

# CHINO BASIN WATERMASTER



## NOTICE OF MEETING

**Thursday, July 24, 2025**

11:00 a.m. – Watermaster Board Meeting

*Watermaster's function is to administer and enforce provisions of the Judgment and subsequent orders of the Court,  
and to develop and implement an Optimum Basin Management Program*

**CHINO BASIN WATERMASTER  
WATERMASTER BOARD MEETING**

11:00 a.m. – July 24, 2025

*Mr. Jim Curatalo, Chair*

*Mr. Jeff Pierson, Vice-Chair*

*Mr. Bob Bowcock, Secretary/Treasurer*

**At The Offices Of**

**Chino Basin Watermaster**

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

**AGENDA**

**CALL TO ORDER**

**FLAG SALUTE**

**ROLL CALL**

**PUBLIC COMMENTS**

This is an opportunity for members of the public to address the Board on any short non-agenda items that are within the subject matter jurisdiction of the Chino Basin Watermaster. No discussion or action can be taken on matters not listed on the agenda, per the Brown Act. Each member of the public who wishes to comment shall be allotted three minutes, and no more than three individuals shall address the same subject.

**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 Watermaster Board Meeting held June 26, 2025 (*Page 1*)

**B. FINANCIAL REPORTS**

Receive and file as presented:

Monthly Financial Report for the Period Ended May 31, 2025 (*Page 10*)

**C. APPLICATION: WATER TRANSACTION – 4.0 AF NICHOLSON FAMILY TRUST TO FONTANA WATER COMPANY (*Page 25*)**

Approve the proposed transaction.

**D. APPLICATION: WATER TRANSACTION – 7,500 AF CUCAMONGA VALLEY WATER DISTRICT TO FONTANA WATER COMPANY (Page 32)**

Approve the proposed transaction.

**E. PROFESSIONAL SERVICES AGREEMENT BETWEEN EIDE BAILLY, LLP AND CHINO BASIN WATERMASTER (Page 39)**

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

**II. BUSINESS ITEMS**

**A. APPLICATION: LOCAL STORAGE AGREEMENT (ONAP) (Page 46)**

Approve the proposed agreement.

**B. BUDGET AMENDMENT A-25-07-01 – OPTIMUM BASIN MANAGEMENT PROGRAM ECONOMIC ANALYSIS SCOPE OF WORK (Page 61)**

Adopt the budget amendment Form A-25-07-01 in the amount of \$92,000 as presented and authorize Watermaster general manager to engage a consultant, by contract, to conduct the Economic Analysis study in accordance with the Scope of Work.

**C. PEER REVIEW OF THE DRAFT 2025 SAFE YIELD REEVALUATION FINAL REPORT (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

**IV. INFORMATION**

**A. CALIFORNIA AB1413 SUSTAINABLE GROUNDWATER MANAGEMENT ACT: groundwater adjudication (Page 70)**

**B. VOLUNTARY AGREEMENTS PROCESSING IN THE ASSESSMENT PACKAGE (PRESENTATION PROVIDED TO THE POOLS COMMITTEES ON JULY 10, 2025)**

**V. BOARD MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

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

1. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION: a) Chino Basin Municipal Water District v. City of Ontario et al., 4th District Court of Appeal Case No. E080457 and E082127
2. General Manager Performance Evaluation

**VIII. FUTURE MEETINGS AT WATERMASTER**

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
08/14/25	Thu	9:00 a.m.	Appropriative Pool Committee
08/14/25	Thu	11:00 a.m.	Non-Agricultural Pool Committee
08/14/25	Thu	1:30 p.m.	Agricultural Pool Committee
08/21/25	Thu	9:00 a.m.	Advisory Committee
08/28/25	Thu	9:30 a.m.	Watermaster Orientation*
08/28/25	Thu	11:00 a.m.	Watermaster Board

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

**ADJOURNMENT**



**DRAFT MINUTES**  
**CHINO BASIN WATERMASTER**  
**WATERMASTER BOARD MEETING**

June 26, 2025

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA, and via Zoom (conference call and web meeting) on June 26, 2025.

**WATERMASTER BOARD MEMBERS PRESENT AT WATERMASTER**

James Curatalo, Chair	Cucamonga Valley Water District
Jeff Pierson, Vice-Chair	Agricultural Pool – Crops
Bob Bowcock, Secretary/Treasurer	Non-Agricultural Pool – CalMat Co.
Steve Elie	Inland Empire Utilities Agency
Mike Gardner	Western Municipal Water District
Bob Kuhn	Three Valleys Municipal Water District
Jimmy Medrano	Agricultural Pool – State of CA
Bill Velto	City of Upland
Marty Zvirbulis	Fontana Water Company

**WATERMASTER STAFF PRESENT**

Todd Corbin	General Manager
Edgar Tellez Foster	Water Resources Mgmt. & Planning Director
Anna Nelson	Director of Administration
Justin Nakano	Water Resources Technical Manager
Frank Yoo	Data Services and Judgment Reporting Manager
Daniela Uriarte	Senior Accountant
Ruby Favela Quintero	Executive Assistant
Kirk Richard Dolar	Administrative Analyst
Erik Vides	Field Operations Specialist

