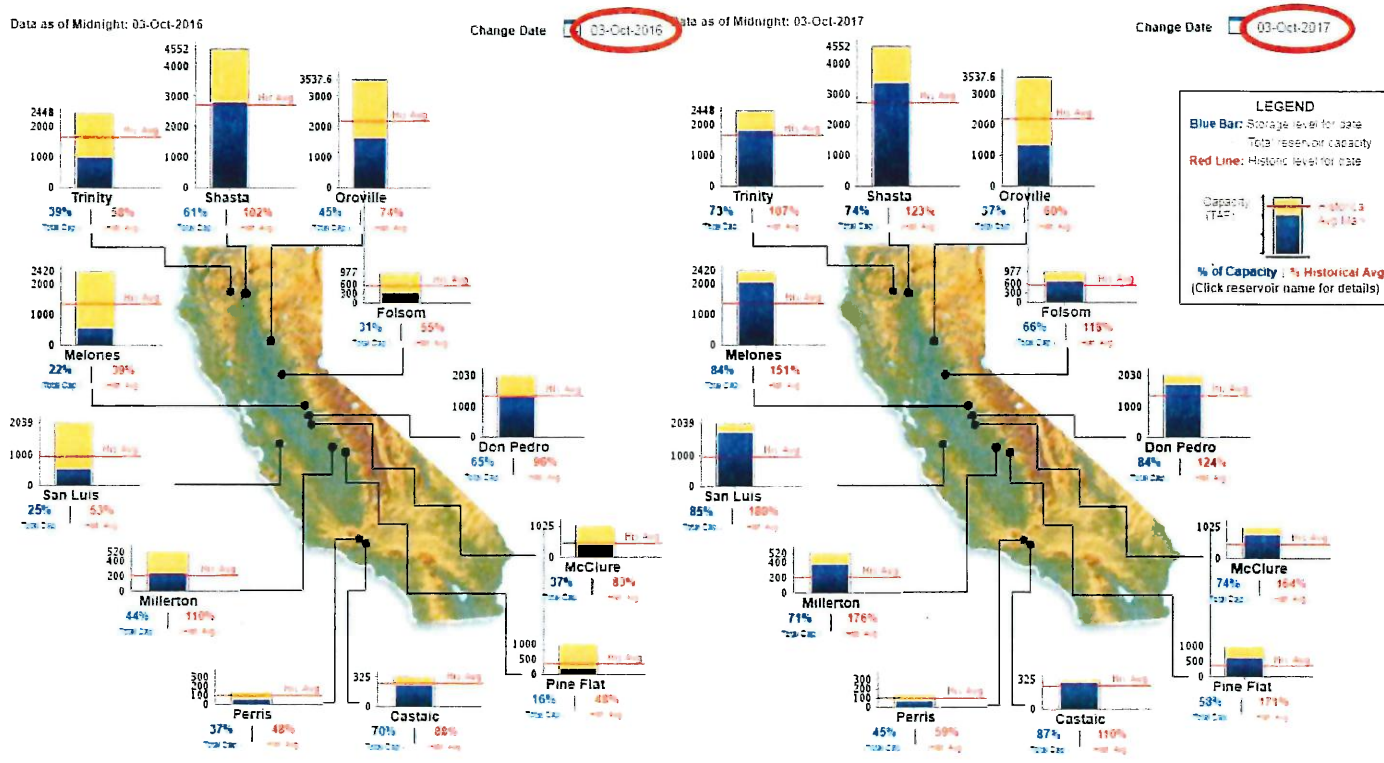
The Emerging Trends Committee at the California Public Utilities Commission (CPUC) recently discussed the status of the BioMAT program. The BioMAT program was created in 2012 by IEUA sponsored SB 1122 (Rubio) in hopes of sparking a market for bioenergy projects. Of the 250 MWs authorized in the legislation, only 10.4 MWs have actually been contracted. More projects are expected as landfill diversion and Short Lived Climate Pollutant programs require and incentivize more organic waste digester projects.

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Inland Empire Utilities Agency Status Report – October 2017

Water Supply Conditions

With the start of the new water year on October 1, California’s major reservoirs are in the best position they have been in at the start of a new water year in nearly six years. Lake Oroville is the one exception, as it has been kept low during the repair of the damaged spillway and auxiliary spillway. Water managers are cautiously optimistic for the upcoming year; it is too early to tell at this point what the winter months might have in store.



WaterFix Update

As widely reported, the Metropolitan Water District of Southern California voted to support the California WaterFix on October 10. There was significant discussion about the possibility of a one tunnel option ending with a commitment to bring any variation to the current proposal back to the board for final approval. With both the Los Angeles and San Diego delegations split, the vote passed at a comfortable margin. Other contractors held votes throughout October. The final results are below.

Agency	Date	Support Water Fix
Zone 7 Water Agency	Sept. 20	Yes
Mojave Water Agency	Sept. 28	Yes
San Gorgonio Pass Water Agency	Oct. 2	Yes
Desert Water Agency	Oct. 2	Yes
San Bernardino Valley MWD	Oct. 3	Yes
Crestline-Lake Arrowhead WA	Oct. 5	Yes
Coachella Valley Water District	Oct. 10	Yes
Metropolitan Water District of S. CA	Oct. 10	Yes
Castaic Lake Water Agency	Oct. 11	Yes
Alameda County Water District	Oct. 12	Yes
Kern County Water Agency	Oct. 12	“Tentative Endorsement”
Santa Clara Valley Water District	Oct. 17	One tunnel only.

As to what happens next, a lot of that depends on Governor Brown. He has indicated that he is open to a one-tunnel option, but has yet to officially switch to that approach. Should a one-tunnel plan move forward, a new economic analysis would have to be conducted, and environmental permitting will need to be updated. It is also unclear how that will change support from Westlands or further solidify support from Kern County Water Agency. MWD’s support for a one-tunnel solution also appears lukewarm.

Additionally, after several days of confusion, Trump clarified that they will continue to work on the delta tunnels project, however they have no plans to fund it.

SWRCB Moves Forward with Bay-Delta Plan Update – Phase II

The State Water Resources Control Board (SWRCB) released additional specifics and scientific justifications for Phase II of their Bay-Delta Plan update. Phase II covers the Sacramento River and its tributaries. The SWRCB released an initial working draft of the Scientific Basis Report for Phase II last October.

The preliminary Phase II proposal begins to lay the groundwork for a number of updates, including the following:

- A range of 35-75% unimpaired flows for Sacramento River Delta inflow
- Cold water habitat requirements (for the first time in the Delta-Plan)
- Maintain existing Delta outflow requirements of 3,000-8,000 cfs for July-January and 7,100 cfs for February-June
- Replace existing “inflow-based Delta outflow” objective (calculated by adding up the required inflows and making appropriate adjustments for natural losses and gains scaled to the percent of unimpaired flow level)
- Add existing U.S. Fish and Wildlife Service Biological Opinion September-January fall outflow requirements (Fall X2)
- Add Old and Middle River (OMR) reverse flow limits from December-June consistent with existing Biological Opinions and incidental take permits
- Add Delta Cross Channel gates restrictions in October consistent with existing Biological Opinions and incidental take permits

- Add modified April-May export constraints based on San Joaquin River flows

The new materials, calling for potentially significant changes, come as a bit of a surprise to the water community. While the Bay-Delta Plan update has been a hot topic over the last year, the Phase I proceedings for the San Joaquin River were put on hold at the request of the Governor to attempt to execute voluntary agreements between the State and water rights holders affected by the update. It appears that little progress has been made with those efforts, but the SWRCB has not moved forward with any additional formal actions. Initial estimates suggest the flow requirements could significantly impact carry-over storage in the state's main Northern California Reservoirs.

The SWRCB is requesting responses to a specific set of questions on the proposal and 400-page scientific document by November 9th. An extended, more focused comment period will occur at a later date, yet to be announced.

SoCal Gas Seeks \$3.3 Billion Revenue Increase Over the Next Four Years

Southern California Gas Co. recently filed a general rate case application at the California Public Utilities Commission (CPUC) asking for a 40 percent, \$3.3 billion, increase in revenues over the next four years. They are asking for a 19 percent increase in 2019, an additional 8.54 percent increase in 2020, an additional 6.19 percent increase in 2021 and a final additional 6.18 percent increase in 2022.

Non-core Commercial and Industrial customers are proposed to receive a 25 percent increase over 2017 rates in 2019.

SoCalGas notes that about 57 percent of the revenue increase is directly related to safety measures and reflects a new, risk-based decision-making framework adopted by the CPUC. In the wake of the Aliso Canyon leak, SoCalGas highlights that a number of new and emerging regulations on underground natural gas storage are primary contributors to the expenditures plan. They are also proposing to expand in-line inspections of transmission pipelines, use of a new technology to assess and mitigate pipeline risk, and preplacement of aging distribution pipelines.

The application also proposes additional funds for renewable energy, such as increased support for biogas projects that capture methane for use as a fuel source. They note that renewable gas will be "integral to the state reaching its goal of 40 percent reduction of GHG emissions below 1990 levels by 2030 by reducing fugitive methane emissions from the agricultural and waste sectors."

The case is expected to take at least 12 to 18 months.

CPUC Ponders BioMAT (SB 1122) Program Performance

At a recent meeting of the Emerging Trends Committee at the California Public Utilities Commission (CPUC), Commissioners discussed the status of the BioMAT program. The BioMAT program was created in 2012 by IEUA sponsored SB 1122 (Rubio) in hopes of sparking a market for bioenergy projects including wastewater digesters. Unfortunately, program implementation obstacles have made it difficult for projects to actually participate. Of the 250 MWs authorized in the legislation, only 10.4 MWs have actually been contracted. Projects

proposing pipeline injection instead of onsite electricity production have also limited participation.

Commission staff identified a number of challenges with the program including lack of competition, an ineffective price-allocation method, and difficulty getting permits for projects.

Commissioners are faced with several options including suspending the program to contemplate modifications, modify without suspending the program, or seeking statutory changes to SB 1122. WCA recently testified before the CPUC on the merits, benefits and importance of the program as the state seeks to divert landfill organic waste and reduce short-lived climate pollutants (SLCPs).

Commission President Picker voiced strong skepticism for the biogas market and noted that there are a lot of unrealistic expectations about the biogas market. It is unclear what the next step for the CPUC will be.

Legislative Update

The first year of the 2017-2018 Legislative Session concluded with the Governor taking final action on bills before the October 15 deadline. Of the 997 bills that were sent to him, he signed 859 and vetoed 118, a 12 percent veto rate.

The Governor signed AB 574 (Quirk, D-Hayward) the WaterReuse sponsored legislation which would re-define specific categories of recycled water.

