



NOTICE OF MEETING

Thursday, July 17, 2025

9:00 a.m. – Advisory Committee Meeting

**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

9:00 a.m. – July 17, 2025

Mr. Eduardo Espinoza, Chair

Mr. Brian Geye, Vice-Chair

Mr. Jeff Pierson, Second Vice-Chair

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

(Meeting can also be taken remotely via Zoom at this [link](#))

AGENDA

CALL TO ORDER

ROLL CALL

AGENDA – ADDITIONS/REORDER

SAFETY MINUTE

I. CONSENT CALENDAR

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:

Minutes of the Advisory Committee Meeting held on June 19, 2025 *(Page 1)*

B. FINANCIAL REPORTS

Receive and file as presented:

Monthly Financial Report for the Period Ended May 31, 2025 *(Page 5)*

C. APPLICATION: WATER TRANSACTION – 4.0 AF NICHOLSON FAMILY TRUST TO FONTANA WATER COMPANY *(Page 20)*

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

D. APPLICATION: WATER TRANSACTION – 7,500 AF CUCAMONGA VALLEY WATER DISTRICT TO FONTANA WATER COMPANY *(Page 27)*

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

II. BUSINESS ITEMS

A. APPLICATION: LOCAL STORAGE AGREEMENT (ONAP) *(Page 34)*

Provide advice and assistance to the Watermaster Board on the proposed agreement.

B. BUDGET AMENDMENT A-25-07-01 – OPTIMUM BASIN MANAGEMENT PROGRAM ECONOMIC ANALYSIS SCOPE OF WORK *(Page 43)*

Approve the budget amendment Form A-25-07-01 in the amount of \$92,000 as presented..

C. PEER REVIEW OF THE DRAFT 2025 SAFE YIELD REEVALUATION FINAL REPORT (INFORMATION ONLY)

**D. VOLUNTARY AGREEMENTS PROCESSING IN THE ASSESSMENT PACKAGE
(INFORMATION ONLY)**

III. REPORTS/UPDATES

A. WATERMASTER LEGAL COUNSEL

1. September 12, 2025, Court Hearing (Watermaster Motion for Receipt and Filing of Semi-Annual OBMP Status Report 2024-2; IEUA Motion for Costs and Fees; Watermaster Motion for Extension of Time to Complete Safe Yield Evaluation)
2. October 3, 2025, Court Hearing (Appropriative Pool Motion for Costs and Fees)
3. Court of Appeal Consolidated Cases No. E080457 and E082127 (City of Ontario appeal re: Fiscal Year 2021-22 and 2022-23 Assessment Packages)
4. Inland Empire Utilities Agency, et al. v. LS-Fontana LLC (C.D. Cal Cases Nos.: 5:25-cv-00809, 5:25-cv-01159)

B. ENGINEER

1. 2024 State of the Basin Report

C. GENERAL MANAGER

1. Implementation of Dry Year Yield Appellate Court Ruling - Workshops
2. WaterSMART Drought Resiliency (IEUA improvements to the Montclair Basins)
3. Other

D. INLAND EMPIRE UTILITIES AGENCY (Page 52)

1. Metropolitan Water District Activities Report (Written)
2. Water Supply Conditions (Written)
3. State and Federal Legislative Reports (Written)
4. Update to RMPU projects (Oral)
5. GWR update (Oral)

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

A. CALIFORNIA AB1413 SUSTAINABLE GROUNDWATER MANAGEMENT ACT: groundwater adjudication (Page 79)

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

| | | | |
|----------|-----|------------|--|
| 07/17/25 | Thu | 9:00 a.m. | Advisory Committee |
| 07/17/25 | Thu | 9:30 a.m. | Recharge Investigations and Projects Committee (RIPComm) |
| 07/23/25 | Wed | 10:00 a.m. | Workshop (Implementation of Dry Year Yield Appellate Court Ruling) |
| 07/24/25 | Thu | 9:30 a.m. | Watermaster Orientation* |
| 07/24/25 | Thu | 11:00 a.m. | Watermaster Board |

* The Watermaster Orientation series is held in person only with no remote access.

ADJOURNMENT

DRAFT MINUTES
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

June 19, 2025

The Advisory Committee meeting was held at the Chino Basin Watermaster offices located at 9641 San Bernardino Road, Rancho Cucamonga, CA, and via Zoom (conference call and web meeting) on June 19, 2025.

ADVISORY COMMITTEE MEMBERS PRESENT

- **APPROPRIATIVE POOL COMMITTEE MEMBERS PRESENT AT WATERMASTER**

| | |
|--|------------------------------------|
| Eduardo Espinoza, Chair (for John Bosler) | Cucamonga Valley Water District |
| Hye Jin Lee | City of Chino |
| Cris Fealy | Fontana Water Company |
| Josh Swift | Fontana Union Water Company |
| Jesse Pompa for Chris Berch | Jurupa Community Services District |
| Justin Scott-Coe | Monte Vista Irrigation Company |
| Justin Scott-Coe | Monte Vista Water District |

- **APPROPRIATIVE POOL COMMITTEE MEMBERS PRESENT ON ZOOM**

| | |
|---------------------------------|-------------------------------------|
| Ron Craig | City of Chino Hills |
| Chad Nishida for Courtney Jones | City of Ontario |
| Chris Diggs | City of Pomona |
| Nicole deMoet | City of Upland |
| Brian Lee | San Antonio Water Company |
| Nicole deMoet | West End Consolidated Water Company |

- **NON-AGRICULTURAL POOL COMMITTEE MEMBERS PRESENT AT WATERMASTER**

| | |
|-------------------------------|---------------------------------|
| Brian Geye, Vice-Chair | California Speedway Corporation |
|-------------------------------|---------------------------------|

- **NON-AGRICULTURAL POOL COMMITTEE MEMBERS PRESENT ON ZOOM**

| | |
|-------------------|--------------------------|
| Bob Bowcock | CalMat Co. |
| Alexis Mascarinas | City of Ontario (Non-Ag) |

- **AGRICULTURAL POOL COMMITTEE MEMBERS PRESENT AT WATERMASTER**

| | |
|--|-------|
| Jeff Pierson, Second Vice-Chair | Crops |
| Bob Feenstra | Dairy |

- **AGRICULTURAL POOL COMMITTEE MEMBERS PRESENT ON ZOOM**

| | |
|----------------|---------------------|
| Imelda Cadigal | State of California |
| Tariq Awan | State of California |

- **MUNICIPAL REPRESENTATIVE PRESENT ON ZOOM**

| | |
|----------------|----------------------------------|
| Laura Roughton | Western Municipal Water District |
|----------------|----------------------------------|

WATERMASTER BOARD MEMBERS PRESENT AT WATERMASTER

| | |
|-----------------|-----------------------|
| Marty Zvirbulis | Fontana Water Company |
|-----------------|-----------------------|

WATERMASTER BOARD MEMBERS PRESENT ON ZOOM

| | |
|--------------|----------------------------------|
| Bill Velto | City of Upland |
| Mike Gardner | Western Municipal Water District |

WATERMASTER STAFF PRESENT

| | |
|---------------------|---|
| Edgar Tellez Foster | Water Resources Mgmt. & Planning Director |
| Anna Nelson | Director of Administration |

Data Services and Judgment Reporting Manager
Senior Accountant
Executive Assistant
Administrative Analyst
Water Resources Associate
Senior Field Operations Specialist
Field Operations Specialist

Brad Herrema Brownstein Hyatt Farber Schreck, LLP

Andy Malone West Yost

| | |
|--------------|---------------------------------|
| Ben Orosco | City of Chino |
| Amanda Coker | Cucamonga Valley Water District |
| Jiwon Seung | Cucamonga Valley Water District |
| Megan Sims | Fontana Water Company |

| | |
|-------------------|--|
| Norberto Ferreira | City of Upland |
| Derek Hoffman | Fennemore Law |
| John Schatz | John J. Schatz, Attorney at Law |
| Clifford Button | Jurupa Community Services District |
| Manny Martinez | Monte Vista Water District |
| David De Jesus | Three Valleys Municipal Water District |
| Jorge Marquez | Three Valleys Municipal Water District |
| Joshua Aguilar | Western Municipal Water District |
| Mallory O'Connor | Western Municipal Water District |
| Craig Stewart | WSP USA |

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

(00:00:13) Ms. Nelson conducted the roll call and announced that a quorum was present.

None

None

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.

Approve as presented:
Minutes of the Advisory Committee Meeting held on May 15, 2025

B. FINANCIAL REPORTS

Receive and file as presented:

Monthly Financial Report for the Period Ended April 30, 2025

C. APPLICATION: WATER TRANSACTION – 1,000 AF SANTA ANA RIVER WATER COMPANY TO FONTANA WATER COMPANY

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

(00:03:18)

Motion by Second Vice-Chair Jeff Pierson, seconded by Ms. Hye Jin Lee, there being no dissent, the motion was deemed passed unanimously among those present.

Moved to approve the Consent Calendar as presented.

II. BUSINESS ITEMS

A. 2024 ANNUAL REPORT OF THE PRADO BASIN HABITAT SUSTAINABILITY PROGRAM

Recommend to the Watermaster Board to receive and file as presented.

(00:03:49) Mr. Tellez Foster gave a report.

(00:04:32)

Motion by Second Vice-Chair Jeff Pierson, seconded by Mr. Cris Fealy, there being no dissent, the motion was deemed passed unanimously among those present.

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

B. TURNER BASINS 5-10 PROJECT DESCRIPTION AND INITIAL CONCEPT PLAN

Provide advice and assistance to the Watermaster Board.

(00:05:00) Mr. Tellez Foster gave a report. The Committee supported advancing the effort.

III. REPORTS/UPDATES

A. WATERMASTER LEGAL COUNSEL

1. June 13, 2025, Court Hearing (Appropriative Pool Motion for Costs and Fees; Watermaster Motion for Receipt and Filing of Semi-Annual OBMP Status Report 2024-2; IEUA Motion for Costs and Fees; Watermaster Motion for Extension of Time to Complete Safe Yield Evaluation)
2. Court of Appeal Consolidated Cases No. E080457 and E082127 (City of Ontario appeal re: Fiscal Year 2021-22 and 2022-23 Assessment Packages)
3. Inland Empire Utilities Agency, et al. v. LS-Fontana LLC (C.D. Cal Cases Nos.: 5:25-cv-00809, 5:25-cv-01159)

(00:06:40) Mr. Herrema gave a report. A discussion ensued.

B. ENGINEER

1. None

C. GENERAL MANAGER

1. West Yost Associates, Inc. Fiscal Year 2025/26 Rate Schedule
2. July Meeting Schedule
3. Update on Peer Review Engagement Proposals
4. Chino Basin Watermaster Guidance Documents
5. Transition to Teams phones
6. Other

(00:08:16) Mr. Tellez Foster gave an update on Item 3 notifying the Committee that Watermaster is finalizing the draft proposal for the firm that was selected, S.S. Papadopoulos & Associates, Inc., and will make the recommendation to the Board. A discussion ensued.

D. INLAND EMPIRE UTILITIES AGENCY

1. Metropolitan Water District Activities Report (Written)
2. Water Supply Conditions (Written)
3. State and Federal Legislative Reports (Written)

No oral report was given.

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

(00:10:18) Mr. David De Jesus with Three Valleys Municipal Water District mentioned the upcoming Leadership Breakfast indicating that the keynote speaker will be the General Manager from Metropolitan Water District and hoped that Chino Basin stakeholders can attend. Ms. Roughton with Western Municipal Water District announced that SB72, when passed, will put through California's aspirational water goals. She mentioned that the meeting will be held on July 1st and more information can be found at www.cawaterforall.com.

IV. INFORMATION

A. RECHARGE INVESTIGATION AND PROJECTS COMMITTEE (PROJECT 23a STATUS)

This was an informational item, and no oral report was given.

B. CHINO BASIN DAY

This was an informational item, and no oral report was given.

V. COMMITTEE MEMBER COMMENTS

(00:12:12) Mr. Justin Scott-Coe thanked Chino Basin colleagues for their condolences for Mr. Mark Kinsey's untimely passing.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

None

ADJOURNMENT

Chair Espinoza adjourned the Advisory Committee meeting in memory of Mr. Mark Kinsey, former General Manager of Monte Vista Water District, and great contributor to the Chino Basin at 9:14 a.m.

Secretary: _____

Approved: _____



CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730
909.484.3888 www.cbwm.org

STAFF REPORT

DATE: July 2025

TO: Watermaster Committees & Board

SUBJECT: Monthly Financial Reports (For the Reporting Period Ended May 31, 2025) (Consent Calendar Item I.B.)

Issue: Record of Monthly Financial Reports for the reporting period ended May 31, 2025 [Normal Course of Business]

Recommendation: Receive and file Monthly Financial Reports for the reporting period ended May 31, 2025 as presented.

Financial Impact: None

ACTIONS:

Appropriative Pool – July 10, 2025 [Final]: Received and filed.

Non-Agricultural Pool – July 10, 2025 [Final]: Received and filed without approval.

Agricultural Pool – July 10, 2025 [Final]: Received and filed.

Advisory Committee – July 17, 2025 [Recommended]: Receive and file.

Watermaster Board – July 24, 2025 [Recommended]: Receive and file.

BACKGROUND

A monthly financial reporting packet is provided to keep all members apprised of Watermaster revenues, expenditures, and other financial activities. Monthly reports include the following:

1. Cash Disbursements – Summarized report of all payments made during the reporting month.
2. Credit Card Expense Detail – Detail report of all credit card activity during the reporting month.
3. Combining Schedule of Revenues, Expenses & Changes in Net Assets – Detail report of all revenue and expense activity for the fiscal year to date (YTD), summarized by pool category.
4. Treasurer's Report – Summary of Watermaster investment holdings and anticipated earnings as of month end.
5. Budget to Actual Report – Detail report of actual revenue and expense activity, shown for reporting month and YTD, comparatively to the adopted budget.
6. Monthly Variance Report & Supplemental Schedules – Supporting schedule providing explanation for major budget variances, additional tables detailing pool fund balances, salaries expense, legal expense, and engineering expense.

DISCUSSION

Detailed explanations of major variances and other additional information can be found on the "Monthly Variance Report & Supplemental Schedules."

Watermaster staff is available to provide additional explanations or respond to any questions on these reports during the monthly meetings as requested.

ATTACHMENT

1. Monthly Financial Reports (Period Ended May 31, 2025)



Chino Basin Watermaster
Cash Disbursements
May 2025

| Date | Number | Vendor Name | Description | Amount |
|------------------------|-----------|---|---|------------------------|
| 05/05/2025 | ACH5/5/25 | CALPERS | May medical insurance premiums | \$ (18,210.85) |
| 05/08/2025 | 25437 | BANALES D.C. | Filter change and add storage tank for RO system | (590.00) |
| 05/08/2025 | 25438 | CUCAMONGA VALLEY WATER DISTRICT - UTILITY | Utilities: Water | (366.20) |
| 05/08/2025 | 25439 | ESRI | ArcGIS software training - OPS team | (7,700.00) |
| 05/08/2025 | 25440 | FRONTIER COMMUNICATIONS | Landline connection for Bay Alarm system | (154.28) |
| 05/08/2025 | 25441 | JURADO, ALONSO | Reimbursement: Work boots | (179.38) |
| 05/08/2025 | 25442 | KUHN, BOB | | (375.00) |
| 05/08/2025 | 25443 | LEWIS BRISBOIS BISGAARD & SMITH LLP | March ONAP legal services | (1,980.00) |
| 05/08/2025 | 25444 | SAN BERNARDINO COUNTY - DEPT. AIRPORTS | May rent for extensometer site | (190.98) |
| 05/08/2025 | 25445 | SOUTHERN CALIFORNIA EDISON | Utilities: Electric | (112.70) |
| 05/08/2025 | 25446 | STATE COMPENSATION INSURANCE FUND | FY 25 worker's compensation insurance | (2,264.91) |
| 05/08/2025 | 25447 | VELTO, BILL | | (625.00) |
| 05/08/2025 | 25448 | VISION SERVICE PLAN | May vision insurance coverage | (163.19) |
| 05/08/2025 | 25449 | WEST YOST | March engineering services | (252,625.38) |
| 05/08/2025 | 25450 | UNION 76 | March and April fuel purchases | (311.88) |
| 05/08/2025 | 25451 | BOWCOCK, ROBERT | | (500.00) |
| 05/08/2025 | 25452 | DE BOOM, NATHAN | | (125.00) |
| 05/08/2025 | 25453 | EGOSCUE LAW GROUP, INC. | April OAP legal services | (17,650.00) |
| 05/08/2025 | 25454 | FILIPPI, GINO | | (500.00) |
| 05/08/2025 | 25455 | GEYE, BRIAN | | (875.00) |
| 05/08/2025 | 25456 | ZVIRBULIS, MARTIN | | (250.00) |
| 05/14/2025 | 25457 | BAY ALARM COMPANY | June security alarm monitoring service | (188.00) |
| 05/14/2025 | 25458 | BROWNSTEIN HYATT FARBER SCHRECK | March legal services | (162,742.06) |
| 05/14/2025 | 25459 | BURRTEC WASTE INDUSTRIES, INC. | Utilities: Waste | (168.62) |
| 05/14/2025 | 25460 | CALIFORNIA BANK & TRUST | Account ending 6198 - See detail attached | (4,533.34) |
| 05/14/2025 | 25461 | CORELOGIC INFORMATION SOLUTIONS | April geographic package services | (125.00) |
| 05/14/2025 | 25462 | CUCAMONGA VALLEY WATER DISTRICT | June lease | (11,902.91) |
| 05/14/2025 | 25464 | READY REFRESH | Office water dispenser May lease and deliveries | (85.05) |
| 05/14/2025 | 25465 | SPECTRUM ENTERPRISE | May internet services | (1,172.02) |
| 05/14/2025 | 25466 | VANGUARD CLEANING SYSTEMS | May janitorial service and April electrostatic spraying | (1,220.00) |
| 05/14/2025 | 25467 | VC3, INC. | April IT services and server battery replacement | (6,198.67) |
| 05/14/2025 | 25468 | WESTERN MUNICIPAL WATER DISTRICT | | (375.00) |
| 05/22/2025 | 25469 | BROWNSTEIN HYATT FARBER SCHRECK | April legal services | (97,550.26) |
| 05/22/2025 | 25472 | CLARK PEST CONTROL | Bi-monthly pest control services | (100.00) |
| 05/22/2025 | 25473 | LEWIS BRISBOIS BISGAARD & SMITH LLP | April ONAP legal services | (1,760.00) |
| 05/22/2025 | 25474 | SOCALGAS | Utilities: Gas | (77.91) |
| 05/22/2025 | 25475 | SOUTHERN CA EDISON | Utilities: Electric | (1,328.54) |
| 05/22/2025 | 25476 | VERIZON WIRELESS | Internet services for Field Ops tablets | (239.16) |
| 05/22/2025 | 25470 | WEST YOST | April engineering services | (360,052.27) |
| 05/22/2025 | 25471 | CURATALO, JAMES | | (1,000.00) |
| 05/29/2025 | 25477 | ACWA JOINT POWERS INSURANCE AUTHORITY | June life insurance | (284.47) |
| 05/29/2025 | 25478 | BAY ALARM COMPANY | Quarterly security alarm monitoring service | (206.46) |
| 05/29/2025 | 25479 | JOHN J. SCHATZ | March AP legal services | (33,725.33) |
| 05/29/2025 | 25480 | SAN BERNARDINO COUNTY - DEPT. AIRPORTS | June rent for extensometer site | (190.98) |
| 05/29/2025 | 25481 | SOUTHERN CALIFORNIA EDISON | Utilities: Electric | (143.29) |
| 05/29/2025 | 25482 | STANDARD INSURANCE CO. | June life and disability coverage | (1,040.35) |
| 05/29/2025 | 25483 | VERIZON WIRELESS | Internet services for extensometer site | (38.01) |
| 05/29/2025 | 25484 | DOLAR, KIRK RICHARD | Reimbursement: Supplies | (48.70) |
| 05/29/2025 | 25485 | UNITED HEALTHCARE | April to June dental insurance coverage | (3,636.22) |
| Total for Month | | | | \$ (995,882.37) |



Chino Basin Watermaster

Credit Card Expense Detail

May 2025

| Date | Number | Description | Expense Account | Amount |
|------------------------|--------|---|-----------------------------------|----------------------|
| 05/14/2025 | 25460 | CALIFORNIA BANK & TRUST | | |
| | | Amazon - Amazon Web Services - March 2025 | 6056 · Website Services | (321.37) |
| | | United Airlines - ACWA Spring Conference - E. Tellez-Foster - to be refunded | 6173 · Airfare/Mileage | (496.34) |
| | | Kara Korner - Management meeting - E. Tellez-Foster, B. Kuhn | 6141.1 · Meeting Supplies | (36.00) |
| | | Green Mango - Lunch meeting - IEUA flood control, E. Tellez-Foster | 6141.1 · Meeting Supplies | (144.56) |
| | | Panera Bread - OPS Meeting | 6141.1 · Meeting Supplies | (59.54) |
| | | Microsoft Software - Mapping and visualization software subscription | 6054 · Computer Software | (15.00) |
| | | REV Subscription - Speech to text transcription services | 6112 · Subscriptions/Publications | (29.99) |
| | | 1-800-Flowers.com - Sympathy bouquet for A. Nelson | 6031.7 · General Office Supplies | (67.42) |
| | | Gloria's Cocina - Lunch meeting - S. Burton, T. Corbin | 6141.1 · Meeting Supplies | (49.30) |
| | | Mezzaterranean - Board meeting lunch 03/27/2025 | 6312 · Board Meeting Expenses | (565.00) |
| | | Amazon - Cut resistant gloves | 6151 · Small Tools & Equipment | (49.33) |
| | | The Toll Roads - Toll fees for West Yost meetings 2/19/25 & 2/26/25 | 6173 · Airfare/Mileage | (28.84) |
| | | 91 Express Lanes - Toll fees for West Yost meeting 2/19/25 | 6173 · Airfare/Mileage | (50.00) |
| | | Riverside Express Lanes - Toll fees for West Yost meeting 2/19/25 | 6173 · Airfare/Mileage | (53.60) |
| | | Mr. Dumpling - Admin meeting - A. Nelson, R. Favela Quintero, D. Uriarte, K. Dolar | 6141.1 · Meeting Supplies | (108.27) |
| | | Corner Bakery - Lunch meeting - Personnel Committee | 6141.1 · Meeting Supplies | (101.23) |
| | | BambooHR - HR and Payroll System | 6061.2 · HRIS System | (230.14) |
| | | Costco - Meeting snacks and drinks | 6312 · Board Meeting Expenses | (317.90) |
| | | Costco - Office supplies | 6031.7 · General Office Supplies | (76.99) |
| | | Daily Grill - CalPERS HR Benefits Conference Meal - A. Nelson | 6191 · Conferences - General | (33.71) |
| | | Marriot Burbank - CalPERS HR Benefits Conference - A. Nelson - to be refunded | 6191 · Conferences - General | (10.40) |
| | | BlueHost - Monthly Software Renewal - Standard VPN Server with cPanel | 6056 · Website Services | (91.99) |
| | | HR Direct /Poster Guard - Labor law posters renewals | 6031.7 · General Office Supplies | (102.35) |
| | | International Association of Administrative Professionals - Membership Subscription | 6031.7 · General Office Supplies | (200.00) |
| | | Amazon - Noise cancelling headset | 6031.7 · General Office Supplies | (28.02) |
| | | Bulletpoint - Phone mounts for field trucks | 6031.7 · General Office Supplies | (209.01) |
| | | Sams Pita Kabab - Cybersecurity training meal - Nelson, Tellez-Foster, Yoo | 6191 · Conferences - General | (83.09) |
| | | Ono Hawaiian BBQ - Board meeting lunch 04/22/2025 | 6312 · Board Meeting Expenses | (624.87) |
| | | Office Depot - Ink cartridges | 6031.7 · General Office Supplies | (349.08) |
| Total for Month | | | | \$ (4,533.34) |