**WATERMASTER CONSULTANTS PRESENT AT WATERMASTER**

Scott Slater	Brownstein Hyatt Farber Schreck, LLP
Andy Malone	West Yost

**WATERMASTER CONSULTANTS PRESENT ON ZOOM**

Brad Herrema	Brownstein Hyatt Farber Schreck, LLP
Lucy Hedley	West Yost

**OTHERS PRESENT AT WATERMASTER**

Bob Feenstra	Agricultural Pool – Dairy
Lewis Callahan	Agricultural Pool – State of CA
Kati Parker	Chino Basin Water Conservation District
Elizabeth Willis	Chino Basin Water Conservation District
Ron Craig	City of Chino Hills
Nicole deMoet	City of Upland
Amanda Coker	Cucamonga Valley Water District
Jiwon Seung	Cucamonga Valley Water District
Chris Diggs	City of Pomona
Eduardo Espinoza	Cucamonga Valley Water District
Tara Bravo	CV Strategies
Meredith Nickkel	Downey Brand
Josh Swift	Fontana Union Water Company
Cris Fealy	Fontana Water Company
Megan Sims	Fontana Water Company
Justin Castruita	Fontana Union Water Company

Bryan Smith  
Chris Berch  
Aimee Zhao  
Eddie Lin  
John Russ  
Manny Martinez  
Michelle Licea  
Brian Geye  
Chris Robles

Jurupa Community Services District  
Jurupa Community Services District  
Inland Empire Utilities Agency  
Inland Empire Utilities Agency  
Inland Empire Utilities Agency  
Monte Vista Water District  
Monte Vista Water District  
Non-Agricultural Pool – CA Speedway Corporation  
City of Ontario Resident (Fair Ontario)

**OTHERS PRESENT ON ZOOM**

Gino Filippi  
Noah Golden-Krasner  
Steve Anderson  
Ben Orosco  
Hye Jin Lee  
Derek Hoffman  
Toby Moore  
Clifford Button  
David De Jesus  
Mallory O’Conor  
Craig Stewart

Agricultural Pool – Crops  
Agricultural Pool – State of CA  
BBK Law  
City of Chino  
City of Chino  
Fennemore Law  
Golden State Water Company  
Jurupa Community Services District  
Three Valleys Municipal Water District  
Western Municipal Water District  
WSP USA

**CALL TO ORDER**

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

**FLAG SALUTE**

(00:00:12) Chair Curatalo led the Board in the flag salute.

**ROLL CALL**

(00:00:57) Ms. Nelson conducted the roll call and announced that a quorum was present.

(11:02 a.m.) Mr. Steve Elie joined the meeting.

**PUBLIC COMMENTS**

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(00:01:56) Mr. Manny Martinez of Monte Vista Water District announced the untimely passing of past Monte Vista Water District General Manager, Mr. Mark Kinsey. Board members took turns honoring Mark’s memory and contributions to the Chino Basin. Mr. Corbin commented on Mark’s contributions during the first Safe Yield Reevaluation process.

(00:07:42) Mr. Chris Robles, founder of Fair Ontario, stated that he attended six agency meetings that cover his residential boundary and also commented on the City of Ontario’s special meetings regarding the fees and budget.

**AGENDA – ADDITIONS/REORDER**

None

## **SAFETY MINUTE**

(00:12:57) Mr. Corbin reminded everyone that dry vegetation from the summer heat can lead to fires and to assess our properties for potential fire risks.

### **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 Watermaster Board Meeting held May 22, 2025

#### **B. FINANCIAL REPORTS**

Receive and file as presented:

Monthly Financial Report for the Reporting Period Ended April 30, 2025

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

Approve the proposed transaction.

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

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

#### **E. PROFESSIONAL SERVICES AGREEMENT BETWEEN RAUCH COMMUNICATION CONSULTANTS, INC. AND CHINO BASIN WATERMASTER**

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

#### **F. WEST YOST CONTRACT AMENDMENT FOR FY 2025/26 – UPDATED RATES (INFORMATION ONLY)**

(00:13:56)

*Motion by Mr. Bill Velto, seconded by Mr. Bob Kuhn, there being no dissent, the item passed unanimously by voice vote.*

***Moved to approve the Consent Calendar as presented.***

### **II. BUSINESS ITEMS**

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

Receive and file as presented.

(00:14:30) Mr. Malone prefaced the item and showed the Board a graphic detailing surface water and groundwater interaction in the southern portion of the Chino Basin. He then introduced Ms. Hedley to give a presentation on the annual report. A discussion ensued.

(00:32:21)

*Motion by Mr. Mike Gardner, seconded by Vice-Chair Jeff Pierson, there being no dissent, the item passed unanimously by roll call vote as attached to these minutes.*

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

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

Approve the preparation of a project description and initial concept plan for Turner Basins 5-10 Recharge Project or other alternative(s) as determined.

(00:33:29) Mr. Corbin gave a report and presentation. A discussion ensued.

(00:37:49)

*Motion by Vice-Chair Jeff Pierson, seconded by Mr. Mike Gardner, there being no dissent, the item passed unanimously by voice vote.*

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

**C. FISCAL YEAR 2025/26 PROPOSED PAY SCHEDULE**

Approve the Fiscal Year 2025/26 Pay Schedule as presented.

(00:38:17) Mr. Corbin prefaced the item and invited Ms. Nelson to give a presentation.

(00:42:05)

*Motion by Mr. Steve Elie, seconded by Mr. Marty Zvirbulis, there being no dissent, the item passed unanimously by roll call vote as attached to these minutes.*

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

**D. SELECTION OF FIRM TO PERFORM PEER REVIEW OF THE 2025 SAFE YIELD REEVALUATION FINAL REPORT**

Approve and authorize the General Manager to sign a contract with S.S. Papadopoulos & Associates, Inc. (SSP&A), as approved to form by Watermaster legal counsel, to perform Peer Review services in the amount of \$95,628 plus up to 15% change order authority.

(00:43:10) Mr. Corbin prefaced the item and introduced Mr. Tellez Foster to give a presentation. A discussion ensued.