He also signed SB 5 (de Leon, D-Los Angeles). While it was called a \$4 billion “Water and Parks Bond,” there is very little funding for water projects included in the text. Most notably, there is \$100 million for water recycling. Other “water” funding categories include: clean drinking water and drought preparedness, groundwater sustainability, flood protection and repair, regional sustainability, and funding for state and local conservancies.

As reported earlier, the Governor signed SB 231 (Hertzberg, D-Van Nuys) addressing the financing of stormwater capture, cleanup and reuse projects.

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

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

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

Assemblymember Adam Gray’s (D-Merced) AB 313, a bill to reform the water rights appeals process at the State Water Resources Control Board, was revived in the final hours of the

legislative session. The bill would require water rights enforcement appeal proceedings, previously heard by SWRCB members, to be heard by an administrative law judge. Proponents of the bill, including the bill's sponsor – Byron-Bethany Irrigation district, argue that this will increase fairness for water rights proceedings.

The bill had previously sat on the Senate Appropriation Committee Suspense File, without any real hope of advancing this year. Then, in the final hours of session, the bill was pulled out of the committee, to the Senate Floor, and passed both houses within a matter of minutes. While unconfirmed by legislative leadership, the move was presumably made in exchange for Gray's support for SB 5 (de Leon), the Pro Tem's Parks and Water Bond that was struggling to get the required two-thirds vote in the Assembly.

While Asm. Gray had the late support from legislative leadership to revive the bill before the end of session, he clearly failed to secure the support of the Governor, who vetoed the measure. However, the Governor did direct Cal EPA to look into the issues raised by the bill.

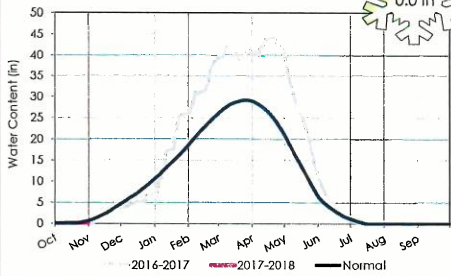
Members will return to Sacramento on January 3 to start the final year of the two-year session. It is expected that they will hit the ground running on the carry-over legislation from last year, specifically water conservation and water user fees. As discussed in previous reports, other issues likely to be hot topics include: Prop 218 reform for low-income water rates; SB 100 to accelerate and increase RPS and zero carbon energy goals, and the creation of a Western regional energy grid. It is possible that there will be legislation introduced to address, stall or possibly block WaterFix, as there have been similar efforts every year for the past few years.

Please see the matrix for a final report on all IEUA tracked bills.

As of: 11/07/2017

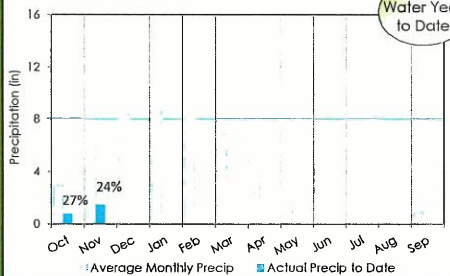
State Water Project Resources

Northern Sierra Snowpack



0.0 in

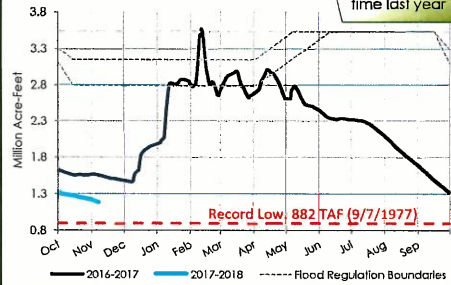
8 Station Index Precip



2.3 in. Water Year to Date

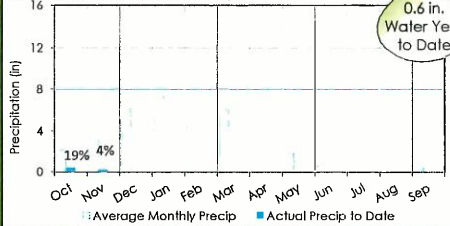
Oroville Reservoir Storage

Capacity: 3.5 MAF



370 TAF less in storage than this time last year

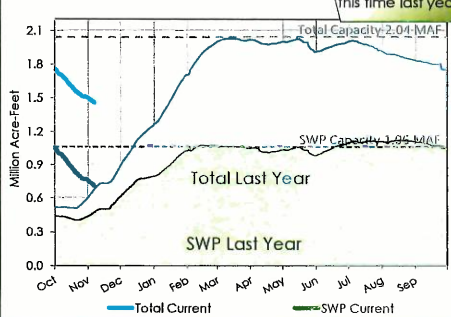
5 Station Index Precip



0.6 in. Water Year to Date

San Luis Reservoir Storage

Capacity: 2.04 MAF

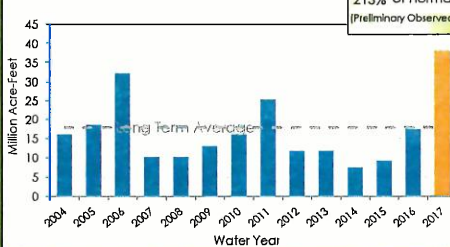


233 TAF more in SWP storage than this time last year

Other SWP Contract Supplies for 2017 (AF)

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

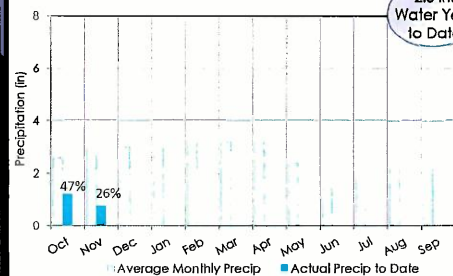
Sacramento River Runoff



Colorado River Resources

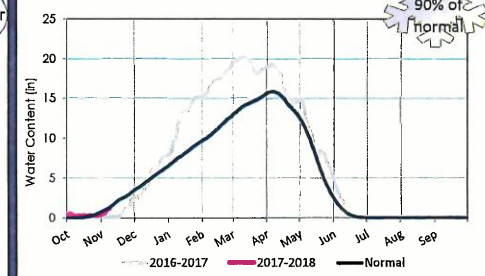
As of: 11/07/2017

Upper Colorado Basin Precip



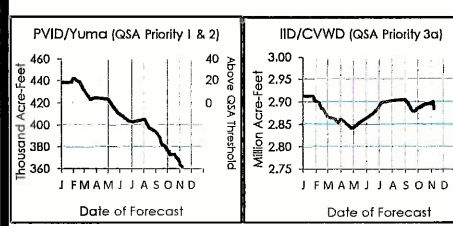
2.0 in. Water Year to Date

Upper Colorado Basin Snowpack



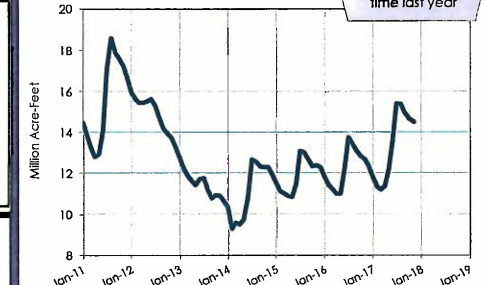
1.1 in. 90% of normal

2017 Colorado River Ag Use



Lake Powell Storage

Capacity: 24.3 MAF



1.86 MAF more in storage than this time last year

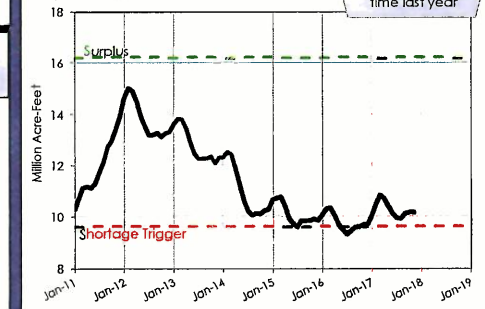
Lake Mead Shortage/Surplus Outlook

	2018	2019	2020	2021	2022
Shortage	0%	15%	42%	45%	52%
Surplus	0%	0%	7%	12%	17%

1. Prepared based on results from the August 2017 USBR CRCS model run

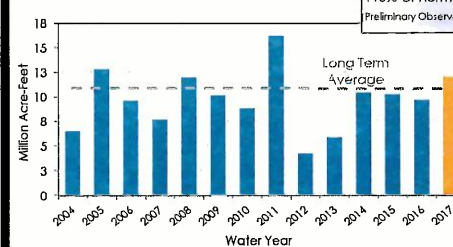
Lake Mead Storage

Capacity: 26.1 MAF



470 TAF more in storage than this time last year

Powell Unregulated Inflow



06 p

Federal Legislation of Significance

Bill Number	Sponsor	Title and/or Summary	Summary/Status
H. Con. Res. 71	Rep. Diane Black (R-TN)	Establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027	<p>Legislation that would change the tax code and increase the deficit by as much as \$1.5 trillion over a decade could be passed with simple majorities in both chambers under the Senate amendment to H. Con. Res. 71.</p> <p>The proposed fiscal 2018 budget resolution would direct the tax-writing panels -- House Ways and Means and Senate Finance -- to produce reconciliation legislation by Monday, November 13.</p> <p>The plan calls for spending \$3.13 trillion in fiscal 2018, while bringing in \$2.49 trillion in revenue, for a deficit of \$641 billion. Those figures don't include "off-budget" items such as Social Security, which would bring total spending to \$3.99 billion in fiscal 2018. It would seek about \$5.1 trillion in spending reductions over the next decade and \$1.6 trillion in tax cuts.</p> <p>The House adopted its version of H. Con. Res. 71 by a vote of 219-206 on Thursday, October 5. The Senate adopted an amended version by a vote of 51-49 on Thursday, October 19. And, the House passed the Senate amended bill on Thursday, October 26 by a vote of 216-212. It now goes to the White House for the President's expected signature.</p>
H.R. 2266	Rep. John Conyers (D-MI)	Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2017	<p>Hurricane and wildfire relief efforts would receive an additional tranche of emergency supplemental funding under a House amendment to the Senate amendment to H.R. 2266.</p> <p>The \$36.5 billion aid package would: Appropriate \$18.7 billion for the Federal Emergency Management Agency's (FEMA) Disaster Relief Fund (DRF). As much as \$4.9 billion could be transferred to FEMA's Community Disaster Loan (CDL) program to help local governments and U.S. territories provide essential services. Cancel \$16 billion in loans to the National Flood Insurance Program (NFIP), which reached its borrowing limit after hurricanes Harvey and Irma. And allow as much as \$1.27 billion in previously appropriated funding to be transferred for emergency nutritional assistance in Puerto Rico.</p> <p>The Senate agreed to the House amendment to the Senate amendment to H.R. 2266 by 82-17 on Tuesday, October 24.</p>

