

CHINO BASIN WATERMASTER



NOTICE OF MEETING

Thursday, October 23, 2025

11:00 a.m. – Watermaster Board Meeting

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – October 23, 2025

Mr. James 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:

1. Minutes of the Watermaster Board Meeting held on September 25, 2025 (*Page 1*)
2. Minutes of the Watermaster Board Special Meeting held on September 30, 2025 (*Page 7*)

B. FINANCIAL REPORTS

Monthly Financial Reports for the Periods Ended July 31, 2025 and August 31, 2025 (*Page 9*)

C. APPLICATION: WATER TRANSACTION – 300 AF FROM SANTA ANA RIVER WATER COMPANY TO BLUETRITON BRANDS, INC. (*Page 39*)

Approve the proposed transaction.

II. BUSINESS ITEMS

A. CHINO BASIN WATERMASTER ANNUAL FINANCIAL REPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024; AND THE CHINO BASIN WATERMASTER MANAGEMENT REPORT FOR JUNE 30, 2025 (*Page 46*)

Receive and file (1) the Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2025 and 2024 and (2) the Chino Basin Watermaster Management Report for June 30, 2025.

III. REPORTS/UPDATES

A. WATERMASTER LEGAL COUNSEL

1. October 31, 2025, Court Hearing (Appropriative Pool Motion for Costs and Fees; Ontario Motion for Attorney's Fees and Costs); Status Conference re Court of Appeal Remittitur in Consolidated Cases No. E080457 and E082127
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)

B. ENGINEER

1. 2024 State of the Basin Report (Update)
2. Ground-Level Monitoring Program Presentation
3. Model Update and Required Demonstration Task Order

C. GENERAL MANAGER

1. Optimum Basin Management Program – Economic Analysis (Update)
2. Peer Review of the Draft 2025 Safe Yield Reevaluation Final Report (Update)
3. Annual Streamflow Monitoring Report for Water Rights Permit 21225
4. Changes to Financial Reporting Format
5. Recharge Brainstorming Session
6. Other

IV. INFORMATION

A. SEMI-ANNUAL PLUME STATUS REPORTS (INFORMATION ONLY) (Page 128)

B. RECHARGE INVESTIGATION AND PROJECTS COMMITTEE (PROJECT 23a STATUS) (Page 144)

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

VIII. FUTURE MEETINGS AT WATERMASTER

10/21/25	Tue	10:00 a.m.	Fiscal Year 2025/26 Assessment Package Workshop #1
10/23/25	Thu	9:00 a.m.	Economic Analysis Presentation
10/23/25	Thu	11:00 a.m.	Watermaster Board
10/28/25	Tue	10:00 a.m.	Fiscal Year 2025/26 Assessment Package Workshop #2
11/06/25	Thu	9:00 a.m.	Safe Yield Reevaluation Report Workshop
11/13/25	Thu	9:00 a.m.	Appropriative Pool Committee
11/13/25	Thu	11:00 a.m.	Non-Agricultural Pool Committee
11/13/25	Thu	1:30 p.m.	Agricultural Pool Committee
11/20/25	Thu	9:00 a.m.	Advisory Committee
11/20/25	Thu	11:00 a.m.	Watermaster Board*

*The Board Meeting is being advanced by a week due to the Thanksgiving holiday.

ADJOURNMENT

DRAFT MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
September 25, 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 September 25, 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
Alonso Jurado	Water Resources Associate
Jordan Garcia	Senior Field Operations Specialist
Erik Vides	Field Operations Specialist

WATERMASTER CONSULTANTS PRESENT AT WATERMASTER

Bradley Herrema	Brownstein Hyatt Farber Schreck, LLP
Andy Malone	West Yost

WATERMASTER CONSULTANTS ON ZOOM

Garrett Rapp	West Yost
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OTHERS PRESENT AT WATERMASTER