(00:47:56)

*Motion by Mr. Steve Elie, seconded by Mr. Marty Zvirbulis, there being no dissent, the item passed by majority by roll call vote as attached to these minutes with a no vote by Member Kuhn.*

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

**E. OPTIMUM BASIN MANAGEMENT PROGRAM (OBMP) ECONOMIC STUDY REQUEST (INFORMATION ONLY)**

(00:52:08) Messrs. Corbin and Tellez Foster gave a report. A discussion ensued.

**III. REPORTS/UPDATES**

**A. WATERMASTER LEGAL COUNSEL**

1. June 27, 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)

(00:56:50) Mr. Slater gave a report. A discussion ensued.

**B. ENGINEER**

1. None

**C. GENERAL MANAGER**

1. July Meeting Schedule
2. Chino Basin Watermaster Guidance Documents
3. Watermaster Phone System Changes
4. Legislative Update
5. Other

(00:59:44) Mr. Corbin announced, for Item 1, that he recommended continuing the regular Watermaster meetings and not going dark in July as has been customary in the past due to the ongoing items that need to be vetted unless directed otherwise by the Board. For Item 2, he announced that Watermaster has enhanced and uploaded the new Guidance Documents to the website, and they are now available to view and/download. For Item 3, he reported that the Watermaster office has transitioned to Microsoft Teams phones and has discontinued the VOIP phone systems. Finally, for Item 4 he reported that there is new information about AB1413 regarding adjudicated groundwater basins and SGMA and he will follow closely and report back any changes.

**IV. INFORMATION**

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

(01:02:13) Mr. Tellez Foster informed the Board that this was an informational item and that there was nothing new to report.

**B. CHINO BASIN DAY**

(01:02:15) Mr. Tellez Foster informed the Board that the agenda for Chino Basin Day (an annual meeting with the Regional Board that occurred on May 27, 2025) can be found in the meeting package.

**V. BOARD MEMBER COMMENTS**

(01:03:03) Mr. Elie requested that Watermaster adjourn in the memory of Mr. Mark Kinsey.

Mr. Gardner commented on the budget trailer bills regarding the Delta Conveyance project and indicated that it is funded by the proceeds of the project participants and not tax dollars.

**VI. OTHER BUSINESS**

None

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

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

The Board convened into Confidential Session at 12:05 p.m. to discuss the following:

1. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION: a) Chino Basin Municipal Water District v. City of Ontario et al., 4th District Court of Appeal Case No. E080457 and E082127

Confidential session concluded at 12:45 p.m. with the following reportable action:

Mr. Slater reported that the Board met to consider the remittitur and directed Watermaster staff to set two workshops in July and August to take input and determine how to comply.

**ADJOURNMENT**

Chair Curatalo adjourned the Watermaster Board meeting in honor, recognition, and memory of Mr. Mark Kinsey at 12:47 p.m.

Secretary: \_\_\_\_\_

Approved: \_\_\_\_\_

Attachments:

1. 20250522 Roll Call Vote Outcome for Business Item II.A.
2. 20250522 Roll Call Vote Outcome for Business Item II.C.
3. 20250522 Roll Call Vote Outcome for Business Item II.D.

**ATTACHMENT 1**

**June 26, 2025 Watermaster Board Roll Call Vote Outcome**

Member	Alternate	Business Item II.A.
Elie, Steve		Yes
Gardner, Mike		Yes
Kuhn, Bob		Yes
Medrano, Jimmy		Yes
Pierson, Jeff, Vice-Chair		Yes
Velto, Bill		Yes
Zvirbulis, Marty		Yes
Bowcock, Bob		Yes
Curatalo, James, Chair		Yes
	<b>OUTCOME:</b>	<b>Passed Unanimously</b>

**ATTACHMENT 2**

**June 26, 2025 Watermaster Board Roll Call Vote Outcome**

<b>Member</b>	<b>Alternate</b>	<b>Business Item II.C.</b>
Gardner, Mike		Yes
Kuhn, Bob		Yes
Medrano, Jimmy		Yes
Pierson, Jeff, Vice-Chair		Yes
Velto, Bill		Yes
Zvirbulis, Marty		Yes
Bowcock, Bob		Yes
Elie, Steve		Yes
Curatalo, James, Chair		Yes
	<b>OUTCOME:</b>	<b>Passed Unanimously</b>



**ATTACHMENT 3**

**June 26, 2025 Watermaster Board Roll Call Vote Outcome**

Member	Alternate	Business Item II.D.
Kuhn, Bob		No
Medrano, Jimmy		Yes
Pierson, Jeff, Vice-Chair		Yes
Velto, Bill		Yes
Zvirbulis, Marty		Yes
Bowcock, Bob		Yes
Elie, Steve		Yes
Gardner, Mike		Yes
Curatalo, James, Chair		Yes
	OUTCOME:	Passed by Majority



# 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

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### 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 [Final]: Received and filed.