H.R. 3711	Reps. Lamar Smith (R-TX)/Ken Calvert (R-CA) /Bob Goodlatte (R-VA)	The Legal Workforce Act	<p>A bill that would require all U.S. employers to use the E-Verify electronic employment verification system. The requirement would be phased over a two-year period, starting with the largest employers. The agriculture industry would have an additional six months (or 30 months total) to come into compliance.</p> <p>H.R. 3711 was referred to the Committee on the Judiciary, and in addition to the Committees on Ways and Means, and Education and the Workforce on Friday, September 8th.</p>
H.R. 601	Rep. Nita Lowey (D-NY)	Reinforcing Education Accountability in Development Act	<p>\$15.25 billion dollar bill for disaster aid following the destruction caused by Hurricane Harvey and anticipated by Hurricane Irma. This bill will also raise the debt limit and includes a continuing resolution funding the government until December 8th.</p> <p>H.R. 601 was passed in the Senate on Thursday, September 7 with additional Hurricane funding and the deficit reduction until December provisions. The House passed the bill on Friday, September 8, and was signed by the President on the same day.</p>
H.R. 3354	Rep. Ken Calvert (R-CA)	Make America Secure and Prosperous Appropriations Act, 2018	<p>An omnibus package including the Interior; Homeland Security; Financial Services; Commerce, Science, and Justice; Transportation, Housing and Urban Development; Agriculture; Labour and Health and Human Services, and Education; and State and Foreign Operations Appropriations Acts, fiscal year 2018. The House-passed version of H.R. 3354 includes all 12 appropriations bills, including four that were previously passed in H.R. 3219.</p> <p>Highlighted bills in this package are below.</p> <p>H.R. 3219 was introduced in the House Rules Committee on Wednesday, August 16. was considered and passed by a vote of 211 to 198 on the House Floor on September 14, 2017.</p>
H.R. 3219	Rep. Kay Granger (R-TX)	Make America Secure Appropriations Act, 2018	<p>A small omnibus package including the Defense, Energy and Water, Military Construction and Veterans Affairs, and Related Agencies, Legislative Branch, and Border Barrier funds from the Homeland Security Bill Appropriations Acts, fiscal year 2018.</p> <p>Highlighted bills in this package are below.</p> <p>H.R. 3219 was introduced in the House Rules Committee on Monday, June 24. It was passed on the House Floor by a vote of 235-192.</p>

	Rep. Charlie Dent (R-PA)	Fiscal 2018 Military Construction and Veterans Affairs, and Related Agencies Appropriations Act	<p>This legislation provides \$88.8 billion in discretionary funding, \$6 billion above the fiscal year 2017 level. Within this total, funding for the Department of Veterans Affairs was increased by \$4 billion over the fiscal year 2017 level, and increases access to services for veterans and regulatory oversight within the department. Also within the total, Military construction was increased by \$2.1 billion over the fiscal year 2017 level.</p> <p>This bill was passed out of the Appropriations Committee on June 15th. The Senate's corresponding legislation was reported out of the Senate Appropriations Committee in July.</p> <p>This bill was included in H.R. 3219 and passed on the House Floor by a vote of 235-192.</p>
	Rep. Mike Simpson (R-ID)	Fiscal 2018 Energy and Water Appropriations Act	<p>The House Appropriations Committee marked up the FY18 Energy and Water Bill in full committee on July 17th.</p> <p>Within the bill, the Bureau of Reclamation funding is reduced from the FY17 level but well above what the Administration had requested for FY18. Also, the bill would authorize the EPA and Army to withdraw from the Waters of the United States rule.</p> <p>This bill was included in H.R. 3219 and passed on the House Floor by a vote of 235-192.</p>
	Rep. Mario Diaz-Balart (R-FL)	Fiscal 2018 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act	<p>The House Appropriations Committee today approved the fiscal year 2018 Transportation, Housing and Urban Development funding bill on July 17, 2017.</p> <p>In total, the bill reflects an allocation of \$56.5 billion in discretionary spending – \$1.1 billion below fiscal year 2017 and \$8.6 billion above the request.</p> <p>Within the bill, Community Development Block Grants are funded at \$2.9 billion, \$100 million below fiscal year 2017 level.</p>
	Sen. Lamar Alexander (R-TN)	Fiscal 2018 Energy and Water Appropriations Act	<p>The Senate Appropriations Committee approved their FY18 Energy and Water Bill on July 20th in full committee markup.</p> <p>Within the bill the Committee recommended funding the Bureau of Reclamation at \$1,287,725,000, which is \$190,332,000 above the President's FY18 budget request. Similar to the House mark, the Senate provided \$34,406,000 for Title XVI and \$24,000,000 for WaterSMART grants. Also, an additional \$98,000,000 for drought</p>

			resiliency programs authorized in the Water Infrastructure Improvements Act (WIIN Act).
	Sen. Susan Collins (R-ME)	Fiscal 2018 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act	<p>The Senate Appropriations Committee marked up the FY18 Transportation, Housing and Urban Development, and Related Agencies Bill in subcommittee on July 25th. At this time the bill and report text has not been released.</p> <p>The FY2018 appropriations bill providing \$60.058 billion in discretionary spending for the U.S. Department of Transportation, U.S. Department of Housing and Urban Development, and related agencies. Within the bill, TIGER grants were funded at \$550 million, \$50 million above the FY2017 enacted level; and the Community Development Block Grant (CDBG) formula program is funded at \$3 billion.</p>
H.R. 23	Rep. David Valadao (R-CA)	Gaining Responsibility on Water Act of 2017	<p>Among other things the legislation would require regulators to comply with the Bay-Delta Accord and make changes to the state’s Central Valley and State Water projects and streamline permitting processes. The bill included provisions from multiple other bills previously passed by the House that sought to increase the flow of water to areas of California that have experienced drought over the past five years. The measure was referred to the House Committee on Natural Resources and the Committee on Agriculture.</p> <p>By a vote of 230-190, the House passed H.R. 23, as amended, on July 12, 2017.</p>
	Rep. Bill Shuster (R-PA) /Sens. Jim Inhofe (R-WY) and Kamala Harris (D-CA)	Infrastructure Package	<p>Throughout the month, the House Transportation and Infrastructure Committee have held a series of hearings entitled, “Building a 21st Century Infrastructure for America,” which have focused on various aspects of infrastructure, from passenger rail service to reauthoring the Federal Aviation Authorization (FAA).</p> <p>On June 7, President Trump outlined that he intends to leverage \$200 billion in direct federal funding over ten years to help stimulate \$1 trillion in investment in infrastructure. This federal funding will consist of 1) grants and loans that seek to privatize the country’s air traffic control system, 2) grants to repair bridges, road, 3) enhanced loan program with the Transportation Infrastructure Finance and Innovation Act, and 4) incentive programs with grants to states and municipalities.</p> <p>One part of the president’s plan has already been put into legislation. House Transportation and Infrastructure Committee Chairman Bill Shuster and Aviation Subcommittee Chairman Frank LoBiondo (R-NJ) introduced the FAA’s reauthorization legislation, H.R. 4441, the 21st Century Aviation Innovation, Reform, and Reauthorization (AIRR) Act, which will transfer air traffic control operations from the FAA to a private, nonprofit, 13-member board. While Representative Shuster said</p>

			<p>that the bill does not “mirror” President Trump’s infrastructure outline, he said that he considered many aspects of the proposal. Shuster has also voiced his hope that the committee will markup the legislation on Tuesday, June 27 and move to the floor in mid-July.</p> <p>Currently, it is unclear who will champion the bill in the other chamber. Senate Commerce, Science and Transportation Committee Chairman John Thune (R-SD) announced that the Senate’s FAA reauthorization legislation will not include privatizing the air traffic control system. That said, Representative Sam Graves (R-MO), who last year voted against the 2016 FAA reauthorization bill, helped develop the legislation with Chairman Shuster.</p>
H.R. 1663	Rep. Grace Napolitano (D-CA) / Rep. Rob Wittman (R-VA)	Water Resources Research Amendments Act	<p>This legislation would extend a Federal-State partnership aimed at addressing state and regional water problems, promoting distribution and application of research results, and providing training and practical experience for water-related scientists and engineers. H.R. 1663 would authorize \$9,000,000 annually over five years for grants to water resources research institutes and require two-to-one matching with non-federal funds. It would also promote exploration of new ideas, expand research to reduce energy consumption, and bolster reporting and accountability requirements.</p> <p>The bill has been introduced in the House Committee on Natural Resources and no actions have yet been scheduled on it.</p>
H.R. 497/ S.357	Rep. Paul Cook (R-CA)/ Sen. Dianne Feinstein (D-CA)	Santa Ana River Wash Plan Land Exchange Act	<p>This bill directs the Department of the Interior: (1) to quitclaim to the San Bernardino Valley Water Conservation District in California approximately 327 acres of identified federal land administered by the Bureau of Land Management, and (2) in exchange for such land, to accept from the Conservation District a conveyance of approximately 310 acres of its land.</p> <p>On April 27th HR 497 passed through the House Natural Resources Committee by unanimous consent, and was scheduled for the House Floor Consideration on June 2nd.</p> <p>This bill was passed by the House on June 27th by a vote of 424-0.</p> <p>The Senate Environment and Public Works Committee held a hearing on S. 357 on July 26, 2017. No further activity is anticipated until the Fall.</p>
S. 32	Sen. Dianne Feinstein (D-CA)	California Desert Protection and Recreation Act	<p>This bill would designate important wilderness in the California desert and protect lands for recreation, wildlife and tourism. Aspects of the bill include:</p>

			<ul style="list-style-type: none"> • Mandate study and protection of Native American cultural trails along the Colorado River. • Designate 230,000 acres of additional wilderness area between the Avawatz Mountains near Death Valley to Imperial County's Milpitas Wash. • Add 43,000 acres to Death Valley and Joshua Tree national parks. • Create a 75,000-plus acre special management area at Imperial County's Vinagre Wash. • Designate Inyo County's Alabama Hills as a National Scenic Area. • Prohibit new mining claims on 10,000 acres in Imperial County considered sacred by the Quechan Tribe. <p>Additionally, the bill protects 140,000 acres of existing off-road vehicle riding areas from mining, energy development, military base expansion or other decisions that would close them to vehicle use.</p> <p>The Senate Environment and Public Works Committee held a hearing on S.32 on July 26, 2017. No further activity is anticipated until the Fall.</p>
H.R. 2510	Rep. Peter DeFazio (D-OR)	Water Quality Protection and Job Creation Act of 2017	<p>This bill would amend the Federal Water Pollution Control Act to authorize appropriations for State water pollution control revolving funds.</p> <p>This bill has been introduced to the House Transportation and Infrastructure subcommittee on Water resources and Environment.</p>
H.R. 1654	Rep. Tom McClintock (R-CA)	Water Supply Permitting Coordination Act	<p>This bill would allow water project sponsors the opportunity to use an expedited permitting process for new or expanded surface non-federal storage facilities through the Bureau of Reclamation, which would be the lead and central agency coordinating the review process.</p> <p>The House Natural Resources Committee approved the bill by a vote of 24-16 on April 27th. The House Rules Committee on June 20th dictated final amendments for passage on the House Floor; this bill passed the House on June 22nd by a vote of 233-180.</p>

