

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, July 26, 2018

9:00 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, July 26, 2018

9:00 a.m. – Advisory Committee Meeting

11:00 a.m. – Watermaster Board Meeting

AGENDAS

**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

9:00 a.m. – July 26, 2018

WITH

Mr. Jeff Pierson, Chair

Mr. Todd Corbin, Vice-Chair

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

AGENDA – ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

Approve as presented:

1. Minutes of the Advisory Committee Meeting held June 21, 2018 *(Page 1)*

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of May 2018 *(Page 9)*
2. Watermaster VISA Check Detail for the month of May 2018 *(Page 21)*
3. Combining Schedule for the Period July 1, 2017 through May 31, 2018 *(Page 25)*
4. Treasurer's Report of Financial Affairs for the Period May 1, 2018 through May 31, 2018 *(Page 29)*
5. Budget vs. Actual Report for the Period July 1, 2017 through May 31, 2018 *(Page 33)*

C. APPLICATION FOR RECHARGE *(Page 59)*

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.

II. BUSINESS ITEMS

A. FISCAL YEAR 2017/18 BUDGET TRANSFER (FORM T-18-06-01) *(Page 83)*

Approve Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) as presented.

B. ADVISORY COMMITTEE REQUEST FOR WATERMASTER ASSISTANCE *(Page 87)*

Discuss and possibly take action.

1. Exhibit "G" Transfer Rate Amendment
2. Peace Agreement Paragraph 5.3(e) Interpretation
3. Amendments to Judgment and CAMA to Implement Settlement Agreement Regarding Appeal From April 28, 2017 Order

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. July 24, 2018 Hearing
3. Overlying (Agricultural) Pool Committee's Consolidated and Amended Contests
4. General Manager Performance Evaluation

B. ENGINEER REPORT

1. Storage Framework
2. Ground-Level Monitoring Committee Annual Report

C. CFO REPORT

1. Audit of FY 2016/17 Groundwater Recharge O&M Expenses
2. Watermaster FTP Site

D. GM REPORT

1. SGMA Update
2. Recharge Master Plan Update
3. RMPU Project 23a Grant
4. Other

E. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update (Written) *(Page 172)*
2. State and Federal Legislative Reports (Written) *(Page 175)*
3. Community Outreach/Public Relations Report (Written) *(Page 205)*

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

1. Cash Disbursements for June 2018 *(Page 209)*

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

7/26/18	Thu	8:00 a.m.	Appropriative Pool Strategic Planning (Confidential Session Only)*
7/26/18	Thu	9:00 a.m.	Advisory Committee*
7/26/18	Thu	9:30 a.m.	2018 RMPU Steering Committee #6*
7/26/18	Thu	11:00 a.m.	Watermaster Board

* Rescheduled from 7/19/18

ADJOURNMENT

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – July 26, 2018

WITH

Mr. Robert DiPrimio – Chair

Mr. Jeff Pierson – Vice-Chair

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

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

Approve as presented:

1. Minutes of the Watermaster Board Meeting held June 28, 2018 *(Page 5)*

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of May 2018 *(Page 9)*
2. Watermaster VISA Check Detail for the month of May 2018 *(Page 21)*
3. Combining Schedule for the Period July 1, 2017 through May 31, 2018 *(Page 25)*
4. Treasurer's Report of Financial Affairs for the Period May 1, 2018 through May 31, 2018 *(Page 29)*
5. Budget vs. Actual Report for the Period July 1, 2017 through May 31, 2018 *(Page 33)*

C. APPLICATION FOR RECHARGE *(Page 59)*

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.

D. AMENDMENT TO CHINO BASIN WATERMASTER RETIREMENT POLICY 3.16 *(Page 71)*

Approve the Amendment of the Existing Retirement Policy 3.16.

E. AMENDMENT TO CHINO BASIN WATERMASTER RESIGNATION POLICY 4.23.2 *(Page 77)*

Approve the Amendment of the Existing Resignation Policy 4.23.2.

II. BUSINESS ITEMS**A. FISCAL YEAR 2017/18 BUDGET TRANSFER (FORM T-18-06-01) (Page 83)**

Approve Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) as presented.

B. ADVISORY COMMITTEE REQUEST FOR WATERMASTER ASSISTANCE (Page 87)

Discuss and possibly take action.

1. Exhibit "G" Transfer Rate Amendment
2. Peace Agreement Paragraph 5.3(e) Interpretation
3. Amendments to Judgment and CAMA to Implement Settlement Agreement Regarding Appeal From April 28, 2017 Order

C. GENERAL MANAGER EMPLOYMENT CONTRACT AMENDMENT #4 (Page 147)

Public Board discussion, deliberation, and possible action on proposed employment agreement amendment.

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

1. Appeal of April 28, 2017 Order
2. July 24, 2018 Court Hearing
3. Overlying (Agricultural) Pool Committee's Consolidated and Amended Contests

B. ENGINEER REPORT

1. Storage Framework
2. Ground-Level Monitoring Committee Annual Report

C. CFO REPORT

1. Audit of FY 2016/17 Groundwater Recharge O&M Expenses
2. Watermaster FTP Site

D. GM REPORT

1. SGMA Update
2. Recharge Master Plan Update
3. Other

IV. INFORMATION

1. Cash Disbursements for June 2018 (Page 209)

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. Appeal of April 28, 2017 Order
2. Advisory Committee Request For Watermaster Assistance

VIII. FUTURE MEETINGS AT WATERMASTER

- | | | | |
|---------|-----|------------|--|
| 7/26/18 | Thu | 8:00 a.m. | Appropriative Pool Strategic Planning (Confidential Session Only)* |
| 7/26/18 | Thu | 9:00 a.m. | Advisory Committee* |
| 7/26/18 | Thu | 9:30 a.m. | 2018 RMPU Steering Committee #6* |
| 7/26/18 | Thu | 11:00 a.m. | Watermaster Board |
| 8/09/18 | Thu | 9:00 a.m. | Appropriative Pool |

8/09/18	Thu	11:00 a.m.	Non-Agricultural Pool
8/09/18	Thu	1:30 p.m.	Agricultural Pool
8/16/18	Thu	8:00 a.m.	Appropriative Pool Strategic Planning (Confidential Session Only)*
8/16/18	Thu	9:00 a.m.	Advisory Committee
8/16/18	Thu	9:30 a.m.	2018 RMPU Workshop
8/23/18	Thu	8:30 a.m.	Ground-Level Monitoring Committee
8/23/18	Thu	11:00 a.m.	Watermaster Board
8/28/18	Tue	9:00 a.m.	Groundwater Recharge Coordinating Committee

* Rescheduled from 7/19/18

ADJOURNMENT

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BEEN LEFT
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FOR PAGINATION

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR (Advisory Committee Only)

A. MINUTES

1. Advisory Committee Meeting held on June 21, 2018

**DRAFT MINUTES
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

June 21, 2018

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on June 21, 2018.

ADVISORY COMMITTEE MEMBERS PRESENT

AGRICULTURAL POOL

Jeff Pierson, Chair
Bob Feenstra
Pete Hall

Crops
Dairy
State of California – CIM

APPROPRIATIVE POOL

Teri Layton
Ron Craig
Darron Poulsen
John Bosler for Marty Zvirbulis
Cris Fealy
Eric Tarango
Rosemary Hoerning
Dave Crosley
Katie Gienger for Scott Burton
Steven Popelar for Todd Corbin

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

NON-AGRICULTURAL POOL

Bob Bowcock for Brian Geye

CalMat Co.

WATERMASTER BOARD MEMBERS PRESENT

Eunice Ulloa
Bob Kuhn

City of Chino
Three Valleys Municipal Water District

WATERMASTER STAFF PRESENT

Peter Kavounas
Joseph Joswiak
Edgar Tellez Foster
Anna Nelson

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

WATERMASTER CONSULTANTS PRESENT

Brad Herrema
Mark Wildermuth
Andy Malone

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

OTHERS PRESENT

Curtis Paxton
Shaun Stone
David De Jesus
Eric Grubb
Rick Hansen
Manny Martinez
Richard Rees
Ben Lewis
Amanda Coker
Eduardo Espinoza

Chino Basin Desalter Authority
Inland Empire Utilities Agency
Three Valleys Municipal Water District
Cucamonga Valley Water District
Three Valleys Municipal Water District
Monte Vista Water District
Wood plc
Golden State Water Company
City of Chino
Cucamonga Valley Water District

Matt Litchfield
Chris Berch
John Schatz
Halla Razak

Three Valleys Municipal Water District
Inland Empire Utilities Agency
John J. Schatz, Attorney at Law
Inland Empire Utilities Agency

CALL TO ORDER

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

AGENDA – ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

Approve as presented:

1. Minutes of the Advisory Committee Meeting held May 17, 2018

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of April 2018
2. Watermaster VISA Check Detail for the month of April 2018
3. Combining Schedule for the Period July 1, 2017 through April 30, 2018
4. Treasurer's Report of Financial Affairs for the Period April 1, 2018 through April 30, 2018
5. Budget vs. Actual Report for the Period July 1, 2017 through April 30, 2018

C. WATER TRANSACTIONS

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

The transfer of 10,000.00 acre-feet of water from Cucamonga Valley Water District to Fontana Water Company. This transfer is made from Cucamonga Valley Water District's Annual Production Right first, with any additional from Excess Carryover.

(0:01:06)

Motion by Mr. Bob Bowcock, seconded by Ms. Rosemary Hoerning, and by unanimous vote

Moved to approve the Consent Calendar as presented.

II. BUSINESS ITEMS

**A. TASK ORDER NO. 2 UNDER MASTER AGREEMENT FOR COLLABORATIVE PROJECTS
TECHNICAL SUPPORT FOR ANALYSIS OF THE UPPER SANTA ANA RIVER GROUNDWATER
INTEGRATED MODEL**

Approve Task Order No. 2 (Technical Support for Analysis of the Upper Santa Ana River Groundwater Integrated Model).

(0:01:31) Mr. Kavounas gave a report.

(0:02:15)

Motion by Mr. Darron Poulsen, seconded by Mr. Ron Craig, and by unanimous vote

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

B. 2017 ANNUAL REPORT OF THE PRADO BASIN HABITAT SUSTAINABILITY COMMITTEE

Recommend Board to receive and file.

(0:02:33) Mr. Kavounas gave a report.

(0:03:29)

Motion by Mr. Bob Bowcock, seconded by Ms. Rosemary Hoerning, and by unanimous vote

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

C. EXHIBIT “G” TRANSFER RATE AMENDMENT

Offer advice and assistance on amending Section 9(d) of Exhibit “G” regarding the transfer rate.

(0:03:50) Mr. Kavounas gave a report. See action below in Business Item II.E.

D. PEACE AGREEMENT PARAGRAPH 5.3(e) INTERPRETATION

Offer advice and assistance on the interpretation of the language.

(0:06:15) Mr. Kavounas gave a report. See action below in Business Item II.E.

E. AMENDMENTS TO JUDGMENT AND CAMA TO IMPLEMENT SETTLEMENT AGREEMENT REGARDING APPEAL FROM APRIL 28, 2017 ORDER

Discuss and offer advice.

(0:07:57) Mr. Kavounas gave a report. A discussion ensued.

(0:11:24) Mr. Craig introduced a motion, and seconded by Mr. Poulsen. Additional discussion ensued.

(0:16:41) *Vote Taken*

Motion by Mr. Ron Craig, seconded by Mr. Darron Poulsen, and by unanimous vote

Moved to direct Watermaster staff to bring a draft Safe Yield Amendments Agreement encompassing Business Items II.C. through II.E., to the Pools and Advisory Committee for consideration.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. July 24, 2018 Court Hearing

(0:16:53) Mr. Herrema announced that he has nothing new to report since Pool meetings last week.

B. ENGINEER REPORT

1. Storage Framework
2. 2018 Recharge Master Plan Update
3. Salinity Management

(0:17:33) Mr. Malone announced that he has nothing new to report since Pool meetings last week.

C. CFO REPORT

1. FY 2017/18 Budget Transfers

(0:17:57) Mr. Joswiak announced that he has nothing new to report since Pool meetings last week.

D. GM REPORT

1. Future Assessment Packages
2. July 2018 Meeting Schedule
3. Other

(0:18:22) Mr. Kavounas announced that he has nothing new to report since Pool meetings last week, and reminded parties of the changed meeting dates for July 2018.

E. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update (Written)
2. State and Federal Legislative Reports (Written)
3. Community Outreach/Public Relations Report (Written)

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

(0:21:07) Mr. Craig commented on the water tax. A discussion ensued.

(0:21:31) Mr. Hansen commented on an odor in the water throughout California, and stated that Metropolitan Water District and the Department of Water Resources are issuing press releases regarding the issue.

IV. INFORMATION

Cash Disbursements for May 2018

V. COMMITTEE MEMBER COMMENTS

None

VI. OTHER BUSINESS

None

VIII. CONFIDENTIAL SESSION - POSSIBLE ACTION

None

ADJOURNMENT

Chair Pierson adjourned the Advisory Committee meeting at 9:28 a.m.

Secretary: _____

Approved: _____

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR (Watermaster Board Only)

A. MINUTES

1. Watermaster Board Meeting held on June 28, 2018

DRAFT MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

June 28, 2018

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA on June 28, 2018.

WATERMASTER BOARD MEMBERS PRESENT

Robert DiPrimio, Chair
Jeff Pierson, Vice-Chair
Bob Kuhn, Secretary/Treasurer
Bob Bowcock
Eunice Ulloa
Paul Hofer
Steve Elie
Gino Filippi
Don Galleano

Fontana Water Company
Agricultural Pool – Crops
Three Valleys Municipal Water District
CalMat Co.
City of Chino
Agricultural Pool – Crops
Inland Empire Utilities Agency
City of Upland
Western Municipal Water District

WATERMASTER STAFF PRESENT

Peter Kavounas
Joseph Joswiak
Edgar Tellez Foster
Anna Nelson
Justin Nakano

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

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

Pete Hall
Dave Crosley
Kati Parker
Curtis Paxton
Rick Hansen
Teri Layton
Amanda Coker
Ron Craig
Steve Popelar
Betty Anderson
David De Jesus
Eduardo Espinoza
Steve Corrington
Matt Litchfield
Darron Poulsen
Art Kidman
Manny Martinez
Raul Garibay
Craig Miller
Bob Feenstra
Katie Gienger
Scott Burton

State of California – CIM
City of Chino
Inland Empire Utilities Agency
Chino Basin Desalter Authority
Three Valleys Municipal Water District
San Antonio Water Company
City of Chino
City of Chino Hills
Jurupa Community Services District
Jurupa Community Services District
Three Valleys Municipal Water District
Cucamonga Valley Water District
MIH Water Treatment
Three Valleys Municipal Water District
City of Pomona
Kidman Gagen Law, LLP
Monte Vista Water District
City of Pomona
Western Municipal Water District
Agricultural Pool – Dairy
City of Ontario
City of Ontario

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

None

AGENDA – ADDITIONS/REORDER

(0:00:42) Ms. Layton commented on Consent Calendar Items I.H. and I.I.; both Items were pulled for separate discussion.

I. CONSENT CALENDAR

A. MINUTES

Approve as presented:

1. Minutes of the Watermaster Board Meeting held May 24, 2018

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of April 2018
2. Watermaster VISA Check Detail for the month of April 2018
3. Combining Schedule for the Period July 1, 2017 through April 30, 2018
4. Treasurer's Report of Financial Affairs for the Period April 1, 2018 through April 30, 2018
5. Budget vs. Actual Report for the Period July 1, 2017 through April 30, 2018

C. WATER TRANSACTIONS

Approve the proposed transaction:

The transfer of 10,000.00 acre-feet of water from Cucamonga Valley Water District to Fontana Water Company. This transfer is made from Cucamonga Valley Water District's Annual Production Right first, with any additional from Excess Carryover.

D. PROFESSIONAL PUBLIC OUTREACH SERVICES CONTRACT BETWEEN RAUCH COMMUNICATION CONSULTANTS INC. AND CHINO BASIN WATERMASTER

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

E. 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.

F. FISCAL YEAR 2018/19 PAY SCHEDULE

Adopt the FY 2018/19 Pay Schedule.

G. CHINO BASIN WATERMASTER RETIREMENT HEALTH SAVINGS PROGRAM

Adopt Resolution 2018-03 and approve a Retirement Health Savings (RHS) Program, and authorize the Chief Financial Officer to execute the contract and agreements required to establish the program.

H. AMENDMENT TO CHINO BASIN WATERMASTER RETIREMENT POLICY 3.16

Approve the Amendment of the Existing Retirement Policy 3.16.

I. AMENDMENT TO CHINO BASIN WATERMASTER RESIGNATION POLICY 4.23.2

Approve the Amendment of the Existing Resignation Policy 4.23.2.

(0:02:19)

Motion by Mr. Bob Kuhn, seconded by Mr. Paul Hofer, and by unanimous vote.

Moved to approve Consent Calendar Items I.A. – I.G. as presented.

(0:02:47) Mr. Kavounas commented on Consent Items I.H. and I.I.

(0:03:36)

Motion by Mr. Bob Kuhn, seconded by Mr. Bob Bowcock, and by unanimous vote.

Moved to bring Consent Calendar Items I.H and I.I. back for the July 2018 Board Meeting.

II. BUSINESS ITEMS

A. TASK ORDER NO. 2 UNDER MASTER AGREEMENT FOR COLLABORATIVE PROJECTS TECHNICAL SUPPORT FOR ANALYSIS OF THE UPPER SANTA ANA RIVER GROUNDWATER INTEGRATED MODEL

Approve Task Order No. 2 (Technical Support for Analysis of the Upper Santa Ana River Groundwater Integrated Model) and authorize the General Manager to execute the Agreement on behalf of Watermaster.

(0:03:59) Mr. Kavounas introduced Mr. Tellez Foster to give a report.

(0:04:31) Mr. Elie joined the meeting at 11:05 a.m.

(0:05:14)

Motion by Vice-Chair Jeff Pierson, seconded by Mr. Bob Kuhn, and by unanimous vote.

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

B. 2017 ANNUAL REPORT OF THE PRADO BASIN HABITAT SUSTAINABILITY COMMITTEE

Receive and file.

(0:05:27) Mr. Kavounas introduced Mr. Malone to give a presentation. A discussion ensued.

(0:14:02) Mr. Galleano introduced a motion. Further discussion ensued.

(0:22:21) *Vote Taken*

Motion by Mr. Don Galleano, seconded by Mr. Bob Kuhn and by unanimous vote.

Moved to receive and file Business Item II.B. as presented.

Chairman DiPrimio requested a follow up Confidential Session be held on this item during the July Board meeting.

C. ADVISORY COMMITTEE REQUEST FOR WATERMASTER ASSISTANCE

Direct staff and Counsel to draft a document responsive to the request made by the Advisory Committee, for future consideration by the Pools and Advisory Committee.

(0:22:53) Mr. Kavounas gave a report. The item was deferred to Confidential Session.

The Board took Business Item II.C. during Confidential Session and the reportable actions are provided in sequence below.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. July 24, 2018 Court Hearing

(0:25:06) Mr. Slater gave a report.

B. ENGINEER REPORT

1. Storage Framework

- 2. 2018 Recharge Master Plan Update
- 3. Salinity Management

(0:26:48) Mr. Malone introduced Mr. Wildermuth to give a presentation on Item III.B.1.

(0:29:35) Mr. Malone gave the remainder of the Engineer's Report.

C. CFO REPORT

- 1. FY 2017/18 Budget Transfers

(0:31:16) Mr. Joswiak gave a report.

D. GM REPORT

- 1. Future Assessment Packages
- 2. July 2018 Meeting Schedule
- 3. Other

(0:33:15) Mr. Kavounas gave a report. He also shared that Inland Empire Utilities Agency received a grant of \$750,000 from the United States Bureau of Reclamation for Project 23a, and Chino Basin Desalter Authority's two new wells will begin production on July 1, 2018; and if the wells meet the projected production rate, it will bring the capacity to 40,000 AF. A discussion ensued.

IV. INFORMATION

- 1. Cash Disbursements for May 2018

V. BOARD MEMBER COMMENTS

(0:42:02) Mr. Filippi announced that the Galleano Winery was recognized as "Business of the Year".

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair DiPrimio called for a confidential session at 11:43 a.m. to discuss the Appeal of April 28, 2017 Order, Advisory Committee Request For Watermaster Assistance, and General Manager Performance Evaluation. Mr. Slater announced that confidential session concluded at 12:56 p.m. with the following reportable actions:

(0:42:55)

- 1. Confidential Session Item VII.3., General Manager Performance Evaluation:
The Board instructed legal counsel to prepare an agreement to bring to the July 2018 meeting that will amend the existing contract extending it by one year and include a retention bonus for the General Manager upon successful completion of an additional five years of service with Watermaster.
- 2. Business Item II.C., Advisory Committee Request For Watermaster Assistance:
The Board instructed legal counsel to prepare a draft agreement in response to the Advisory Committee's request.

ADJOURNMENT

Chair DiPrimio adjourned the Watermaster Board meeting at 12:58 p.m.

Secretary: _____

Approved: _____

CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2018
2. Watermaster VISA Check Detail for the month of May 2018
3. Combining Schedule for the Period July 1, 2017 through May 31, 2018
4. Treasurer's Report of Financial Affairs for the Period May 1, 2018 through May 31, 2018
5. Budget vs. Actual Report for the Period July 1, 2017 through May 31, 2018



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: July 26, 2018
TO: Advisory Committee Members
Board Members
SUBJECT: Cash Disbursement Report - Financial Report B1 (May 31, 2018)

SUMMARY

Issue: Record of Cash Disbursements for the month of May 2018.

Recommendation: Receive and file Cash Disbursements for May 2018 as presented.

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

Future Consideration

Advisory Committee – July 26, 2018: Receive and File

Watermaster Board – July 26, 2018: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – July 19, 2018: Received and filed

Non-Agricultural Pool – July 19, 2018: Moved unanimously to receive and file, without approval

Agricultural Pool – July 19, 2018: Received and filed

Advisory Committee – July 26, 2018:

Watermaster Board – July 26, 2018:

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of May 2018 were \$950,449.38.

The most significant expenditures during the month were to Inland Empire Utilities Agency in the amount of \$459,262.50 (check number 20827 dated May 31, 2018); Wildermuth Environmental, Inc. in the amount of \$203,274.26 (check number 20811 dated May 22, 2018); and Brownstein Hyatt Farber Schreck in the amount of \$90,509.45 (check number 20824 dated May 30, 2018).

ATTACHMENTS

1. Financial Report - B1

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2018

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/03/2018	ACH 050318	CALPERS	1394905143	1012 · Bank of America Gen'l Ckg	
Bill	04/18/2018	1394905143		1394905143	60182.1 · Medical Insurance	8,440.38
TOTAL						8,440.38
General Journal	05/05/2018	05/05/2018	Payroll and Taxes for 04/22/18-05/05/18	Payroll and Taxes for 04/22/18-05/05/18	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 04/22/18-05/05/18	1012 · Bank of America Gen'l Ckg	26,160.26
				Payroll Taxes for 04/22/18-05/05/18	1012 · Bank of America Gen'l Ckg	8,423.45
			ICMA-RC	457(b) Employee Deductions for 04/22/18-05/05/18	1012 · Bank of America Gen'l Ckg	4,738.05
			ICMA-RC	401(a) Employee Deductions for 04/22/18-05/05/18	1012 · Bank of America Gen'l Ckg	1,303.27
TOTAL						40,625.03
Bill Pmt -Check	05/10/2018	20775	ACCENT COMPUTER SOLUTIONS, INC.	IT Managed Services - Hardware Purchases	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2018	121316		ETF laptop-balance due	6055 · Computer Hardware	1,431.91
Bill	04/30/2018	121411		Wireless access points-balance due	6055 · Computer Hardware	1,680.89
TOTAL						3,112.80
Bill Pmt -Check	05/10/2018	20776	APPLIED COMPUTER TECHNOLOGIES	2973	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2018	2973		Database Consulting - April 2018	6052.2 · Applied Computer Technol	4,815.40
TOTAL						4,815.40
Bill Pmt -Check	05/10/2018	20777	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	04/28/2018	XXXX-XXXX-XXXX-9341		Toner cartridges for CFO's printer	6031.7 · Other Office Supplies	249.00
				Overwatch/firewall - 50% deposit	6055 · Computer Hardware	1,750.00
				Cloud/FTP replacement - 50% deposit	6055 · Computer Hardware	900.00
				Miscellaneous office supplies	6031.7 · Other Office Supplies	327.68
				Office Timeline software	6054 · Computer Software	59.00
				Microsoft software	6054 · Computer Software	99.00
				Reception desk phone headset	6031.7 · Other Office Supplies	15.99
				RZ laptop-50% deposit	6055 · Computer Hardware	1,217.94
				Miscellaneous office supplies	6031.7 · Other Office Supplies	311.10
				Registration-RZ-AWWA Sampling Wkshp	6193.2 · Conference - Registration Fee	375.00
				Registration-JN & ETF-AWWA Sampling Wkshp	6193.2 · Conference - Registration Fee	550.00
				Books for office - shorthand	6031.7 · Other Office Supplies	33.40
				Books for office - business writing / minute taking	6031.7 · Other Office Supplies	38.25
				Lunch for storage framework meeting	7604 · PE8&9-Supplies	105.44
				PK flight to ACWA Spring Conference	6191 · Conferences - General	141.96
				Early-bird check in on above flight	6191 · Conferences - General	15.00
				Early-bird check in on above flight	6191 · Conferences - General	15.00
				Laptop bag - ETF	6031.7 · Other Office Supplies	49.99

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
				Webcam cover - ETF	6031.7 · Other Office Supplies	6.99
				Toner cartridges for office	6031.7 · Other Office Supplies	80.79
				PK meeting w/Geye	8512 · Meeting Expense	64.73
				Lunch for team prep for OBMP Scope Workshop	6909.1 · OBMP Meetings	85.00
				Lunch for WM meeting w/Ag Pool reps	8412 · Meeting Expenses	64.88
				Lunch for WM counsel for meeting w/Ag Pool reps	8412 · Meeting Expenses	13.60
				Lunch for OBMP Scope Workshop	6909.1 · OBMP Meetings	221.00
				Miscellaneous office supplies	6031.7 · Other Office Supplies	52.89
				PK mtg w/Elie	6312 · Meeting Expenses	50.87
				PK mtg w/Hoerning	8312 · Meeting Expenses	32.51
				PK mtg w/Bowcock	6312 · Meeting Expenses	37.42
				PK registration-First Annual Groundwater Sustainab	6193.2 · Conference - Registration Fee	430.00
				PK meeting w/Layton, Jew	8312 · Meeting Expenses	59.78
TOTAL						7,454.21
Bill Pmt -Check	05/10/2018	20778	CORELOGIC INFORMATION SOLUTIONS	81888867	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2018	81888867		81888867	7103.7 · Grdwtr Qual-Computer Svc	62.50
				81888867	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	05/10/2018	20779	DE BOOM, NATHAN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	04/12/2018	4/12 Ag Pool mtg		4/12/18 Ag Pool Meeting	8411 · Compensation	25.00
				4/12/18 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	05/10/2018	20780	DE HAAN, HENRY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	04/12/2018	4/12 Ag Pool Mtg		4/12/18 Ag Pool Meeting	8411 · Compensation	25.00
				4/12/18 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	05/10/2018	20781	DI PRIMIO, ROBERT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	04/11/2018	4/11 Admin Mtg		4/11/18 meeting w/PK & attorneys re Settlement Prt	6311 · Board Member Compensation	125.00
Bill	04/16/2018	4/16 Admin Mtg		4/16/18 meeting w/PK & attorneys re Settlement Prt	6311 · Board Member Compensation	125.00
Bill	04/23/2018	4/23 Admin Mtg		4/23/18 meeting w/PK & attorneys re Settlement Prt	6311 · Board Member Compensation	125.00
Bill	04/26/2018	4/26 Board Mtg		4/26/18 Board Meeting	6311 · Board Member Compensation	125.00
Bill	04/30/2018	4/30 Admin Mtg		4/30/18 meeting w/PK & attorneys re Settlement Prt	6311 · Board Member Compensation	125.00
TOTAL						625.00
Bill Pmt -Check	05/10/2018	20782	EGOSCUE LAW GROUP, INC.	11938	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2018	11938		Ag Pool Legal Service - April 2018	8467 · Ag Legal & Technical Services	34,362.50

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Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						34,362.50
Bill Pmt -Check	05/10/2018	20783	ELIE, STEVEN	Board Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	04/25/2018	4/25 Admin Mtg		4/25/18 Administrative meeting	6311 - Board Member Compensation	125.00
Bill	04/26/2018	4/26 Board Mtg		4/26/18 Board meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	05/10/2018	20784	FEDAK & BROWN LLP	Audit Services	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2018			Progress Billing - April 2018	6062 - Audit Services	5,160.00
TOTAL						5,160.00
Bill Pmt -Check	05/10/2018	20785	FEENSTRA, BOB	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	04/12/2018	4/12 Ag Pool Mtg		4/12/18 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	04/23/2018	4/23 Admin Mtg		4/23/18 Administrative meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	04/26/2018	4/26 Board Mtg		4/26/18 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						375.00
Bill Pmt -Check	05/10/2018	20786	FILIPPI, GINO	Board Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	04/26/2018	4/26 Board Meeting		4/26/18 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	05/10/2018	20787	GEYE, BRIAN	Board Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	04/19/2018	4/19 RMPU Mtg		4/19/18 RMPU Steering Committee meeting	6311 - Board Member Compensation	125.00
Bill	04/24/2018	4/24 Budget Mtg		4/24/18 Budget meeting	6311 - Board Member Compensation	125.00
Bill	04/26/2018	4/26 Board Mtg		4/26/18 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	05/10/2018	20788	KAVOUNAS, PETER	Travel Expense Reimbursement	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2018			Travel Expense Reimbursement	6191 - Conferences - General	125.61
TOTAL						125.61
Bill Pmt -Check	05/10/2018	20789	KUHN, BOB	Board Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	04/02/2018	4/02/18 Conf Call		4/02/18 conference call w/attorneys and board	6311 - Board Member Compensation	125.00
Bill	04/19/2018	4/19 Advisory Comm		4/19/18 Advisory Committee meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	05/10/2018	20790	McMASTER-CARR SUPPLY CO	62299210	1012 - Bank of America Gen'l Ckg	
Bill	05/02/2018	62299210		GW level supplies	7104.7 - Grdwtr Level-WM Staff-Cap Equip	48.34
TOTAL						48.34

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/10/2018	20791	PAYCHEX	201802600	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2018	2018042600		April 2018	6012 · Payroll Services	327.50
TOTAL						327.50
Bill Pmt -Check	05/10/2018	20792	PIERSON, JEFFREY	Ag Pool and Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	04/12/2018	4/12 Ag Pool Mtg		4/12/18 Ag Pool meeting	8411 · Compensation	25.00
				4/12/18 Ag Pool meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	04/19/2018	4/19 Advisory Comm		4/19/18 Advisory Committee meeting	8411 · Compensation	25.00
				4/19/18 Advisory Committee meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	04/19/2018	4/19 RIPCom Mtg		4/19/18 RIPCom meeting	8411 · Compensation	25.00
				4/19/18 RIPCom meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	04/23/2018	4/23 Admin Mtg		4/23/18 Administrative meeting	8411 · Compensation	25.00
				4/23/18 Administrative meeting	8470 · Ag Meeting Attend -Special	100.00
Bill	04/24/2018	4/24 Board Agena		4/24/18 Board Agenda Meeting	6311 · Board Member Compensation	125.00
Bill	04/26/2018	4/26 Board Meeting		4/26/18 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						750.00
Bill Pmt -Check	05/10/2018	20793	PIETERSMA, RONALD	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	04/12/2018	4/12 Ag Pool Mtg		4/12/18 Ag Pool Meeting	8411 · Compensation	25.00
				4/12/18 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	05/10/2018	20794	PREMIERE GLOBAL SERVICES	25716466	1012 · Bank of America Gen'l Ckg	
Bill	04/28/2018	25716466		Pools agenda prep call on 4/03	8312 · Meeting Expenses	7.16
				Pools agenda prep call on 4/03	8412 · Meeting Expenses	7.16
				Pools agenda prep call on 4/03	8512 · Meeting Expense	7.15
				Non-Ag Pool mtg call on 4/12	8512 · Meeting Expense	9.08
				WM coordination call on 4/23	6909.1 · OBMP Meetings	6.22
				Fee - General	6022 · Telephone	49.00
				Fee - Confidential	6022 · Telephone	49.00
				Call on 3/28	6909.1 · OBMP Meetings	6.69
				OP Bands 3 and 4 scenario dev. call on 3/29	6909.1 · OBMP Meetings	9.53
				Attorney/GM call on 4/02	6909.1 · OBMP Meetings	6.20
				WM coordination call on 4/02	6909.1 · OBMP Meetings	13.08
				Attorney/GM call on 4/02	6909.1 · OBMP Meetings	25.62
				Pools agends prep call on 4/03	8312 · Meeting Expenses	2.07
				Pools agenda prep call on 4/03	8412 · Meeting Expenses	2.07
				Pools agenda prep call on 4/03	8512 · Meeting Expense	2.06
				WM coordination call on 4/09	6909.1 · OBMP Meetings	17.07
				Pool mtgs check call on 4/11	8312 · Meeting Expenses	5.92

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
				Pool mtgs check call on 4/11	8412 · Meeting Expenses	5.92
				Pool mtgs check call on 4/11	8512 · Meeting Expense	5.91
				WM coordination call on 4/16	6909.1 · OBMP Meetings	10.35
				WM coordination call on 4/16	6909.1 · OBMP Meetings	6.50
				WM coordination call on 4/23	6909.1 · OBMP Meetings	6.22
				Pomona extensometer call on 4/23	6909.1 · OBMP Meetings	20.65
				Board agenda preview call on 4/24	6312 · Meeting Expenses	6.22
				Board agenda preview call on 4/24	6312 · Meeting Expenses	6.22
				PK prep for mtg call on 4/26	6909.1 · OBMP Meetings	6.20
				Service fee	6022 · Telephone	11.18
TOTAL						310.45
Bill Pmt -Check	05/10/2018	20795	READY REFRESH BY NESTLE	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2018	0023230253		Office Water Bottle - April 2018	6031.7 · Other Office Supplies	19.37
TOTAL						19.37
Bill Pmt -Check	05/10/2018	20796	RR FRANCHISING, INC.	55382	1012 · Bank of America Gen'l Ckg	
Bill	05/01/2018	55382		Monthly service - May 2018	6024 · Building Repair & Maintenance	740.00
TOTAL						740.00
Bill Pmt -Check	05/10/2018	20797	STAPLES BUSINESS ADVANTAGE	8049701668	1012 · Bank of America Gen'l Ckg	
Bill	04/28/2018	8049701668		Miscellaneous office supplies	6031.7 · Other Office Supplies	82.27
TOTAL						82.27
Bill Pmt -Check	05/10/2018	20798	STATE COMPENSATION INSURANCE FUND	1970970-17	1012 · Bank of America Gen'l Ckg	
Bill	05/01/2018	1970970-17		Monthly premium 4/26/18-5/26/18	60183 · Worker's Comp Insurance	520.50
TOTAL						520.50
Bill Pmt -Check	05/10/2018	20799	TELLEZ-FOSTER, EDGAR	Expense Reimbursement	1012 · Bank of America Gen'l Ckg	
Bill	04/25/2018	04/25/18 Meeting		Meeting w/Andy Campbell (IEUA)	6312 · Meeting Expenses	56.00
TOTAL						56.00
Bill Pmt -Check	05/10/2018	20800	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2018	7076224530355049		Vehicle Fuel - April 2018	6175 · Vehicle Fuel	347.81
TOTAL						347.81
Bill Pmt -Check	05/10/2018	20801	VANDEN HEUVEL, GEOFFREY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	04/12/2018	4/12 Ag Pool Mtg		4/12/18 Ag Pool Mtg	8411 · Compensation	25.00
				4/12/18 Ag Pool Mtg	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00

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Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/10/2018	20802	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2018	001017890001		Vision Insurance Premium - May 2018	60182.2 · Dental & Vision Ins	88.20
TOTAL						88.20
Bill Pmt -Check	05/10/2018	20803	WESTERN MUNICIPAL WATER DISTRICT	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	04/26/2018	4/26 Board Mtg		4/26/18 Board Meeting - Galleano attendance	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	05/10/2018	20804	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	05/03/2018	08-k2 213849		May 2018	6024 · Building Repair & Maintenance	117.14
TOTAL						117.14
Bill Pmt -Check	05/10/2018	ACH 051018	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	05/05/2018	05/05/2018	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 04/22/18-05/05/18	2000 · Accounts Payable	6,725.08
TOTAL						6,725.08
Check	05/15/2018	05/15/2018	Service Charge	Service Charge	1012 · Bank of America Gen'l Ckg	
				Service Charge	6039.1 · Banking Service Charges	613.34
TOTAL						613.34
General Journal	05/19/2018	05/19/2018	Payroll and Taxes for 05/06/18-05/19/18	Payroll and Taxes for 05/06/18-05/19/18	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 05/06/18-05/19/18	1012 · Bank of America Gen'l Ckg	29,236.95
				Payroll Taxes for 05/06/18-05/19/18	1012 · Bank of America Gen'l Ckg	9,441.12
			ICMA-RC	457(b) Employee Deductions for 05/06/18-05/19/18	1012 · Bank of America Gen'l Ckg	4,738.05
			ICMA-RC	401(a) Employee Deductions for 05/06/18-05/19/18	1012 · Bank of America Gen'l Ckg	1,303.27
TOTAL						44,719.39
Bill Pmt -Check	05/22/2018	20805	ACWA JOINT POWERS INSURANCE AUTHORITY	0551579	1012 · Bank of America Gen'l Ckg	
Bill	05/10/2018	0551579		Prepayment - June 2018	1409 · Prepaid Life, BAD&D & LTD	217.89
				May 2018	60191 · Life & Disab.Ins Benefits	217.89
TOTAL						435.78
Bill Pmt -Check	05/22/2018	20806	BLOMQUIST, WILLIAM A.	Manuscript Update	1012 · Bank of America Gen'l Ckg	
Bill	05/09/2018			Payment number 3 of 4 for Blomquist report	6061.6 · Blomquist Report - Update	7,500.00
TOTAL						7,500.00
Bill Pmt -Check	05/22/2018	20807	CHEF DAVE'S CAFE & CATERING	8221	1012 · Bank of America Gen'l Ckg	
Bill	04/26/2018	8221		Lunch for 4/26/18 Watermaster Board meeting	6312 · Meeting Expenses	600.69
TOTAL						600.69

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/22/2018	20808	EUROFINS EATON ANALYTICAL		1012 · Bank of America Gen'l Ckg	
Bill	04/30/2018	L0387827		L0387827	7108.4 · Hydraulic Control-Lab Svcs	440.00
Bill	04/30/2018	L0387828		L0387828	7108.4 · Hydraulic Control-Lab Svcs	1,592.00
TOTAL						2,032.00
Bill Pmt -Check	05/22/2018	20809	FIRST LEGAL NETWORK LLC	40017534	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2018	40017534		Court filings on 4/02/18 and 4/24/18	6061.5 · Court Filing Services	155.88
TOTAL						155.88
Bill Pmt -Check	05/22/2018	20810	RON SHELLEY'S AUTOMOTIVE	10287	1012 · Bank of America Gen'l Ckg	
Bill	05/10/2018	10287		Maintenance for Expendition	6177 · Vehicle Repairs & Maintenance	67.52
TOTAL						67.52
Bill Pmt -Check	05/22/2018	20811	WILDERMUTH ENVIRONMENTAL INC		1012 · Bank of America Gen'l Ckg	
Bill	04/30/2018	2018101		2018101	6906.31 · OBMP-Pool, Adv. Board Mtgs	6,551.17
Bill	04/30/2018	2018102		2018102	6906.32 · OBMP-Other General Meetings	9,903.46
Bill	04/30/2018	2018103		2018103	6906.71 · OBMP-Data Req.-CBWM Staff	3,948.45
Bill	04/30/2018	2018104		2018104	6906.72 · OBMP-Data Req.-Non CBWM Staff	1,275.90
Bill	04/30/2018	2018105		2018105	6906 · OBMP Engineering Services	3,469.40
Bill	04/30/2018	2018106		2018106	7103.3 · Grdwtr Qual-Engineering	14,827.53
Bill	04/30/2018	20018107		2018107	7104.3 · Grdwtr Level-Engineering	15,663.20
Bill	04/30/2018	2018108		2018108	7107.2 · Grd Level-Engineering	2,682.79
				WSP USA, Inc.	7107.6 · Grd Level-Contract Svcs	32,027.09
Bill	04/30/2018	2018109		2018109	7108.31 · Hydraulic Control - PBHSP	21,845.30
Bill	04/30/2018	2018110		2018110	7109.3 · Recharge & Well - Engineering	5,156.50
Bill	04/30/2018	2018111		2018111	7202.2 · Engineering Svc	1,563.40
Bill	04/30/2018	2018112		2018112	7402 · PE4-Engineering	7,764.25
Bill	04/30/2018	2018113		2018113	7402.10 · PE4 - Northwest MZ1 Area Proj.	10,810.55
Bill	04/30/2018	2018114		2018114	7502 · PE6&7-Engineering	7,758.37
Bill	04/30/2018	2018115		2018115	7510 · PE6&7-IEUA Salinity Mgmt. Plan	20,105.40
Bill	04/30/2018	2018116		2018116	7602 · PE8&9-Engineering	33,852.00
Bill	04/30/2018	2018117		2018117	6906.27 · HCP Mtgs/Tech. Review-IEUA Cost	4,069.50
TOTAL						203,274.26
Bill Pmt -Check	05/24/2018	ACH 052418	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
Bill	05/01/2018	15280080		Annual Unfunded Accrued Liability	60180 · Employers PERS Expense	4,348.52
TOTAL						4,348.52
Bill Pmt -Check	05/24/2018	ACH 052418	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	

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Type	Date	Num	Name	Memo	Account	Paid Amount
General Journal	05/19/2018	05/19/2018	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 05/06/18-05/19/18	2000 · Accounts Payable	6,725.08
TOTAL						6,725.08
Bill Pmt -Check	05/25/2018	20812	CUCAMONGA VALLEY WATER DISTRICT	Rent Expense	1012 · Bank of America Gen'l Ckg	
Bill	05/22/2018			Office lease due June 1, 2018	1422 · Prepaid Rent	6,608.80
TOTAL						6,608.80
Bill Pmt -Check	05/25/2018	20813	GREAT AMERICA LEASING CORP.	22664379	1012 · Bank of America Gen'l Ckg	
Bill	05/21/2018	22664379		Invoice for May 2018	6043.1 · Ricoh Lease Fee	2,605.07
TOTAL						2,605.07
Bill Pmt -Check	05/25/2018	20814	HUITSING, JOHN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	04/12/2018	4/12 Ag Pool Mtg		4/12/18 Ag Pool Meeting	8411 · Compensation	25.00
				4/12/18 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	05/25/2018	20815	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
Bill	05/22/2018	0111802		Employee deductions - May 2018	60194 · Other Employee Insurance	79.70
TOTAL						79.70
Bill Pmt -Check	05/25/2018	20816	R&D PEST SERVICES	0228458	1012 · Bank of America Gen'l Ckg	
Bill	05/21/2018	0228458		Pest control	6024 · Building Repair & Maintenance	100.00
TOTAL						100.00
Bill Pmt -Check	05/25/2018	20817	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	05/22/2018	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	786.43
TOTAL						786.43
Bill Pmt -Check	05/25/2018	20818	STAPLES BUSINESS ADVANTAGE	8049892481	1012 · Bank of America Gen'l Ckg	
Bill	05/12/2018	8049892481		Miscellaneous office supplies	6031.7 · Other Office Supplies	46.68
TOTAL						46.68
Bill Pmt -Check	05/25/2018	20819	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2018			Retiree Medical	60182.4 · Retiree Medical	25.17
TOTAL						25.17
Bill Pmt -Check	05/25/2018	20820	VERIZON WIRELESS	9807138773	1012 · Bank of America Gen'l Ckg	
Bill	05/22/2018	9807138773		Acct #642073270-00001	7103.7 · Grdwtr Qual-Computer Svc	100.10
TOTAL						100.10

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2018

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/25/2018	20821	FRONTIER COMMUNICATIONS	909-484-3890-050914-5	1012 · Bank of America Gen'l Ckg	
Bill	05/15/2018	90948438900509145		Office fax	6022 · Telephone	142.78
TOTAL						142.78
Bill Pmt -Check	05/25/2018	20822	UNITED HEALTHCARE	052581674102	1012 · Bank of America Gen'l Ckg	
Bill	05/14/2018	052581674102		Dental Insurance Premium - June 2018	60182.2 · Dental & Vision Ins	749.75
TOTAL						749.75
Bill Pmt -Check	05/25/2018	20823	VERIZON WIRELESS	9806600051	1012 · Bank of America Gen'l Ckg	
Bill	05/15/2018	9806600051		Acct #470810953-00001	6022 · Telephone	297.55
TOTAL						297.55
Bill Pmt -Check	05/30/2018	20824	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	04/30/2018	720859		720859	6078 · BHFS Legal - Miscellaneous	31,360.50
				Angelica BK	6078 · BHFS Legal - Miscellaneous	149.40
				NRG BK	6078 · BHFS Legal - Miscellaneous	925.65
				Mileage/Parking Expense	6078 · BHFS Legal - Miscellaneous	73.56
				Mileage/Parking Expense	8375 · BHFS Legal - Appropriative Pool	12.26
				Mileage/Parking Expense	8475 · BHFS Legal - Agricultural Pool	12.26
				Mileage/Parking Expense	8575 · BHFS Legal - Non-Ag Pool	49.04
Bill	04/30/2018	720860		Employee Handbook	6073 · BHFS Legal - Personnel Matters	3,181.95
				GM Evaluation	6073 · BHFS Legal - Personnel Matters	1,474.20
				Personnel	6073 · BHFS Legal - Personnel Matters	1,579.50
Bill	04/30/2018	720861		720861	6907.34 · Santa Ana River Water Rights	222.75
Bill	04/30/2018	720862		720862	6907.33 · Desalter/Hydraulic Control	1,553.85
Bill	04/30/2018	720883		720883	6275 · BHFS Legal - Advisory Committee	935.55
Bill	04/30/2018	720864		720864	6375 · BHFS Legal - Board Meeting	5,208.30
				Delivery/Ground Transportation	6375 · BHFS Legal - Board Meeting	300.00
Bill	04/30/2018	720865		720865	8375 · BHFS Legal - Appropriative Pool	1,291.95
Bill	04/30/2018	720866		720866	8475 · BHFS Legal - Agricultural Pool	1,291.95
Bill	04/30/2018	720867		720867	8575 · BHFS Legal - Non-Ag Pool	1,291.95
Bill	04/30/2018	720868		720868	6071 · BHFS Legal - Court Coordination	3,513.60
Bill	04/30/2018	720869		720869	6077 · BHFS Legal - Party Status Maint	3,429.90
Bill	04/30/2018	720870		720870	6907.39 · Recharge Master Plan	7,114.95
				Mileage/Parking Expense	6907.39 · Recharge Master Plan	62.17
Bill	04/30/2018	720871		720871	6907.40 · Storage Agreements	911.25
Bill	04/30/2018	720872		720872	6907.41 · Prado Basin Habitat Sustain	2,272.05
Bill	04/30/2018	720873		720873	6907.42 · Safe Yield Recalculation	14,884.65
				Lodging for 04/10/18	6907.42 · Safe Yield Recalculation	225.00
				Lodging for 04/26/18	6907.42 · Safe Yield Recalculation	225.00

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2018

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	04/30/2018	720874		720874	6907.44 · SGMA Compliance	6,675.30
				Airfare	6907.44 · SGMA Compliance	280.96
TOTAL						90,509.45
Bill Pmt -Check	05/30/2018	20825	NAKANO, JUSTIN	Exp. Report 051118	1012 · Bank of America Gen'l Ckg	
Bill	05/11/2018	Exp. Report 051118		Lunch with JCSD	6141.3 · Admin Meetings	43.02
TOTAL						43.02
Bill Pmt -Check	05/30/2018	20826	TELLEZ-FOSTER, EDGAR	Expense Reimbursement	1012 · Bank of America Gen'l Ckg	
Bill	05/08/2018	ACWA 050818		ETF - ACWA Conference	6191 · Conferences - General	42.53
TOTAL						42.53
Bill Pmt -Check	05/31/2018	20827	INLAND EMPIRE UTILITIES AGENCY	1800003725	1012 · Bank of America Gen'l Ckg	
Bill	05/10/2018	1800003725		RMPU Yield Enhancement Projects Invoice #7	7690.15 · RMPU Amend. Yield (TO #1)	459,262.50
TOTAL						459,262.50
General Journal	05/31/2018	05/31/2018	Wage Works FSA Direct Debits - May 2018	Wage Works FSA Direct Debits - May 2018	1012 · Bank of America Gen'l Ckg	
				Wage Works FSA Direct Debits - May 2018	1012 · Bank of America Gen'l Ckg	696.15
				Wage Works FSA Direct Debits - May 2018	1012 · Bank of America Gen'l Ckg	696.15
				Wage Works FSA Direct Debits - May 2018	1012 · Bank of America Gen'l Ckg	81.50
TOTAL						1,473.80
					Total Disbursements:	950,449.38

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TOTAL



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: July 26, 2018
TO: Advisory Committee Members
Board Members
SUBJECT: VISA Check Detail Report - Financial Report B2 (May 31, 2018)

SUMMARY

Issue: Record of VISA credit card payment disbursed for the month of May 2018.