Chino Basin Watermaster

Combining Schedule of Revenues, Expenses & Changes in Net Assets

For the Period of July 1, 2024 through May 31, 2025

(Unaudited)

| | JUDGMENT ADMIN. | OPTIMUM BASIN MGMT. | TOTAL JUDGMENT ADMIN & OBMP | POOL ADMINISTRATION & SPECIAL PROJECTS | | | GROUND WATER REPLENISH. | GRAND TOTALS | ADOPTED BUDGET 2024-2025 WITH CARRYOVER |
|---|---------------------|---------------------------|--------------------------------------|--|-------------------|------------------|-------------------------------|---------------------|---|
| | | | | AP POOL | OAP POOL | ONAP POOL | | | |
| Administrative Revenues: | | | | | | | | | |
| Administrative Assessments | \$ 9,834,155 | \$ - | \$ 9,834,155 | \$ 99,200 | \$ - | \$ 31,000 | \$ - | \$ 9,964,355 | \$ 9,833,780 |
| Interest Revenue | - | 423,682 | 423,682 | 18,020 | 57,521 | 3,073 | 4,172 | 506,468 | 478,500 |
| Groundwater Replenishment | - | - | - | - | - | - | (87,377) | (87,377) | - |
| Mutual Agency Project Revenue | 191,073 | - | 191,073 | - | - | - | - | 191,073 | 191,070 |
| Miscellaneous Income | 1,468 | - | 1,468 | - | - | - | - | 1,468 | - |
| Total Administrative Revenues | 10,026,695 | 423,682 | 10,450,378 | 117,220 | 57,521 | 34,073 | (83,205) | 10,575,987 | 10,503,350 |
| Administrative & Project Expenditures: | | | | | | | | | |
| Watermaster Administration | 2,761,648 | - | 2,761,648 | - | - | - | - | 2,761,648 | 2,528,540 |
| Watermaster Board-Advisory Committee | 264,937 | - | 264,937 | - | - | - | - | 264,937 | 422,420 |
| Optimum Basin Mgmt Administration | - | 854,033 | 854,033 | - | - | - | - | 854,033 | 1,437,940 |
| OBMP Project Costs | - | 4,132,723 | 4,132,723 | - | - | - | - | 4,132,723 | 4,971,020 |
| Pool Legal Services | - | - | - | 116,448 | 143,150 | 12,859 | - | 272,457 | - |
| Pool Meeting Compensation | - | - | - | - | 21,750 | 5,125 | - | 26,875 | - |
| Pool Special Projects | - | - | - | - | 9,454 | - | - | 9,454 | - |
| Pool Administration | - | - | - | - | - | - | - | - | 370,660 |
| Debt Service | - | 955,086 | 955,086 | - | - | - | - | 955,086 | 772,770 |
| Agricultural Expense Transfer ¹ | - | - | - | 174,354 | (174,354) | - | - | - | - |
| Replenishment Water Assessments | - | - | - | - | - | - | 54,425 | 54,425 | 180,234 |
| Total Administrative Expenses | 3,026,585 | 5,941,841 | 8,968,426 | 290,802 | - | 17,984 | 54,425 | 9,331,637 | 10,683,584 |
| Net Ordinary Income | 7,000,111 | (5,518,159) | 1,481,951 | (173,582) | 57,521 | 16,089 | (137,630) | 1,244,350 | (180,234) |
| Other Income/(Expense) | | | | | | | | | |
| Refund-Recharge Debt Service | - | - | - | - | - | - | - | - | - |
| Carryover Budget* | - | - | - | - | - | - | - | - | 454,875 |
| Net Other Income/(Expense) | - | - | - | - | - | - | - | - | 454,875 |
| Net Transfers To/(From) Reserves | \$ 7,000,111 | \$ (5,518,159) | \$ 1,481,951 | \$ (173,582) | \$ 57,521 | \$ 16,089 | \$ (137,630) | \$ 1,244,350 | \$ 274,640 |
| Net Assets, July 1, 2024 | | | 8,794,214 | 555,405 | 1,404,964 | 65,733 | 180,234 | 11,000,551 | |
| Refund-Excess Operating Reserves | | | - | | | | | - | |
| Net Assets, End of Period | | | 10,276,165 | 381,823 | 1,462,486 | 81,822 | 42,605 | 12,244,901 | |
| Pool Assessments Outstanding | | | | (86,315) | (586,852) | - | | | |
| Payments received in FY 25 for prior year assessments | | | | 231,381 | - | - | | | |
| Pool Fund Balance | | | | \$ 526,889 | \$ 875,634 | \$ 81,822 | | | |

¹ Fund balance transfer as agreed to in the Peace Agreement.

*Carryover budget will be updated once the refund for excess operating reserves has been finalized.



Chino Basin Watermaster

Treasurer's Report

May 2025

| | Type | Monthly Yield | Cost | Market | % Total |
|---------------------------------------|------------|---------------|----------------------|----------------------|---------------|
| Cash & Investments | | | | | |
| Local Agency Investment Fund (LAIF) * | Investment | 4.27% | \$ 665,832 | \$ 666,398 | 4.9% |
| CA CLASS Prime Fund ** | Investment | 4.35% | 12,363,846 | \$ 12,363,227 | 91.6% |
| Bank of America | Checking | | 461,496 | 461,496 | 3.4% |
| Bank of America | Payroll | | - | - | 0.0% |
| Total Cash & Investments | | | \$ 13,491,175 | \$ 13,491,120 | 100.0% |

* The LAIF Market Value factor is updated quarterly in September, December, March, and June.

** The CLASS Prime Fund Net Asset Value factor is updated monthly.

Certification

I certify that (1) all investment actions executed since the last report have been made in full compliance with Chino Basin Watermaster's Investment Policy, and (2) Funds on hand are sufficient to meet all foreseen and planned administrative and project expenditures for the next six months.

Anna Nelson, Director of Administration

Prepared By:

Daniela Uriarte, Senior Accountant



Chino Basin Watermaster

Budget to Actual

For the Period July 1, 2024 to May 31, 2025

(Unaudited)

| | May 2024 | YTD Actual | FY 25 Adopted Budget with Carryover | \$ Over / (Under) Budget | % of Budget |
|---|---------------------|---------------------|--|--------------------------------|----------------|
| 1 Administration Revenue | | | | | |
| 2 Local Agency Subsidies | \$ - | \$ 191,073 | \$ 191,070 | \$ 3 | 100% |
| 3 Admin Assessments-Appropriative Pool | - | 9,497,193 | 9,521,030 | (23,837) | 100% |
| 4 Admin Assessments-Non-Ag Pool | - | 336,962 | 312,750 | 24,212 | 108% |
| 5 Total Administration Revenue | - | 10,025,228 | 10,024,850 | 378 | 100% |
| 6 Other Revenue | | | | | |
| 7 Appropriative Pool-Replenishment | - | (103,383) | - | (103,383) | N/A |
| 8 Non-Ag Pool-Replenishment | - | 16,006 | - | 16,006 | N/A |
| 9 Interest Income | 39,448 | 423,682 | 478,500 | (54,818) | 89% |
| 10 Miscellaneous Income | - | 1,468 | - | 1,468 | N/A |
| 11 Carryover Budget | - | - | 454,875 | (454,875) | 0% |
| 12 Total Other Revenue | 39,448 | 337,773 | 933,375 | (595,601) | 36% |
| 13 Total Revenue | 39,448 | 10,363,001 | 10,958,225 | (595,224) | 95% |
| 14 Judgment Administration Expense | | | | | |
| 15 Judgment Administration | 59,742 | 427,406 | 721,010 | (293,604) | 59% |
| 16 Admin. Salary/Benefit Costs | 91,753 | 1,093,926 | 1,032,120 | 61,806 | 106% |
| 17 Office Building Expense | 16,430 | 213,725 | 234,470 | (20,745) | 91% |
| 18 Office Supplies & Equip. | 1,175 | 25,583 | 46,760 | (21,177) | 55% |
| 19 Postage & Printing Costs | 1,690 | 20,885 | 32,950 | (12,065) | 63% |
| 20 Information Services | 7,633 | 128,266 | 232,530 | (104,264) | 55% |
| 21 Contract Services | 299 | 48,322 | 111,460 | (63,138) | 43% |
| 22 Watermaster Legal Services | 52,202 | 739,504 | 414,060 | 325,444 | 179% |
| 23 Insurance | - | 38,572 | 50,950 | (12,378) | 76% |
| 24 Dues and Subscriptions | 375 | 20,167 | 25,900 | (5,733) | 78% |
| 25 Watermaster Administrative Expenses | 1,453 | 9,506 | 9,630 | (124) | 99% |
| 26 Field Supplies | 233 | 2,461 | 3,200 | (739) | 77% |
| 27 Travel & Transportation | 2,334 | 88,323 | 104,960 | (16,637) | 84% |
| 28 Training, Conferences, Seminars | 1,606 | 23,303 | 49,370 | (26,067) | 47% |
| 29 Advisory Committee Expenses | 12,467 | 56,131 | 134,130 | (77,999) | 42% |
| 30 Watermaster Board Expenses | 24,851 | 208,807 | 288,290 | (79,483) | 72% |
| 31 ONAP - WM & Administration | 5,674 | 39,951 | 120,940 | (80,989) | 33% |
| 32 OAP - WM & Administration | 7,668 | 56,892 | 124,220 | (67,328) | 46% |
| 33 Appropriative Pool- WM & Administration | 15,208 | 134,479 | 125,500 | 8,979 | 107% |
| 34 Allocated G&A Expenditures | (46,807) | (349,623) | (540,830) | 191,207 | 65% |
| 35 Total Judgment Administration Expense | 255,986 | 3,026,585 | 3,321,620 | (295,035) | 91% |
| 36 Optimum Basin Management Plan (OBMP) | | | | | |
| 37 Optimum Basin Management Plan | 79,264 | 854,033 | 1,437,940 | (583,907) | 59% |
| 38 Groundwater Level Monitoring | 68,929 | 453,791 | 585,050 | (131,259) | 78% |
| 39 Program Element (PE)2- Comp Recharge | 21,528 | 1,561,573 | 1,774,300 | (212,727) | 88% |
| 40 PE3&5-Water Supply/Desalte | 13,911 | 81,567 | 122,010 | (40,443) | 67% |
| 41 PE4- Management Plan | 59,455 | 416,248 | 412,400 | 3,848 | 101% |
| 42 PE6&7-CoopEfforts/SaltMgmt | 76,678 | 706,780 | 669,380 | 37,400 | 106% |
| 43 PE8&9-StorageMgmt/Conj Use | 76,364 | 563,142 | 867,050 | (303,908) | 65% |
| 44 Recharge Improvements | - | 955,086 | 772,770 | 182,316 | 124% |
| 45 Administration Expenses Allocated-OBMP | 15,251 | 123,027 | 232,750 | (109,723) | 53% |
| 46 Administration Expenses Allocated-PE 1-9 | 31,555 | 226,596 | 308,080 | (81,484) | 74% |
| 47 Total OBMP Expense | 442,936 | 5,941,841 | 7,181,730 | (1,239,889) | 83% |
| 48 Other Expense | | | | | |
| 49 Groundwater Replenishment | - | 54,425 | 180,234 | (125,810) | 30% |
| 50 Other Expenses | - | - | - | - | N/A |
| 51 Total Other Expense | - | 54,425 | 180,234 | (125,810) | 30% |
| 52 Total Expenses | 698,922 | 9,022,851 | 10,683,584 | (1,660,733) | 84% |
| 53 Increase / (Decrease) to Reserves | \$ (659,473) | \$ 1,340,150 | \$ 274,640 | \$ 1,065,510 | |



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2024 to May 31, 2025

(Unaudited)

Budget to Actual

The Budget to Actual report summarizes the operating and non-operating revenues and expenses of Chino Basin Watermaster for the fiscal year-to-date (YTD). Columns are included for current monthly and YTD activity shown comparatively to the FY 25 adopted budget. The final two columns indicate the amount over or under budget, and the YTD percentage of total budget used. As of May 31st, the target budget percentage is generally 92%.

Revenues

Lines 1-5 Administration Revenue – Includes local agency subsidies and administrative assessment for the Appropriative, Agricultural and Non-Agricultural Pools. Below is a summary of notable account variances at month end:

- Line 2 Local Agency Subsidies includes the annual Dy Year Yield (DYY) administrative fee received. This account is at 100% of budget due to the timing of payment.
- Line 3-4 Administrative Assessments for the Appropriative and Non-Agricultural Pools include annual assessment invoices issued in November of each year. The Non-Agricultural Pool line is over budget due to changes in actual versus projected production.

Lines 6-12 Other Revenue – Includes Pool replenishment assessments, interest income, miscellaneous income, and carryover budget from prior years.

Expenses

Lines 14-35 Judgment Administration Expense – Includes Watermaster general administrative expenses, contract services, insurance, office and other administrative expenses. Below is a summary of notable account variances at month end:

- Line 16 Admin Salary/Benefit Costs includes wages and benefits for Watermaster administrative staff. The account is over budget due to vacation and severance payouts done in July.
- Line 22 Watermaster Legal Services includes outside legal counsel expenses. The account is over budget due to personnel matters not anticipated in the budget.

Lines 36-47 Optimum Basin Management Plan (OBMP) Expense – Includes legal, engineering, groundwater level monitoring, allocated administrative expenses, and other expenses.

Lines 48-51 Other Expense – Includes groundwater replenishment, settlement expenses, and various refunds as appropriate.



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2024 to May 31, 2025

(Unaudited)

Pool Services Fund Accounting

Each Pool has a fund account created to pay their own legal service invoices. The legal services invoices are funded and paid using the fund accounts (8467 for the Overlying Agricultural Pool (OAP), 8567 for the Overlying Non-Agricultural Pool (ONAP), and 8367 for the Appropriate Pool (AP)). Along with the legal services fund account for the OAP (8467), the OAP also has two other fund accounts for Ag Pool Meeting Attendance expenses (8470), and Special Projects expenses (8471). The ONAP also has a meeting compensation fund account (8511). Additionally, the OAP has a reserve fund that is held by Watermaster and spent at the direction of the OAP. The AP also has account 8368 relating to the Tom Harder contract. These fund accounts are replenished at the direction of each Pool, and the legal service invoices are approved by the Pool leadership and when paid by Watermaster, are deducted from the existing fund account balances. If the fund account for any pool reaches zero, no further payments can be paid from the fund, and a replenishment action must be initiated by the Pool.

The following tables detail the fund balance accounts as of May 31, 2025 (continued next page):

| Fund Balance For Non-Agricultural Pool Account 8567 - Legal Services | | Fund Balance For Appropriate Pool Account 8367 - Legal Services | |
|---|--------------|--|---------------|
| Beginning Balance July 1, 2024: | \$ 63,483.09 | Beginning Balance July 1, 2024: | \$ (9,472.87) |
| Additions: | | Additions: | |
| Interest Earnings | 3,072.75 | Interest Earnings | 18,019.61 |
| Payments received on ONAP Assessment invoices issued 11/26/24 | 25,000.00 | Payments received on AP Assessment invoices issued 11/18/21 | 27,343.35 |
| Subtotal Additions: | 28,072.75 | Payments received on AP Assessment invoices issued 4/21/22 | 39,013.34 |
| | | Payments received on AP Assessment invoices issued 10/14/22 | 70,478.86 |
| Reductions: | | Payments received on AP Assessment invoices issued 4/19/23 | 26,262.54 |
| Invoices paid July 2024 - May 2025 | (12,859.00) | Payments received on AP Assessment invoices issued 10/30/23 | 68,282.61 |
| Subtotal Reductions: | (12,859.00) | Payments received on AP Assessment invoices issued 11/26/24 | 67,701.53 |
| | | Payments received for appeal legal expenses 2/28/25 | 31,498.58 |
| Available Fund Balance as of May 31, 2025 | \$ 78,696.84 | Subtotal Additions: | 348,600.42 |
| | | Reductions: | |
| | | Invoices paid July 2024 - May 2025 | (116,447.71) |
| | | Subtotal Reductions: | (116,447.71) |
| | | Available Fund Balance as of May 31, 2025 | \$ 222,679.84 |

| Fund Balance For Non-Agricultural Pool Account 8511 - Meeting Compensation | | Fund Balance For Appropriate Pool Account 8368 - Tom Harder Contract | |
|---|-------------|---|--------------|
| Beginning Balance July 1, 2024: | \$ 2,250.00 | Beginning Balance July 1, 2024: | \$ 20,577.61 |
| Additions: | | Additions: | |
| Payments received on ONAP Assessment invoices issued 11/26/24 | 6,000.00 | | |
| Subtotal Additions: | 6,000.00 | Subtotal Additions: | - |
| Reductions: | | Reductions: | |
| Compensation paid July 2024 - May 2025 | (5,125.00) | Invoices paid July 2024 - May 2025 | - |
| Subtotal Reductions: | (5,125.00) | Subtotal Reductions: | - |
| Available Fund Balance as of May 31, 2025 | \$ 3,125.00 | Available Fund Balance as of May 31, 2025 | \$ 20,577.61 |



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2024 to May 31, 2025

(Unaudited)

Pool Services Fund Accounting – Cont.

Fund Balance for Agricultural Pool Account 8467 - Legal Services (Held by AP)

| | |
|--|----------------------|
| Beginning Balance July 1, 2024*: | \$ 388,647.51 |
| Reductions: | |
| Invoices paid July 2024 - May 2025 | (143,150.00) |
| Subtotal Reductions: | (143,150.00) |
| Available Fund Balance as of May 31, 2025 | \$ 245,497.51 |

*Balance includes payments received totaling \$262,832.38 for Settlement Agreement outstanding invoices issued Apr. 15, 2022 and Jun. 17, 2022.

Agricultural Pool Reserve Funds As shown on the Combining Schedules

| | |
|--|----------------------|
| Beginning Balance July 1, 2024*: | \$ 818,112.17 |
| Additions: | |
| YTD Interest earned on Ag Pool Funds FY 25 | 57,521.37 |
| Transfer of Funds from AP to Special Fund for Legal Service Invoices | 143,150.00 |
| Total Additions: | 200,671.37 |
| Reductions: | |
| Legal service invoices paid July 2024 - May 2025 | (143,150.00) |
| Subtotal Reductions: | (143,150.00) |
| Agricultural Pool Reserve Funds Balance as of May 31, 2025: | \$ 875,633.54 |

*Balance includes payments of \$102,245.10 and \$42,025.61 received in FY 24 for outstanding invoices issued Sep. 9, 2022 and Apr. 20, 2023 for Ag Pool legal services, respectively.

Fund Balance For Agricultural Pool Account 8470 - Meeting Compensation (Held by AP)

| | |
|--|---------------------|
| Beginning Balance July 1, 2024: | \$ 17,694.65 |
| Additions: | |
| Budget Transfers ¹ | 30,000.00 |
| Subtotal Additions: | 30,000.00 |
| Reductions: | |
| Compensation paid July 2024 - May 2025 | (21,750.00) |
| Subtotal Reductions: | (21,750.00) |
| Available Fund Balance as of May 31, 2025 | \$ 25,944.65 |

¹ Transfer scheduled in April 16, 2025 per communication with OAP legal counsel.

Fund Balance For Agricultural Pool Account 8471 - Special Projects (Held by AP)

| | |
|--|---------------------|
| Beginning Balance July 1, 2024: | \$ 51,643.00 |
| Reductions: | |
| Invoices paid July 2024 - May 2025 | (9,454.00) |
| Budget Transfers ¹ | (30,000.00) |
| Subtotal Reductions: | (39,454.00) |
| Available Fund Balance as of May 31, 2025 | \$ 12,189.00 |

¹ Transfer scheduled in April 16, 2025 per communication with OAP legal counsel.



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2024 to May 31, 2025

(Unaudited)

Watermaster Salary Expenses

The following table details the Year-To-Date (YTD) Actual Watermaster burdened salary costs compared to the FY 25 adopted budget. The “\$ Over Budget” and the “% of Budget” columns are a comparison of the YTD actual to the annual budget. As of May 31st, the target budget percentage is generally 92%.

| | Year to Date Actual | FY 24-25 Budget | \$ Over / (Under) Budget | % of Budget |
|---|------------------------|--------------------|-----------------------------|----------------|
| WM Salary Expense | | | | |
| 5901.1 · Judgment Admin - Doc. Review | 66,012 | 93,860 | (27,848) | 70.3% |
| 5901.3 · Judgment Admin - Field Work | 2,283 | 11,860 | (9,577) | 19.3% |
| 5901.5 · Judgment Admin - General | 10,277 | 81,090 | (70,813) | 12.7% |
| 5901.7 · Judgment Admin - Meeting | 39,832 | 39,710 | 122 | 100.3% |
| 5901.9 · Judgment Admin - Reporting | 3,557 | 13,890 | (10,333) | 25.6% |
| 5910 · Judgment Admin - Court Coord./Attendance | 7,464 | 16,970 | (9,506) | 44.0% |
| 5911 · Judgment Admin - Exhibit G | 1,588 | 6,400 | (4,812) | 24.8% |
| 5921 · Judgment Admin - Production Monitoring | 1,002 | 5,440 | (4,438) | 18.4% |
| 5931 · Judgment Admin - Recharge Applications | 2,318 | - | 2,318 | 100.0% |
| 5941 · Judgment Admin - Reporting | 1,648 | 2,140 | (492) | 77.0% |
| 5951 · Judgment Admin - Rules & Regs | 2,241 | 11,260 | (9,019) | 19.9% |
| 5961 · Judgment Admin - Safe Yield | 57,408 | 9,510 | 47,898 | 603.7% |
| 5971 · Judgment Admin - Storage Agreements | 7,240 | 13,000 | (5,760) | 55.7% |
| 5981 · Judgment Admin - Water Accounting/Database | 87,614 | 108,290 | (20,676) | 80.9% |
| 5991 · Judgment Admin - Water Transactions | 5,517 | 5,330 | 187 | 103.5% |
| 6011.11 · WM Staff - Overtime | 6,952 | 18,000 | (11,048) | 38.6% |
| 6011.10 · Admin - Accounting | 211,635 | 278,330 | (66,695) | 76.0% |
| 6011.15 · Admin - Building Admin | 50,698 | 31,200 | 19,498 | 162.5% |
| 6011.20 · Admin - Conference/Seminars | 45,349 | 58,530 | (13,181) | 77.5% |
| 6011.25 · Admin - Document Review | 50,520 | 2,620 | 47,900 | 1928.2% |
| 6011.50 · Admin - General | 290,452 | 362,560 | (72,108) | 80.1% |
| 6011.60 · Admin - HR | 103,000 | 50,450 | 52,550 | 204.2% |
| 6011.70 · Admin - IT | 80,775 | 34,070 | 46,705 | 237.1% |
| 6011.80 · Admin - Meeting | 102,022 | 39,760 | 62,262 | 256.6% |
| 6011.90 · Admin - Team Building | 23,601 | 41,550 | (17,949) | 56.8% |
| 6011.95 · Admin - Training (Give/Receive) | 38,902 | 64,160 | (25,258) | 60.6% |
| 6017 · Temporary Services | 24,229 | 26,040 | (1,811) | 93.0% |
| 6201 · Advisory Committee | 30,332 | 82,850 | (52,518) | 36.6% |
| 6301 · Watermaster Board | 86,823 | 83,910 | 2,913 | 103.5% |
| 8301 · Appropriative Pool | 102,846 | 67,280 | 35,566 | 152.9% |
| 8401 · Agricultural Pool | 30,094 | 66,000 | (35,906) | 45.6% |
| 8501 · Non-Agricultural Pool | 18,625 | 62,710 | (44,085) | 29.7% |
| 6901.1 · OBMP - Document Review | 29,446 | 95,290 | (65,844) | 30.9% |
| 6901.3 · OBMP - Field Work | 4,401 | 50,870 | (46,469) | 8.7% |
| 6901.5 · OBMP - General | 93,305 | 81,120 | 12,185 | 115.0% |
| 6901.7 · OBMP - Meeting | 34,995 | 80,360 | (45,365) | 43.5% |
| 6901.9 · OBMP - Reporting | 9,188 | 11,040 | (1,852) | 83.2% |
| 7104.1 · PE1 - Monitoring Program | 191,177 | 275,490 | (84,313) | 69.4% |
| 7201 · PE2 - Comprehensive Recharge | 76,790 | 71,750 | 5,040 | 107.0% |
| 7301 · PE3&5 - Water Supply/Desalter | 934 | 9,510 | (8,576) | 9.8% |
| 7301.1 · PE5 - Reg. Supply Water Prgm. | 840 | 9,510 | (8,671) | 8.8% |
| 7401 · PE4 - MZ1 Subsidence Mgmt. Plan | 1,759 | 14,040 | (12,281) | 12.5% |
| 7501 · PE6 - Coop. Programs/Salt Mgmt. | 12,492 | 9,510 | 2,982 | 131.4% |
| 7501.1 · PE 7 - Salt Nutrient Mgmt. Plan | 6,753 | 9,510 | (2,757) | 71.0% |
| 7601 · PE8&9 - Storage Mgmt./Recovery | 24,925 | 22,520 | 2,405 | 110.7% |
| Subtotal WM Staff Costs | 2,082,804 | 2,529,290 | (446,486) | 82% |
| 60184.1 · Administrative Leave | - | 6,550 | (6,550) | 0.0% |
| 60185 · Vacation | 109,417 | 90,280 | 19,137 | 121.2% |
| 60185.1 · Comp Time | 10,028 | - | 10,028 | 100.0% |
| 60186 · Sick Leave | 42,148 | 79,450 | (37,302) | 53.0% |
| 60187 · Holidays | 79,737 | 99,330 | (19,593) | 80.3% |
| Subtotal WM Paid Leaves | 241,330 | 275,610 | (34,280) | 88% |
| Total WM Salary Costs | 2,324,134 | 2,804,900 | (480,766) | 82.9% |