State Legislation

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

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

AB 1668	Friedman	An Act Relating to Water	This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	SUPPORT 2-year bill
AB 1669	Friedman	Urban water conservation standards and use reporting	Requires the State Water Resources Control Board (SWRCB) in consultation with the Department of Water Resources (DWR) to adopt long-term standards for urban water conservation and water use by May 20, 2021	WATCH Held in Assembly Appropriations
AB 968	Rubio	Urban water use: water efficiency	Establishes a new 2025 water use efficiency requirement for urban retail water suppliers	WATCH Held Assembly Appropriations
AB 1654	Rubio	An Act Relating to Water	This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	WATCH DEAD in Senate Natural Resources and Water
AB 869	Rubio	Sustainable water use and demand reduction: recycled water	Excludes, from the calculation of any water use or water efficiency target established after 2020, recycled water, as specified, delivered within the service area of an urban retail or wholesale water supplier	WATCH Held in Senate Natural Resources and Water
SB 606	Skinner/Hertzberg	An Act Relating to Water	This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	Support 2-Year bill

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Comprehensive Government Relations

MEMORANDUM

To: Joe Grindstaff, Kathy Besser

From: Letitia White, Jean Denton, Annie Wake

Date: October 27, 2017

Re: October Monthly Legislative Update

House Adopts Budget Setting Up Release of Tax Bill Next Week

House Republicans narrowly adopted a budget resolution Thursday, October 26 unlocking a fast-track process to achieve their long-sought goal of cutting Americans' taxes by the end of the year. The next step will be releasing a draft tax measure as early as Wednesday, November 1.

The 216-212 vote allows Congress to enact tax cuts later that increase the federal deficit by up to \$1.5 trillion over 10 years. The bill could pass the Senate with just 50 votes -- plus a tie-breaker from Vice President Mike Pence -- bypassing the need for any Democratic support.

While Republicans have not outlined a full plan, their tax framework calls for doubling the standard deduction for individuals and reducing the current seven income brackets to three -- 12 percent, 25 percent and 35 percent, with a possible fourth bracket for top earners. Those tax cuts may be funded by limiting the deduction for state and local income and property taxes, an idea opposed by some GOP moderates from high-tax states.

Moderate Republicans, mostly from Northeast states, had threatened to hold up the budget measure but now will reserve their fight for the tax bill itself.

"Tax reform is good for the country; it's just not good when it's on the backs of six states," said Representative Tom MacArthur (R-NJ).

Republicans are determined to enact a tax-cut plan, especially after spending much of the year trying to use the same fast-track process to repeal the Affordable Care Act (ACA). That effort finally collapsed, leaving Congress with no major legislative achievements thus far in President Donald Trump's first year in office. Some Republicans say a failure to cut taxes could doom many of them in the 2018 elections.

Some revenue-raisers are needed to keep the tax reductions within the \$1.5 trillion revenue loss cap. Deficit hawks like Senator Bob Corker (R-TN) have said they would vote against a tax bill that results in a greater revenue loss. He has also said that "reasonable" growth estimates would need to show that the \$1.5 trillion loss would be erased by economic growth.

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Although the House adopted its own budget on Thursday, October 5, Republicans decided to speed the tax-overhaul process by agreeing Thursday, October 26 to pass the Senate's version, avoiding the need for negotiations between the two chambers.

The budget measure, H.Con.Res. 71, would allow a \$90 billion increase in defense spending above the current cap, and would let lawmakers raise \$1 billion by opening Alaska's Arctic National Wildlife Refuge to oil drilling for the first time. It doesn't include a House proposal to cut entitlement spending.

Balance in 10 Years

The budget claims to reach balance in 10 years through \$5 trillion in spending cuts, though it does not contain a mechanism to fast-track a vote on the cuts this year.

Democrats said the budget will set up a rushed vote on a tax plan that would increase the deficit and ultimately lead to cuts in social spending that helps the elderly and poor.

"They don't want you to find out that it overwhelmingly benefits the wealthy, while increasing taxes on millions of middle-class families," said top Budget Committee Democrat Representative John Yarmuth (D-KY) on the House floor. In addition to the spending reductions called for in the budget, "more cuts will be coming once the Republican tax cuts blow an enormous hole in the budget," he said.

Most conservatives said they would vote for the budget to advance tax reform and that they plan to resume their quest for cuts in social spending next year.

Tax Deductions

Ways and Means Committee Chairman Kevin Brady (R-TX) Wednesday, October 25 that the state and local tax deduction issue needs to be resolved before the tax measure is released.

One moderate Republican spelled out his reasons for wanting to keep the state and local deduction. "The rest of the country is getting a tax cut and the best they are offering my folks is you will break even? I can't go back to my district and say, 'Re-elect me, it could have been worse,'" Representative Peter King (R-NY) said Wednesday, October 25.

Representative King and other moderates propose keeping the deduction for individuals earning up to \$400,000 a year. Other ideas would allow the deduction of property taxes but not income taxes, or would convert the deduction to a credit that could be used by people who don't itemize.

'Brings Some Fairness'

White House Budget Director Mick Mulvaney said Wednesday, October 25 night that the Trump Administration wants to eliminate the deduction. Getting rid of it "brings some fairness where it wasn't before," he said at Georgetown University.

Republicans also are talking about raising money by reducing the annual limit on 401(k) retirement account contributions -- an idea President Trump has flatly rejected. That would "violate our principles," Director Mulvaney said, adding that if a tax plan raised taxes on the middle class, "we would certainly give serious thought to vetoing it."

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Chairman Brady's committee plans to vote on the tax bill during the week of Monday, November 6, with a full House vote the following week.

The fight over the deduction is just the start of the coming battles over tax legislation. Other controversial elements include a possible global minimum tax for multinational companies, a phase-in of a new 20 percent corporate rate, ending the deductibility of business interest expenses, and safeguards to prevent wealthy individuals from improperly taking advantage of a new 25 percent rate for individually owned businesses.

New Battles to Erupt After Senate Clears \$36.5B in Disaster Aid

A \$36.5 billion disaster aid bill is on its way to President Trump's desk for his signature, after the Senate cleared the House measure without changes Tuesday, October 24, putting a hold on lawmakers' demands for billions in additional recovery funds.

Enactment of the disaster package will provide a new infusion of funds to ensure the Federal Emergency Management Agency (FEMA) does not run out of resources to help areas struck by hurricanes and wildfires. It also will buy time for the President Trump administration to develop its next multibillion-dollar request for "emergency" funding for disaster-hit areas.

But members of both parties said after the disaster aid package was cleared on a vote of 82-17 that their attention already is shifting to the size and details of the President's third supplemental request, which is expected to land on Capitol Hill in November. They said they are working with their delegations early in the process to make sure the White House and Republican congressional leaders provide a more adequate funding package the next time.

Enactment of the House package (H.R. 2266) provides \$18.7 billion in new funds for FEMA's Disaster Relief Fund (DRF) and \$16 billion to forgive debt and enable the National Flood Insurance Program to pay claims. It also provides \$576.5 million to combat western wildfires. FEMA is said to be close to exhausting funds provided in the \$15 billion emergency package passed in September.

Many Republicans joined Democrats in criticizing the new package, saying it inadequately addresses the recovery and needs of Texas and Florida, as well as the immediate issues facing Puerto Rico and the U.S. Virgin Islands. Lawmakers also are clamoring for more money to fight wildfires.

"While some of these resources will impact Texans recovering from Hurricane Harvey, I want to stress that much, much more will be needed in my state," said Senate Majority Whip John Cornyn (R-TX), top deputy to Majority Leader Mitch McConnell (R-KY). "I want to make one point abundantly clear: Harvey has not been permanently handled in Texas. It's not over and done with and it's not time to just move on."

'Spending Frenzy' Underway

The bill was cleared after the Senate easily beat back a challenge raised by Senator Rand Paul (R-KY), who complained of the bill's spending without corresponding cuts

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elsewhere in the budget. The Senate voted 80-19 to reject Senator Paul's budgetary point of order.

Senator Paul said the federal deficit is on track to double both under Republican and Democratic administrations and Republicans' plans to pass multiple disaster aid packages this fall on an "emergency" basis without offsets signals "another spending frenzy" is underway in the Capitol.

"Maybe we should take it from another area of spending that's less in need. I think that just simply borrowing it even for something that you can argue is compassionate is really foolhardy and may make us weaker as a nation," Senator Paul said.

Senator Paul was joined by other conservatives in voting against the measure but many others in both parties lined up to support the latest disaster package.

Senator Cornyn said the Texas delegation will keep pressing for the \$18 billion in extra money they unsuccessfully sought when the measure was moving through the House and Senate. A large portion is for Community Development Block Grant (CDBG) funds.

"There was the storm and now there's the storm after the storm," Senator Cornyn said. "Nearly two months after the hurricane the most extreme rain even in history, many Texans are waiting for normalcy to return to their homes, to their routines, their workplaces, their children's schools."

Similar comments were made by Senator Bill Nelson (D-FL), whose home state still wants to get at least \$20 billion extra, including CDBG funds and help for the state's citrus growers. Senator Nelson and Senator Marco Rubio (R-FL) are calling for more aid for Puerto Rico—at least \$4 billion.

Opioids, Wildfire Money

Other demands are on the rise. Among other things, Senator Jon Tester (D-MT) suggested that the \$576.5 million in the bill may not be the last word on wildfires.

"In total, fires have burned nearly 9 million acres, significantly more than the yearly average," Senator Tester said. "1.2 million of those acres are in Montana, and these fires have cost the taxpayers nearly \$3 billion to date."

President Trump told Republicans at their weekly luncheon that he may be ready to propose an "emergency" plan to tackle the opioid crisis. But Senator Roy Blunt (R-MO), chairman of the Senate Appropriations Subcommittee on Labor, Health, and Human Services, stated that he is not sure that statement will translate into a request for emergency funding in the next supplemental.

"It would go quickly but now we have to see what he means by 'emergency,'" Senator Blunt said.

Congress Rolls Toward Shutdown Fight Over Immigration and Healthcare

The year's most divisive fights in Congress are set to converge in a bitter partisan clash in December that could result in a U.S. government shutdown. The unresolved battles --

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over a wall on the U.S.-Mexico border, immigration, health-care subsidies, Planned Parenthood and storm relief -- are hanging over talks on must-pass spending legislation to keep the government open after Friday, December 8. The spending measure is at risk of becoming so weighted with controversial items that it collapses.