Recommendation: Receive and file VISA Check Detail Report for May 2018 as presented.

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

Future Consideration

Advisory Committee – July 26, 2018: Receive and File

Watermaster Board – July 26, 2018: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – July 19, 2018: Received and filed

Non-Agricultural Pool – July 19, 2018: Moved unanimously to receive and file, without approval

Agricultural Pool – July 19, 2018: Received and filed

Advisory Committee – July 26, 2018:

Watermaster Board – July 26, 2018:

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 May 2018 were \$7,454.21. The payment was processed in the amount of \$7,454.21 (by check number 20777 dated May 10, 2018). The monthly charges for May 2018 of \$7,454.21 were for routine and customary expenditures and properly documented with receipts.

ATTACHMENTS

1. Financial Report - B2

CHINO BASIN WATERMASTER
VISA Check Detail Report
May 2018

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/10/2018	20777	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	04/28/2018	XXXX-XXXX-XXXX-9341		Toner cartridges for CFO's printer	6031.7 · Other Office Supplies	249.00
				Overwatch/firewall - 50% deposit	6055 · Computer Hardware	1,750.00
				Cloud/FTP replacement - 50% deposit	6055 · Computer Hardware	900.00
				Miscellaneous office supplies	6031.7 · Other Office Supplies	327.68
				Office Timeline software	6054 · Computer Software	59.00
				Microsoft software	6054 · Computer Software	99.00
				Reception desk phone headset	6031.7 · Other Office Supplies	15.99
				RZ laptop-50% deposit	6055 · Computer Hardware	1,217.94
				Miscellaneous office supplies	6031.7 · Other Office Supplies	311.10
				Registration-RZ-AWWA Sampling Wkshp	6193.2 · Conference - Registration Fee	375.00
				Registration-JN & ETF-AWWA Sampling Wkshp	6193.2 · Conference - Registration Fee	550.00
				Books for office - shorthand	6031.7 · Other Office Supplies	33.40
				Books for office - business writing / minute taking	6031.7 · Other Office Supplies	38.25
				Lunch for storage framework meeting	7604 · PE8&9-Supplies	105.44
				PK flight to ACWA Spring Conference	6191 · Conferences - General	141.96
				Early-bird check in on above flight	6191 · Conferences - General	15.00
				Early-bird check in on above flight	6191 · Conferences - General	15.00
				Laptop bag - ETF	6031.7 · Other Office Supplies	49.99
				Webcam cover - ETF	6031.7 · Other Office Supplies	6.99
				Toner cartridges for office	6031.7 · Other Office Supplies	80.79
				PK meeting w/Geye	8512 · Meeting Expense	64.73
				Lunch for team prep for OBMP Scope Workshop	6909.1 · OBMP Meetings	85.00
				Lunch for WM meeting w/Ag Pool reps	8412 · Meeting Expenses	64.88
				Lunch for WM counsel for meeting w/Ag Pool reps	8412 · Meeting Expenses	13.60
				Lunch for OBMP Scope Workshop	6909.1 · OBMP Meetings	221.00
				Miscellaneous office supplies	6031.7 · Other Office Supplies	52.89
				PK mtg w/Elie	6312 · Meeting Expenses	50.87
				PK mtg w/Hoerning	8312 · Meeting Expenses	32.51
				PK mtg w/Bowcock	6312 · Meeting Expenses	37.42
				PK registration-First Annual Groundwater Sustainability Agency Summr	6193.2 · Conference - Registration Fee	430.00
				PK meeting w/Layton, Jew	8312 · Meeting Expenses	59.78
				Total Disbursements:		7,454.21

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CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: July 26, 2018
TO: Advisory Committee Members
Board Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2017 through May 31, 2018 - Financial Report B3 (May 31, 2018)

SUMMARY

Issue: Record of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2017 through May 31, 2018.

Recommendation: Receive and file Combining Schedule of Revenue, Expenses and Changes in Net Assets for the Period July 1, 2017 through May 31, 2018 as presented.

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

Future Consideration

Advisory Committee – July 26, 2018: Receive and File

Watermaster Board – July 26, 2018: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – July 19, 2018: Received and filed

Non-Agricultural Pool – July 19, 2018: Moved unanimously to receive and file, without approval

Agricultural Pool – July 19, 2018: Received and filed

Advisory Committee – July 26, 2018:

Watermaster Board – July 26, 2018:

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Net Assets for the period July 1, 2017 through May 31, 2018 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 MAY 31, 2018

	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			8,407,584		360,243				8,767,827	11,607,166
Interest Revenue			97,806	4,607	1,112				103,524	39,906
Mutual Agency Project Revenue	193,622								193,622	191,626
Miscellaneous Income	76								76	0
Total Revenues	193,698	-	8,505,390	4,607	361,355	-	-	-	9,065,049	11,838,698
Administrative & Project Expenditures:										
Watermaster Administration	1,637,944								1,637,944	1,339,393
Watermaster Board-Advisory Committee	155,512								155,512	219,454
Ag Pool Misc. Expense - Ag Fund				57					57	400
Pool Administration			103,637	346,197	81,045				530,878	619,252
Optimum Basin Mgmt Administration		1,040,779							1,040,779	1,374,142
OBMP Project Costs		3,066,440							3,066,440	5,590,384
Debt Service		457,644							457,644	515,375
Basin Recharge Improvements		857,731							857,731	6,692,293
Total Administrative/OBMP Expenses	1,793,456	5,422,594	103,637	346,197	81,045	-	-	-	7,746,985	16,350,693
Net Administrative/OBMP Expenses	(1,599,758)	(5,422,594)								
Allocate Net Admin Expenses To Pools	1,599,758		1,161,374	379,212	59,172				-	-
Allocate Net OBMP Expenses To Pools		4,107,219	2,981,712	973,590	151,917				-	-
Allocate Debt Service to App Pool		457,644	457,644						-	-
Allocate Basin Recharge to App Pool		857,731	857,731						-	-
Agricultural Expense Transfer*			1,698,999	(1,698,999)					-	-
Total Expenses			7,261,097	57	292,133	-	-	-	7,746,985	16,350,693
Net Administrative Income			1,244,293	4,550	69,222	-	-	-	1,318,064	(4,511,995)
Other Income/(Expense)										
Replenishment Water Assessments						858,518			858,518	0
Desalter Replenishment Obligation						-			-	0
Non-Ag Stored Water Purchases						-			-	0
Exhibit "G" Non-Ag Pool Water			-			-			-	0
Interest Revenue						2,259			2,259	0
MWD Water Purchases						-			-	0
Non-Ag Stored Water Purchases						-			-	0
Exhibit "G" Non-Ag Pool Water			-			-			-	0
MWD Water Purchases						-			-	0
Groundwater Replenishment						(763,169)			(763,169)	0
LAIF - Fair Market Value Adjustment						-			-	0
Gain on Sale of Assets			1,637		63		-		1,700	0
Other Post-Employment Benefits (OPEB)			-		-				-	0
Refund-Excess Reserves			-		-				-	0
Refund-Recharge Debt			(78,397)						(78,397)	0
Funding To/(From) Reserves									-	(392,216)
Net Other Income/(Expense)			(76,760)	-	63	97,607	-	-	20,910	(392,216)
Net Transfers To/(From) Reserves		1,338,974	1,167,533	4,550	69,285	97,607	-	-	1,338,974	(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			10,206,323	490,784	114,430	(4,534)	(11,905)	(740,195)	10,054,904	10,054,904
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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CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: July 26, 2018

TO: Advisory Committee Members
Board Members

SUBJECT: Treasurer's Report of Financial Affairs for the Period May 1, 2018 through May 31, 2018 -
Financial Report B4 (May 31, 2018)

SUMMARY

Issue: Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of May 1, 2018 through May 31, 2018.

Recommendation: Receive and file Treasurer's Report of Financial Affairs for the Period May 1, 2018 through May 31, 2018 as presented.

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

Future Consideration

Advisory Committee – July 26, 2018: Receive and File

Watermaster Board – July 26, 2018: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – July 19, 2018: Received and filed

Non-Agricultural Pool – July 19, 2018: Moved unanimously to receive and file, without approval

Agricultural Pool – July 19, 2018: Received and filed

Advisory Committee – July 26, 2018:

Watermaster Board – July 26, 2018:

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period May 1, 2018 through May 31, 2018 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
MAY 1, 2018 THROUGH MAY 31, 2018**

Financial Report - B4

DEPOSITORIES:

Cash on Hand - Petty Cash			\$	500
Bank of America				
Governmental Checking-Demand Deposits	\$	557,532		
Zero Balance Account - Payroll		-		557,532
Trust Account - County of San Bernardino				845
Local Agency Investment Fund - Sacramento				11,361,569
TOTAL CASH IN BANKS AND ON HAND				\$ 11,920,446
TOTAL CASH IN BANKS AND ON HAND	5/31/2018			12,820,387
	4/30/2018			12,820,387
PERIOD INCREASE (DECREASE)				\$ (899,941)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:			\$	6,365
Accounts Receivable				-
Assessments Receivable				1,374
Prepaid Expenses, Deposits & Other Current Assets				107,855
(Decrease)/Increase in Liabilities				20,456
Accounts Payable				2,198
Accrued Payroll, Payroll Taxes & Other Current Liabilities				(1,038,189)
Long Term Liabilities				
Transfer to/(from) Reserves				
PERIOD INCREASE (DECREASE)				\$ (899,941)

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Trust Account County of San Bernardino	Local Agency Investment Funds	Totals
Balances as of 4/30/2018	\$ 500	\$ 457,473	\$ -	\$ 845	\$ 12,361,569	\$ 12,820,387
Deposits	-	1,050,509	-	-	-	1,050,509
Transfers	-	(113,671)	(73,262)	-	(1,000,000)	(1,186,932)
Withdrawals/Checks	-	(836,779)	73,262	-	-	(763,517)
Balances as of 5/31/2018	\$ 500	\$ 557,532	\$ -	\$ 845	\$ 11,361,569	\$ 11,920,446
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 100,059	\$ -	\$ -	\$ (1,000,000)	\$ (899,941)

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CHINO BASIN WATERMASTER
 TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
 MAY 1, 2018 THROUGH MAY 31, 2018

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
5/24/2018	Withdrawal		(1,000,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (1,000,000)	\$0			

* The earnings rate for L.A.I.F. is a daily variable rate; 1.51% was the effective yield rate at the Quarter ended March 31, 2018.

INVESTMENT STATUS
 May 31, 2018

<u>Financial Institution</u>	<u>Principal Amount</u>	<u>Number of Days</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Local Agency Investment Fund	\$ 11,361,569			
TOTAL INVESTMENTS	\$ 11,361,569			

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: July 26, 2018

TO: Advisory Committee Members
Board Members

SUBJECT: Budget vs. Actual Report for the Period July 1, 2017 through May 31, 2018 -
Financial Report B5 (May 31, 2018)

SUMMARY

Issue: Record of revenues and expenses of Watermaster for the Period of July 1, 2017 through May 31, 2018.

Recommendation: Receive and file Budget vs. Actual Report for the Period July 1, 2017 through May 31, 2018 as presented.

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

Future Consideration

Advisory Committee – July 26, 2018: Receive and File

Watermaster Board – July 26, 2018: Receive and File (Normal Course of Business)

ACTIONS:

Appropriative Pool – July 19, 2018: Received and filed

Non-Agricultural Pool – July 19, 2018: Moved unanimously to receive and file, without approval

Agricultural Pool – July 19, 2018: Received and filed

Advisory Committee – July 26, 2018:

Watermaster Board – July 26, 2018:

BACKGROUND

A Budget vs. Actual Report for the period July 1, 2017 through May 31, 2018 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 – MAY 2018

The Chino Basin Watermaster "Original" FY 2017/18 budget of \$11,838,698 was approved by the Board on May 25, 2017. With the closing of the financial records for the fiscal year ended June 30, 2017, the "Carry Over" funding from FY 2016/17 and previous years was calculated at \$4,119,779.24 which brought the "Amended" Budget for FY 2017/18 to \$15,958,477.24 (\$11,838,698 + \$4,119,779.24 = \$15,958,477.24). With the approval of Budget Amendment Form A-18-03-01 by the Board on April 26, 2018, the "Amended" FY 2017/18 budget is now \$16,350,693.24 (\$15,958,477.24 + \$392,216 = \$16,350,693.24).

Year-To-Date (YTD) for the eleven months ending May 31, 2018, all but seven 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 \$38,324 or 4.1% 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) Contract Services expenses (6060's) over budget by \$12,695 or 21.1% as a result of the County of San Bernardino issuing Groundwater Sustainability Agency Services invoices for the FY 2016/17 4th quarter, and FY 2017/18 1st, 2nd and 3rd quarters; (3) Watermaster Legal Services expenses (6070's) over budget by \$217,341 or 131.9% as a result of miscellaneous legal matters as detailed in the BHFS section; (4) Agricultural Pool Legal Services (8467's) over budget by \$98,991 or 52.7% as a result of increased legal services performed during the months of July 2017 through April 2018; (5) Production Monitoring expenses (7101's) over budget by \$14,391 or 28.6% as a result of increased staff time and activities in this area; (6) Hydraulic Control Monitoring expenses (7108's) over budget by \$30 or .03% as a result of increased staff time and activities in this area; and (7) PE6&7 Cooperative Efforts/Salt Management expenses (7500's) over budget by \$3,005 or 1.5% as a result of increased staff time and activities in this area.

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 \$8,037,814 or 50.9% below the (YTD) Budgeted Expenses of \$15,784,799.

Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) in the amount of \$372,000 has been prepared for approval by the Watermaster Pools, Advisory Committee, and Board for the meetings scheduled in July 2018 (See Business Item II.A.). Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) was developed to assist in closing the books as of June 30, 2018 and adjust the areas of the FY 2017/18 "Amended" budget which are currently over budget or projected to be over budget as of June 30, 2018. The (3) three budget adjustments required are the following: (1) the Agricultural Pool Legal Services budget (account 8467) requires an additional funding of \$100,000 which brings the total FY 2017/18 budget (account 8467) from \$205,000 to \$305,000; (2) the BHFS Legal Services budget (account 6078) requires an additional funding of \$27,000 which brings the total FY 2017/18 BHFS Legal Services budget from \$964,783 to \$991,783; (3) the BHFS Legal Services budget (account 6078) requires an additional funding of \$245,000 which is being reallocated from other administrative and BHFS accounts.

The Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) is a zero-based document, which means the reductions and additions within the general ledger accounts were equal. The Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) will be recorded during the accounting period of June 30, 2018.

Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) does not change the overall "Amended" FY 2017/18 Budget of \$16,350,693.24.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

March 2018:

For the accounting month of March 2018, Budget Amendment Form A-18-03-01 was recorded in the amount of \$392,216 under the PE 8&9 Storage Management/Conjunctive Use budget (account 7602) in the amount of \$320,201; and under the Ground Level MVWD SCADA Reimbursement budget (account 7107.63) in the amount of \$72,015. The additional funding of \$392,216 came from the OBMP Reserve Fund which had an available balance of \$945,874. The Budget Amendment Form A-18-03-01 was approved by the Board on April 26, 2018, and the new available balance of the OBMP Reserve Fund is now \$553,658 ($\$945,874 - \$392,216 = \$553,658$).

February 2018:

Budget Amendment Form A-18-03-01 in the amount of \$392,216 is being presented for approval during the April 2018 Pools, Advisory and Board meetings regarding two specific budget amounts. The first budget amount of \$320,201 is proposed to increase the PE 8&9 Storage Management/Conjunctive Use budget (account 7602) from \$182,207 to \$502,408 as a result of a two-year Engineering project which was originally budgeted and approved for \$182,207 for FY 2017/18 during the budgeting process. Due to specific deadlines, Watermaster has requested the timeline be pushed forward and it's now understood that the total two-year expenses of \$502,408 could be spent within the FY 2017/18 period. The budget shortfall of \$320,201 ($\$502,408 - \$182,207 = \$320,201$) was presented and discussed as part of the FY 2017/18 Mid-Year Review at the March 15, 2018 Advisory meeting and March 22, 2018 Board meeting. There were no Pool meetings held in March 2018.

The second budget amount of \$72,015 is for the SCADA Installation, Monitoring and Reimbursement Letter Agreement between Watermaster, Monte Vista Water District, and Wildermuth Environmental, Inc., effective September 28, 2017 Pursuant to the recommendation of the Groundwater Level Monitoring Committee, the Chino Basin Watermaster, through its contract with consultant Wildermuth Environmental Inc., wishes to develop a more extensive supervisory control and data acquisition (SCADA) groundwater level monitoring system in the Monte Vista Water District (MVWD) service area. In order to do so, MVWD will permit the installation of SCADA equipment to several of its wells and integration of the equipment into its existing SCADA system. This project was not included or funded through the FY 2017/18 budget which was approved on May 25, 2017. The SCADA Installation, Monitoring and Reimbursement Letter Agreement, signed by Chino Basin Watermaster, Monte Vista Water District, and Wildermuth Environmental, Inc., is effective September 28, 2017 through June 30, 2020. General Ledger account (7107.63) will be created in FY 2017/18 to capture the expenses associated with this activity.

The additional funding of \$392,216 would come from the OBMP Reserve Fund which currently has an available balance of \$945,874. For more information on Budget Amendment Form A-18-03-01, please see Business Item II.A.

December 2017:

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

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 – MAY 2018

As of May 31, 2018, the total (YTD) Watermaster salary expenses were \$62,646 or 3.8% below the (YTD) budgeted amount of \$1,631,973. 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 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 May 31, 2018. 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 - May '18 Actual	Jul '17 - May '18 Budget	\$ Over Budget	% of Budget	FY 2017/18 Annual Budget
WM Salary Expense					
6011 - WM Staff Salaries	983,097.85	888,302.00	94,795.85	110.67%	966,354.00
6011.1 - WM Staff Salaries - Overtime	8,133.62	0.00	8,133.62	100.0%	0.00
6011.4 - 457(f) NQDC Plan	29,859.96	21,734.00	8,125.96	137.39%	23,710.00
6015 - Miscellaneous Payments	0.00	0.00	0.00	0.0%	0.00
6017 - Temporary Services	0.00	19,250.00	-19,250.00	0.0%	21,000.00
6201 - Advisory Committee - WM Staff Salaries	19,020.62	22,712.00	-3,691.38	83.75%	24,708.00
6301 - Watermaster Board - WM Staff Salaries	32,224.48	34,805.00	-2,580.52	92.59%	37,863.00
8301 - Appropriative Pool - WM Staff Salaries	37,104.50	31,109.00	5,995.50	119.27%	33,842.00
8401 - Agricultural Pool - WM Staff Salaries	18,372.17	27,442.00	-9,069.83	66.95%	29,853.00
8501 - Non-Agricultural Pool - WM Staff Salaries	13,832.20	17,977.00	-4,144.80	76.94%	19,557.00
6901 - OBMP - WM Staff Salaries	54,410.01	84,415.00	-30,004.99	64.46%	91,832.00
7101.1 - Production Monitor - WM Staff Salaries	64,022.96	49,631.00	14,391.96	129.0%	53,992.00
7102.1 - In-line Meter - WM Staff Salaries	1,400.79	9,373.00	-7,972.21	14.95%	10,197.00
7103.1 - Grdwater Quality - WM Staff Salaries	19,126.02	51,085.00	-31,958.98	37.44%	55,574.00
7104.1 - Grdwater Level - WM Staff Salaries	52,276.46	36,789.00	15,487.46	142.1%	40,022.00
7106.1 - Wtr Level Sensor - WM Staff Salaries	399.02	0.00	399.02	100.0%	0.00
7107.1 - GrdLevel Monitoring - WM Staff Salaries	4,473.67	0.00	4,473.67	100.0%	0.00
7108.1 - Hydraulic Control - WM Staff Salaries	430.12	3,085.00	-2,654.88	13.94%	3,356.00
7108.11 - Prado Basin - WM Staff Salaries	3,506.17	5,716.00	-2,209.83	61.34%	6,219.00
7201 - Comp Recharge - WM Staff Salaries	55,870.52	87,307.00	-31,436.48	63.99%	94,978.00
7301 - PE3&5 - WM Staff Salaries	0.00	14,723.00	-14,723.00	0.0%	16,017.00
7401 - PE4 - WM Staff Salaries	0.00	8,960.00	-8,960.00	0.0%	9,747.00
7501 - PE6&7 - WM Staff Salaries	6,715.99	4,375.00	2,340.99	153.51%	4,759.00
7501.1 - PE 6&7 - WM Staff Salaries (Plume)	0.00	4,907.00	-4,907.00	0.0%	5,338.00
7601 - PE8&9 - WM Staff Salaries	11,947.51	43,807.00	-31,859.49	27.27%	47,656.00
Subtotal WM Staff Costs	1,416,224.64	1,467,504.00	-51,279.36	96.51%	1,596,574.00
60185 - Vacation	75,780.53	66,455.00	9,325.53	114.03%	72,497.00
60186 - Sick Leave	23,770.90	46,876.00	-23,105.10	50.71%	51,138.00
60187 - Holidays	53,550.85	51,138.00	2,412.85	104.72%	51,138.00
Subtotal WM Paid Leaves	153,102.28	164,469.00	-11,366.72	93.09%	174,773.00
Total WM Salary Costs	1,569,326.92	1,631,973.00	-62,646.08	96.16%	1,771,347.00

PREVIOUSLY REPORTED ACTIONS (Descending Order)
None

LEGAL SERVICES
BROWNSTEIN HYATT FARBER SCHRECK EXPENSES

CURRENT MONTH – MAY 2018

As of May 31, 2018, 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 \$5,277 or 0.6% above the (YTD) budgeted amount of \$887,297.

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 May 31, 2018, was \$217,341 or 131.9% above the budgeted amount of \$164,750. The specific items within the Administrative Legal Services expenses (6070's) which were under budget were the expenses for Rules and Regulations (6072) under budget by \$13,727 or 90.5%; and Interagency Issues (6074) under budget by \$28,050 or 100.0%. The specific items within the Administrative Legal Services expenses (6070's) which were over budget were the Court Coordination expenses (6071) over budget by \$7,629 or 20.2%;

Personnel Matter (6073) over budget by \$16,346 or 65.4%; Party Status Maintenance (6077) over budget by \$4,886 or 18.6%; and the Miscellaneous Category expenses (6078) over budget by \$230,257 or 710.6%. 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 May 31, 2018 was \$59,445 or 34.0% below the budgeted amount of \$174,863. 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 legal services budget was developed with the assumption of having eleven months of meetings, intentionally excluding the month of December 2017. The Watermaster parties agreed that during the months of August 2017 and December 2017, the three Pools, the Advisory Committee and the Watermaster Board meetings would not be held. For the month of March 2018, the three Pool meetings were cancelled at the request of each Pool, 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 May 31, 2018 the category of OBMP legal expenses were \$152,619 or 27.9% below the budgeted amount of \$547,684. The majority of expenses within this OBMP category were under budget (YTD), however, the Santa Ana River Water Rights legal expenses (6907.34) were over budget by \$17,565 or 73.1%; the Safe Yield Redetermination and Reset legal expenses (6907.42) were over budget by \$103,579 or 163.3%; the SGMA Compliance expenses (6907.44) were over budget by \$2,061 or 5.2%; and the Upper Santa Ana River Integrated Model expenses (6907.46) were over budget by \$825 or 100.0%.

The table listed below summarizes the Brownstein Hyatt Farber Schreck (BHFS) expenses as of May 31, 2018 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:

	<u>Jul '17 - May '18</u> <u>Actual</u>	<u>Jul '17 - May '18</u> <u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>FY 2017/18</u> <u>Annual Budget</u>
6070 · Watermaster Legal Services					
6071 · BHFS Legal - Court Coordination	45,441.65	37,813.00	7,628.65	120.18%	41,250.00
6072 · BHFS Legal - Rules & Regulations	1,447.65	15,175.00	-13,727.35	9.54%	15,175.00
6073 · BHFS Legal - Personnel Matters	41,346.42	25,000.00	16,346.42	165.39%	25,000.00
6074 · BHFS Legal - Interagency Issues	0.00	28,050.00	-28,050.00	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	31,194.40	26,308.00	4,886.40	118.57%	28,700.00
6078 · BHFS Legal - Miscellaneous (Note 1)	262,660.93	32,404.00	230,256.93	810.58%	35,350.00
Total 6070 · Watermaster Legal Services	382,091.05	164,750.00	217,341.05	231.92%	176,075.00
6275 · BHFS Legal - Advisory Committee	9,941.22	17,000.00	-7,058.78	58.48%	18,700.00
6375 · BHFS Legal - Board Meeting	62,733.40	70,200.00	-7,466.60	89.36%	77,220.00
6375.1 · BHFS Legal - Board Workshop(s)	0.00	11,163.00	-11,163.00	0.0%	11,163.00
8375 · BHFS Legal - Appropriative Pool	13,830.39	25,500.00	-11,669.61	54.24%	28,050.00
8475 · BHFS Legal - Agricultural Pool	15,194.80	25,500.00	-10,305.20	59.59%	28,050.00
8575 · BHFS Legal - Non-Ag Pool	13,718.65	25,500.00	-11,781.35	53.8%	28,050.00
Total BHFS Legal Services	115,418.46	174,863.00	-59,444.54	66.01%	191,233.00
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	22,458.00	-22,458.00	0.0%	24,500.00
6907.32 · Chino Airport Plume	9,169.65	22,458.00	-13,288.35	40.83%	24,500.00
6907.33 · Desalter/Hydraulic Control	1,954.80	19,731.00	-17,776.20	9.91%	21,525.00
6907.34 · Santa Ana River Water Rights	41,581.87	24,017.00	17,564.87	173.14%	26,200.00
6907.36 · Santa Ana River Habitat	10,738.80	63,525.00	-52,786.20	16.91%	69,300.00
6907.38 · Reg. Water Quality Cntrl Board	5,865.50	13,154.00	-7,288.50	44.59%	14,350.00
6907.39 · Recharge Master Plan	27,388.04	79,200.00	-51,811.96	34.58%	86,400.00
6907.40 · Storage Agreements	76,357.92	159,133.00	-82,775.08	47.98%	173,600.00
6907.41 · Prado Basin Habitat Sustainability	12,510.37	13,933.00	-1,422.63	89.79%	15,200.00
6907.42 · Safe Yield Recalculation	167,012.37	63,433.00	103,579.37	263.29%	69,200.00
6907.44 · SGMA Compliance	41,660.56	39,600.00	2,060.56	105.2%	43,200.00
6907.46 · Upper SAR Integrated Model	824.85	0.00	824.85	100.0%	0.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	27,042.00	-27,042.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	395,064.73	547,684.00	-152,619.27	72.13%	597,475.00
Total Brownstein, Hyatt, Farber, Schreck Costs	892,574.24	887,297.00	5,277.24	100.6%	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; (17) CalMat intervention; (18) Angelica's water rights transfer; (19) Exhibit "G" rate issues; (20) Blomquist outline review; and (21) Miscellaneous legal research on current and pending issues.

PREVIOUSLY REPORTED ACTIONS (Descending Order)
None

OBMP ENGINEERING SERVICES AND LEGAL COSTS

CURRENT MONTH – MAY 2018

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 eleven months ending May 31, 2018, the actual expenses of \$1,007,052 were below the budgeted amount of \$1,180,864 by \$173,812 or 14.7%. For a detailed discussion, the following is provided.

For May 31, 2018, the accounts 6901-6903 (Optimum Basin Mgmt. Program) section was below the Year-To-Date (YTD) budget by \$35,838 or 37.1%. Watermaster utilizes an in-house database time and attendance system to record and document staff's actual hours worked and also allocates those hours to a specific project or activity. Watermaster staff time could be charged to Administrative, OBMP, or Implementation Project categories. Recently, Watermaster staff spent less time on specific OBMP related areas 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 \$30,005 or 35.5%. The remaining expense was the Santa Ana Watershed Project Authority (SAWPA) FY 2017/18 Basin Monitoring Program Task Force Contribution which was budgeted at \$12,254 and actual expenses were \$5,833 or 47.6% below budget as of May 31, 2018.

For May 31, 2018, the accounts 6906 (Optimum Basin Mgmt. Program Engineering Services) section was above the Year-To-Date (YTD) budget by \$19,405 or 3.7%. 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 April 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 SGMA Reporting Requirement expenses (6906.23) which were over budget by \$2,600 or 11.6%; the HCMP Meetings/Technical Review-IEUA Cost expenses (6906.27) which were over budget by \$4,892 or 100.0%; the OBMP-Other General Meetings Engineering Services expenses (6906.32) which were over budget by \$50,865 or 152.5%; the OBMP-Data Requests-CBWM Staff Engineering Services expenses (6906.71) which were over budget by \$34,644 or 34.5%; the OBMP-2018 RMPU Master Update expenses (6906.90) which were over budget by \$27,575 or 46.3%; and the OBMP Engineering Services-Other expenses (6906) which were over budget by \$391 or 1.5%.

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 \$124,030 while some other line item activities were below the budget by \$276,649. Above the budget line items were the Santa Ana River Water Rights expenses of \$17,565; the Safe Yield Redetermination and Reset expenses of \$103,579; the SGMA Compliance expenses of \$2,061; and the Upper SAR Integrated Model expenses of \$825. The individual legal projects/activities that were below budget for the Year-To-Date (YTD) period were the Archibald South Plume of \$22,458; the Chino Airport Plume of \$13,288; the Desalter/Hydraulic Control of \$17,776; the Santa Ana River Habitat expenses of \$52,786; the Regional Water Quality Control Board of \$7,289; the Recharge Master Plan of \$51,812; Storage Agreements of \$82,775; the Prado Basin Habitat Sustainability of \$1,423; and the WM Unanticipated legal expenses of \$27,042. For the eleven months ended May 31, 2018, the overall cumulative (YTD) budget was \$547,684 and the actual (BHFS) legal expenses totaled \$395,065 which resulted in an under budget variance of \$152,619 or 27.9%.

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 May 31, 2018 this category of expenses was \$4,760 or 59.8% below the budgeted amount of \$7,958.

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 May 31, 2018 this category of expenses was fully invoiced in the amount of \$0 to IEUA.

Overall, the Optimum Basin Management Program (OBMP) category was \$1,007,052 compared to a (YTD) budget of \$1,180,864 for an under budget of \$173,812 or 14.7% as of May 31, 2018.

The table listed below summarizes the Optimum Basin Management Program (OBMP) expenses as of May 31, 2018 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 - May '18 Actual	Jul '17 - May '18 Budget	\$ Over Budget	% of Budget	FY 2017/18 Annual Budget
6900 · Optimum Basin Mgmt Plan					
6901 · WM Staff Salaries	54,410.01	84,415.00	-30,004.99	64.46%	91,832.00
6903 · OBMP SAWPA Group	6,421.00	12,254.00	-5,833.00	52.4%	12,254.00
Total 6901-6903 · OBMP WM Staff/SAWPA	60,831.01	96,669.00	-35,837.99	62.93%	104,086.00
6906 · OBMP Engineering Services					
6906.1 · OBMP - Watermaster Model Update	43,356.60	54,234.00	-10,877.40	79.94%	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	23,401.00	-12,911.85	44.82%	25,528.00
6906.23 · SGMA Reporting Requirements	24,959.35	22,359.00	2,600.35	111.63%	24,392.00
6906.24 · Compliance - SB88 and SWRCB	2,061.90	6,428.00	-4,366.10	32.08%	7,012.00
6906.27 · HCP Meetings/Tech. Review-IEUA Cost	4,892.00	0.00	4,892.00	100.0%	0.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	71,307.10	88,871.00	-17,563.90	80.24%	96,950.00
6906.32 · OBMP - Other General Meetings	84,214.37	33,349.00	50,865.37	252.52%	36,381.00
6906.71 · OBMP - Data Requests - CBWM Staff	134,964.25	100,320.00	34,644.25	134.53%	109,440.00
6906.72 · OBMP - Data Requests - Non CBWM	25,255.95	29,106.00	-3,850.05	86.77%	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	16,403.50	64,167.00	-47,763.50	25.56%	70,000.00
6906.75 · OBMP - Recharge Master Plan	0.00	0.00	0.00	0.0%	0.00
6906.81 · Prepare Annual Reports	15,770.15	20,000.00	-4,229.85	78.85%	20,000.00
6906.90 · OBMP - 2018 RMPU Master Update	87,158.54	59,584.00	27,574.54	146.28%	65,000.00
6906 · OBMP Engineering Services - Other	27,125.20	26,734.00	391.20	101.46%	29,164.00
Total 6906 · OBMP Engineering Services	547,958.06	528,553.00	19,405.06	103.67%	574,783.00
6907 · OBMP Legal Fees					
6907.3 · WM Legal Counsel					
6907.31 · Archibald South Plume	0.00	22,458.00	-22,458.00	0.0%	24,500.00
6907.32 · Chino Airport Plume	9,169.65	22,458.00	-13,288.35	40.83%	24,500.00
6907.33 · Desalter/Hydraulic Control	1,954.80	19,731.00	-17,776.20	9.91%	21,525.00
6907.34 · Santa Ana River Water Rights	41,581.87	24,017.00	17,564.87	173.14%	26,200.00
6907.36 · Santa Ana River Habitat	10,738.80	63,525.00	-52,786.20	16.91%	69,300.00
6907.38 · Reg. Water Quality Cntrl Board	5,865.50	13,154.00	-7,288.50	44.59%	14,350.00
6907.39 · Recharge Master Plan	27,388.04	79,200.00	-51,811.96	34.58%	86,400.00
6907.40 · Storage Agreements	76,357.92	159,133.00	-82,775.08	47.98%	173,600.00
6907.41 · Prado Basin Habitat Sustainability	12,510.37	13,933.00	-1,422.63	89.79%	15,200.00
6907.42 · Safe Yield Recalculation	167,012.37	63,433.00	103,579.37	263.29%	69,200.00
6907.44 · SGMA Compliance	41,660.56	39,600.00	2,060.56	105.2%	43,200.00
6907.46 · Upper SAR Integrated Model	824.85	0.00	824.85	100.0%	0.00
6907.90 · WM Legal Counsel - Unanticipated	0.00	27,042.00	-27,042.00	0.0%	29,500.00
Total 6907 · WM Legal Counsel	395,064.73	547,684.00	-152,619.27	72.13%	597,475.00
Total 6907 · OBMP Legal Fees	395,064.73	547,684.00	-152,619.27	72.13%	597,475.00
6909 · OBMP Other Expenses					
6909.1 · OBMP Meetings	1,807.21	1,375.00	432.21	131.43%	1,500.00
6909.3 · Other OBMP Expenses	1,391.00	2,000.00	-609.00	69.55%	2,000.00
6909.6 · OBMP Expenses - Miscellaneous	0.00	4,583.33	-4,583.33	0.0%	10,000.00
Total 6909 · OBMP Other Expenses	3,198.21	7,958.33	-4,760.12	40.19%	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	1,007,052.01	1,180,864.33	-173,812.32	85.28%	1,289,844.00

PREVIOUSLY REPORTED ACTIONS (Descending Order)
None

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

CURRENT MONTH – MAY 2018

As of May 31, 2018, the total (YTD) Engineering Services expenses were \$1,569,106 or 40.0% below the (YTD) budget amount of \$3,918,441. The OBMP Implementation Projects (consolidated accounts 7100's – 7700's) were all under budget as of May 31, 2018, with the exception of the Groundwater Quality-Engineering Services expenses (7103.3) which were over budget by \$2,981 or 1.7%; Ground Level-SAR Imagery expenses (7107.3) which were over budget by \$10,492 or 12.1%; Hydraulic Control-PBHSP expenses (7108.31 and 7108.41) which were over budget by \$8,220 or 10.9% and \$1,896 or 17.2% respectively; PE4-Engineering expenses (7402) which were over budget by \$247 or 0.3%; and PE6&7-Cooperative Efforts/Salt Management expenses (7502) which were over budget by \$22,572 or 30.5%.

The Groundwater Quality-Engineering expenses (7103.3) were over budget by \$2,981 or 1.7% as a result of continued measurement activities from about 150 wells along with their related subtasks. This category is projected to level out over the next few months.

The Ground Level-SAR Imagery expenses (7107.3) were over budget by \$10,492 or 12.1% as a result of continued activities. This category is projected to be over budget at fiscal year-end.

Hydraulic Control-PBHSP expenses (7108.31 and 7108.41) were over budget by \$8,220 or 10.9% and \$1,896 or 17.2% respectively as a result of continued Prado Basin activities. These two categories are expected to level out over the next few months.

The PE4-Engineering expenses (7402) were over budget by \$247 or 0.3% as a result of continued activities. This category is projected to be under budget at fiscal year-end.

PE 6&7-Cooperative Efforts/Salt Management account (7502) was over budget by \$22,572 or 30.5% as a result of continuing efforts by the engineering staff to attend water-quality meetings, provide technical support on the Chino Airport, South Archibald, and other plumes, and prepare the draft Maximum Benefit Annual Report for 2017 which was due to the Regional Board on April 15, 2018. This category is projected to be over budget by approximately \$17,308 according to the 3rd quarter ECAC report issued as of April 30, 2018.

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

The third ECAC report for the current fiscal year has been provided for the period ending March 31, 2018 and shows a projected under budget at fiscal year-end June 30, 2018 of \$44,623.

Attachment 1a
Chino Basin Watermaster: Invoice Projections for Engineering Tasks for Fiscal Year 2017/18
As of March 31, 2018

Acct #	Description	Billed Feb-18	Billed Mar-18	Projected Apr-18	Projected May-18	Projected Jun-18	Total Projected	Less: IEUA Portion of Cost Share			
								Total Projected	Under / (Over) Rev. Budget	% Billed Rev. Budget	Projected % Rev. Budget
6906	OBMP Engineering	\$ 31,724	\$ 33,784	\$ 28,230	\$ 31,843	\$ 35,197	\$ 463,944	\$ 463,944	\$ (13,325)	82%	103%
6906.1	OBMP - Watermaster Model Applications	-	-	-	-	-	43,357	43,357	15,807	73%	73%
6906.9	2018 RMPU Recharge Master Update	30,121	-	-	-	-	87,159	87,159	(22,159)	134%	134%
7103.3	GW and SW Quality - Engineering Services	8,382	22,048	11,000	23,200	21,800	206,234	206,234	(12,520)	78%	106%
7103.5	GW and SW Quality - Laboratory Services	-	4,216	2,132	-	4,500	84,400	84,400	16,253	72%	80%
7104.3	GW Level - Engineering Services	11,708	26,080	14,040	23,742	28,500	237,337	237,337	211	72%	100%
7104.8	GW Level - Contract Services	-	-	-	-	-	-	-	10,000	0%	0%
7104.9	GW Level - Capital Services	-	7,540	-	1,000	7,000	17,492	17,492	(9,492)	119%	219%
7107.2	Ground Level - Engineering Services	3,581	3,628	7,507	5,897	27,852	66,597	66,597	2,600	37%	98%
7107.3	Ground Level - SAR Imagery	-	19,800	65,300	-	-	97,100	97,100	(10,492)	37%	112%
7107.6	Ground Level - Contract Services	-	62,406	20,308	18,869	30,208	166,552	166,552	2,000	58%	99%
7107.8	Ground Level - Capital Equipment	-	-	1,200	500	1,200	3,019	3,019	2,340	2%	56%
7108.31	IEUA - Prado Basin Habitat Monitoring	33,800	30,644	23,450	5,250	1,600	158,545	79,322	2,607	157%	97%
7108.6	IEUA - PBHSP - Outside Pro	-	-	-	-	-	8,858	4,429	571	177%	89%
7109.3	Recharge & Well Monitoring - Engineering Serv.	2,294	-	6,000	3,000	3,000	23,163	23,163	214	48%	99%
7202.2	Comp Recharge - Engineering Services	4,118	971	3,000	5,000	3,000	66,878	66,878	75,098	47%	54%
7303	OBMP - Engineering Services - Desalters	-	-	-	-	-	-	-	9,640	0%	0%
7402	OBMP - Engineering Services - MZ1	10,582	7,247	8,600	16,000	16,000	116,807	116,807	(13,517)	74%	113%
7402.1	OBMP - Engineering Services - Northwest MZ1	3,911	2,527	6,000	14,713	1,541,481	1,663,991	1,663,991	(14,208)	6%	101%
7403	OBMP - Contract Services - MZ1	-	-	-	-	-	-	-	20,000	0%	0%
7502	OBMP - Engineering Services - WQC	9,747	12,975	7,000	1,150	-	96,421	96,421	(17,308)	112%	122%
7510	IEUA - Update Recycled Water Permit - Salinity	33,295	16,110	47,000	56,000	60,714	381,231	125,806	(0)	173%	100%
7602	Storage Management/Conjunctive Use	27,235	31,771	32,000	32,000	26,283	502,408	502,408	(0)	82%	100%
Totals		\$ 210,497	\$ 281,947	\$ 282,767	\$ 238,164	\$ 1,808,076	\$ 4,491,591	\$ 4,162,415	\$ 44,623	62%	99%

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

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2017-18CBWM_Invoice_Summary_JSBM_20180411--Projection Summary



Attachment 1a
Chino Basin Watermaster: Invoice Projections for Engineering Tasks for Fiscal Year 2017/18
As of March 31, 2018

Acct #	Description	Original Budget	Revised Budget	Billed Jul-17	Billed Aug-17	Billed Sep-17	Billed Oct-17	Billed Nov-17	Billed Dec-17	Billed Jan-18
6906	OBMP Engineering	\$ 450,819	\$ 450,819	\$ 35,585	\$ 39,218	\$ 41,580	\$ 53,951	\$ 40,854	\$ 39,367	\$ 52,612
6906.1	OBMP - Watermaster Model Applications	59,164	59,164	-	12,605	-	30,262	-	-	490
6906.9	2018 RMPU Recharge Master Update	65,000	65,000	18,560	21,059	-	9,545	-	2,657	5,217
7103.3	GW and SW Quality - Engineering Services	193,714	193,714	10,926	22,150	19,365	24,479	10,467	9,207	23,210
7103.5	GW and SW Quality - Laboratory Services	80,653	80,653	2,032	14,256	9,850	5,785	8,786	10,411	2,432
7104.3	GW Level - Engineering Services	237,548	237,548	12,010	14,070	10,271	18,191	24,964	42,169	11,592
7104.8	GW Level - Contract Services	10,000	10,000	-	-	-	-	-	-	-
7104.9	GW Level - Capital Services	8,000	8,000	599	579	-	-	268	504	-
7107.2	Ground Level - Engineering Services	48,795	69,497	3,383	4,032	1,401	2,482	1,767	630	4,497
7107.3	Ground Level - SAR Imagery	86,608	86,608	-	-	12,000	-	-	-	-
7107.6	Ground Level - Contract Services	144,356	166,552	14,296	-	-	-	-	15,488	4,007
7107.8	Ground Level - Capital Equipment	5,359	5,359	-	-	119	-	-	-	-
7108.31	IEUA - Prado Basin Habitat Monitoring	75,929	81,929	7,635	857	-	16,039	7,693	6,354	25,324
7108.6	IEUA - PBHSP - Outside Pro	5,000	5,000	-	-	-	8,858	-	-	-
7109.3	Recharge & Well Monitoring - Engineering Serv.	23,377	23,377	-	902	-	1,526	6,440	-	-
7202.2	Comp Recharge - Engineering Services	161,976	161,976	14,432	17,759	17,227	6,391	9,938	2,364	2,679
7303	OBMP - Engineering Services - Desalters	9,640	9,640	-	-	-	-	-	-	-
7402	OBMP - Engineering Services - MZ1	103,290	103,290	26,638	6,145	13,179	3,387	653	1,105	5,271
7402.1	OBMP - Engineering Services - Northwest MZ1	1,507,576	1,649,785	3,149	27,000	16,690	14,693	19,327	12,119	2,381
7403	OBMP - Contract Services - MZ1	20,000	20,000	-	-	-	-	-	-	-
7502	OBMP - Engineering Services - WQC	79,113	79,113	11,419	12,542	4,866	2,909	4,307	24,006	5,460
7510	IEUA - Update Recycled Water Permit - Salinity	125,806	125,806	10,850	2,187	51,346	54,156	5,260	12,753	31,562
7602	Storage Management/Conjunctive Use	182,207	502,408	24,218	46,296	54,690	65,131	64,981	49,697	48,107
Totals		\$ 3,683,730	\$ 4,197,038	\$ 197,730	\$ 241,657	\$ 252,604	\$ 317,785	\$ 205,706	\$ 229,799	\$ 224,861

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2017-18CBWM_Invoice_Summary_JSBM_20180411--Projection Summary



The Fiscal Year 2017/18 Progress and Estimated Cost at Completion for the Period July 1, 2017 through March 31, 2018 report from Wildermuth Environmental, Inc. is provided. Please access this link:

<https://cbwm.syncedtool.com/shares/file/f8d9025d3e1f4c/>

The fourth and final ECAC report is scheduled to be issued in mid-August 2018 for the period July 1, 2017 through June 30, 2018. This report will provide the detail for the funding of ongoing projects and activities which will be Carried-Over into FY 2018/19. At the current time, it is anticipated that the following projected amounts could be Carried-Over from FY 2017/18 to FY 2018/19:

Ground Level Monitoring-Engineering (Account 7107.2): \$20,702
 Ground Level Monitoring-Contract Services (Account 7107.6): \$9,900
 PE4 Northwest MZ-1 Area Project (Account 7402.10): \$1,536,481

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 May 31, 2018. 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 - May '18 Actual	Jul '17 - May '18 Budget	\$ Over Budget	% of Budget	FY 2017/18 Annual Budget
6906 · OBMP Engineering Services - Other	27,125.20	26,734.00	391.20	101.46%	29,164.00
6906.1 · OBMP - Watermaster Model Update	43,356.60	54,234.00	-10,877.40	79.94%	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	23,401.00	-12,911.85	44.82%	25,528.00
6906.23 · SGMA Reporting Requirements	24,959.35	22,359.00	2,600.35	111.63%	24,392.00
6906.24 · Compliance - SB88 and SWRCB	2,061.90	6,428.00	-4,366.10	32.08%	7,012.00
6906.25 · Initial Assessment - Section 4.5-SYRA	0.00	0.00	0.00	0.0%	0.00
6906.27 · HCP Meetings/Technical Review-IEUA Cost	4,892.00	0.00	4,892.00	100.0%	0.00
6906.31 · OBMP - Pool, Advisory, Board Mtgs.	71,307.10	88,871.00	-17,563.90	80.24%	96,950.00
6906.32 · OBMP - Other General Meetings	84,214.37	33,349.00	50,865.37	252.52%	36,381.00
6906.71 · OBMP - Data Requests - CBWM Staff	134,964.25	100,320.00	34,644.25	134.53%	109,440.00
6906.72 · OBMP - Data Requests - Non CBWM	25,255.95	29,106.00	-3,850.05	86.77%	31,752.00
6906.74 · OBMP - Mat'l Physical Injury Requests	16,403.50	64,167.00	-47,763.50	25.56%	70,000.00
6906.81 · Prepare Annual Reports	15,770.15	20,000.00	-4,229.85	78.85%	20,000.00
6906.90 · OBMP - 2018 RMPU Master Update	87,158.54	59,584.00	27,574.54	146.28%	65,000.00
7103.3 · Grdwtr Qual-Engineering	180,551.50	177,571.00	2,980.50	101.68%	193,714.00
7103.5 · Grdwtr Qual-Lab Svcs	38,825.00	58,653.00	-19,828.00	66.19%	58,653.00
7104.3 · Grdwtr Level-Engineering	209,527.89	217,752.00	-8,224.11	96.22%	237,548.00
7104.8 · Grdwtr Level-Contracted Services	0.00	9,167.00	-9,167.00	0.0%	10,000.00
7104.9 · Grdwtr Level-Capital Equipment	843.20	7,333.00	-6,489.80	11.5%	8,000.00
7107.2 · Grd Level-Engineering	30,343.19	63,706.00	-33,362.81	47.63%	69,497.00
7107.3 · Grd Level-SAR Imagery	97,100.00	86,608.00	10,492.00	112.11%	86,608.00
7107.6 · Grd Level-Contract Svcs	145,824.87	156,522.00	-10,697.13	93.17%	168,552.00
7107.8 · Grd Level-Capital Equipment	0.00	4,913.00	-4,913.00	0.0%	5,359.00
7108.3 · Hydraulic Control-Engineering	0.00	0.00	0.00	0.0%	0.00
7108.31 · Hydraulic Control-PBHSP	83,321.26	75,101.00	8,220.26	110.95%	81,929.00
7108.32 · Hydraulic Control-Adaptive Mgmt Plan	0.00	0.00	0.00	0.0%	0.00
7108.4 · Hydraulic Control-Lab Svcs	8,528.00	9,167.00	-639.00	93.03%	10,000.00
7108.41 · Hydraulic Control-PBHSP	12,896.00	11,000.00	1,896.00	117.24%	12,000.00
7108.6 · Hydraulic Control-Outside Professionals	0.00	4,583.00	-4,583.00	0.0%	5,000.00
7109.3 · Recharge & Well - Engineering	20,359.20	21,429.00	-1,069.80	0.0%	23,377.00
7202.2 · Comp Recharge-Engineering Services	79,905.19	148,478.00	-68,572.81	53.82%	161,976.00
7303 · PE3&5-Engineering - Other	0.00	8,837.00	-8,837.00	0.0%	9,640.00
7402 · PE4-Engineering	94,928.87	94,682.00	246.87	100.26%	103,290.00
7402.10 · PE4-MZ1 Pomona Project	123,851.10	1,524,303.00	-1,400,451.90	8.13%	1,649,785.00
7403 · PE4-Contract Svcs	0.00	18,333.00	-18,333.00	0.0%	20,000.00
7502 · PE6&7-Engineering	96,591.67	74,020.00	22,571.67	130.49%	79,113.00
7510 · PE6&7-IEUA Salinity Mgmt. Plan	98,321.72	115,322.00	-17,000.28	85.26%	125,806.00
7602 · PE8&9-Engineering	479,658.29	502,408.00	-22,749.71	95.47%	502,408.00
Total Engineering Services Costs	2,349,335.01	3,918,441.00	-1,569,105.99	59.96%	4,197,038.00 *

* Wildermuth and Subcontractor Engineering Budget of \$3,683,730 plus Carryover Funds from FY 2016/17 of \$193,107 plus Budget Amendment Form A-18-03-01 of \$320,201 = \$4,197,038
 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)
 Budget Amendment Form A-18-03-01 of \$320,201 (7602)

PREVIOUSLY REPORTED ACTIONS (Descending Order)
March 2018:

Budget Amendment Form A-18-03-01, which was approved by the Watermaster Board on April 26, 2018, increased the Engineering Services budget by the amount of \$320,201 within the PE 8&9 Storage Management/Conjunctive Use budget (account 7602). The previous Amended Budget was \$3,876,837 and with the addition of \$320,201 the new Amended Budget for Engineering Services is \$4,197,038 (\$3,876,837 + \$320,201 = \$4,197,038).