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)
<b>Total for Month</b>				<b>\$ (995,882.37)</b>



# Chino Basin Watermaster

## Credit Card Expense Detail

### May 2025

Date	Number	Description	Expense Account	Amount
05/14/2025	25460	<b>CALIFORNIA BANK &amp; TRUST</b>		
		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)
<b>Total for Month \$</b>				<b>(4,533.34)</b>



# 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			
<b>Administrative Revenues:</b>									
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	-
<b>Total Administrative Revenues</b>	<b>10,026,695</b>	<b>423,682</b>	<b>10,450,378</b>	<b>117,220</b>	<b>57,521</b>	<b>34,073</b>	<b>(83,205)</b>	<b>10,575,987</b>	<b>10,503,350</b>
<b>Administrative &amp; Project Expenditures:</b>									
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 <sup>1</sup>	-	-	-	174,354	(174,354)	-	-	-	-
Replenishment Water Assessments	-	-	-	-	-	-	54,425	54,425	180,234
<b>Total Administrative Expenses</b>	<b>3,026,585</b>	<b>5,941,841</b>	<b>8,968,426</b>	<b>290,802</b>	<b>-</b>	<b>17,984</b>	<b>54,425</b>	<b>9,331,637</b>	<b>10,683,584</b>
<b>Net Ordinary Income</b>	<b>7,000,111</b>	<b>(5,518,159)</b>	<b>1,481,951</b>	<b>(173,582)</b>	<b>57,521</b>	<b>16,089</b>	<b>(137,630)</b>	<b>1,244,350</b>	<b>(180,234)</b>
<b>Other Income/(Expense)</b>									
Refund-Recharge Debt Service	-	-	-	-	-	-	-	-	-
Carryover Budget*	-	-	-	-	-	-	-	-	454,875
<b>Net Other Income/(Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>454,875</b>
<b>Net Transfers To/(From) Reserves</b>	<b>\$ 7,000,111</b>	<b>\$ (5,518,159)</b>	<b>\$ 1,481,951</b>	<b>\$ (173,582)</b>	<b>\$ 57,521</b>	<b>\$ 16,089</b>	<b>\$ (137,630)</b>	<b>\$ 1,244,350</b>	<b>\$ 274,640</b>
Net Assets, July 1, 2024			8,794,214	555,405	1,404,964	65,733	180,234	11,000,551	
Refund-Excess Operating Reserves			-					-	
<b>Net Assets, End of Period</b>			<b>10,276,165</b>	<b>381,823</b>	<b>1,462,486</b>	<b>81,822</b>	<b>42,605</b>	<b>12,244,901</b>	
Pool Assessments Outstanding				(86,315)	(586,852)	-			
Payments received in FY 25 for prior year assessments				231,381	-	-			
Pool Fund Balance				<b>\$ 526,889</b>	<b>\$ 875,634</b>	<b>\$ 81,822</b>			

<sup>1</sup> 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
<b>Cash &amp; Investments</b>					
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%
<b>Total Cash &amp; Investments</b>			<b>\$ 13,491,175</b>	<b>\$ 13,491,120</b>	<b>100.0%</b>

\* 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
<b>1 Administration Revenue</b>					
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%
<b>5 Total Administration Revenue</b>	<b>-</b>	<b>10,025,228</b>	<b>10,024,850</b>	<b>378</b>	<b>100%</b>
<b>6 Other Revenue</b>					
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%
<b>12 Total Other Revenue</b>	<b>39,448</b>	<b>337,773</b>	<b>933,375</b>	<b>(595,601)</b>	<b>36%</b>
<b>13 Total Revenue</b>	<b>39,448</b>	<b>10,363,001</b>	<b>10,958,225</b>	<b>(595,224)</b>	<b>95%</b>
<b>14 Judgment Administration Expense</b>					
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%
<b>35 Total Judgment Administration Expense</b>	<b>255,986</b>	<b>3,026,585</b>	<b>3,321,620</b>	<b>(295,035)</b>	<b>91%</b>
<b>36 Optimum Basin Management Plan (OBMP)</b>					
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%
<b>47 Total OBMP Expense</b>	<b>442,936</b>	<b>5,941,841</b>	<b>7,181,730</b>	<b>(1,239,889)</b>	<b>83%</b>
<b>48 Other Expense</b>					
49 Groundwater Replenishment	-	54,425	180,234	(125,810)	30%
50 Other Expenses	-	-	-	-	N/A
<b>51 Total Other Expense</b>	<b>-</b>	<b>54,425</b>	<b>180,234</b>	<b>(125,810)</b>	<b>30%</b>
<b>52 Total Expenses</b>	<b>698,922</b>	<b>9,022,851</b>	<b>10,683,584</b>	<b>(1,660,733)</b>	<b>84%</b>
<b>53 Increase / (Decrease) to Reserves</b>	<b>\$ (659,473)</b>	<b>\$ 1,340,150</b>	<b>\$ 274,640</b>	<b>\$ 1,065,510</b>	





# 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 31<sup>st</sup>, 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)
<b>Available Fund Balance as of May 31, 2025</b>	<b>\$ 245,497.51</b>

\*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 <sup>1</sup>	30,000.00
Subtotal Additions:	30,000.00
Reductions:	
Compensation paid July 2024 - May 2025	(21,750.00)
Subtotal Reductions:	(21,750.00)
<b>Available Fund Balance as of May 31, 2025</b>	<b>\$ 25,944.65</b>

<sup>1</sup> 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 <sup>1</sup>	(30,000.00)
Subtotal Reductions:	(39,454.00)
<b>Available Fund Balance as of May 31, 2025</b>	<b>\$ 12,189.00</b>

<sup>1</sup> 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 31<sup>st</sup>, the target budget percentage is generally 92%.