Even without contentious issues, completing a trillion-dollar spending bill in time would be a tall order. The brewing battle could leave Republicans with no major accomplishments in President Trump's first year after they couldn't find enough votes to repeal the Affordable Care Act (ACA). The more protracted the fight, the less time in 2017 to overhaul the tax code, the GOP's top priority.

There also may be pressure to raise the federal debt limit as part of a year-end package, although the Treasury Department is likely to use its authority to delay the need for an increase into early next year.

Unbridgeable policy differences might result in a push to simply extend current spending authority through fiscal 2018. That would limit military spending to \$549 billion, leaving out the big boost sought by Senate Armed Services Committee Chairman John McCain (R-AZ) and other Republican defense hawks.

'Always a Risk'

Senator McCain is among those threatening to take his year-end priorities to the mat. He said Wednesday, October 18 that he will not support any temporary extension of government agency spending unless the defense caps are lifted. He said a government shutdown -- for the first time since 2013 -- is possible. "There's always a risk every time we go through this cycle," he said.

Democrats say a shutdown can be averted if President Trump and congressional Republicans, including the conservative House Freedom Caucus, put aside unrealistic demands such as a ban on funds for Planned Parenthood or requiring any added hurricane-relief funds to be offset with domestic spending cuts. "We don't want a shutdown," said Senate Democratic leader Senator Chuck Schumer (D-NY). "Ask President Trump. Ask our hard-right Freedom Caucus types."

Democratic Leverage

There is still a chance the two parties can agree on a deal. Senate Democrats have leverage because spending bills require 60 votes for passage while Republicans have a slim 52-48 majority.

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The biggest looming dispute is over immigration. Senator Schumer and House Minority Leader Nancy Pelosi (D-CA) say they want the President to make good on a tentative deal they struck last month to allow about 800,000 people who entered the U.S. illegally as children to stay with a possible path to citizenship. In exchange, Democrats would support stronger border security -- without the wall that President Trump promised in his 2016 campaign.

The White House angered both top Democrats this month by calling for "complete construction" of the wall and more immigration enforcement. Senator Schumer and Representative Pelosi say the administration can expect broad Democratic opposition to wall funding in a year-end spending plan.

The wall fight alone could lead to a government shutdown. President Trump upped the ante by saying in May that a "good shutdown" may be necessary to win approval of \$1.6 billion he wants to fund the wall. The money is in the House and Senate draft spending bills for Homeland Security, meaning it will be on the table in any omnibus negotiations.

ACA Exchanges

An effort to bolster ACA insurance exchanges could also doom spending legislation. Republican Senator Lamar Alexander (R-TN) and Democrat Patty Murray (D-WA) agreed this week on a plan to provide two more years of subsidies to help low-income people buy individual coverage on ACA's insurance exchanges. They seek to lure Republican votes by also giving states added flexibility in overseeing insurer offerings on the exchanges.

President Trump, who earlier encouraged Senator Alexander to cut a deal, signaled opposition to the measure. His spokeswoman, Sarah Sanders, said, "We need something that goes a little further to get on board."

Senate Republican leaders have not promised to advance the health-care pact, and many House Republicans -- including Speaker Paul Ryan (R-WI) -- say they don't want to shore up a health-care system they'd rather repeal.

Senator Schumer told reporters Wednesday, October 18 that both sides should continue to seek a fix, possibly in the spending bill.

Disaster Relief

Another sticking point is disaster relief. Texas, Florida and Puerto Rico could seek tens of billions of dollars in additional rebuilding money once final damage assessments are

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tallied. Conservatives are likely to seek spending cuts in exchange for such funds, which Democrats and many other Republicans reject.

A dispute over extending the Children's Health Insurance Program (CHIP), which expired in September, could also carry over into the spending bill. So too could a perennial push by Republican House conservatives to ban funding for Planned Parenthood.

On defense, Republicans are seeking to increase spending caps by \$54 billion, while Democrats insist that must be coupled with the same increase for non-defense spending.

House GOP's Tax-Cut Hopes Ride on Deciding Who Is Middle Class

House Republicans agree with President Trump that they want to cut taxes for the middle class, but who fits that definition is where the consensus stops.

For some GOP members of Congress, a middle income household tops out at \$100,000 a year. For others, a family making \$400,000 still deserves a break. Whatever definition they settle on will be central to determining whether the party's tax plan delivers on Trump's most basic promise: a historic middle-class tax cut.

"Our framework ensures that the benefits of tax reform go to the middle class, not to the highest earners," President Trump said Wednesday, October 11 in Pennsylvania. "It's a middle-class bill."

The debate is playing out now as House Republicans explore a compromise to cap the income level at which people would still be allowed to deduct state and local taxes, instead of eliminating the deduction altogether as proposed in their recently released tax blueprint. The definition of middle class will also be a key factor shaping where Republicans set the thresholds for individual income tax brackets.

The promised boon for the middle class is a key GOP counterpoint to charges that their plan will mostly benefit America's highest earners. Yet nobody in Congress or the Trump Administration has defined yet who counts as middle class.

Regional Differences

It's not surprising that lawmakers from rural Alabama may define middle class differently from those representing Manhattan. But even Republicans from the same state cannot agree on the definition. "The middle class is whatever you want it to be in

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many ways,” said Jim Renacci (R-OH), who sits on the Ways and Means Committee. “I think the middle class, is anywhere from zero to \$80,000 to \$100,000. That’s really the target zone.”

For Warren Davidson (R-OH) who represents the Ohio district on the outskirts of Cincinnati where the biggest company is AK Steel Corp., middle class families could be those making up to \$250,000 a year.

“I think for our district, people probably don’t start feeling like they’re middle class until they start earning \$40,000 a year, and they probably still feel like they’re middle class up until about a quarter million a year,” Representative Davidson said in an interview.

Representative Davidson gave the example of a two-teacher household that might be able to pay the bills but struggles to put much away for future college tuition. He said those are the people who need to be keeping more of their paycheck every year. “If those folks aren’t getting a tax cut, I don’t think we’ve gotten the tax cut right,” Representative Davidson said.

President Trump has staked out similar ground. When the president found out that eliminating state and local tax deductions could hurt some middle class families, he grew angry and demanded changes, according to two people familiar with his thinking. Nonetheless, Gary Cohn, President Trump’s top economic adviser, said Thursday, October 12 that the White House is not reconsidering its support for abolishing that break.

Senator Tim Scott (R-SC) said Friday, October 13 that he expects a group of House Republicans to help change the GOP plan to put an income cap for the state and local deduction “in the \$200,000 to \$250,000 range,” he stated.

No Single Definition

There is no single definition among economists for what makes someone middle class, but the dividing lines usually depend on income, education, home ownership or some combination of them all.

The Pew Research Center, for example, classifies the middle class as households making between two-thirds and double the median household income -- or between \$42,500 and \$125,000 for a family of three in 2014. Other definitions consider whether people have a college degree or even their job type.

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Americans themselves are more likely to place themselves into the middle class than any other group. In a Gallup poll released in June, 62 percent of respondents said they belong to the middle or upper-middle class.

Kevin Brady (R-TX), the chairman of the House Ways and Means Committee and one of the main architects of the tax policy framework, said his panel has “not yet” identified how individual brackets will be defined. But, again, he promised that the group is “moving toward a very strong middle class tax cut.”

The policy framework published last month suggests three tax brackets for individuals -- 12 percent, 25 percent and 35 percent -- and gives congressional tax-writing committees the flexibility to add a fourth bracket for the highest earners. It also calls for a near-doubling in the standard deduction for households, a “significant,” yet unspecified increase in the child tax credit and the elimination of personal exemptions for dependents.

A study by the nonpartisan Urban-Brookings Tax Policy Center found that most middle-income families would enjoy after-tax gains under the GOP framework, but that taxes would go up for almost 30 percent of people making \$50,000 to \$150,000. The study said it used brackets outlined in the House GOP tax blueprint released in 2016 -- a methodology that Brady and others criticized.

With the House scheduled to be in session for only 23 more days before the end of the year, House Republicans say they need to start making some decisions soon.

White House ‘Not There Yet’ on Infrastructure Bill: Senator Moran

The White House's highly-anticipated infrastructure bill is not ready for legislative action, because the Trump Administration continues to work out the financing, according to several Senate Republicans.

Months after the Trump Administration first pitched a \$1 trillion infrastructure package, officials updated the Senate Commerce Committee Republicans on the Trump Administration's progress. “It seems to me that they're well-prepared for legislation. We're not there yet, but they have certainly laid the groundwork very well,” Senator Jerry Moran (R-KS) stated after the meeting.

The Trump Administration did not delve into specifics about how to pay for the proposal, Senator John Thune (R-SD), chairman of the Commerce, Science, and Transportation Committee, announced. “It sounds like they think they've identified

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reductions in spending in other areas of the budget,” Senator Thune said. “Of course none of us have seen that. Right now they are being kind of vague about how they are going to pay for it.”

The White House infrastructure bill has been pushed back several times from the third quarter to the fall to sometime after tax reform. Senator Thune and several other committee members don't expect to dive into the bill until the new year.

Financing?

The White House is still trying to determine how much the proposal would cost, but intends for it to be in addition to the investments made in the FAST Act, Senator Moran stated. “This meeting was all about the plan, not how to pay for it. That's the way it's always been, nothing new there,” he said.

The Trump Administration is looking at public-private partnerships, incentives for private investment, tailored elements for rural areas, and “transformational projects,” Senator Thune said. “They think there's a tremendous amount of leverage that can be had with a certain amount of public funding and then private investment to create a very robust infrastructure program that would be very good for the economy,” he said.

What Will the Bill Look Like?

Senators seized the opportunity to pitch their own visions for what the infrastructure package should include. Senator Dan Sullivan (R-AK) gave reporters a handout from the meeting on his proposal to fix the “broken” federal permitting process. “An infrastructure package, which should get a lot of bipartisan support, should also be accompanied by significant federal permitting reform because the permitting system is broken. And I think a lot of Democrats share that view, I know they do because I've talked to a lot of them,” Senator Sullivan announced.

The package will address a wide breadth of issues like roads, water, broadband and transit, Senator Deb Fischer (R-NE) said.

Timing?

None of the meeting attendees was willing to guess at the timing for a package and several made it clear that conversations with the Trump Administration on the substance of a bill are ongoing.

“We have things that have to be in order before this happens, the tax bill and all that,” Senator James Inhofe (R-OK) said.

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The Senate approved a budget proposal Thursday, October 19 and plans to take up a tax overhaul before the new year, Majority Leader Mitch McConnell (R-KY) said.

“Right now the focus is tax reform, but my view is we can walk and chew gum, right? Infrastructure issues are really important and they're really bipartisan opportunities and we should seize them,” Senator Sullivan told reporters.