The increase of \$182,207 to \$502,408 was a result of a two-year Engineering project which was originally budgeted and approved for \$182,207 for FY 2017/18 during the budgeting process. The consultant costs increased due to unexpected difficulties in acquiring planning information from some parties and from the inclusion of additional baseline scenarios that were requested by the parties during workshops. Further, the engineering work was accelerated to ensure that certain information be made available to the Appropriative and Overlying Agricultural Pools to comply with the requirements of the tolling agreement among them, and to provide decision-support information to the various parties involved in the development of groundwater Storage and Recovery projects for the so-called Chino Basin Water Bank, IEUA's Proposition 1 Grant Proposal to develop a storage and recovery program in the Chino Basin, and the proposed Chino Basin storage element in the Santa Ana River Conservation and Conjunctive-Use Program (SARCCUP). The table below illustrates the change in the total effort cost and the changes in each fiscal year.

	FY 2017/18	FY 2018/19	Effort Total
Original Concept	\$182,207	\$161,004	\$343,211
Revised Concept	\$502,408	\$105,348	\$607,756
Change for FY	\$320,201	(\$55,656)	\$264,545

December 2017:

The second ECAC report for the current fiscal year has been provided for the period ending December 31, 2017 and shows a projected over budget at fiscal year-end June 30, 2018 of \$407,335. The majority of the projected budget overage is in the Storage Management/Conjunctive Use expenses (7602). This activity was originally developed and designed as a two year-project and budgeted accordingly during the FY 2017/18 budgeting process. Due to specific deadlines, Watermaster has requested the timeline be pushed forward and the total budget for this fiscal year is projected at \$344,081 (or more depending upon the scope of work). If the activities are being completed earlier than projected, a Budget Amendment during FY 2017/18 would need to be presented for approval to continue the funding.

Attachment 1a
Chino Basin Watermaster: Invoice Projections for Engineering Tasks for Fiscal Year 2017/18
As of December 31, 2017

Acct #	Description	Original Budget	Revised Budget	Billed Jul-17	Billed Aug-17	Billed Sep-17	Billed Oct-17	Billed Nov-17	Billed Dec-17	Projected Jan-18
8906	OBMP Engineering	\$ 450,819	\$ 450,819	\$ 35,585	\$ 39,218	\$ 41,880	\$ 53,951	\$ 40,854	\$ 39,357	\$ 34,242
8906.1	OBMP - Watermaster Model Applications	59,164	59,164	-	12,605	-	30,262	-	-	-
8906.9	2018 RMPU Recharge Master Update	85,000	85,000	18,560	21,059	-	9,545	-	2,657	5,000
7103.3	GW and SW Quality - Engineering Services	193,714	193,714	10,926	22,150	19,365	24,479	10,467	9,207	26,925
7103.5	GW and SW Quality - Laboratory Services	80,653	80,653	2,032	14,256	9,850	5,785	8,786	10,411	2,132
7104.3	GW Level - Engineering Services	237,548	237,548	12,010	14,070	10,271	18,191	24,964	42,189	15,600
7104.8	GW Level - Contract Services	10,000	10,000	-	-	-	-	-	-	-
7104.90	GW Level - Capital Services	8,000	8,000	599	579	-	-	268	504	-
7107.2	Ground Level - Engineering Services	48,795	69,497	3,383	4,032	1,401	2,482	1,767	630	4,359
7107.3	Ground Level - SAR Imagery	86,608	86,608	-	-	12,000	-	-	-	-
7107.6	Ground Level - Contract Services	144,355	168,552	14,296	-	-	-	-	16,498	-
7107.8	Ground Level - Capital Equipment	5,359	5,359	-	-	119	-	-	-	500
7108.31	IEUA - Prado Basin Habitat Monitoring	75,929	81,929	7,635	857	-	16,039	7,693	6,354	34,480
7108.6	IEUA - PBHSP - Outside Pro	5,000	5,000	-	-	-	8,658	-	-	-
7109.3	Recharge & Well Monitoring - Engineering Serv.	23,377	23,377	-	902	-	1,526	6,440	-	-
7202.2	Comp Recharge - Engineering Services	161,976	161,976	14,432	17,759	17,227	6,391	9,938	2,384	10,054
7303	OBMP - Engineering Services - Desalters	9,640	9,640	-	-	-	-	-	-	1,071
7402	OBMP - Engineering Services - MZ1	103,290	103,290	26,638	6,145	13,179	3,387	653	1,105	2,000
7402.1	OBMP - Engineering Services - Northwest MZ1	1,507,576	1,649,785	3,149	27,000	16,690	14,693	19,327	12,119	228,679
7403	OBMP - Contract Services - MZ1	20,000	20,000	-	-	-	-	-	-	-
7502	OBMP - Engineering Services - WQC	79,113	79,113	11,419	12,542	4,886	2,909	4,307	24,005	19,000
7510	IEUA - Update Recycled Water Permit - Salinity	125,806	125,806	10,850	2,187	51,346	54,156	5,260	12,753	28,253
7602	Storage Management/Conjunctive Use	182,207	182,207	24,218	46,296	54,690	65,131	64,981	49,697	60,549
Totals		\$ 3,683,730	\$ 3,876,837	\$ 197,730	\$ 241,657	\$ 252,604	\$ 317,785	\$ 205,706	\$ 229,799	\$ 473,044

Attachment 1a
Chino Basin Watermaster: Invoice Projections For Engineering Tasks for Fiscal Year 2017/18
As of December 31, 2017

Acct #	Description	Projected Feb-18	Projected Mar-18	Projected Apr-18	Projected May-18	Projected Jun-18	Total Projected	Less IEUA Portion of Cost Share			
								Total Projected	Under / (Over) Rev. Budget	YTD % Billed Rev. Budget	Projected % Rev. Budget
6906	OBMP Engineering	\$ 39,504	\$ 40,208	\$ 35,300	\$ 32,504	\$ 32,504	\$ 464,818	\$ 464,818	\$ (14,189)	56%	103%
6906.1	OBMP - Watermaster Model Applications	-	-	-	-	-	42,867	42,867	16,298	72%	72%
6906.9	2018 RMPU Recharge Master Update	10,000	10,000	10,000	10,000	10,000	106,821	106,821	(41,821)	80%	164%
7103.3	GW and SW Quality - Engineering Services	26,000	20,200	9,400	3,000	19,800	201,919	201,919	(8,205)	50%	104%
7103.5	GW and SW Quality - Laboratory Services	2,500	4,688	2,132	-	4,688	67,260	67,260	13,983	63%	83%
7104.3	GW Level - Engineering Services	19,800	20,050	15,740	26,882	21,654	241,401	241,401	(3,853)	51%	102%
7104.8	GW Level - Contract Services	-	-	-	-	-	-	-	10,000	0%	0%
7104.9	GW Level - Capital Services	-	-	-	-	6,000	7,951	7,951	49	24%	99%
7107.2	Ground Level - Engineering Services	6,162	3,046	4,144	4,887	1,355	37,650	37,650	31,847	20%	54%
7107.3	Ground Level - SAR Imagery	18,608	-	56,000	10,492	-	97,100	97,100	(10,492)	14%	112%
7107.6	Ground Level - Contract Services	32,325	32,325	38,853	22,395	-	156,652	156,652	11,900	16%	93%
7107.8	Ground Level - Capital Equipment	1,000	500	1,000	500	1,000	4,619	4,619	740	2%	86%
7108.31	IEUA - Prado Basin Habitat Monitoring	43,400	20,448	13,746	4,480	2,078	157,210	78,605	3,324	47%	95%
7108.5	IEUA - PBHSP - Outside Pro	-	-	-	-	-	8,858	4,429	571	177%	89%
7109.3	Recharge & Well Monitoring - Engineering Serv.	1,700	-	4,000	2,000	2,000	18,569	18,569	4,808	38%	79%
7202.2	Comp Recharge - Engineering Services	12,569	15,054	15,054	17,554	15,057	153,452	153,452	6,524	42%	95%
7303	OBMP - Engineering Services - Desalters	1,071	1,071	1,071	1,071	1,071	6,427	6,427	3,213	0%	67%
7402	OBMP - Engineering Services - MZ1	11,032	10,600	15,000	14,000	10,640	116,379	116,379	(13,088)	51%	113%
7402.1	OBMP - Engineering Services - Northwest MZ1	237,122	234,649	154,766	232,354	461,315	1,642,080	1,642,080	7,725	6%	100%
7403	OBMP - Contract Services - MZ1	-	-	5,000	5,000	-	10,000	10,000	0%	0%	50%
7502	OBMP - Engineering Services - WQC	10,395	13,850	6,930	-	-	110,254	110,254	(31,141)	76%	139%
7510	IEUA - Update Recycled Water Permit - Salinity	35,000	30,000	35,000	30,000	30,000	324,804	107,165	18,621	109%	85%
7602	Storage Management/Conjunctive Use	60,549	60,549	60,549	60,549	-	607,756	607,756	(425,549)	167%	334%
Totals		\$ 668,737	\$ 617,248	\$ 483,684	\$ 477,668	\$ 619,162	\$ 4,584,824	\$ 4,284,172	\$ (407,335)	37%	118%

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

1/24/2018--10:17 AM
2017-18CBWM_Invoice_Summary_ISBM_20180108--P projection Summary



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

The Fiscal Year 2017/18 Progress and Estimated Cost at Completion for the Period July 1, 2017 through December 31, 2017 report from Wildermuth Environmental, Inc. is provided. Please access this link:

<https://cbwm.syncedtool.com/shares/file/adc6714cf187d0/>

The third ECAC report is scheduled to be issued in mid-May 2018 for the period July 1, 2017 through March 31, 2018.

November 2017:

The first ECAC report for the current fiscal year has been provided for the period ending September 30, 2017 and shows a projected over budget at fiscal year-end June 30, 2018 of \$117,029. The majority of the projected budget overage in the amount of \$161,874 is in the Storage Management/Conjunctive Use expenses (7602). This activity was originally developed and designed as a two year-project and budgeted accordingly during the FY 2017/18 budgeting process. Due to specific deadlines, Watermaster has requested the timeline be pushed forward and the total budget for this fiscal year is projected at \$344,081. If the activities are being completed earlier than projected, a Budget Amendment during FY 2017/18 would need to be presented for approval to continue the funding.

The other category projected to be over budget by the amount of \$36,631 at June 30, 2018 is the expenses related to Update IEUA's Recycled Water Permits/Maximum Benefit Salinity Management Plan for the Chino Basin expenses (7510). This category could be funded through a Budget Amendment, as described above, or through a Budget Transfer. As an offset to the accounts projected to be over budget, there are also some activities that are projected to be under budget at fiscal year-end June 30, 2018.

Attachment 1a
Chino Basin Watermaster: Invoice Projections for Engineering Tasks for Fiscal Year 2017/18
As of September 30, 2017

Acct #	Description	Original Budget	Revised Budget	Billed Jul-17	Billed Aug-17	Billed Sep-17	Projected Oct-17	Projected Nov-17	Projected Dec-17	Projected Jan-18
8900	OBMP Engineering	\$ 460,819	\$ 460,819	\$ 35,685	\$ 39,218	\$ 41,680	\$ 52,865	\$ 42,004	\$ 26,809	\$ 39,682
6909.1	OBMP - Watermaster Model Applications	59,164	59,164	-	12,605	-	30,000	2,070	2,070	2,070
6909.3	2018 RMPU Recharge Master Update	65,000	65,000	19,580	21,059	-	10,000	1,623	1,623	1,623
7103.3	GW and SW Quality - Engineering Services	193,714	193,714	10,828	22,150	19,365	23,910	13,644	21,328	11,887
7103.5	GW and SW Quality - Laboratory Services	80,653	80,653	2,032	14,258	9,690	12,842	10,000	14,697	2,132
7104.3	GW Level - Engineering Services	237,548	237,548	12,010	14,070	10,271	18,349	28,760	22,158	16,159
7104.9	GW Level - Contract Services	10,000	10,000	-	-	-	-	-	-	-
7104.00	GW Level - Capital Services	8,000	8,000	599	579	-	-	-	-	1,700
7107.2	Ground Level - Engineering Services	49,795	69,497	3,393	4,032	1,401	3,050	9,481	7,193	8,359
7107.3	Ground Level - SAR Imagery	88,609	88,609	-	-	12,000	-	12,167	-	-
7107.6	Ground Level - Contract Services	144,359	169,552	14,298	-	-	-	-	11,900	-
7107.9	Ground Level - Capital Equipment	5,359	5,359	-	-	119	500	500	500	500
7108.31	IEUA - Prado Basin Habitat Monitoring	75,929	81,929	7,635	857	-	16,465	16,913	24,490	27,490
7108.9	IEUA - PBHSP - Outside Pro	5,000	5,000	-	-	-	-	8,858	-	-
7109.3	Recharge & Well Monitoring - Engineering Serv.	23,377	23,377	-	902	-	3,000	2,700	1,200	1,200
7202.2	Comp Recharge - Engineering Services	161,978	161,978	14,432	17,759	17,227	8,503	9,654	12,383	9,654
7303	OBMP - Engineering Services - Desalters	9,640	9,640	-	-	-	-	1,071	1,071	1,071
7402	OBMP - Engineering Services - MZ1	103,260	103,260	29,838	8,145	13,179	1,500	1,000	1,500	2,000
7402.1	OBMP - Engineering Services - Northwest MZ1	1,607,578	1,649,795	3,149	27,000	16,690	15,460	241,359	232,447	228,879
7403	OBMP - Contract Services - MZ1	20,000	20,000	-	-	-	-	-	-	-
7502	OBMP - Engineering Services - WQC	79,113	79,113	11,419	12,542	4,898	3,000	2,358	2,000	7,879
7510	IEUA - Update Recycled Water Permit - Salinity	125,808	125,808	10,850	2,187	51,346	55,000	40,644	40,644	18,000
7602	Storage Management/Conjunctive Use	182,207	182,207	24,218	48,298	54,690	65,000	21,893	21,893	21,893
Totals		\$ 3,683,730	\$ 3,876,837	\$ 197,730	\$ 241,657	\$ 252,434	\$ 323,931	\$ 457,905	\$ 446,312	\$ 402,114

11/15/2017--3:18 AM
2017-16CBWM_Invoice_Summary_ISBM_20171011ECAC--Projection Summary



Attachment 1a
Chino Basin Watermaster: Invoice Projections for Engineering Tasks for Fiscal Year 2017/18
As of September 30, 2017

Acct #	Description	Projected Feb-18	Projected Mar-18	Projected Apr-18	Projected May-18	Projected Jun-18	Total Projected	Less IEUA Portion of Cost Share			
								Total Projected	Under / (Over) Rev. Budget	YTD % Billed Rev. Budget	Projected % Rev. Budget
8900	OBMP Engineering	\$ 37,204	\$ 44,004	\$ 32,504	\$ 32,504	\$ 32,504	\$ 458,075	\$ 458,075	\$ (6,459)	26%	101%
6909.1	OBMP - Watermaster Model Applications	2,070	2,070	2,070	2,070	2,069	59,164	59,164	-	21%	100%
6909.3	2018 RMPU Recharge Master Update	1,923	1,923	1,923	1,923	1,920	65,000	65,000	-	91%	100%
7103.3	GW and SW Quality - Engineering Services	14,725	19,500	7,494	4,725	22,846	190,678	190,678	3,038	27%	98%
7103.5	GW and SW Quality - Laboratory Services	-	4,689	2,132	-	4,698	76,937	76,937	3,719	32%	95%
7104.3	GW Level - Engineering Services	22,610	20,508	14,058	28,199	21,194	224,340	224,340	13,209	15%	94%
7104.9	GW Level - Contract Services	-	-	-	10,000	-	10,000	10,000	-	0%	100%
7104.00	GW Level - Capital Services	-	-	-	-	5,100	7,079	7,079	22	15%	100%
7107.2	Ground Level - Engineering Services	9,127	7,049	8,198	6,044	2,568	67,652	67,652	1,645	13%	93%
7107.3	Ground Level - SAR Imagery	18,609	-	58,000	-	-	98,775	98,775	(12,167)	14%	114%
7107.6	Ground Level - Contract Services	32,325	32,325	38,833	25,802	12,651	168,562	168,562	-	8%	100%
7107.9	Ground Level - Capital Equipment	500	459	600	1,000	600	5,278	5,278	91	2%	99%
7108.31	IEUA - Prado Basin Habitat Monitoring	24,828	19,448	13,748	4,480	2,078	158,371	79,185	2,744	10%	87%
7108.9	IEUA - PBHSP - Outside Pro	-	-	-	-	-	8,858	4,429	571	0%	93%
7109.3	Recharge & Well Monitoring - Engineering Serv.	2,700	1,200	4,000	2,700	1,477	21,079	21,079	2,398	4%	93%
7202.2	Comp Recharge - Engineering Services	12,169	14,654	14,854	17,154	16,763	161,978	161,978	-	31%	100%
7303	OBMP - Engineering Services - Desalters	1,071	1,071	1,071	1,071	1,071	8,599	8,599	1,071	0%	89%
7402	OBMP - Engineering Services - MZ1	11,032	10,600	15,000	14,000	10,800	115,093	115,093	(11,803)	46%	111%
7402.1	OBMP - Engineering Services - Northwest MZ1	228,029	234,649	163,766	229,354	6,500	1,827,274	1,827,274	22,511	3%	99%
7403	OBMP - Contract Services - MZ1	-	5,000	5,000	9,500	600	20,000	20,000	-	0%	100%
7502	OBMP - Engineering Services - WQC	10,395	13,860	8,050	1,850	1,100	79,113	79,113	-	36%	100%
7510	IEUA - Update Recycled Water Permit - Salinity	15,015	22,647	22,647	22,647	22,647	324,875	162,437	(38,631)	51%	129%
7602	Storage Management/Conjunctive Use	21,693	21,983	21,693	21,690	-	344,081	344,081	(181,874)	96%	189%
Totals		\$ 466,313	\$ 476,634	\$ 431,729	\$ 435,084	\$ 168,075	\$ 4,299,917	\$ 4,053,866	\$ (177,029)	84%	111%

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

11/15/2017--6:18 AM
2017-16CBWM_Invoice_Summary_ISBM_20171011ECAC--Projection Summary



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

The Fiscal Year 2017/18 Progress and Estimated Cost at Completion for the Period July 1, 2017 through September 30, 2017 report from Wildermuth Environmental, Inc. is provided. Please access this link:

<https://cbwm.syncedtool.com/shares/file/0e803abbb2f7e4/>

The second ECAC report is scheduled to be issued in mid-February 2018 for the period July 1, 2017 through December 31, 2017.

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 - May 2018	\$ 166,642.55	\$ (83,321.26)	\$ -	\$ 83,321.30
Totals	\$ 166,642.55	\$ (83,321.26)	\$ -	\$ 83,321.30
	7108.31	7108.31	7108.31	
Maximum Costs	\$ 161,860.00	\$ 80,930.00	\$ 80,930.00	\$ 80,930.00

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 May 31, 2018.

PREVIOUSLY REPORTED ACTIONS (Descending Order)

January 2018:

During the month of January 2018, Chino Basin Watermaster received an invoice from IEUA in the amount of \$763,169.40 for the purchase of 1,145.900 AF of untreated water. The purchase consisted of Cumulative Unmet Replenishment Obligation (CURO) purchases of 967.691 AF and Desalter Replenishment Obligation (DRO) purchases of 178.209 AF. The total purchase of 1,145.900 AF at an AF cost of \$666 (1,145.900 AF X \$666 = \$763,169.40). The amount of \$763,169.40 has been recorded to Groundwater Replenishment expense (5010).

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 – MAY 2018

As of May 31, 2018, the total (YTD) amount remaining of the "Carried Over" funding is \$3,087,298.72 (\$4,119,779.24 - \$1,032,480.52 = \$3,087,298.72).

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 Declaz 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	\$ (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	\$ (123,851.10)	D	7402.1 ⁵	FY 2016/17	ENG
RMPU Amendment (TO #1)	\$ (615,340.12)	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)	\$ (98,000.81)	L	7690.61	FY 2014/15	PROJ
Upper Santa Ana River HCP (TO #7)	\$ (17,774.00)	M	7690.7	FY 2014/15	PROJ
Lower Day Basin RMPU (TO #2)	\$ (107,354.72)	N	7690.8	FY 2016/17	PROJ
Updated Balance as of May 31, 2018	\$ 3,087,298.72				

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 2017/18:

The auditors from the audit firm of Fedak & Brown LLP were onsite at the Watermaster offices on April 17, 2018. This was the start of the interim field work for the period of July 1, 2017 through February 28, 2018. The final field work for the period of March 1, 2018 through June 30, 2018 is planned for August 7, 2018 through August 8, 2018, with the Annual Financial and Audit Reports presented to the Watermaster Board by Fedak & Brown LLP at the November 15, 2018 Board meeting. The Annual Financial and Audit Reports for FY 2017/18 are anticipated to be posted to the Watermaster website no later than December 15, 2018.

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 were presented to the Watermaster Board by Fedak & Brown LLP at the November 16, 2017 Board meeting. At the November 16, 2017 Board meeting, the Board unanimously approved to receive and file the audit reports. The Annual Financial and Audit Reports for FY 2016/17 were posted to the Watermaster website on November 17, 2017.

ASSESSMENT INVOICING

CURRENT MONTH – MAY 2018

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

PREVIOUSLY REPORTED ACTIONS (Descending Order)

December 2017:

The Watermaster Board approved the FY 2017-2018 Assessment Package (Production Year 2016-2017) at the November 16, 2017 meeting. Watermaster staff created and emailed the Assessment invoices on Thursday, November 16, 2017. The Assessment invoices were due 30 days from invoice date, with all payments to be received by Watermaster on or before the close of business at 5:00pm on Monday, December 18, 2017. As in prior years, payments could be made by either check or wire transfer. As of December 18, 2017 at 5:00pm, all but two payments had been received. The two late payments were both received on December 21, 2017. On December 22, 2017 the late fees totaling \$47.34 (\$39.90 and \$7.44) were invoiced. Both late fee payments have been received as of January 26, 2018.

November 2017:

The Watermaster Board approved the FY 2017-2018 Assessment Package (Production Year 2016-2017) at the November 16, 2017 meeting. Watermaster staff created and emailed the Assessment invoices on Thursday, November 16, 2017. The Assessment invoices were due 30 days from invoice date, with all payments to be received by Watermaster on or before the close of business at 5:00pm on Monday, December 18, 2017. As in prior years, payments could be made by either check or wire transfer. As of December 18, 2017 at 5:00pm, all but two payments had been received. The two late payments were both received on December 21, 2017. On December 22, 2017 the late fees totaling \$47.34 (\$39.90 and \$7.44) were invoiced.

October 2017:

The Watermaster Board approved the FY 2017-2018 Assessment Package (Production Year 2016-2017) at the November 16, 2017 meeting. Watermaster staff created and emailed the Assessment invoices on Thursday, November 16, 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.

This year's Assessment invoicing included the standard Assessment amounts per the Assessment Package, along with any Special Assessments and the "Excess Cash Reserve" refund credits. The Appropriative Pool had a Special Assessment of \$75,000 as approved during the budgeting process. The \$75,000 was allocated to the Appropriative Pool members based upon a prorated formula of 50% Operating Safe Yield (OSY) and 50% physical production numbers from FY 2016/17.

The Non-Agricultural Pool had a Special Assessment of \$60,000 as approved during a Confidential Session on April 13, 2017. The \$60,000 was allocated to the Non-Agricultural Pool members based upon the actual production numbers from 2016/17.

For this fiscal year, there were no refunds due regarding the Excess Cash Reserve refunds to the Appropriative Pool members and the Non-Agricultural Pool members. The Excess Cash Reserve-Recharge Debt Payment refund of \$78,397 was refunded to the Appropriative Pool members based upon the pro rata share of FY 2016/17 Recharge Debt Assessments paid. The refunds were applied as credits on the Assessment invoices and allocated based upon last year's percentage of assessments paid.

Also please note that the Recharge Improvement Project budget of \$2,839,000 was not part of the assessment invoicing. Watermaster did not invoice for the recharge improvement project assessment of \$2,839,000 at this time, because it appears there is a good probability that State Revolving Fund loan monies would be made available before the money was spent by IEUA. In case there is need to pay IEUA for project expenses before loans are secured, a special assessment would be recommended.

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

ATTACHMENTS

1. Financial Report - B5

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	1/12th (8.33%) of the Total Budget				10/12th (83.34%) of the Total Budget				100% of the Total Budget			
	For The Month of May 2018				Year-To-Date as of May 31, 2018				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%	8,407,583.88	11,279,242.00	-2,871,658.12	74.54%	8,407,538.88	11,279,242.00	-2,871,703.12	74.54%
4120 - Admin Asmnts-Non-Agri Pool	0.00	0.00	0.00	0.0%	360,242.82	327,924.00	32,318.82	109.86%	360,242.82	327,924.00	32,318.82	109.86%
4700 - Non Operating Revenues	6.06	0.00	6.06	100.0%	103,600.71	27,935.00	75,665.71	370.86%	148,088.48	39,906.00	108,182.48	371.09%
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	6.06	0.00	6.06	100.0%	9,065,049.23	11,826,727.00	-2,761,677.77	76.65%	9,109,492.00	11,838,698.00	-2,729,206.00	76.95%
Gross Profit	6.06	0.00	6.06	100.0%	9,065,049.23	11,826,727.00	-2,761,677.77	76.65%	9,109,492.00	11,838,698.00	-2,729,206.00	76.95%
Expense												
6010 - Admin. Salary/Benefit Costs	88,841.47	89,586.00	-744.53	99.17%	978,734.89	940,411.00	38,323.89	104.08%	1,087,811.36	1,022,564.00	65,247.36	106.38%
6020 - Office Building Expense	8,391.63	9,024.00	-632.37	92.99%	94,263.90	103,140.00	-8,876.10	91.39%	104,044.25	112,914.00	-8,869.75	92.15%
6030 - Office Supplies & Equip.	1,637.08	2,000.00	-362.92	81.85%	18,799.38	24,125.00	-5,325.62	77.93%	23,634.32	26,500.00	-2,865.68	89.19%
6040 - Postage & Printing Costs	2,602.76	3,054.00	-451.24	85.23%	34,732.95	42,639.00	-7,906.05	81.46%	43,830.95	45,693.00	-1,862.05	95.93%
6050 - Information Services	12,457.07	13,896.00	-1,438.93	89.65%	136,226.86	142,621.00	-6,394.14	95.52%	152,072.29	152,912.00	-839.71	99.45%
6060 - Contract Services	21,810.63	7,800.00	14,010.63	279.62%	72,895.01	60,200.00	12,695.01	121.09%	67,524.67	68,000.00	-475.33	99.3%
6070 - Watermaster Legal Services	50,615.23	11,325.00	39,290.23	446.93%	382,091.05	164,750.00	217,341.05	231.92%	356,050.08	176,075.00	179,975.08	202.22%
6080 - Insurance	0.00	0.00	0.00	0.0%	25,564.11	29,768.00	-4,203.89	85.88%	28,064.11	29,768.00	-1,703.89	94.28%
6110 - Dues and Subscriptions	180.00	0.00	180.00	100.0%	24,861.39	24,885.00	-23.61	99.91%	24,681.39	24,885.00	-203.61	99.18%
6140 - WM Admin Expenses	105.44	0.00	105.44	100.0%	1,566.41	1,975.00	-408.59	79.31%	1,947.96	2,350.00	-402.04	82.89%
6150 - Field Supplies	0.00	0.00	0.00	0.0%	242.67	1,450.00	-1,207.33	16.74%	1,300.00	1,450.00	-150.00	89.66%
6170 - Travel & Transportation	1,806.85	1,300.00	506.85	138.99%	16,059.22	45,939.00	-29,879.78	34.96%	16,579.41	47,469.00	-30,889.59	34.93%
6190 - Training, Conferences, Seminars	2,353.44	3,854.00	-1,500.56	61.07%	31,524.14	35,074.00	-3,549.86	89.88%	34,634.24	37,428.00	-2,793.76	92.54%
6200 - Advisory Comm - WM Board	2,740.22	4,011.00	-1,270.78	68.32%	28,991.44	40,212.00	-11,220.56	72.1%	33,644.97	43,908.00	-10,263.03	76.63%
6300 - Watermaster Board Expenses	15,440.53	13,244.00	2,196.53	116.59%	126,520.10	162,593.00	-36,072.90	77.81%	138,233.95	175,546.00	-37,312.05	78.75%
8300 - Appr PI-WM & Pool Admin	13,131.76	11,919.00	1,212.76	110.18%	103,636.97	126,109.00	-22,472.03	82.18%	118,617.20	137,642.00	-19,024.80	86.18%
8400 - Agri Pool-WM & Pool Admin	4,852.50	5,491.00	-638.50	88.37%	36,461.20	55,717.00	-19,255.80	65.44%	42,016.21	60,903.00	-18,886.79	68.99%
8467 - Ag Legal & Technical Services	28,862.50	17,083.00	11,779.50	168.96%	286,907.50	187,917.00	98,990.50	152.68%	308,243.33	205,000.00	103,243.33	150.36%
8470 - Ag Meeting Attend -Special	825.00	1,850.00	-1,025.00	44.6%	11,675.00	20,350.00	-8,675.00	57.37%	12,766.67	22,200.00	-9,433.33	57.51%
8471 - Ag Pool Expense	0.00	0.00	0.00	0.0%	11,153.00	85,000.00	-73,847.00	13.12%	14,870.67	85,000.00	-70,129.33	17.5%
8485 - Ag Pool - Misc. Exp. - Ag Fund	0.00	100.00	-100.00	0.0%	57.02	400.00	-342.98	14.26%	207.02	400.00	-192.98	51.76%
8500 - Non-Ag PI-WM & Pool Admin	8,688.90	9,355.00	-666.10	92.88%	81,044.54	99,302.00	-18,257.46	81.61%	95,384.07	108,507.00	-13,122.93	87.91%
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	-22,844.57	-33,635.00	10,790.43	67.92%	-179,617.73	-369,980.00	190,362.27	48.55%	-182,175.35	-403,615.00	221,439.65	45.14%
6900 - Optimum Basin Mgmt Plan	72,049.98	104,686.67	-32,636.69	68.82%	1,007,052.01	1,180,864.33	-173,812.32	85.28%	1,178,231.04	1,284,844.00	-106,612.96	91.7%
9501 - G&A Expenses Allocated-OBMP	1,611.91	7,025.00	-5,413.09	22.95%	33,726.54	77,273.00	-43,546.46	43.65%	39,179.92	84,298.00	-45,118.08	46.48%
7101 - Production Monitoring	9,219.73	4,839.00	4,380.73	190.53%	64,710.46	50,319.00	14,391.46	128.6%	60,146.72	54,742.00	5,404.72	109.87%
7102 - In-line Meter Installation	180.66	3,668.00	-3,487.34	4.93%	1,400.79	60,913.00	-59,512.21	2.3%	25,949.15	68,072.00	-42,122.85	38.12%
7103 - Grdwtr Quality Monitoring	16,398.36	21,567.00	-5,168.64	76.03%	241,453.87	292,910.00	-51,456.13	82.43%	280,087.12	314,051.00	-33,963.88	89.19%
7104 - Gdwtr Level Monitoring	22,271.99	25,816.00	-3,544.01	86.27%	268,612.57	281,812.00	-13,199.43	95.32%	302,166.87	307,320.00	-5,153.13	98.32%
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%
7106 - Wtr Level Sensors Installation	399.02	0.00	399.02	100.0%	399.02	0.00	399.02	100.0%	0.00	0.00	0.00	0.0%
7107 - Ground Level Monitoring	94,450.80	18,268.00	76,182.80	517.03%	294,306.48	385,360.00	-91,053.52	76.37%	233,728.39	403,627.00	-169,898.61	57.91%

	1/12th (8.33%) of the Total Budget				10/12th (83.34%) of the Total Budget				100% of the Total Budget			
	For The Month of May 2018				Year-To-Date as of May 31, 2018				Fiscal Year End as of June 30, 2018			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
7108 - Hydraulic Control Monitoring	4,506.82	9,924.00	-5,417.18	45.41%	108,681.55	108,652.00	29.55	100.03%	118,225.71	118,504.00	-278.29	99.77%
7109 - Recharge & Well Monitoring Prog	4,040.10	1,948.00	2,092.10	207.4%	20,359.20	21,429.00	-1,069.80	95.01%	18,383.47	23,377.00	-4,993.53	78.64%
7200 - PE2- Comp Recharge Pgm	10,277.94	22,067.00	-11,789.06	46.58%	1,008,247.16	1,376,128.86	-367,881.70	73.27%	1,239,571.88	1,397,464.86	-157,892.98	88.7%
7300 - PE3&5-Water Supply/Desalite	0.00	2,803.00	-2,803.00	0.0%	0.00	29,977.00	-29,977.00	0.0%	25,000.00	32,657.00	-7,657.00	76.55%
7400 - PE4- Mgmt Plan	22,200.90	136,825.00	-114,624.10	16.23%	218,779.97	1,648,570.00	-1,429,790.03	13.27%	1,737,339.03	1,785,322.00	-47,982.97	97.31%
7500 - PE6&7-CoopEfforts/SaltMgmt	21,462.41	16,470.00	4,992.41	130.31%	201,629.38	198,624.00	3,005.38	101.51%	214,085.95	215,016.00	-930.05	99.57%
7600 - PE8&9-StorageMgmt/Conj Use	36,130.71	4,245.00	31,885.71	851.14%	491,968.82	546,536.00	-54,567.18	90.02%	550,247.48	550,414.00	-166.52	99.97%
7690 - Recharge Improvement Debt Pymt	459,262.50	0.00	459,262.50	100.0%	1,315,374.92	7,207,668.38	-5,892,293.46	18.25%	4,368,668.38	7,207,668.38	-2,839,000.00	60.61%
7700 - Inactive Well Protection Prgm	0.00	42.00	-42.00	0.0%	0.00	458.00	-458.00	0.0%	350.00	500.00	-150.00	70.0%
9502 - G&A Expenses Allocated-Projects	21,232.66	26,610.00	-5,377.34	79.79%	145,891.19	292,707.00	-146,815.81	49.84%	142,995.43	319,317.00	-176,321.57	44.78%
Total Expense	1,038,194.93	578,060.67	460,134.26	179.6%	7,746,984.95	15,784,798.57	-8,037,813.62	49.08%	13,058,340.29	16,350,693.24	-3,292,352.95	79.86%
Net Ordinary Income	-1,038,188.87	-578,060.67	-460,128.20	179.6%	1,318,064.28	-3,958,071.57	5,276,135.85	-33.3%	-3,948,648.29	-4,511,995.24	563,146.95	87.52%
Other Income												
4210 - Approp Pool-Replenishment	0.00	0.00	0.00	0.0%	851,066.34	0.00	851,066.34	100.0%	851,066.34	0.00	851,066.34	100.0%
4220 - Non-Ag Pool-Replenishment	0.00	0.00	0.00	0.0%	7,451.38	0.00	7,451.38	100.0%	7,451.38	0.00	7,451.38	100.0%
4225 - Interest Income	0.00	0.00	0.00	0.0%	2,258.82	0.00	2,258.82	100.0%	3,583.82	0.00	3,583.82	100.0%
4226 - LAIF Fair Market Value	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
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%
4715 - Gain on Sale of Assets	0.00	0.00	0.00	0.0%	1,700.00	0.00	1,700.00	100.0%	1,700.00	0.00	1,700.00	100.0%
Total Other Income	0.00	0.00	0.00	0.0%	862,476.54	0.00	862,476.54	100.0%	863,801.54	0.00	863,801.54	100.0%
Other Expense												
5010 - Groundwater Replenishment	0.00	0.00	0.00	0.0%	763,169.40	0.00	763,169.40	100.0%	763,169.40	0.00	763,169.40	100.0%
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%	78,397.00	0.00	78,397.00	100.0%	78,397.00	0.00	78,397.00	100.0%
9999 - To/(From) Reserves	0.00	0.00	0.00	0.0%	0.00	-392,216.00	392,216.00	0.0%	0.00	-392,216.00	392,216.00	0.0%
Total Other Expense	0.00	0.00	0.00	0.0%	841,566.40	-392,216.00	1,233,782.40	-214.57%	841,566.40	-392,216.00	1,233,782.40	-214.57%
Net Other Income	0.00	0.00	0.00	0.0%	20,910.14	392,216.00	-371,305.86	5.33%	22,235.14	392,216.00	-369,980.86	5.67%
Net Income	-1,038,188.87	-578,060.67	-460,128.20	179.6%	1,338,974.42	-3,565,855.57	4,904,829.99	-37.55%	-3,926,613.15	-4,119,779.24	193,166.09	95.31%

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

CHINO BASIN WATERMASTER

- I. CONSENT CALENDAR**
- C. APPLICATION FOR RECHARGE**



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: July 26, 2018
TO: Advisory Committee Members
Board Members
SUBJECT: Application for Recharge - San Antonio Water Company (Consent Calendar Item I.C.)

SUMMARY

Issue: On May 16, 2018, San Antonio Water Company submitted an Application for Recharge for up to 2,000 acre-feet to be recharged into basins along the San Antonio Channel.

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

Financial Impact: None

Future Consideration

Advisory Committee – July 26, 2018: Recommend Board to approve
Watermaster Board – July 26, 2018: Approval [Within WM Duties and Powers]

ACTIONS:

Appropriative Pool – June 14, 2018: Unanimously Recommended Advisory Committee to recommend to the Watermaster Board to approve
Non-Agricultural Pool – June 14, 2018: Unanimously Recommended Advisory Committee to recommend to the Watermaster Board to approve, subject to changes which they deem appropriate.
Agricultural Pool – June 15, 2018: Unanimously Recommended Advisory Committee to recommend to the Watermaster Board to approve
Advisory Committee – July 26, 2018:
Watermaster Board – July 26, 2018:

BACKGROUND

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

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

DISCUSSION

On May 16, 2018, San Antonio Water Company (SAWCo) submitted an Application for Recharge for up to 2,000 acre-feet from September 2018 to September 2019. The Application states that the method of recharge is surface spreading into Basins aligned with the San Antonio Creek system. (See Attachment 1) and identifies the source of water to be Local Supplemental water. Attached to the Application is the 2015 San Antonio Canyon Watershed Sanitary Survey Update (2011-2015) to aid in the MPI analysis. (See Attachment 2.)

If and when approved, SAWCo intends to recharge the water into the Basins connected to the San Antonio Creek channel system. This water can be used to offset over-production during the 2017-2018 fiscal year, or, should the water not be used in the fiscal year for over-production, the water will be placed into storage.

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

Wildermuth Environmental, Inc. (WEI) completed a MPI analysis on June 7, 2018 declaring no negative impacts to the Basin from this recharge event. (See Attachment 3.) Staff has reviewed and recommends approval of the Application for Recharge contingent on compliance with the recommendations on page five of the WEI June 7, 2018 memorandum (Attachment 3).

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

ATTACHMENTS

1. SAWCo Recharge Application Dated May 16, 2018
2. 2015 San Antonio Canyon Watershed Sanitary Survey Update (2011 through 2015): <http://www.cbwm.org/FTP/Pending%20Applications/20180614%20SAWCo%20Recharge%20Application%20--%20ATTACHMENT%202.pdf>
3. June 7, 2018 Letter from WEI to Watermaster: *Analysis of Material Physical Injury for the San Antonio Water Company (SAWC) Recharge Application, Submitted to the Chino Basin Watermaster on May 16, 2018*

Form 2a - Application for Supplemental Water Recharge

Applicant Information and Recharge Request			
Person	San Antonio Water Company	Date Requested	05/16/2018
Contact (Individual)	Teri Layton	Date Approved	
Street Address	139 N. Euclid Avenue	Proposed Period of Time Covered by Recharge Application (mm/yyyy to mm/yyyy)	9/1/2018 to 9/1/2019
City	Upland		
State	CA		
Zip Code	91786	Requested Total Amount of Recharge Over the Application Period (AF)	2,000
Telephone	(909)982-4107	Approved Total Amount of Recharge Over the Application Period (AF)	
Fax	(909)920-3047		
Email	tlayton@sawaterco.com		

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

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

Form 2a - Application for Supplemental Water Recharge

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

BY: *Seri Layton* _____
 Applicant

May 16, 2018 _____
 Date

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

2015 San Antonio Canyon Watershed Sanitary
Survey Update (2011 through 2015):

<http://www.cbwm.org/FTP/Pending%20Applications/20180614%20SAWCo%20Recharge%20Application%20--%20ATTACHMENT%202.pdf>

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June 7, 2018

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

Subject: Analysis of Material Physical Injury for the San Antonio Water Company (SAWC) Recharge Application, Submitted to the Chino Basin Watermaster on May 16, 2018

Dear Mr. Kavounas:

Pursuant to your direction, Wildermuth Environmental, Inc. (WEI) conducted a material physical injury (MPI) analysis of the SAWC's May 16, 2018 recharge application. This MPI analysis was completed pursuant to the Watermaster Rules and Regulations and the Peace Agreement. Specifically, Article 10 of the Watermaster Rules and Regulations (paragraph 10.10) requires that:

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

Per the Peace Agreement (page 8), material physical injury is defined as:

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

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

SAWC's Recharge Application of May 16, 2018

The SAWC proposes to recharge up to 2,000 acre-feet (af) of San Antonio Creek water into the Chino Basin during the period of September 2018 through August 2019. The SAWC proposes to divert San Antonio Creek water through its existing non-potable system and subsequently discharge it to the concrete-lined reach of San Antonio Creek located downstream of the Pomona Valley Protective Association (PVPA) diversion facilities and upstream of the College Heights and Upland Basins. The SAWC proposes to recharge this water in the Upland Basin and Montclair Basins 1-4. Diversion into the Montclair Basins would occur through the existing San Antonio Creek diversion into Montclair Basin 1 and subsequently be routed to other basins in the Montclair Basins complex. Diversions into the Upland Basin would occur through the existing San Antonio Creek diversion into Upland Basin. The SAWC will need to coordinate their proposed diversions for recharge with the Inland Empire Utilities Agency (IEUA), the Chino Basin Water Conservation District, the City of Upland, and Watermaster to ensure that their water is diverted as proposed and is measured and accounted for, and to ensure that SAWC recharge activities do not interfere with other recharge operations and stormwater management.