	Year to Date Actual	FY 24-25 Budget	\$ Over / (Under) Budget	% of Budget
<b>WM Salary Expense</b>				
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%
<b>Subtotal WM Staff Costs</b>	<b>2,082,804</b>	<b>2,529,290</b>	<b>(446,486)</b>	<b>82%</b>
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%
<b>Subtotal WM Paid Leaves</b>	<b>241,330</b>	<b>275,610</b>	<b>(34,280)</b>	<b>88%</b>
<b>Total WM Salary Costs</b>	<b>2,324,134</b>	<b>2,804,900</b>	<b>(480,766)</b>	<b>82.9%</b>



# 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 31<sup>st</sup>, the target budget percentage is generally 92%.

	Year to Date Actual	FY 24-25 Budget	\$ Over / (Under) Budget	% of Budget
<b>Engineering Services Costs</b>				
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%
<b>Total Engineering Services Costs</b>	<b>\$ 2,435,820</b>	<b>\$ 3,215,108</b>	<b>\$ (779,288)</b>	<b>75.8%</b>



# 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 31<sup>st</sup>, the target budget percentage is generally 92%.

	Year to Date Actual	FY 24-25 Budget	\$ Over / (Under) Budget	% of Budget
<b>6070 · Watermaster Legal Services</b>				
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%
<b>Total 6070 · Watermaster Legal Services</b>	<b>739,515</b>	<b>414,051</b>	<b>325,464</b>	<b>178.6%</b>
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%
<b>Total BHFS Legal Services</b>	<b>117,700</b>	<b>249,798</b>	<b>(132,098)</b>	<b>47.1%</b>
<b>6907.3 · WM Legal Counsel</b>				
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%
<b>Total 6907 · WM Legal Counsel</b>	<b>298,744</b>	<b>685,830</b>	<b>(387,086)</b>	<b>43.6%</b>
<b>Total Brownstein, Hyatt, Farber, Schreck Costs</b>	<b>\$ 1,155,958</b>	<b>\$ 1,349,679</b>	<b>\$ (193,721)</b>	<b>85.6%</b>



# 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 31<sup>st</sup>, the target budget percentage is generally 92%.

	Year to Date Actual	FY 24-25 Budget	\$ Over / (Under) Budget	% of Budget
<b>6900 · Optimum Basin Mgmt Plan</b>				
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%
<b>Total 6901 · OBMP WM and West Yost Staff</b>	<b>287,682</b>	<b>418,356</b>	<b>(130,674)</b>	<b>68.8%</b>
<b>6903 · OBMP - SAWPA</b>				
6903 · OBMP - SAWPA Group	15,984	15,990	(6)	100.0%
<b>Total 6903 · OBMP - SAWPA</b>	<b>15,984</b>	<b>15,990</b>	<b>(6)</b>	<b>100.0%</b>
<b>6906 · OBMP Engineering Services</b>				
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%
<b>Total 6906 · OBMP Engineering Services</b>	<b>215,680</b>	<b>314,224</b>	<b>(98,544)</b>	<b>68.6%</b>
<b>6907 · OBMP Legal Fees</b>				
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%
<b>Total 6907 · OBMP Legal Fees</b>	<b>298,744</b>	<b>685,830</b>	<b>(387,086)</b>	<b>43.6%</b>
<b>6909 · OBMP Other Expenses</b>				
6909.6 · OBMP Expenses - Miscellaneous	-	-	-	0.0%
<b>Total 6909 · OBMP Other Expenses</b>	<b>2,172</b>	<b>3,540</b>	<b>(1,368)</b>	<b>61.4%</b>
<b>Total 6900 · Optimum Basin Mgmt Plan</b>	<b>\$ 820,261</b>	<b>\$ 1,437,940</b>	<b>\$ (617,679)</b>	<b>57.0%</b>





# 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 31<sup>st</sup>, the target budget percentage is generally 92%.

	Year to Date Actual	FY 24-25 Budget	\$ Over / (Under) Budget	% of Budget
<b>5901 · Admin-WM Staff</b>				
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%
<b>Total 5901 · Admin-WM Staff</b>	<b>121,961</b>	<b>277,476</b>	<b>(155,515)</b>	<b>44.0%</b>
<b>5900 · Judgment Admin Other Expenses</b>				
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%
<b>Total 5900 · Judgment Admin Other Expenses</b>	<b>305,445</b>	<b>443,534</b>	<b>(138,089)</b>	<b>68.9%</b>
<b>Total 5900 · Judgment Administration</b>	<b>\$ 427,406</b>	<b>\$ 721,010</b>	<b>\$ (293,604)</b>	<b>59.3%</b>





# CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730

909.484.3888 www.cbwm.org

## STAFF REPORT

DATE: July 24, 2025

TO: Board 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: Approve the proposed transaction.

Financial Impact: None.

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### 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 [Final]: Provided 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. On July 17, 2025, the proposed transaction was presented to the Advisory Committee where it unanimously recommended the Watermaster Board to approve the proposed transaction.

## **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: April 25, 2025

AMOUNT REQUESTED: 4.0 Acre-Feet

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

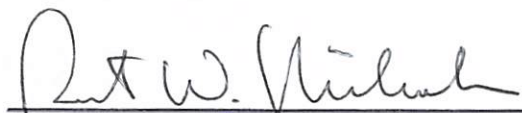
N/A

**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: July 17, 2025

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](http://www.cbwm.org)  
[watertransactions@cbwm.org](mailto:watertransactions@cbwm.org)



# CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730

909.484.3888 www.cbwm.org

## STAFF REPORT

DATE: July 24, 2025

TO: Board 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: Approve the proposed transaction.

Financial Impact: None.

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### 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 [Final]: Provided 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. On July 17, 2025, the proposed transaction was presented to the Advisory Committee where it unanimously recommended the Watermaster Board to approve the proposed transaction.

## **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

<b>TRANSFER FROM (SELLER / TRANSFEROR):</b> Cucamonga Valley Water District	<b>TRANSFER TO (BUYER / TRANSFEREE):</b> 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:**

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 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

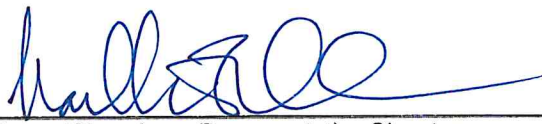
Yes ☐ No ☒



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, 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: July 17, 2025

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**.