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2024 to May 31, 2025

(Unaudited)

Engineering

The following table details the Year-To-Date (YTD) Actual Engineering costs compared to the FY 24 adopted budget. The “\$ Over Budget” and the “% of Budget” columns are a comparison of the YTD actual to the annual budget. As of May 31st, the target budget percentage is generally 92%.

| | Year to Date Actual | FY 24-25 Budget | \$ Over / (Under) Budget | % of Budget |
|--|------------------------|---------------------|-----------------------------|----------------|
| Engineering Services Costs | | | | |
| 5901.8 · Judgment Admin - Meetings-Engineering Services | \$ - | \$ 37,066 | \$ (37,066) | 0.0% |
| 5906.71 · Judgment Admin - Data Requests-CBWM Staff | 55,854 | 101,048 | (45,194) | 55.3% |
| 5906.72 · Judgment Admin - Data Requests-Non-CBWM Staff | 38,411 | 37,008 | 1,403 | 103.8% |
| 5925 · Judgment Admin - Ag Production & Estimation | 22,992 | 31,096 | (8,104) | 73.9% |
| 5935 · Judgment Admin - Mat'l Physical Injury Requests | 1,488 | 39,452 | (37,965) | 3.8% |
| 5945 · Judgment Admin - WM Annual Report Preparation | 12,659 | 16,924 | (4,266) | 74.8% |
| 5965 · Judgment Admin - Support Data Collection & Mgmt Process | - | 39,659 | (39,659) | 0.0% |
| 6206 · Advisory Committee Meetings-WY Staff | 12,073 | 23,510 | (11,437) | 51.4% |
| 6306 · Watermaster Board Meetings-WY Staff | 24,183 | 23,510 | 673 | 102.9% |
| 8306 · Appropriative Pool Meetings-WY Staff | 18,498 | 23,510 | (5,012) | 78.7% |
| 8406 · Agricultural Pool Meetings-WY Staff | 13,664 | 23,510 | (9,846) | 58.1% |
| 8506 · Non-Agricultural Pool Meetings-WY Staff | 8,191 | 23,510 | (15,319) | 34.8% |
| 6901.8 · OBMP - Meetings-WY Staff | 59,251 | 37,066 | 22,185 | 159.9% |
| 6901.95 · OBMP - Reporting-WY Staff | 57,096 | 62,606 | (5,510) | 91.2% |
| 6906 · OBMP Engineering Services - Other | 61,493 | 51,440 | 10,053 | 119.5% |
| 6906.1 · OBMP Watermaster Model Update | 8,153 | 67,596 | (59,444) | 12.1% |
| 6906.21 · State of the Basin Report | 146,035 | 195,188 | (49,153) | 74.8% |
| 7104.3 · Grdwtr Level-Engineering | 204,911 | 254,627 | (49,716) | 80.5% |
| 7104.8 · Grdwtr Level-Contracted Services | 25,172 | 26,174 | (1,002) | 96.2% |
| 7104.9 · Grdwtr Level-Capital Equipment | 13,382 | 17,000 | (3,618) | 78.7% |
| 7202 · PE2-Comp Recharge-Engineering Services | 17,400 | 23,496 | (6,096) | 74.1% |
| 7202.2 · PE2-Comp Recharge-Engineering Services | 150,657 | 75,944 | 74,713 | 198.4% |
| 7302 · PE3&5-PBHSP Monitoring Program | 64,219 | 73,305 | (9,086) | 87.6% |
| 7303 · PE3&5-Engineering - Other | 6,584 | 16,180 | (9,596) | 40.7% |
| 7306 · PE3&5-Engineering - Outside Professionals | 4,500 | 6,500 | (2,000) | 69.2% |
| 7402 · PE4-Engineering | 256,862 | 281,239 | (24,377) | 91.3% |
| 7402.10 · PE4-Northwest MZ1 Area Project | 84,617 | 16,656 | 67,961 | 508.0% |
| 7403 · PE4-Eng. Services-Contracted Services-InSar | 32,366 | 39,600 | (7,235) | 81.7% |
| 7406 · PE4-Engineering Services-Outside Professionals | 28,346 | 38,600 | (10,254) | 73.4% |
| 7408 · PE4-Engineering Services-Network Equipment | 8,708 | 17,553 | (8,845) | 49.6% |
| 7502 · PE6&7-Engineering | 349,553 | 398,309 | (48,757) | 87.8% |
| 7505 · PE6&7-Laboratory Services | 50,452 | 61,242 | (10,791) | 82.4% |
| 7510 · PE6&7-IEUA Salinity Mgmt. Plan | 20,819 | - | 20,819 | 100.0% |
| 7511 · PE6&7-SAWBMP Task Force-50% IEUA | 12,038 | 27,067 | (15,030) | 44.5% |
| 7517 · Surface Water Monitoring Plan-Chino Creek - 50% IEUA | 24,199 | 33,574 | (9,375) | 72.1% |
| 7520 · Preparation of Water Quality Mgmt. Plan | 2,783 | 130,164 | (127,381) | 2.1% |
| 7610 · PE8&9-Support 2020 Mgmt. Plan | - | 32,584 | (32,584) | 0.0% |
| 7614 · PE8&9-Support Imp. Safe Yield Court Order | 538,217 | 768,963 | (230,746) | 70.0% |
| 7615 · PE8&9-Develop 2025 Storage Plan | - | 42,632 | (42,632) | 0.0% |
| Total Engineering Services Costs | \$ 2,435,820 | \$ 3,215,108 | \$ (779,288) | 75.8% |



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2024 to May 31, 2025

(Unaudited)

Legal

The following table details the YTD Brownstein Hyatt Farber Schreck (BHFS) expenses and costs compared to the FY 24 adopted budget. The “\$ Over Budget” and the “% of Budget” columns are a comparison of the YTD actual to the annual budget. As of May 31st, the target budget percentage is generally 92%.

| | Year to Date Actual | FY 24-25 Budget | \$ Over / (Under) Budget | % of Budget |
|---|------------------------|---------------------|-----------------------------|----------------|
| 6070 · Watermaster Legal Services | | | | |
| 6071 · BHFS Legal - Court Coordination | \$ 268,725 | \$ 144,040 | \$ 124,685 | 186.6% |
| 6072 · BHFS Legal - Rules & Regulations | 5,308 | 10,495 | (5,187) | 50.6% |
| 6073 · BHFS Legal - Personnel Matters | 306,594 | 28,150 | 278,444 | 1089.1% |
| 6074 · BHFS Legal - Interagency Issues | - | 40,536 | (40,536) | 0.0% |
| 6077 · BHFS Legal - Party Status Maintenance | - | 13,590 | (13,590) | 0.0% |
| 6078 · BHFS Legal - Miscellaneous (Note 1) | 158,888 | 177,240 | (18,352) | 89.6% |
| Total 6070 · Watermaster Legal Services | 739,515 | 414,051 | 325,464 | 178.6% |
| 6275 · BHFS Legal - Advisory Committee | 13,726 | 27,764 | (14,038) | 49.4% |
| 6375 · BHFS Legal - Board Meeting | 64,569 | 88,704 | (24,135) | 72.8% |
| 6375.1 · BHFS Legal - Board Workshop(s) | - | 29,215 | (29,215) | 0.0% |
| 8375 · BHFS Legal - Appropriative Pool | 13,135 | 34,705 | (21,570) | 37.8% |
| 8475 · BHFS Legal - Agricultural Pool | 13,135 | 34,705 | (21,570) | 37.8% |
| 8575 · BHFS Legal - Non-Ag Pool | 13,135 | 34,705 | (21,570) | 37.8% |
| Total BHFS Legal Services | 117,700 | 249,798 | (132,098) | 47.1% |
| 6907.3 · WM Legal Counsel | | | | |
| 6907.31 · Archibald South Plume | - | 12,565 | (12,565) | 0.0% |
| 6907.32 · Chino Airport Plume | - | 12,565 | (12,565) | 0.0% |
| 6907.33 · Desalter/Hydraulic Control | - | 38,680 | (38,680) | 0.0% |
| 6907.34 · Santa Ana River Water Rights | 1,972 | 21,405 | (19,433) | 9.2% |
| 6907.36 · Santa Ana River Habitat | - | 31,280 | (31,280) | 0.0% |
| 6907.38 · Reg. Water Quality Cntrl Board | 5,280 | 63,200 | (57,920) | 8.4% |
| 6907.39 · Recharge Master Plan | 87,479 | 14,270 | 73,209 | 613.0% |
| 6907.41 · Prado Basin Habitat Sustainability | 3,654 | 10,290 | (6,636) | 35.5% |
| 6907.44 · SGMA Compliance | 1,294 | 10,290 | (8,996) | 12.6% |
| 6907.45 · OBMP Update | 14,497 | 177,240 | (162,743) | 8.2% |
| 6907.47 · 2020 Safe Yield Reset | 84,111 | 80,190 | 3,921 | 104.9% |
| 6907.48 · Ely Basin Investigation | 5,633 | 64,890 | (59,257) | 8.7% |
| 6907.49 · San Sevaine Basin Discharge | 94,824 | 110,080 | (15,256) | 86.1% |
| 6907.90 · WM Legal Counsel - Unanticipated | - | 38,885 | (38,885) | 0.0% |
| Total 6907 · WM Legal Counsel | 298,744 | 685,830 | (387,086) | 43.6% |
| Total Brownstein, Hyatt, Farber, Schreck Costs | \$ 1,155,958 | \$ 1,349,679 | \$ (193,721) | 85.6% |



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2024 to May 31, 2025

(Unaudited)

Optimum Basin Management Plan (OBMP)

The following table details the Year-To-Date (YTD) Actual OBMP costs compared to the FY 24 adopted budget. The “\$ Over Budget” and the “% of Budget” columns are a comparison of the YTD actual to the annual budget. As of May 31st, the target budget percentage is generally 92%.

| | Year to Date Actual | FY 24-25 Budget | \$ Over / (Under) Budget | % of Budget |
|---|------------------------|---------------------|-----------------------------|----------------|
| 6900 · Optimum Basin Mgmt Plan | | | | |
| 6901.1 · OBMP - Document Review-WM Staff | \$ 29,446 | \$ 95,294 | \$ (65,848) | 30.9% |
| 6901.3 · OBMP - Field Work-WM Staff | 4,401 | 50,870 | (46,469) | 8.7% |
| 6901.5 · OBMP - General-WM Staff | 93,305 | 81,120 | 12,185 | 115.0% |
| 6901.7 · OBMP - Meeting-WM Staff | 34,995 | 80,360 | (45,365) | 43.5% |
| 6901.8 · OBMP - Meeting-West Yost | 59,251 | 37,066 | 22,185 | 159.9% |
| 6901.9 · OBMP - Reporting-WM Staff | 9,188 | 11,040 | (1,852) | 83.2% |
| 6901.95 · OBMP - Reporting-West Yost | 57,096 | 62,606 | (5,510) | 91.2% |
| Total 6901 · OBMP WM and West Yost Staff | 287,682 | 418,356 | (130,674) | 68.8% |
| 6903 · OBMP - SAWPA | | | | |
| 6903 · OBMP - SAWPA Group | 15,984 | 15,990 | (6) | 100.0% |
| Total 6903 · OBMP - SAWPA | 15,984 | 15,990 | (6) | 100.0% |
| 6906 · OBMP Engineering Services | | | | |
| 6906.1 · OBMP - Watermaster Model Update | 8,153 | 67,596 | (59,444) | 12.1% |
| 6906.21 · State of the Basin Report | 146,035 | 195,188 | (49,153) | 74.8% |
| 6906 · OBMP Engineering Services - Other | 61,493 | 51,440 | 10,053 | 119.5% |
| Total 6906 · OBMP Engineering Services | 215,680 | 314,224 | (98,544) | 68.6% |
| 6907 · OBMP Legal Fees | | | | |
| 6907.31 · Archibald South Plume | - | 12,565 | (12,565) | 0.0% |
| 6907.32 · Chino Airport Plume | - | 12,565 | (12,565) | 0.0% |
| 6907.33 · Desalter/Hydraulic Control | - | 38,680 | (38,680) | 0.0% |
| 6907.34 · Santa Ana River Water Rights | 1,972 | 21,405 | (19,433) | 9.2% |
| 6907.36 · Santa Ana River Habitat | - | 31,280 | (31,280) | 0.0% |
| 6907.38 · Reg. Water Quality Cntrl Board | 5,280 | 63,200 | (57,920) | 8.4% |
| 6907.39 · Recharge Master Plan | 87,479 | 14,270 | 73,209 | 613.0% |
| 6907.41 · Prado Basin Habitat Sustainability | 3,654 | 10,290 | (6,636) | 35.5% |
| 6907.44 · SGMA Compliance | 1,294 | 10,290 | (8,996) | 12.6% |
| 6907.45 · OBMP Update | 14,497 | 177,240 | (162,743) | 8.2% |
| 6907.47 · 2020 Safe Yield Reset | 84,111 | 80,190 | 3,921 | 104.9% |
| 6907.48 · Ely Basin Investigation | 5,633 | 64,890 | (59,257) | 8.7% |
| 6907.49 · San Sevaire Basin Discharge | 94,824 | 110,080 | (15,256) | 86.1% |
| 6907.90 · WM Legal Counsel - Unanticipated | - | 38,885 | (38,885) | 0.0% |
| Total 6907 · OBMP Legal Fees | 298,744 | 685,830 | (387,086) | 43.6% |
| 6909 · OBMP Other Expenses | | | | |
| 6909.6 · OBMP Expenses - Miscellaneous | - | - | - | 0.0% |
| Total 6909 · OBMP Other Expenses | 2,172 | 3,540 | (1,368) | 61.4% |
| Total 6900 · Optimum Basin Mgmt Plan | \$ 820,261 | \$ 1,437,940 | \$ (617,679) | 57.0% |



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2024 to May 31, 2025

(Unaudited)

Judgment Administration

The following table details the Year-To-Date (YTD) Actual Judgment Administration costs compared to the FY 24 adopted budget. The “\$ Over Budget” and the “% of Budget” columns are a comparison of the YTD actual to the annual budget. As of May 31st, the target budget percentage is generally 92%.

| | Year to Date Actual | FY 24-25 Budget | \$ Over / (Under) Budget | % of Budget |
|---|------------------------|--------------------|-----------------------------|----------------|
| 5901 · Admin-WM Staff | | | | |
| 5901.1 · Admin-Doc. Review-WM Staff | \$ 66,012 | \$ 93,860 | \$ (27,848) | 70.3% |
| 5901.3 · Admin-Field Work-WM Staff | 2,283 | 11,860 | (9,577) | 19.3% |
| 5901.5 · Admin-General-WM Staff | 10,277 | 81,090 | (70,813) | 12.7% |
| 5901.7 · Admin-Meeting-WM Staff | 39,832 | 39,710 | 122 | 100.3% |
| 5901.8 · Admin-Meeting - West Yost | - | 37,066 | (37,066) | 0.0% |
| 5901.9 · Admin-Reporting-WM Staff | 3,557 | 13,890 | (10,333) | 25.6% |
| Total 5901 · Admin-WM Staff | 121,961 | 277,476 | (155,515) | 44.0% |
| 5900 · Judgment Admin Other Expenses | | | | |
| 5906.71 · Admin-Data Req-CBWM Staff | 55,854 | 101,048 | (45,194) | 55.3% |
| 5906.72 · Admin-Data Req-Non CBWM Staff | 38,411 | 37,008 | 1,403 | 103.8% |
| 5910 · Court Coordination/Attend-WM | 7,464 | 16,970 | (9,506) | 44.0% |
| 5911 · Exhibit G-WM Staff | 1,588 | 6,400 | (4,812) | 24.8% |
| 5921 · Production Monitoring-WM Staff | 1,002 | 5,440 | (4,438) | 18.4% |
| 5925 · Ag Prod & Estimation-West Yost | 22,992 | 31,096 | (8,104) | 73.9% |
| 5931 · Recharge Applications-WM Staff | 2,318 | - | 2,318 | 100.0% |
| 5935 · Admin-Mat'l Phy Inj Requests | 1,488 | 39,459 | (37,972) | 3.8% |
| 5941 · Reporting-WM Staff | 1,648 | 2,140 | (492) | 77.0% |
| 5945 · WM Annual Report Prep-West Yost | 12,659 | 16,924 | (4,266) | 74.8% |
| 5951 · Rules & Regs-WM Staff | 2,241 | 11,260 | (9,019) | 19.9% |
| 5961 · Safe Yield-WM Staff | 57,408 | 9,510 | 47,898 | 603.7% |
| 5965 · Support Data Collect-West Yost | - | 39,659 | (39,659) | 0.0% |
| 5971 · Storage Agreements-WM Staff | 7,240 | 13,000 | (5,760) | 55.7% |
| 5981 · Water Acct/Database-WM Staff | 87,614 | 108,290 | (20,676) | 80.9% |
| 5991 · Water Transactions-WM Staff | 5,517 | 5,330 | 187 | 103.5% |
| Total 5900 · Judgment Admin Other Expenses | 305,445 | 443,534 | (138,089) | 68.9% |
| Total 5900 · Judgment Administration | \$ 427,406 | \$ 721,010 | \$ (293,604) | 59.3% |



CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730

909.484.3888 www.cbwm.org

STAFF REPORT

DATE: July 17, 2025

TO: Advisory Committee Members

SUBJECT: Application: Water Transaction – Nicholson Family Trust to Fontana Water Company
(Consent Calendar Item I.C.)

Issue: The Purchase of 4.0 acre-feet of water from Nicholson Family Trust by Fontana Water Company. This purchase is made from Nicholson Family Trust's Annual Production Right. [Within WM Duties and Powers]

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

Financial Impact: None.

ACTIONS:

Appropriative Pool – June 12, 2025 [Final]: Provided advice and assistance.

Non-Agricultural Pool – June 12, 2025 [Final]: Provided advice and assistance.

Agricultural Pool – June 12, 2025 [Final]: Provided advice and assistance.

Advisory Committee – July 17, 2025 [Recommended]: Advice and assistance.

Watermaster Board – July 24, 2025 [Recommended]: Approval.

BACKGROUND

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

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

The date of this application is April 25, 2025. Notice of the transaction along with the materials submitted by the requestors was transmitted to stakeholders electronically on June 6, 2025.

DISCUSSION

Beyond confirmation of the source of the water to be transferred (Annual Production Right, Supplemental Water, or Excess Carryover), Watermaster will evaluate the eventual disposition of the transferred water (e.g. production, storage, etc.) at the end of the production year and account for the same consistent with the Watermaster Guidance Documents.

Water transactions occur each year and are included as production by the respective entity (if produced) in any relevant analysis conducted by West Yost pursuant to the Peace Agreement and the Rules & Regulations. There is no indication that additional analysis regarding this transaction is necessary at this time. As part of the OBMP Implementation Plan, measurement of groundwater levels and ground level changes are ongoing, and based on current data, there is no indication that the proposed water transaction will cause Material Physical Injury to a Party to the Judgment, or to the Basin.

Pursuant to the Rules & Regulations, “The Application shall not be considered by the Advisory Committee until at least twenty-one (21) days after the last of the three Pool Committee meetings to consider the matter.” Therefore, this application will be presented to the Advisory Committee and Watermaster Board in the month of July 2025.

At the Pool Committee meetings held on June 12, 2025, the Appropriative and Overlying (Agricultural) Pools unanimously recommended Advisory Committee to recommend to the Watermaster Board to approve the proposed transaction; the Overlying (Non-Agricultural) Pool unanimously recommended its representatives to support at Advisory Committee and Watermaster Board subject to changes they deem appropriate.

ATTACHMENTS

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

ATTACHMENT 1

Consolidated Forms 3, 4 & 6

CONSOLIDATED WATER TRANSFER FORMS:

FORM 3: APPLICATION FOR SALE OR TRANSFER OF RIGHT TO PRODUCE WATER FROM STORAGE

FORM 4: APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE

FORM 5: APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

FISCAL YEAR 2024 - 2025

DATE REQUESTED: April 25, 2025

AMOUNT REQUESTED: 4.0 Acre-Feet

| | |
|--|--|
| TRANSFER FROM (SELLER / TRANSFEROR): Robert Nicholson | TRANSFER TO (BUYER / TRANSFEREE): Fontana Water Company |
| Name of Party P.O. Box 6010 | Name of Party 15966 Arrow Route |
| Street Address El Monte CA. 92734 | Street Address Fontana CA. 92335 |
| City (626) 448-6183 | City (909) 822-2201 |
| Telephone (626) 448-6183 | Telephone (909) 823-5046 |
| Facsimile | Facsimile |

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

Yes ☐ No ☒

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

Varies 2024-2025
 Projected Rate of Recapture Projected Duration of Recapture

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

Pumping

PLACE OF USE OF WATER TO BE RECAPTURED:

Chino Basin Management Zone 3

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

N/A

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

In 2024, perchlorate and nitrate levels ranged as high as 5.2 ppb and 8.6 ppm respectively.

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

Static Water Levels ranging from 317 feet (bgs) to 677 feet (bgs) as of March 2025.

MATERIAL PHYSICAL INJURY

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

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

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

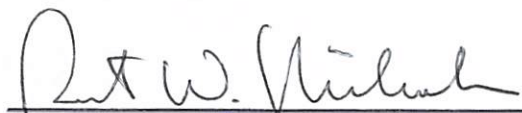
N/A

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

Yes ☐ No ☒



Seller / Transferor Representative Signature

Robert Nicholson, Trustee

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Marty Zvirbulis, Vice President of Water Resources

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: June 6, 2025

DATE OF APPROVAL FROM APPROPRIATIVE POOL: June 12, 2025

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: June 12, 2025

DATE OF APPROVAL FROM AGRICULTURAL POOL: June 12, 2025

HEARING DATE, IF ANY: N/A

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

TRANSFER OF WATER

Date of Notice:

June 6, 2025

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

APPLICATION FOR TRANSFER OF WATER

The attached staff report will be included in the meeting package at the time the transfer begins the Watermaster process.