The SAWC did not submit a recapture plan in its May 16, 2018 recharge application.

Watermaster classifies the water proposed by the SAWC as supplemental water; therefore, the proposed recharge will contribute to Watermaster's Peace II obligation to recharge 6,500 af per year (afy) of supplemental water in MZ1.

Analysis of May 16, 2018 Recharge Application Based on Prior MPI Analyses

WEI determined the potential for MPI by evaluating the impacts of the proposed recharge on the following:

- Groundwater level impacts (liquefaction, land subsidence, and increases in pump lift)
- Balance of recharge and discharge in every area and subarea
- Total dissolved solids (TDS) and nitrate concentration impacts
- Water quality impacts on other pumpers

Groundwater Level Impacts (Liquefaction, Land Subsidence, and Increases in Pump Lift)

The proposed project will produce a localized increase in groundwater levels in the vicinity of the recharge basins where the recharge occurs, followed by a return to the groundwater levels that would occur had the water not been recharged. The depth to groundwater beneath the basins proposed for recharge presently ranges from about 660 feet below ground surface (bgs) at the Upland Basin to about 560 ft bgs at the Montclair Basins. There will be no adverse liquefaction or land subsidence impacts from the groundwater level changes caused by the recharge and storage proposed by the SAWC.

There may be some diminishing of the current land subsidence in the recharge area if the stored water resulting from the proposed recharge is recovered outside of the Northwest Management Zone 1 subsidence management area (Northwest MZ1 area). Pumping lifts will be slightly reduced resulting in lower pumping costs and lower greenhouse gas emissions. No adverse impacts related to groundwater level changes will occur from the proposed recharge.

Balance of Recharge and Discharge in Every Area and Subarea

The SAWC did not provide a recovery plan; thus, the location of future recovery remains unknown, and the balance of recharge and discharge cannot be assessed. Watermaster should conduct an MPI review when the SAWC submits a recovery plan. We recommend that the SAWC provides a recovery plan for the water they propose to recharge under the current application and past applications as soon as practical and no later than their next application to recharge supplemental water.

TDS and Nitrate Concentrations Impacts

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

The source of the supplemental water is San Antonio Creek water diverted upstream of San Antonio Dam. The SAWC provided a water quality analysis of a San Antonio Creek water sample taken on April 11, 2017. The SAWC did not provide more recent water quality data to supplement the May 2018 application. WEI supplemented the water quality data provided by the SAWC with the San Antonio Creek water quality data available from the City of Pomona, which indicate that the TDS and nitrate concentrations average about 224 mg/L and non-detect, respectively, for the period of 2012 through 2016.¹ These averages are consistent with the SAWC's April 11, 2017 water quality sample analysis, which had TDS and nitrate concentrations of 230 mg/L and non-detect, respectively. The table below shows the groundwater-quality objectives and current ambient concentrations for the Chino-North GMZ; the five-year volume-weighted concentrations of recycled water, imported water, and stormwater recharge in Chino Basin; and the TDS and nitrate concentration statistics for the proposed recharge water.

¹ The 2017 Water Quality Report will not be available until July 2018.

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

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

There will be no adverse TDS or nitrate concentration impacts from the proposed recharge.

Water Quality Impacts on Other Pumpers

The water quality of the proposed recharge is comparable to State Water Project water, and the proposed recharge will improve the general water quality in the Basin. The proposed recharge of 2,000 af is not unusually large nor will it create a significant change in the direction and speed of groundwater flow in the area between the recharge basins and the wells owned by the City of Pomona and the Monte Vista Water District (MVWD). These entities will likely recover the proposed recharge. We reviewed exhibits 5-3 through 5-13 in the 2016 State of the Basin Report,⁵ which characterize water quality in the Chino Basin, to qualitatively assess the impact of San Antonio Creek recharge as proposed in the May 16, 2018 recharge application, and we conclude that there will be no adverse water quality impacts from the proposed recharge.

Conclusion and Recommendations

There will be no MPI due to the SAWC’s proposed recharge as described in its May 16, 2018 recharge application. A no-MPI determination cannot be made regarding the recovery of the recharged water until a recovery plan is provided to Watermaster for MPI review. The scope of the MPI analysis for the recovery plan should consider the recovery of all supplemental water recharged and stored by the SAWC.

Pursuant to Watermaster’s Supplemental Water Recharge Procedures, the SAWC is required to submit a Form 2b “Request to Recharge Supplemental Water by a Person”

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

³ Average through December 2016.

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

⁵ The 2016 State of the Basin Report is located here: http://www.cbwm.org/rep_engineering.htm.

prior to beginning a recharge event. This will allow for coordination with Watermaster and the IEUA to develop a Recharge Plan for proper execution, ensuring that the SAWC will receive credit for the recharged water.

Watermaster should require the SAWC to obtain and analyze water quality samples of San Antonio Creek water at 30-day intervals during the proposed diversion period if diversions are occurring. Table 1 (attached) contains the recommended water quality constituents. This water quality data is necessary to demonstrate compliance with the IEUA-Watermaster maximum benefit commitments related to recharge and to support future MPI analysis that may be required for future recharge applications. These data will be used for regulatory reporting, as required in the IEUA-Watermaster recharge permit, and for other groundwater management purposes.

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

Very truly yours,

Wildermuth Environmental, Inc.



Mark Wildermuth, PE
President, Principal Engineer

Attachments: Table 1

Table 1
General Minerals Recommended to Be
Sampled by the SAWC

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



CHINO BASIN WATERMASTER

- I. **CONSENT CALENDAR (Watermaster Board Only)**
 - D. **AMENDMENT TO CHINO BASIN WATERMASTER RETIREMENT POLICY 3.16**



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: July 26, 2018
TO: Board Members
SUBJECT: Amendment to Chino Basin Watermaster Retirement Policy 3.16 (Consent Calendar Item I.D.)

SUMMARY

Issue: Chino Basin Watermaster Retirement Policy 3.16.

Recommendation: Approve the Amendment of the Existing Retirement Policy 3.16.

Financial Impact: There is no financial impact if a Watermaster employee does not provide written notice to the General Manager, within the required timeframes, when retiring from Watermaster. The financial impact could range between a minimum of 2% and a maximum of 4% of an employee's salary, for a Watermaster employee who provides written notice to the General Manager, within the required timeframes, when retiring from Watermaster.

Future Consideration
Watermaster Board – July 26, 2018: Approve [Normal Course of Business]

ACTIONS:
Watermaster Board – July 26, 2018:

BACKGROUND

The Chino Basin Watermaster currently has a Retirement Policy documented by Policy 3.16 of the Watermaster Employee Manual. The current policy states the following:

3.16 RETIREMENT

As a part of an employee benefit, Watermaster pays the employer's contribution to CalPERS. With the adoption of Public Employees' Pension Reform Act of 2013 (PEPRA), the pension system has changed. Depending upon your member classification "Classic or New" with CalPERS, Watermaster may pay a portion of the employee contribution to CalPERS or the employee could be responsible for the entire employee portion to CalPERS.

All regular and introductory employees hired after January 1, 2013 will be enrolled in the 2% @ 62 Public Employees Retirement System (CalPERS), and shall be subject to such terms and conditions as Watermaster may contract for with CalPERS.

All regular and introductory employees hired before January 1, 2013 will be enrolled in the 2.5% @ 55 Public Employees Retirement System (CalPERS), and shall be subject to such terms and conditions as Watermaster may contract for with CalPERS.

See Section 3.1.7 for additional information regarding employer and employee contributions or contact the Chief Financial Officer. Watermaster policy regarding retirement could change depending upon future legislative changes, CalPERS requirements, or Watermaster Board decisions.

DISCUSSION

During the Personnel Committee meeting held on Tuesday, May 22, 2018, the General Manager presented the concept of providing a financial incentive to any Watermaster employee who is in good standing and provides a written notice to the General Manager, within specific guidelines and timeframes, of their intent to retire from Watermaster. The purpose of this incentive is to assist Watermaster with the smooth transition of a retiring employee, gaining valuable assistance in reducing the learning curve for a new employee, and ensuring the work load is current and not falling behind schedule. After some discussion, there was support by the Personnel Committee to move forward with the amendment to the existing Retirement Policy 3.16.

At the Board meeting on June 28, 2018, this item was part of the Consent Calendar. Mr. Kavounas pulled this item from the June 28, 2018 Board meeting Consent Calendar to address three specific clarification points requested by Ms. Teri Layton. Her questions have been addressed as follows:

1. What is the vesting period? ANSWER: The vesting period is no less than three (3) years of continuous employment with Chino Basin Watermaster to be eligible.
2. Can vacation and/or sick be used to supplement hours worked once the Retirement Notice has been received by the General Manager? ANSWER: All vacation requests are pre-approved by the immediate supervisor or the General Manager. The use of extended vacation time during the period would be restricted. To be eligible for the payment detailed in Retirement Policy 3.16, the use of vacation and/or sick time during the period would be limited to the following: 120-days allows for no more than a total of four (4) full days, in any combination of vacation and/or sick time, to qualify for the payment; 90-days allows for no more than a total of three (3) full days, in any combination of vacation and/or sick time, to qualify for the payment; and 60-days allows for no more than a total of two (2) full days, in any combination of vacation and/or sick time, to qualify for the payment.
3. What is the definition of the term "in good standing"? ANSWER: The term "in good standing" is defined as: (i) Employee's employment with Chino Basin Watermaster has not been terminated for any reason; (ii) Employee is not on probation of any kind from Chino Basin Watermaster; (iii) Employee is eligible for rehire.

The following language to amend Retirement Policy 3.16 is proposed:

If an employee in good standing, provides written notice to the General Manager of his/her intent to formally retire from Watermaster within the guidelines listed below, the corresponding percentage incentive payment (less applicable payroll taxes and any accompanying deductions required by law) will be issued on the last/final payroll check as follows:

Employee provides at least a 120-day written notice before the effective date of retirement and continues full employment until the effective date; will receive a 4% bonus payment.

Employee provides at least a 90-day written notice before the effective date of retirement and continues full employment until the effective date; will receive a 3% bonus payment.

Employee provides at least a 60-day written notice before the effective date of retirement and continues full employment until the effective date; will receive a 2% bonus payment.

For purposes of the bonus payment calculation, the percentage is multiplied by the regular base salary (not including car allowance, phone allowance, or any other additional allowances or additions) paid over the last 12-consecutive months (26-payroll periods).

For purposes of this policy, an employee "in good standing" is defined as: (i) Employee's employment with Chino Basin Watermaster has not been terminated for any reason; (ii) Employee is not on probation of any kind from Chino Basin Watermaster; (iii) Employee is eligible for rehire.

For purposes of this policy, the use of vacation and/or sick time during the period is permitted only as follows: 120-days allows for no more than a total of four (4) full days, in any combination of vacation and/or sick time, to qualify for the payment; 90-days allows for no more than a total of three (3) full days, in any combination of vacation and/or sick time, to qualify for the payment; and 60-days allows for no more than a total of two (2) full days, in any combination of vacation and/or sick time, to qualify for the payment.

ATTACHMENTS:

1. Proposed Amended CBWM Retirement Policy 3.16

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3.16 RETIREMENT

As a part of an employee benefit, Watermaster pays the employer's contribution to CalPERS. With the adoption of Public Employees' Pension Reform Act of 2013 (PEPRA), the pension system has changed. Depending upon your member classification "Classic or New" with CalPERS, Watermaster may pay a portion of the employee contribution to CalPERS or the employee could be responsible for the entire employee portion to CalPERS.

All regular and introductory employees hired after January 1, 2013 will be enrolled in the 2% @ 62 Public Employees Retirement System (CalPERS), and shall be subject to such terms and conditions as Watermaster may contract for with CalPERS.

All regular and introductory employees hired before January 1, 2013 will be enrolled in the 2.5% @ 55 Public Employees Retirement System (CalPERS), and shall be subject to such terms and conditions as Watermaster may contract for with CalPERS.

If an employee in good standing, provides written notice to the General Manager of his/her intent to formally retire from Watermaster within the guidelines listed below, the corresponding percentage incentive payment (less applicable payroll taxes and any accompanying deductions required by law) will be issued on the last/final payroll check as follows:

Employee provides at least a 120-day written notice before the effective date of retirement and continues full employment until the effective date; will receive a 4% bonus payment.

Employee provides at least a 90-day written notice before the effective date of retirement and continues full employment until the effective date; will receive a 3% bonus payment.

Employee provides at least a 60-day written notice before the effective date of retirement and continues full employment until the effective date; will receive a 2% bonus payment.

For purposes of the bonus payment calculation, the percentage is multiplied by the regular base salary (not including car allowance, phone allowance, or any other additional allowances or additions) paid over the last 12-consecutive months (26-payroll periods).

For purposes of this policy, an employee "in good standing" is defined as: (i) Employee's employment with Chino Basin Watermaster has not been terminated for any reason; (ii) Employee is not on probation of any kind from Chino Basin Watermaster; (iii) Employee is eligible for rehire.

For purposes of this policy, the use of vacation and/or sick time during the period is permitted only as follows: 120-days allows for no more than a total of four (4) full days, in any combination of vacation and/or sick time, to qualify for the payment; 90-days allows for no more than a total of three (3) full days, in any combination of vacation

and/or sick time, to qualify for the payment; and 60-days allows for no more than a total of two (2) full days, in any combination of vacation and/or sick time, to qualify for the payment.

See Section 3.1.7 for additional information regarding employer and employee contributions or contact the Chief Financial Officer. Watermaster policy regarding retirement could change depending upon future legislative changes, CalPERS requirements, or Watermaster Board decisions.

CHINO BASIN WATERMASTER

- I. CONSENT CALENDAR (Watermaster Board Only)**
- E. AMENDMENT TO CHINO BASIN WATERMASTER RESIGNATION
POLICY 4.23.2**



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: July 26, 2018

TO: Board Members

SUBJECT: Amendment to Chino Basin Watermaster Resignation Policy 4.23.2 (Consent Calendar Item I.E.)

SUMMARY

Issue: Chino Basin Watermaster Resignation Policy 4.23.2.

Recommendation: Approve the Amendment of the Existing Resignation Policy 4.23.2.

Financial Impact: There is no financial impact if a Watermaster employee does not provide written resignation to the General Manager within the required timeframes, when resigning from Watermaster. The financial impact could range between a minimum of 2% and a maximum of 4% of an employee's salary, for a Watermaster employee who provides the required written resignation to the General Manager, within the required timeframes, when resigning from Watermaster.

Future Consideration

Watermaster Board – July 26, 2018: Approve [Normal Course of Business]

ACTIONS:

Watermaster Board – July 26, 2018:

BACKGROUND

The Chino Basin Watermaster currently has a Resignation Policy documented by Policy 4.23.2 of the Watermaster Employee Manual. The current policy states the following:

4.23.2 Resignation

An employee may resign employment by submitting a written resignation at least two (2) weeks before the effective date. Failure to do so may result in disqualification for future employment with the Watermaster. Absence without approval for more than three (3) consecutive days, or failure to return from vacation or from an approved leave of absence may be considered a voluntary resignation.

DISCUSSION

During the Personnel Committee meeting held on Tuesday, May 22, 2018, the General Manager presented the concept of providing a financial incentive to any Watermaster employee who is in good standing and provides a written notice to the General Manager, within specific guidelines and timeframes, of their intent to resign from Watermaster. The purpose of this incentive is to assist Watermaster with the smooth transition of an employee who is leaving, gaining valuable assistance in reducing the learning curve for a new employee, and ensuring the work load is current and not falling behind schedule. After some discussion, there was support by the Personnel Committee to move forward with the amendment to the existing Resignation Policy 4.23.2.

At the Board meeting on June 28, 2018, this item was part of the Consent Calendar. Mr. Kavounas pulled this item from the June 28, 2018 Board meeting Consent Calendar to address three specific clarification points requested by Ms. Teri Layton. Her questions have been addressed as follows:

1. What is the vesting period? ANSWER: The vesting period is no less than three (3) years of continuous employment with Chino Basin Watermaster to be eligible.
2. Can vacation and/or sick be used to supplement hours worked once the Resignation Notice has been received by the General Manager? ANSWER: All vacation requests are pre-approved by the immediate supervisor or the General Manager. The use of extended vacation time during the period would be restricted. To be eligible for the payment detailed in the Resignation Policy 4.23.2, the use of vacation and/or sick time during the period would be limited to the following: 90-days allows for no more than a total of three (3) full days, in any combination of vacation and/or sick time, to qualify for the payment; 60-days allows for no more than a total of two (2) full days, in any combination of vacation and/or sick time, to qualify for the payment; and 30-days allows for no more than a total of one (1) full day, in any combination of vacation and/or sick time, to qualify for the payment.
3. What is the definition of the term "in good standing"? ANSWER: The term "in good standing" is defined as: (i) Employee's employment with Chino Basin Watermaster has not been terminated for any reason; (ii) Employee is not on probation of any kind from Chino Basin Watermaster; (iii) Employee is eligible for rehire.

The following language to amend the Resignation Policy 4.23.2 is proposed:

If an employee in good standing provides written notice to the General Manager of his/her intent to resign employment within the guidelines listed below, the corresponding percentage incentive payment (less applicable payroll taxes and any accompanying deductions required by law) will be issued as part of the last/final payroll check as follows:

Employee provides at least a 90-day written notice before the effective date of resignation and continues full employment until the effective date; will receive a 4% bonus payment.

Employee provides at least a 60-day written notice before the effective date of resignation and continues full employment until the effective date; will receive a 3% bonus payment.

Employee provides at least a 30-day written notice before the effective date of resignation and continues full employment until the effective date; will receive a 2% bonus payment.

For purposes of the bonus payment calculation, the percentage is multiplied by the regular base salary (not including car allowance, phone allowance, or any other additional allowances or additions) paid over the last 12-consecutive months (26-payroll periods).

For purposes of this policy, an employee "in good standing" is defined as: (i) Employee's employment with Chino Basin Watermaster has not been terminated for any reason; (ii) Employee is not on probation of any kind from Chino Basin Watermaster; (iii) Employee is eligible for rehire.

For purposes of this policy, the use of vacation and/or sick time during the period is permitted only as follows: 90-days allows for no more than a total of three (3) full days, in any combination of vacation and/or sick time, to qualify for the payment; 60-days allows for no more than a total of two (2) full days, in any combination of vacation and/or sick time, to qualify for the payment; and 30-days allows for no more than a total of one (1) full day, in any combination of vacation and/or sick time, to qualify for the payment.

ATTACHMENTS:

1. Proposed Amended CBWM Resignation Policy 4.23.2

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4.23.2 Resignation

An employee may resign employment by submitting a written resignation at least two (2) weeks before the effective date. Failure to do so may result in disqualification for future employment with the Watermaster. Absence without approval for more than three (3) consecutive days, or failure to return from vacation or from an approved leave of absence may be considered a voluntary resignation.

If an employee in good standing provides written notice to the General Manager of his/her intent to resign employment within the guidelines listed below, the corresponding percentage incentive payment (less applicable payroll taxes and any accompanying deductions required by law) will be issued as part of the last/final payroll check as follows:

Employee provides at least a 90-day written notice before the effective date of resignation and continues full employment until the effective date; will receive a 4% bonus payment.

Employee provides at least a 60-day written notice before the effective date of resignation and continues full employment until the effective date; will receive a 3% bonus payment.

Employee provides at least a 30-day written notice before the effective date of resignation and continues full employment until the effective date; will receive a 2% bonus payment.

For purposes of the bonus payment calculation, the percentage is multiplied by the regular base salary (not including car allowance, phone allowance, or any other additional allowances or additions) paid over the last 12-consecutive months (26-payroll periods).

For purposes of this policy, an employee "in good standing" is defined as: (i) Employee's employment with Chino Basin Watermaster has not been terminated for any reason; (ii) Employee is not on probation of any kind from Chino Basin Watermaster; (iii) Employee is eligible for rehire.

For purposes of this policy, the use of vacation and/or sick time during the period is permitted only as follows: 90-days allows for no more than a total of three (3) full days, in any combination of vacation and/or sick time, to qualify for the payment; 60-days allows for no more than a total of two (2) full days, in any combination of vacation and/or sick time, to qualify for the payment; and 30-days allows for no more than a total of one (1) full day, in any combination of vacation and/or sick time, to qualify for the payment.

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

A. FISCAL YEAR 2017/18 BUDGET TRANSFER (FORM T-18-06-01)



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: July 26, 2018
TO: Advisory Committee Members
Board Members
SUBJECT: Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) (Business Item II.A.)

SUMMARY

Issue: Approve Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) - (Advisory Committee).
Adopt Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) - (Board).

Recommendation: Approve Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) as presented - (Advisory Committee).

Adopt Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) as presented - (Board).

Financial Impact: No financial impact. The Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) is a reallocation of approved budgeted funds and does not have any financial impact on the total FY 2017/18 "Amended" budget of \$16,350,693.24 which includes \$4,119,779.24 of Carry-Over funding.

Future Consideration

Advisory Committee – July 26, 2018: Approval

Watermaster Board – July 26, 2018: Adoption (Advisory Committee approval required)

ACTIONS:

Appropriative Pool – July 19, 2018: Unanimously recommended Advisory Committee approval

Non-Agricultural Pool – July 19, 2018: Unanimously approved recommendation as presented and directed the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate

Agricultural Pool – July 19, 2018: Unanimously recommended Advisory Committee approval

Advisory Committee – July 26, 2018:

Watermaster Board – July 26, 2018:

BACKGROUND

Utilizing the Watermaster's accounting software (Intuit QuickBooks Enterprise Solutions 18.0), on a continuing basis the Watermaster staff reviews the budget vs. actual reports and ensures that adequate budget and funds are maintained. Watermaster also provides monthly financial reports to keep all members apprised of the actual and projected total expenses for the current fiscal year. Watermaster also provides a process for reallocating budget to other expense categories to provide continued funding, or amending the approved budget to ensure the categories are funded properly.

BUDGET TRANSFERS:

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

The Chino Basin Watermaster budget has four main budget categories:

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

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

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

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

DISCUSSION

Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01)

The attached Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) is provided as documentation to clearly show which general ledger accounts are being reduced and which general ledger accounts are being increased. Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) is reallocating existing approved budget dollars between Watermaster accounts as needed at the fiscal year-end June 30, 2018. The Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) is a "net zero" document, which means the budget reductions of \$372,000 and budget additions of \$372,000 within the general ledger accounts are equal. There is no change to the overall budget as a result of Fiscal year 2017/18 Budget Transfer (Form T-18-06-01) and no new funds or assessments are required. The effective date of the Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) will be June 30, 2018 and all adjustments will be recorded within the June 2018 accounting period.

The general ledger accounts increased by Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01) are the Agricultural Pool Legal Services expenses (account 8467) in the amount of \$100,000; the BHFS Legal-Miscellaneous expenses (account 6078) in the amount of \$27,000; and the BHFS Legal-Miscellaneous expenses (account 6078) in the amount of \$245,000 [$\$100,000 + \$27,000 + \$245,000 = \$372,000$].

The budget reductions in the amount of \$372,000 are from the following areas of the FY 2017/18 expense budget: Agricultural Pool Special Projects expense (account 8471) of \$73,847; Board Workshop Expenses-Miscellaneous (account 6375.2) of \$14,000; Travel and Transportation expenses (account

6179) of \$28,399; Comprehensive Recharge-O&M expenses (account 7206) of \$10,754; Watermaster Staff Salaries (accounts 6901 and 7601) of \$27,000 and \$35,000 respectively; BHFS Legal-Storage Agreement expenses (account 6907.4) of \$93,000; BHFS Legal-Santa Ana River Habitat expenses (account 6907.36) of \$58,000; BHFS-Appropriative Pool Legal Service expense (account 8375) of \$12,000; BHFS-Non-Agricultural Pool Legal Service expense (account 8575) of \$12,000; and BHFS Legal-Board Workshops expenses (account 6375.1) of \$8,000. [$\$73,847 + \$14,000 + \$28,399 + \$10,754 + \$27,000 + \$35,000 + \$93,000 + \$58,000 + \$12,000 + \$12,000 + \$8,000 = \$372,000$].

The Approved "Amended" Budget for FY 2017/18 of \$16,350,693.24 (which includes the additional "Carry Over" funding of \$4,119,779.24) was NOT increased with the Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01).

SOURCES OF FUNDING:

Agricultural Pool Special Projects of \$73,847

The FY 2017/18 amended budget for the Agricultural Pool Special Projects (account 8471) was funded at \$85,000. During the fiscal year, expenses of \$11,153 were recorded for the FY 2017/18 Middle Santa Ana River Pathogen TMDL Task Force Cost Share Project, leaving an available balance of \$73,847 in the account ($\$85,000 - \$11,153 = \$73,847$). There are no further expenses anticipated for FY 2017/18 for this account, with the available balance of \$73,847 being transferred to the Agricultural Pool Legal Services (account 8467), with the budget for (account 8471) at \$11,153 ($\$85,000 - \$73,847 = \$11,153$).

Administrative Expenses - Various Accounts of \$115,153

Various Watermaster Administrative expenses are anticipated to be below budget as of June 30, 2018. These accounts are the Board Workshop Expenses-Miscellaneous expenses (account 6375.2) with a projected available budget balance of \$14,000; Travel and Transportation expenses (account 6179) with a projected available budget balance of \$28,399; Comprehensive Recharge-O&M expenses (account 7206) with a projected available budget balance of \$10,754; and Watermaster staff salaries (accounts 6901 and 7601) with projected available budget balances of \$27,000 and \$35,000 respectively. The combination of these five Watermaster Administrative expense categories in the amount of \$115,153 ($\$14,000 + \$28,399 + \$10,754 + \$27,000 + \$35,000 = \$115,153$) are available for use as of June 30, 2018.

BHFS Legal - Various Accounts of \$183,000

Various BHFS Legal Service expenses are anticipated to be below budget as of June 30, 2018. These accounts are the BHFS Legal-Storage Agreements expense (account 6907.4) with a projected available budget balance of \$93,000; BHFS Legal-Santa Ana River Habitat expenses (account 6907.36) with a projected available budget balance of \$58,000; BHFS-Appropriative Pool Legal Service expense (account 8375) with a projected available budget balance of \$12,000; BHFS-Non-Agricultural Pool Legal Service expense (account 8575) with a projected available budget balance of \$12,000; and the BHFS Legal-Board Workshops expense (account 6375.1) with a projected available budget balance of \$8,000. The combination of these five BHFS accounts in the amount of \$183,000 ($\$93,000 + \$58,000 + \$12,000 + \$12,000 + \$8,000 = \$183,000$) are available for use as of June 30, 2018.

USES OF FUNDING:

Agricultural Pool Legal Services of \$100,000

The FY 2017/18 Agricultural Pool Legal Services budget (account 8467) was originally approved at \$205,000. The annual Agricultural Pool Legal Services budget was equally divided into 12 months and allocated to the FY 2017/18 budget, by month. Watermaster has been consistently reporting an over budget as a result of ongoing legal activities in this area for the entire fiscal year. During the preliminary financial closing, it was determined that the year-to-date expenses as of June 30, 2018 for the category of Agricultural Pool Legal Services was over budget by \$100,000 and needed additional funding. The

transfer of budget funds in the amount of \$100,000 from the following accounts will correct the budget shortfall: (1) the transfer of funds from the Agricultural Pool Special Projects expenses (account 8471) in the amount of \$73,847; (2) the transfer of funds from the Board Workshop Expenses-Miscellaneous expenses (account 6375.2) in the amount of \$14,000; and the transfer of funds from the Travel and Transportation expenses (account 6179) in the amount of \$12,152 ($\$73,847 + \$14,000 + \$12,153 = \$100,000$).

BHFS-Legal-Miscellaneous of \$27,000

The Watermaster Legal Services budget was developed jointly by the Watermaster staff and Brownstein Hyatt Farber Schreck staff with specific assumptions regarding the tasks and legal activities that would occur during FY 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. The total BHFS Legal Services budget (consolidating the three categories of Watermaster Administrative Legal Services of \$176,075, Pool/Advisory/Board Meeting legal expenses of \$191,233, and OBMP legal expenses of \$597,475) is the consolidated budgeted amount of \$964,783 ($\$176,075 + \$191,233 + \$597,475 = \$964,783$).

During the preliminary financial closing, it was determined that the BHFS consolidated year-to-date expenses as of June 30, 2018 in the amount of \$991,393 was above the budgeted amount of \$964,783 by \$26,610 ($\$991,393 - \$964,783 = \$26,610$). As a result, a budget transfer is required. The transfer of funds in the amount of \$27,000 from the following accounts will correct the budget shortfall: (1) the transfer of funds from the Travel and Transportation expenses (account 6179) in the amount of \$16,246; and (2) the transfer of funds from the Comprehensive Recharge-O&M expenses (account 7206) in the amount of \$10,754 ($\$16,246 + \$10,754 = \$27,000$).

BHFS-Legal-Miscellaneous of \$245,000

The Watermaster Legal Services budget was developed jointly by the Watermaster staff and Brownstein Hyatt Farber Schreck staff with specific assumptions regarding the tasks and legal activities that would occur during FY 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. The total BHFS Legal Services budget (consolidating the three categories of Watermaster Administrative Legal Services of \$176,075, Pool/Advisory/Board Meeting legal expenses of \$191,233, and OBMP legal expenses of \$597,475) is the consolidated budgeted amount of \$964,783 ($\$176,075 + \$191,233 + \$597,475 = \$964,783$).

During the preliminary financial closing of the year-to-date expenses as of June 30, 2018, two of the three BHFS legal categories were under budget, while one category was over budget. The two categories of BHFS legal expenses which were under budget were: (1) the Pools/Advisory/Board legal expenses under budget by \$60,343; and (2) the OBMP Legal expenses under budget by \$157,615. The category over budget was the Administrative legal services (6070's) over budget by \$244,568. As a result a budget transfer of \$244,568 is required. The transfer of funds in the amount of \$245,000 from the following accounts will correct the budget shortfall: (1) the transfer of funds from the Watermaster Staff Salaries expenses (accounts 6901 and 7601) in the amounts of \$27,000 and \$35,000 respectively; (2) the transfer of funds from the BHFS Legal-Storage Agreements expenses (account 6907.4) in the amount of \$93,000; (3) the transfer of funds from the BHFS Legal-Santa Ana River Habitat expenses (account 6907.36) in the amount of \$58,000; (4) the transfer of funds from the BHFS Legal-Appropriative Pool expenses (account 8375) in the amount of \$12,000; (5) the transfer of funds from the BHFS Legal-Non-Agricultural Pool expenses (account 8575) in the amount of \$12,000; and (6) the transfer of funds from the BHFS Legal-Board Workshop expenses (account 6375.1) in the amount of \$8,000 ($\$27,000 + \$35,000 + \$93,000 + \$58,000 + \$12,000 + \$12,000 + \$8,000 = \$245,000$).

ATTACHMENT

1. Fiscal Year 2017/18 Budget Transfer (Form T-18-06-01)

CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. ADVISORY COMMITTEE REQUEST FOR WATERMASTER ASSISTANCE



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: July 26, 2018

TO: Advisory Committee Members
Board Members

SUBJECT: Advisory Committee Request for Watermaster Assistance: 1. Exhibit "G" Transfer Rate Amendment; 2. Peace Agreement Paragraph 5.3(e) Interpretation 3. Amendments to Judgment and CAMA to Implement Settlement Agreement Regarding Appeal From April 28, 2017 Order (Business Item II.B.)

SUMMARY

Issue: During its June 21, 2018 meeting, the Advisory Committee, by unanimous vote, requested assistance from Watermaster in drafting a document containing potential changes to the Judgment, Peace and Peace II Agreements. At its June 28, 2018 meeting, the Board instructed legal counsel to prepare a draft agreement in response to the Advisory Committee's request.

Recommendation: Discuss and possibly take action.

Financial Impact: Legal expenses for these activities are included in the overall legal services budget for FY 2018/19.

Future Consideration

Advisory Committee – July 26, 2018: Discussion and possible action

Watermaster Board – July 26, 2018: Discussion and possible action [Advisory Committee Approval Required]

ACTIONS:

Appropriative Pool – July 19, 2018: Discussion only, no action

Non-Agricultural Pool – July 19, 2018: Discussion only, no action

Agricultural Pool – July 19, 2018: Unanimously voted to approve the process and the documents contingent on some modifications

Advisory Committee – July 26, 2018:

Watermaster Board – July 26, 2018:

BACKGROUND AND DISCUSSION

The June 2018 agendas for Pools and Advisory Committee meetings included three items that have been discussed in the recent months. The three items are Exhibit "G" Transfer Rate Amendment, Peace Agreement Paragraph 5.3(e) Interpretation, and Amendments to the Judgment and Court Approved Management Agreements (CAMA) to Implement Settlement Agreement Regarding Appeal from April 28, 2017 Order.

The first item titled "Exhibit "G" Transfer Rate Amendment" offered potential language to remedy the problem that was created when MWD eliminated its Replenishment Rate. Since the transfer mechanism contemplated in Paragraph 9 of Exhibit "G" depended on MWD's Replenishment Rate, the mechanism was rendered moot, and the Non-Agricultural and Appropriative Pools began an annual negotiation of a transfer rate, with the requisite Court approval. Potential language to remedy this inefficient approach was offered and considered by the Pools during their June 14, 2018 meetings.

The item titled "Peace Agreement Paragraph 5.3(e) Interpretation" presented a potential interpretation of Peace Agreement language pertaining to the ability of Non-Agricultural Pool parties to transfer water to Watermaster for Desalter Replenishment Obligation. The question had been previously (2015) raised by the City of Ontario, and was also included in the Term Sheet presented by the six parties to the Appeal from the April 28, 2017 Order. A potential interpretation of the language was offered for the Pools' consideration.

Finally, the item titled "Amendments to the Judgment and Court Approved Management Agreements (CAMA) to Implement Settlement Agreement Regarding Appeal from April 28, 2017 Order" was presented for consideration by the Pools at the request of the six parties to the Appeal. The proposed Amendments represent the changes to the mentioned documents necessary to implement the Term Sheet distributed earlier in 2018 by the six parties.

During the June 21, 2018 Advisory Committee consideration, it was recognized that all three items relate to the settlement of the ongoing Appeal from the April 28, 2017 Court Order and could be combined into a single document to be considered by the Pools and Advisory Committee during a future meeting.

A motion was made by the City of Chino Hills for Watermaster assistance in drafting a master document and was seconded by City of Pomona, one of the appellants. In seconding the motion the City's representative expressed his appreciation for the understanding by the Agricultural and Non-Agricultural Pools and the other parties in the Appropriative Pool, and that Watermaster assistance would be a helpful step in moving toward resolving the appeal. The motion requested that a document be prepared that could be openly considered by the Pools. During its June 28, 2018 meeting the Watermaster Board authorized staff and Counsel to proceed with the requested effort.

During the July 19, 2018 Pool meetings, under Business Item II.B., Watermaster staff and Counsel presented three documents (Attachments 4, 5, and 6) that are responsive to the Advisory Committee's request for assistance to the three Pools; these documents constitute a response to the Advisory Committee's request for assistance and do not represent endorsement or support by the Watermaster Board. The documents contain the necessary changes to the Judgment and Court-ordered agreements that accomplish the objectives of the Term Sheet distributed by the six parties to the Appeal; clarify the interpretation of paragraph 5.3(e) of the Peace Agreement; and describe edits to Paragraph 9 of Exhibit "G" of the Judgment. The first document also describes a process that would lead to a resolution of the ongoing appeal.

The three Pools considered the matter during the July 19, 2018 meetings. The Appropriative and Non-Agricultural Pools took no action. The Agricultural Pool voted unanimously to approve the process and the documents contingent on some modifications. The full text of the Agricultural Pool motion is shown in Attachment 7.

ATTACHMENTS

1. June 21, 2018 Staff Report titled "Exhibit "G" Transfer Rate Amendment"
2. June 21, 2018 Staff Report titled "Peace Agreement Paragraph 5.3(e) Interpretation"
3. June 21, 2018 Staff Report titled "Amendments to the Judgment and Court Approved Management Agreements (CAMA) to Implement Settlement Agreement Regarding Appeal from April 28, 2017 Order"
4. Document titled "2018 Acknowledgment and Consent to CAMA Amendments"
5. Document titled "Memorandum of Understanding Regarding Contributions of Safe Yield For Desalter Replenishment"
6. Amendments to subparagraphs (a) – (d) of Paragraph 9 of Exhibit "G"
7. July 19, 2018 Agricultural Pool motion on Business Item II.B.

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CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: June 21, 2018
TO: Advisory Committee Members
SUBJECT: Exhibit "G" Transfer Rate Amendment (Business Item II.C.)

SUMMARY

Issue: Section 9(d) of Exhibit "G" to the Restated Judgment, the Overlying (Non-Agricultural) Pool Pooling Plan, defines the price at which Watermaster will purchase water from the Non-Agricultural Pool on an annual basis relative to "...the then-prevailing "MWD Replenishment Rate"...". Since the MWD rate structure has changed and there is no Replenishment Rate, a new transfer rate needs to be identified.

Recommendation: Offer advice and assistance on amending Section 9(d) of Exhibit "G" regarding the transfer rate.

Financial Impact: There is no financial impact as a result of this recommendation.

ACTIONS:

Appropriative Pool – June 14, 2018: Gave permission to its Legal Counsel to work with Watermaster's Legal Counsel to work as to the process of bringing the item forward.

Non-Agricultural Pool – June 14, 2018: Supports an Exhibit "G" transfer rate amendment allowing the Non-Agricultural Pool to solely decide the price at which to offer water for sale; the Non-Agricultural Pool directs Pool Counsel and Pool Chair to work with the Appropriative Pool and Counsel, and Watermaster to determine the final language to amend Exhibit "G" and file the necessary paperwork with the Court.

Agricultural Pool – June 15, 2018: Offered no advice

Advisory Committee – June 21, 2018: Voted unanimously to request Watermaster assistance in drafting a document that would include all proposed changes to the Restated Judgment, Peace and Peace II Agreements to advance further Pool and Advisory Committee discussion on settlement of the Appeal from the April 28, 2017 Court Order.

BACKGROUND

Since the unexpected MWD rate structure change eliminated the Replenishment Rate, the transfer rate identified in Exhibit "G" has become the subject of annual negotiations between the Appropriative and Non-Agricultural Pools. The negotiations, when successful, have resulted in a Court filing requesting that the Court allow a deviation from the Judgment and the use of the negotiated rate for one year. This has happened on several occasions in the last few years.

During Fiscal Year 2017/18 the two Pools were unable to reach agreement on a transfer rate and the process did not function as intended. An agreed upon transfer rate is essential to facilitate the Exhibit "G" process and allow it to function predictably and smoothly each year.

DISCUSSION

The language in Attachment 1 was developed through several discussions among a number of Non-Agricultural and Appropriative parties.

While Section 9(d) of Exhibit "G" to the Restated Judgment provides that available water will be purchased at "...92% of the then-prevailing "MWD Replenishment Rate"..." there is no requirement to develop a new transfer rate using any formula. In light of future uncertainty in rate structures, available supplies, and many other factors, using a formula would be an invitation to future renegotiations and uncertainty. The potential language in Attachment 1 would allow Non-Agricultural Pool parties, collectively, to annually set the asking price for any transfers, without using a formula and could lead to a more lasting solution to the need for a rate for these transfers.

Since no party is required to either buy or sell water through Exhibit "G" annual transfers, allowing the members of the Non-Agricultural Pool to determine their own asking price would be an incentive to be reasonable and set a transfer rate that reflects the market and will induce Appropriators to purchase water.

Ultimately a functional Exhibit "G" transfer process preserves a process for Non-Agricultural Pool parties whose production is less than their water rights to transfer their surplus water and make it available to Appropriators.

An amendment to the Exhibit "G" transfer rate would require Court approval. The Pools are being asked to offer their advice and assistance on developing language, such as that in Attachment 1, that would be acceptable to all parties and could be filed with the Court for its approval.

ATTACHMENTS

1. Potential Modification to Exhibit "G" Transfer Rate language

Potential Modification to Exhibit "G" Transfer Rate language

(a) By December 31 of each year, the members of the Overlying (Non-Agricultural) Pool shall notify Watermaster of the amount of water each member shall make available in their individual discretion for purchase by the Appropriators, **and the price at which all the water made available is being offered to Appropriative Pool parties.** By January 31 of each year, Watermaster shall provide a Notice of Availability of each Appropriator's pro-rata share of such water;

(b) Except as they may be limited by paragraph 9(e) below, each member of the Appropriative Pool will have, in their discretion, a right to purchase its pro-rata share of the supply made available from the Overlying (Non-Agricultural) Pool at the price **at which the water is being offered established in 9(d) below.** Each Appropriative Pool member's pro-rata share of the available supply will be based on each Producer's combined total share of Operating Safe Yield and the previous year's actual Production by each party;

(c) If any member of the Appropriative Pool fails to irrevocably commit to their allocated share by March 1 of each year, its share of the Overlying (Non-Agricultural) Pool water will be made available to all other members of the Appropriative Pool according to the same proportions as described in 9(b) above and at the price **at which the water is being offered established in Paragraph 9(d) below.** Each member of the Appropriative Pool shall complete its payment for its share of water made available by June 30 of each year.

(d) Commensurate with the cumulative commitments by members of the Appropriative Pool pursuant to (b) and (c) above, Watermaster will purchase the surplus water made available by the Overlying (Non-Agricultural) Pool water on behalf of the members of the Appropriative Pool on an annual basis at **the price at which the water is being offered 92% of the then-prevailing "MWD Replenishment Rate"** and each member of the Appropriative Pool shall complete its payment for its determined share of water made available by June 30 of each year.

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: June 21, 2018
TO: Advisory Committee Members
SUBJECT: Peace Agreement Paragraph 5.3(e) Interpretation (Business Item II.D.)

SUMMARY

Issue: The practical meaning of Peace Agreement Paragraph 5.3(e) needs to be clarified by the parties for Watermaster to enforce.

Recommendation: Offer advice and assistance on the interpretation of the language.

Financial Impact: There is no financial impact as a result of the recommendation.

ACTIONS:

Appropriative Pool – June 14, 2018: Gave permission to its Legal Counsel to work with Watermaster's Legal Counsel to work as to the process of bringing the item forward.

Non-Agricultural Pool – June 14, 2018: Supports the interpretation that any individual Non-Agricultural Pool party can make direct arrangements with any individual Appropriative Pool party, and pursuant to those arrangements transfer their water to Watermaster toward the Desalter Replenishment Obligation of that individual Appropriative Pool party; the Non-Agricultural Pool directs Pool Counsel and Pool Chair to work with the Appropriative Pool Chair and Pool Counsel, and Watermaster to determine final language and implement the procedure allowing such transactions.

Agricultural Pool – June 15, 2018: Offered no advice

Advisory Committee – June 21, 2018: Voted unanimously to request Watermaster assistance in drafting a document that would include all proposed changes to the Restated Judgment, Peace and Peace II Agreements to advance further Pool and Advisory Committee discussion on settlement of the Appeal from the April 28, 2017 Court Order.

BACKGROUND

Peace Agreement Paragraph 5.3(e) states:

Watermaster shall approve the Transfer or lease of the quantified Production rights of Non-Agricultural Producers within the Non-Agricultural Pool subject to the provisions of paragraph (b) above. The right to Transfer within the pool includes the right to lease water to other members of the Non-Agricultural Overlying Pool. In addition, the parties to the Judgment with rights within the Non-Agricultural Pool shall have the additional right to Transfer their rights to Watermaster for the purposes of Replenishment for a Desalter or for a Storage and Recovery Program.

The practical application of the last sentence needs to be clarified for Watermaster to be able to administer this term of the Peace Agreement.

During 2015 the City of Ontario proposed an agreement with Watermaster that, if approved, would have provided clarity on the application of the language in question. The item was set aside at the time, though Watermaster provided background information to assist the parties in coming to a conclusion. The May 14, 2015 staff report is shown as Attachment 1 to this staff letter.

DISCUSSION

The language of Peace Agreement 5.3(e) "...parties to the Judgment with rights within the Non-Agricultural Pool shall have the additional right to Transfer their rights to Watermaster for the purposes of Replenishment for a Desalter..." makes clear that a transfer from a Non-Agricultural Pool party to Watermaster to offset Desalter replenishment obligation is permissible. As, other than the Non-Agricultural Pool "haircut", Watermaster has not yet assessed for Desalter Replenishment Obligations, what remains to be clarified is which parties' Desalter replenishment obligations could be offset by such transfers.

As discussed in the May 14, 2015 Watermaster staff report, a permissible interpretation is that a Non-Agricultural Pool party could transfer water to Watermaster to meet the Desalter replenishment obligation of a specific Appropriative Pool party.

Watermaster is seeking the advice and assistance of the parties and the Advisory Committee in making correct interpretations of such transfers. Once clarification is received Watermaster will develop any necessary process and forms to facilitate the transactions, and if necessary, will adopt an appropriate clarification in its Rules and Regulations.

ATTACHMENTS

1. May 14, 2015 Staff Report Titled "City of Ontario Agreement for the Conditional Contribution of Safe Yield to Offset Future Desalter Replenishment" (including 2 attachments)



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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: May 14, 2015
TO: Pool Committees
SUBJECT: City of Ontario Agreement for the Conditional Contribution of Safe Yield to Offset Future Desalter Replenishment

SUMMARY

Issue: The City of Ontario holds both appropriative and overlying water rights and is a member of both the Appropriative and Overlying (Non-Agricultural) Pools. It has indicated that a prospective purchase of water within the Overlying (Non-Agricultural) Pool is dependent upon learning whether it may dedicate a portion of water acquired to off-set a future Desalter replenishment obligation. It anticipates a future obligation to offset or replenish Desalter pumping and seeks confirmation, through an Agreement for the Conditional Contribution of Safe Yield to Offset Future Desalter Replenishment, that it may satisfy its obligation through dedication of Safe Yield arising under its overlying water rights.

Recommendation: Review and recommend Board action as to the proposed Agreement for the Conditional Contribution of Safe Yield to Offset Future Desalter Replenishment with the City of Ontario.