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# CHINO BASIN WATERMASTER

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

## STAFF REPORT

DATE: July 24, 2025  
TO: Board Members  
SUBJECT: Consideration of Engagement Letter with Eide Bailly, LLP (Consent Calendar Item I.E.)

Issue: Board approval is requested for professional services engagement with Eide Bailly, LLP for Fiscal Year 2025/26 accounting consulting services. [Normal Course of Business]

Recommendation: Approve and authorize the General Manager to execute the engagement letter on behalf of Watermaster.

Financial Impact: This item has been included in the Fiscal Year 25/26 Budget in the amount not to exceed \$50,000.

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### ACTIONS:

**Watermaster Board – July 24, 2025 [Recommended]:** Approve and authorize the General Manager to sign the contract.

## **BACKGROUND**

Chino Basin Watermaster develops, tracks, and presents routine financial information and performs related functions monthly in service of parties to the Judgment. It also provides support to the parties on financial matters as requested. The typical functions include budgeting, accounts payable, accounts receivable, payroll, reporting, banking, audit support, and special projects as needed.

Eide Bailly LLP is a national CPA and business advising firm with over 40 offices and performs accounting services for many public entities, including several in the local area.

## **DISCUSSION**

Watermaster is seeking to retain Eide Bailly to assist with accounting and financial control tasks. Projects such as analyzing bank charges, considering software upgrades and implementing new governmental accounting standards are some of the task orders identified for the fiscal year. Staff recommends that the Board authorize the General Manager to sign the engagement letter with Eide Bailly LLP for Fiscal Year 2025/26 accounting consulting services.

## **ATTACHMENTS**

1. Eide Bailly LLP Engagement Letter





June 23, 2025

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

Dear Mr. Corbin,

This letter outlines the understanding of the terms and objectives of the accounting advisory engagement between Eide Bailly LLP (Eide Bailly) and Chino Basin Watermaster (Watermaster).

### **Scope of Engagement**

We will work with you to provide advisory services on best practices in connection with the accounting advisory engagement.

Our engagement will be performed under the *Statements on Standards for Consulting Services* issued by the American Institute of Certified Public Accountants (AICPA). We will not provide audit, review, compilation, or financial statement preparation services to any historical or prospective financial information or provide attestation services under the AICPA *Statements on Standards for Attestation Engagements* and assume no responsibility for any such information.

You will provide us, as promptly as possible, all requested information and documentation reasonably deemed necessary or desirable by us in connection with the engagement. You represent and warrant that all information and documentation provided or to be provided to us is true, correct, and complete, to the best of your knowledge and belief. We are authorized to rely upon such information and documentation without independent investigation or verification.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider. You acknowledge that your information may be disclosed to such service providers, including those outside the United States.

### **Timeline**

We will begin our work upon acceptance of this engagement agreement. We would expect to have our work completed within any agreed upon timelines. This timetable assumes the timely receipt of requested information and the cooperation of the parties involved. If delays are experienced in receiving information, the delivery of our work will be delayed accordingly. **Page 41**

DRAFT

We will begin our work upon acceptance of this engagement agreement. We would expect to have our work completed within any agreed upon timelines. This timetable assumes the timely receipt of requested information and the cooperation of the parties involved. If delays are experienced in receiving information, the delivery of our work will be delayed accordingly.

## **Fees**

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses, including travel expenses, with a total not to exceed \$50,000. If the scope of work is determined to be significantly different than anticipated, we will communicate with you prior to undertaking additional tasks so that there are no surprises. We will notify you immediately of any circumstances we encounter that could significantly affect this engagement. Invoices are payable upon presentation.

Our work will be billed at the rates shown in the table below:

Staff Level	Hourly Rates
Partner	\$396
Director	\$374
Senior Manager	\$339
Manager	\$284
Supervisor	\$252
Senior Associate	\$215
Associate	\$170

We recognize that clients want to control the cost of multi-year contracts by providing transparency on the front end regarding future rate increases. We adjust our rates on July 1st of each year. On July 1 of each year that you continue your relationship with the firm, the fixed amount and standard rate schedule shown above will be adjusted by the annual change in related labor costs for your area as of the preceding May 1st.

The ability to perform and complete our engagement consistent with the estimated fees included above depends upon the quality of your underlying accounting records and any other information required for the completion of our work, as well as the timeliness of your personnel in providing information and responding to our requests. To assist with this process, we will provide you with a Prepared-by-Client (PBC) request that identifies the information we will require to perform our engagement, as well as a planned timeline for the engagement. A failure to provide this information in an accurate and timely manner may result in an increase in our fees and/or a delay in the completion of our engagement.

We may be requested to make certain engagement documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. If requested, access to such engagement documentation will be provided under the supervision of Eide Bailly LLP's personnel. Furthermore, upon request, we may provide copies of selected engagement documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in making such engagement documentation available or in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our work is completed, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and

reasonable attorney's fees will be added to the amount due.

Chino Basin Watermaster accepts responsibility for the results of the services being provided and agrees to perform the following functions in connection with this engagement:

- Make all management decisions and perform all management functions.
- Designate a competent individual to oversee the services.
- Evaluate the adequacy and results of the services performed.
- Accept responsibility for the results of the services.
- Establish and maintain internal controls, including monitoring ongoing activities.

Eide Bailly LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business Code. It is not anticipated that any of the non-licensee owners will be performing services for Chino Basin Watermaster.

## **MEDIATION**

Any disagreement, controversy, or claim arising out of or related to any aspect of our services or relationship with you (hereafter a "Dispute") shall, as a precondition to litigation in court, first be submitted to mediation. In mediation, the parties attempt to reach an amicable resolution of the Dispute with the aid of an impartial mediator. Mediation shall begin by service of a written demand. The mediator will be selected by mutual agreement. If we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA"). Mediation shall be conducted with the parties in person in the Inland Empire office. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties. Neither party may commence a lawsuit until the mediator declares an impasse.