President Trump Encourages Affordable Care Act Effort as Bill Gains Support

President Trump said he is supportive of the work lawmakers are doing to help temporarily stabilize the Affordable Care Act's (ACA) insurance markets, as a bill to do so was introduced Thursday, October 19 with broad bipartisan support in the Senate. “I respect very much the two senators your talking about, I love that they're working on it,” President Trump said at the White House Thursday, October 19 when asked about his position on the bill.

Shortly after President Trump's comments, Tennessee Republican Lamar Alexander (R-TN) and Washington Democrat Patty Murray (D-WA) introduced their stabilization bill with 22 senators, half of whom are Republicans. That broad backing could give the package momentum in the Senate.

“This is a first step,” Senator Alexander said on the Senate floor. “Improve it and pass it sooner rather than later.”

Time is short for lawmakers to act before Wednesday, November 1, when the ACA's insurance markets open for Americans to sign up for coverage. Even if a bill passes, it's likely to be a chaotic enrollment season. Health insurers have sharply raised the rates they plan to charge next year, citing the uncertainty in Washington. And President Trump, who has sent contradictory signals about the bipartisan bill in the past days, has said he is taking steps to dismantle ACA and wants to eventually replace it.

The legislation will also have to make it through the House, where Republicans have said they too want to repeal ACA, not stabilize it.

President Trump said that's ultimately his priority as well, and he prefers giving money to states to run their own programs. “It'll be absolutely short term because ultimately it's going to be repeal and replace,” he said of the Senate bill.

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No Bailout

President Trump has made conflicting statements on the Senate effort, urging lawmakers to work on it and then seemingly pulling back his support for it. Senator Alexander said the version he's introducing contains language to make clear there won't be what Trump has cast as a bailout of health insurers.

"I want them to be careful with respect to the insurance companies, insurance companies are extremely good at making money," President Trump said. "I want to take care of our people. I don't want to take care of our insurance companies."

The bill has "about a page and a half of language in our agreement that tries to make it clear that the benefits of cost-sharing reductions go to consumers and not insurance companies," Senator Alexander said in an interview Thursday, October 19 before the bill was introduced.

The bill would pay for two years of health insurance subsidies, known as cost-sharing reduction payments, that were instituted under ACA and help consumers afford out-of-pocket health costs. President Trump cut off those payments last week, leaving it up to Congress to fund them. The bill would also give more flexibility to states to modify how the ACA is run in their own insurance markets.

"Some have said well that's not enough," Senator Alexander said. "Well, that's more than we've gotten for eight years and it's a first step."

State Flexibility

The bill requires states to come up with their own plan to ensure that insurers that have already set 2018 premiums higher given uncertainty over the payments don't get to double dip. The state plans could include monthly or one-time rebates to consumers or the federal government. It's unclear whether this will appease President Trump. Senate Majority Whip John Cornyn (R-TX) said the President has to be comfortable with the measure before it can come to the Senate floor for a vote.

The legislation also gives states flexibility to implement ACA and allows anyone to enroll in catastrophic plans that cost less up front.

On the Republican side, co-sponsors of Senator Alexander's bill include three senators who have opposed previous efforts by the GOP to repeal and replace ACA: Senator John McCain (R-AZ), Senator Susan Collins (R-ME), and Senator Lisa Murkowski (R-AK).

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'Better Path'

Senator Murkowski thanked Senators Alexander and Murray for helping the Senate find a "better path."

Others such as Senator Ted Cruz (R-TX), shared President Trump's concerns. He tweeted Wednesday, October 18 that "Ins co profits have DOUBLED under O'care & Dems top priority is corp bailouts w/ nothing for citizens paying higher premiums."

Senator Alexander predicted the bill would become law this year. "I do not believe that Congress would want to fail to deal with a problem that will hurt millions of Americans if we allow it to continue," he said. "I predict that this agreement that we're suggesting today, we 24 senators, will become law in some fashion before the end of the year."

White House Adds Clues to Deregulatory Agenda

Lists of rules that agencies intend to cut in the upcoming year will appear in the fall regulatory agenda, which is scheduled to be published by the end of November, said Neomi Rao, administrator of the White House Office of Information and Regulatory Affairs (OIRA).

This was an additional clue about the broad deregulatory agenda of President Trump that Rao offered to a conference hosted by the American Bar Association's (ABA) Section of Administrative Law and Regulatory Practice.

"Looking ahead to fiscal year 2018, the president has called on every agency to set a negative regulatory cost allocation, which means that every agency has to reduce their overall burdens in 2018," Rao said.

Nearly every agency has submitted its allocation, such as the Department of Transportation, which anticipates achieving \$35 million per year in net regulatory savings, Rao said. OIRA is working with agencies on their fall agendas and regulatory plans to make sure they identify unnecessary regulatory burdens, she said.

A Fine Line

Rao walked a fine line in her remarks between the clear wishes of the president to massively slash regulation and the concerns of lawyers, practitioners, and regulators if he succeeds.

"We believe that rolling back unnecessary and unlawful regulations is essential to restoring regulatory freedom and to promoting economic growth, job creation, and innovation," Rao said.

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“Now to be sure, regulatory actions can implement important health, safety, and welfare priorities ... and we're certainly not looking to unravel regulations that are working,” she added.

The push to reduce regulatory burdens depends on an understanding that there are many areas in which agencies can reduce or eliminate regulatory costs without compromising important health or safety goals, Rao said.

“We're also not looking at regulatory reform just on the margins,” Rao said. “We're not trying to get a few more benefits at slightly more cost. We're really trying to get agencies to focus on duplicative, outdated, or unnecessary regulations, and to reduce the cumulative burden,” she said.

OIRA must ensure that the benefits and costs of new regulations are calculated based on accurate information and reasonable assumptions, Rao said.

Similarly, deregulatory actions also must meet cost-benefit standards, Rao said. “We want to make sure that deregulatory actions are responsible, and that we're not dismantling those regulations that serve important public purposes or those regulations that continue to provide significant net benefits,” she said.



CALIFORNIA STRATEGIES, LLC

Date: October 26, 2017
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: October Activity Report

California Strategies is pleased to provide consulting services to the Inland Empire Utilities Agency. In addition to our regular monthly meeting with the Senior Staff of the Agency, we continue to be available to members of the Senior Staff and Board Members throughout the month to deliver advice, answer questions or provide services consistent with the mission of IEUA. Here is our monthly activity report:

- We held our regularly scheduled face to face meeting with agency senior staff on October 11th. The meeting was rescheduled due to scheduling conflicts. CalStrat principals attended and did discuss various issues with senior staff including the Water Bank JPA, Regional Contract and other items of interest to the senior management of the agency.
- We discussed the status of the planning of the Water Bank JPA and issues that one of the local cities still have outstanding. Joe tasked California Strategies with reaching out to leadership in that city to see if we could expedite the discussion. There was concern that if the JPA was not established prior to the receipt of any infrastructure funding, it would complicate things when others wanted to be a part of the JPA. Following our contact, the Director of Public Works called Joe to discuss outstanding issues.
- We discussed the Regional Contract, which now has a contract for facilitators signed by all of the contracting agencies.
- We scheduled a meeting with California Strategies and the incoming GM.
- We answered questions regarding the redistricting efforts in one of our member agency cities as well as other issues in that city that might have an impact on IEUA.

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Date: November 15, 2017

To: The Honorable Board of Directors

From: P. Joseph Grindstaff, General Manager

Committee: Community & Legislative Affairs

11/08/17

Executive Contact: Kathy Besser, Executive Manager of Ext. Aff. & Policy Dev./AGM

Subject: Public Outreach and Communication

Executive Summary:

This is an informational item that provides highlights of the External Affairs team's monthly outreach, education and communication programs and updates.

December 7, MWD "Water is Life" Student Art Recognition Event, MWD Headquarters: 700 Alameda St, Los Angeles, 9:00 a.m.

December 20, IEUA Holiday Luncheon, Los Serranos Country Club: 15656 Yorba Avenue, Chino Hills, 11:00 a.m. – 3:00 p.m.

IEUA distributed an email blast to 250,000 IP addresses (Geo Target: new homeowners, homeowners and those interested in landscaping/gardening – all within IEUA's service area) in October that featured water-wise planting and irrigation tips with a Halloween theme.

IEUA ran a Fall spadea in the Daily Bulletin on October 31 featuring native plantings.

MWD selected two IEUA student art winners for their 2017 "Water is Life" student art poster contest: Sunny Lin (Townsend-Chino Hills) and Alyssa Vallejo (Don Lugo-Chino).

Staff's Recommendation:

This is an informational item for the Board of Directors to receive and file.

Budget Impact: ^N *Budgeted (Y/N):* ^N *Amendment (Y/N):* ^N *Requested Amount:*

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

N/A

Environmental Determination:

Not Applicable

Business Goal:

IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region's heritage.

Attachments:

Attachment 1 - Background

Background

Subject: Public Outreach and Communication

December

- December 7, MWD “Water is Life” Student Art Recognition Event, MWD Headquarters: 700 Alameda St, Los Angeles, 9:00 a.m.
- December 20, IEUA Holiday Luncheon, Los Serranos Country Club: 15656 Yorba Avenue, Chino Hills, 11:00 a.m. – 3:00 p.m.

Outreach/Education - Civic Publications Newspaper Campaign

- IEUA distributed an email blast to 250,000 IP addresses (Geo Target: new homeowners, homeowners and those interested in landscaping/gardening – all within IEUA’s service area) in October that featured water-wise planting and irrigation tips with a Halloween theme.
- IEUA ran a Fall spadea in the *Daily Bulletin* on October 31 featuring native plantings.

Media and Outreach

- IEUA ran an ad in the *Champion Newspaper’s* Winter Connection that featured a Thanksgiving theme layout with water saving tips focused on water use in the kitchen.
- IEUA will run an ad in the *Champion Newspaper’s* Thanksgiving Guide on November 23.
- IEUA continues to run banner ads with *Fontana Herald News*.
- IEUA featured ads for the Water Conservation Festival through the *Daily Bulletin* and *La Opinión*.
- IEUA submitted an ad for the November Fontana Chamber newsletter featuring IEUA’s free education programs.
- In October, 38 posts were published to the IEUA Facebook page and 38 tweets were sent on the @IEUAwater Twitter handle.
 - The top three Facebook posts, based on reach and engagement, in the month of October were:
 - 10/10: IEUA is accepting applications for Wastewater Treatment Plant Operator (OIT - Grade V)
 - 10/23: National Prescription Drug Take-Back Day
 - 10/21: #Chinocreekwetlands feature
 - The top three tweets, based on reach and engagement, in the month of September were:
 - 10/3: #TipTuesday plant watering tips
 - 10/9: Water Professionals Week
 - 10/10: #TipTuesday gardening tips

Education and Outreach Updates

- Upland High School, Chino High School and Los Osos High School Solar Cup Teams attended the boat building workshop on Sunday, November 5 at Three Valleys Municipal Water District from 8:00 a.m. – 4:00 p.m. The technical workshop is scheduled for December 2.