Financial Impact: None

Future Consideration

Non-Agricultural Pool: May 14, 2015; Review and recommend
Agricultural Pool: May 14, 2015; Review and recommend
Appropriative Pool: May 14, 2015; Review and recommend
Advisory Committee: May 21, 2015; Consideration of action
Watermaster Board: May 28, 2015; Consideration of action [Advisory Committee approval required]

ACTIONS:

May 14, 2015 -Appropriative Pool -
May 14, 2015 - Non-Agricultural Pool -
May 14, 2015 - Agricultural Pool –
May 21, 2015 -Advisory Committee –
May 28, 2015 – Watermaster Board –

BACKGROUND

The City of Ontario ("City") is a party to the Judgment and the owner of appropriative and overlying rights, and is a member of the Appropriative and Overlying (Non-Agricultural) Pools. The City has a prospective replenishment obligation attributable to the Desalters as a member of the Appropriative Pool. The City has indicated that it may wish to offset its Desalter Replenishment obligation through contribution of Safe Yield under its overlying water rights. The City has prepared an Agreement for the Conditional Contribution of Safe Yield to Offset Future Desalter Replenishment ("Agreement") to confirm its ability to offset its Desalter Replenishment obligation in this manner.

DISCUSSION

The City

The City is an original party to the 1978 Judgment, pursuant to which it was made a member of the Appropriative Pool, with a 20.742% share of the Operating Safe Yield. The City intervened into the Judgment as an Overlying (Non-Agricultural) Party in September 2008. As a result of its original purchase subsequent transfers, as of May 1, 2015, it has 2,627.807 acre-feet of Safe Yield in the Overlying (Non-Agricultural) Pool ("Non-Ag Pool"), and has requested approval of the permanent transfer of an additional 282.981 acre-feet of Safe Yield in the Non-Ag Pool to be effective in FY15-16.

Desalter Replenishment

A. The Development of the Desalter Replenishment Obligation

1. The Peace Agreement

The obligation for Desalter Replenishment initially arises out of paragraph 7.5 of the Peace Agreement, which provides for replenishment for the Desalters from specified sources in a designated order of priority. Specifically, paragraph 7.5 provides for replenishment first from a Watermaster Desalter Replenishment account composed of 25,000 AF of water abandoned to the Basin by Kaiser¹ and other water previously dedicated for the same purpose, then New Yield of the Basin, Safe Yield of the Basin, and finally "Additional Replenishment Water purchased by Watermaster², the costs of which shall be levied as an Assessment by Watermaster." (Peace Agreement, ¶ 7.5.)

2. First Amendment to Peace Agreement

In 2004, based on changes implemented through the Regional Water Quality Control Board's Basin Plan Amendment for the Chino Basin and the resultant lack of development of previously anticipated "Salt Credits", some Parties to the Peace Agreement contended that they should be relieved of their obligation to provide a share of storm flow recharge New Yield for Desalter Replenishment (First Amendment to Peace Agreement, Recital B.) As a result, the Stormwater component of New Yield was dedicated to the members of the Appropriative Pool according to their percentages of Safe Yield, and was excepted from Desalter Replenishment under Peace Agreement § 7.5(b). (First Amendment to Peace Agreement, ¶ 2.)

¹ This water was abandoned by Kaiser for this purpose pursuant to what Peace Agreement Section 7.2(a)(ii) refers to as "an agreement with the Watermaster, all Pools of Producers from the Chino Basin, Kaiser Ventures, Inc., formerly known as Kaiser Resources, Inc. (Kaiser) and the California Regional Water Quality Control Board, Santa Ana Region (RWQCB), regarding provision of certain water with which to satisfy the Replenishment obligation for operating the Desalter."

² Peace Agreement Section 5.3(e), describing the newly created mechanism through which members of the Overlying (Non-Agricultural) Pool could transfer water held in storage or pursuant to their annual production rights, provides that "the parties to the Judgment with rights within the Non-Agricultural Pool shall have the additional right to Transfer their rights to Watermaster for the purposes of Replenishment for a Desalter..."

3. Peace II Agreement

The Peace II Agreement, which contemplated expansion of the Desalters, further expressed the hierarchy through which water could be dedicated to offset Desalter Production, designating that the Section 6.2 controls the process. (Peace II, § 6.1.) Section 6.2 of the Peace II Agreement ("Peace II Desalter Production Offsets") provides that the Replenishment obligation attributable to Desalter production in any year will be determined by Watermaster by first applying a credit against the total quantity of Desalter Production from:

- (i) the Kaiser account (Peace Agreement Section 7.5(a).);
- (ii) dedication of water from the Overlying (Non-Agricultural) Pool Storage Account;
- (iii) New Yield (other than Stormwater (Peace Agreement Section 7.5(b)));
- (iv) any declared losses from storage in excess of actual losses enforced as a "Leave Behind";
- (v) Safe Yield that may be contributed by the parties (Peace Agreement Section 7.5(c));
- (vi) Any Production of groundwater attributable to the controlled overdraft authorized pursuant to amended Exhibit I to the Judgment.

To the extent available credits applied pursuant to the hierarchy above are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Peace II Section 6.2(b) directs Watermaster to "use water or revenue obtained by levying... assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation." (Peace II, § 6.2(b).)

Section 6.2(b) provides Watermaster shall first levy the Special OBMP Assessment against the Overlying (Non-Agricultural) Pool described in Exhibit "G" to the Judgment³, with water obtained through the assessment being dedicated by Watermaster to further off-set replenishment of the Desalters. (Peace II Agreement, § 6.2(b)(i).)

If, after application of the credits and water obtained pursuant to the Overlying (Non-Agricultural) Pool Special OBMP Assessment described above, a replenishment obligation remains, Watermaster is to levy a Replenishment Assessment against the Appropriative Pool, to be assessed pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production⁴, excluding Desalter Production.

4. Resolution 2010-04

In October 2010, after approval by the Pools and Advisory Committee, the Watermaster Board adopted Resolution 2010-04 in order to confirm the factual and legal assumptions of the Parties as they initiated the final required phase of the Desalter project. The resolution contains commitments by Watermaster and described commitments made by members of the Chino Desalter Authority (CDA) that facilitate the initiation of the final phase of the project.

³ Section 5(c) of the Overlying (Non-Agricultural) Pool Pooling Plan provides, "Special Project OBMP Assessment. Each year, every member of this Pool will dedicate ten (10) percent of their annual share of Operating Safe Yield to Watermaster or in lieu thereof Watermaster will levy a Special Project OBMP Assessment in an amount equal to ten percent of the Pool member's respective share of Safe Yield times the then-prevailing MWD Replenishment Rate."

⁴ Exhibit "D" to Resolution 2010-04 stated that the intended allocation of the residual Replenishment obligation among the members of the Appropriative Pool would be on the basis of 50% Base Annual Production Right and 50% actual Production. It further stated that the formula is used elsewhere in the Peace II Agreement and it is commonly understood by the Parties to the Judgment and Watermaster to apply in this manner. Watermaster staff understands this allocation mechanism to be on the basis of 50% Operating Safe Yield and 50% assessable production, which is the same as that used for the allocation of stored water in the settlement agreements regarding the Overlying (Non-Agricultural) Pool Purchase and Sale Agreements and that provided for allocation of water available through Physical Solution Transfers pursuant to Paragraph 9(b) of Restated Judgment, Exhibit "G".

Because the cost of Desalter Replenishment was anticipated to be significant⁵, as part of their agreement to move forward with the final portion of the Desalter project, the CDA members required certainty as to the manner in which Watermaster would implement Section 6.2 of the Peace II Agreement. The Parties' understanding of that implementation mechanism was included as Exhibit "D" to Resolution 2010-04, titled "Desalter Replenishment Post-Peace II Measures." (See Resolution 2010-04, Whereas Statement 72.) Exhibit "D" describes, by way of example, the manner in which a replenishment obligation might remain after the application of the credits described in the Peace II Section 6.2 hierarchy, described above,

Exhibit "D" further provides that it was the Parties' understanding that any individual member of the Appropriative Pool reserved its discretion to meet its Desalter Replenishment Obligation in any manner that it might choose that is otherwise consistent with the Judgment. By way of example, Exhibit "D" states that a party might "pursue water transfers, remove water from a stored water account or assign a share of Operating Safe Yield⁶" to offset its individual Replenishment Assessment. In this manner, Desalter Replenishment is treated no differently than replenishment for pumping in excess of a party's annual production right: "Nothing contained with[in] Peace II and its treatment of Replenishment for the Desalters limited the pre-existing rights of the parties with respect to Replenishment."

The understanding of the Parties regarding their Desalter Replenishment obligations, as documented in Exhibit "D", was approved by the Court as part of its October 28, 2011 Order after Hearing on Motion for Approval of Watermaster Resolution 2010-04, which ordered,

17. Agreements among the Parties, whatever they may be, for Replenishment, operations, conditions and corresponding consideration without limitations, are unaffected by this determination. However, for the avoidance of doubt, Watermaster Resolution 2010-04, Exhibit "D" accurately summarizes and restates these obligations.

(October 28, 2011 Order after Hearing on Motion for Approval of Watermaster Resolution 2010-04.)

B. Appropriative Pool Parties may meet their Desalter Replenishment Obligations through Either Monetary or Water Contributions

As described above, the obligation for Desalter Replenishment, for existing Desalters is apportioned among the Parties to the Judgment in accordance with the hierarchy set forth in Peace II Section 6.2. Assuming that in a particular year that Desalter Production exceeded water made available through the application of the hierarchy, the remaining obligation would be assumed by the members of the Appropriative Pool in accordance with the melded Annual Production Right and Production formula.

As described above, in the creation of the Peace II Section 6.2 requirements, it was the Parties' understanding, endorsed by the Court in its approval of Resolution 2010-04, that the Members of the Appropriative Pool may meet their Desalter Replenishment Obligations in any manner they choose, including through contribution of water – through the acquisition of water by way of allowed water transfers, through the removal of water from a stored water account or through the assignment of a portion of an annual production right – or may contribute financially toward the necessary cost of offsetting their individual Replenishment Assessments.

⁵ The applicable replenishment obligation arises in regard to the Production of the existing Desalters, as the Production that would occur as a result of the expansion of the Desalters was completely offset through the apportionment of a portion of the 400,000 acre-feet of Re-Operation water, approved by the Court pursuant to Condition Subsequent No. 7.

⁶ Watermaster has previously discussed mechanisms through which these contributions might be made – similar to preemptive replenishment, but there is no standard mechanism for the same. To date, no party has utilized this provision to dedicate Safe Yield for the purpose of offsetting Desalter obligations.

The City's Proposed Agreement

The Agreement states that the City has acquired and may, in the future, acquire Overlying (Non-Agricultural) Pool water rights in Safe Yield, and hold this water in storage "with the intention of subsequently contributing this Safe Yield to Watermaster." (Agreement, ¶ 1.) The Agreement provides that if a Replenishment Obligation arises that is attributable to Desalter Production, as provided in Section 6.2 of the Peace II Agreement, the City may contribute Safe Yield attributable to its overlying rights in the Non-Agricultural Pool to Watermaster for the purpose of offsetting its individual Replenishment Obligation as a member of the Appropriative Pool. (Agreement, ¶ 2.) Upon such a contribution, Watermaster would make a corresponding adjustment to the City's assessment and thereby reduce the City's Replenishment obligation in an amount equal to the number of acre-feet contributed by the City in that year. (Agreement, ¶ 2.)

The City seeks the Agreement to confirm its reading of the Peace and Peace II Agreements that it might utilize Safe Yield from its Non-Ag overlying rights to satisfy its Desalter production offset obligations. Confirmation is sought as this mechanism – dedication of Safe Yield arising from an overlying right to satisfy a specific Appropriator's offset obligation – is not explicitly enumerated in the Peace or Peace II Agreements. Although this mechanism not explicitly enumerated in the Peace or Peace II Agreements, staff's interpretation is that the City's reading is permissible.

A question has arisen as to whether the allowance of such a dedication would be contrary to other provisions of the Watermaster guidance documents, particularly in regard to other provisions of the Non-Ag Pool's Pooling Plan (Exhibit "G" to the Restated Judgment). Section 9 of Exhibit "G" describes the manner in which water may be transferred from the Safe Yield rights of a member of the Overlying (Non-Agricultural) Pool, providing that, during the term of the Peace Agreement, members of the Non-Ag Pool may transfer their quantified Production rights and carry-over water held in storage accounts to other members of the Non-Ag Pool, and to Watermaster and thence to members of the Appropriative Pool in accordance with the clearinghouse process outlined therein, which provides all members of the Appropriative Pool the opportunity to purchase a pro rata share of water made available for transfer. (Restated Judgment, Exhibit "G", 9.)

Consistent with Section 5.3(e) of the Peace Agreement ("...parties to the Judgment with rights within the Non-Agricultural Pool shall have the additional right to Transfer their rights to Watermaster for the purposes of Replenishment of a Desalter") Section 9 of Exhibit "G" additionally provides that such water may be directly transferred to Watermaster for replenishment purposes. Although this section does not expressly indicate that such a transfer may be earmarked to offset the obligation of a particular member of the Appropriative Pool, the language within Peace and Peace II Agreements is susceptible to a common sense interpretation that such dedication is permissible, and the mechanism is not expressly or impliedly limited under the Judgment, Peace I or Peace II, or Watermaster Rules and Regulations.

The Physical Solution Transfers authorized by the Peace Agreement and its progeny have always been construed as collective rights. To date, no party has articulated a good reason for requiring a gross dedication of Safe Yield for the benefit of all members of the Appropriative Pool where only one (or less than all) have provided the consideration for acquiring the underlying rights. Watermaster is seeking review and recommendation as to Watermaster's potential action to confirm that the City may satisfy its Replenishment obligation by dedicating Safe Yield arising under its overlying water rights, and enter into the draft Agreement, subject to obtaining Court approval.

ATTACHMENTS

1. Agreement for the Conditional Contribution of Safe Yield to Offset Future Desalter Replenishment
2. Exhibit "D" to Watermaster Resolution 2010-04

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**AGREEMENT FOR THE CONDITIONAL CONTRIBUTION
OF SAFE YIELD TO OFFSET FUTURE DESALTER REPLENISHMENT**

WHEREAS, Watermaster is charged with responsibility to administer the Judgment and the Optimum Basin Management Program ("OBMP");

WHEREAS, a substantial Replenishment Obligation for the Chino Basin Desalters is projected to arise starting as soon as next fiscal year;

WHEREAS, the City of Ontario ("City") is a party to the Judgment and the owner of appropriative and overlying rights and is a member of the Appropriative and Overlying (Non-Agricultural) Pools;

WHEREAS, the Judgment allocates the Basin's Safe Yield among the Appropriative, Overlying (Agricultural) and Overlying (Non-Agricultural) Pools;

WHEREAS, the City has acquired, and intends to acquire rights to a portion of the Safe Yield allocated among the members of the Overlying (Non-Agricultural) Pool;

WHEREAS, Section 9 of the Overlying (Non-Agricultural) Pooling Plan, Exhibit G to the Judgment, provides that members of the Pool may transfer their quantified Production rights "to Watermaster in conformance with the procedures described in the Peace Agreement between the Parties therein, dated June 29, 2000." Said Peace Agreement at Section 5.3 (e) provides that "parties to the Judgment with rights within the Non-Agricultural Pool shall have the additional right to Transfer their rights to Watermaster for the purposes of Replenishment for a Desalter...";

WHEREAS, Section 7.5(c) of the Peace Agreement provides that "Safe Yield" may be utilized for replenishment of Desalter production;

WHEREAS, pursuant to Peace Agreement II Section 6.2(a), which cites Section 7.5(c) of the Peace Agreement, Watermaster will determine the Replenishment Obligation attributable to the Desalters after taking into account Safe Yield "contributed by the parties";

WHEREAS, Exhibit D to Watermaster Resolution 2010-04, states that a party might pursue water transfers, remove water from a stored water account or assign a share of Operating Safe Yield to offset its individual Replenishment Assessment attributable to the Desalters.

WHEREAS, the City has a prospective Replenishment Obligation attributable to the Desalters as an individual member of the Appropriative Pool, which it may desire to offset through contribution of Safe Yield;

WHEREAS, Watermaster has previously acquired Safe Yield from other Parties to offset subsequent Desalter Replenishment obligations;

WHEREAS, the City intends to conditionally contribute Safe Yield acquired from the Overlying (Non-Agricultural) Pool to Watermaster in accordance with the provisions of

the Peace and Peace II Agreements;

NOW THEREFORE, the parties agree as follows:

AGREEMENT

1. City Acquisition of Safe Yield. The City has acquired and may, in the future, validly acquire Overlying (Non-Agricultural) Pool water rights in Safe Yield from Parties to the Judgment and hold this water in Local Storage with the intention of subsequently contributing this Safe Yield to Watermaster, provided that it complies with all Watermaster rules and regulations concerning the beneficial use and storage of Basin Water, including but not limited to the application of an annual loss from storage until a contribution occurs or the City otherwise elects to use the Safe Yield for another permissible purpose.

2. Contribution. At any time after the date of execution of this Agreement, if a Replenishment Obligation arises that is attributable to Desalter Production, the City may contribute Safe Yield, attributable to its overlying rights in the Non-Agricultural Pool, to Watermaster for the purpose of offsetting its individual Replenishment Obligation as a member of the Appropriative Pool or otherwise. Upon a City contribution, Watermaster will make a corresponding adjustment to the City's assessment and thereby reduce the City's Replenishment obligation in an amount equal to the number of acre-feet contributed by the City in that year.

3. No Prejudice. The execution of this Agreement will be without prejudice to the City's right to use the acquired Safe Yield for permissible purposes under the Judgment.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CHINO BASIN WATERMASTER

By:

Name:
Title:

CITY OF ONTARIO

By:

Name:
Title:

EXHIBIT "D"

DESALTER REPLENISHMENT POST-PEACE II MEASURES

Summary

Desalter Replenishment is controlled by Peace II Section 6.2, attached hereto. As a result of the methodology referenced below, Western Municipal Water District (WMWD) will not incur any replenishment obligation for the 9 mgd expansion. This follows from the fact that WMWD is not a member of the Appropriative Pool and it was not required to become one as a precondition to the approval of the Peace II Measures, although it may elect in its discretion to do so.

WMWD has no share of Operating Safe Yield. Because the formula for apportioning the cost of Replenishment set forth in Section 6.2 attributable to the Desalters expressly excluded Production from the Desalters from the calculation of responsibility, even WMWD's intervention into the Appropriative Pool would not trigger a Replenishment obligation for WMWD. Specifically, without a share of Operating Safe Yield or any eligible groundwater production, there would be no basis to assess WMWD for a Replenishment Assessment.

It is also true that to the extent WMWD shared a portion of its rights to the 9 mgd expansion with Jurupa Community Services District and the City of Ontario as contemplated by Article VI, there would be no impact on the net Replenishment obligation of any other Party to the Judgment because all of the projected groundwater production planned for the proposed 9 mgd expansion was to be offset by the apportionment of 175,000 acre-feet for this purpose; both in the Court proceeding and in the filing in compliance with Condition Subsequent Number 7 (attached hereto as Exhibit "B").¹ (See below.) Replenishment attributable to the Chino I and Chino II Desalters is also addressed by formula in Peace Agreement II Section 6.2(b)(ii).

Replenishment Example

The obligation for Desalter Replenishment, for existing Desalters (as the Expansion was fully offset) was apportioned among the Parties to the Judgment in accordance with the hierarchy set forth in Peace Agreement II Section 6.2. Thus, assuming in Year X, there was 35,000 acre-feet of Desalter Production, the stated hierarchy of sources would be applied to satisfy the cumulative demand.

- (1) Kaiser: (Peace Agreement II Section 6.2(a)(i))

¹ Subject to an adjustment in the schedule to reflect actual operations.

- (2) No Ag Dedication (Peace Agreement II Section 6.2(a)(ii))
- (3) New Yield other than Storm Water (Peace Agreement II Section 6.2(a)(iii))
- (4) Losses from Storage and Recovery Agreements enforced as a Leave Behind (Peace Agreement II Section 6.2(a)(iv)).
- (5) Contributed safe yield (Peace Agreement II Section 6.2(a)(v))
- (6) Controlled Overdraft as authorized (175 / 225). (Judgment Exhibit I.

Assuming for purposes of this example that the sum of (1)-(5) referenced above in Year X was 10,000 acre-feet, there would be a total Replenishment Requirement of 25,000 acre-feet. That quantity apportioned to the Expansion would be apportioned 10,000 acre-feet to offset that production (assuming the schedule is adhered to) and the balance would be assumed by the Appropriative Pool in accordance with the formula set forth in Section 6.2(b)(ii). In summary, that formula divides the residual Replenishment obligation among the members of the Appropriative Pool on the basis of 50% Base Annual Production Right and 50% actual Production. The actual language of Section 6.2(b)(ii) reads slightly different, but it is not inconsistent. This formula is used elsewhere in the Peace II Agreement and it is commonly understood by the Parties to the Judgment and Watermaster to apply in the manner described in this paragraph and this Exhibit.

The formula expressly, albeit provisionally, excludes Desalter Production from the calculation. This means that the 25,000 acre-feet of production in this example attributed to the Desalters would not form a basis to assess any member of CDA a larger assessment simply because they received desalted water. However, if there is a material reduction in the cost of desalted water, this provision was subject to a re-opener. (See below)

This structure preserves the intention of the parties, the Court and Watermaster to remove the Replenishment obligation from the cost consideration of the Expansion Project. The Replenishment obligation attributed to the Chino I and Chino II Desalters was a pre-existing and known obligation prior to Peace II. The use of water made available by the Peace II Measures substantially reduced the projected Replenishment obligation by 225,000 acre-feet.

It is true that there is a provision in Peace Agreement Section 6.2(b)(ii) that reflects that the exclusion of the Desalter production from the calculation might be revisited if the costs of water from the Desalters were to be materially reduced. However, as of October 28, 2010, Watermaster has no present information and thus no good cause that would suggest that the cost of product water from the Desalters is going to be substantially less than the negotiated price cap. Consequently it would appear that there is no present basis to reconsider this element although Watermaster and the Court would be authorized to revisit this provision if good cause were subsequently presented.

The treatment of Replenishment in any Renewal Term (Post-Peace Agreement 2030) is the subject of negotiation. (Peace Agreement II, Section 6.2(c).). This means that the inter-se allocation of the 400,000 acre-feet is fully addressed during the term of the Peace Agreement. The Parties to the Judgment are free to extend the Peace Agreement for the Renewal Term or to renegotiate any provision as a condition of extension.

Any individual member of the Appropriative Pool reserves discretion to meet their Replenishment Obligation in any manner that they may choose that is otherwise consistent with the Judgment. For example, a party may pursue water transfers, remove water from a stored water account or assign a share of Operating Safe Yield to offset their individual Replenishment Assessment. Nothing contained with Peace II and its treatment of Replenishment for the Desalters limited the pre-existing rights of the parties with respect to Replenishment.

Allocation of 400,000 Acre-Feet

As far as the inter-se apportionment of the allocation, Section 7 of the Peace II Agreement contemplated a fair process to arrive at an apportionment. An initial schedule was transmitted to the Court in response to the Court Order. The schedule was the subject of testimony and further reporting and ultimately a requirement for a schedule to be filed in connection with Condition Subsequent Number 7.

Watermaster filed its apportionment in response to Condition Subsequent Number 7, allocating 175,000 acre-feet to the expansion and 225,000 to the existing Desalters.

Peace Agreement II Section 7.2(e)(ii) authorizes Watermaster to propose revisions to the proposed schedule where good cause exists – supported by a technical explanation. A potential cause to revise the schedule might include the Expansion Project's failure to extract the allocated quantities as a result of delays in construction and operation. It is possible that there may be other public policy reasons that support other potential causes that would support a revision of the schedule, but no such reason has been presented to Watermaster.

In general, modest corrections are fairly likely to be acceptable. Material deviations may suggest a failure in one or more purposes of the OBMP Implementation Plan, and Watermaster is unable to predict how it may respond to the failure of the Expansion Project to proceed as planned.

Legal Effect of WMWD Intervention in the Appropriative Pool

As noted above, there is no requirement in the Peace II Measures that WMWD intervene into the Appropriative Pool. There is a requirement that

WMWD make the Appropriative Pool whole for historic contributions under Peace Agreement II Section 5.5(e). The requirements set forth in Section 5.5(e) of the Peace II Agreement have been satisfied by WMWD's assumption of project risk, out-of-pocket costs presently in excess of \$5 million (\$15 million for the Expansion Parties) and the further assumption of capital and operations and maintenance costs in excess of expectations (the cost-cap as for WMWD's portion of expenses. However, this finding is made only with regard to WMWD's obligation under Section 5.5 to complete final binding agreement(s) regarding Future Desalters. This finding is not intended to have any bearing or impact on the sufficiency of WMWD's assumption of risk and costs for any other purpose, including the availability of a reduced uniform loss percentage under Peace II Agreement Section 7.4. This finding also does not affect WMWD's rights or obligations to intervene into the Appropriative Pool on the terms and conditions that may be fairly agreed among the Appropriative Pool and WMWD.

Transferability of 400,000 Acre-Feet

There is no allocation of any portion of the 400,000 acre-feet to any individual party. The water is made available for the express purpose of offsetting Desalter production in furtherance of obtaining Hydraulic Control through Re-Operation. The water is apportioned as provided in Watermaster's Response to Condition Subsequent Number 7 to the December 21, 2007 Order of the Court.

EXHIBIT D-1

PEACE II AGREEMENT: PARTY SUPPORT FOR WATERMASTER'S OBMP IMPLEMENTATION PLAN, – SETTLEMENT AND RELEASE OF CLAIMS REGARDING FUTURE DESALTERS

6.2 Peace II Desalter Production Offsets. To facilitate Hydraulic Control through Basin Re-Operation, in accordance with the 2007 Supplement to the OBMP Implementation Plan and the amended Exhibits G and I to the Judgment, additional sources of water will be made available for purposes of Desalter Production and thereby some or all of a Replenishment obligation. With these available sources, the Replenishment obligation attributable to Desalter production in any year will be determined by Watermaster as follows:

- (a) Watermaster will calculate the total Desalter Production for the preceding year and then apply a credit against the total quantity from:
 - (i) the Kaiser account (Peace Agreement Section 7.5(a).);
 - (ii) dedication of water from the Overlying (Non-Agricultural) Pool Storage Account;
 - (iii) New Yield (other than Stormwater (Peace Agreement Section 7.5(b)));
 - (iv) any declared losses from storage in excess of actual losses enforced as a "Leave Behind";
 - (v) Safe Yield that may be contributed by the parties (Peace Agreement Section 7.5(c));
 - (vi) any Production of groundwater attributable to the controlled overdraft authorized pursuant to amended Exhibit I to the Judgment.
- (b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriate Pool to meet any remaining replenishment obligation as follows.

- (i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit "G" paragraph 8(c) to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters. However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special Assessment levied by Watermaster will be distributed as provided in Section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member's share of Safe Yield, followed by
 - (ii) A Replenishment Assessment against the Appropriative Pool, pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production. Desalter Production is excluded from this calculation. However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may re-evaluate whether to continue the exclusion of Desalter Production but only after giving due regard to the contractual commitment of the parties.
 - (iii) The quantification of any Party's share of Operating Safe Yield does not include the result of any land use conversions.
- (c) The rights and obligations of the parties, whatever they may be, regarding Replenishment Assessments attributable to all Desalters and Future Desalters in any renewal term of the Peace Agreement are expressly reserved and not altered by this Agreement.



CHINO BASIN WATERMASTER

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PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: June 21, 2018
TO: Advisory Committee Members
SUBJECT: Amendments to Judgment and CAMA to Implement Settlement Agreement Regarding Appeal from April 28, 2017 Order (Business Item II.E.)

SUMMARY

Issue: The parties to the appeal from the April 28, 2017 Order are proposing amendments to the Judgment and CAMA. These are being presented to the Pools for consideration.

Recommendation: Discuss and offer advice.

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

ACTIONS:

Appropriative Pool – June 14, 2018: Gave permission to its Legal Counsel to work with Watermaster's Legal Counsel to work as to the process of bringing the item forward.

Non-Agricultural Pool – June 14, 2018: Directed Pool Counsel to review the proposed changes to the Judgment and specifically request that Paragraph 5.3(e) interpretation be included in a revised settlement agreement draft.

Agricultural Pool – June 15, 2018: Offered no comments at this time.

Advisory Committee – June 21, 2018: Voted unanimously to request Watermaster assistance in drafting a document that would include all proposed changes to the Restated Judgment, Peace and Peace II Agreements to advance further Pool and Advisory Committee discussion on settlement of the Appeal from the April 28, 2017 Court Order.

BACKGROUND

The parties to the Appeal from the April 28, 2017 Order are proposing changes to the Judgment, Peace Agreement and Peace II Agreement, as a means of implementing a settlement agreement to dispose of the pending appeal.

The parties to the appeal also suggest there may be an erroneous reference in Peace II, which could be corrected as part of the same process. In sections 6.2(b)(i) and 9.2(a), "paragraph 8(c)" should be "paragraph 5(c)".

DISCUSSION

The proposed amendments including exhibits were transmitted electronically to the Watermaster distribution list on Friday June 8, 2018 and are shown as Attachment 1. The Pools are requested to discuss these and offer advice.

ATTACHMENTS

1. Work product of parties to the Appeal from April 28, 2017 Order titled "Proposed Changes to Judgment and CAMA"

DRAFT LSGK 6/6/2018

Proposed Changes to Judgment and CAMA

1. As provided in the 2017 Order, paragraph 6 of the Judgment is amended to read as follows:

6. Safe Yield. The Safe Yield of Chino Basin is ~~140,000~~ *135,000* acre-feet per year.

2. The introductory sentence to Exhibit H, ¶10 of the Judgment is amended to read as follows:

10. Unallocated Safe Yield Water. To the extent that, in any ~~year~~ *five years*, any portion of the share of Safe Yield allocated to the Overlying (Agricultural) Pool is not produced, such water shall be available for reallocation to members of the Appropriative Pool, as follows:

3. Section 1.1(o) of the Peace Agreement is amended to read as follows:

(o) “Early Transfer” means the reallocation of Safe Yield not Produced by the Agricultural Pool to the Appropriative Pool on an annual basis *after all land use conversion claims are satisfied* rather than according to the five year increment described in Paragraph 10 of Exhibit “H” of the Judgment;

4. Section 5.3(g) of the Peace Agreement is amended to read as follows:

(g) Watermaster shall approve an “Early Transfer” of water to the Appropriative Pool ~~in an amount not less than 32,800 acre-feet per year that is the expected approximate quantity of water not Produced by the Agricultural Pool~~ *on an annual basis* ~~The quantity of water subject to Early Transfer under this paragraph shall be the greater of (i) 32,800 acre-feet of (ii) 32,800 acre-feet plus the actual quantity of water not Produced by the Agricultural Pool for that Fiscal Year that is remaining after all the land use conversions are satisfied pursuant to 5.3(h) below.~~

- (i) The Early Transfer water shall be annually allocated among the members of the Appropriative Pool in accordance with their pro-rata share of the initial Safe Yield.
- (ii) The Transfer shall not limit the Production right of the Agricultural Pool under the Judgment to Produce up to 82,800 acre-feet of water in any year or 414,000 acre feet in any five years as provided in the Judgment.
- (iii) The combined Production of all parties to the Judgment shall not cause a Replenishment assessment on the members of the Agricultural Pool. The Agricultural Pool shall be responsible for any Replenishment obligation created by the Agricultural Pool Producing more than 414,000 acre-feet in any five-year period.
- (iv) The parties to the Judgment and Watermaster shall Produce water in accordance with the Operating Safe Yield and shall procure sufficient quantities of Replenishment Water to satisfy over-Production requirements, whatever they may be, and avoid Material Physical Injury to any party to the Judgment or the Basin;
- (v) Nothing herein shall be construed as modifying the procedures or voting rights within or by the members of the Agricultural Pool.

5. Subparagraph (b)(3)(i) of Exhibit H, ¶ 10 of the Judgment is amended to read as follows:

(i) For the term of the Peace Agreement *and any extension thereof*, in any year in which sufficient unallocated Safe Yield from the Overlying (Agricultural) Pool is available for such conversion claims, Watermaster shall allocate to each appropriator with a conversion claim 2.0 acre-feet of unallocated Safe Yield water for each converted acre for which conversion has been approved and recorded by the Watermaster.

6. Pursuant to section 7.2(e)(ii) of the Peace II Agreement, 175,000 acre-feet of controlled overdraft (Re-Operation water) will be allocated to Desalter replenishment over a 17-year period, beginning in 2013-14 and ending in 2029-30, according to the schedule attached as Exhibit A.

7. Section 7.1 of the Peace II Agreement, entitled “New Yield Attributable to Desalters,” is deleted. It is replaced by new section 6.2(b)(ii) as set forth below.

8. Section 6.2(b) of the Peace II Agreement is amended to read as follows:

(b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation as follows.

(i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit “G” paragraph 8(c) to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters. However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special Assessment levied by Watermaster will be distributed as provided in section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member’s share of Safe Yield, followed by

(ii) The members of the Appropriative Pool will contribute a total of 10,000 afy toward Desalter replenishment, allocated among Appropriative Pool members as follows:

(1) 85% of the total (8,500 afy) will be allocated according to the Operating Safe Yield percentage of each Appropriative Pool member; and

(2) After all unproduced Overlying (Agricultural) Pool water is allocated pursuant to Exhibit H, paragraph 10 of the Judgment, 15% of the total (1,500 afy) will be allocated according to each land use conversion agency’s percentage of the total land use conversion claims in a particular year. The formula is to be adjusted annually based on the actual land use conversion allocations of the year.

The annual desalter replenishment obligation contribution of each Appropriative Pool member will be calculated using the following formula:

Desalter replenishment obligation contribution = (8,500 * % Appropriator's share of total initial 49,834 afy Operating Safe Yield) + (1,500 * % Appropriator's proportional share of that year's total conversion claims)

A sample calculation of the desalter replenishment obligation contribution for each Appropriative Pool member is shown on Exhibit __ to this Peace II Agreement, as amended.

- (iii) ~~(ii)~~ *A Replenishment Assessment against the Appropriative Pool for any remaining Desalter replenishment obligation, allocated pro-rata to each Appropriative Pool member according to the combined total of the member's share of Operating Safe Yield and the member's Adjusted Physical Production, as defined below. pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production. Desalter Production is excluded from this calculation. A sample calculation of the allocation of the remaining desalter obligation is shown in Exhibit __ to this Peace II Agreement. However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may re-evaluate whether to continue the exclusion of Desalter Production but only after giving due regard to the contractual commitment of the parties.*
- (iv) *Adjusted Physical Production for a particular year is the Appropriative Pool member's total combined physical production (i.e., all groundwater pumped or produced by the Appropriative Pool member's groundwater wells in the Chino Basin), with the following adjustments:*
- (1) *In the case of assignments among Appropriative Pool members, or between Appropriative Pool members and Non-Agricultural Pool members, resulting in pumping or production by one party to the Judgment for use by another party to the Judgment, the production for purposes of Adjusted Physical Production shall be assigned to the beneficiary, not the actual producer.*
 - (2) *Production offset credits pursuant to voluntary agreements under section 5.3(i) of the Peace Agreement are calculated at 50% of the total voluntary agreement credit in the determination of Adjusted Physical Production for an Appropriative Pool member participating in a voluntary agreement for that year. In the determination of Adjusted Physical Production, the voluntary agreement credit is subtracted from physical production. Reduction of the voluntary agreement credit from 100% to 50% is applicable only to the calculation of the Adjusted Physical Production hereunder; but in all other applications, the voluntary agreement credit shall remain unchanged (i.e. remain at 100%).*
 - (3) *Production associated with approved storage and recovery programs (e.g., Dry Year Yield recovery program with MWD) is not counted in Adjusted Physical Production, except that in-lieu participation in such programs shall be added to Adjusted Physical Production.*

- (4) Production that is subsequently recharged to the groundwater basin within the same Year is not counted in Adjusted Physical Production.*
- (5) The Appropriative Pool may approve, by unanimous vote, the inclusion of other items in the determination of Adjusted Physical Production.*
- (v) Any member of the Appropriative Pool that holds Non-Agricultural-Pool water rights as a member of the Non-Agricultural Pool may, in its sole discretion, use them to satisfy its desalter replenishment obligation under this section 6.2(b). Eligible Non-Agricultural-Pool rights are limited to water held in storage as of June, 2017, and annually recurring Non-Agricultural-Pool water rights held as a member of the Non-Agricultural Pool. Eligible Non-Agricultural-Pool rights exclude rights already dedicated to the Special Project OBMP Assessment (10% haircut) under section 6.2(b)(i), and any stored water purchased or water rights leased or temporarily transferred directly from a member of the Non-Agricultural Pool pursuant to Exhibit G, ¶9(i) of the Judgment after June, 2017.*
- (vi) ~~(iii)~~ The quantification of any Party's share of Operating Safe Yield does not include either land use conversions or Early Transfers.*

COMPROMISE AND SETTLEMENT DOCUMENT
 Schedule for Use of ReOperation Water
 5/16/2018

NEW PROPOSAL

Production Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Peace I Desalter Production	29,227.997	29,541.300	27,008.810	26,275.588	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	14.555	448.690	1,154.052	1,527.215	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
AP "DRO Contribution"	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
ReOp Water	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)
NonAg Assessment	0.000	0.000	0.000	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	6,742.552	7,489.990	5,662.862	4,567.803	16,765.000	16,765.000	16,765.000	16,765.000	16,765.000

Production Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Peace I Desalter Production	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
AP "DRO Contribution"	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
ReOp Water	(12,500.000)	(12,500.000)	(12,500.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)
NonAg Assessment	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	16,765.000	16,765.000	16,765.000	24,265.000	24,265.000	24,265.000	24,265.000	24,265.000

Appropriative Pool Desalter Replenishment Obligation Contributions - Production Year 2013-14

Production Year 2013/2014 Desalter Replenishment Obligation (DRO) Contribution:

10,000.000 AF

Appropriative Pool Party	Production Year 2013/14 Common Data (Headings from Approved 2014/2015 Assessment Package)			Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions		
	a	b	c = %b	d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
	Percent of Operating Safe Yield (Column 2A)	Use Land Conversions (Page 12A)*	Percent of Land Conversions Use	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000%	0.000	0.000	0.000
Chino Hills, City of	3.851%	1,133.906	4.334%	327.335	65.013	392.348
Chino, City of	7.357%	7,623.064	29.138%	625.345	437.074	1,062.419
Cucamonga Valley Water District	6.601%	598.364	2.287%	561.085	34.308	595.393
Fontana Union Water Company	11.657%	0.000	0.000%	990.845	0.000	990.845
Fontana Water Company	0.002%	834.000	3.188%	0.170	47.818	47.988
Fontana, City of	0.000%	0.000	0.000%	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000	0.000%	63.750	0.000	63.750
Jurupa Community Services District	3.759%	13,876.196	53.040%	319.515	795.602	1,115.117
Marygold Mutual Water Company	1.195%	0.000	0.000%	101.575	0.000	101.575
Monte Vista Irrigation Company	1.234%	0.000	0.000%	104.890	0.000	104.890
Monte Vista Water District	8.797%	55.075	0.211%	747.745	3.158	750.903
Niagara Bottling, LLC	0.000%	0.000	0.000%	0.000	0.000	0.000
Nicholson Trust	0.007%	0.000	0.000%	0.595	0.000	0.595
Norco, City of	0.368%	0.000	0.000%	31.280	0.000	31.280
Ontario, City of	20.742%	2,041.095	7.802%	1,763.070	117.028	1,880.098
Pomona, City of	20.454%	0.000	0.000%	1,738.590	0.000	1,738.590
San Antonio Water Company	2.748%	0.000	0.000%	233.580	0.000	233.580
San Bernardino, County of (Shooting Park)	0.000%	0.000	0.000%	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	0.000	0.000%	201.705	0.000	201.705
Upland, City of	5.202%	0.000	0.000%	442.170	0.000	442.170
West End Consolidated Water Co	1.728%	0.000	0.000%	146.880	0.000	146.880
West Valley Water District	1.175%	0.000	0.000%	99.875	0.000	99.875
	100.000%	26,161.700	100.000%	8,500.000	1,500.000	10,000.000

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Appropriative Pool Desalter Replenishment Obligation Contributions - Production Year 2014/15

Production Year 2014/15 Desalter Replenishment Obligation (DRO) Contribution:

10,000.000 AF

Appropriative Pool Party	Production Year 2014/15 Common Data (Headings from Approved 2015/2016 Assessment Package)			Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions		
	a	b	c = %b	d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
	Percent of Operating Safe Yield (Column 2A)	Use Land Conversions (Page 12A)*	Percent of Land Conversions Use	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000%	0.000	0.000	0.000
Chino Hills, City of	3.851%	1,222.774	4.568%	327.335	68.522	395.857
Chino, City of	7.357%	7,860.248	29.365%	625.345	440.472	1,065.817
Cucamonga Valley Water District	6.601%	598.364	2.235%	561.085	33.531	594.616
Fontana Union Water Company	11.657%	0.000	0.000%	990.845	0.000	990.845
Fontana Water Company	0.002%	834.000	3.116%	0.170	46.736	46.906
Fontana, City of	0.000%	0.000	0.000%	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000	0.000%	63.750	0.000	63.750
Jurupa Community Services District	3.759%	14,060.392	52.528%	319.515	787.915	1,107.430
Marygold Mutual Water Company	1.195%	0.000	0.000%	101.575	0.000	101.575
Monte Vista Irrigation Company	1.234%	0.000	0.000%	104.890	0.000	104.890
Monte Vista Water District	8.797%	55.075	0.206%	747.745	3.086	750.831
Niagara Bottling, LLC	0.000%	0.000	0.000%	0.000	0.000	0.000
Nicholson Trust	0.007%	0.000	0.000%	0.595	0.000	0.595
Norco, City of	0.368%	0.000	0.000%	31.280	0.000	31.280
Ontario, City of	20.742%	2,136.725	7.983%	1,763.070	119.738	1,882.808
Pomona, City of	20.454%	0.000	0.000%	1,738.590	0.000	1,738.590
San Antonio Water Company	2.748%	0.000	0.000%	233.580	0.000	233.580
San Bernardino, County of (Shooting Park)	0.000%	0.000	0.000%	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	0.000	0.000%	201.705	0.000	201.705
Upland, City of	5.202%	0.000	0.000%	442.170	0.000	442.170
West End Consolidated Water Co	1.728%	0.000	0.000%	146.880	0.000	146.880
West Valley Water District	1.175%	0.000	0.000%	99.875	0.000	99.875
	100.000%	26,767.578	100.000%	8,500.000	1,500.000	10,000.000

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Appropriative Pool Desalter Replenishment Obligation Contributions - Production Year 2015/16

Production Year 2015/16 Desalter Replenishment Obligation (DRO) Contribution:

10,000.000 AF

Appropriative Pool Party	Production Year 2015/16 Common Data (Headings from Approved 2016/2017 Assessment Package)			Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions		
	a	b	c = %b	d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
	Percent of Operating Safe Yield (Column 2A)	Use Land Conversions (Page 12A)*	Percent of Land Conversions Use	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000%	0.000	0.000	0.000
Chino Hills, City of	3.851%	1,222.774	4.455%	327.335	66.818	394.153
Chino, City of	7.357%	8,309.518	30.271%	625.345	454.069	1,079.414
Cucamonga Valley Water District	6.601%	598.364	2.180%	561.085	32.697	593.782
Fontana Union Water Company	11.657%	0.000	0.000%	990.845	0.000	990.845
Fontana Water Company	0.002%	834.000	3.038%	0.170	45.573	45.743
Fontana, City of	0.000%	0.000	0.000%	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000	0.000%	63.750	0.000	63.750
Jurupa Community Services District	3.759%	14,201.712	51.736%	319.515	776.045	1,095.560
Marygold Mutual Water Company	1.195%	0.000	0.000%	101.575	0.000	101.575
Monte Vista Irrigation Company	1.234%	0.000	0.000%	104.890	0.000	104.890
Monte Vista Water District	8.797%	67.615	0.246%	747.745	3.695	751.440
Niagara Bottling, LLC	0.000%	0.000	0.000%	0.000	0.000	0.000
Nicholson Trust	0.007%	0.000	0.000%	0.595	0.000	0.595
Norco, City of	0.368%	0.000	0.000%	31.280	0.000	31.280
Ontario, City of	20.742%	2,216.205	8.074%	1,763.070	121.103	1,884.173
Pomona, City of	20.454%	0.000	0.000%	1,738.590	0.000	1,738.590
San Antonio Water Company	2.748%	0.000	0.000%	233.580	0.000	233.580
San Bernardino, County of (Shooting Park)	0.000%	0.000	0.000%	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	0.000	0.000%	201.705	0.000	201.705
Upland, City of	5.202%	0.000	0.000%	442.170	0.000	442.170
West End Consolidated Water Co	1.728%	0.000	0.000%	146.880	0.000	146.880
West Valley Water District	1.175%	0.000	0.000%	99.875	0.000	99.875
	100.000%	27,450.188	100.000%	8,500.000	1,500.000	10,000.000

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Appropriative Pool Desalter Replenishment Obligation Contributions - Production Year 2016/17

Production Year 2016/17 Desalter Replenishment Obligation (DRO) Contribution:

10,000.000 AF

Appropriative Pool Party	Production Year 2016/17 Common Data (Headings from Approved 2017/2018 Assessment Package)			Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions		
	a	b	c = %b	d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
	Percent of Operating Safe Yield (Column 2A)	Use Land Conversions (Page 12A)*	Percent of Land Conversions Use	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000%	0.000	0.000	0.000
Chino Hills, City of	3.851%	1,222.774	4.321%	327.335	64.821	392.156
Chino, City of	7.357%	8,455.798	29.884%	625.345	448.257	1,073.602
Cucamonga Valley Water District	6.601%	598.364	2.115%	561.085	31.720	592.805
Fontana Union Water Company	11.657%	0.000	0.000%	990.845	0.000	990.845
Fontana Water Company	0.002%	834.000	2.947%	0.170	44.212	44.382
Fontana, City of	0.000%	0.000	0.000%	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000	0.000%	63.750	0.000	63.750
Jurupa Community Services District	3.759%	14,605.072	51.616%	319.515	774.240	1,093.755
Marygold Mutual Water Company	1.195%	0.000	0.000%	101.575	0.000	101.575
Monte Vista Irrigation Company	1.234%	0.000	0.000%	104.890	0.000	104.890
Monte Vista Water District	8.797%	67.615	0.239%	747.745	3.584	751.329
Niagara Bottling, LLC	0.000%	0.000	0.000%	0.000	0.000	0.000
Nicholson Trust	0.007%	0.000	0.000%	0.595	0.000	0.595
Norco, City of	0.368%	0.000	0.000%	31.280	0.000	31.280
Ontario, City of	20.742%	2,511.989	8.878%	1,763.070	133.165	1,896.235
Pomona, City of	20.454%	0.000	0.000%	1,738.590	0.000	1,738.590
San Antonio Water Company	2.748%	0.000	0.000%	233.580	0.000	233.580
San Bernardino, County of (Shooting Park)	0.000%	0.000	0.000%	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	0.000	0.000%	201.705	0.000	201.705
Upland, City of	5.202%	0.000	0.000%	442.170	0.000	442.170
West End Consolidated Water Co	1.728%	0.000	0.000%	146.880	0.000	146.880
West Valley Water District	1.175%	0.000	0.000%	99.875	0.000	99.875
	100.000%	28,295.612	100.000%	8,500.000	1,500.000	10,000.000