## **LIMITED INDEMNITY**

Eide Bailly LLP and its partners, affiliates, officers, and employees (collectively "Eide Bailly") shall not be responsible for any misstatements in the information provided to us to complete our engagement that we may fail to detect as a result of misrepresentations or concealment of information by any of your owners, directors, officers, or employees. You shall indemnify and hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages, and attorneys' fees arising from any such misstatement or concealment of information.

If through no fault of Eide Bailly we are named as a party to a dispute between you and a third party, you shall indemnify and hold Eide Bailly harmless against any losses, damages, settlements, judgments, awards, and the costs of litigation (including attorneys' fees) we incur in connection with the dispute.

Eide Bailly shall not be entitled to indemnification under this agreement unless the services were performed in accordance with professional standards in all material respects.

## **LIMITATION OF LIABILITY**

The exclusive remedy available to you for any alleged loss or damages arising from or related to Eide Bailly's services or relationship with you shall be the right to pursue claims for actual damages that are directly caused by Eide Bailly's breach of this agreement or Eide Bailly's violation of applicable professional standards. In no event shall Eide Bailly's aggregate liability to you exceed two times fees paid under this agreement, nor shall Eide Bailly ever be liable to you for incidental, consequential, punitive, or exemplary damages, or attorneys'

fees.

#### **TIME LIMITATION**

You may not bring any legal proceeding against Eide Bailly unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we delivered our report, return, or other deliverable under this agreement to you, regardless of whether we do other services for you or that may relate to the engagement. The Limitation Period applies and begins to run even if you have not suffered any damage or loss or have not become aware of a possible Dispute.

#### **GOVERNING LAW AND VENUE**

Any Dispute between us, including any Dispute related to the engagement contemplated by this agreement, shall be governed by California law. Any unresolved Dispute shall be submitted to a federal or state court located in the Inland Empire, California.

#### **ASSIGNMENTS PROHIBITED**

You shall not assign, sell, barter, or transfer any legal rights, causes of actions, claims, or disputes you may have against Eide Bailly to any person.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement including our respective responsibilities.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Respectfully,

A handwritten signature in black ink that reads "James W. Ramsey". The signature is written in a cursive, flowing style.

James Ramsey, CPA  
Partner



# CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730

909.484.3888 [www.cbwm.org](http://www.cbwm.org)

## STAFF REPORT

DATE: July 24, 2025

TO: Board 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: Approve 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 [Final]:** Unanimous recommendation to Board for approval

**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 ¶17; 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.

Notice of the Non-Agricultural Pool's application for Local Storage Agreements was electronically distributed to stakeholders on May 2, 2025 and subsequently re-sent 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 6<sup>th</sup>, 2025, supersedes the previously noticed application on May 2<sup>nd</sup>, 2025 and required action by the three Pool Committees.

At the June 12, 2025, Appropriative Pool Committee meeting, parties 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 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 the storage agreement forward for Advisory Committee consideration and 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 Fiscal Year 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 (Appellate Opinion) 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 impacts on other producers which includes "economic injury" per the Appellate Opinion.

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 Evaluation and Storage Management processes; 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 against 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 injury". 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 [Exhibit H Paragraph 12] 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. The Appellate Opinion directs the parties to resolve the issue of "whether all stored and supplemental water is categorically exempt from assessment which could change/amend this practice in the future.



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 illustrative 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 economic 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 approximately 1.6% of total water in storage. This quantity of storage does not rise to the level of "substantial adverse impact" to the parties.

The City of Ontario commented at the Advisory Committee meeting about its letter to Watermaster on the matter. The letter (attachment 4) details four comments on Watermaster's Advisory Committee staff report which relate to the interpretation and characterization of the Appellate Opinion. Watermaster considered these comments and the feedback from the Advisory Committee members in the staff report, as presented.

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
3. Revisions from Advisory Committee staff report (Redlined)
4. Letter from City of Ontario – July 15, 2025

**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](http://www.cbwm.org/rep_engineering.htm) and [http://cbwm.org/rep\\_eng\\_maps.htm](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: July 17, 2025

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](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](http://www.cbwm.org)



# CHINO BASIN WATERMASTER

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

## STAFF REPORT

DATE: July 24~~17~~, 2025

TO: ~~Board~~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: ~~Approve~~~~Provide advice and assistance to the Watermaster Board on~~ the proposed agreement.

Financial Impact: None.

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### 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 [FinalRecommended]: 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 6<sup>th</sup>, 2025, supersedes the previously noticed application on May 2<sup>nd</sup>, 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 ([Appellate Opinion](#)) 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 [which includes "economic injury" per the Appellate Opinion.](#)

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-Evaluation and Storage Mangement processes~~[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 injury"~~[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 [\[Exhibit H Paragraph 12\]](#) 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. [The Appellate Opinion directs the parties to resolve the issue of "whether all stored and supplemental water is categorically exempt from assessment which could change/amend this practice in the future."](#)

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 [economic](#) 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 approximately 1.6% of total water in storage.](#) This quantity of storage does not rise to the level of "substantial adverse impact" to the parties.