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **April 25, 2025**

Date of this notice: **June 06, 2025**

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

- Notice of Sale or Transfer – The purchase of 4.0 acre-feet of water from Nicholson Family Trust by Fontana Water Company. This purchase is made from Nicholson Family Trust's Annual Production Right.

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

Appropriative Pool: June 12, 2025

Non-Agricultural Pool: June 12, 2025

Agricultural Pool: June 12, 2025

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

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

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

Watermaster address:

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

Tel: (909) 484-3888
Web: www.cbwm.org
watertransactions@cbwm.org



CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730

909.484.3888 www.cbwm.org

STAFF REPORT

DATE: July 17, 2025

TO: Advisory Committee Members

SUBJECT: Application: Water Transaction – Cucamonga Valley Water District to Fontana Water Company (Consent Calendar Item I.D.)

Issue: The Purchase of 7,500 acre-feet of water from Cucamonga Valley Water District by Fontana Water Company. This purchase is made from Cucamonga Valley Water District's Annual Production Right. [Within WM Duties and Powers]

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

Financial Impact: None.

ACTIONS:

Appropriative Pool – June 12, 2025 [Final]: Provided advice and assistance.

Non-Agricultural Pool – June 12, 2025 [Final]: Provided advice and assistance.

Agricultural Pool – June 12, 2025 [Final]: Provided advice and assistance.

Advisory Committee – July 17, 2025 [Recommended]: Advice and assistance.

Watermaster Board – July 24, 2025 [Recommended]: Approval.

BACKGROUND

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

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

The date of this application is April 22, 2025. Notice of the transaction along with the materials submitted by the requestors was transmitted to stakeholders electronically on June 6, 2025.

DISCUSSION

Beyond confirmation of the source of the water to be transferred (Annual Production Right, Supplemental Water, or Excess Carryover), Watermaster will evaluate the eventual disposition of the transferred water (e.g. production, storage, etc.) at the end of the production year and account for the same consistent with the Watermaster Guidance Documents.

Water transactions occur each year and are included as production by the respective entity (if produced) in any relevant analysis conducted by West Yost pursuant to the Peace Agreement and the Rules & Regulations. There is no indication that additional analysis regarding this transaction is necessary at this time. As part of the OBMP Implementation Plan, measurement of groundwater levels and ground level changes are ongoing, and based on current data, there is no indication that the proposed water transaction will cause Material Physical Injury to a Party to the Judgment, or to the Basin.

Pursuant to the Rules & Regulations, “The Application shall not be considered by the Advisory Committee until at least twenty-one (21) days after the last of the three Pool Committee meetings to consider the matter.” Therefore, this application will be presented to the Advisory Committee and Watermaster Board in the month of July 2025.

At the Pool Committee meetings held on June 12, 2025, the Appropriative and Overlying (Agricultural) Pools unanimously recommended Advisory Committee to recommend to the Watermaster Board to approve the proposed transaction; the Overlying (Non-Agricultural) Pool unanimously recommended its representatives to support at Advisory Committee and Watermaster Board subject to changes they deem appropriate.

ATTACHMENTS

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

ATTACHMENT 1

Consolidated Forms 3, 4 & 5

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

FISCAL YEAR 2024 - 2025

DATE REQUESTED: 4/22/2025

AMOUNT REQUESTED: 7,500.00 Acre-Feet

| | |
|--|---|
| TRANSFER FROM (SELLER / TRANSFEROR): Cucamonga Valley Water District | TRANSFER TO (BUYER / TRANSFEREE): Fontana Water Company |
| Name of Party 10440 Ashford Street | Name of Party 15966 Arrow Route |
| Street Address Rancho Cucamonga CA 91730 | Street Address Fontana CA 92335 |
| City State Zip Code (909) 937-2591 | City State Zip Code (909) 822-2201 |
| Telephone (909) 476-8032 | Telephone (909) 823-5046 |
| Facsimile | Facsimile |

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

Yes ☐ No ☒

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

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

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

| | |
|-----------------------------|---------------------------------|
| <u>Varies</u> | <u>2024-2025</u> |
| Projected Rate of Recapture | Projected Duration of Recapture |

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

Pumping

PLACE OF USE OF WATER TO BE RECAPTURED:

Chino Basin Management Zone 3

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

N/A

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

In 2024, perchlorate and nitrate levels ranged as high as 5.2 ppb and 8.6 ppm respectively.

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

Static Water Levels ranging from 317 feet (bgs) to 677 feet (bgs) as of February 2025.

MATERIAL PHYSICAL INJURY

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

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

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

N/A

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

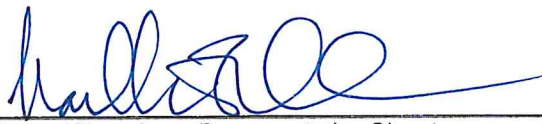
ADDITIONAL INFORMATION ATTACHED

Yes ☐ No ☒


Seller / Transferor Representative Signature

John Bosler, General Manager/CEO

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Martin Zvirbulis, Vice President - Water Resources

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: June 6, 2025DATE OF APPROVAL FROM APPROPRIATIVE POOL: June 12, 2025DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: June 12, 2025DATE OF APPROVAL FROM AGRICULTURAL POOL: June 12, 2025HEARING DATE, IF ANY: N/A

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

TRANSFER OF WATER

Date of Notice:

June 6, 2025

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

APPLICATION FOR TRANSFER OF WATER

The attached staff report will be included in the meeting package at the time the transfer begins the Watermaster process.

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **April 22, 2025**

Date of this notice: **June 06, 2025**

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

- Notice of Sale or Transfer – The purchase of 7,500 acre-feet of water from Cucamonga Valley Water District by Fontana Water Company. This purchase is made from Cucamonga Valley Water District's Annual Production Right.

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

Appropriative Pool: June 12, 2025

Non-Agricultural Pool: June 12, 2025

Agricultural Pool: June 12, 2025

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

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

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

Watermaster address:

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

Tel: (909) 484-3888
Web: www.cbwm.org
watertransactions@cbwm.org



CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730
909.484.3888 www.cbwm.org

STAFF REPORT

DATE: July 17, 2025
TO: Advisory Committee Members
SUBJECT: Application: Local Storage Agreement - ONAP (Business Item II.A.)

Issue: Consideration of an application for a Local Storage Agreement – Storage of Excess Carryover water by members of the Overlying (Non-Agricultural) Pool in amounts to be determined as of the close of Fiscal Year 2024/25 (June 30, 2025). [Within WM Duties and Powers]

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

Financial Impact: None.

ACTIONS:

Appropriative Pool – June 12, 2025 [Final]: Provided advice and assistance.
Non-Agricultural Pool – June 12, 2025 [Final]: Provided advice and assistance.
Agricultural Pool – June 12, 2025 [Final]: Provided advice and assistance.
Advisory Committee – July 17, 2025 [Recommended]: Advice and assistance.
Watermaster Board – July 24, 2025 [Recommended]: Approval.

BACKGROUND

The Court approved the Peace Agreement, the Optimum Basin Management Program (OBMP) Implementation Plan and the goals and objectives identified in the OBMP Phase I Report on July 13, 2000. Watermaster was ordered 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.

Per the Peace Agreement, Watermaster is to approve applications for storage unless there is a finding of material physical injury as a result of the transaction. Where the request for Watermaster approval is submitted by a Party to the Judgment, there is a rebuttable presumption that most of the transactions do not result in Material Physical Injury to a Party to the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

Pursuant to the Peace Agreement §5.2; Restated Judgment, Exhibit G, Non-Agricultural Pool Pooling Plan ¶¶7; Restated Judgment Exhibit H, and Appropriative Pool Pooling Plan ¶¶12, parties are required to enter into Local Storage Agreements for the amounts in their stored water accounts.

The following application for Local Storage Agreements was noticed to stakeholders on May 2, 2025 and re-noticed on June 6, 2025:

- Consideration of Local Storage Agreements – Storage of Excess Carryover Water by the Non-Agricultural Pool in amounts to be determined, and as of the close of Fiscal Year 2024/25 (June 30, 2025).
- Re-Noticed: Consideration of Local Storage Agreements – Storage of Excess Carryover Water by the Non-Agricultural Pool in amounts to be determined, and as of the close of Fiscal Year 2024/25 (June 30, 2025).

At the May 2025 Pool Committee meetings, the Overlying (Non-Agricultural) Pool approved the Storage Agreement as presented; the Overlying (Agricultural) Pool approved the item with the condition that, if there were new findings based on the Appellate Court's decision, the Pool would consider it again. The Appropriative Pool received the information but did not take any action. The application, re-noticed on June 6th, 2025, supersedes the previously noticed application on May 2nd, 2025 and required action by the three Pool Committees.

At the June 12, 2025, Appropriative Pool Committee meeting, Ms. Amanda Coker of CVWD commented that the macro-economic benefits identified by Watermaster were incomplete to support the staff report recommendation and requested that the economic analysis associated with the OBMP Implementation be provided on a per-party basis. Watermaster acknowledged this request and explained that, at this time, there is insufficient information available to generate a detailed, party-specific economic analysis. Watermaster is actively collaborating with the parties to gather the necessary data and develop a comprehensive economic analysis that will address the impacts and benefits of the OBMP Implementation for each participating party. The three Pool Committees recommended moving this item forward for Board approval.

DISCUSSION

At its April 10, 2025 meeting, the Overlying (Non-Agricultural) Pool directed its Chair and Counsel to submit a “universal” application (Form 1) for Overlying (Non-Agricultural) Pool Excess Carryover “for each member, a quantity equal to the surplus carryover of such member as of midnight on the evening of June 30, 2025” (Attachment 1).

The Safe Storage Capacity limit of the Chino Basin has been established as amended as follows.

- The 500,000 acre-feet Safe Storage Capacity threshold analyzed in the OBMP Implementation Plan PEIR was re-examined and revised to 600,000 acre-feet, through June 30, 2021.

- On May 27, 2021, the Watermaster Board adopted Resolution 2021-03 (Implementation of the Local Storage Limitation Solution), finding that a proposed order should be filed with and adopted by the Court regarding the management and administration of volumes of stored water exceeding 500,000 acre-feet up to a maximum of 700,000 acre-feet. On June 25, 2021, the Court approved the Implementation of the Local Storage Limitation Solution, increasing the Safe Storage Capacity thresholds to 700,000 acre-feet through June 30, 2030, and thereafter 620,000 acre-feet through June 30, 2035.
- On October 24, 2024, the Watermaster Board adopted Resolution 2024-04 to raise the Safe Storage Capacity threshold to 900,000 acre-feet through 2040 to coincide with the updated California Environmental Quality Act (CEQA) report for activities in the 2020 OBMP Update, which the Court subsequently approved on January 13, 2025.

Pursuant to the Peace Agreement, standard losses will be applied to all water placed into Local Supplemental Storage Accounts in a manner consistent with all other water held in storage. The quantities in the Parties' stored water accounts will be finalized at the time the 2025/26 Assessment Package is adopted (generally in November each year).

For the past 25 years, the Watermaster parties have been able to store water in the Chino Basin under the rebuttable presumption of no Material Physical Injury (MPI) included in the Peace Agreement. Under these circumstances, Watermaster has not rejected any storage application. The Court of Appeal Opinion in *Chino Basin Municipal Water District v. City of Ontario* issued on April 18, 2025 held that Judgment Paragraph 28 requires that agreements for storage must include terms that will preclude operations that will have a "substantial adverse impact on other producers". This phrase was expressly held to include economic impacts. Since 2000, Watermaster has not expressly evaluated whether storage agreements have an economic impact, distinct from MPI under the Peace Agreement. Now, Watermaster must evaluate whether storage agreements preclude both MPI and substantial adverse economic impacts on other producers.

Watermaster has previously determined that the Chino Basin parties have realized over \$200 million in net benefits as a result of the implementation of the Optimum Basin Management Program (OBMP). Additionally, while the Chino Basin parties do not pay to store water in the Basin, when comparing with other water bank programs in the state that charge up to \$1,500 per AF, the Chino Basin parties have realized about \$126 million in benefit by increasing the storage in the basin by about 84,000 AF in FY 2024/25. While storage in the Chino Basin may reduce net recharge, the effects of which are addressed through the Safe Yield Reset process; the multitude of benefits afforded by the OBMP effectively offsets this impact, underscoring the program's substantial contributions to water management and economic efficiency in the region. These general benefits suggest an offset that can be considered as offsetting some of the economic consequences of storage under the OBMP.

More specifically and relevant to Watermaster's review of these storage agreements, the Court of Appeal identified "cost shifting" as a potential form of economic harm resulting from a withdrawal from storage that was not being assessed as "production". Similar to the under production that occurred as a result of the party withdrawal of imported supplemental water under the Dry Year Yield Agreement, the act of placing water into Carry-Over by a member of either the Overlying Non-Agricultural Pool or the Appropriative Pool results in a "cost-shift" when the party does not pay a production assessment for unproduced water in that year. However, the Judgment provides that a party may avail themselves to this right to store Carry-Over water. Specifically, in regard to the impacts of placing excess carryover into a storage account, the Judgment provides that Watermaster may levy an assessment at the request of the Appropriative Pool member, at time of the accrual when water is placed into storage or at the time the Carry-Over in storage is produced. Given the authorization under the Judgment and the parties' collective consent under the stipulated Judgment, it is reasonable to conclude that the temporal effect of delaying the production assessment for the time the water remains stored, without more, should not be considered to be an adverse economic impact that would *currently* require different treatment than Watermaster's prior treatment of excess carryover over the past 25 years.

However, Carry-Over storage is generally unbounded other than by the court-authorized storage capacity in the basin. The substantial quantities of water now in storage and the continuous accumulation of Excess Carry-Over in storage is currently estimated at approximately 382,274 AF for the Appropriative Pool and 10,832 AF for the Overlying (Non-Agricultural) Pool.

For illustration purposes, if the quantities of water in all Excess Carry-Over storage accounts were assessed at the current Administrative Assessment of \$117.00/AF, this amounts to deferred assessments in the amount of approximately \$45,993,402. This does demonstrate that a substantial deferral of production assessments for an indeterminate length has a significant impact. Consequently, it is clear Watermaster must consider the impact of extended Excess Carry-Over storage as a whole, instead of an individual storage agreement request, and may require further evaluation and potentially limitations or mitigation in the future to avoid substantial cost-shifting. The ONAP storage request, in total, is approximately 2.5% of the total water in Excess Carry-Over storage accounts and does not cause a "substantial adverse impact" to the parties. Watermaster recommends approval of the storage agreement, as presented, and reserves the right to revisit the matter to determine if reasonable and prudent mitigation measures should be imposed as authorized under the Judgment, Peace Agreements, and court orders as may be appropriate.

ATTACHMENTS

1. Form 1 – Application for Local Storage Agreement including Attachment
2. Notice Forms

**APPLICATION
FOR
LOCAL STORAGE AGREEMENT**

APPLICANT

Non-Agricultural Pool Committee, for its members
Name of Party

April 29, 2025

Date Requested

Date Approved

Various

Street Address

For each member, a quantity
equal to the surplus carryover of
such member as of midnight on
the evening of June 30, 2025.
See Attachment.

Various

City

CA

State

Various

Zip Code

Telephone: Various

Amount Requested

Amount Approved

Facsimile: Various

TYPE OF WATER TO BE PLACED IN STORAGE

☒ Excess Carry Over ☐ Local Supplemental or Imported ☐ Both

PURPOSE OF STORAGE - Check all that may apply

- ☐ Stabilize or reduce future water costs/assessments.
- ☐ Facilitate utilization of other available sources of supply.
- ☐ Facilitate replenishment under certain well sites.
- ☐ Preserve pumping right for a changed future potential use.
- ☒ Other, explain Any purpose authorized or otherwise permitted under the Judgment and/or other governing documents

METHOD AND LOCATION OF PLACEMENT IN STORAGE - Check and attach all that may apply

| | |
|---|---|
| <input type="checkbox"/> Recharge (Form 2) | N/A: This application applies only to surplus carryover of members of the Non-Agricultural Pool. Surplus carryover consists of unproduced ground water. |
| <input type="checkbox"/> Transfer of Right to Water in Storage (Form 3) | |
| <input type="checkbox"/> Transfer from another party to the Judgment (Form 5) | |

METHOD AND LOCATION OF RECAPTURE FROM STORAGE - Check and attach all that may apply

| | |
|---|--|
| <input type="checkbox"/> Pump from my wells (Form 4) | Other: Any method permitted under the Judgment and/or other governing documents. |
| <input type="checkbox"/> Transfer to another party to the Judgment (Form 3) | |

WATER QUALITY AND WATER LEVELS

What is the existing water quality and what are the existing water levels in the areas that are likely to be affected?

For information about the water quality and water levels of the Basin, please see

http://www.cbwm.org/rep_engineering.htm and http://cbwm.org/rep_eng_maps.htm

MATERIAL PHYSICAL INJURY

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

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

ADDITIONAL INFORMATION ATTACHED Yes [X] No []



Applicant,
Chair, Non-Agricultural Pool Committee, as authorized by affirmative action of the Committee at its regular meeting on April 10, 2025

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: June 12, 2025

DATE OF APPROVAL FROM AGRICULTURAL POOL: June 12, 2025

DATE OF APPROVAL FROM APPROPRIATIVE POOL: June 12, 2025

HEARING DATE, IF ANY: N/A

DATE OF ADVISORY COMMITTEE APPROVAL:

DATE OF BOARD APPROVAL: Agreement #

ATTACHMENT

This is an application for storage agreements authorized by the Non-Agricultural Pool Committee on behalf of the members of the Non-Agricultural Pool for surplus carryover of such members as of June 30, 2025.

In Section 8 of the Judgment, the Court determined that the members of the Non-Agricultural Pool were owners of an overlying water right. [Judgment, Section 8.] The allocation of Safe Yield to members of the Non-Agricultural Pool is not subject to adjustment for changes in Safe Yield. [Judgment, Section 44.]

If a member of the Non-Agricultural Pool produces less than its assigned share of Operating Safe Yield in any year, such unproduced water is considered "carryover," and may be produced by such member in a subsequent year. [Judgment, Exhibit G, Section 7.] The first water produced by such member during any such subsequent year is deemed to be produced from any such carryover. [Judgment, Exhibit G, Section 7.] If the quantity of carryover of any member of the Non-Agricultural Pool in a year exceeds its production in such year, then such unproduced water is considered "surplus carryover." [Judgment, Exhibit G, Section 7.] Section 7 of Exhibit G provides that members of the Non-Agricultural Pool shall execute storage agreements with Watermaster "as a condition of preserving such surplus carryover."

The applicant understands that, at least in some instances, and for reasons unknown to the applicant, the term "surplus carryover" is referred to as "excess carryover." For that reason, the applicant has checked the box marked "excess carryover" on this form.

The applicant understands that Watermaster reports the quantity of carryover and excess carryover of each member of the Non-Agricultural Pool in the annual assessment packages. The most recent annual assessment package is available on Watermaster's website. http://www.cbwm.org/rep_finance.htm. Based on Section 7 of Exhibit G to the Judgment, as described in the preceding paragraph, the quantity added to the surplus carryover of each member of the Non-Agricultural Pool for the year ended June 30, 2025 is equal to or less than the carryover of such member for the year ended June 30, 2024.

Carryover becomes surplus carryover on June 30 of each year. In order to "preserve such surplus carryover," the Non-Agricultural Pool Committee desires that members of the Non-Agricultural Pool have storage agreements in place on or prior to June 30 of each year, or, where doing so prior to June 30 is not feasible, as soon as practicable thereafter.



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

LOCAL STORAGE AGREEMENT

Date of Notice:

June 6, 2025

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

**APPLICATION FOR LOCAL STORAGE
AGREEMENT**

The attached staff report will be included in the meeting package at the time the transfer begins the Watermaster process.

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **April 29, 2025**

Date of this notice: **June 06, 2025**

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

- Notice of Application for a Local Storage Agreement – Storage of Excess Carryover Water by members of the Overlying (Non-Agricultural) Pool in amounts to be determined as of the close of Fiscal Year 2024/25 (June 30, 2025).

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

Appropriative Pool: June 12, 2025

Non-Agricultural Pool: June 12, 2025

Agricultural Pool: June 12, 2025

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

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

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

Watermaster address:

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

Tel: (909) 484-3888
Web: www.cbwm.org



CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730
909.484.3888 www.cbwm.org

STAFF REPORT

DATE: July 17, 2025

TO: Advisory Committee Members

SUBJECT: Budget Amendment A-25-07-01 – Optimum Basin Management Program Economic Analysis Scope of Work (Business Item II.B.)

Issue: At the request of the Appropriative Pool, Watermaster is bringing forward a budget amendment to perform an Optimum Basin Management Program Economic Analysis. [AC Approval Required]

Recommendation: Approve the budget amendment Form A-25-07-01 in the amount of \$92,000 as presented.

Financial Impact: The proposed budget amendment in the amount of \$80,000, with a 15% contingency, is presented for a total budget increase of \$92,000. If approved, the Fiscal Year 2025/26 budget would increase from \$11,925,729 to \$12,017,729 (excluding any Carry-Over funding). The additional funding of \$92,000 is proposed to be included in the Assessment Package process in November 2025.

ACTIONS:

Appropriative Pool – July 10, 2025 [Final]: Scope of work presented. Committee provided advice and assistance.

Non-Agricultural Pool – July 10, 2025 [Final]: Scope of work presented. Committee provided advice and assistance.

Agricultural Pool – July 10, 2025 [Final]: Scope of work presented. Committee provided advice and assistance.

Advisory Committee – July 17, 2025 [Recommended]: Approve

Watermaster Board – July 24, 2025 [Recommended]: Adopt

BACKGROUND

The Peace I Agreement (Agreement) is an agreement between the parties of the Chino Basin executed in the year 2000 to resolve ongoing disputes and support the implementation of the Optimum Basin Management Program (OBMP). Key elements of the OBMP were the construction and operation of the desalter facilities in the southern portion of the basin to create hydraulic control, improving water quality both in the basin and adjacent Santa Ana River. It also provided opportunities to develop broad-based mutual benefit storage and recovery projects, expand recharge capacity throughout the basin and establish a stable environment to transfer and lease water between parties. Per Section 8.2 of the Agreement, the “Agreement shall expire and thereupon terminate on December 31 of the thirtieth (30th) calendar year starting on January 1, of the first calendar year following the Effective Date”. This results in an expiration date of December 31, 2030.

In Section 8.3 (Meet and Confer), the parties agreed to “meet and confer during the 25th year of this Agreement to discuss any new or modified terms which may be requested or required by each Party in order to continue the term of this Agreement. “Party” is defined in the Agreement as “a Party to this Agreement”.

In Section 8.4 (Independent Right to Extend), the parties further agreed that the Agreement “may be extended for a period of an additional thirty (30) years, upon the unilateral election of either the Appropriative or Agricultural Pool.” This unilateral election was agreed to be a decision of either Pool, not the individual member of either Pool. Any unilateral election, if made, must be completed prior to the end of the twenty-fifth (25th) year of the Agreement.

Watermaster is not a signatory to the Agreement, but it is ordered by the Court to implement it.

Monte Vista Water District led “Meet and Confer” meetings for interested parties beginning in January 2025 to discuss the process, issues, and rights found in Sections 8.3 and 8.4 of the Agreement. The Meet and Confer meetings take place generally monthly and have been ongoing since January 2025.

DISCUSSION

At the request of the Appropriative Pool’s legal counsel (Attachment 1), Watermaster prepared a scope of work to perform an evaluation of the implementation of the Optimum Basin Management Program. The draft Scope of Work for the economic analysis study was distributed to parties as part of the Pool Committee meeting package on July 3, 2025.. Watermaster has received comments from two parties prior to the Pool Committee meetings on July 10, 2025.

To summarize the comments received and questions posed, the following list has been compiled for Pool discussion.