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Appropriative Pool Desalter Replenishment Obligation Contributions - Production Year 2013/14 - 2016/17

Appropriative Pool Party	Production Years				
	2013/14	2014/15	2015/16	2016/17	TOTAL
Arrowhead Mtn Spring Water Co	-	-	-	-	0.000
Chino Hills, City of	392.35	395.86	394.15	392.16	1,574.514
Chino, City of	1,062.42	1,065.82	1,079.41	1,073.60	4,281.252
Cucamonga Valley Water District	595.39	594.62	593.78	592.81	2,376.596
Fontana Union Water Company	990.85	990.85	990.85	990.85	3,963.380
Fontana Water Company	47.99	46.91	45.74	44.38	185.019
Fontana, City of	-	-	-	-	0.000
Golden State Water Company	63.75	63.75	63.75	63.75	255.000
Jurupa Community Services District	1,115.12	1,107.43	1,095.56	1,093.76	4,411.862
Marygold Mutual Water Company	101.58	101.58	101.58	101.58	406.300
Monte Vista Irrigation Company	104.89	104.89	104.89	104.89	419.560
Monte Vista Water District	750.90	750.83	751.44	751.33	3,004.503
Niagara Bottling, LLC	-	-	-	-	0.000
Nicholson Trust	0.60	0.60	0.60	0.60	2.380
Norco, City of	31.28	31.28	31.28	31.28	125.120
Ontario, City of	1,880.10	1,882.81	1,884.17	1,896.23	7,543.314
Pomona, City of	1,738.59	1,738.59	1,738.59	1,738.59	6,954.360
San Antonio Water Company	233.58	233.58	233.58	233.58	934.320
San Bernardino, County of (Shooting Park)	-	-	-	-	0.000
Santa Ana River Water Company	201.71	201.71	201.71	201.71	806.820
Upland, City of	442.17	442.17	442.17	442.17	1,768.680
West End Consolidated Water Co	146.88	146.88	146.88	146.88	587.520
West Valley Water District	99.88	99.88	99.88	99.88	399.500
	10,000.00	10,000.00	10,000.00	10,000.00	40,000.000

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Appropriative Pool: Remaining Desalter Replenishment Obligation (RDRO) - Production Year 2013-14

Remaining Desalter Replenishment Obligation (RDRO):

CDA Production - Peace I Allocation	29,227.997
CDA Production - Peace II Allocation	14.555
Total Desalter Replenishment Obligation (Total DRO):	29,242.552
Desalter Replenishment Obligation Contribution (DROC)	(10,000.000)
Reoperation Water (approved in Peace II)	(12,500.000)
RDRO	6,742.552

acre-feet

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Appropriative Pool Party	Operating Safe Yield	Production Year 2013/14 Common Data (From Approved 2014/2015 Assessment Package - Appendix A)					Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
	a	b	c	d	e	f	APP = [b+(c*50%)+d+e+f]	Individual Party RDRO = ((a+APP)/(Total a + Total APP)) * RDRO
	Assessment Paackage Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments	*Note: APP for City of Chino does not include "Other Adjustments" for this period	
Arrowhead Mtn Spring Water Co	0.000	379.111	0.000	0.000	0.000	0.000	379.111	15.905
Chino Hills, City of	2,111.422	2,150.925	(286.221)	0.000	0.000	5,359.300	7,367.115	397.669
Chino, City of	4,033.857	6,725.430	(6,686.440)	(104.278)	0.000	65.288	3,277.932	306.764
Cucamonga Valley Water District	3,619.454	16,121.550	0.000	0.000	0.000	0.000	16,121.550	828.227
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	268.163
Fontana Water Company	1.000	15,377.579	0.000	0.000	0.000	0.000	15,377.579	645.203
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	411.476	736.362	0.000	0.000	0.000	0.000	736.362	48.157
Jurupa Community Services District	2,061.118	18,406.630	0.000	(379.499)	0.000	(8.784)	18,018.347	842.427
Marygold Mutual Water Company	655.317	1,314.734	0.000	0.000	0.000	0.000	1,314.734	82.653
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	28.393
Monte Vista Water District	4,823.954	12,521.892	(151.480)	0.000	0.000	(5,371.667)	7,074.485	499.195
Niagara Bottling, LLC	0.000	1,342.588	0.000	0.000	0.000	0.000	1,342.588	56.328
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.168
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	8.456
Ontario, City of	11,373.816	21,980.342	(4,428.101)	(1,855.196)	0.000	0.000	17,911.096	1,228.639
Pomona, City of	11,215.852	12,909.293	0.000	0.000	0.000	0.000	12,909.293	1,012.163
San Antonio Water Company	1,506.888	1,159.242	0.000	0.000	0.000	0.000	1,159.242	111.857
San Bernardino, County of (Shooting Park)	0.000	16.390	0.000	0.000	0.000	0.000	16.390	0.688
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	48.515	48.515	56.634
Upland, City of	2,852.401	2,822.046	0.000	0.000	0.000	0.000	2,822.046	238.070
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	39.761
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	27.032
	54,834.000	113,964.114	(11,552.242)	(2,338.973)	0.000	92.652	105,876.384	6,742.552

Appropriative Pool: Remaining Desalter Replenishment Obligation - Production Year 2013/14

2014/15

Remaining Desalter Replenishment Obligation (RDRO):

	acre-feet
CDA Production - Peace I Allocation	29,541.000
CDA Production - Peace II Allocation	449.000
Total Desalter Replenishment Obligation (Total DRO):	29,990.000
Desalter Replenishment Obligation Contribution (DROC)	(10,000.000)
Reoperation Water (approved in Peace II)	(12,500.000)
RDRO	7,490.000

Appropriative Pool Party	Operating Safe Yield	Production Year 2014/15 Common Data (From Approved 2015/2016 Assessment Package - Appendix A)					Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
	a	b	c	d	e	f	APP = [b+(c*50%)+d+e+f]	Individual Party RDRO = ((a+APP)/(Total a + Total APP)) * RDRO
	Assessment Package Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments	*Note: APP for City of Chino does not include "Other Adjustments" for this period	
Arrowhead Mtn Spring Water Co	0.000	426.139	0.000	0.000	0.000	0.000	426.139	22.092
Chino Hills, City of	2,111.422	3,757.338	(96.029)	0.000	0.000	0.000	3,709.324	301.763
Chino, City of	4,033.857	6,546.044	(6,460.660)	(90.247)	0.000	4.863	3,225.467	376.343
Cucamonga Valley Water District	3,619.454	14,639.960	0.000	0.000	0.000	0.000	14,639.960	946.618
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	331.365
Fontana Water Company	1.000	13,344.225	0.000	0.000	0.000	0.000	13,344.225	691.853
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	411.476	720.259	0.000	0.000	0.000	0.000	720.259	58.672
Jurupa Community Services District	2,061.118	12,805.464	0.000	(370.990)	0.000	32.103	12,466.577	753.156
Marygold Mutual Water Company	655.317	1,250.349	0.000	0.000	0.000	0.000	1,250.349	98.795
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	35.085
Monte Vista Water District	4,823.954	7,401.629	(132.454)	0.000	0.000	(387.636)	6,947.766	610.278
Niagara Bottling, LLC	0.000	1,859.765	0.000	0.000	0.000	0.000	1,859.765	96.415
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.207
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	10.449
Ontario, City of	11,373.816	17,675.687	(4,388.312)	(1,856.735)	0.000	0.000	13,624.796	1,295.997
Pomona, City of	11,215.852	12,520.382	0.000	0.000	0.000	0.000	12,520.382	1,230.551
San Antonio Water Company	1,506.888	1,479.087	0.000	0.000	0.000	0.000	1,479.087	154.801
San Bernardino, County of (Shooting Park)	0.000	10.868	0.000	0.000	0.000	0.000	10.868	0.563
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	0.000	0.000	67.467
Upland, City of	2,852.401	3,416.416	0.000	0.000	0.000	0.000	3,416.416	324.993
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	49.132
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	33.403
	54,834.000	97,853.612	(11,077.455)	(2,317.972)	0.000	(350.670)	89,641.380	7,490.000

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Appropriative Pool: Remaining Desalter Replenishment Obligation - Production Year 2013/14

2015/16

Remaining Desalter Replenishment Obligation (RDRO):

CDA Production - Peace I Allocation	27,009.000
CDA Production - Peace II Allocation	1,154.000
Total Desalter Replenishment Obligation (Total DRO):	28,163.000
Desalter Replenishment Obligation Contribution (DROC)	(10,000.000)
Reoperation Water (approved in Peace II)	(12,500.000)
Non-Ag Pool Contribution	0.000
RDRO	5,663.000

acre-feet

Appropriative Pool Party	Operating Safe Yield	Production Year 2015/16 Common Data (From Approved 2016/17 Assessment Package - Appendix A)					Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
	a	b	c	d	e	f	APP = [b+(c*50%)+d+e+f]	Individual Party RDRO = ((a+APP)/(Total a + Total APP)) * RDRO
	Assessment Paackage Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments	*Note: APP for City of Chino does not include "Other Adjustments" for this period	
Arrowhead Mtn Spring Water Co	0.000	356.162	0.000	0.000	0.000	0.000	356.162	13.551
Chino Hills, City of	2,111.422	1,633.459	(85.178)	0.000	0.000	0.000	1,590.870	140.859
Chino, City of	4,033.857	5,009.976	(5,488.140)	(43.133)	0.000	521.297	2,222.773	238.043
Cucamonga Valley Water District	3,619.454	20,537.150	0.000	0.000	0.000	(2.410)	20,534.740	918.984
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	243.183
Fontana Water Company	1.000	15,317.165	0.000	0.000	0.000	0.000	15,317.165	582.803
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	411.476	807.419	0.000	0.000	0.000	0.000	807.419	46.375
Jurupa Community Services District	2,061.118	9,283.627	0.000	(358.622)	0.000	27.748	8,952.753	419.040
Marygold Mutual Water Company	655.317	752.723	0.000	0.000	0.000	0.000	752.723	53.571
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	25.748
Monte Vista Water District	4,823.954	8,358.319	(117.688)	0.000	0.000	(36.910)	8,262.565	497.897
Niagara Bottling, LLC	0.000	1,774.574	0.000	0.000	0.000	0.000	1,774.574	67.516
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.152
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	7.668
Ontario, City of	11,373.816	22,849.257	(3,559.596)	(1,235.830)	0.000	0.000	19,833.629	1,187.335
Pomona, City of	11,215.852	9,963.663	0.000	0.000	0.000	0.000	9,963.663	805.807
San Antonio Water Company	1,506.888	1,030.847	0.000	0.000	0.000	0.000	1,030.847	96.552
San Bernardino, County of (Shooting Park)	0.000	9.396	0.000	0.000	0.000	0.000	9.396	0.357
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	0.000	0.000	49.513
Upland, City of	2,852.401	2,600.725	0.000	0.000	0.000	0.000	2,600.725	207.473
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	36.057
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	24.514
	54,834.000	100,284.462	(9,250.602)	(1,637.585)	0.000	509.725	94,010.004	5,663.000

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Appropriative Pool: Remaining Desalter Replenishment Obligation - Production Year 2013/14 2016/17

Remaining Desalter Replenishment Obligation (RDRO):

	acre-feet
CDA Production - Peace I Allocation	26,726.000
CDA Production - Peace II Allocation	1,527.000
Total Desalter Replenishment Obligation (Total DRO):	28,253.000
Desalter Replenishment Obligation Contribution (DROC)	(10,000.000)
Reoperation Water (approved in Peace II)	(12,500.000)
Non-Ag Pool Contribution	(735.000)
RDRO	5,018.000

Appropriative Pool Party	Operating Safe Yield	Production Year 2015/16 Common Data (From Approved 2016/17 Assessment Package - Appendix A)					Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
	a	b	c	d	e	f	APP = [b+(c*50%)+d+e+f]	Individual Party RDRO = ((a+APP)/(Total a + Total APP)) * RDRO
	Assessment Paackage Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments	*Note: APP for City of Chino does not include "Other Adjustments" for this period	
Arrowhead Mtn Spring Water Co	0.000	367.348	0.000	0.000	0.000	0.000	367.348	13.019
Chino Hills, City of	2,111.422	2,246.284	(94.257)	0.000	0.000	0.000	2,199.156	152.769
Chino, City of	4,033.857	4,971.503	(4,531.420)	(51.143)	0.000	0.000	2,654.650	237.044
Cucamonga Valley Water District	3,619.454	16,561.990	0.000	0.000	0.000	0.000	16,561.990	715.239
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	226.526
Fontana Water Company	1.000	13,250.493	0.000	0.000	0.000	0.000	13,250.493	469.639
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	411.476	850.347	0.000	0.000	0.000	0.000	850.347	44.720
Jurupa Community Services District	2,061.118	11,497.599	0.000	(505.790)	0.000	31.408	11,023.217	463.715
Marygold Mutual Water Company	655.317	618.563	0.000	0.000	0.000	0.000	618.563	45.147
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	23.985
Monte Vista Water District	4,823.954	7,086.159	(125.309)	(17.784)	0.000	(78.112)	6,927.609	416.481
Niagara Bottling, LLC	0.000	1,531.557	0.000	0.000	0.000	0.000	1,531.557	54.279
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.142
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	7.143
Ontario, City of	11,373.816	24,839.724	(4,222.013)	(1,647.489)	0.000	0.000	21,081.229	1,150.221
Pomona, City of	11,215.852	8,066.802	0.000	0.000	0.000	0.000	8,066.802	683.386
San Antonio Water Company	1,506.888	537.746	0.000	0.000	0.000	0.000	537.746	72.463
San Bernardino, County of (Shooting Park)	0.000	13.037	0.000	0.000	0.000	0.000	13.037	0.462
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	0.000	0.000	46.121
Upland, City of	2,852.401	1,259.776	0.000	0.000	0.000	(187.860)	1,071.916	139.080
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	33.587
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	22.835
	54,834.000	93,698.928	(8,972.999)	(2,222.206)	0.000	(234.564)	86,755.659	5,018.000

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Appropriative Pool: Remaining Desalter Replenishment Obligation

Production Year **2013-17**

Appropriative Pool Party	RDRO				Total
	PY 13-14	PY 14-15	PY 15-16	PY 16-17	
Arrowhead Mtn Spring Water Co	15.905	22.092	13.551	13.019	64.567
Chino Hills, City of	397.669	301.763	140.859	152.769	993.061
Chino, City of	306.764	376.343	238.043	237.044	1,158.194
Cucamonga Valley Water District	828.227	946.618	918.984	715.239	3,409.068
Fontana Union Water Company	268.163	331.365	243.183	226.526	1,069.238
Fontana Water Company	645.203	691.853	582.803	469.639	2,389.498
Fontana, City of	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	48.157	58.672	46.375	44.720	197.924
Jurupa Community Services District	842.427	753.156	419.040	463.715	2,478.337
Marygold Mutual Water Company	82.653	98.795	53.571	45.147	280.166
Monte Vista Irrigation Company	28.393	35.085	25.748	23.985	113.211
Monte Vista Water District	499.195	610.278	497.897	416.481	2,023.851
Niagara Bottling, LLC	56.328	96.415	67.516	54.279	274.539
Nicholson Trust	0.168	0.207	0.152	0.142	0.669
Norco, City of	8.456	10.449	7.668	7.143	33.715
Ontario, City of	1,228.639	1,295.997	1,187.335	1,150.221	4,862.192
Pomona, City of	1,012.163	1,230.551	805.807	683.386	3,731.907
San Antonio Water Company	111.857	154.801	96.552	72.463	435.673
San Bernardino, County of (Shooting Park)	0.688	0.563	0.357	0.462	2.071
Santa Ana River Water Company	56.634	67.467	49.513	46.121	219.735
Upland, City of	238.070	324.993	207.473	139.080	909.614
West End Consolidated Water Co	39.761	49.132	36.057	33.587	158.538
West Valley Water District	27.032	33.403	24.514	22.835	107.784
	6,742.552	7,490.000	5,663.000	5,018.000	24,913.552

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2018 Acknowledgement and Consent to CAMA Amendments

THIS Acknowledgement and Consent dated _____, of July 2018 regarding the Chino Basin provides for the consensual and unopposed amendment of the Judgment, the Peace Agreement, and the Peace II Agreement (Court Approved Management Agreements “CAMAs”).

WHEREAS, the parties to the appeal from Judge Reichert’s April 28, 2017 Order have petitioned the Court of Appeal for a limited remand to allow the trial court to approve proposed amendments;

WHEREAS, the proposed amendments set forth in paragraphs 2-7 of this Acknowledgement and Consent (“Amendments”) are intended to provide a grounds for the dismissal of the pending appeal and to provide further direction to Watermaster and the parties to the Judgment;

WHEREAS, the Overlying (Agricultural) Pool, Overlying (Non-Agricultural) Pool, Appropriative Pool and Watermaster have agreed to the Memorandum of Understanding Regarding Contributions of Safe Yield for Desalter Replenishment (“MOU”) dated _____ July 2018 and the amendments to subparagraphs (a)-(d) of Paragraph 9 of Exhibit “G” regarding the price at which water is made available for transfer to Appropriative Pool parties;

NOW THEREFORE, in consideration for the mutual promises specified herein and by conditioning their performance upon the express conditions precedent set forth herein, and for other good and valuable consideration the Parties agree as follows:

1. Conditions Precedent. Each Party’s obligations under this Instrument are subject to the satisfaction of the following conditions on or before December 31, 2018, unless the satisfaction of the conditions are waived in writing by all other Parties:

- (a) Approval and execution by each of the signatories set forth below;
- (b) Approval of the proposed amendments set forth in paragraphs 2-7 by the Advisory Committee;
- (c) Approval of Watermaster Board Resolution whereby it commits to the administration of the decree in accordance with the Amendments set forth in paragraphs 2-7 herein;
- (d) A final order by the trial court approving the Amendments set forth and ordering that Watermaster proceed to implement the Judgment in accordance with these proposed amendments as set forth herein.
- (e) Dismissal of the pending Appeal from the trial court order dated April 27, 2017 in *Chino Basin Municipal Water District v. City of Chino* Court of Appeal Case No. E068640 (Superior Court, Case No. RCVRS 510100).

2. **Safe Yield**

(a) Judgment paragraph 6 shall be amended to read as follows:

“The Safe Yield of Chino Basin is **135,000** ~~140,000~~ acre-feet per year.”

(b) Exhibit H, ¶10 of the Judgment is amended to read as follows:

“Unallocated Safe Yield Water. To the extent that, in any ~~year~~ **five years**, any portion of the share of Safe Yield allocated to the Overlying (Agricultural) Pool is not produced, such water shall be available for reallocation to members of the Appropriative Pool as follows:

3. **Early Transfer**

(a) Section 1.1(o) of the Peace Agreement is amended to read as follows:

“(o) “Early Transfer” means the reallocation of Safe Yield is not Produced by the Agricultural Pool to the Appropriative Pool on an annual basis ***after all land use conversion claims are satisfied*** rather than according to the five year increment described in Paragraph 10 of Exhibit “H” of the Judgment.”

(b) 4. Section 5.3(g) of the Peace Agreement is amended to read as follows:

“(g) Watermaster shall approve an “Early Transfer” of water to the Appropriative Pool ~~in an amount not less than 32,800 acre-feet per year] that is the [expected approximate~~ quantity of water not Produced by the Agricultural Pool ***on an annual basis***. The quantity of water subject to Early Transfer under this paragraph shall be the greater of (i) 32,800 acre-feet of (ii) 32,800 acre-feet plus the actual quantity of water not Produced by the Agricultural Pool for that Fiscal Year that is remaining after all the land use conversions are satisfied pursuant to 5.3(hi) below.

(i) The Early Transfer water shall be annually allocated among the members of the Appropriative Pool in accordance with their pro-rata share of the initial Safe Yield.

(ii) The Transfer shall not limit the Production right of the Agricultural Pool under the Judgment to Produce up to 82,800 acre-feet of water in any year or 414,000 acre feet in any five years as provided in the Judgment.

(iii) The combined Production of all parties to the Judgment shall not cause a Replenishment assessment on the members of the Agricultural Pool. The Agricultural Pool shall be responsible for any Replenishment obligation created

by the Agricultural Pool Producing more than 414,000 acre-feet in any five-year period.

(iv) The parties to the Judgment and Watermaster shall Produce water in accordance with the Operating Safe Yield and shall procure sufficient quantities of Replenishment Water to satisfy over-Production requirements, whatever they may be, and avoid Material Physical Injury to any party to the Judgment or the Basin;

(v) Nothing herein shall be construed as modifying the procedures or voting rights within or by the members of the Agricultural Pool.

4. **Agricultural Conversion.** Subparagraph (b)(3)(i) of Exhibit H, ¶ 10 of the Judgment is amended to read as follows:

“(i) For the term of the Peace Agreement *and any extension thereof*, in any year in which sufficient unallocated Safe Yield from the Overlying (Agricultural) Pool is available for such conversion claims, Watermaster shall allocate to each appropriator with a conversion claim 2.0 acre-feet of unallocated Safe Yield water for each converted acre for which conversion has been approved and recorded by the Watermaster.”

5. **Controlled Overdraft.** Pursuant to section 7.2(e)(ii) of the Peace II Agreement, 175,000 acre-feet of controlled overdraft (Re-Operation water) will be allocated to Desalter replenishment over a 17-year period, beginning in 2013-14 and ending in 2029-30, according to the schedule attached as Exhibit A.” □

6. **New Yield.** Section 7.1 of the Peace II Agreement, entitled “New Yield Attributable to Desalters,” is deleted. It is replaced by new section 6.2(b)(ii) as set forth in section 7 below below. □

7. **Desalter Replenishment.** Section 6.2(b) of the Peace II Agreement is amended to read as follows: □

“(b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation as follows.

(i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit “G” paragraph 8(c) to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters. However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special Assessment levied by Watermaster will be distributed as

provided in section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member's share of Safe Yield, followed by

(ii) The members of the Appropriative Pool will contribute a total of 10,000 afy toward Desalter replenishment, allocated among Appropriative Pool members as follows:

(1) 85% of the total (8,500 afy) will be allocated according to the Operating Safe Yield percentage of each Appropriative Pool member; and □

(2) After all unproduced Overlying (Agricultural) Pool water is allocated pursuant to Exhibit H, paragraph 10 of the Judgment, 15% of the total (1,500 afy) will be allocated according to each land use conversion agency's percentage of the total land use conversion claims in a particular year. The formula is to be adjusted annually based on the actual land use conversion allocations of the year. □

(iii) The annual desalter replenishment obligation contribution of each Appropriative Pool member will be calculated using the following formula:

*Desalter replenishment obligation contribution = (8,500 * % Appropriator's share of total initial 49,834 afy Operating Safe Yield) + (1,500 * % Appropriator's proportional share of that year's total conversion claims)*

A sample calculation of the desalter replenishment obligation contribution for each Appropriative Pool member is shown on Exhibit __ to this Peace II Agreement, as amended.

(iii) (ii) A Replenishment Assessment against the Appropriative Pool for any remaining Desalter replenishment obligation, allocated pro-rata to each Appropriative Pool member according to the combined total of the member's share of Operating Safe Yield and the member's Adjusted Physical Production, as defined below. pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production. Desalter Production is excluded from this calculation. A sample calculation of the allocation of the remaining desalter obligation is shown in Exhibit __ to this Peace II Agreement. However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may re-evaluate whether to continue the exclusion of Desalter Production but only after giving due regard to the contractual commitment of the parties.

(iv) Adjusted Physical Production for a particular year is the Appropriative Pool member's total combined physical production (i.e., all groundwater pumped or produced by the Appropriative Pool

member's groundwater wells in the Chino Basin), with the following adjustments:

(1) In the case of assignments among Appropriative Pool members, or between Appropriative Pool members and Non-Agricultural Pool members, resulting in pumping or production by one party to the Judgment for use by another party to the Judgment, the production for purposes of Adjusted Physical Production shall be assigned to the beneficiary, not the actual producer. □

(2) Production offset credits pursuant to voluntary agreements under section 5.3(i) of the Peace Agreement are calculated at 50% of the total voluntary agreement credit in the determination of Adjusted Physical Production for an Appropriative Pool member participating in a voluntary agreement for that year. In the determination of Adjusted Physical Production, the voluntary agreement credit is subtracted from physical production. Reduction of the voluntary agreement credit from 100% to 50% is applicable only to the calculation of the Adjusted Physical Production hereunder; but in all other applications, the voluntary agreement credit shall remain unchanged (i.e. remain at 100%). □

(3) Production associated with approved storage and recovery programs (e.g., Dry Year Yield recovery program with MWD) is not counted in Adjusted Physical Production, except that in-lieu participation in such programs shall be added to Adjusted Physical Production.

(4) Production that is subsequently recharged to the groundwater basin within the same Year is not counted in Adjusted Physical Production.

(5) The Appropriative Pool may approve, by unanimous vote, the inclusion of other items in the determination of Adjusted Physical Production.

(v) Any member of the Appropriative Pool that holds Non-Agricultural-Pool water rights as a member of the Non-Agricultural Pool may, in its sole discretion, use them to satisfy its desalter replenishment obligation under this section 6.2(b). Eligible Non-Agricultural-Pool rights are limited to water held in storage as of June, 2017, and annually recurring Non-Agricultural-Pool water rights held as a member of the Non-Agricultural Pool. Eligible Non-Agricultural-Pool rights exclude rights already dedicated to the Special Project OBMP Assessment (10% haircut) under section 6.2(b)(i), and any stored water purchased or water rights leased or temporarily transferred directly from a member of

the Non- Agricultural Pool pursuant to Exhibit G, ¶9(i) of the Judgment after June, 2017.¹

(vi) ~~(iii)~~ The quantification of any Party's share of Operating Safe Yield does not include either land use conversions or *Early Transfers*.

¹ Should amendments to paragraph 9 of Exhibit "G" to the Restated Judgment regarding "Physical Solution Transfers" and the Memorandum of Understanding Regarding Contributions of Safe Yield for Desalter Replenishment be accepted, this new subparagraph 6.2(b)(v) may be eliminated.

8. **Authority.** The signatories represent that they have the authority to bind the respective Parties identified below to the terms of this Acknowledgement and Consent.

9. **Counterparts Permissible.** This Acknowledgement and Consent may be executed in counterparts, each of which shall be deemed an original against the Party whose signature is provided, and all of which shall be considered an original and together shall constitute one agreement binding on all Parties. Facsimile and email copies, are treated as original signatures and have the same binding effect.

10. **Amendment.** The Amendments set forth in paragraphs 2-7 may not be modified, altered, or changed except in writing and signed by all Parties wherein specific reference is made to this Acknowledgement and Consent.

11. **Advice of Counsel.** In executing into this Acknowledgement and Consent, Parties agree that they have relied upon the legal advice of their respective attorneys, who are their attorneys of their own choice, and that the terms of this Acknowledgement and Consent have been completely read and explained by the respective attorneys, and that those terms are fully understood and voluntarily accepted by the parties hereto. The Parties hereby further represent that neither Party relies, nor has relied upon any representation or statement by any Party or any other person with regard to the subject matter, basis or effect of this Acknowledgement and Consent, other than the express provisions contained herein.

12. **Non-Severability.** Each of the provisions of this Acknowledgment and Consent is integrated with and integral to the whole and shall not be severable from the remainder of the Acknowledgment and Consent.

IN WITNESS WHEREOF, the Parties hereto have set forth their signatures as of the date written below:

DATED:

CITY OF ONTARIO

By: _____

[Signatures continued on following pages]

DATED:

CITY OF POMONA

By: _____

DATED:

CITY OF UPLAND

By: _____

DATED:

STATE OF CALIFORNIA D

By: _____

DATED:

CITY OF CHINO

By: _____

DATED:

**CUCAMONGA VALLEY
WATER DISTRICT**

By: _____

DATED:

**MONTE VISTA WATER
DISTRICT**

By: _____

DATED:

**FONTANA UNION WATER
COMPANY**

By: _____

[Signatures continued on following pages]

DATED:

CITY OF CHINO HILLS

By: _____

DATED:

**JURUPA COMMUNITY
SERVICES DISTRICT**

By: _____

DATED:

AGRICULTURAL POOL

By: _____

DATED:

APPROPRIATIVE POOL

By: _____

DATED:

NON-AGRICULTURAL POOL

By: _____

DATED:

**INLAND EMPIRE UTILITIES
AGENCY**

By: _____

DATED:

**THREE VALLEYS MUNICIPAL
WATER DISTRICT**

By: _____

[Signatures continued on following pages]

DATED:

**WESTERN MUNICIPAL
WATER DISTRICT**

By: _____

DATED:

**SAN ANTONIO WATER
COMPANY**

By: _____

DATED:

**CHINO BASIN WATER
CONSERVATION DISTRICT**

By: _____

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**CHINO BASIN WATERMASTER
MEMORANDUM OF UNDERSTANDING REGARDING CONTRIBUTIONS OF SAFE YIELD
FOR DESALTER REPLENISHMENT**

THIS MEMORANDUM OF UNDERSTANDING is made and entered into this ____ day of July, 2018, by and between Chino Basin Watermaster, (herein "Watermaster"), the Overlying (Agricultural) Pool, the Overlying (Non-Agricultural) Pool ("Non-Ag Pool"), and the Appropriative Pool pursuant to the Judgment entered January 27, 1978.

WHEREAS, Watermaster is charged with responsibility to administer the Judgment and the Optimum Basin Management Program Implementation Plan;

WHEREAS, pursuant to Peace II Agreement section 9.2., the members of the Non-Ag Pool have annually contributed a portion of their Save Yield rights to off-set Production by the Desalters;

WHEREAS, Watermaster has delayed assessing Appropriative Pool members in order to replenish for Desalter Production until the initial reset of the Basin's Safe Yield has been completed. The Watermaster Court's April 28, 2017 order regarding the reset of the Safe Yield is presently on appeal before the Fourth Appellate District as Case No. E068640. Following resolution of the appeal, Watermaster anticipates the assessment of a substantial Replenishment Obligation for the Chino Basin Desalters as soon as the current fiscal year;

WHEREAS, the Judgment acknowledged the need for flexibility so that Watermaster would be free to take advantage of technological, social, institutional, and economic options to implement the Physical Solution (Restated Judgment, ¶ 40);

WHEREAS, Section 9 of the Overlying (Non-Agricultural) Pooling Plan, Exhibit "G" to the Judgment, provides that members of the Pool may transfer their quantified Production rights "to Watermaster in conformance with the procedures described in the Peace Agreement between the Parties therein, dated June 29, 2000." Section 5.3 (e) of the Peace Agreement provides that "parties to the Judgment with rights within the Non- Agricultural Pool shall have the additional right to Transfer their rights to Watermaster for the purposes of Replenishment for a Desalter....";

WHEREAS, Section 7.5(c) of the Peace Agreement provides that "Safe Yield" may be utilized for replenishment of Desalter production;

WHEREAS, Exhibit D to Watermaster Resolution 2010-04, states that a party might pursue water transfers, remove water from a stored water account or assign a share of Operating Safe Yield to offset its individual Replenishment Assessment attributable to the Desalters.

WHEREAS, each member of the Appropriative Pool has a prospective Replenishment Obligation attributable to the Desalters, which it may desire to offset through the contribution of Safe Yield;

WHEREAS, Watermaster has previously acquired Safe Yield from other Parties to offset prospective Desalter Replenishment obligations; and

WHEREAS, for the avoidance of doubt, Watermaster, the members of the Non-Ag Pool, and the members of the Appropriative Pool wish to acknowledge and announce their common interpretation of the Peace Agreement as to the contribution of Safe Yield by members of the Non-Ag Pool to off-set the replenishment obligations for Desalter Production of members of the Appropriative Pool.

NOW THEREFORE, in consideration of the mutual promises specified herein and for other good and valuable consideration, Watermaster, the Non-Ag Pool, and the Appropriative Pool agree as follows:

1. Contributions. At any time after the date of execution of this Agreement, if a Replenishment Obligation arises that is attributable to Desalter Production, a member of the Non-Ag Pool may contribute Safe Yield, attributable to its overlying rights in the Non-Agricultural Pool, to Watermaster for the purpose of offsetting the individual Replenishment Obligation of a member of the Appropriative Pool. Upon such contribution by a member of the Non-Ag Pool, Watermaster will make a corresponding adjustment to the designated member of Appropriative Pool's assessment and thereby reduce the Replenishment obligation of the member of Appropriative Pool in an amount equal to the number of acre-feet contributed by the member of the Non-Ag Pool in that year.

2. No Prejudice. The execution of this Agreement will be without prejudice to or limitation upon a member of the Non Ag Pool's right to use water pursuant to its Safe Yield rights for any other permissible purpose under the Judgment.

3.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers.

WATERMASTER

OVERLYING (AGRICULTURAL) POOL

Dated: _____

Dated: _____

OVERLYING (NON-AGRICULTURAL) POOL

APPROPRIATIVE POOL

Dated: _____

Dated: _____

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Physical Solution Transfers. Subparagraphs (a), (b), (c), and (d) of Paragraph 9 of Exhibit "G" to the Restated Judgment are amended to read as follows: □

(a) By December 31 of each year, the members of the Overlying (Non-Agricultural) Pool shall notify Watermaster of the amount of water each member shall make available in their individual discretion for purchase by the Appropriators, **and the price at which all the water made available is being offered to Appropriative Pool parties**. By January 31 of each year, Watermaster shall provide a Notice of Availability of each Appropriator's pro-rata share of such water;

(b) Except as they may be limited by paragraph 9(e) below, each member of the Appropriative Pool will have, in their discretion, a right to purchase its pro-rata share of the supply made available from the Overlying (Non-Agricultural) Pool **at the price at which the water is being offered** established in 9(d) below. Each Appropriative Pool member's pro-rata share of the available supply will be based on each Producer's combined total share of Operating Safe Yield and the previous year's actual Production by each party;

(c) If any member of the Appropriative Pool fails to irrevocably commit to their allocated share by March 1 of each year, its share of the Overlying (Non-Agricultural) Pool water will be made available to all other members of the Appropriative Pool according to the same proportions as described in 9(b) above and at the price **at which the water is being offered** established in Paragraph 9(d) below. Each member of the Appropriative Pool shall complete its payment for its share of water made available by June 30 of each year.

(d) Commensurate with the cumulative commitments by members of the Appropriative Pool pursuant to (b) and (c) above, Watermaster will purchase the surplus water made available by the Overlying (Non-Agricultural) Pool water on behalf of the members of the Appropriative Pool on an annual basis **at the price at which the water is being offered** ~~92% of the then prevailing "MWD Replenishment Rate"~~ and each member of the Appropriative Pool shall complete its payment for its determined share of water made available by June 30 of each year.

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Ag Pool Report from Closed Session 071918

Regarding Business Item B.

“ADVISORY COMMITTEE REQUEST FOR WATERMASTER ASSISTANCE”

By a motion made by Pietersma with a second by LaBrucherie,

The Ag Pool voted unanimously to approve the process and the following documents provided in advance of the meeting by Watermaster staff:

1. 2018 Acknowledgment and Consent to CAMA Amendments
2. Physical Solution Transfers
3. Chino Basin Watermaster Memorandum of Understanding Regarding Contributions of Safe Yield for Desalter Replenishment

The Ag Pool approval is contingent upon the following modifications to the above documents:

1. All three documents should be merged into one inclusive document.
2. On page 2, paragraph 2 please add the effective date of the Safe Yield reset.
3. On page 2, paragraph 2 please clarify that the safe yield process that was part of the Judge’s order including peer review and the reset process remains in effect.
4. Page 4, (iv) please clarify what is meant by the term “particular year.”
5. Page 8, the State requests that they be removed as a signatory.

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS (Watermaster Board Only)

C. GENERAL MANAGER EMPLOYMENT CONTRACT AMENDMENT #4



CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E.
General Manager

STAFF REPORT

DATE: July 26, 2018
TO: Board Members
SUBJECT: General Manager Employment Contract Amendment #4 (Business Item II.C.)

SUMMARY

Issue: At the June 26, 2018, meeting the Watermaster Board provided direction to its negotiator regarding a potential change in the General Manager's employment agreement and Legal Counsel has prepared a draft amendment to that employment agreement for consideration and possible action by the Board.

Recommendation: None. Public Board discussion, deliberation, and possible action on proposed employment agreement amendment.

Financial Impact: The change to the General Manager's contract would have no effect on the Approved FY 2018/19 budget.

Future Consideration

Watermaster Board: July 26, 2018; Approval [Within WM Duties and Powers]

ACTIONS:

June 26, 2018 –.

BACKGROUND

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

DISCUSSION

At its June 26, 2018 meeting, the Watermaster Board provided direction to its negotiator regarding potential changes in the General Manager's employment agreement and Legal Counsel has prepared a draft amendment (Attachment 2) to that employment agreement for consideration and possible action by the Board.

ATTACHMENTS

1. General Manager's Employment Agreement, dated June 30, 2014, Amendment #1, dated July 23, 2015, Amendment #2, dated August 25, 2016; and Amendment #3, dated June 22, 2017
2. Draft Amendment #4 to Employment Agreement

EMPLOYMENT AGREEMENT
GENERAL MANAGER

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

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

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

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

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

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

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

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

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

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

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

- g. **CalPERS:** In order to comply with the Public Employees' Pension Reform Act of 2013 ("PEPRA"), Executive has been or shall be enrolled in the 2.5% @ 55 Public Employees Retirement System and shall be subject to such terms and conditions as the Watermaster may contract for with CalPERS or may otherwise impose, including the following:
 - (i) From July 1, 2014 through June 30, 2015, Executive will contribute an additional three percent (3%) of the CalPERS Retirement contribution, bringing the contribution rate being paid by Executive to six percent (6%). To assist in the drop in "take home" pay, an increase in base compensation of two-and-one-half percent (2.5%) will be provided effective July 1, 2014. During this period, Executive shall receive one additional floating Holiday day to be used to offset the vacation needed to cover time off when the Watermaster office is closed between the Christmas and New Year holidays.

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

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

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

- i. Notwithstanding the provisions of this Agreement, the Watermaster fully reserves the right, in its sole discretion, to amend, modify or terminate any and/or all employee benefit plans or programs at any time and from time to time and the Watermaster will be under no obligation to institute or continue the existence of any employee benefit plan or program.

6. **Personnel Policies:** Except as otherwise provided herein, Executive shall be subject to the personnel policies of the Watermaster, and any amendments or revisions thereto, including but not limited to those relating to sick leave, holidays, retirement and leaves of absence. In the event of a conflict between this Agreement and the personnel policies of the Watermaster, this Agreement shall control.
7. **Vehicle Use:** Executive acknowledges that he will utilize his personal vehicle in connection with the performance of the Services. The Watermaster shall provide Executive with a monthly car allowance in the amount of \$600, prorated for partial months of service. The Watermaster shall account for this in an appropriate manner for tax purposes. Executive shall procure and maintain in full force and effect during his employment with the Watermaster automobile liability insurance covering all personal vehicles that are operated by Executive in connection with the performance of the Services in a reasonable amount acceptable to the Watermaster. Executive shall provide the Watermaster with a certificate of insurance evidencing the above coverage and listing the Watermaster as an additional insured under the insurance policy(ies). Such vehicle insurance policy or policies shall provide thirty days' advance written notice to the Watermaster of any change or cancellation of such insurance. Executive shall operate any vehicle used in connection with the Services in a safe manner, and shall maintain a valid California automobile driver's license during the term of this Agreement. Failure to maintain the insurance coverage or driver's license required under this Section shall constitute a material breach of this Agreement.
8. **Reimbursable Expenses:** Expenses incurred by Executive in the performance of the Services, including mileage expense at the standard then-applicable Internal Revenue Service rate, shall be reimbursed to Executive by the Watermaster, but these shall be limited to those reasonable and necessary for the performance of Executive's duties under this Agreement, and shall be submitted for approval and reimbursement to the Board upon such forms and with receipts and other evidence as may be reasonably required by the Board.
9. **Termination:** This Agreement may be terminated effective immediately, with or without cause, upon written notice by the Watermaster to Executive. Executive's rights upon termination are as follows:

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

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

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

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

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

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

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

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

12. Tax Consequences; Code Section 409A:

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

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

13. General Provisions:

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

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

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

Executive: Peter Kavounas
26507 Mistletoe Court
Valencia, CA 91355

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

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

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

- c. **Construction of Terms:** All parts of this Agreement shall in all cases be construed according to their plain meaning and shall not be construed in favor or against either of the parties. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, the remainder of this Agreement shall remain in full force and effect and shall not be affected, impaired or invalidated hereby. In the event of such invalidity, voidness or unenforceability, the parties hereto agree to enter into supplemental agreements to effectuate the intent of the parties and the purposes of this Agreement.

- d. **Severability.** If any term, provision, covenant, paragraph, or condition of this Agreement is held to be invalid, illegal, or unenforceable by any court or arbitrator of competent jurisdiction, as to such jurisdiction that provision shall be limited (“blue-penciled”) or eliminated to the minimum extent necessary so this Agreement shall otherwise remain enforceable in full force and effect. To the extent such provision cannot be so modified, the offending provision shall, as to such jurisdiction, be deemed severable from the remainder of this Agreement, and the remaining provisions contained in this Agreement shall be construed to preserve to the maximum permissible extent the intent and purposes of this Agreement.

- e. **Controlling Law; Venue:** This Agreement shall be construed in accordance with, and be governed by, the laws of the State of California, with venue proper only in San Bernardino County, State of California.

- f. **Entire Agreement and Amendment:** In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and supersedes all prior agreements between the parties, written or oral, express or implied, expressly including the Original Employment Agreement. There have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, cancelled, superseded or changed by any oral agreement, course or conduct, waiver or estoppel.

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

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

CHINO BASIN WATERMASTER



By: Robert Craig
Chairman of the Watermaster Board

EXECUTIVE



Peter Kavounas

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**AMENDMENT NUMBER 1
TO
EMPLOYMENT AGREEMENT

GENERAL MANAGER**

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

RECITALS

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

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

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

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

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

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

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

AMENDMENT

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

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

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

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

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

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

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


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

CHINO BASIN WATERMASTER



By: Steven J. Elie
Chairman of the Watermaster Board

EXECUTIVE



Peter Kavounas

**AMENDMENT NUMBER 2
TO
EMPLOYMENT AGREEMENT**

GENERAL MANAGER

THIS AMENDMENT NUMBER 2 (this “Amendment”) is executed and entered into as of August 25, 2016, by and between Chino Basin Watermaster (“Watermaster”) and Peter Kavounas (“Executive”). Capitalized terms used in this Amendment, but not defined herein, shall have the meanings given to them in the Employment Agreement.

RECITALS

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

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

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

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

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

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

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

AMENDMENT

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

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

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

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

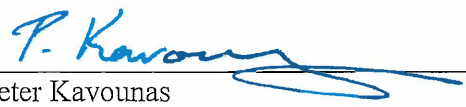
IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

CHINO BASIN WATERMASTER



By: Steven J. Elie
Chairman of the Watermaster Board

EXECUTIVE



By: Peter Kavounas
General Manager

**AMENDMENT NUMBER 3
TO
EMPLOYMENT AGREEMENT

GENERAL MANAGER**

THIS AMENDMENT NUMBER 3 (“Amendment”) is executed and entered into as of June 22, 2017, by and between Chino Basin Watermaster (“Watermaster”) and Peter Kavounas (“Executive”). Capitalized terms used in this Amendment, but not defined herein, shall have the meanings given to them in the Employment Agreement.

RECITALS

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

WHEREAS, Watermaster and Executive executed a first amendment to the Agreement effective as of July 23, 2015 (“First Amendment”); and

WHEREAS, Watermaster and Executive executed a second amendment to the Agreement effective as of August 25, 2016; and

WHEREAS, as amended by the First Amendment, the Agreement expires on June 30, 2018; and

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

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

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

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

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

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

AMENDMENT

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

2. **Term of Employment:** The term of employment pursuant to this Agreement will commence on July 1, 2014, and will continue thereafter for six (6) years, unless earlier terminated pursuant to Section 9 below (the "Employment Term"). The Employment Term may be extended by mutual agreement of the parties.

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

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


- a. **Base Salary:** Effective July 1, 2017, Watermaster shall pay Executive an annual Base Salary of Two Hundred Sixty-Nine Thousand Dollars (\$269,000.00) per annum, less applicable withholdings and deductions. The Board, or such committee of the Board as is responsible for setting the compensation of Watermaster employees, may review Executive's performance and Base Salary, and determine whether to adjust Executive's Base Salary on a prospective basis. Executive also shall be entitled to receive such Cost of Living Adjustments ("COLAs") as may be approved from year to year by the Board. The Watermaster shall pay Executive's Base Salary according to the applicable payroll practices in effect for all Watermaster employees.

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


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

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

CHINO BASIN WATERMASTER

By: 
James V. Curatalo, Jr.
Chairman of the Watermaster Board

EXECUTIVE

By: 
Peter Kavounas
General Manager

AMENDMENT NUMBER 4
TO
EMPLOYMENT AGREEMENT

DRAFT

GENERAL MANAGER

THIS AMENDMENT NUMBER 4 (“Amendment”) is executed and entered into as of July 26, 2018, by and between Chino Basin Watermaster (“Watermaster”) and Peter Kavounas (“Executive”). Capitalized terms used in this Amendment, but not defined herein, shall have the meanings given to them in the Employment Agreement.

RECITALS

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

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

WHEREAS, Watermaster and Executive executed a second amendment to the Agreement effective as of August 25, 2016;

WHEREAS, Watermaster and Executive executed a third amendment to the Agreement effective as of June 22, 2017 (the “Third Amendment”);

WHEREAS, as amended by the Third Amendment, the Agreement expires on June 30, 2020;

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

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

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

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

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

AMENDMENT

1. The introductory paragraph of Section 2, “Term of Employment,” of the Agreement is hereby amended in its entirety to read as follows:
2. **Term of Employment:** The term of employment pursuant to this Agreement will commence on July 1, 2014, and will continue thereafter for seven (7) years, unless earlier terminated pursuant to Section 9 below (the “Employment Term”). The Employment Term may be extended by mutual agreement of the parties.

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

2. Section 5 of the Agreement is hereby amended by adding a new subparagraph j, as follows:

j. NQDC Plan Contribution: If (i) Executive remains continuously employed in good standing with Watermaster through June 30, 2023 (the “Accrual Date”) and (ii) this Agreement has not terminated prior to the Accrual Date, Watermaster shall make, for the benefit of Executive, a discretionary Employer Contribution, pursuant to Section 4.1 (or such other successor provision) of the NQDC Plan in which Executive participates, in the amount of \$55,256.31 (the “Discretionary Contribution”), such Discretionary Contribution to be made to the NQDC Plan no later than the thirtieth (30th) day immediately following the Accrual Date provided that the conditions of clauses (i) and (ii) have been satisfied. Payment of the Discretionary Contribution from the NQDC Plan to Executive shall be subject to and governed by the terms of the NQDC Plan.

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

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

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

[Signature page follows]

CHINO BASIN WATERMASTER

By: _____
Robert J. DiPrimio
Chairman of the Watermaster Board

EXECUTIVE

By: _____
Peter Kavounas
General Manager

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CHINO BASIN WATERMASTER

III. REPORTS/UPDATES (Advisory Committee Only)

E. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update (Written)
2. State and Federal Legislative Reports (Written)
3. Community Outreach/Public Relations Report (Written)



CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

July 26, 2018

INLAND EMPIRE UTILITIES AGENCY REPORTS

The following items are provided for receive and file.