- Staff is continuing to schedule Water Discovery field trips for program year 2017/18. To date, staff has provided field trips and scheduled approximately 2,343 students from July 2017 to May 2018.
- IEUA participated in the planning and successful execution of the Landscape & Water Conservation Festival. The event was held on Saturday, October 21 at CBWCD.
- On October 25, IEUA and LifeStream held a blood donation event at IEUA Headquarters. 32 people participated and 27 units were collected. One pint can save as many as three lives.
- MWD selected two student art winners out of 15 submitted by IEUA for their 2017 “Water is Life” student art poster contest. Student winners will be invited to MWD’s “Water is Life” Student Art Recognition Event on December 7 and their artwork will be featured in the 2018 “Water is Life” calendar.
 - Student winners: Sunny Lin, 7th grade student at Robert O. Townsend Junior High School (Chino Hills) and Alyssa Vallejo, 9th grade student at Don Antonio Lugo High School (Chino).

CHINO BASIN WATERMASTER

IV. INFORMATION

1. Cash Disbursements for October 2017

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
October 2017

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/04/2017	20394	JOHN J. SCHATZ	Legal Services - Appropriative Pool	1012 · Bank of America Gen'l Ckg	
Bill	08/30/2017			July and August 2017	8367 · Legal Service	16,958.50
TOTAL						16,958.50
Bill Pmt -Check	10/04/2017	20395	LEVEL 3 COMMUNICATIONS	60699750	1012 · Bank of America Gen'l Ckg	
Bill	09/27/2017	60699750		9/17/17-10/16/17	6053 · Internet Expense	1,047.25
TOTAL						1,047.25
Bill Pmt -Check	10/04/2017	20396	READY REFRESH BY NESTLE	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	09/27/2017	0023230253		Office Water Bottles - September 2017	6031.7 · Other Office Supplies	44.88
TOTAL						44.88
Bill Pmt -Check	10/04/2017	20397	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	09/27/2017			Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	765.80
TOTAL						765.80
Bill Pmt -Check	10/04/2017	20398	VERIZON WIRELESS	9792669113	1012 · Bank of America Gen'l Ckg	
Bill	09/27/2017	9792669113		Acct #642073270-00001	7103.7 · Grdwtr Qual-Computer Svc	100.04
TOTAL						100.04
General Journal	10/07/2017	10/07/2017	ICMA-RC	Payroll and Taxes for 09/24/17-10/07/17	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 09/24/17-10/07/17	1012 · Bank of America Gen'l Ckg	24,700.19
				Payroll Taxes for 09/24/17-10/07/17	1012 · Bank of America Gen'l Ckg	8,828.61
			ICMA-RC	457(b) Employee Deductions for 09/24/17-10/07/17	1012 · Bank of America Gen'l Ckg	4,410.56
			ICMA-RC	401(a) Employee Deductions for 09/24/17-10/07/17	1012 · Bank of America Gen'l Ckg	1,276.75
TOTAL						39,216.11
Bill Pmt -Check	10/09/2017	20399	APPLIED COMPUTER TECHNOLOGIES	2915	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2017	2915		Database Consulting Services - September 2017	6052.2 · Applied Computer Technol	3,314.20
TOTAL						3,314.20
Bill Pmt -Check	10/09/2017	20400	CHEF DAVE'S CAFE & CATERING	6921	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2017	6921		Lunch for 9/28/17 Watermaster Board meeting	6312 · Meeting Expenses	600.69
TOTAL						600.69
Bill Pmt -Check	10/09/2017	20401	CURATALO, JAMES	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	09/26/2017	9/26 Board Agenda		9/26/17 Board Agenda Preview meeting	6311 · Board Member Compensation	125.00
Bill	09/28/2017	9/28 Board Mtg		9/28/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/09/2017	20402	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	09/14/2017	9/14 Ag Pool Mtg		9/14/17 Ag Pool meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						125.00
Bill Pmt -Check	10/09/2017	20403	DI PRIMIO, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	09/26/2017	9/26 Bd Agenda		9/26/17 Board Agenda Preview meeting	6311 · Board Member Compensation	125.00
Bill	09/28/2017	9/28 Board Mtg		9/28/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	10/09/2017	20404	ELIE, STEVEN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	09/26/2017	9/26 Admin Mtg		9/26/17 Admin. Mtg. w/PK and Katie Parker	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	10/09/2017	20405	EUROFINS EATON ANALYTICAL	L0348529	1012 · Bank of America Gen'l Ckg	
Bill	09/06/2017	L0348529		L0348529	7103.5 · Grdwtr Qual-Lab Svcs	718.00
TOTAL						718.00
P122 Bill Pmt -Check	10/09/2017	20406	GEYE, BRIAN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	09/28/2017	9/28 Board Mtg		9/28/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	10/09/2017	20407	MINDSHIFT	0255451	1012 · Bank of America Gen'l Ckg	
Bill	09/29/2017	0255451		IT Services - VPN setup and configuration	6052.6 · IT Services/Projects	320.00
TOTAL						320.00
Bill Pmt -Check	10/09/2017	20408	PAYCHEX	2017092800	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2017	2017092800		September 2017	6012 · Payroll Services	308.77
TOTAL						308.77
Bill Pmt -Check	10/09/2017	20409	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	09/14/2017	9/14 Ag Pool Mtg		9/14/17 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/21/2017	9/21 Advisory Comm		9/21/17 Advisory Committee Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/21/2017	9/21 RIPCom Mtg		9/21/17 RIPCom Meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	09/28/2017	9/28 Board Mtg		9/28/17 Board Meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						500.00
Bill Pmt -Check	10/09/2017	20410	PIETERSMA, RONALD	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	09/14/2017	9/14 Ag Pool Mtg		9/14/17 Ag Pool Meeting	8411 · Compensation	25.00
				9/14/17 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						125.00
Bill Pmt -Check	10/09/2017	20411	PREMIERE GLOBAL SERVICES	24446533	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2017	24476533		Preparation for Storage Workshop call on 8/28	7604 · PE8&9-Supplies	6.15
				Non-Ag pool meeting call on 9/14	8512 · Meeting Expense	17.03
				Non-Ag pool meeting call on 9/14	8512 · Meeting Expense	6.13
				Fee - General	6022 · Telephone	48.94
				Fee - Confidential	6022 · Telephone	48.94
				WM coordination call on 9/11	6909.1 · OBMP Meetings	8.01
				Pool meetings check call on 9/13	8312 · Meeting Expenses	4.29
				Pool meetings check call on 9/13	8412 · Meeting Expenses	4.29
				Pool meetings check call on 9/13	8512 · Meeting Expense	4.30
				SGMA compliance call on 9/15	6909.1 · OBMP Meetings	7.96
				WM coordination call on 9/18	6909.1 · OBMP Meetings	8.89
				WM coordination call on 9/25	6909.1 · OBMP Meetings	17.17
				Board meeting agenda preview call on 9/26	6312 · Meeting Expenses	17.61
				Service fee	6022 · Telephone	3.57
TOTAL						203.28
P123 Bill Pmt -Check	10/09/2017	20412	RR FRANCHISING, INC.	45689	1012 · Bank of America Gen'l Ckg	
Bill	10/01/2017	45689		Monthly service - October 2017	6024 · Building Repair & Maintenance	740.00
TOTAL						740.00
Bill Pmt -Check	10/09/2017	20413	STATE COMPENSATION INSURANCE FUND	1970970-17	1012 · Bank of America Gen'l Ckg	
Bill	10/01/2017	1970970-17		Monthly premium 9/26/17-10/26/17	60183 · Worker's Comp Insurance	520.50
TOTAL						520.50
Bill Pmt -Check	10/09/2017	20414	TELLEZ-FOSTER, EDGAR	Mileage/Toll Reimbursement	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2017			Mileage/toll reimbursement for September 2017	6173 · Airfare/Mileage	113.45
TOTAL						113.45
Bill Pmt -Check	10/09/2017	20415	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2017	7076224530355049		Fuel expenses - September 2017	6175 · Vehicle Fuel	165.96
TOTAL						165.96
Bill Pmt -Check	10/09/2017	20416	VANDEN HEUVEL, GEOFFREY	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	09/14/2017	9/14 Ag Pool Mtg		9/14/17 Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	09/28/2017	9/28 Board Mtg		9/28/17 Board Meeting	6311 · Board Member Compensation	125.00
Bill	09/30/2017	8/30 Storage Wkshp		8/30/17 Storage Workshop	6311 · Board Member Compensation	125.00
TOTAL						375.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
October 2017

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Type	Date	Num	Name	Memo	Account	Paid Amount	
Bill Pmt -Check	10/09/2017	20417	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg		
Bill	09/28/2017	001017890001		Vision Insurance Premium - October 2017	60182.2 · Dental & Vision Ins	88.20	
TOTAL						88.20	
Bill Pmt -Check	10/09/2017	20418	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg		
Bill	10/03/2017	08-k2 213849		Disposal Service - October 2017	6024 · Building Repair & Maintenance	117.14	
TOTAL						117.14	
Bill Pmt -Check	10/13/2017	ACH 101317	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg		
General Journal	10/07/2017	10/07/2017	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 09/24/17-10/07/17	2000 · Accounts Payable	6,739.16	
TOTAL						6,739.16	
Bill Pmt -Check	10/19/2017	20419	ACWA	Membership Dues	1012 · Bank of America Gen'l Ckg		
Bill	11/01/2017			ACWA Dues for July-December 2018	1433 · Prepaid Membership Dues	9,347.50	
				ACWA Dues for January-June 2018	6111 · Membership Dues	9,347.50	
TOTAL						18,695.00	
P124	Bill Pmt -Check	10/19/2017	20420	ACWA JOINT POWERS INSURANCE AUTHORITY	0511211	1012 · Bank of America Gen'l Ckg	
	Bill	10/17/2017	0511211		Prepayment - November 2017	1409 · Prepaid Life, BAD&D & LTD	143.22
					October 2017	60191 · Life & Disab.Ins Benefits	144.70
TOTAL						287.92	
Bill Pmt -Check	10/19/2017	20421	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg		
Bill	10/17/2017	1394905143		1394905143	60182.1 · Medical Insurance	8,174.35	
TOTAL						8,174.35	
Bill Pmt -Check	10/19/2017	20422	CORELOGIC INFORMATION SOLUTIONS	81841787	1012 · Bank of America Gen'l Ckg		
Bill	09/30/2017	81841787		81841787	7103.7 · Grdwtr Qual-Computer Svc	62.50	
				81841787	7101.4 · Prod Monitor-Computer	62.50	
TOTAL						125.00	
Bill Pmt -Check	10/19/2017	20423	CUCAMONGA VALLEY WATER DISTRICT		1012 · Bank of America Gen'l Ckg		
Bill	10/17/2017			Office lease due November 1, 2017	1422 · Prepaid Rent	6,608.80	
TOTAL						6,608.80	
Bill Pmt -Check	10/19/2017	20424	EGOSCUE LAW GROUP	11719	1012 · Bank of America Gen'l Ckg		
Bill	09/30/2017	11719		Ag Pool Legal Services - September 2017	8467 · Ag Legal & Technical Services	29,737.50	
TOTAL						29,737.50	