- Should there be an AP action on the final scope and direction to Watermaster?
- Is this an AP effort or a WM effort? Who has ownership of making decisions on assumptions?
- Point of clarification – the economic analysis is not a precondition to either Pools right to extend the Peace I agreement in 2025. It is not required or mandated by the renewal provisions of the Peace Agreement.
- When the original studies were conducted in 2006 and 2007, the parties had already negotiated a nonbinding term sheet which was used as basis for assumptions in the studies. The AP is considering conducting the study before a new nonbinding term sheet is negotiated. Is the objective of the analysis to inform future negotiations?
- There are many new conditions (water quality, decline in safe yield, increased treatment costs) that have surfaced since the Sunding study in 2006 and 2007. How do those get incorporated in the report?
- Will or should a sensitivity analysis be incorporated into the study?

- How does an individual party's water supply portfolio decisions factor into the scope of the evaluation?
- What are the new baseline and alternative scenarios the AP parties want evaluated?
- What is meant in the draft Scope of Work by "actionable insights to optimize the management of groundwater resources and actionable recommendations?"
- Will the "likely to be implemented" projects in the OBMP Update be part of the economic analysis?
- Is it possible to have one study address all the varied economic outcomes or will additional evaluation studies have to be conducted, especially prior to the 2030 expiration of the Peace II Agreement?
- How will the study's results be used to make informed decisions during the meet and confer process, especially with such a tight timeline?

Watermaster has contacted four qualified bidders comprised of both academia and consulting firms from whom to solicit proposals. At the July 10, 2025 Pool Committee meetings Watermaster received feedback from the three Pools and has revised the scope of work based on the comments received.

A budget amendment is being brought forward for the Advisory Committee's approval to fund the estimated expenses for the completion of this work. As discussed during the Pool Committee meetings held on July 10, 2025, the budget amendment provided is a sound estimate, however, the final cost may change as the work gets underway, and other scope requests are added or removed.

ATTACHMENTS

1. Letter from John Schatz RE Peace Agreement Meet and Confer Economic Evaluation
2. Amended Scope of Work for Economic Study
3. Fiscal Year 2025/26 Budget Amendment (A-25-07-01)

JOHN J. SCHATZ
ATTORNEY AT LAW
P.O. BOX 7775
LAGUNA NIGUEL, CA. 92607-7775
(949) 683-0398
Email: jschatz13@cox.net

June 20, 2025

**Chino Basin Watermaster
Board of Directors
Todd Corbin, General Manager
9641 San Bernardino Road
Rancho Cucamonga, CA 91730**

**Re: Peace Agreement Meet & Confer Process
Economic Evaluation**

Board of Directors and Mr. Corbin:

Yesterday, parties to the Chino Basin Peace Agreement met and conferred to consider any new or modified terms which may be requested or required by each party in order to renew the term of the Agreement for another 30 years. This included a request, submitted by Monte Vista Water District and previously discussed by the Appropriative Pool (AP), for Watermaster to engage a consultant to conduct an economic evaluation to implement the Agreement past 2030.

The AP has discussed conducting an economic evaluation for some time, and early this year the Pool requested and received from Watermaster staff a draft scope for such an evaluation. Among AP members attending yesterday's meeting and consistent with prior discussions, there is support for Watermaster moving forward, with full participation and input from all Peace Agreement parties, in finalizing the scope and initiating the process to engage an outside consultant to conduct this evaluation.

This request is made solely in my capacity as AP counsel in connection with the AP being a signatory to the Peace Agreement. It is not intended to nor does it represent the viewpoints or positions of individual AP members or other Peace Agreement parties¹.

Sincerely,


John Schatz

Counsel for the Appropriative Pool

¹ It was noted by one party at yesterday's meeting that the economic study is not required in order to determine to extend or not extend the Peace Agreement.

At yesterday's meeting, some Peace Agreement parties, including Ag. Pool legal counsel, reserved any expression of support or opposition to the economic evaluation.

Proposal to Update the Chino Basin Economic Studies from 2006 and 2007.**Introduction**

The **Analysis of Aggregate Costs and Benefits of Hydraulic Control, Basin Re-Operation and Desalter Elements of Non-Binding Term Sheet (2006)** and the **Report on the Distribution of Benefits to Basin Agencies from Major Program Elements Encompassed by the Peace Agreement and Non-Binding Term Sheet (2007)** performed by David Sunding, provided comprehensive analyses of the projected costs and benefits associated with the Peace I and II Agreements and achieving hydraulic control in the Chino Basin. Given the significant changes in economic, environmental, and technological conditions since these reports were published, ~~the Appropriative Pool parties have requested, through a letter from their legal counsel, for Watermaster to facilitate an and in the context of the mandatory meet and confer process for the renewal option spelled out in the Peace Agreement, it is essential to~~ update ~~to~~ these studies to reflect current realities and provide actionable insights for future water management strategies.

Objectives

1. **Update Economic and Environmental Data:** Incorporate the latest data on groundwater rights, water demand, water supply, local infrastructure, and financial metrics.
2. **Revised Conceptual Framework:** Enhance the existing models with new methodologies to account for subsequent court orders which changed CBWM accounting for assessments.
3. **Scenario Analysis:** Develop new baseline and alternative scenarios based on current data and agree-upon changes, by the Appropriative Pool, to assumptions used.
4. **Distribution of Benefits:** Reassess the distribution of net benefits among various agencies.
5. **Sensitivity Analysis:** Conduct a new sensitivity analysis to assess the robustness of the updated results.
6. **Reporting and Recommendations:** Provide a comprehensive report with updated findings ~~and actionable recommendations.~~

Methodology

1. **Data Collection:**
 - Gather updated data on groundwater rights, water demand, and supply for the Chino Basin agencies.
 - Collect relevant financial data, including costs of extraction, conveyance, and new infrastructure developments.
 - Obtain updated information on the implementation status and outcomes of the Peace I and Peace II Agreements.
2. **Revised Conceptual Framework:**
 - Update the model of groundwater value to reflect current economic conditions and basin utilization, including changes in interest rates and cost structures.

- Revise assumptions, for example, of [how](#) the Santa Ana River New Yield is treated in the model.
- Incorporate new methodologies to match the current CBWM accounting for assessments.

3. Distribution of Benefits:

- Reassess the distribution of net benefits among the various agencies, considering changes in agency size, water demand, production history and other relevant factors.
- [Evaluate the impact of new agreements or collaborations among the agencies since the development of the 2006 and 2007 reports.](#)
- [Evaluate the Overlying Non-Agricultural Pool value of contributions, specifically the “10% haircut”](#)

4. Sensitivity Analysis:

- Conduct a new sensitivity analysis to assess for the robustness of the updated results against variations in key assumptions.
- Identify new risks or uncertainties that may affect the distribution of benefits.

5. Scenario Analysis:

- Develop updated [a baseline and alternative scenarios](#) based on the latest data, trends, and requests from Chino Basin parties.
- Re-evaluate the net benefits of the Peace I and Peace IIⁱ Agreements under these [new scenarios updated circumstances](#).
- Consider additional program elements or policy changes introduced since the original reports.
- After the preliminary results of the updated model and calculations, request feedback from stakeholders about evaluating new scenarios and analysis

6. Reporting and Recommendations:

- Prepare a comprehensive report summarizing the updated analysis, including detailed findings and recommendations.
- [Provide actionable insights for stakeholders to optimize the management of groundwater resources in the Chino Basin and make informed decisions during the meet and confer process.](#)

ⁱ While the Peace II agreement is set to expire in 2030 and there is no renewal clause, parties may want to explore cost and benefits of continued or modified arrangements contained in the agreement.

Proposal to Update the Chino Basin Economic Studies from 2006 and 2007.

Introduction

The **Analysis of Aggregate Costs and Benefits of Hydraulic Control, Basin Re-Operation and Desalter Elements of Non-Binding Term Sheet (2006)** and the **Report on the Distribution of Benefits to Basin Agencies from Major Program Elements Encompassed by the Peace Agreement and Non-Binding Term Sheet (2007)** performed by David Sunding, provided comprehensive analyses of the projected costs and benefits associated with the Peace I and II Agreements and achieving hydraulic control in the Chino Basin. Given the significant changes in economic, environmental, and technological conditions since these reports were published and in the context of the mandatory meet and confer process for the renewal option spelled out in the Peace Agreement, it is essential to update these studies to reflect current realities and provide actionable insights for future water management strategies.

Objectives

1. **Update Economic and Environmental Data:** Incorporate the latest data on groundwater rights, water demand, water supply, local infrastructure, and financial metrics.
2. **Revised Conceptual Framework:** Enhance the existing models with new methodologies to account for subsequent court orders which changed CBWM accounting for assessments.
3. **Scenario Analysis:** Develop new baseline and alternative scenarios based on current data and agree-upon changes, by the Appropriative Pool, to assumptions used.
4. **Distribution of Benefits:** Reassess the distribution of net benefits among various agencies.
5. **Sensitivity Analysis:** Conduct a new sensitivity analysis to assess the robustness of the updated results.
6. **Reporting and Recommendations:** Provide a comprehensive report with updated findings and actionable recommendations.

Methodology

1. **Data Collection:**
 - Gather updated data on groundwater rights, water demand, and supply for the Chino Basin agencies.
 - Collect relevant financial data, including costs of extraction, conveyance, and new infrastructure developments.
 - Obtain updated information on the implementation status and outcomes of the Peace I and Peace II Agreements.
2. **Revised Conceptual Framework:**
 - Update the model of groundwater value to reflect current economic conditions and basin utilization, including changes in interest rates and cost structures.

- Revise assumptions, for example, of the Santa Ana River New Yield is treated in the model.
- Incorporate new methodologies to match the current CBWM accounting for assessments.

3. Distribution of Benefits:

- Reassess the distribution of net benefits among the various agencies, considering changes in agency size, water demand, production history and other relevant factors.
- Evaluate the impact of new agreements or collaborations among the agencies.

4. Sensitivity Analysis:

- Conduct a new sensitivity analysis to assess for the robustness of the updated results against variations in key assumptions.
- Identify new risks or uncertainties that may affect the distribution of benefits.

5. Scenario Analysis:

- Develop updated baseline and alternative scenarios based on the latest data, trends, and requests from Chino Basin parties.
- Re-evaluate the net benefits of the Peace I and Peace IIⁱ Agreements under these new scenarios.
- Consider additional program elements or policy changes introduced since the original reports.
- After the preliminary results of the updated model and calculations, request feedback from stakeholders about evaluating new scenarios and analysis

6. Reporting and Recommendations:

- Prepare a comprehensive report summarizing the updated analysis, including detailed findings and recommendations.
- Provide actionable insights for stakeholders to optimize the management of groundwater resources in the Chino Basin and make informed decisions during the meet and confer process.

ⁱ While the Peace II agreement is set to expire in 2030 and there is no renewal clause, parties may want to explore cost and benefits of continued or modified arrangements contained in the agreement.



CHINO BASIN WATERMASTER BUDGET AMENDMENT (A-25-07-01)

To: **All Parties**

Fiscal Year 2025/26

From : Daniela Uriarte, Senior Accountant

Date: July 17, 2025

Describe reason for the budget amendment here: The current approved and adopted budget for FY 2025/26 is \$11,925,729. Budget Amendment (A-25-07-01) is being submitted for \$80,000 with a 15% contingency, a total of \$92,000. There is no current budget nor line item that supports an OBMP Economic Analysis Scope of Work, and account number (6909.6 OBMP Miscellaneous Expenses) will be used to record these expenses. The current budget for account number (7614), is \$4,000 and the additional funding of \$92,000 would bring the "Amended" budget to \$96,000 (\$4,000 + \$92,000 = \$96,000). This Budget Amendment is proposed to increase the total Watermaster budget from \$11,925,729 (excluding any Carry-Over funding) to \$12,017,729, an increase of \$92,000. The additional funding of \$92,000 is proposed to be included in the Assessment Package process in November 2025.

Expenditure Amendment

| Line Item Description | Account Number | Approved Budget | Amended Budget | Amendment Amount |
|--|----------------|-----------------|----------------|------------------|
| Support OBMP Economic Analysis Scope of Work | 6909.6 | \$4,000 | \$96,000 | \$92,000 |
| | | | | |
| | | | | |
| | | | | |
| TOTAL: | | | | \$ 92,000 |

Revenue Source

| Line Item Description | Account Number | Approved Budget | Amended Budget | Amendment Amount |
|-----------------------------------|----------------|-----------------|----------------|------------------|
| Administrative Assessments - OBMP | Various | \$11,042,911 | \$11,134,911 | \$92,000 |
| | | | | |
| | | | | |
| TOTAL: | | | | \$ 92,000 |

Amendment Procedure

1. Staff takes amendment requests to the Pools, Advisory Committee & Board for approval.
2. The Chief Financial Officer will prepare and process the budget entry.
4. A log will be maintained by the Finance Department detailing the adjustment.
5. A fiscal year file will also be kept to hold all budget amendment forms for auditor review.

Finance Use Only

Date Board Approved _____

Entered into System By _____

Finance Log # _____

Date Posted _____

Approved By _____

Date Approved _____



CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

July 17, 2025

INLAND EMPIRE UTILITIES AGENCY REPORTS

The following items are provided for receive and file.

- Metropolitan Water District Activities Report
- Water Supply Conditions
- State and Federal Legislative Reports

For More Information Contact:

 Eddie Lin
 elin@ieua.org
 909.993.1740

See www.MWDh2o.com for the latest information from MWD and tune into livestream broadcasts of meetings.

MWD Workshop on Capital Investment Plan (CIP) Process

On June 24th, the MWD Board received information on the CIP process. In 2018, MWD transitioned from an approval by project phase to a fully-appropriated CIP. Since 2019, MWD has spent 99% of their approved CIP budget, up from 75% from 2012 to 2019. 85% of the 10-year MWD CIP has been spent on refurbishment and replacement projects.



MWD Receives Update on Colorado River Hydrology

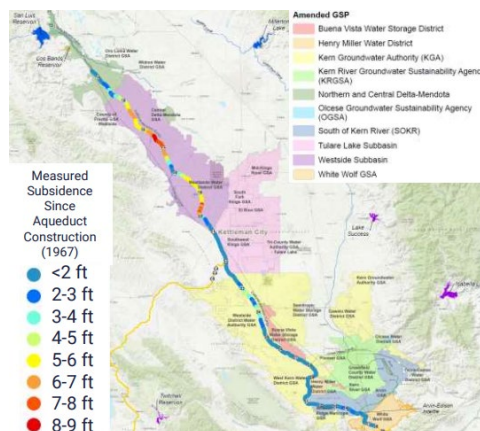
On June 23rd, the MWD Subcommittee on Imported Water received an update on Colorado River Hydrology. Lake Powell and Lake Mead are projected to see decreasing water elevation levels if dry conditions continue. Forecasted water year inflow into Lake Powell fell from 7.8 million acre-feet (MAF) in January to 5.2 MAF in June. By spring 2027, Lake Powell's elevation is predicted to be 3,474 feet, which is below the targeted minimum elevation of 3,500 feet and below the minimum power pool elevation of 3,490 feet. Under continued dry conditions, Lake Mead could hit an elevation 1,030 feet by 2037, at which point 40% of the Hoover power generation equipment could be impacted. Near term impacts include increasing releases from reservoirs upstream of Lake Powell, reducing Lake Powell releases, and the potential for larger reductions when new guidelines are released.

MWD Reviews Drivers of Next Budget

On June 23rd, MWD reviewed the preliminary potential cost drivers for the next biennium budget. Drivers included additional capital improvement projects to maintain current systems, support drought mitigation, and potential major capital projects such as Pure Water SoCal and Delta Conveyance Project. Funding zero emission vehicles, a continuing lower water sales trend, and shifting macro-economic drivers were also identified.

MWD Receives Update on California Aqueduct Subsidence

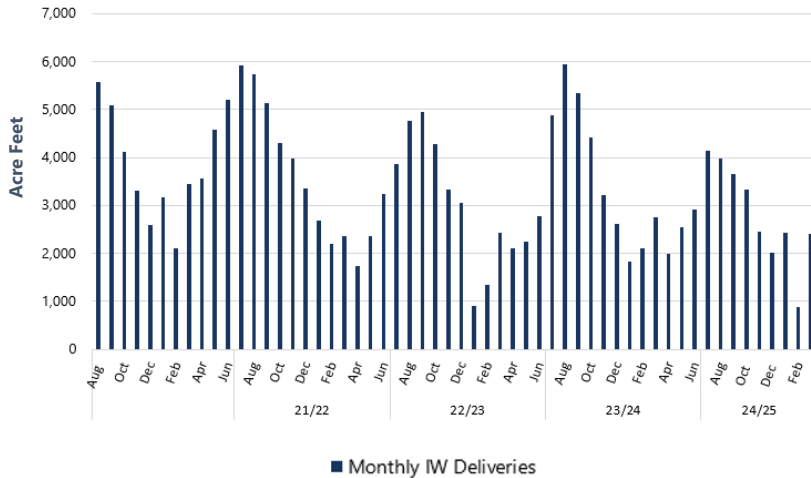
On June 23rd, the MWD Subcommittee on Imported Water received an update about subsidence on the California Aqueduct which could result in a reduction in State Water Project Table A deliveries by 2043. The Department of Water Resources is pursuing near-term projects to restore some capacity before a long-term solution is implemented. Near-term projects include raising 27 miles of liner height and the removal of a subsided check structure. Coordination on long term solutions is underway with potential solutions including reconstruction of the aqueduct, bypassing the subsided areas, changing water surface elevation, incorporating in line pumping plants, and working with local partners to stop subsidence.



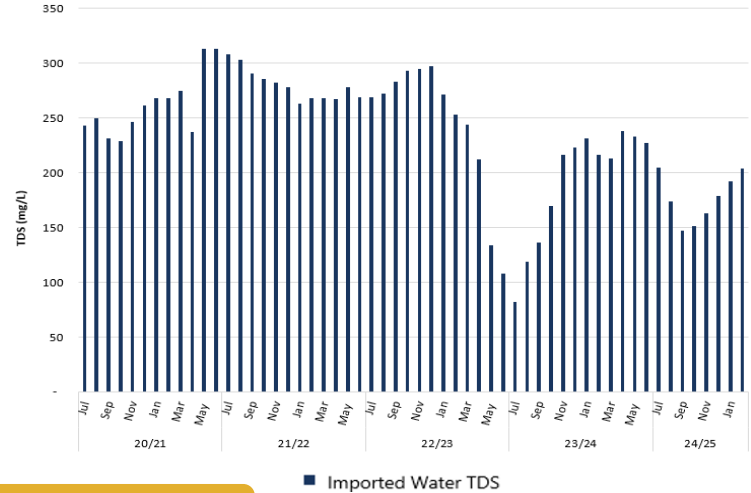
Measured Subsidence Since Aqueduct Construction – MWD June 23, 2025

Imported Water

Full Service Imported Water Deliveries Summary
(FY 2020/21 to 2024/25)

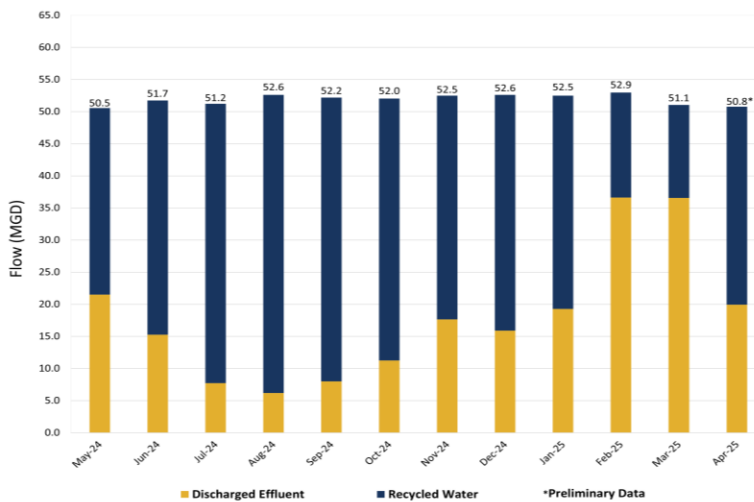


Imported Water TDS Summary
(FY 2020/21 to 2024/25)

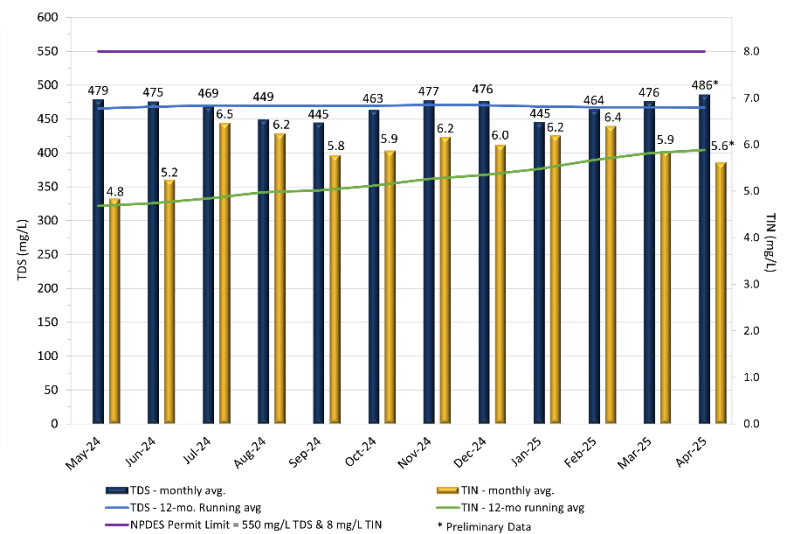


Recycled Water

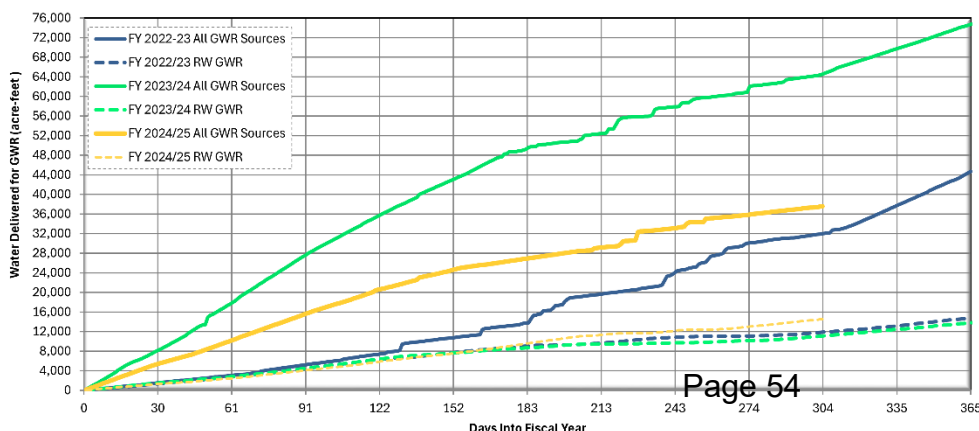
Discharged Effluent & Recycled



Agency-Wide Effluent TDS & TIN



Groundwater Recharge



MAY 2025 NOTES:

- Total stormwater and dry weather flow recharged is preliminarily estimated at 149.1 acre-feet.
- Recycled water delivered for recharge totaled 1,510.5 acre-feet.
- There was no imported water recharged in the Chino Basin from MWD.
- Chino Basin Watermaster will remove 1.5% for evaporation losses from delivered supplemental water sources (imported water and recycled water).
- Considering evaporation losses, total recharge is preliminarily estimated at 1,596.2 acre-feet.