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



**CBWM Advisory Committee Meeting
July 26, 2018**

Inland Empire Utilities Agency
Water Resources Updates

MWD:

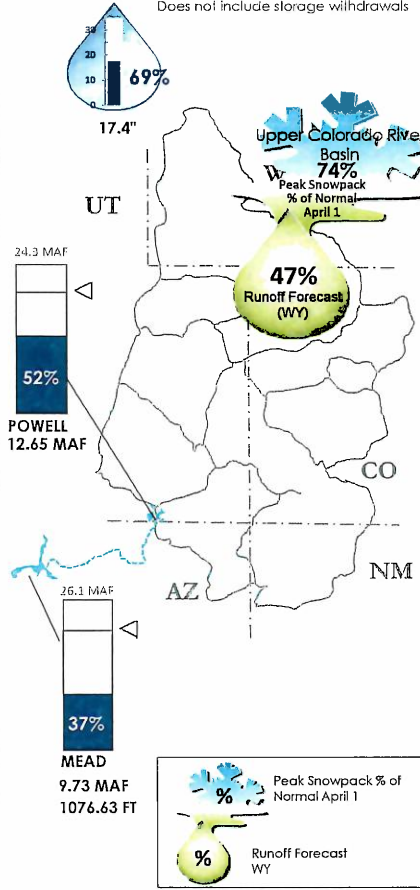
- MWD has issued a water quality notice regarding taste and odor compounds in untreated water from Silverwood Lake. Silverwood Lake was treated with copper sulfate on Friday, June 22, 2018. Water samples have indicated a significant decrease in taste and odor levels since treatment and are currently below the level at which most consumers can detect in their drinking water.
- DRY YEAR YIELD (DYY): The Chino Basin DYY program for FY 17/18 concluded with a total of 41,388.3 AF stored in the DYY account. The program will not move forward in FY 18/19. A letter agreement to enable parties to voluntarily extract water from the DYY account with credits in non MWD "call years" is under consideration by the parties.

Water Supply Conditions Report

As of: 07/04/2018

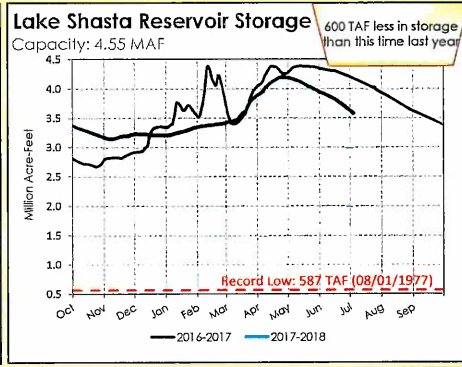
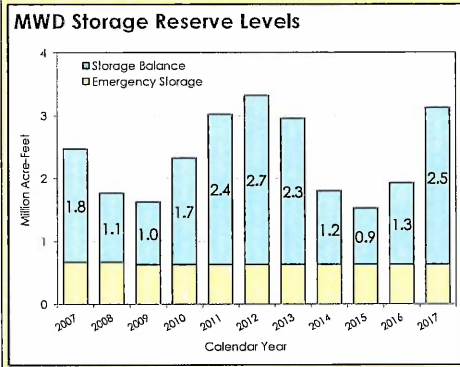
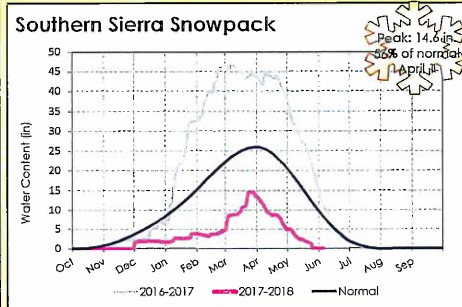
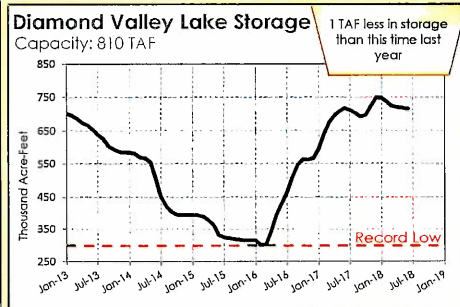
2018 Colorado River

827,359 AF
66% of full CRA
Does not include storage withdrawals



Highlights

- Statewide snowpack peaked at 58% of April 1 normal
- Sacramento River Runoff forecast is 72% of normal
- Snowpack in the Upper Colorado River Basin peaked at 74% of April 1 normal
- Lake Powell inflow forecast is at 47% of normal



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

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

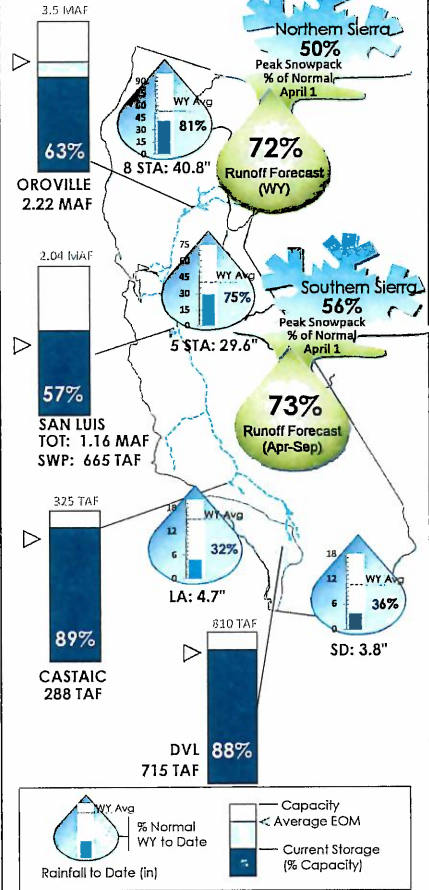
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Water Supply Conditions Report

As of: 07/04/2018

2018 SWP Allocation

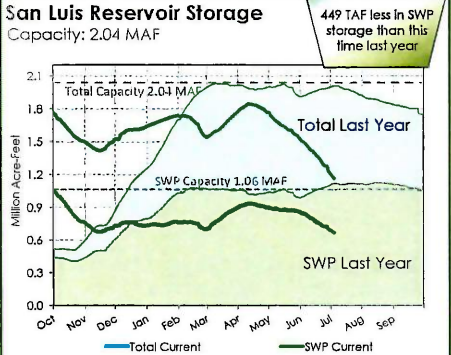
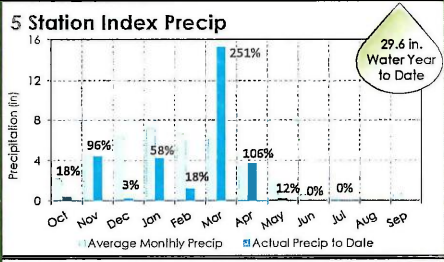
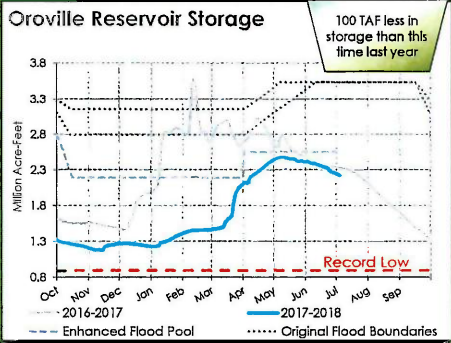
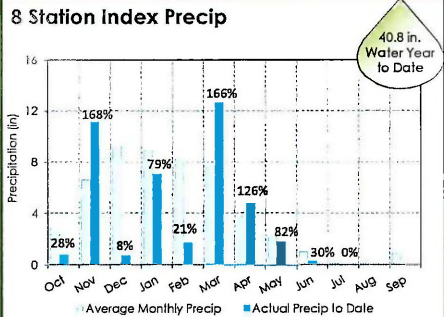
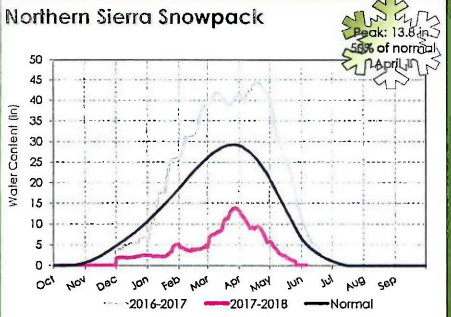
669,025 AF
35% of Table A



Flip Over for CRA Data | Turn page for more SWP Data

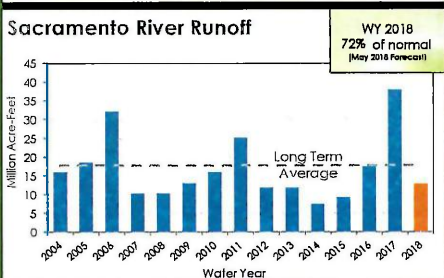
State Water Project Resources

As of: 07/04/2018



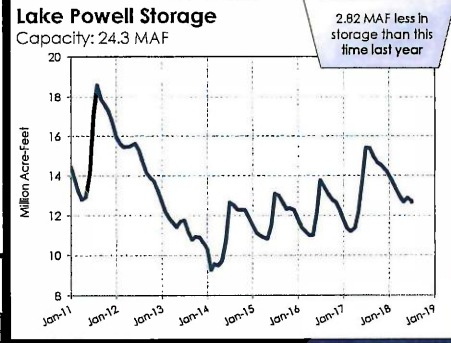
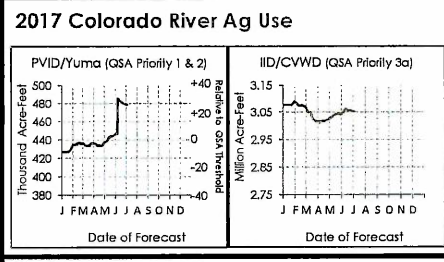
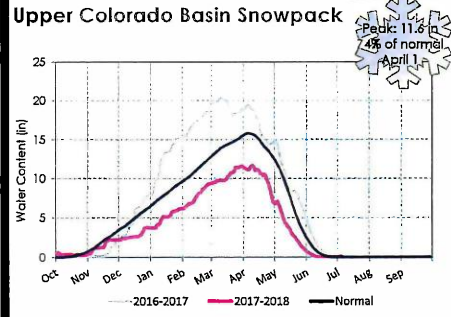
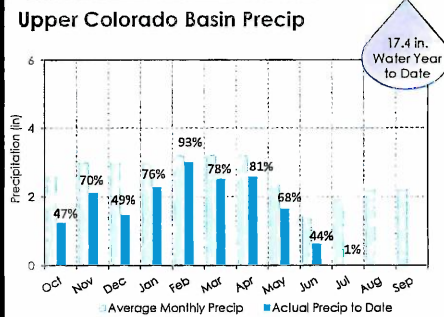
Other SWP Contract Supplies for 2018 (AF)

Transfer/Exchanges	16,500
Article 14b	27,500
Pool A/B (Purchased)	18D
Carryover Supplies	297,000



Colorado River Resources

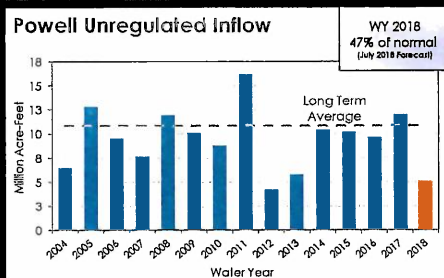
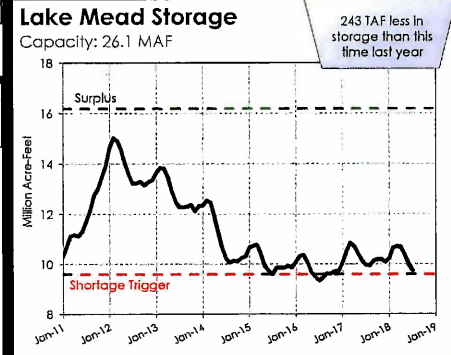
As of: 07/04/2018



Lake Mead Shortage/Surplus Outlook

	2019	2020	2021	2022	2023
Shortage	0%	52%	64%	68%	65%
Surplus	0%	0%	3%	6%	10%

Model based on results from the April 2018 USBR MTRPA/CPSP model run.





CALIFORNIA STRATEGIES, LLC

Date: June 28, 2018
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: June Activity Report

1. This month Senator Brulte and John Withers held their monthly meeting on June 4th with the senior staff of the agency to discuss various District activities.
2. Regional Contract
 - A scoping meeting with the parties and consultant team was held on May 24th.
 - The revised scope was accepted by the Regional Committees and approved by IEUA BOD
3. Proposition One Grant Application
 - Meeting held on 6/6 with CWC staff on ranking criteria
 - IEUA obtained delegation letters of support
 - Funding to be awarded at CWC meeting June 27-28.
4. Chino Basin Water Bank
 - First Board meeting was held in May. Quarterly meetings are planned.
 - Board officers were selected
5. Technical Committee
 - Noel Castillo, Montclair City Engineer, will serve as new chair for the Technical Committee.

Federal Legislation of Significance

Bill Number	Sponsor	Title and/or Summary	Summary/Status
H.R. 5895	Rep. Mike Simpson (R-ID)	Fiscal Year 2019 Minibus	<p>The bill authorizes appropriations for the following FY19 bills: Energy and Water Development; Legislative Branch, and Military Construction- Veterans Affairs.</p> <p>The minibus passed the out of the House and the Senate and is now in conference where conferees, members from both chambers, will work to reconcile any differences between the respective House and Senate versions.</p>
H.R. 3	Rep. Kevin McCarthy (R- CA)	Spending Cuts to Expired and Unnecessary Programs Act	<p>This bill would have rescinded approximately \$15 billion in budget authority over 2018-2028.</p> <p>The legislation passed the House on Thursday, June 7 by a vote of 210-206 but failed in the Senate on a 48-50 vote.</p>
H.R. 8	Rep. Bill Shuster (R-PA)	Water Resources Development Act	<p>The bill authorizes proposed U.S. Army Corps of Engineers civil works activities and provides reforms to the Corps. WARDA authorizes locally driven, but nationally vital, investments in the Nation’s water resources infrastructure. It strengthens economic growth and competitiveness, helps move goods throughout the country and abroad, and protects our communities.</p> <p>The legislation passed the House on Tuesday, June 6, by a vote of 408-2. It was sent to the Senate, where lawmakers are considering their own version of the legislation.</p>
S.2975	Sen. Lamar Alexander (R-TN)	Energy and Water Development and Related Agencies Appropriations Act	<p>Provides FY2019 appropriations for U.S. Army Corps of Engineers civil works projects, the Department of the Interior's Bureau of Reclamation, the Department of Energy (DOE), and independent agencies such as the Nuclear Regulatory Commission.</p> <p>The legislation was reported out of the Senate Appropriations Committee, favorably, on Tuesday, June 22, 2018, and was placed on the Senate Legislative Calendar under General Orders on Thursday, June 24.</p> <p>The Senate rolled the Energy and Water Appropriations bill into the first minibus appropriations package, which passed the Senate.</p>

P176

H.R. 6147	Rep. Ken Calvert(R-CA)	Interior and Environment Appropriations Act	<p>The legislation includes funding for the Department of the Interior, the Environmental Protection Agency (EPA), the Forest Service, the Indian Health Service, and various independent and related agencies. These funds are targeted to important investments in the nation's natural resources, including \$3.4 billion for the Department of the Interior and U.S. Forest Service to prevent and combat devastating wildfires.</p> <p>The legislation also contains several policy provisions to rein in unnecessary regulations at the EPA and other agencies.</p> <p>The legislation was passed favorably in subcommittee on Tuesday, May 15, 2018. Full committee mark postponed. It was placed on the House Union Calendar on June 19.</p>
S.2800	Sen. John Barrasso (R-WY)	America's Water Infrastructure Act of 2018 (formerly known as the Water Resources Development Act)	<p>The bill provides for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States. This is the Senate counterpart to the House's Water Resources Development Act.</p> <p>The legislation was marked and reported favorably out of committee, and placed on the Senate Legislative Calendar under General Orders, on Tuesday, May 22, 2018.</p> <p>As was noted above, the House has passed its own WRDA bill. If the Senate passed this legislation in the coming months, the two measures would be conferenced to reconcile differences.</p>
H.R. 5609	Rep. Keith Ellison (D-MN)	Water Affordability, Transparency, Equity, and Reliability Act of 2018	<p>The legislation would establish a trust fund to provide for adequate funding for water and sewer infrastructure, and for other purposes.</p> <p>The bill was referred to the Subcommittee on Commodity Exchanges, Energy, and Credit on Tuesday, June 22, 2018 and no further action has been taken.</p>
H.R. 5003	Rep. Randy Hultgren (R-IL)	To amend the Internal Revenue Code of 1986 to reinstate advance refunding bonds	The legislation was referred to the House Committee on Ways and Means on Tuesday, February 13, 2018 and no further action has been taken.
H.R.4902	Rep. John Katko (R-NY)	Securing Required Funding for Water	The legislation would amend the Water Infrastructure Finance and Innovation Act of 2014 to provide to State infrastructure financing authorities additional opportunities to receive loans under that Act to support drinking water and clean water State revolving funds to deliver water infrastructure to communities across the United States.

		Infrastructure Now Act	The bill was introduced on Tuesday, January 30, 2018 and referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce.
S 2364	Sen. John Boozman	Securing Required Funding for Water Infrastructure Now Act	<p>The intention of the bill is to amend the Water Infrastructure Finance and Innovation Act of 2014 to provide to State infrastructure financing authorities additional opportunities to receive loans under that Act to support drinking water and clean water State revolving funds to deliver water infrastructure to communities across the United States, and for other purposes.</p> <p>The legislation was introduced on Tuesday, January 30, 2018 and referred to the Committee on Environment and Public Works.</p>
S.2329	Sen. John Hoeven (R-ND)	Water Infrastructure Finance and Innovation Reauthorization Act of 2018	<p>This measure is designed to spur investments in water project development across the nation by supplementing federal funding of water infrastructure projects — including wastewater treatment, flood control and storm water management — with long-term, low-cost loans and loan guarantees, reauthorize and amend the Water Infrastructure Finance and Innovation Act of 2014, and double the Environmental Protection Agency’s fiscal year 19 WIFIA authorization to \$90 million and extend the program for five years, through 2024.</p> <p>The legislation was introduced Tuesday, January 23, 2018 was referred to the Committee on Environment and Public Works</p>
H.R.4492	Rep. Brian Mast (R-FL)	Water Infrastructure Finance and Innovation Reauthorization Act of 2017	<p>H.R. 4492 is a companion bill to S.2329 and would spur investments in water project development across the nation by supplementing federal funding of water infrastructure projects.</p> <p>This bill was introduced Thursday, November 30, 2017 and was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce.</p>
H.R. 5127	Rep. Grace Napolitano (D-CA)	Water Recycling Investment and Improvement Act	The legislation would assist water agencies with the expansion, planning, designing, and building of water recycling plants and modernizing water infrastructure by making changes to the WIIN Act Title XVI water recycling and reuse program by removing the requirement of funding projects that are in drought or disaster areas, increasing the authorization from \$50 million to \$500 million, making the program

			<p>permanent rather than sun-setting in 2021, and taking away the requirement that the projects need to be designated in an appropriations legislation.</p> <p>The bill was introduced on Tuesday, February 27, 2018 and referred to the Committee on Natural Resources, and in addition to the Committee on Transportation and Infrastructure.</p>
S.1	Sen. Mike Enzi	Tax Cuts and Jobs Act	<p>This bill provides for the reconciliation pursuant to title II of the concurrent resolution on the budget for fiscal year 2018. Tax rates would be reduced, dozens of breaks would be eliminated, and the individual mandate from the Affordable Care Act would be eliminated. The corporate income tax rate would be set at 20 percent. Related to H.R. 1.</p> <p>S.1 was introduced by the Senate Budget Committee on Tuesday, November 28, 2017. It was placed on the Senate Legislative Calendar under General Orders.</p>
H.R. 3711	Reps. Lamar Smith (R-TX)/Ken Calvert (R-CA) /Bob Goodlatte (R-VA)	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. On Wednesday, September 27th, H.R.3711 was referred to Judiciary Subcommittee on Immigration and Border Security. Judiciary Committee Consideration and Mark-up Session was held on Wednesday, October 25th. H.R. 3711 was ordered and reported (amended) by the yeas and nays: 20-10 on October 25, 2017.</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>

			By a vote of 230-190, the House passed H.R. 23, as amended, on July 12, 2017. H.R. 23 was received in Senate, read twice and referred to the Committee on Energy and Natural Resources on July 18, 2017.
H.R. 4	Rep. Bill Shuster (R-PA)	FAA Reauthorization Act of 2018	<p>Among other issues this legislation would reauthorizes the Federal Aviation Administration for five years. Among other things the FAA reauthorization funds aviation programs, Airport Planning and Development and Noise Compatibility Planning and Programs and authorizes FAA's Airport Improvement Program (AIP) account at \$3.350 billion annually for each of fiscal years 2018-2023.</p> <p>By a vote of 393 – 13, the House passed H.R.4 on April 27. It was received in the Senate and placed on the Senate Legislative Calendar under General Orders on May 8.</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 referred to the Subcommittee on Water, Power and Oceans on March 27, 2017.</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 H.R. 497 passed through the House Natural Resources Committee by unanimous consent, and was schedule for the House Floor Consideration on June 2nd.</p> <p>This bill was passed by the House on June 27th by a vote of 424-0. The bill was referred to the Senate Committee on Energy and Natural Resources on June 28th.</p>

			<p>The Senate Environment and Public Works Committee held a hearing on S. 357 on July 26, 2017.</p> <p>On May 15, 2018 the Senate Committee on Energy and Natural Resources ordered H.R. 497 to be reported without amendment favorably.</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.</p> <p>H.R. 857, California Off-Road Recreation and Conservation Act, is a similar bill and largely aims to address similar issues.</p>
H.R. 857	Rep. Paul Cook (R-CA)	California Off-Road Recreation and Conservation	<p>The bill, which is a similar bill to the S. 32, aims designate important wilderness in the California desert and protect lands for recreation, wildlife and tourism.</p> <p>The legislation passed out of the House on by voice vote on June 25, 2018.</p> <p>It was received in the Senate, read twice, and referred to the Committee on Energy and Natural Resources on Tuesday, June 26, 2018.</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 on May 19, 2017.</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 27. The House Rules Committee on June 20th dictated final amendments for passage on the House Floor; this bill passed the House on June 22 by a vote of 233-180. H.R. 1654 was referred to the Senate Committee on Energy and Natural Resources on June 26 and not further action has been taken.</p>

Innovative Federal Strategies LLC

Comprehensive Government Relations

MEMORANDUM

To: Kathy Besser, Stephanie Riley, and Laura Mantilla

From: Letitia White, Jean Denton, Shavenor Winters, Drew Tatum

Date: June 29, 2018

Re: June Monthly Legislative Update

House, Senate Make Significant Progress on FY19 Appropriations Legislation

Speaker Paul Ryan (R-WI) and Senate Majority Leader Mitch McConnell (R-KY) announced earlier this year that they would bring up packages of FY19 appropriations bills, known as “minibus” appropriations packages as part of a strategy to avoid a showdown over federal spending just as voters are tuning in on the election. This came after President Donald Trump announced that he would not sign another omnibus appropriations package that included all 12 annual appropriations measures like he did in fiscal year 2018.

The House and Senate Appropriations Committees have worked to report all twelve annual appropriations bills to the floor of their respective chamber this spring, with the goal of having them reported to the floor by the July 4th recess. Earlier this week, the Senate was successful in advancing its final bills, while the House has two remaining bills to report, including the Homeland Security and Labor, Health, and Human Services Appropriations bills. Both have been stalled by the immigration debate.

The House, on Friday, June 8, approved its first three fiscal 2019 spending bills in a minibus appropriations package. The three bills, Energy and Water, Legislative Branch, and Military Construction and Veterans Affairs, add up to \$144.5 billion of the total \$1.2 trillion in discretionary spending allowed by budget caps for 2019. The bill passed by a vote of 235-179. At the end of this section, we have included details of priority programs within the Bureau of Reclamation in the FY19 Energy and Water Appropriations bill.

During the week of June 18, the Senate took up the House passed bill as a legislative vehicle to lay in the same three measures as reported by the Senate Appropriations Committee. On Monday June 25, the Senate passed the legislation after a week of debate and amendment votes. During debate in the Senate, an amendment that would have restricted funds from being used to implement the “waters of the United States” regulation threatened bipartisan cooperation in the appropriations process. Had the amendment been adopted, the Senate would have likely been unable to garner enough support for procedural votes before final passage. Senators ultimately voted to table the amendment, which led to a vote of 86-5 to pass the package of appropriations bills. Republicans have consistently opposed the water rule, but 20 GOP senators voted with most Democrats to block Sen. Lee’s amendment, since it would break a deal that Senate

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Appropriations Committee leaders made to avoid controversial policy provisions in spending bills.

The House included language in their FY19 Interior- Environment Appropriations bill that would permanently repeal WOTUS, meaning the language would likely be a contested item when the House and Senate seek to reconcile the spending measure later this year in conference.

The House and Senate will now move to conference where members will work to reconcile the differences between each chamber's appropriations bill. Both House Speaker Paul Ryan (R-WI) and House Minority Leader Nancy Pelosi (D-CA) have both announced their conferees, those who will represent their party's interest in the negotiation of the minibus. Senate conferees have not yet been appointed.

On behalf of the Majority:

- Rep. Rodney Frelinghuysen (R-NJ)
- Rep. Mike Simpson (R-ID)
- Rep. John Carter (R- TX)
- Rep. Ken Calvert (R-CA)
- Rep. Jeff Fortenberry (R-NE)
- Rep. Charles Fleischmann (R- TN)
- Rep. Jamie Herrera Beutler (R-WA)
- Rep. Scott Taylor (R-VA)

On behalf of the Minority:

- Rep. Nita Lowey (D-NY)
- Rep. Marcy Kaptur (D-OH)
- Pete Visclosky (D-IN)
- Rep. Tim Ryan(D-OH)
- Rep. Debbie Wasserman Schultz (D-FL)

Priority programs within the FY19 Energy and Water Appropriations bill.

Program	FY18 Enacted	FY19 PB Request	FY19 House Recommendation	FY19 Senate Recommendation
WaterSMART Program:				
WaterSMART Grants	\$34 million	\$10 million	\$34 million	\$34 million
Cooperative Watershed Management	\$2.25 million	\$0.25 million	\$2.25 million	\$2.25 million
Water Conservation Field Services Program	\$4.179 million	\$1.75 million	\$4.179 million	\$4.179 million
Basin Studies	\$5.2 million	\$2.0 million	\$5.2 million	\$5.2 million
Title XVI - Water Recycle and Reuse Program	\$54.406 million	\$3.0 million	\$65 million **	\$54.406 million **

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Resilient Infrastructure				
Drought Response		\$2.901		
**\$20 million is for water recycling and reuse projects authorized in the WIIN Act.				

Absent a Large Infrastructure Package, Lawmakers Seek to Move Individual Authorizations

While Lawmakers originally hoped to work with the Trump administration this Congress to pass a large-scale infrastructure package, lawmakers have been unable to reach an agreement on how much or how to fund such a plan. With no plan to move forward on a consolidated infrastructure bill, House and Senate leaders have given priority to passing reauthorization bills that include authorizations for traditional infrastructure spending.

Leaders of both chambers are seeking to reauthorize the Water Resources Development Act (WRDA), which authorizes new projects for the Army Corps of Engineers and other water projects and programs. They will also need to schedule action on a renewal of the National Flood Insurance Program before it expires Tuesday, July 31, just as the hurricane season starts anew.

The House has approved its water resources legislation rewrite, H.R. 8, on an overwhelming bipartisan vote of 408-2, and the Senate Environment and Public Works Committee has reported its version, S. 2800, to the floor with a 21-0 committee vote. The WRDA measures provide for a long list of water projects that both sides want to promote in an election year.

Through the appropriations process, lawmakers are also attempting to stop the Trump administration from altering the Army Corps work plan. House appropriators unanimously agreed in a voice vote to insert a measure in their financial services spending bill, which includes general government appropriations, barring the White House Office of Management and Budget from amending the annual work plan developed by the Army Corps of Engineers. The measure is intended to push back against what appropriators see as arbitrary decisions to remove projects from the original plan developed by the Army Corps, said Rep. Mike Simpson (R-ID), who offered the amendment. The issue has become significant in the last “couple years” under the Trump Administration, Simpson said. With the Senate planning forgo much of the traditional August recess, leaders of the Senate Environment and Public Works Committee hope to have time to consider the authorization legislation on the floor in order to set up a conference with the House later this summer or early fall.

There’s also a lot of interest in reauthorizing the Federal Aviation Administration (FAA) before its authorization lapses at the end of the fiscal year on September 30, 2018. The House has passed its reauthorization (H.R. 4) but the Senate has yet to take up the version (S. 1405) written more than a year ago by the Commerce, Science, and Transportation Committee. This year, the House dropped a controversial provision that would have moved control of Air Traffic Control Operations from the Federal Aviation Administration to a private non-profit, non-federal organization. Chairman Bill Shuster (R-PA) of the House Transportation and Infrastructure Committee dropped the proposal in an effort to pass a long-term authorization before his retirement at the end of the Congress.

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Appropriators Seek to Restore EPA, Interior Funding After Cuts Recommended

The Senate Appropriations Committee has rolled back many of President Donald Trump's proposed cuts to the Environmental Protection Agency and Interior Department for a second straight year. On Thursday, June 21 the Senate Appropriations Committee on Interior, Environment, and Related Agencies approved a \$35.853 billion measure to fund the U.S. Department of the Interior, U.S. Forest Service, Environmental Protection Agency, Bureau of Indian Affairs, and other agencies. The bill included \$10 million for the Water Infrastructure Finance and Innovation Act [WIFIA] Program, which maintains FY18 funding level. The legislation also included funding for both the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund [SRF] at \$1.39 billion and \$864 million respectively.

The measure provides increased funding to address National Park maintenance backlogs and environmental and conservation programs, while also increasing funding for wildland firefighting.

The House Appropriations Committee recommended \$50 million in funding for the WIFIA program, an increase of \$40 million over the enacted FY18 level. The House bill also includes \$1.543 billion for the Clean Water State Revolving Loan Fund and \$1.013 billion for the Drinking Water State Revolving Loan Fund.

House Passes Farm Bill Upon Reconsideration

After the Farm bill failed to pass the House in May, House Republican lawmakers were able to bring it back to the floor of the House after a vote on a conservative immigration proposal. The legislation reauthorizes various commodity, trade, rural development, agricultural research, and food and nutrition programs. Under the current farm law program authorizations will expire Sunday, September 30 or the end of the applicable crop year. Failure to complete the legislation by the fiscal year deadline would require passage of a stopgap reauthorization.

The House farm bill would strengthen work requirements for those who seek to qualify for the Supplemental Nutrition Assistance Program (SNAP), commonly known as food stamps. The legislation passed by a two-vote margin.

The Senate measure allows for increased funding for trade programs and dairy farmers and fold a number of trade programs into one trade assistance program. It would increase money in the Margin Protection for milk producers by \$100 million and rename it the Dairy Risk Coverage Program. The Senate bill lacks the controversial work requirements included in the House-passed bill. The Senate passed the farm bill on Thursday, June 28. Since the House and Senate have passed differing versions of the same bill, they will now move to conference the legislation to reconcile differences between the two bills.

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President Trump Ends Family Separation as Lawmakers Struggle to Pass Immigration Bills

The Trump administration is ending the policy of separating children from immigrant families seeking entry into the U.S. at the southern border, as House lawmakers work to resolve a stalemate over immigration legislation.

President Trump said on Wednesday, June 20 said that he would sign an executive order to keep immigrant families together, reversing his insistence that only Congress could end his policy of separating children from parents who are caught illegally crossing the U.S. border with Mexico.

Over the weekend the Trump administration put out the release about reunification following the family separations. Detained immigrants are being offered the chance to sign the orders to be removed from the country more quickly than if they waited for a judge. In that context, they are told their children will be reunited with them -- if they choose for them to be -- before they are deported. The policy raises questions about how immigrants are being helped to approach their own legal situations and reunification and could face potential legal challenges.

During the month of June, House Republicans brought two immigration bills to the floor of the House, but neither was able to garner enough support to pass. Republican leaders spent the early part of the month attempting to find a compromise between the conservative and moderate factions within their conference in an effort to thwart an attempt to gather enough signatures from Democrats and moderate Republicans to force a vote on several immigration bills under a "queen of the hill" rule. Had the discharge petition been successful, the immigration legislation that received the most votes, provided there was majority support, would be considered passed and sent to the Senate.

Speaker Paul Ryan (R-WI) and other House Republican leaders insisted that if moderates joined the effort, no immigration legislation would make it to the president's desk, and if it did, he would almost certainly veto it. After weeks of negotiations, leadership got an agreement from the Republican conference to bring two immigration bills to the floor.

The first was a conservative proposal offered by House Judiciary Committee Chairman Bob Goodlatte (R-VA) and House Homeland Security Committee Chairman Mike McCaul (R-TX). The Goodlatte bill would stop short of giving all Dreamers a pathway to citizenship and limits legal immigration practices. Goodlatte has conceded that his immigration legislation likely lacks the votes needed to pass the House. After the legislation failed in the House on a 193-231 vote, the House was supposed to take up the leadership compromise immigration bill.

Knowing they did not have the votes to pass the compromise immigration legislation in the House, Republican leaders initially postponed the vote until the following day. With support not solidifying, the vote was pushed to the following week to give leadership time to look at possible amendments to shore up support. That compromise legislation provides a pathway to citizenship for "Dreamers," who were brought to the U.S. illegally as children; \$25 billion for President Donald Trump's border wall and other security measures; an end to the diversity visa lottery

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program; and limits on family-based migration. Ultimately, the week-long delay did not help leaders find the votes necessary to pass the legislation. It failed on a vote of 121-301.

House and Senate lawmakers are now looking at a narrower bill that would legislatively stop family separations at the border. It is unclear when or if that legislation may be brought to the floor.

White House Unveils Federal Government Overhaul Proposals

On Thursday, White House Office of Management and Budget Director Mick Mulvaney unveiled a proposal that would transform a number of federal government agencies, including combining two cabinet agencies, the Department of Education and the Department of Labor, into a newly created post of the Department of Education and the Workforce.

Past presidents have met mixed success in their attempts to overhaul government operations. “We’re dealing with a government that’s so byzantine you don’t know where to start,” Mick Mulvaney, director of the Office of Management and Budget, told President Trump’s Cabinet as he unveiled the results of a 14-month effort he called one of the “biggest pieces so far of our plan to drain the swamp.” As an example, Mulvaney said 45 job-training programs scattered across government would be consolidated into 16.

Many key recommendations would require approval from Congress, where Democrats immediately assailed them as dead on arrival. Rep. Gerald E. Connolly (D), whose Northern Virginia district includes thousands of federal workers, accused the administration of reorganizing agencies that administer safety-net programs as a guise for cutting them. “Don’t fall for this,” he said in a statement.

But Sen. Ron Johnson (R-Wis.), chairman of the Senate committee that will first consider the biggest proposals, praised the reorganization as “thinking big and ‘outside the box’ to bring effective reform and reorganization to a government structure developed for the previous century.”

Some of the proposals have been tried before and were derailed by intense political opposition. In 2012, then President Barack Obama proposed shifting the National Oceanographic and Atmospheric Administration to the Interior Department, an effort that went nowhere. The Trump plan envisions a more modest shift, moving a small division of the National Oceanic and Atmospheric Administration, the National Marine Fisheries Service, to Interior. Additionally, the administration is proposing to move Air Traffic Control operations to a non-government entity. The House has attempted to pass a similar provision in previous years, but the proposal was dropped from the current FAA reauthorization legislation after the controversial provision caused the bill to stall in the House.

National Park Service Proposes to Move Out of California

The National Park Service (NPS) is proposing to move its west-coast regional headquarters out of San Francisco, citing high rent and cost of living.

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The agency has proposed moving approximately 150 employees in the Pacific West Region office to a building it already owns in Fort Vancouver National Historic Site in Vancouver, Washington.

Officials have formally submitted the plan for congressional approval.

“The NPS considered various factors in developing this proposal including, the more favorable cost of living, the expected long-term taxpayer savings from using an NPS-owned building rather than leasing, and the preservation benefits of adapting a historic building for modern use,” NPS spokesman Andrew Munoz said in a statement.

Federal workers are paid partially based on the cost of living in the areas they work, so moving them to a lower-cost area would the agency to adjust salaries accordingly.

Pacific West Region has been housed in a building in San Francisco’s Financial District since 2011. Since that time, San Francisco’s economy has grown, due mostly to the technology industry, fueling increasing rent and cost of living for NPS employees.

If approved by the requisite committees of Congress, the move would occur in 2021, when NPS’s current lease expires.

The Pacific West Region oversees NPS sites in six states, portions of two others and island territories in the Pacific Ocean, including iconic sites like Yosemite National Park, the Grand Canyon-Parashant National Monument and the Golden Gate National Recreation Area.

Interior Secretary Ryan Zinke, whose department includes NPS, has been crafting a comprehensive reorganization plan for all the land-management agencies under his purview.

The aim is to draw boundaries based on geographic features like watersheds and to have agencies share regional boundaries to help them with cross-cutting issues like projects that require multiple agencies’ approval. Secretary Zinke’s plan, which has not been finalized, would also require congressional approval.

Supreme Court Finishes Term, Kennedy Announces Retirement

During the final week of June, the Supreme Court wrapped up its current term. At the end of each term, the Court releases its rulings. We have included a number of the Courts holdings below.

Additionally, at the end of the term, Supreme Court Justice Anthony Kennedy announced that he will be retiring from active status on the Court effective July 31, 2018. His announcement creates a vacancy on the court to be filled by President Trump with the advice and consent of the United States Senate. President Trump has signaled that he may announce a nominee before an upcoming European trip in early July.

Kennedy’s retirement has already sparked the onset of partisan positioning among Republican and Democratic Senators. Citing Republican efforts to hold the seat previously occupied by

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Antonin Scalia during the final year of President Obama's term, Democrats have indicated they believe the same should be done ahead of the midterm elections, where control of the Senate could impact the ability of a nominee to be confirmed. Majority Leader Mitch McConnell has already indicated that the Senate will devote floor and committee time to the consideration of the President's nominee later this summer and fall.

While Democrats may not have procedural means to block President Trump's nominee, they could attempt to stall other action on the floor in protest.

Gerrymandering in Wisconsin, Maryland Cases

On Monday, June 18, the Supreme Court sidestepped the issue of partisan gerrymandering, finding procedural grounds to rule against Democratic voters in Wisconsin and Republican voters in Maryland challenging their state maps.

The justices ruled narrowly against a group of Democratic voters in Wisconsin who challenged the state's 2011 redistricting plan as an unconstitutional partisan gerrymander in a case known as *Gill v. Whitford*.

The court said the voters lacked standing to challenge the state's entire map and remanded the case back down to the lower court to give them an opportunity to prove how they were injured.

The voters alleged Republican legislators unfairly and strategically put them at a disadvantage, but in delivering the opinion of the court, Chief Justice John Roberts said the plaintiff's alleged harm, which is the dilution of their vote power, is an injury that is specific to their voting district.

"Remedying the individual voter's harm, therefore, does not necessarily require restructuring of all the state's legislative districts," he said. Justices Clarence Thomas and Neil Gorsuch agreed that the voters lacked standing to bring the case forward, but dissented in the court's decision to send the case back to the lower court.

High Court Upholds Ohio Voter Rolls Management

The Supreme Court ruled Monday that Ohio's method of removing names from its voter rolls does not violate federal law in a 5-4 ruling split along ideological lines.

Ohio law allows the state to send address confirmation notices to voters who have not engaged in voter activity for two years. If a voter returns the notice through prepaid mail, or responds online, the information is updated. If the notice is ignored and the voter fails to update a registration over the next four years, the registration is canceled.

In wiring for the majority, Justice Samuel Alito wrote, "we have no authority to second-guess Congress or to decide whether Ohio's supplemental process is the ideal method for keeping its voting rolls up to date," adding "the only question before us is whether it violates federal law."

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A dissent from Justice Sonia Sotomayor and liberal justices argued that the court ignored a history of voter suppression that the National Voter Registration Act, commonly referred to as the motor voter law, was meant to address.

"Congress enacted the NVRA against the backdrop of substantial efforts by states to disenfranchise low-income and minority voters, including programs that purged eligible voters from registration lists because they failed to vote in prior elections," Sotomayor wrote.

The case was brought when Larry Harmon challenged the process arguing that he was removed from the rolls even though he had not moved, but rather had opted not to vote in 2009 and 2010. When he showed up at the polls in 2015 he was told his registration had been canceled. He claimed no recollection of receiving a confirmation notice from the state and he later brought suit along with two public interest groups called the Northeast Ohio Coalition for the Homeless and the A. Philip Randolph Institute.

In September 2016, a federal appeals court ruled against Ohio, saying that 7,515 ballots that had been struck could be cast in the that fall's election. The state appealed, saying the process targets people who have failed to respond to a notice, not those who have failed to vote.

Supreme Courts Greenlights Online Tax Collections

On Thursday, June 21 the Supreme Court ruled that states can force out-of-state retailers to collect sales tax on purchases by their residents, overturning decades of precedent. The decision means states are free to collect billions of dollars in extra revenue from online retailers, at a time when many state officials complain it's difficult to balance their budgets, and that many consumers may pay more for online purchases.

Justice Anthony Kennedy wrote in his opinion that the previous precedent — that states could only mandate sales tax collection from companies with a physical presence in their borders — was "unsound and incorrect." The court's 5-4 split on *South Dakota v. Wayfair* didn't break along traditional ideological lines.

Kennedy was joined by fellow conservative-leaning Justices Samuel Alito, Neil Gorsuch and Clarence Thomas, along with usually liberal Justice Ruth Bader Ginsburg. Chief Justice John Roberts, normally a conservative, was joined in a dissent by liberal-leaning Justices Stephen Breyer, Elena Kagan and Sonia Sotomayor that asserted Congress should take the lead on the online sales tax issue.

In his opinion, Kennedy said the rise of the internet had made the error of the court's previous decisions "all the more egregious and harmful." At the time of those rulings, the Supreme Court "did not have before it the present realities of the interstate marketplace, where the Internet's prevalence and power have changed the dynamics of the national economy."

The court's action paves the way for states to start seeking methods to collect more sales tax, but it may be far from the last word from Washington on the matter. Both supporters and critics of

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the court's decision called on Congress to follow up on the ruling with legislation that offers clear rules for how states can use their new taxing power.

“Remote retailers — many of whom are small businesses — may soon be forced to keep track of the thousands of taxing jurisdictions across the country, many with their own rates, bases, rules and regulations. Congress remains the only solution to this threat,” said Joel Griffith of the conservative-leaning American Legislative Exchange Council, who maintained that the ruling “marks a departure from a constitutional understanding of federalism.”

State Legislation

Bill Number	Sponsor	Title and/or Summary	Summary/Status	IEUA Position
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 Signed by Governor
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. Bill gutted and now has nothing to do with water.	WATCH Senate Natural Resources and Water
AB 1876	Frazier	Sacramento-San Joaquin Delta: Delta Stewardship Council	The Sacramento-San Joaquin Delta Reform Act of 2009 establishes the Delta Stewardship Council, which consists of 7 members, and requires the council to develop, adopt, and commence implementation of a comprehensive management plan for the Delta, known as the Delta Plan. This bill would increase the membership of the council to 13 members, including 11 voting members and 2 nonvoting members, as specified.	OPPOSE DEAD
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 Senate Natural Resources and Water- not expected to move.
AB 3037	Chiu	Community Redevelopment Law of 2018	Would authorize a city or county to propose the formation of a redevelopment housing and infrastructure agency by adoption of a resolution of intention that meets specified requirements, and providing that resolution to each affected taxing entity. The bill would require the city or county that adopted that resolution to hold a public hearing on the proposal to consider all written and oral objections to the formation, as well as any recommendations of the affected taxing entities, and would authorize that city or	WATCH, and work with CSDA Died on Suspense

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			county to adopt a resolution of formation at the conclusion of that hearing.	
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 Signed by Governor
SB 623	Monning	Water Quality: Safe and Affordable Drinking Water Fund	Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the State Water Resources Control Board. The bill would require the board to administer the fund to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. The bill would authorize the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, bequests, and settlements from parties responsible for contamination of drinking water supplies.	WATCH Assembly Rules Committee
AB 2697	Gallagher	Wildlife, bird, and waterfowl habitat: idled agricultural lands	Would require the Wildlife Conservation Board to establish a program, which may include direct payments or other incentives, to encourage landowners to voluntarily cultivate or retain cover crops or other upland vegetation on idled lands to provide waterfowl, upland game bird, and other wildlife habitat cover for purposes, including, but not limited to, encouraging the use of idle agricultural lands for wildlife habitat. The bill would also authorize the department to provide incentives pursuant to the program for the creation or enhancement of waterfowl brood habitat, and to develop guidelines and criteria for the program as it deems appropriate.	WATCH Senate Appr 5/25 Amends removed opposition.

AB 1778	Holden	Transit-Oriented Redevelopment Law of 2018	Current law dissolved redevelopment agencies as of February 1, 2012, and designates successor agencies to act as successor entities to the dissolved redevelopment agencies. This bill, the Transit-Oriented Redevelopment Law of 2018, would authorize a city or county to propose the formation of a redevelopment agency by adopting a resolution of intention that meets specified requirements, and submitting that resolution to each affected taxing entity and to each owner of land within the district.	WATCH Asm. Local Gov. Never heard in policy committee DEAD
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June 29, 2018

To: Inland Empire Utilities Agency

From: Michael Boccadoro
Beth Olhasso
Maddie Dunlap

RE: June Report

Overview:

As temperatures heat up during summer months dry conditions have plunged most of the state into mild drought conditions, but major reservoir levels continue to remain healthy.

The most recent quarterly cap and trade auction raised \$681 million. The Air Resources Board (ARB) announced the recent results from the end of May, indicating that all emissions credits sold for over the minimum price. The quarterly auctions have continued to yield hundreds of millions of dollars since the legislature and Governor Brown reached a compromise to extend the program to 2030 last summer.

SoCal Gas has been struggling to meet natural gas demand in recent months as several of their large capacity pipelines have gone offline for non-routine repairs. To avoid outages the CPUC has proposed increasing the use of Aliso Canyon, even as a mandate to close the storage facility in the next two years moves through the regulatory process.

The June 5th primary provided some unique political insights for the November general election and the upcoming year(s) in both the legislature and the executive branch including candidates for governor and several key legislative districts. The Inland Empire Utilities delegation mostly remain safe from their challengers. The only changes will be to the vacant seat left by Assemblymember Mark Steinorth who ran for San Bernardino County Supervisor and Ling Ling Chang (R) replacing recalled Senator Josh Newman in the Chino Hills area.