[The City of Ontario commented at the Advisory Committee meeting about its letter to Watermaster on the matter. The letter \(attached\) details four comments on Watermaster's Advisory Committee staff report which relate to the interpretation and characterization of the Appellate Opinion. Watermaster considered these comments and the feedback from the Advisory Committee members in the staff report, as presented.](#)

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
3. [Revisions to Advisory Committee staff report](#)
- ~~2.4.~~ [Letter from City of Ontario – July 15, 2025](#)

**C I T Y O F**

303 EAST B STREET | ONTARIO, CALIFORNIA 91764

**O N T A R I O**

(909) 395-2000 FAX (909) 395-2070 OntarioCA.gov

PAUL S. LEON  
MAYORSHEILA MAUTZ  
CITY CLERKALAN D. WAPNER  
MAYOR PRO TEMJAMES R. MILHISER  
CITY TREASURER

July 15, 2025

JIM W. BOWMAN  
DEBRA PORADA  
DAISY MACIAS  
COUNCIL MEMBERSSCOTT OCHOA  
CITY MANAGER

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

**RE: Comments on Item IIA Local Storage Agreement (ONAP) for July 17, 2025, Advisory Committee Meeting**

Dear Mr. Corbin,

We have the following comments regarding the ONAP Application for Local Storage Agreement, as outlined in the agenda for the 7/17 Advisory Committee meeting packet.

- While the staff report recognizes language in paragraph 28 of the Judgment that “requires that agreements for storage must include terms that will preclude operations that will have a ‘substantial adverse impact on other producers’”, the last sentence of the same paragraph focuses only on “MPI and substantial adverse economic impacts on other producers.” [ref. Staff Report, p. 36]. We recommend the last sentence be clarified to state that substantial adverse impacts, including but not limited to economic impacts, must be evaluated under paragraph 28 of the Judgment.
- The Court of Appeal (COA) Opinion does not support Watermaster’s reliance on the claimed “\$200 million in net benefits”, as a result of the implementation of the OBMP to overcome actual individual adverse impacts to other producers [ref. Staff Report, p. 36]. To the contrary, the COA Opinion focuses on party-specific impacts and cost-shifting. We recommend removing this statement from the Staff Report and future applications for local storage.
- The last paragraph on the same page seems to bleed into unresolved issues concerning the definition and meaning of “withdrawal” versus “production” and the characterization of DYY water [ref. Staff Report, p. 36] (“... 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 language in the Staff Report treads into issues that are still, per the COA Opinion, unresolved [ref. Opinion, p.

25.]. Therefore, we recommend removing this statement from the Staff Report and future applications for local storage until these items are resolved.

- The COA determined that the Watermaster's interpretation and application of the 2019 Letter Agreement violated the Judgement and the agreements that created the DYY Program, therefore nullified, and reference to the "Dry Year Yield Agreement" should be removed [ref. Staff Report, p. 36.]. Per the COA Opinion, the future viability and application of the 2019 Letter Agreement should be resolved by the parties prior to judicial intervention.

If you have any questions, feel free to contact me via email at [CNishida@ontarioca.gov](mailto:CNishida@ontarioca.gov) or phone at (909) 395-2695. Thank you for your consideration on this matter.

Sincerely,



Chad Nishida, P.E.

Water Resources Manager

cc: Scott Burton, Utilities General Manager – Ontario Municipal Utilities Company  
Courtney Jones, Deputy General Manager – Ontario Municipal Utilities Company  
Elizabeth Ewens, Legal Counsel – Stoel Rives



# CHINO BASIN WATERMASTER

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

## STAFF REPORT

DATE: July 24, 2025  
TO: Board 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: Adopt the budget amendment Form A-25-07-01 in the amount of \$92,000 as presented and authorize Watermaster general manager to engage a consultant, by contract, to conduct the Economic Analysis study in accordance with the Scope of Work.

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 [Final]:** Unanimously approved the budget amendment as presented.  
**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 (30<sup>th</sup>) 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 25<sup>th</sup> 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 (25<sup>th</sup>) 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.

## 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 written comments from two parties prior to the Pool Committee meetings on July 10, 2025 and feedback from Pool members during the meeting of July 10..

To summarize the comments received and questions posed, the following list was 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?
- It is important to bring the 2006 and 2007 studies up to date since many of the assumptions used did not materialize.

Watermaster has contacted four qualified bidders comprised of both academia and consulting firms from whom to solicit proposals. Three of the consultants have submitted proposals which Watermaster staff are evaluating. 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. The Appropriative Pool provided direction to Watermaster staff to engage a consultant and commence work as soon as possible.

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. The budget amendment was presented to the Advisory Committee at its July 17, 2025 meeting where it was unanimously approved.

#### ATTACHMENTS

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

**JOHN J. SCHATZ**  
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(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 parties<sup>1</sup>.

Sincerely,

  
John Schatz

Counsel for the Appropriative Pool

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<sup>1</sup> 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 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 II<sup>i</sup> 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.

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<sup>i</sup> 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, ~~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.
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### Methodology

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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 II<sup>i</sup> 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.](#)

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<sup>i</sup> 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**

<i>Line Item Description</i>	<i>Account Number</i>	<i>Approved Budget</i>	<i>Amended Budget</i>	<i>Amendment Amount</i>
Support OBMP Economic Analysis Scope of Work	6909.6	\$4,000	\$96,000	\$92,000
<b>TOTAL:</b>				<b>\$ 92,000</b>

**Revenue Source**

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

**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

9641 San Bernardino Road, Rancho Cucamonga, CA 91730

909.484.3888 www.cbwm.org

## STAFF REPORT

DATE: July 24, 2025

TO: Board Members

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

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### 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.

The Chino Basin is an adjudicated basin recognized by the California Department of Water Resources (DWR) as a very low priority basin and 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 (IEUA) 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. IEUA staff concluded the proposed legislation 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**

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

February 21, 2025

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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

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### 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

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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.

Randy Schoellerman  
President, California Groundwater Coalition

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