The Metropolitan Water District of Southern California's Water Supply Conditions Report (WSCR)

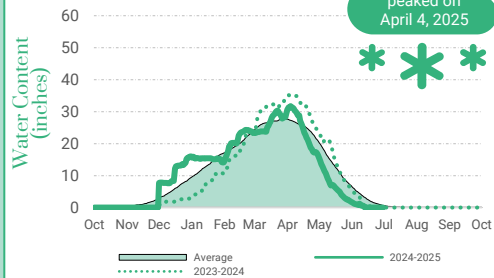
Water Year 2024-2025

As of: 06/30/2025

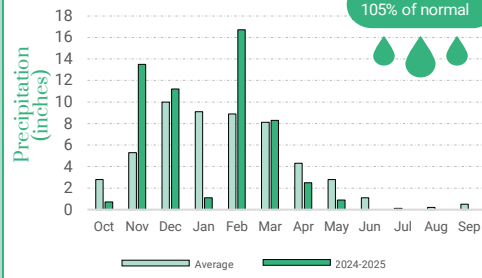
<https://www.mwdh2o.com/WSCR>

State Water Project

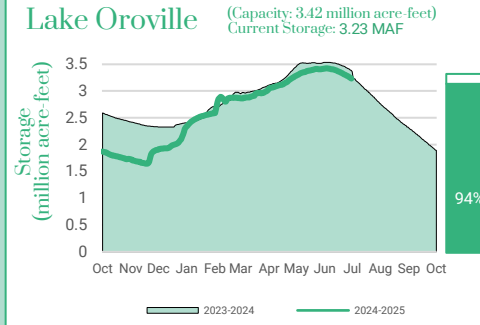
Northern Sierra Snow



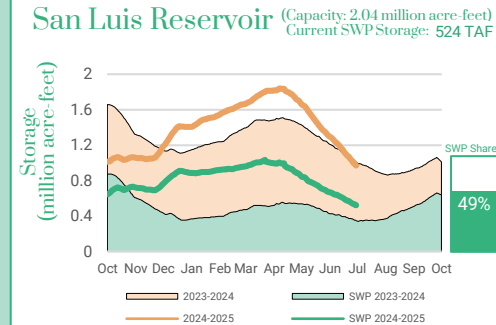
8 Station Index Rain



Lake Oroville

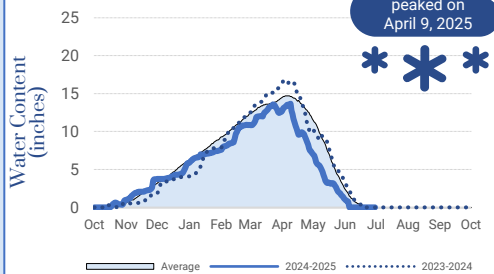


San Luis Reservoir

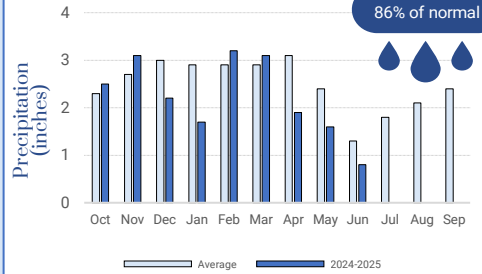


Colorado River

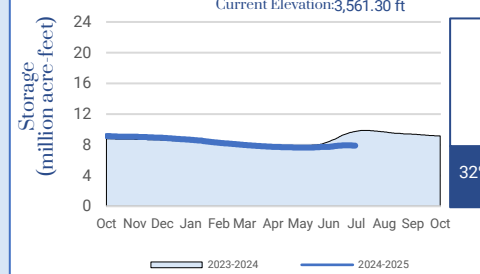
Colorado River Basin Snow



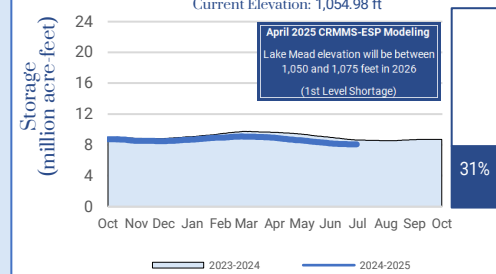
Colorado River Basin Rain



Lake Powell

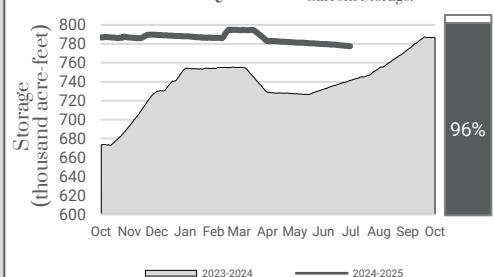


Lake Mead

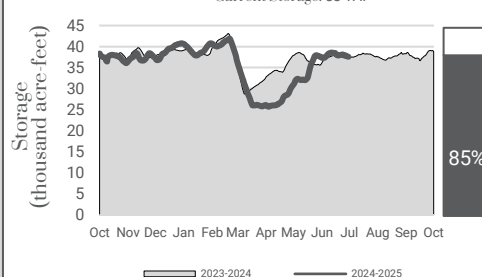


Metropolitan

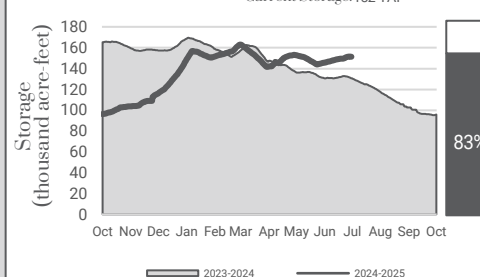
Diamond Valley Lake



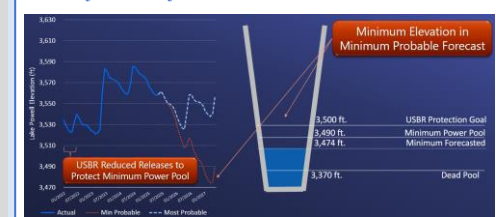
Lake Skinner



Lake Mathews



Lake Powell could reach Critical Elevation If next year is dry



This report 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.
Questions? Email: MFeirich@mwdh2o.com

Inland Empire Utilities Agency, a Municipal Water District Federal Update

June 25, 2025

Senate Continues Consideration of Budget Reconciliation Bill

Following House passage of the *One Big Beautiful Bill Act* ([H.R. 1](#)) in May, Senate Republicans have begun the process of amending this budget reconciliation package. Relevant Senate committees have released legislative text for their respective portions of the bill:

- [Agriculture, Nutrition, and Forestry](#)
- [Armed Services](#)
- [Banking, Housing, and Urban Affairs](#)
- [Commerce, Science, and Transportation](#)
- [Energy and Natural Resources](#)
- [Environment and Public Works](#)
- [Finance](#)
- [Health, Education, Labor, and Pensions](#)
- [Homeland Security and Government Affairs](#)
- [Judiciary](#)

These provisions are currently undergoing a procedural review to ensure compliance with the Byrd Rule, which restricts the types of provisions that can be included in budget reconciliation bills when considered on the Senate floor. While the Senate draft retains the House's broad framework—including tax reforms, defense and homeland security spending increases, and reductions in non-defense discretionary spending—it makes notable adjustments. These include changes to Medicaid restructuring and updated revenue provisions. Additional revisions are expected as negotiations and procedural review continue. Majority Leader Thune has signaled he will keep the Senate in session with the aim to send the bill to President Trump's desk by July 4.

OMB, Federal Agencies Release Budget Proposal Appendix and Justifications

On May 30, the Office of Management and Budget (OMB) released a [1,224-page appendix](#), providing detailed funding Fiscal Year (FY) 2026 requests across federal agencies. Many federal agencies have also published their formal budget justifications to Congress. These documents build on President Trump's FY26 "skinny budget" issued in early May, which proposed a 22.6% reduction in non-defense discretionary spending, a 13% increase in defense

spending, and a 65% increase for the Department of Homeland Security. While these proposals reflect the Trump administration's priorities and serve as a starting point for the FY26 appropriations process, these proposals are nonbinding as Congress ultimately determines final funding levels.

Fiscal Year 2026 Appropriations Update

In June, the House Appropriations Committee began consideration of FY26 appropriations bills. The chart below outlines the status of each of the twelve FY26 appropriations bills in the House. In the Senate, appropriators have been holding oversight hearings and are continuing to develop their versions of the spending bills.

| FY26 Appropriations Bill | House Subcommittee Allocation (in Billions) | House Subcommittee Markup Date | House Full Committee Markup Date |
|---------------------------------------|---|---------------------------------|-----------------------------------|
| Agriculture-Rural Development-FDA | \$25.523 | Passed on June 5 by a 9-7 vote | Passed on June 23 by a 35-27 vote |
| Commerce-Justice-Science | TBD | July 7 | July 10 |
| Defense | \$831.513 | Passed on June 10 by voice vote | Passed on June 12 by a 36-27 vote |
| Energy-Water Development | TBD | July 7 | July 10 |
| Financial Services-General Government | TBD | TBD | TBD |
| Homeland Security | \$66.361 | Passed on June 9 by a 6-4 vote | Passed on June 24 by a 36-27 vote |
| Interior-Environment | TBD | TBD | TBD |
| Labor-HHS | TBD | July 21 | July 24 |
| Legislative Branch | TBD | Passed on June 23 by a 6-4 vote | June 26 |
| MilCon-VA | \$152.091 | Passed on June 5 by a 10-6 vote | Passed on June 10 by a 36-27 vote |
| State-Foreign Operations | TBD | TBD | TBD |
| Transportation-HUD | TBD | July 14 | July 17 |

LEGISLATIVE ACTIVITY

Senate Confirms Fotouhi as EPA Deputy Administrator. On June 10, the Senate [confirmed](#) David Fotouhi as Deputy Administrator of the Environmental Protection Agency in a 53-41 party-line vote. A former EPA senior legal official and environmental attorney, Fotouhi will support Administrator Lee Zeldin in overseeing the agency's operations and regulatory agenda. The confirmation comes as Senator Alex Padilla (D-CA) has placed a blanket hold on EPA nominations, which adds procedural hurdles to confirm the nominees, due to Republican efforts to overturn EPA waivers allowing California to enact stricter emissions standards.

Tillis Introduces Bill to Replenish FEMA Disaster Relief Fund. Senator Thom Tillis (R-NC) introduced legislation ([S. 1963](#)) to provide \$25 billion to the FEMA Disaster Relief Fund (DRF), aligning with the Trump administration's request to ensure sufficient federal resources are available ahead of the 2025 hurricane season. The bill aims to bolster FEMA's ability to respond quickly and effectively to future natural disasters nationwide, avoiding delays in support for impacted communities.

WIPPEs Act Passes the House. On June 23, the House passed the *Wastewater Infrastructure Pollution Prevention and Environmental Safety Act* ([H.R. 2269](#)). The bill, introduced by Reps. Lisa McClain (R-MI) and Kevin Mullin (D-CA) would establish federal labeling standards for so-called "flushable" wipes to include the language *Do Not Flush*. These wipes can cause a significant impact to wastewater pipes and infrastructure. The bill will now move to the Senate for consideration.

FEDERAL AGENCY ACTIONS AND PERSONNEL CHANGES

Army Corps Proposes Updates to Nationwide Permit Program. The U.S. Army Corps of Engineers has [announced](#) proposed changes to its Nationwide Permit (NWP) program, including a new expedited permit category for projects that improve fish passage at dams. NWPs are streamlined permits under the Clean Water Act intended for activities with minimal environmental impact. The proposed changes are subject to a comment period ending July 18.

Theodore Cooke Nominated to be Bureau of Reclamation Commissioner. On June 16, President Trump [nominated](#) Theodore Cooke to serve as Commissioner of the Bureau of Reclamation. Cooke, who currently sits on the board of Arizona's Water Infrastructure Finance Authority, previously served more than two decades with the Central Arizona Project, including as general manager. The Senate Energy and Natural Resources Committee is expected to hold a confirmation hearing in the coming weeks.

Katherine Scarlett Nominated to Lead CEQ. On June 16, President Trump [nominated](#) Katherine Scarlett to serve as Chair of the Council on Environmental Quality (CEQ). If confirmed, she would lead White House environmental policy coordination, including implementation of the National Environmental Policy Act (NEPA). Her nomination awaits further consideration by the Senate Environment and Public Works (EPW) Committee. Scarlett has been serving as the CEQ chief of staff since the start of the current administration. Previously, she worked at CEQ and served as chief of staff to the Federal Permitting Improvement Steering

Council during President Trump's first administration. Additionally, she served as senior professional staff on the Senate EPW Committee.

DHS Announces New Homeland Security Advisory Council Appointees. On June 24, President Trump and Homeland Secretary Noem [announced](#) new appointments to the Homeland Security Advisory Council (HSAC), a body that provides independent advice on homeland security operations. The reconstituted council includes public and private sector leaders with backgrounds in law enforcement, government, business, and media. South Carolina Governor Henry McMaster will serve as chair and Florida State Senator Joseph Gruters will serve as vice chair. The Council's first meeting is scheduled for July 2 at DHS headquarters in Washington, D.C.

DOI Extends Comment Period on Regulatory Reform RFI. The Department of the Interior (DOI) has extended the public comment period for its [Request for Information](#) (RFI) on regulatory reform to July 21, 2025. The RFI invites input on existing DOI regulations that could be revised or repealed to reduce burdens while meeting statutory obligations. The extension follows significant interest in the effort, which is part of a broader regulatory review aligned with recent executive orders on energy development and streamlined governance. DOI is particularly seeking feedback from regulated entities on rules that may be outdated, overly complex, or misaligned with current policy goals.

EPA, Army Corps Conclude Listening Sessions on WOTUS, Prepare New Rulemaking. The Environmental Protection Agency (EPA) and U.S. Army Corps of Engineers [announced](#) they have completed a series of stakeholder listening sessions as part of their effort to revise the 2023 definition of "waters of the United States" (WOTUS). The sessions were held to gather input from sectors affected by Clean Water Act permitting, following the Supreme Court's *Sackett v. EPA* decision. The agencies plan to propose a new rule later this year aimed at improving regulatory clarity, aligning with the Court's ruling, and reducing permitting burdens, with a final rule expected by the end of 2025.

##

IEUA Bill List 6.25.2025

Note: bills in italics are not moving in 2025

| Bills With Positions | | | | | | | | |
|----------------------|-------------------------|---|------------|--|-----------------------------|--|--|---|
| Measure | Author | Topic | Last Amend | Status | Location | Calendar | Brief Summary | Notes |
| AB 259 | Rubio, Blanca, D | Open meetings: local agencies: teleconferences. | 04/21/2025 | 05/14/2025 - Referred to Coms. on L. GOV. and JUD. | 05/14/2025 - Senate L. GOV. | 7/2/2025 9:30 a.m. - State Capitol, Room 113 SEN LOCAL GOVERNMENT DURAZO, MARÍA ELENA, Chair <i>7/15/2025 9:30 a.m. - State Capitol, Room 112 SEN JUDICIARY UMBERG, THOMAS, Chair</i> | This bill would extend the alternative teleconferencing procedures until January 1, 2030. (Based on 04/21/2025 text) | Three Valleys MWD and CSDA Sponsor SUPPORT |

Bills With Positions

| Measure | Author | Topic | Last Amend | Status | Location | Calendar | Brief Summary | Notes |
|----------------------|--------------------------------|---|------------|--|------------------------------|----------|--|-----------------------------|
| <u>AB 339</u> | <u>Ortega, D</u> | Local public employee organizations: notice requirements. | 06/18/2025 | | 06/11/2025-S. L., P.E. & R. | | This bill would require the governing body of a public agency, and boards and commissions designated by law or by the governing body of a public agency, to give the recognized employee organization no less than 120 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization. The bill would require the notice to include specified information, including the anticipated duration of the contract. The bill would also require the public agency, if an emergency or other exigent circumstance prevents the public agency from providing the written notice described above, to provide as much advance notice as is practicable under the circumstances. (Based on 05/23/2025 text) | OPPOSE |
| <u>AB 514</u> | <u>Petrie-Norris, D</u> | Water: emergency water supplies. | 05/01/2025 | 05/22/2025 - Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/14/2025)(May be acted upon Jan 2026) | 05/22/2025 - Assembly 2 YEAR | | Would declare that it is the established policy of the state to encourage, but not mandate, the development of emergency water supplies by both local and regional water suppliers, as defined, and to support their use during times of drought or unplanned service or supply disruption, as provided. (Based on 05/01/2025 text) | IRWD Sponsor SUPPORT |

Bills With Positions

| Measure | Author | Topic | Last Amend | Status | Location | Calendar | Brief Summary | Notes |
|----------------------|-------------------------|--|------------|---|-----------------------------|--|---|------------------------------------|
| <u>AB 523</u> | <u>Irwin, D</u> | Metropolitan water districts: proxy vote authorizations. | 05/05/2025 | 06/19/2025-Read second time. Ordered to third reading. | 06/19/2025-S.THIRD READING. | 06/27/2025 #57 SEN ASSEMBLY BILLS - THIRD READING FILE (Floor Mgr. - Stern) | Under the Metropolitan Water District Act, the board of a metropolitan water district is required to consist of at least one representative from each member public agency, as prescribed. This bill would, until January 1, 2030, authorize a representative of a member public agency that is entitled to designate or appoint only one representative to the board of directors to assign a proxy vote authorization to a representative of another member public agency to be exercised when the assigning representative is unable to attend a meeting or meetings of the board, as provided. (Based on 05/05/2025 text) | Eastern MWD Sponsor SUPPORT |
| <u>AB 532</u> | <u>Ransom, D</u> | Water rate assistance program. | 06/19/2025 | 06/19/2025-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on E.Q. | 06/18/2025-S.E.Q. | 07/02/2025 9 a.m. - State Capitol, Room 112 SEN ENVIRONMENTAL QUALITY BLAKESPEAR, CATHERINE, Chair | The Low Income Household Water Assistance Program was only operative until March 31, 2024. This bill would repeal the above-described requirements related to the Low Income Household Water Assistance Program. (Based on 05/23/2025 text) | CMUA Sponsor SUPPORT |

Bills With Positions

| Measure | Author | Topic | Last Amend | Status | Location | Calendar | Brief Summary | Notes |
|----------------------|-------------------------|---|------------|--|----------------------------|---|---|--------------------------------------|
| <u>AB 580</u> | <u>Wallis, R</u> | Surface mining: Metropolitan Water District of Southern California. | 03/26/2025 | 06/04/2025- Referred to Com. on N.R. & W. | 06/04/2025- S.N.R. & W. | 07/16/2025 9 a.m. - 1021 O Street, Room 2200 SEN NATURAL RESOURCES AND WATER LIMÓN, MONIQUE, Chair | Current law authorizes the Metropolitan Water District of Southern California (MWD) to prepare a master reclamation plan, as provided, that identifies each individual surface mining operation in specified counties and satisfies all reclamation plan requirements for each individual surface mining site. Existing law repeals the provisions authorizing the preparation and approval of the master reclamation plan for the MWD on January 1, 2026. This bill would extend the operation of those provisions until January 1, 2051. (Based on 03/26/2025 text) | MWD Sponsored Bill SUPPORT |

Bills With Positions

| Measure | Author | Topic | Last Amend | Status | Location | Calendar | Brief Summary | Notes |
|----------------------|--------------------------|--|------------|---------------|----------|----------|--|-----------------------------|
| <u>AB 794</u> | <u>Gabriel, D</u> | California Safe Drinking Water Act: emergency regulations. | 04/10/2025 | INACTIVE FILE | | | <i>This bill would provide that the authority of the state board to adopt an emergency regulation pursuant to these provisions includes the authority to adopt requirements of a specified federal regulation that was in effect on January 19, 2025, regardless of whether the requirements were repealed or amended to be less stringent. The bill would prohibit an emergency regulation adopted pursuant to these provisions from implementing less stringent drinking water standards, as provided, and would authorize the regulation to include monitoring requirements that are more stringent than the requirements of the federal regulation. The bill would prohibit maximum contaminant levels and compliance dates for maximum contaminant levels adopted as part of an emergency regulation from being more stringent than the maximum contaminant levels and compliance dates of a regulation promulgated pursuant to the federal act. (Based on 04/10/2025 text)</i> | OPPOSE UNLESS AMENDED |

Bills With Positions

| Measure | Author | Topic | Last Amend | Status | Location | Calendar | Brief Summary | Notes |
|----------------------|----------------------------|--|------------|---|--------------------------------|--|--|--|
| <u>AB 810</u> | <u>Irwin, D</u> | Local government: internet websites and email addresses. | 04/10/2025 | 05/22/2025 - Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/7/2025)(May be acted upon Jan 2026) | 05/22/2025 - Assembly 2 YEAR | | Current law requires that a local agency that maintains an internet website for use by the public to ensure that the internet website uses a ".gov" top-level domain or a ".ca.gov" second-level domain no later than January 1, 2029. The bill would also require a special district, joint powers authority, or other political subdivision to comply with similar domain requirements no later than January 1, 2031. (Based on 04/10/2025 text) | OPPOSE |
| <u>SB 31</u> | <u>McNerney, D</u> | Water quality: recycled water. | 06/09/2025 | 06/17/2025-From committee: Do pass and re-refer to Com. on E.S & T.M. (Ayes 10. Noes 0.) (June 17). Re-referred to Com. on E.S & T.M.. | 06/17/2025- A.E.S. & T.M | 7/1/2025 1:30 p.m. - State Capitol, Room 444 ASM ENVIRONMENTAL SAFETY AND TOXIC MATERIALS CONNOLLY, DAMON, Chair | This bill would, for the purposes of the above provision, redefine "recycled water" and provide that water discharged from a decorative body of water during storm events is not to be considered an unauthorized discharge if recycled water was used to restore levels due to evaporation. (Based on 05/12/2025 text) | WateReuse Sponsored Bill SUPPORT |
| <u>SB 72</u> | <u>Caballero, D</u> | The California Water Plan: long-term supply targets. | 04/10/2025 | 6/9/2025-Referred to Com. on W. P., & W | 06/09/2025- Com. on W. P., & W | 7/1/2025 9 a.m. - State Capitol, Room 444 ASM WATER, PARKS AND WILDLIFE PAPAN, DIANE, Chair | The bill would require "The California Water Plan" to include specified components, including a discussion of the estimated costs, benefits, and impacts of any project type or action that is recommended by the department within the plan that could help achieve the water supply targets. (Based on 04/10/2025 text) | CMUA and Western MWD Bill. SUPPORT |

Bills With Positions

| Measure | Author | Topic | Last Amend | Status | Location | Calendar | Brief Summary | Notes |
|----------------------|---------------------------|---|------------|--|----------------------------|----------|---|--|
| <u>SB 239</u> | <u>Arrequin, D</u> | Open meetings: teleconferencing: subsidiary body. | 04/07/2025 | INACTIVE FILE. | | | <i>This bill would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. The bill would require the subsidiary body to post the agenda at each physical meeting location designated by the subsidiary body, as specified. The bill would require the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, as specified. (Based on 04/07/2025 text)</i> | SUPPORT |
| <u>SB 350</u> | <u>Durazo, D</u> | Water Rate Assistance Program. | 05/07/2025 | 05/22/2025 - Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/12/2025)(May be acted upon Jan 2026) | 05/22/2025 - Senate 2 YEAR | | <i>Would establish the Water Rate Assistance Program. As part of the program, the bill would establish the Water Rate Assistance Fund in the State Treasury. (Based on 05/07/2025 text)</i> | Environmental justice community bill. OPPOSE UNLESS AMENDED |