As summer temperatures heat up, so does the activity in the legislature. The legislature worked hard to develop and pass a \$200 billion budget that the Governor signed without any major modifications. Overall, the budget allocated \$6.2 billion for natural resource related issues. Policy committees continue to work at a rapid pace as well, working to pass all fiscal related bills before the legislature leaves for a month-long summer recess on July 6th. Energy issues continue to be one of the most popular topics as legislators consider proposals on the renewable portfolio standard, a western regional grid, and appropriate utility response to the recent wildfires in wine country and Southern California. Additionally, the legislature has yet to resolve calls for a clean drinking water fund. The last few months of the 2017-2018 legislative session are sure to be jam packed.

Inland Empire Utilities Agency Status Report – June 2018

Drought Conditions

U.S. Drought Monitor California

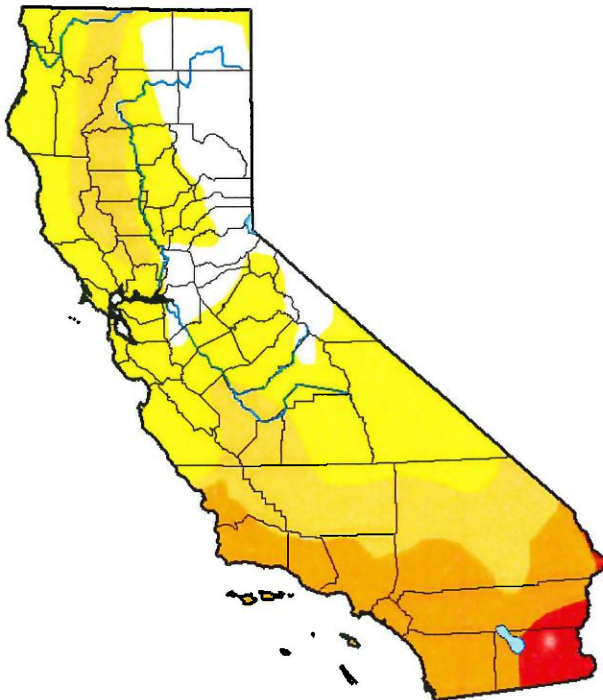
June 26, 2018

(Released Thursday, Jun. 28, 2018)

Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	14.92	85.08	44.17	20.75	2.77	0.00
Last Week 06-19-2018	30.37	69.63	37.07	20.75	2.77	0.00
3 Months Ago 03-27-2018	22.99	77.01	40.77	12.56	2.50	0.00
Start of Calendar Year 01-02-2018	55.70	44.30	12.69	0.00	0.00	0.00
Start of Water Year 09-26-2017	77.88	22.12	8.24	0.00	0.00	0.00
One Year Ago 06-27-2017	76.47	23.53	8.24	1.06	0.00	0.00



Intensity:

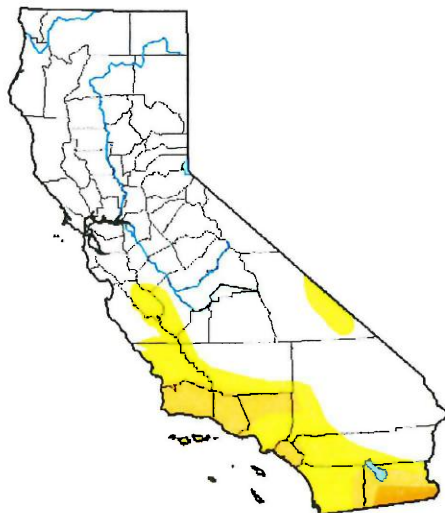
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Richard Heim
NCEI/NOAA



<http://droughtmonitor.unl.edu/>



Drought conditions one year ago-
June 27, 2017

As temperatures heat up during summer months, major reservoir levels have continued to remain healthy. The historically high precipitation levels from the winter continue to hold strong, supplemented by moderate rain and snowpack levels this year. While carryover storage from last year is mitigating the impacts of a slow precipitation year, drought conditions have increased throughout the state with 85 percent of the state experiencing drought, as opposed to only 23 percent of the state experiencing drought at the same time last year.

Recent Cap and Trade Auction Continues to Raise Millions

The most recent quarterly cap and trade auction raised \$681 million. The Air Resources Board (ARB) announced the recent results from the end of May, indicating that all emissions credits sold for over the minimum price. The quarterly auctions have continued to yield hundreds of millions of dollars since the legislature and Governor Brown reached a compromise to extend the program to 2030 last summer. Before that, the August 2016 auction had raised only \$8.4 million.

While the auctions continue to sell out of current-year credits, some economists and environmentalists worry that businesses are hoarding credits potentially keeping the state from reaching its ambitious climate goals in the coming years. The Joint Legislative Committee on Climate Change Policies recently held an informational hearing on the status of the cap and trade program, discussing this issue among others. The committee chair, Assemblymember Eduardo Garica (D-Coachella) did not express significant concern with the theory that too many credits have been made available to businesses.

CPUC Recommends SoCal Gas Increase Aliso Inventory

SoCal Gas has been struggling to meet natural gas demand in recent months as several of their large capacity pipelines have gone offline for non-routine repairs. With several of these major, “backbone” pipelines out of service, and no timeline for them to come back online, the CPUC has recommended that the maximum allowable inventory at Aliso Canyon be increased by 38 percent. The recommendation points to a Joint Agency Task Force report that without increased storage it is unclear if 1-in-10-year peak-day demands can be met with the forecasted storage inventory levels. While increasing the inventory is a welcome move to help shore up reliability, regulators and SoCal Gas are still moving forward to implement the Governor’s order to close the storage facility by 2028.

June Primary Takeaways

The June 5th primary provided some unique political insights for the November general election and the upcoming year(s) in both the legislature and the executive branch, including the following:

- Lt. Governor Gavin Newsom (D) will take on John Cox (R) in the Governor’s contest in November. Newsom’s chief Democratic rival, Antonio Villaraigosa, finished a distant third. While the November contest clearly favors Newsom, Republicans hope that Cox’s presence at the top of the ballot will drive Republican voter turnout in other “down ticket” races.
- In most of the statewide races, California’s “Top Two” Primary system resulted in typical “Democrat vs Republican” match-ups.
- The races for Lt. Governor and the U.S. Senate will be “Democrat vs Democrat” contests.
- Democratic State Sen. Josh Newman (D-Fullerton) was recalled by his district voters by an overwhelming margin. Newman was targeted by the GOP for recall over his vote for

the gas tax increase last year. He will be replaced by Republican former-Assemblymember Ling Ling Chang (R-Diamond Bar).

- Assemblymember Sabrina Cervantes - whose Assembly district is nested within Senator Newman's Senate district - trailed her Republican opponent by six points. Cervantes also voted for the gas tax and is expected to face a tough battle in the general election.
- Democrats appear poised to expand their margin in the State Assembly. In the contest to replace Republican Assm. Rocky Chavez (who vacated his seat for an unsuccessful run for Congress), two Democrats emerged as the top-two vote getters, thus locking Republicans out of a chance to keep the seat in November. Additionally, the seat currently held by Republican Assemblyman Mark Steinorth (who is running for a county supervisor seat) appears to be swinging toward the Democrats. While the November contest will be a traditional "Democrat vs Republican" contest, the vote totals in the primary leaned heavily toward the Democrats.

Inland Empire Delegation:

With the exception of Senator Newman and the seat vacated by Assm. Steinorth, the Inland Empire Delegation all advanced easily to the General Election and are in solid position to win in November.

AD 55:

Assm. Chen (R) 47% v. Greg Fritchle (D) 22%

Total Votes for Republican candidates: 62%

Total Votes for Democratic candidates: 38%

AD 47:

Assm. Reyes (D) 100%

AD 41:

Assm. Holden (D) 60% v. Alan Reynolds (NPP) 28%

Total Votes for Democratic Candidates: 72%

Total Votes for No Party Preference Candidates: 28%

AD 52:

Assm. Rodriguez 48% v. Toni Holle (R) 35%

Total Votes for Republican/"Other" candidates: 38%

Total Votes for Democratic candidates: 62%

AD 40:

Henry Gomez Nickel (R) 46.6% vs James Ramos (D) 40.2%

Total Votes for Republican candidates: 46.6%

Total Votes for Democratic candidates: 53.4%

* This seat is open due to the decision by Assm. Mark Steinorth (R) to vacate the seat in favor of an unsuccessful bid for county supervisor

SD 20

Sen. Leyva (D) 46% v. Matthey Munson (R) 36%

Total Votes for Republican candidates: 36%

Total Votes for Democratic candidates: 64%

SD 29

Should Sen. Josh Newman be recalled? 59.5% YES 40.5% NO

Who should replace Newman? Ling Ling Chang (R) 34.2%

Voters Approve Proposition 68

By a margin of 56.7 percent to 43.3 percent, voters approved Proposition 68 – a \$4 billion general obligation bond for parks, natural resources protection, climate adaptation, water quality and supply, and flood protection. The bond was put on the ballot by the legislature as a result of Senate Bill 5 (de Leon). The proposition was opposed only by the Howard Jarvis Taxpayers Association. However, the bond was not enthusiastically supported by some in the water community due to a lack of funding for significantly impactful water projects or causes.

Voters will vote on another water bond in November. Jerry Meral's proposal, which has not yet been assigned a number, proposes \$8.9 billion for infrastructure including safe drinking water, Sustainable Groundwater Management (SGMA) implementation, watershed restoration, fish and wildlife habitat conservation, infrastructure repair, and others. This bond has received extensive endorsements from environmental, agricultural, environmental justice, labor, and social justice organizations as well as many water agencies, local governments and businesses. So far there hasn't been any vocal opposition.

Legislative Update

The legislature passed a \$200 billion budget one day ahead of the constitutionally required June 15th deadline and was signed by Governor on June 27. The Legislature will adjourn for summer recess on July 6 and return August 6 for the final three weeks of the 2017-2018 Legislative Session.

Administrative Hearing Office Proposed for State Water Resources Control Board

As part of the May revise, the Brown administration proposed an Administrative Hearing Office within the State Water Resources Control Board (SWRCB) that would, in theory, provide a neutral, fair and efficient adjudication process.

In response to AB 313 (Gray), that was vetoed last year, Brown released a budget trailer bill to address some of the concerns that inspired the original bill and to work through the backlog of water rights issues currently pending at the SWRCB. The proposal included nine staff positions that would provide "qualified, impartial" hearing officers to ensure that water right matters, and cannabis enforcement matters are resolved in a timely manner. Board members would also have the flexibility to assign hearing officers to permits, licenses and change petitions. This proposal failed to make it through the budget process, but is likely to return next year.

Clean Drinking Water Fund

The conversation around SB 623 (Monning) has slowed in recent weeks. After the Brown Administration released a budget trailer bill with their proposal for implementing a Safe Drinking Water Fee, the water community mobilized to kill the proposal. The proposed language

is consistent with SB 623 which would establish the Safe and Affordable Drinking Water Fund to provide operating and maintenance funds for disadvantaged communities with contaminated groundwater sources. The account would be funded by fees from all water users with an exemption for low income customers, an assessment on fertilizer, and an assessment on milk and livestock operations. The Legislature elected not to move forward with the Administration's proposal for a Safe and Affordable Drinking Water Fund as part of the larger budget package. However, the Governor indicated that he is still supportive of the measure and would like to see something move in August.

Whether the final proposal comes in the form of a trailer bill or SB 623, a 2/3 vote would be required to pass the fee. The recall of Senator Josh Newman (D-Fullerton) over his vote of the gas tax will influence the final vote in several ways. For Democrats in fairly moderate districts, the recall shows them that they too could be vulnerable if they vote for a tax. Additionally, Newman was replaced by a Republican, who is very very unlikely to vote on any tax increase. Activity and discussion is likely to pick up after the July recess with a vote not expected until after the special election to fill the vacancy left by Senator Tony Mendoza resigning. The seat runoff is between two Democrats.

AB 2050 (Caballero)

Eastern Municipal Water District and the California Municipal Utilities Association have introduced AB 2050 (Caballero, D-Salinas) as an alternative to SB 623. Their bill looks at how to consolidate failing water agencies under a larger umbrella to provide cost effective technical, managerial and financial support. The bill is supported by Metropolitan Water District of Southern California, the Association of California Water Agencies, the Santa Ana Watershed Project Authority and many local water agencies. The measure has passed both of its Senate policy committees and now moves to Appropriations Committee, where it will face a steep hill as the bill has been tagged with a significant price tag.

SB 998 (Dodd)

A coalition of opponents to SB 998, Senator Dodd's (D-Napa) bill regarding water shutoffs, continue to meet with the author's staff to present an initial list of amendments. Currently, the bill prohibits a water agency from shutting off water service to a residential customer, under certain conditions. Concerns among stakeholders remain on how the whole shutoff process would work including any Proposition 218 issues that would arise as other customers have to assume the cost of service to any residential property that does not pay their bill. The bill has been making its way through three different policy committees with members wanting to support access to clean drinking water for all Californians, but also understanding the Proposition 218 issues water agencies face. Negotiations look to be reaching a stalemate with the author not willing to take amendments proposed by a coalition of water interests. ACWA, CMUA and others have all moved to a straight oppose position. The bill is in Assembly Appropriations Committee.

SB 831 (Wieckowski)

This bill looks to make it easier for accessory dwelling units to be permitted and constructed as one part of a package of bills aiming to ease California's lack of affordable housing. Many water agencies are concerned that they would not be able to charge to add a second meter, monthly or capacity charges to the accessory dwelling unit. The author seems to have agreed to amendments that would remove this provision and allow water agencies to charge the second unit.

Amendments are not in print, so final confirmation is necessary. The bill failed in the Assembly Local Government Committee. However, there is another vehicle, AB 2890 (Ting) that is similar to SB 831 that could take the concepts of SB 831 and add them to the bill. It is unclear if this will happen.

SB 100 (deLeon): 100 Percent Clean Energy Standard

Senator Kevin de Leon's (D-Los Angeles) bill to establish a 100 percent clean energy standard by 2045 has gained renewed momentum. SB 100 also expedites the current 50 percent RPS target to December 31, 2026 (previously 2030) and adds a new 60 percent target for December 31, 2030. The bill also creates a goal for the state to meet all of its retail electric supply with a mix of RPS-eligible and zero carbon resources by 2045. The inclusion of large hydro will be a major discussion point as the bill moves forward.

The bill previously stalled in the Assembly Utilities and Energy Committee last September after committee chair, Assemblymember Chris Holden (D-Pasadena) refused to set the bill for a hearing. The bill has now been set for a hearing in the committee on July 3. It is rumored that the renewed momentum may be coming after an agreement with the labor community, who previously had issues with the bill.

Western Grid Regionalization

Another controversial energy bill, AB 813 (Holden, D-Pasadena) to establish a Western region transmission system, has also began to move again after many months of inaction. AB 813 stalled in the Senate last year but has taken some amendments in recent months, prompting recent hearings in the Senate.

The bill outlines a process for creating the bylaws and governing rules of a multistate regional transmission system organization, that would need to be reviewed and approved by the Energy Commission with consultation from the Air Resources Board (ARB) and the Public Utilities Commission (PUC). The proposed rules and documents would have to meet existing Federal Energy Regulatory Commission (FERC) requirements.

Stakeholders remain concerned with the unknown consequences of creating a regional grid. It is still unclear what the potential costs and benefits might be.

Utility Response to Catastrophic Wildfires

One of the most complicated and delicate issues this legislative session has been in response to last year's catastrophic wildfires. With a tangled web of interests including fire victims, utilities, insurance companies, trial attorneys, labor unions, and ratepayers, the legislature has not been able to come to an agreement on how policies related to these types of natural disaster should be handled moving forward.

In the months since the fires, Cal Fire has released various investigative reports finding PG&E's transmission lines, other equipment, and less than satisfactory maintenance to be to blame for much of the damage. The investigation of the Tubbs Fire in Sonoma County is still pending. This has prompted PG&E to announce this month that claims will likely exceed \$2.5 billion. Some have speculated that the property damage alone could be as high as \$12 billion. PG&E's insurance would only cover up to \$840 million in damage. Damage estimates have not yet been released for the fires in the Southern California Edison territory.

The utilities have expressed significant concern and urgency to the legislature, shareholders and others over declining credit ratings and raising the possibility of bankruptcy. As such, the utilities have been lobbying the legislature to reduce wildfire liability by changing a state policy known as “inverse condemnation.” Similar to eminent domain and other takings doctrine, inverse condemnation occurs when a citizen’s property is taken by a government entity, or in this case the utility which has similar eminent domain powers. The utility could be required to pay damages caused by their equipment, even if they aren’t proven to be negligent. Some legal professionals have speculated that even if the utilities are successful in getting this policy changed, it is unlikely to be retroactive.

The main legislative proposal right now is SB 1088 (Dodd, D-Napa). The bill claims to be a safety measure, protecting residents. However, the language of the bill currently requires the CPUC to more or less rubber stamp whatever safety plan the utility develops. Additionally, the utilities would be able to pass the increased costs of the new safety measures along to ratepayers without the current, rigorous process required at the CPUC. The bill has been controversial but continues to move through the legislative process with strong backing from utilities and their labor unions.

A group of moderate Assembly Democrats and Republicans have convened an informal working group on the issue but have not come to a consensus. Time is quickly running out in the legislative session and members are feeling pressure to act before the legislature adjourns for the year. The Governor’s office is also starting to weigh into the debate which means the issue could also emerge as a critical discussion before the legislature adjourns the two-year session at the end of August.

Date: July 18, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

Committee:

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.

- July, Smart Irrigation Month: Staff is marketing the month with irrigation and water tips through social media and videos. In addition, free hose nozzles are available to residents within IEUA's service area.

For the 2017/2018 school year, the Water Discovery Program hosted approximately 5,000 students from 98 schools, a 20% increase from last school year. Since inception, the program has hosted over 23,200 students.

Staff is working with the Facilities and Lab Departments on developing educational signage throughout the newly built lab building.

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

July

- July, Smart Irrigation Month

August

- August 1, Blood Drive, IEUA HQB Event Room, 8:00 a.m. – 1:00 p.m.
- August 10, San Bernardino County Water Conference, DoubleTree Hotel, 222 N. Vineyard Ave., Ontario, 91764, 9:00 a.m. – 1:00 p.m.
- August 15, IEUA Employee Recognition Picnic, IEUA (behind Building A), 11:30 a.m. – 3:00 p.m.

October

- October 20, Landscape & Water Conservation Festival, Chino Basin Water Conservation District, 4594 San Bernardino Street, Montclair, 9:00 a.m.
- October 30, Blood Drive, IEUA HQB Event Room, 8:00 a.m. – 1:00 p.m.

Media and Outreach

- External Affairs staff is working with Agency department leads to update the Agency's external website.
- Staff is working with publication vendors to finalize contracts for FY 2018/19.
- Staff is promoting July as Smart Irrigation Month through a free hose nozzle giveaway to those within our service area (limit two per household, while supplies last).
- Staff is finalizing a department function video focused on IERCF.
- Staff developed an Instagram account for Chino Creek Wetlands and Educational Park identified by the Park's mascot, Owl.
- Staff is working with the Facilities and Lab Departments on developing educational signage throughout the newly built lab building.
- June: 22 posts were published to the IEUA Facebook page and 22 tweets were sent on the @IEUAwater Twitter handle.
 - The top three Facebook posts, based on reach and engagement, in the month of June were:
 - 6/7: St. George GIES Post
 - 6/25: We're Hiring Post
 - 6/12: Happy #NationalRoseDay
 - The top three tweets, based on reach and engagement, in the month of June were:
 - 6/21: Chino HS #SolarCup team
 - 6/7: @CBSLA @tina_patel talking to our General Manager @HallaRazak
 - 6/13: Book a FREE Water Discovery Field Trip

Education and Outreach Updates

- Garden in Every School® grant recipients include Upland Elementary (Upland), Hillside High School (Upland), St. George Parish (Ontario), and Valley View High School

(Ontario). Each school will receive a grant of up to \$4,500 for installation of a new education garden. Five applications were received. Four qualified as new gardens and one school will apply in the future for a mini-grant of up to \$1,000.

- For the 2017/2018 school year, the Water Discovery Program hosted approximately 5,000 students from 98 schools, a 20% increase from last school year. Since inception, the program has hosted over 23,200 students.

Association Membership Activities

- On May 22, 2018, Jeff Ziegenbein chaired an Association of Compost Producers member meeting at IEUA.
- On May 31, 2018, Scott Oakden attended the SCAP Water Issues Committee Workshop at Encina Wastewater Authority in Carlsbad, CA.
- On June 5, 2018, Rick Mykitta and Rocky Wellborn attended the Technical Advisory Group (TAG) meeting.
- On June 7, 2018, Craig Proctor attended the Southern California Salinity Coalition (SCSC) quarterly Board of Directors meeting.
- On June 18, 2018, Randy Lee participated in NWRI – UV Guidelines: Potential Revisions (conference call).
- On June 19, 2018, Randy Lee participated in NWRI Strategic Planning Board Workshop #2 (in person).
- On June 20, 2018, Randy Lee participated in CASA Asset Management Workshop Planning Committee (conference call).
- On June 21, 2018, Pietro Cambiaso attended the California Association of Sanitation Agencies (CASA) Air Quality, Climate Change and Energy Workgroup Meeting.

CHINO BASIN WATERMASTER

IV. INFORMATION

1. Cash Disbursements for June 2018

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2018

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
General Journal	06/02/2018	06/02/2018	Payroll and Taxes for 05/20/18-06/02/18	Payroll and Taxes for 05/20/18-06/02/18	1012 - Bank of America Gen'l Ckg	
				Direct Deposits for 05/20/18-06/02/18	1012 - Bank of America Gen'l Ckg	30,882.64
				Payroll Taxes for 05/20/18-06/02/18	1012 - Bank of America Gen'l Ckg	10,647.12
			ICMA-RC	457(b) Employee Deductions for 05/20/18-06/02/18	1012 - Bank of America Gen'l Ckg	4,738.05
			ICMA-RC	401(a) Employee Deductions for 05/20/18-06/02/18	1012 - Bank of America Gen'l Ckg	1,303.27
TOTAL						47,571.08
Bill Pmt -Check	06/05/2018	06/05/2018	CALPERS	1394905143	1012 - Bank of America Gen'l Ckg	
Bill	05/14/2018	1394905143		1394905143	60182.1 - Medical Insurance	8,440.38
TOTAL						8,440.38
Bill Pmt -Check	06/07/2018	20828	ACCENT COMPUTER SOLUTIONS, INC.	Miscellaneous Computer Services	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2018	121853		Wilson desktop - balance due	6055 - Computer Hardware	936.22
Bill	06/01/2018	121702		Monthly Service - June 2018	6052.4 - IT Managed Services	4,226.00
				Overwatch - June 2018	6052.5 - IT Data Backup/Storage	699.00
				OmniCloud - June 2018	6052.5 - IT Data Backup/Storage	108.00
				Office 365 subscriptions - June 2018	6054 - Computer Software	33.20
TOTAL						6,002.42
Bill Pmt -Check	06/07/2018	20829	APPLIED COMPUTER TECHNOLOGIES	2975	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2018	2975		Database Consulting Services - May 2018	6052.2 - Applied Computer Technol	3,315.40
TOTAL						3,315.40
Bill Pmt -Check	06/07/2018	20830	CENTURYLINK	70631970	1012 - Bank of America Gen'l Ckg	
Bill	05/25/2018	70631970		5/17/18-6/16/18	6053 - Internet Expense	1,051.36
TOTAL						1,051.36
Bill Pmt -Check	06/07/2018	20831	CHEF DAVE'S CAFE & CATERING	8265	1012 - Bank of America Gen'l Ckg	
Bill	05/24/2018	8265		Lunch for 5/24/18 Watermaster Board meeting	6312 - Meeting Expenses	619.54
TOTAL						619.54
Bill Pmt -Check	06/07/2018	20832	DI PRIMIO, ROBERT	Board Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	05/07/2018	5/07 Conf Call		5/07/18 Call w/GM, attorneys re Settlement Propos	6311 - Board Member Compensation	125.00
Bill	05/16/2018	5/16 Conf Call		5/16/18 Call w/GM, attorneys re Settlement Propos	6311 - Board Member Compensation	125.00
Bill	05/21/2018	5/21 Conf Call		5/21/18 Call w/GM, attorneys re Settlement Propos	6311 - Board Member Compensation	125.00
Bill	05/22/2018	5/22 Personnel Comm		5/22/18 Personnel Committee meeting	6311 - Board Member Compensation	125.00
Bill	05/24/2018	5/24 Board Meeting		5/24/18 Board meeting	6311 - Board Member Compensation	125.00
Bill	05/31/2018	5/31 Personnel Comm		5/31/18 Personnel Committee meeting	6311 - Board Member Compensation	125.00
TOTAL						750.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/07/2018	20833	EGOSCUE LAW GROUP, INC.	11967	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2018	11967		Ag Pool Legal Services - May 2018	8467 · Ag Legal & Technical Services	28,862.50
TOTAL						28,862.50
Bill Pmt -Check	06/07/2018	20834	FEENSTRA, BOB	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/11/2018	5/11 AG Pool Mtg		5/11/18 Ag Pool meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	05/17/2018	5/17 Advisory Comm		5/17/18 Advisory Committee meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	05/22/2018	5/22 Personnel Comm		5/22/18 Personnel Committee meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	05/24/2018	5/24 Board Mtg		5/24/18 Board meeting	8470 · Ag Meeting Attend -Special	125.00
Bill	05/31/2018	5/31 Personnel Comm		5/31/18 Personnel Committee meeting	8470 · Ag Meeting Attend -Special	125.00
TOTAL						625.00
Bill Pmt -Check	06/07/2018	20835	FILIPPI, GINO	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/07/2018	5/07 Admin Mtg w/GM		5/07/18 meeting w/GM	6311 · Board Member Compensation	125.00
Bill	05/21/2018	5/21 Admin mtg w/GM		5/21/18 meeting w/GM, J.Pierson	6311 · Board Member Compensation	125.00
Bill	05/24/2018	5/24 Board Mtg		5/24/18 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	06/07/2018	20836	GEYE, BRIAN	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/01/2018	5/01 Budget Mtg		5/01/18 Budget meeting	6311 · Board Member Compensation	125.00
Bill	05/17/2018	5/17 RMPU Comm		5/17/18 RMPU Steering Committee meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	06/07/2018	20837	HUITSING, JOHN	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/11/2018	5/11 Ag Pool mtg		5/11/18 Ag Pool Meeting	8411 · Compensation	25.00
				5/11/18 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	06/07/2018	20838	PARKER, KATHERINE	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/24/2018	5/24 Board Mtg		5/24/18 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	06/07/2018	20839	PAYCHEX	1018053100	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2018	2018053100		May 2018	6012 · Payroll Services	329.26
TOTAL						329.26
Bill Pmt -Check	06/07/2018	20840	PETTY CASH	2723-2736	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2018	2723-2736		Purchase miscellaneous office supplies	6031.7 · Other Office Supplies	133.81
				Lunch for Storage Framework Workshop	6909.1 · OBMP Meetings	74.74

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2018

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Type	Date	Num	Name	Memo	Account	Paid Amount
				Supplies for staff meetings	6141.3 · Admin Meetings	62.00
				AT and PK meetings w/TVMWD	8312 · Meeting Expenses	66.45
TOTAL						337.00
Bill Pmt -Check	06/07/2018	20841	PIERSON, JEFFREY	Board and Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/11/2018	5/11 Ag Pool Mtg		5/11/18 Ag Pool meeting	8411 · Compensation	125.00
Bill	05/17/2018	5/17 Advisory Comm		5/17/18 Advisory Committee meeting	8411 · Compensation	125.00
Bill	05/17/2018	5/17 RIPCom Mtg		5/17/18 RIPCom meeting	8411 · Compensation	125.00
Bill	05/21/2018	5/21 Admin mtg w/GM		5/21/18 Administrative meeting w/GM	8411 · Compensation	125.00
Bill	05/22/2018	5/22 Personnel Comm		5/22/18 Personnel Committee meeting	6311 · Board Member Compensation	125.00
Bill	05/24/2018	5/24 Board Mtg		5/24/18 Board meeting	6311 · Board Member Compensation	125.00
Bill	05/31/2018	5/31 Personnel Comm		5/31/18 Personnel Committee meeting	6311 · Board Member Compensation	125.00
TOTAL						875.00
Bill Pmt -Check	06/07/2018	20842	PREMIERE GLOBAL SERVICES	25886809	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2018	25886809		DRO water transfer call on 4/27	6909.1 · OBMP Meetings	22.85
				Pomona extensometer call on 4/30	6909.1 · OBMP Meetings	6.20
				Pomona extensometer call on 4/30	6909.1 · OBMP Meetings	13.38
				Pools agenda prep call on 5/01	8312 · Meeting Expenses	3.42
				Pools agenda prep call on 5/01	8412 · Meeting Expenses	3.41
				Pools agenda prep call on 5/01	8512 · Meeting Expense	3.41
				WM matters call on 5/03	6909.1 · OBMP Meetings	9.72
				WM coordination call on 5/07	6909.1 · OBMP Meetings	6.21
				Non-Ag Pool mtg call on 5/10	8512 · Meeting Expense	18.03
				WM coordination call on 5/14	6909.1 · OBMP Meetings	6.20
				Pomona extensometer call on 5/21	6909.1 · OBMP Meetings	7.61
				HCP call on 5/23	6909.1 · OBMP Meetings	14.26
				Fee - General	6022 · Telephone	49.00
				Fee - Confidential	6022 · Telephone	49.00
				WM coordination call on 4/30	6909.1 · OBMP Meetings	15.47
				Pomona extensometer call on 5/07	6909.1 · OBMP Meetings	17.40
				Board agenda preview call on 5/15	6312 · Meeting Expenses	8.91
				WM coordination call on 5/16	6909.1 · OBMP Meetings	6.22
				GSA Summit Session prep call on 5/21	6909.1 · OBMP Meetings	11.36
				WM coordination call on 5/21	6909.1 · OBMP Meetings	6.21
				Board agenda preview call on 5/22	6312 · Meeting Expenses	14.98
				Review court ruling re independent contractors on	6909.1 · OBMP Meetings	11.30
				Service fee	6022 · Telephone	11.36
TOTAL						315.91

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Cash Disbursements For The Month of
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For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/07/2018	20843	READY REFRESH BY NESTLE	0023230253	1012 · Bank of America Gen'l Ckg	
Bill	05/24/2018	0023230253		Office Water Bottle - May 2018	6031.7 · Other Office Supplies	55.88
TOTAL						55.88
Bill Pmt -Check	06/07/2018	20844	RR FRANCHISING, INC.	56796	1012 · Bank of America Gen'l Ckg	
Bill	06/01/2018	56796		Monthly service June 2018	6024 · Building Repair & Maintenance	740.00
TOTAL						740.00
Bill Pmt -Check	06/07/2018	20845	STAPLES BUSINESS ADVANTAGE	Miscellaneous office supplies	1012 · Bank of America Gen'l Ckg	
Bill	05/19/2018	8049974710		Miscellaneous office supplies	6031.7 · Other Office Supplies	125.82
Bill	05/26/2018	8050056620		Miscellaneous office supplies	6031.7 · Other Office Supplies	46.32
TOTAL						172.14
Bill Pmt -Check	06/07/2018	20846	STATE COMPENSATION INSURANCE FUND	1970970-17	1012 · Bank of America Gen'l Ckg	
Bill	06/01/2018	1970970-17		Monthly premium 5/26/18-6/26/18	60183 · Worker's Comp Insurance	520.50
TOTAL						520.50
Bill Pmt -Check	06/07/2018	20847	UNION 76	7076-2245-3035-5049	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2018	7076224530355049		May 2018	6175 · Vehicle Fuel	99.33
TOTAL						99.33
Bill Pmt -Check	06/07/2018	20848	VISION SERVICE PLAN	00-101789-0001	1012 · Bank of America Gen'l Ckg	
Bill	05/30/2018	001017890001		Vision Insurance Premium - June 2018	60182.2 · Dental & Vision Ins	88.20
TOTAL						88.20
Bill Pmt -Check	06/07/2018	20849	YUKON DISPOSAL SERVICE	08-K2 213849	1012 · Bank of America Gen'l Ckg	
Bill	06/01/2018	08-k2 213849		June 2018	6024 · Building Repair & Maintenance	117.14
TOTAL						117.14
Bill Pmt -Check	06/08/2018	ACH 060818	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg	
General Journal	06/02/2018	06/02/2018	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 05/20/18-06/02/18	2000 · Accounts Payable	6,725.08
TOTAL						6,725.08
Bill Pmt -Check	06/14/2018	20850	TELLEZ-FOSTER, EDGAR	Expense Reimbursement	1012 · Bank of America Gen'l Ckg	
Bill	06/14/2018			Promissory note per agreement June 13, 2018	6011 · WM Staff Salaries	3,000.00
TOTAL						3,000.00
Bill Pmt -Check	06/15/2018	20851	ACCENT COMPUTER SOLUTIONS, INC.	Miscelleous Computer Services	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2018	122017		Zapien laptop - balance due	6055 · Computer Hardware	1,395.74
Bill	05/31/2018	122016		Cloud storage - FTP replacement	6052.5 · IT Data Backup/Storage	75.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2018

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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						1,470.74
Bill Pmt -Check	06/15/2018	20852	ACWA JOINT POWERS INSURANCE AUTHORIT	0557000	1012 · Bank of America Gen'l Ckg	
Bill	06/10/2018	0557000		Prepayment - July 2018	1409 · Prepaid Life, BAD&D & LTD	230.31
				June 2018	60191 · Life & Disab.Ins Benefits	221.93
TOTAL						452.24
Bill Pmt -Check	06/15/2018	20853	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2018	XXXX-XXXX-XXXX-9341		Wilson desktop-50% deposit	6055 · Computer Hardware	792.83
				Miscellaneous office supplies	6031.7 · Other Office Supplies	7.75
				ViewSonic monitors-replacement for CFO	6055 · Computer Hardware	295.97
				Winzip 22 software for CFO	6054 · Computer Software	26.62
				Fastrack account replenishment	6174 · Public Transportation	26.67
				ViewSonic monitors-replacement for Sr. Accountan	6055 · Computer Hardware	252.39
				Miscellaneous office supplies	6031.7 · Other Office Supplies	313.52
				JJ reg.-10/22-10/24, CalPers Educational Forum	6193.2 · Conference - Registration Fee	310.21
				Parking for Pk to travel to Sacramento	6191 · Conferences - General	16.00
				PK meeting w/G. Filippi	6312 · Meeting Expenses	40.34
				Lunch for 5/10/18 Ag and Non-Ag Pool discussion	8412 · Meeting Expenses	51.55
				Lunch for 5/10/18 Ag and Non-Ag Pool discussion	8512 · Meeting Expense	51.55
				Parking for PK to travel to ACWA Spring Conferenc	6191 · Conferences - General	32.00
				Hotel for PK to attend ACWA Spring Conference	6191 · Conferences - General	574.01
				Order deposit stamp for office	6031.7 · Other Office Supplies	49.77
				Lunch for Ag Pool meeting on 5/11/18	8412 · Meeting Expenses	84.75
				PK meeting w/B. Kuhn	6312 · Meeting Expenses	24.43
				Miscellaneous office supplies	6031.7 · Other Office Supplies	14.63
				Miscellaneous office supplies	6031.7 · Other Office Supplies	7.11
				PK meeting w/C. Berch, IEUA	8312 · Meeting Expenses	24.55
				Miscellaneous office supplies	6031.7 · Other Office Supplies	12.39
				Charged a second time - refund above	8312 · Meeting Expenses	24.55
				PK meeting w/D. Poulsen	8312 · Meeting Expenses	38.23
				PK meeting w/S. Burton, G. Gienger	8312 · Meeting Expenses	31.61
				PK registration for 6/06/18 First Annual Groundwat	6193.2 · Conference - Registration Fee	191.11
				PK parking for 5/23/18 meeting w/RWQCB	8312 · Meeting Expenses	3.33
				Miscellaneous office supplies	6031.7 · Other Office Supplies	7.98
				Laptop bag and external CD drive	6031.7 · Other Office Supplies	67.53
				Renew Costco membership	6111 · Membership Dues	159.99
				Miscellaneous office supplies	6031.7 · Other Office Supplies	42.84
				Miscellaneous office supplies	6031.7 · Other Office Supplies	13.63
				PK meeting w/T. Sandoval, D. Poulsen	8312 · Meeting Expenses	36.88

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
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For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount	
				PK meeting w/R. Hoerning	8312 · Meeting Expenses	24.04	
				Miscellaneous office supplies	6031.7 · Other Office Supplies	8.88	
TOTAL						3,659.64	
Bill Pmt -Check	06/15/2018	20854	DE HAAN, HENRY	Ag Pool Member Compensation	1012 · Bank of America Gen'l Ckg		
Bill	05/11/2018	5/11 Ag Pool mtg		5/11/18 Ag Pool Meeting	8411 · Compensation	25.00	
				5/11/18 Ag Pool Meeting	8470 · Ag Meeting Attend -Special	100.00	
TOTAL						125.00	
Bill Pmt -Check	06/15/2018	20855	FIRST LEGAL NETWORK LLC	40018300	1012 · Bank of America Gen'l Ckg		
Bill	05/31/2018	40018300		Court filings on 5/01/18 and 5/25/18	6061.5 · Court Filing Services	155.88	
TOTAL						155.88	
Bill Pmt -Check	06/15/2018	20856	JOHN J. SCHATZ	Appropriative Pool Legal Services	1012 · Bank of America Gen'l Ckg		
Bill	05/31/2018			April 2018	8367 · Legal Service	4,056.00	
				May 2018	8367 · Legal Service	3,324.00	
TOTAL						7,380.00	
P214	General Journal	06/16/2018	06/16/2018	Payroll and Taxes for 06/03/18-06/16/18	Payroll and Taxes for 06/03/18-06/16/18	1012 · Bank of America Gen'l Ckg	
				Direct Deposits for 06/03/18-06/16/18	1012 · Bank of America Gen'l Ckg	29,693.30	
				Payroll Taxes for 06/03/18-06/16/18	1012 · Bank of America Gen'l Ckg	9,752.73	
				ICMA-RC	457(b) Employee Deductions for 06/03/18-06/16/18	1012 · Bank of America Gen'l Ckg	4,738.05
				ICMA-RC	401(a) Employee Deductions for 06/03/18-06/16/18	1012 · Bank of America Gen'l Ckg	1,303.27
TOTAL						45,487.35	
Bill Pmt -Check	06/21/2018	ACH 062118	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 · Bank of America Gen'l Ckg		
General Journal	06/16/2018	06/16/2018	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 06/03/18-06/16/18	2000 · Accounts Payable	6,725.08	
TOTAL						6,725.08	
Bill Pmt -Check	06/22/2018	20857	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg		
Bill	05/31/2018	723347		723347	6078 · BHFS Legal - Miscellaneous	22,011.75	
				NRG BK	6078 · BHFS Legal - Miscellaneous	71.10	
				Angelica BK	6078 · BHFS Legal - Miscellaneous	106.20	
				Mileage/Parking Expense	8375 · BHFS Legal - Appropriative Pool	18.39	
				Mileage/Parking Expense	8575 · BHFS Legal - Non-Ag Pool	18.39	
				Mileage/Parking Expense	8475 · BHFS Legal - Agricultural Pool	36.78	
				Federal Express	6078 · BHFS Legal - Miscellaneous	26.68	
Bill	05/31/2018	723348		Employee Handbook	6073 · BHFS Legal - Personnel Matters	11,450.25	
				Personnel	6073 · BHFS Legal - Personnel Matters	1,756.80	
				GM Evaluation	6073 · BHFS Legal - Personnel Matters	6,107.40	

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Type	Date	Num	Name	Memo	Account	Paid Amount
				1099 Independent Contractors	6073 · BHFS Legal - Personnel Matters	2,543.40
Bill	05/31/2018	723349		723349	6907.32 · Chino Airport Plume	9,169.65
				Employee Handbook	6073 · BHFS Legal - Personnel Matters	81.00
Bill	05/31/2018	723350		723350	6907.36 · Santa Ana River Habitat	425.25
Bill	05/31/2018	723351		723351	6275 · BHFS Legal - Advisory Committee	935.55
				Mileage/Parking Expense	6275 · BHFS Legal - Advisory Committee	36.78
Bill	05/31/2018	723352		723352	6375 · BHFS Legal - Board Meeting	6,901.20
				Delivery/Ground Transportation	6375 · BHFS Legal - Board Meeting	300.00
Bill	05/31/2018	723353		723353	8375 · BHFS Legal - Appropriative Pool	1,381.05
Bill	05/31/2018	723354		723354	8475 · BHFS Legal - Agricultural Pool	2,227.50
Bill	05/31/2018	723355		723355	8575 · BHFS Legal - Non-Ag Pool	1,381.05
Bill	05/31/2018	723356		723356	6071 · BHFS Legal - Court Coordination	3,589.20
Bill	05/31/2018	723357		723357	6077 · BHFS Legal - Party Status Maint	2,871.45
Bill	05/31/2018	723358		723358	6907.39 · Recharge Master Plan	7,255.80
				Mileage/Parking Expense	6907.39 · Recharge Master Plan	62.17
Bill	05/31/2018	723359		723359	6907.40 · Storage Agreements	5,945.40
				Mileage/Parking Expense	6907.40 · Storage Agreements	36.78
Bill	05/31/2018	723360		723360	6907.41 · Prado Basin Habitat Sustain	2,155.95
Bill	05/31/2018	723361		723361	6907.42 · Safe Yield Recalculation	14,648.85
				Lodging	6907.42 · Safe Yield Recalculation	225.00
Bill	05/31/2018	723362		723362	6907.44 · SGMA Compliance	9,870.75
				Airfare	6907.44 · SGMA Compliance	8.00
				Delivery/Ground Transportation	6907.44 · SGMA Compliance	10.70
				Mileage/Parking Expense	6907.44 · SGMA Compliance	24.00
TOTAL						113,690.22
Bill Pmt -Check	06/22/2018	20858	CORELOGIC INFORMATION SOLUTIONS	81894141	1012 · Bank of America Gen'l Ckg	
Bill	05/31/2018	81894141		81894141	7103.7 · Grdwtr Qual-Computer Svc	62.50
				81894141	7101.4 · Prod Monitor-Computer	62.50
TOTAL						125.00
Bill Pmt -Check	06/22/2018	20859	CUCAMONGA VALLEY WATER DISTRICT	Office Lease	1012 · Bank of America Gen'l Ckg	
Bill	06/15/2018			Office lease due July 1, 2018	1422 · Prepaid Rent	6,608.80
TOTAL						6,608.80
Bill Pmt -Check	06/22/2018	20860	FRONTIER COMMUNICATIONS	909-484-3890-050914-5	1012 · Bank of America Gen'l Ckg	
Bill	06/19/2018	90948438900509145		Office fax	6022 · Telephone	142.52
TOTAL						142.52
Bill Pmt -Check	06/22/2018	20861	GREAT AMERICA LEASING CORP.	22838246	1012 · Bank of America Gen'l Ckg	

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	06/19/2018	22838246		Invoice for June 2018	6043.1 · Ricoh Lease Fee	2,605.07
TOTAL						2,605.07
Bill Pmt -Check	06/22/2018	20862	KESSLER ALAIR INSURANCE SERVICES, INC.	723750	1012 · Bank of America Gen'l Ckg	
Bill	06/18/2018	723750		D&O for June 2018	6085 · Business Insurance Package	1,051.07
				D&O for July 2018-May 2019	1401 · Prepaid Insurance-Pkg	11,736.93
TOTAL						12,788.00
Bill Pmt -Check	06/22/2018	20863	KUHN, BOB	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/07/2018	5/07 JPIA Mtg		5/07/18 JPIA meeting in Sacramento	6311 · Board Member Compensation	125.00
Bill	05/15/2018	5/15 Admin Mtg		5/15/18 Administrative meeting w/PK	6311 · Board Member Compensation	125.00
Bill	05/17/2018	5/17 Advisory Comm		5/17/18 Advisory Committee meeting	6311 · Board Member Compensation	125.00
Bill	05/22/2018	5/22 Exec Comm Call		5/22/18 Conference call w/Personnel Committee	6311 · Board Member Compensation	125.00
Bill	05/24/2018	5/24 Board Mtg		5/24/18 Board Meeting	6311 · Board Member Compensation	125.00
Bill	05/31/2018	5/31 Personnel Comm		5/31/18 Personnel Committee Meeting	6311 · Board Member Compensation	125.00
TOTAL						750.00
Bill Pmt -Check	06/22/2018	20864	LEGAL SHIELD	0111802	1012 · Bank of America Gen'l Ckg	
Bill	06/19/2018	0111802		Employee deductions - June 2018	60194 · Other Employee Insurance	79.70
TOTAL						79.70
Bill Pmt -Check	06/22/2018	20865	LOEB & LOEB LLP	Non-Ag Pool Legal Services	1012 · Bank of America Gen'l Ckg	
Bill	05/30/2018	1769687		April 2018	8567 · Non-Ag Legal Service	3,693.60
Bill	05/31/2018	1774977		May 2018	8567 · Non-Ag Legal Service	2,052.00
TOTAL						5,745.60
Bill Pmt -Check	06/22/2018	20866	STANDARD INSURANCE CO.	Policy # 00-649299-0009	1012 · Bank of America Gen'l Ckg	
Bill	06/19/2018	006492990009		Policy # 00-649299-0009	60191 · Life & Disab.Ins Benefits	786.43
TOTAL						786.43
Bill Pmt -Check	06/22/2018	20867	STAULA, MARY L	Retiree Medical	1012 · Bank of America Gen'l Ckg	
Bill	06/30/2018			Retiree Medical	60182.4 · Retiree Medical	25.17
TOTAL						25.17
Bill Pmt -Check	06/22/2018	20868	ULLOA, EUNICE	Board Member Compensation	1012 · Bank of America Gen'l Ckg	
Bill	05/01/2018	5/01 Budget Workshop		5/01/18 Budget Workshop	6311 · Board Member Compensation	125.00
Bill	05/09/2018	5/09 Prado Basin		5/09/18 Prado Basin Habitat Sustainability Comm.	6311 · Board Member Compensation	125.00
Bill	05/10/2018	5/10 Appropriative		5/10/18 Appropriative Pool meeting	6311 · Board Member Compensation	125.00
Bill	05/24/2018	5/24 Board Mtg		5/24/18 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						500.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/22/2018	20869	UNITED HEALTHCARE	052584525743	1012 - Bank of America Gen'l Ckg	
Bill	06/19/2018	052584525743		Dental Insurance Premium - July 2018	60182.2 - Dental & Vision Ins	749.75
TOTAL						<u>749.75</u>
Bill Pmt -Check	06/22/2018	20870	VERIZON WIRELESS	9808454769	1012 - Bank of America Gen'l Ckg	
Bill	06/19/2018	9808454769		Acct #470810953-00001	6022 - Telephone	297.55
TOTAL						<u>297.55</u>
Bill Pmt -Check	06/22/2018	20871	MONTE VISTA WATER DIST	SCADA Installation, Monitoring Reimbursement	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2018			SCADA Installation, Monitoring Reim. - May 2018	7107.63 - Grd Level-MVWD SCADA Reimburs	9,906.25
TOTAL						<u>9,906.25</u>
Bill Pmt -Check	06/26/2018	ACH 062618	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
Bill	06/01/2018	15313066		Annual Unfunded Accrued Liability	60180 - Employers PERS Expense	4,348.52
TOTAL						<u>4,348.52</u>
					Total Disbursements:	<u><u>336,092.63</u></u>

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