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/19/2017	20425	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
Bill	09/30/2017	L0347964		L0347964	7108.41 · Hydraulic Control - PBHSP	992.00
Bill	09/30/2017	L0348571		L0348571	7108.41 · Hydraulic Control - PBHSP	992.00
Bill	09/30/2017	L0349375		L0349375	7108.41 · Hydraulic Control - PBHSP	992.00
Bill	09/30/2017	L0349115		L0349115	7108.41 · Hydraulic Control - PBHSP	496.00
Bill	09/30/2017	L0349377		L0349377	7108.41 · Hydraulic Control - PBHSP	744.00
TOTAL						4,216.00
Bill Pmt -Check	10/19/2017	20426	FIRE HOSE DIRECT	66927	1012 · Bank of America Gen'l Ckg	
Bill	10/18/2017	66927		Water quality supplies	7103.6 · Grdwtr Qual-Supplies	206.28
TOTAL						206.28
Bill Pmt -Check	10/19/2017	20427	FRONTIER COMMUNICATIONS	909-484-3890-050914-5	1012 · Bank of America Gen'l Ckg	
Bill	10/17/2017	90948438900509145		Office fax	6022 · Telephone	144.12
TOTAL						144.12
Bill Pmt -Check	10/19/2017	20428	IAAP	93942242	1012 · Bank of America Gen'l Ckg	
Bill	10/01/2017	93942242		Annual dues for A. Truong IAAP membership	6111 · Membership Dues	150.00
TOTAL						150.00
Bill Pmt -Check	10/19/2017	20429	KUHN, BOB	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	09/08/2017	9/08 Admin Mtg		9/08/17 Admin meeting	6311 · Board Member Compensation	125.00
Bill	09/14/2017	9/14 Appro Pool Mtg		9/14/17 Appropriative Pool Meeting	6311 · Board Member Compensation	125.00
Bill	09/26/2017	9/26 Exec Comm Call		9/26/17 Executive Committee conference call	6311 · Board Member Compensation	125.00
Bill	09/28/2017	9/28 Board Mtg		9/28/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	10/19/2017	20430	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
Bill	10/17/2017	0111802		Employee deductions - October 2017	60194 · Other Employee Insurance	79.70
TOTAL						79.70
Bill Pmt -Check	10/19/2017	20431	LOEB & LOEB LLP	1738336	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2017	1738336		Non-Ag Pool Legal Services - September 2017	8567 · Non-Ag Legal Service	2,422.98
TOTAL						2,422.98
Bill Pmt -Check	10/19/2017	20432	MINDSHIFT	0255835	1012 · Bank of America Gen'l Ckg	
Bill	10/01/2017	0255835		IT Managed Services	6052.4 · IT Managed Services	3,770.00
				Backup & Recovery	6052.5 · IT Data Backup/Storage	792.00
TOTAL						4,562.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	10/19/2017	20433	PITNEY BOWES CREDIT CORPORATION	3101638729	1012 · Bank of America Gen'l Ckg	
Bill	09/30/2017	3101638729		Postage meter lease	6044 · Postage Meter Lease	401.91
TOTAL						401.91
Bill Pmt -Check	10/19/2017	20434	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
Bill	10/17/2017	1394905143		Annual Unfunded Accrued Liability	60180 · Employers PERS Expense	4,348.52
TOTAL						4,348.52
Bill Pmt -Check	10/19/2017	20435	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	10/31/2017				60182.4 · Retiree Medical	22.24
TOTAL						22.24
Bill Pmt -Check	10/19/2017	20436	UNITED HEALTHCARE	044556122	1012 · Bank of America Gen'l Ckg	
Bill	10/17/2017	044556122		Dental Insurance Premium - November 2017	60182.2 · Dental & Vision Ins	749.75
TOTAL						749.75
Bill Pmt -Check	10/19/2017	20437	VERIZON WIRELESS	9793919966	1012 · Bank of America Gen'l Ckg	
Bill	10/17/2017	9793919966		Acct #470810953-00001	6022 · Telephone	413.26
TOTAL						413.26
Bill Pmt -Check	10/19/2017	20438	WESTERN MUNICIPAL WATER DISTRICT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	09/28/2017	9/28 Board Mtg		9/28/17 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
General Journal	10/21/2017	10/21/2017	Payroll and Taxes for 10/08/17-10/21/17	Payroll and Taxes for 10/08/17-10/21/17	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 10/08/17-10/21/17	1012 · Bank of America Gen'l Ckg	25,367.01
				Payroll Taxes for 10/08/17-10/21/17	1012 · Bank of America Gen'l Ckg	9,211.93
			ICMA-RC	457(b) Employee Deductions for 10/08/17-10/21/17	1012 · Bank of America Gen'l Ckg	4,410.56
			ICMA-RC	401(a) Employee Deductions for 10/08/17-10/21/17	1012 · Bank of America Gen'l Ckg	1,276.75
TOTAL						40,266.25
Bill Pmt -Check	10/24/2017	20439	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	09/30/2017	695969		695969	6078 · BHFS Legal - Miscellaneous	25,059.30
				Ground Transportation	6078 · BHFS Legal - Miscellaneous	150.00
				Mileage/Parking Expenses	8375 · BHFS Legal - Appropriative Pool	12.03
				Mileage/Parking Expenses	8475 · BHFS Legal - Agricultural Pool	12.03
				Mileage/Parking Expenses	8575 · BHFS Legal - Non-Ag Pool	12.04
				Mileage/Parking Expenses	6375 · BHFS Legal - Board Meeting	60.07
				Mileage/Parking Expenses	6078 · BHFS Legal - Miscellaneous	36.10
				Angelica BK	6078 · BHFS Legal - Miscellaneous	1,000.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
				NRG BK	6078 · BHFS Legal - Miscellaneous	2,000.00
Bill	09/30/2017	695970		695970	6073 · BHFS Legal - Personnel Matters	535.50
Bill	09/30/2017	695971		695971	6907.34 · Santa Ana River Water Rights	4,670.55
				Miscellaneous Expenses	6907.34 · Santa Ana River Water Rights	68.61
Bill	09/30/2017	695972		695972	6907.36 · Santa Ana River Habitat	2,245.50
Bill	09/30/2017	695973		695973	6275 · BHFS Legal - Advisory Committee	1,300.50
				Mileage/Parking Expenses	6275 · BHFS Legal - Advisory Committee	36.10
Bill	09/30/2017	695974		695974	6375 · BHFS Legal - Board Meeting	7,038.90
				Lodging	6375 · BHFS Legal - Board Meeting	675.00
				Ground Transportation	6375 · BHFS Legal - Board Meeting	600.00
Bill	09/30/2017	695975		695975	8375 · BHFS Legal - Appropriative Pool	2,027.25
Bill	09/30/2017	695976		695976	8475 · BHFS Legal - Agricultural Pool	2,027.25
Bill	09/30/2017	695977		695977	8575 · BHFS Legal - Non-Ag Pool	2,027.25
Bill	09/30/2017	695978		695978	6071 · BHFS Legal - Court Coordination	765.00
Bill	09/30/2017	695979		695979	6907.39 · Recharge Master Plan	1,147.50
Bill	09/30/2017	695980		695980	6907.40 · Storage Agreements	841.50
Bill	09/30/2017	695981		695981	6907.42 · Safe Yield Recalculation	8,153.55
				Transportation	6907.42 · Safe Yield Recalculation	150.00
Bill	09/30/2017	695982		695982	6907.44 · SGMA Compliance	925.65
						63,577.18
Bill Pmt -Check	10/30/2017	20440	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	09/30/2017	2017296		2017296	6906.31 · OBMP-Pool, Adv. Board Mtgs	8,419.73
Bill	09/30/2017	2017297		2017297	6906.32 · OBMP-Other General Meetings	12,100.73
Bill	09/30/2017	2017298		2017298	6906.74 · OBMP-Mat'l Phy. Injury Requests	797.25
Bill	09/30/2017	2017299		2017299	6906.71 · OBMP-Data Req.-CBWM Staff	3,420.00
Bill	09/30/2017	2017300		2017300	6906.71 · OBMP-Data Req.-CBWM Staff	9,639.20
Bill	09/30/2017	2017301		2017301	6906.72 · OBMP-Data Req.-Non CBWM Staff	382.50
Bill	09/30/2017	2017302		2017302	6906.22 · Water Rights Compliance Rprting	1,028.90
Bill	09/30/2017	2017303		2017303	6906 · OBMP Engineering Services	2,397.40
Bill	09/30/2017	2017304		2017304	6906.81 · Prepare Annual Reports	3,394.30
Bill	09/30/2017	2017305		2017305	7103.3 · Grdwtr Qual-Engineering	19,364.96
Bill	09/30/2017	2017306		2017306	7104.3 · Grdwtr Level-Engineering	10,271.27
Bill	09/30/2017	2017307		2017307	7107.2 · Grd Level-Engineering	100.50
				2017307	7107.3 · Grd Level-SAR Imagery	12,000.00
Bill	09/30/2017	2017308		2017308	7107.2 · Grd Level-Engineering	1,419.67
Bill	09/30/2017	2017309		2017309	7202.2 · Engineering Svc	17,226.84
Bill	09/30/2017	2017310		2017310	7402 · PE4-Engineering	13,179.28
Bill	09/30/2017	2017311		2017311	7402.10 · PE4 - Northwest MZ1 Area Proj.	16,690.00
Bill	09/30/2017	2017312		2017312	7502 · PE6&7-Engineering	4,886.00

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TOTAL

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	09/30/2017	2017313			7510 · PE6&7-IEUA Salinity Mgmt. Plan	51,345.50
Bill	09/30/2017	2017314			7602 · PE8&9-Engineering	54,690.20
TOTAL						<u>242,754.23</u>
Bill Pmt -Check	10/27/2017	ACH 102717	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	10/21/2017	10/21/2017	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 10/08/17-10/21/17	2000 · Accounts Payable	6,739.16
TOTAL						<u>6,739.16</u>
					Total Disbursements:	<u><u>509,264.08</u></u>

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