Bills With Positions

| Measure | Author | Topic | Last Amend | Status | Location | Calendar | Brief Summary | Notes |
|---------------|--------------------|---|------------|--|----------------------------|---|---|--|
| SB 394 | Allen, D | Water theft: fire hydrants. | 06/06/2025 | 06/18/2025-Coauthors revised. From committee: Do pass and re-refer to Com. on JUD. (Ayes 10. Noes 0.) (June 18). Re-referred to Com. on JUD. | 06/18/2025-A.JUD. | 07/01/2025 9 a.m. - State Capitol, Room 437 ASM JUDICIARY KALRA, ASH, Chair | This bill would add to the list of acts for which a utility may bring a civil cause of action under these circumstances to include tampering with a fire hydrant, fire hydrant meter, or fire detector check, or diverting water, or causing water to be diverted, from a fire hydrant with knowledge of, or reason to believe, that the diversion or unauthorized connection existed at the time of use for nonfirefighting purposes or without authorization from the appropriate water system or fire department. (Based on 02/14/2025 text) | Las Virgenes and ACWA sponsored SUPPORT |
| SB 454 | McNerney, D | State Water Resources Control Board: PFAS Mitigation Program | 05/23/2025 | 06/18/2025-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. (Ayes 7. Noes 0.) (June 17). Re-referred to Com. on APPR. | 06/17/2025-A.APPR. | | This bill, which would become operative upon an appropriation by the Legislature, would enact a PFAS mitigation program. As part of that program, the bill would create the PFAS Mitigation Fund in the State Treasury and would authorize certain moneys in the fund to be expended by the state board, upon appropriation by the Legislature, for specified purposes. | Sponsored by ACWA and League of CA Cities SUPPORT |
| SB 496 | Hurtado, D | Advanced Clean Fleets Regulation: appeals advisory committee: exemptions. | 04/07/2025 | 05/22/2025 - Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/5/2025)(May be acted upon Jan 2026) | 05/22/2025 - Senate 2 YEAR | | <i>This bill would require the state board to establish the Advanced Clean Fleets Regulation Appeals Advisory Committee by an unspecified date for purposes of reviewing appeals of denied requests for exemptions from the requirements of the Advanced Clean Fleets Regulation. (Based on 04/07/2025 text)</i> | CSDA and other local gov sponsored bill SUPPORT |

Bills With Positions

| Measure | Author | Topic | Last Amend | Status | Location | Calendar | Brief Summary | Notes |
|----------------------|------------------------|-------------------------|------------|--|-------------------|---|--|-----------------------------------|
| <u>SB 601</u> | <u>Allen, D</u> | Water: waste discharge. | 05/23/2025 | 06/19/2025-Re-referred to Coms. on JUD. and E.S & T.M. | 06/19/2025-A.JUD. | 07/01/2025 9 a.m. - State Capitol, Room 437 ASM JUDICIARY KALRA, ASH, Chair | This bill would delete the limitation on the state board's authorization, and instead would authorize the state board to adopt water quality control plans for any waters of the state, which would include nexus waters, which the bill would define as all waters of the state that are not also navigable, except as specified. The bill would require any water quality standard applicable to nexus waters, which was submitted to, and approved by, or is awaiting approval by, the United States Environmental Protection Agency or the state board as of January 19, 2025, to remain in effect, except where the state board, regional board, or United States Environmental Protection Agency adopts a more stringent standard. The bill would require the state board and regional boards to include nexus waters in all processes pursuant to the federal Clean Water Act, including, but not limited to, the California Integrated Report and the establishment of total maximum daily loads, as specified. (Based on 05/23/2025 text) | Coastkeeper sponsor OPPOSE |

Bills With Positions

| Measure | Author | Topic | Last Amend | Status | Location | Calendar | Brief Summary | Notes |
|---------------|-----------------|--|------------|--|-------------------------|----------|--|-------------------------------|
| SB 682 | Allen, D | Environmental health: product safety: perfluoroalkyl and polyfluoroalkyl substances. | 06/23/2025 | 06/23/2025-From committee with author's amendments. Read second time and amended. Re-referred to Com. on E.S & T.M.. | 06/09/2025-A.E.S. & T.M | | This bill would, on and after January 1, 2027, prohibit a person from distributing, selling, or offering for sale a cleaning product, cookware, dental floss, juvenile product, food packaging, or ski wax, as provided, that contains intentionally added PFAS, as defined, except for previously used products and as otherwise preempted by federal law. (Based on 05/23/2025 text) | CASA Sponsored SUPPORT |

Watch Bills

| Measure | Author | Topic | Last Amend | Status | Location | Calendar | Brief Summary | Notes |
|---------------|-------------------|---|------------|-----------------------|-------------|------------------------------|--|-------|
| AB 823 | Boerner, D | Solid waste: plastic microbeads: plastic glitter. | 05/23/2025 | Refereed to EQ & Jud. | S.Env. Qual | 07/08/2025 ENV QUALITY | This bill would, on and after January 1, 2029, prohibit a person from selling, offering for sale, distributing, or offering for promotional purposes in this state a personal care product containing plastic glitter, or a personal care product in a non-rinse-off product or a cleaning product containing one part per million (ppm) or more by weight of plastic microbeads that are used as an abrasive, as specified. The bill would authorize, until January 1, 2030, a person to continue to sell, offer for sale, distribute, or offer for promotional purposes in this state an existing stock of personal care products containing plastic glitter, as specified. By adding these prohibitions to the Plastic Microbeads Nuisance Prevention Law, the bill would impose the civil penalty for violations of these prohibitions. (Based on 05/23/2025 text) | |

Watch Bills

| Measure | Author | Topic | Last Amend | Status | Location | Calendar | Brief Summary | Notes |
|---------------|---------------------------|---|------------|---|-------------|---------------------------|--|-------|
| SB 74 | <u>Seyarto, R</u> | Office of Land Use and Climate Innovation: Infrastructure Gap-Fund Program. | 04/07/2025 | 06/18/2025-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. (Ayes 10. Noes 0.) (June 18). Re-referred to Com. on APPR. | APPR | | The bill would authorize the office to provide funding for up to 20% of a project's additional projected cost, as defined, after the project has started construction, subject to specified conditions, including, among other things, that the local agency has allocated existing local tax revenue for at least 45% of the initially budgeted total cost of the infrastructure project. When applying to the program, the bill would require the local agency to demonstrate challenges with completing the project on time and on budget and how the infrastructure project helps meet state and local goals, as specified. (Based on 04/07/2025 text) | |
| SB 224 | <u>Hurtado, D</u> | Department of Water Resources: water supply forecasting. | 05/23/2025 | Asm. W,P,WL | | | This bill would require the department, on or before January 1, 2027, to adopt a new water supply forecasting model and procedures that better address the effects of climate change and implement a formal policy and procedures for documenting the department's operational plans and the department's rationale for its operating procedures, including the department's rationale for water releases from reservoirs. (Based on 05/23/2025 text) | |
| SB 279 | <u>McNerney, D</u> | Solid waste: compostable materials. | 05/23/2025 | Referred to ASM. NAT RES | ASM NAT RES | 07/07/2025 ASM NAT RES | This bill would require that the total amount of feedstock and compost onsite at any one time not exceed 500 cubic yards instead of the 100 cubic yards and 750 square feet in the regulations. The bill would also require the composting of agricultural materials and residues that are from a large-scale biomass management event at an agricultural facility that does not otherwise operate as a solid waste facility to be an excluded activity, as specified. This bill contains other related provisions and other existing laws. (Based on 05/23/2025 text) | |

Watch Bills

| Measure | Author | Topic | Last Amend | Status | Location | Calendar | Brief Summary | Notes |
|---------------|--------------------|---|------------|---|-----------------------|------------------------------|--|-------|
| SB 317 | Hurtado, D | Wastewater surveillance. | 06/18/2025 | Referred to ESTM. | ESTM | 07/01/2025 ESTM | Would require the State Department of Public Health, in consultation with participating wastewater treatment facilities, local health departments, and other subject matter experts, to maintain the Cal-SuWers network of monitoring programs to test for pathogens, toxins, and other public health indicators in wastewater. The bill would require participation in the Cal-SuWers network from local health departments and wastewater treatment facilities to be voluntary. (Based on 04/28/2025 text) | |
| SB 431 | Arreguin, D | Assault and battery: public utility employees and essential infrastructure workers. | 05/23/2025 | Referred to ASM PUB SAFETY. | | 07/07/2025 ASM PUB SAFETY | This bill would make an assault or battery committed against an employee of a public utility or other worker engaged in essential infrastructure work, as defined, punishable by imprisonment in a county jail not exceeding one year, by a fine not exceeding \$2,000, or by both that fine and imprisonment. (Based on 05/23/2025 text) | |
| SB 445 | Stern, D | Transportation: planning: complete streets facilities: sustainable transportation projects. | 04/10/2025 | In Assembly. Read first time. Held at Desk. | 05/28/2025 A- DESK | | This bill would instead require the Department of Transportation to develop and adopt the above-described project intake, evaluation, and encroachment review process on or before February 1, 2027. The bill would also state the intent of the Legislature to amend this bill with legislation that accelerates and makes more reliable third-party permits and approvals for preconstruction and construction activities on sustainable transportation projects. | |

Watch Bills

| Measure | Author | Topic | Last Amend | Status | Location | Calendar | Brief Summary | Notes |
|----------------------|------------------------|---|------------|--|----------------------------|----------|---|-------|
| <u>SB 654</u> | <u>Stern, D</u> | California Environmental Protection Agency: contract: registry: greenhouse gas emissions that result from the water-energy nexus. | | 05/22/2025 - Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/21/2025)(May be acted upon Jan 2026) | 05/22/2025 - Senate 2 YEAR | | The California Environmental Protection Agency is required to oversee the development of a registry for greenhouse gas emissions that result from the water-energy nexus using the best available data. Current law provides that participation in the registry is voluntary and open to any entity conducting business in the state. Existing law authorizes the agency to enter into a contract with a qualified nonprofit organization to do specified things, including to recruit broad participation in the registry from all economic sectors and regions of the state. Current law limits the term of the term of the contract to 3 years, except as provided. This bill would instead require the agency to oversee the administration of the above-described registry and would authorize the agency to enter into a new contract, limited to a term of 3 years and with a total budget of \$2,000,000, to do specified things, including to recruit broad participation in the registry from all economic sectors and regions of the state to meet the different needs of water users throughout the state by various means, as provided. (Based on 02/20/2025 text) | |



June 25, 2025

To: Inland Empire Utilities Agency

From: Michael Boccadoro
Beth Olhasso

RE: June Report

Overview:

The snowpack has melted earlier than normal this year, registering at zero percent on all monitors throughout the Sierras. While that water is making its way through the system, limited pumping is keeping the water from reaching San Luis Reservoir. Lake Oroville is sitting at 98 percent capacity, 122 percent of normal; Lake Shasta is sitting at 87 percent of capacity, 109 percent of average; while San Luis Reservoir is at just 54 percent of capacity, 90 percent average for this time of year.

After adopting new “Policy Amendments” to govern the future of the Clean Water State Revolving Fund in May, the State Water Resources Control Board followed up by releasing the 2025-26 Intended Use Plan (IUP) for the program. This year’s IUP proposes to allocate over \$300 million to ten new projects, while working to move projects approved in previous IUPs (totaling \$675 million) off the list by executing funding agreements. Additionally, the IUP proposes to allocate about \$168 million in water recycling grants should the Legislature appropriate Proposition 4 funding.

As part of his May Revise, the Governor has released a Trailer Bill aimed at helping remove some barriers to the Delta Conveyance Project (DCP). Among the changes, the Governor is proposing for expedited judicial review of CEQA challenges. The proposal saw swift condemnation from in-Delta interests. The State Water Contractors have been organizing supporters and had a lobby day in Sacramento to work to earn votes for the Trailer Bill.

To meet the constitutional deadline, the Legislature has passed a budget that is only a compromise between the Speaker and Pro Tem. Democratic leadership is now negotiating with the Governor to pass an amended budget before the end of the fiscal year on June 30. Proposition 4 allocations were not included in the budget deal which passed on June 15.

The Legislature acted hundreds of bills ahead of the “house of origin deadline.” Bills that made it out of their house of origin are now working through policy committees in their current house ahead of the July 18 policy committee deadline and start of summer recess.

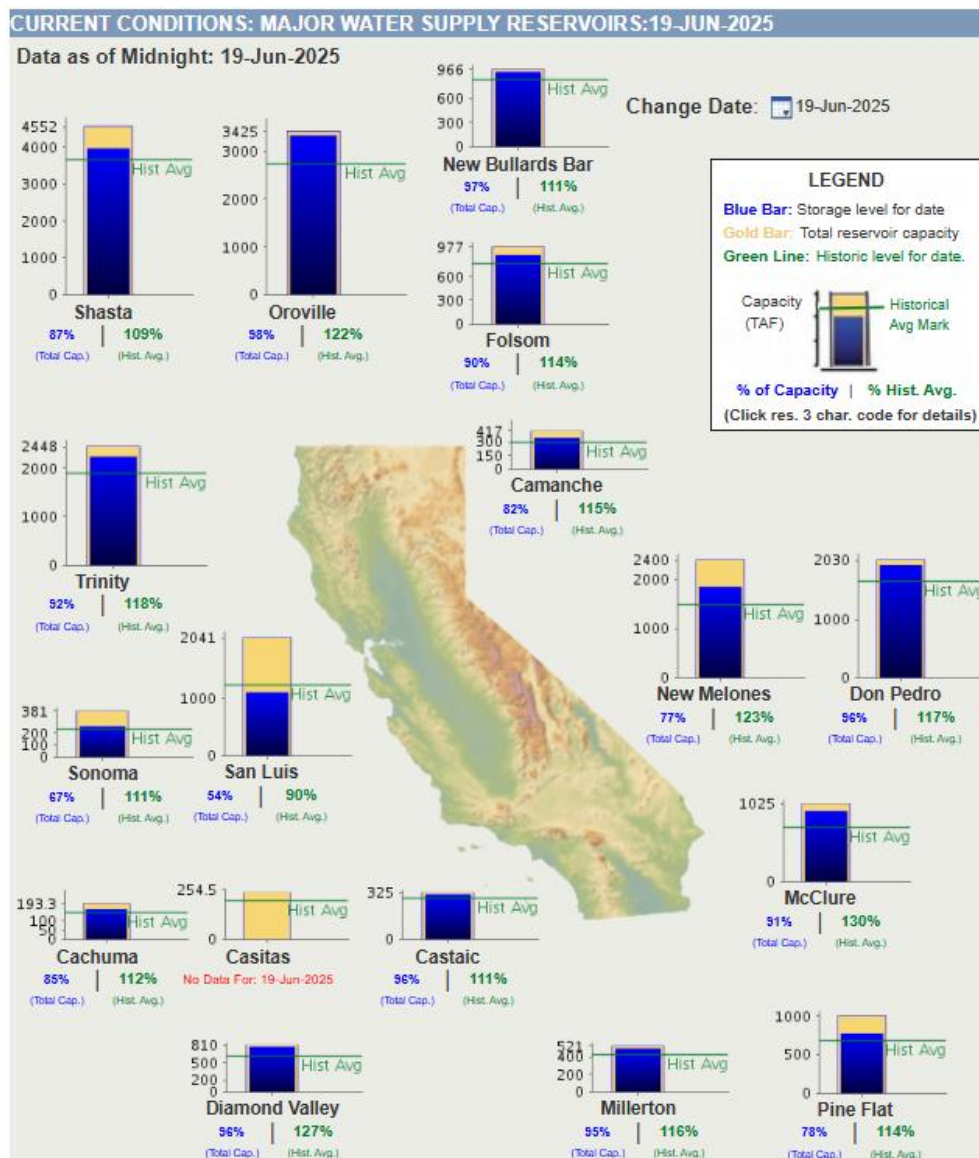
Legislation to establish emergency maximum containment levels was not taken up on the floor of the Assembly, while separate bills to regulate intentionally added PFAS and establish a PFAS mitigation fund have managed to advance. Recycled water legislation is moving through the Senate with no opposition, but CSDA’s bill to help ease the Advanced Clean Fleets regulations for local government was held in the Senate Appropriations Committee, failing to advance out of its house of origin.

Inland Empire Utilities Agency

Status Report – June 2025

Water Supply Conditions

Snow melted much more quickly than normal this year and the entire snowpack is all but melted. While runoff is making its way into storage, the rapid melt is problematic because reservoirs are already at capacity, so there is little space to put the extra water north of the Delta. Limited pumping is keeping the water from reaching San Luis Reservoir. Lake Oroville is sitting at 98 percent capacity, 122 percent of normal; Lake Shasta is sitting at 87 percent of capacity, 109 percent of average; while San Luis Reservoir is at just 54 percent of capacity, 90 percent average for this time of year.



SWRCB Releases Clean Water State Revolving Fund Intended Use Plan

While IEUA does not have a project on the Clean Water State Revolving Fund (CWSRF) IUP for the 2025-26 funding year, the plan contains notable changes.

- Creates a “Large Project” Water Recycling Funding Program (WRFP) category
 - Required in Prop 4
 - Projects must produce more than 10,000 Acre Feet (AF) per year
 - \$15M max grant, but can apply for multiple phases
 - Planning & design costs also eligible
 - Use agreement not required
- Highlights concerns with future funding if federal capitalization grant program is ended: \$600M/year to \$250M/year.

Delta Conveyance Budget Trailer Bill and Audit Request Update

As discussed last month, as part of his May Revision of the 2025-26 budget, Governor Newsom released a proposal to help streamline the DCP. The Governor’s proposal would streamline the project by:

- **Simplifying permitting.** The proposal would simplify permitting for the project by eliminating certain deadlines from existing State Water Project water rights permits — recognizing that the State Water Project should continue serving Californians’ water needs indefinitely. The proposal would also strengthen enforcement of the Water Board’s existing rules for permit protests.
- **Confirming funding authority.** The proposal confirms that the Department of Water Resources has the authority to issue bonds for the cost of the DCP, to be repaid by participating public water agencies.
- **Preventing unnecessary litigation delays.** The proposal narrows and streamlines judicial review of future challenges to the DCP, building on models that have served other large public works projects.
- **Supporting construction.** The proposal streamlines the authority to acquire land, supporting construction of the DCP.

In-Delta legislators and advocates have come out in very strong opposition to the proposal. The State Water Contractors and MWD organized Southern California water agencies to support the proposal. IEUA staff have helped coordinate a coalition to rally Inland Empire interests to support the proposal and lobby legislators, and General Manager Deshmukh traveled to Sacramento to participate in a Lobby Day in support of the proposal.

The trailer bill is expected to be acted upon in August when they return from Summer Recess.

Audit Request

Several in-Delta lawmakers filed a request with the Joint Legislative Audit Committee for the State Auditor to audit the Department of Water Resources records on the Delta Conveyance Project.

The State Water Contractors and MWD again rallied supporters of DCP to talk to members of the committee and testify in opposition to the audit. Ultimately, there were not enough votes to secure the audit. Though there is a chance the committee could vote again in late August.

Ted Cooke Nominated to US Bureau of Reclamation

President Donald Trump has quietly nominated a veteran Arizona water official to lead the Bureau of Reclamation.

Ted Cooke, who spent more than two decades at the Central Arizona Project (CAP) — the state's largest water delivery agency, which distributes Colorado River water to Maricopa, Pinal and Pima counties — would become Reclamation's next commissioner if confirmed by the Senate.

The nomination comes as the seven Colorado River Basin states are locked in negotiations about a new long-term operating plan for the drought-stricken waterway. More than two decades of drought in the region have already led to repeated cuts in water allocations, with Arizona taking significant reductions.

Cooke stepped down as CAP's general manager in early 2023. He was succeeded by Brenda Burman, who served as Reclamation commissioner during Trump's first term in office.

Budget Update

The Legislature passed a budget before the constitutional June 15 deadline. The budget which was passed and sent to the Governor was only an agreement between Democratic leadership. Negotiations between legislative leaders and the Governor remain ongoing. Another version of the budget is expected by the end of the current fiscal year on June 30. Budget leadership has indicated that further revisions are likely this summer as Congress finalizes the federal budget and reduces funding for various programs.

Balancing a \$12 billion state shortfall with whatever cuts will come on the federal side leave some tough choices and contentious negotiations ahead for the Legislature and the Governor.

"Vacant Positions" Sweep:

In the 2024-25 Budget, the Governor decreed that departments could not fill vacant positions, hoping to eliminate 6,500 state jobs and thereby saving \$1.2 billion. Concern arose when it started to look like some of the vacant positions that were not filled are "fee based" positions. Fee based positions are generally used to help process permits, among other things.

WCA has been working with ACWA and other associations to highlight the concern that it appears some of the positions being "swept" are not general fund positions. The CA Department of Finance noted that the sweeps were "agnostic as to fund source," but that the sweeps could reduce fees.

CASA, ACWA, CMUA and WateReuse sent a letter to the budget committees noting that cutting fee based positions is not something the associations can support. The positions these fees frequently fund are staff positions at the state and regional boards to timely process permit

applications. Reductions of staff in these areas will only serve to slow down an already slow process.

The Department of Finance finally released a 250 page document that details which positions were cut. The biggest losses look to be 35 positions at DWR to formulate the CA Water Plan.

The Governor has also proposed more cuts for the 2025-26 budget year, but those positions have not been detailed.

Proposition 4 Implementation

While the Governor's January and May budget proposals allocated close to three billion dollars in Proposition 4 funds, the Legislature's June 15 budget punted any Prop 4 decision to later in the summer. Negotiations between the Governor and the Legislature will continue on Prop 4 allocations. Stakeholders are urging the allocations be made in the anticipated June 30 budget.

Additionally, past bonds have exempted bond fund programs from having to comply with the Administrative Procedures Act (APA), allowing programs to get up and running quickly. Proposition 4 made no such exemption. The Administration has proposed this exemption be added in the budget process. Legislators seem keen on this idea, at least for existing programs.

General Fund Reversions

In an attempt to balance the budget, the Governor proposed to "swap" some general funds with bond funds. For example, the proposed budget would "revert" \$51 million in water recycling funds that were allocated in the 2024-25 budget because they are also proposing \$153 million in bond funds. Members of the budget sub committees have been clashing rather fiercely with the Department of Finance, who is defending the Governor's budget proposal. Finance continues to argue that because the bond didn't say that they couldn't "swap," there shouldn't be a problem. Legislators have strongly articulated that this is a "bait and switch" that will result in lack of confidence from voters. This topic will continue to be discussed as the budget gets finalized with leadership.

Legislative Update

The Legislature is working on bills that passed out of their house of origin ahead of the July 18 policy committee deadline. Summer recess commences that same day, with members returning for the final month of session on August 18.

Low-Income Rate Assistance:

AB 532 (Ransom) is CA Municipal Utilities Agencies proposal to establish voluntary LIRA programs. The measure passed the Environmental Safety and Toxic Materials Committee and Utilities and Energy Committee and is in the Senate Natural Resources & Water Committee.

Water Supply: California Municipal Utilities Association and Western Municipal Water District have reintroduced SB 366 (Caballero), their legislation to add new requirements into the CA Water Plan to set volumetric targets for new water supply as **SB 72 (Caballero)**. They

believe they have removed SWRCB's concerns, which was the stated reason the bill was vetoed last session. The bill passed out of the Senate and is in the Assembly Water, Parks & Wildlife Committee.

Recycled Water: WateReuse CA has introduced **SB 31 (McNerney)** to make some long-overdue updates to Title 22 of the CA Code of Regulations. IEUA staff has been instrumental in helping develop the legislation that would, among other things, codify how an “unauthorized discharge” of recycled water is treated by Regional Boards. The bill passed out of the Senate without a single “no” vote, passed the Assembly Water, Parks & Wildlife Committee 10-0 and is headed to the Environmental Safety & Toxic Materials Committee.

PFAS: The CA Association of Sanitation Agencies (CASA) has reintroduced their PFAS source control bill that would ban the use of any intentionally added PFAS to products, **SB 682 (Allen)**. The bill hit a roadblock last year with the CA Manufacturers and Technology Association who worked to load costs into the bill to get it held by the Appropriations Committee. The bill passed out of the Senate and is awaiting committee assignments in the Assembly.

Additionally, ACWA and the League of CA Cities have introduced **SB 454 (McNerney)** that would establish a PFAS mitigation fund. Though the bill does not yet have a funding source, it passed out of both the Senate and its first Assembly committee. The bill now awaits action in the Assembly Appropriations Committee.

SB 394 (Allen) is ACWA and Las Virgenes MWD’s bill to increase penalties for water theft from fire hydrants. The bill passed out of the Senate and has already passed out of the Assembly Local Government Committee.

!!NEW BILL ALERT!!

Senator Scott Wiener (D-San Francisco) has indicated, and circulated unofficial amendments, to SB 445 that would put a “shot clock” on an agency’s ability to review transit construction plans that may interfere with utility infrastructure. The outline of language is still in draft form, but CMUA, ACWA, CSDA, CASA & WateReuse CA have all expressed concerns with the draft/proposed direction the bill is headed.



CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730
909.484.3888 www.cbwm.org

STAFF REPORT

DATE: July 17, 2025
TO: Advisory Committee
SUBJECT: AB1413 (Papan) Proposed Legislation (Information Item IV.A.)

Issue: A review of proposed Assembly Bill 1413 (Papan) is provided for information about the potential effects on adjudicated basins such as the Chino Basin.

Recommendation: This item is provided for information only. No action is required.

Financial Impact: None

ACTIONS:

Appropriative Pool – July 10, 2025 [Recommended]: Information Only
Non-Agricultural Pool – July 10, 2025 [Recommended]: Information Only
Agricultural Pool – July 10, 2025 [Recommended]: Information Only
Advisory Committee – July 17, 2025 [Recommended]: Information Only
Watermaster Board – July 24, 2025 [Recommended]: Information Only

BACKGROUND

Assembly Bill 1413 was introduced by Assemblymember Papan and coauthored by Assemblymembers Bennett and Hart with a stated goal of stopping parties from initiating expensive, broad adjudications simply to dispute scientifically-backed Groundwater Sustainability Plan (GSP) yield limits required by the Sustainable Groundwater Management Act (SGMA).

AB1413 proposes amendments to the Water Code and other regulations which it posits will strengthen SGMA's scientific and technical approach by:

- Allowing timely court validation of GSPs;
- Requiring unified adjudication of GSP and yield disputes;
- Preventing courts from overriding validated yield limits;
- Clarifying what constitutes “substantial impairment” under SGMA.

The authors believe that the bill would expand the authorities of GSAs in the development of GSPs, streamline legal disputes, preserve groundwater sustainability targets, and protect smaller users from being impacted by complex and expensive adjudications.

Since the Chino Basin is an adjudicated basin recognized by the California Department of Water Resources (DWR) as a very low priority basin, it is deemed to be managed sustainably through the court's continuing jurisdiction, not through DWR oversight jurisdiction. Watermaster is required to file an annual report to DWR to comply with SGMA requirements by April 1 each year.

DISCUSSION

Watermaster follows and participates in discussions about legislation through its participation in various associations such as the Association of California Water Agencies and the California Groundwater Coalition. Both associations have submitted comment letters about AB 1413 expressing concerns to ensure the legislation won't circumvent the authorities of the courts which govern the various adjudications of groundwater basins across the state and associated determinations of water rights.

The Inland Empire Utilities Agency legislative staff reviewed the proposed language of the bill, as amended on June 30, 2025, in support of not only its member agencies but also all parties within Chino Basin Watermaster and they concluded it will not affect the Chino Basin adjudication.

AB 1413 is unlikely to materially impact the Chino Basin adjudication because:

- Chino Basin is recognized under SGMA as having previously been adjudicated.
- The bill does not relate to basins adjudicated pre-SGMA.
- The Judgment governs rights and yields.
- The court retains continuing jurisdiction to modify or amend the Judgment.

The main purpose of AB 1413 is to prevent new adjudications or lawsuits from delaying the implementation of newly adopted GSPs in non-adjudicated basins.

In the future, however, it is important to stay informed to make sure any expanded authorities of SGMA rules and standards don't limit the continuing jurisdiction of the Court especially in the determination of Safe Yield of the basin and use of storage.

ATTACHMENTS:

1. Assembly Bill No. 1413 (amended June 30, 2025)
2. Association of California Water Agencies comment letter
3. California Groundwater Coalition comment letter

AMENDED IN SENATE JUNE 30, 2025

AMENDED IN ASSEMBLY APRIL 10, 2025

AMENDED IN ASSEMBLY MARCH 24, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 1413

Introduced by Assembly Member Papan
(Coauthors: Assembly Members Bennett and Hart)

February 21, 2025

An act to amend Sections 834, 838, 849, and 850 of the Code of Civil Procedure, and to amend Sections 10726.6, 10737.2, and 10737.8 of the Water Code, relating to groundwater.

LEGISLATIVE COUNSEL'S DIGEST

AB 1413, as amended, Papan. Sustainable Groundwater Management Act: groundwater adjudication.

Existing law, the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, except as specified. Existing law requires the department to periodically review the groundwater sustainability plans developed by groundwater sustainability agencies pursuant to the act to evaluate whether a plan conforms with specified laws and is likely to achieve the sustainability goal for the basin covered by the plan. Existing law authorizes a groundwater sustainability agency that adopts a groundwater sustainability plan to file a court action to determine the validity of the plan no sooner than 180 days following the adoption of the plan, as provided. *Existing law provides that actions by a*

groundwater sustainability agency are subject to judicial review, except as provided.

This bill would instead authorize groundwater sustainability agencies to file those actions within 180 days following the adoption of the plan. *The bill would require a legal challenge to an action or determination by the groundwater sustainability agency to be filed within 90 days of the action or determination.*

Existing law provides that an action against a groundwater sustainability agency that is located in a basin that is being adjudicated is subject to transfer, coordination, and consolidation with a comprehensive adjudication, as appropriate, if the action concerns the adoption, substance, or implementation of a groundwater sustainability plan, or the groundwater sustainability agency's compliance with the timelines in the Sustainable Groundwater Management Act.

This bill would require an action against a groundwater sustainability agency that is located in a basin that is being adjudicated to be consolidated with a comprehensive adjudication if the action concerns the adoption, substance, or implementation of a groundwater sustainability plan, or the groundwater sustainability agency's compliance with the timelines in the Sustainable Groundwater Management Act. The bill would also require the court hearing the consolidated action to try the cause of action for judicial review of the groundwater sustainability plan's determination of a basin's sustainable yield before trying any other issue in the action.

Existing law authorizes a court to enter judgment in an adjudication action for a basin required to have a groundwater sustainability plan if, in addition to other criteria, the court finds the judgment will not substantially impair the ability of a groundwater sustainability agency, the State Water Resources Control Board, or the department to comply with the Sustainable Groundwater Management Act and to achieve sustainable groundwater management.

This bill, among other things, would provide that a judgment substantially impairs the ability of those entities to comply with the act and to achieve sustainable groundwater management if it ~~allows~~ *permits* more total pumping from the basin annually or on average than the sustainable yield of the basin established in the latest groundwater sustainability plan or plans that *have received a determination from the department that the plan or plans are likely to achieve the sustainability goal for the basin and have been validated by a final judgment or by operation of law when no validation action was filed.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. In enacting this measure, it is the intent of the
2 Legislature to do the following:

3 (a) ~~Ensure~~ *Provide specific terms supporting implementation*
4 *of existing law in Section 10737.2 of the Water Code to ensure*
5 *that a comprehensive adjudication of groundwater rights in a basin*
6 *does not interfere with the timely completion and implementation*
7 *of a groundwater sustainability plan.*

8 (b) ~~Ensure~~ *Provide specific terms supporting implementation*
9 *of existing law in Section 10737.2 of the Water Code to ensure*
10 *that a comprehensive adjudication of groundwater rights in a basin*
11 *avoids redundancy and unnecessary costs in the development of*
12 *technical information and a physical solution.*

13 (c) ~~Ensure~~ *Provide specific terms supporting implementation*
14 *of existing law in Section 10737.2 of the Water Code to ensure*
15 *that a comprehensive adjudication of groundwater rights in a basin*
16 *is consistent with the attainment of sustainable groundwater*
17 *management within the timeframes established by the Sustainable*
18 *Groundwater Management Act.*

19 (d) ~~Ensure that courts shall not determine a basin's safe yield~~
20 ~~or sustainable yield to be greater than that of a groundwater~~
21 ~~sustainability agency's determination in permit more total pumping~~
22 ~~annually or on average under a judgment in a comprehensive~~
23 ~~groundwater adjudication than would be allowed by a valid~~
24 ~~groundwater sustainability plan for a basin.~~

25 (e) *Ensure that the filing of a comprehensive groundwater*
26 *adjudication shall not be used as a means of delaying or*
27 *undermining the implementation of the Sustainable Groundwater*
28 *Management Act.*

29 SEC. 2. Section 834 of the Code of Civil Procedure is amended
30 to read:

31 834. (a) In a comprehensive adjudication conducted pursuant
32 to this chapter, the court may determine all groundwater rights of
33 a basin, whether based on appropriation, overlying right, or other
34 basis of right, and use of storage space in the basin.

1 (b) Subject to the limitations in Section 850, the court's final
2 judgment in a comprehensive adjudication, for the groundwater
3 rights of each party, may declare the priority, amount, purposes
4 of use, extraction location, place of use of the water, and use of
5 storage space in the basin, together with appropriate injunctive
6 relief, subject to terms adopted by the court to implement a physical
7 solution in the comprehensive adjudication.

8 SEC. 3. Section 838 of the Code of Civil Procedure is amended
9 to read:

10 838. (a) (1) In a comprehensive adjudication conducted
11 pursuant to this chapter, a judge of a superior court of a county
12 that overlies the basin or any portion of the basin shall be
13 disqualified. The Chairperson of the Judicial Council shall assign
14 a judge to preside in all proceedings in the comprehensive
15 adjudication.

16 (2) A judge of the superior court in which an action is filed may,
17 on the court's own motion or the motion of a party, determine if
18 the action is a comprehensive adjudication under Section 833. A
19 motion for a determination pursuant to this paragraph shall receive
20 calendar preference within the action and shall be resolved before
21 other procedural or dispositive motions.

22 (b) A comprehensive adjudication is presumed to be a complex
23 action under Rule 3.400 of the California Rules of Court.

24 (c) Sections 170.6 and 394 shall not apply in a comprehensive
25 adjudication.

26 (d) (1) Notwithstanding subdivision (b) of Section 10726.6 of
27 the Water Code, an action against a groundwater sustainability
28 agency that is located in a basin that is being adjudicated pursuant
29 to this chapter shall be consolidated with the comprehensive
30 adjudication if the action concerns the adoption, substance, or
31 implementation of a groundwater sustainability plan, or the
32 groundwater sustainability agency's compliance with the timelines
33 in the Sustainable Groundwater Management Act.

34 (2) In an action where consolidation occurs pursuant to
35 paragraph (1), the court shall try the cause of action for judicial
36 review of the groundwater sustainability plan's determination of
37 a basin's sustainable yield before trying any other issue in the
38 action.

39 SEC. 4. Section 849 of the Code of Civil Procedure is amended
40 to read:

1 849. (a) The court shall have the authority and the duty to
2 impose a physical solution on the parties in a comprehensive
3 adjudication where necessary and consistent with Article 2 of
4 Section X of the California Constitution.

5 (b) Before adopting a physical solution, the court shall consider
6 any existing groundwater sustainability plan or program. The
7 requirements in Section 850 for a judgment shall also apply to any
8 physical solution imposed by the court.

9 SEC. 5. Section 850 of the Code of Civil Procedure is amended
10 to read:

11 850. (a) The court may enter a judgment in a comprehensive
12 adjudication if the court finds that the judgment meets all of the
13 following criteria:

14 (1) It is consistent with Section 2 of Article X of the California
15 Constitution.

16 (2) It is consistent with the water right priorities of all
17 nonstipulating parties and any persons who have claims that are
18 exempted pursuant to Section 833 in the basin.

19 (3) It treats all objecting parties and any persons who have
20 claims that are exempted pursuant to Section 833 equitably as
21 compared to the stipulating parties.

22 (4) It considers the water use of and accessibility of water for
23 small farmers and disadvantaged communities. This consideration
24 shall be consistent with the conditions identified in this subdivision.

25 (b) (1) The court may enter judgment in an adjudication action
26 for a basin required to have a groundwater sustainability plan under
27 the Sustainable Groundwater Management Act, if in addition to
28 the criteria enumerated in subdivision (a), the court also finds that
29 the judgment will not substantially impair the ability of a
30 groundwater sustainability agency, the State Water Resources
31 Control Board, or the department to comply with the Sustainable
32 Groundwater Management Act and to achieve sustainable
33 groundwater management.

34 (2) A judgment substantially impairs the ability of a groundwater
35 sustainability agency, the State Water Resources Control Board,
36 or the department to comply with the Sustainable Groundwater
37 Management Act and to achieve sustainable groundwater
38 management if it ~~allows~~ *permits* more total pumping from the basin
39 annually or on average than the sustainable yield of the basin
40 established in the latest groundwater sustainability *plan or plans*

1 covering the basin and *the groundwater sustainability plan or*
2 *plans have received a determination from the department, pursuant*
3 *to Section 10733 of the Water Code, that the plan or plans are*
4 *likely to achieve the sustainability goal for the basin and either of*
5 *the following apply:*

6 (A) The groundwater sustainability plan or plans have been
7 validated by a final judgment issuing from a validation action
8 brought pursuant to Section 10726.6 of the Water Code.

9 (B) The groundwater sustainability plan or plans have been
10 validated by operation of law because no validation action was
11 filed.

12 (c) (1) In order to assist the court in making the findings
13 required by this section, the court may refer the matter to the State
14 Water Resources Control Board for investigation and report
15 pursuant to Section 2001 of the Water Code. A party may request
16 that the court refer the matter to the State Water Resources Control
17 Board pursuant to this subdivision.

18 (2) Notwithstanding any inconsistencies with Article 2
19 (commencing with Section 2010) of Chapter 1 of Part 3 of Division
20 2 of the Water Code, for a reference undertaken by the State Water
21 Resources Control Board under paragraph (1), the State Water
22 Resources Control Board and the department shall jointly
23 investigate and submit the report under paragraph (1).

24 (d) If a party or group of parties submits a proposed stipulated
25 judgment that is supported by more than 50 percent of all parties
26 who are groundwater extractors in the basin or use the basin for
27 groundwater storage and is supported by groundwater extractors
28 responsible for at least 75 percent of the groundwater extracted in
29 the basin during the five calendar years before the filing of the
30 complaint, the court may adopt the proposed stipulated judgment,
31 as applied to the stipulating parties, if the proposed stipulated
32 judgment meets the criteria described in subdivision (a). A party
33 objecting to a proposed stipulated judgment shall demonstrate, by
34 a preponderance of evidence, that the proposed stipulated judgment
35 does not satisfy one or more criteria described in subdivision (a)
36 or that it substantially violates the water rights of the objecting
37 party. If the objecting party is unable to make this showing, the
38 court may impose the proposed stipulated judgment on the
39 objecting party. An objecting party may be subject to a preliminary

1 injunction issued pursuant to Section 847 while their objections
2 are being resolved.

3 (e) For purposes of this section the following definitions apply:

4 (1) "Disadvantaged communities" means communities identified
5 by the California Environmental Protection Agency as
6 disadvantaged communities pursuant to Section 39711 of the
7 Health and Safety Code.

8 (2) "Small farmers" means farmers with between ten thousand
9 dollars (\$10,000) and four hundred thousand dollars (\$400,000)
10 in gross farm sales, as referenced in the Department of Food and
11 Agriculture's California Underserved and Small Producers
12 Program.

13 SEC. 6. Section 10726.6 of the Water Code is amended to read:

14 10726.6. (a) A groundwater sustainability agency that adopts
15 a groundwater sustainability plan may file an action to determine
16 the validity of the plan pursuant to Chapter 9 (commencing with
17 Section 860) of Title 10 of Part 2 of the Code of Civil Procedure
18 within 180 days following the adoption of the plan.

19 (b) Subject to Sections 394 and 397 of the Code of Civil
20 Procedure, the venue for an action pursuant to this section shall
21 be the county in which the principal office of the groundwater
22 management agency is located.

23 (c) Any judicial action or proceeding to attack, review, set aside,
24 void, or annul the ordinance or resolution imposing a new, or
25 increasing an existing, fee imposed pursuant to Section 10730,
26 10730.2, or 10730.4 shall be commenced within 180 days following
27 the adoption of the ordinance or resolution.

28 (d) Any person may pay a fee imposed pursuant to Section
29 10730, 10730.2, or 10730.4 under protest and bring an action
30 against the governing body in the superior court to recover any
31 money that the governing body refuses to refund. Payments made
32 and actions brought under this section shall be made and brought
33 in the manner provided for the payment of taxes under protest and
34 actions for refund of that payment in Article 2 (commencing with
35 Section 5140) of Chapter 5 of Part 9 of Division 1 of the Revenue
36 and Taxation Code, as applicable.

37 (e) (1) Except as otherwise provided in this section, actions by
38 a groundwater sustainability agency are subject to judicial review
39 pursuant to Section 1085 of the Code of Civil Procedure. *Procedure*

1 *and an action is required to be filed within 90 days of the*
2 *challenged action or determination by the agency.*

3 *(2) To the extent judicial review is sought regarding an action*
4 *or determination that is concurrently being reviewed by either the*
5 *department or board pursuant to the procedures in this part, the*
6 *court shall promptly consider whether, in the interests of efficiency*
7 *or justice, to stay that challenge until the department or board*
8 *have completed their evaluation or related procedure.*

9 SEC. 7. Section 10737.2 of the Water Code is amended to read:

10 10737.2. (a) In an adjudication action for a basin required to
11 have a groundwater sustainability plan under this part, the court
12 shall manage the proceedings in a manner that minimizes
13 interference with the timely completion and implementation of a
14 groundwater sustainability plan, avoids redundancy and
15 unnecessary costs in the development of technical information and
16 a physical solution, and is consistent with the attainment of
17 sustainable groundwater management within the timeframes
18 established by this part.

19 (b) In an adjudication action for a basin required to have a
20 groundwater sustainability plan pursuant to this part, the court
21 shall not establish a safe yield or sustainable yield for the basin
22 that exceeds the sustainable yield of the basin as established in a
23 valid groundwater sustainability plan for the basin. A groundwater
24 sustainability plan for a basin shall be presumed valid unless the
25 groundwater sustainability plan has been ruled invalid pursuant to
26 Section 10726.6 or has been referred to the board pursuant to
27 Section 10735.2.

28 SEC. 8. Section 10737.8 of the Water Code is amended to read:

29 10737.8. (a) In addition to making any findings required by
30 subdivision (a) of Section 850 of the Code of Civil Procedure or
31 any other law, the court shall not approve entry of judgment in an
32 adjudication action for a basin required to have a groundwater
33 sustainability plan under this part unless the court finds that the
34 judgment will not substantially impair the ability of a groundwater
35 sustainability agency, the board, or the department to comply with
36 this part and to achieve sustainable groundwater management.

37 (b) (1) A judgment substantially impairs the ability of a
38 groundwater sustainability agency, the board, or the department
39 to comply with this part if it allows more total pumping from the
40 basin annually or on average than the sustainable yield of the basin

1 established in the latest groundwater sustainability plan or
2 groundwater sustainability plans covering the basin. ~~This~~
3 (2) *The judgment described in paragraph (1) is not the only*
4 ~~one that can~~ *intended to be the exclusive manner by which a court*
5 *may* substantially impair the ability of a groundwater sustainability
6 agency, the board, or the department to comply with this part.

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Bringing
Water
Together

June 24, 2025

The Honorable Monique Limón
Chair, Senate Natural Resources and Water Committee
Capitol Office, Room 7610
Sacramento, CA 95814

RE: AB 1413 (Papan) – OPPOSE UNLESS AMENDED

Dear Chair Limón:

On behalf of the Association of California Water Agencies (ACWA), I am writing to respectfully express our “Oppose Unless Amended” position on AB 1413, relating to adjudication actions for groundwater rights in basins required to have a groundwater sustainability plan (GSP) under the Sustainable Groundwater Management Act (SGMA).

ACWA was a principal architect and proponent of SGMA. A foundational element of the agreement that allowed SGMA to be passed in 2014 was that groundwater sustainability agencies (GSA) would not have the authority to determine water rights. AB 1413 proposes making the sustainable yield established in a valid GSP controlling in an adjudication action, effectively insulating agency decisions from judicial review and removing courts’ constitutionally granted authority to determine water rights. This approach would allow a GSA to set a potentially unreasonable sustainable yield that would then be used to make an adjudication determination. ACWA believes this approach is inconsistent with SGMA and would deny parties to an adjudication of due process and leave them with little to no recourse.

ACWA shares the author’s goal of seeing SGMA implemented successfully and, ultimately, achieving sustainable groundwater management in high- and medium-priority basins. ACWA is committed to working with the author to develop amendments that would effectively balance concerns related to predictability for GSAs, the achievement of SGMA’s goals, and the protection of water supplies and water rights.

For these reasons, ACWA opposes AB 1413 unless it is amended to address these concerns and respectfully requests your “NO” vote when it is heard in the Senate Natural Resources and Water Committee.

Sincerely,

Soren Nelson
Senior Policy Advocate
Association of California Water Agencies



ATTACHMENT 3

Officers

Randy Schoellerman, President
San Gabriel Basin Water Quality Authority

Tony Winkel, Vice President
Mojave Water Agency

Angie Mancillas, Vice President
Water Replenishment District of So. CA

Kelly Gardner, Secretary Treasurer
Main San Gabriel Basin Watermaster

Board Members

Marcus Trotta
Sonoma Water

Brian Macy
Mission Springs Water District

Adam Hutchinson
Orange County Water District

Greg Woodside
San Bernardino Valley MWD

Sustaining Members

Chino Basin Watermaster
Madera County
Main San Gabriel Basin Watermaster
Mid Kaweah
Mission Springs Water District
Mojave Water Agency
Orange County Water District
Raymond Basin Management Board
San Bernardino Valley Municipal Water District
San Bernardino Valley Water Conservation District
San Gabriel Basin Water Quality Authority
Sonoma Water
Water Replenishment District of So CA

Institutional/Educational Membership

Lawrence Berkeley National Laboratory

Legislative Advocate

Rosanna Carvacho Elliott
CA Lobby

June 25, 2025

The Honorable Monique Limón
Chair, Senate Natural Resources and Water Committee
1021 O Street, Suite 3220
Sacramento, CA 95814

RE: AB 1413 (Papan) – OPPOSE

Dear Senator Limón,

On behalf of the California Groundwater Coalition (CGC), I am writing to respectfully oppose AB 1413 (Papan), which will make changes to the groundwater adjudication process.

CGC was formed at the urging of California state and local officials who believed that increased efforts were needed to educate and inform policy makers and the public about California groundwater resources. CGC members include groundwater management entities located throughout California and consist of experts with technical, legal, and professional groundwater and related expertise.

CGC is and always has been supportive of the Sustainable Groundwater Management Act (SGMA) and wants to see SGMA succeed. However, CGC must respectfully oppose AB 1413 because it will insulate decisions by groundwater sustainability agencies (GSAs) from judicial review and deprive groundwater rights holders of their due process rights.

Specifically, this bill will lead to extensive conflict in the groundwater sustainability plan (GSP) development process and spark substantially more litigation than we have seen to date in the implementation of SGMA. Additionally, this bill will allow a GSA to make an unreviewable determination of an essential element of water rights, which violates one of the key tenants of both SGMA and the Streamlined Adjudication Act, both of which CGC supported.

CGC is very concerned that AB 1413 blurs the line between the roles of GSAs to manage water through a GSP and retaining the court's authority to determine groundwater rights. This bill assumes that a GSP will correctly identify the maximum amount of water that can be withdrawn from a basin annually by restricting a court to find a safe yield that exceeds the GSP's sustainable yield.

Most GSAs seem to have done a good job of determining the sustainable yield, however there is still the possibility that a GSA has not done so. In these scenarios, it is necessary for the court to retain the ability to review the best available technical evidence to protect the property rights and due process rights of those water rights holders regulated by the GSA.

For these reasons, we must oppose AB 1413 and respectfully ask for your “NO” vote when this measure comes before you. If you have questions about CGC’s position please contact our Legislative Advocate, Rosanna Elliott, at 916-816-6519.

Sincerely,

A handwritten signature in black ink that reads "Randy Schoellerman". The signature is fluid and cursive, with the first name "Randy" being more prominent than the last name "Schoellerman".

Randy Schoellerman
President, California Groundwater Coalition

cc: The Honorable Diane Papan
Honorable Members, Senate Natural Resources and Water Committee