Bob Feenstra	Agricultural Pool – Dairy
Tariq Awan	Agricultural Pool – State of CA
Nichole Horton	City of Pomona
Nicole deMoet	City of Upland
Amanda Coker	Cucamonga Valley Water District
Eduardo Espinoza	Cucamonga Valley Water District
Jiwon Seung	Cucamonga Valley Water District
Chris Diggs	City of Pomona
Josh Swift	Fontana Union Water Company
Justin Castruita	Fontana Union Water Company
Cris Fealy	Fontana Water Company
Toby Moore	Golden State Water Company
Bryan Smith	Jurupa Community Services District
Jesse Pompa	Jurupa Community Services District
Eros Bilyer	Independent Consultant

Aimee Zhao
Eddie Lin
John Russ
Michelle Licea
Brian Lee
Chris Langevin
Vivek Bedekar

Inland Empire Utilities Agency
Inland Empire Utilities Agency
Inland Empire Utilities Agency
Monte Vista Water District
San Antonio Water Company
S.S. Papadopoulos & Associates, Inc.
S.S. Papadopoulos & Associates, Inc.

OTHERS PRESENT ON ZOOM

Christen Miller
Gino Filippi
Carol Boyd
Tom O'Neill
Kati Parker
Curtis Burton
Ben Orosco
Ron Craig
Alexis Mascarinas
Norberto Ferreira
Mark Gibboney
Brian Hamilton
Derek Hoffman
Kevin Alexander
John Schatz
Clifford Button
Andrew Gagen
Justin Scott-Coe
Justin Scott-Coe
Manny Martinez
David De Jesus
Jeff Hanlon
Jorge Marquez
Matt Litchfield
Laura Roughton
Mallory O'Connor
Richard Rees
Daniela Pineda

Agricultural Pool – County of San Bernardino
Agricultural Pool – Crops
Agricultural Pool – State of CA
Chino Basin Desalter Authority
Chino Basin Water Conservation District
City of Chino
City of Chino
City of Chino Hills
City of Ontario
City of Upland
Cucamonga Valley Water District
Downey Brand, LLP
Fennemore Law
Inland Empire Utilities Agency
John J. Schatz, Attorney at Law
Jurupa Community Services District
Kidman Gagen Law, LLP
Monte Vista Irrigation Company
Monte Vista Water District
Monte Vista Water District
Three Valleys Municipal Water District
Three Valleys Municipal Water District
Three Valleys Municipal Water District
Three Valleys Municipal Water District
Western 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

(00:00:50) Ms. Nelson conducted the roll call and announced that a quorum was present.

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

None

SAFETY MINUTE

(00:02:16) Mr. Corbin stressed the importance of preventative maintenance for filters and explained that our units need to work properly for our businesses and homes during this fall season, emphasizing how essential it is in keeping our loved ones safe this season.

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 August 28, 2025

B. FINANCIAL REPORTS

Receive and file as presented:

(July 2025 financials are being deferred to the October 2025 meetings.)

C. APPLICATION: WATER TRANSACTION – 788 AF JURUPA COMMUNITY SERVICES DISTRICT TO FONTANA WATER COMPANY

Approve the proposed transaction.

D. APPLICATION: WATER TRANSACTION – 2,000 AF CITY OF CHINO TO NIAGARA BOTTLING, LLC

Approve the proposed transaction.

E. OBMP SEMI-ANNUAL STATUS REPORT 2025-1

Adopt the OBMP Semi-Annual Status Report 2025-1, and direct staff to file a copy with the Court, subject to any necessary non-substantive changes.

F. RESOLUTION 2025-02 OF THE CHINO BASIN WATERMASTER RECOGNIZING WATER PROFESSIONALS' APPRECIATION WEEK

Adopt Resolution 2025-02 as presented.

(00:03:34)

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

Moved to approve the Consent Calendar as presented.

II. BUSINESS ITEMS

A. OPTIMUM BASIN MANAGEMENT PROGRAM – ECONOMIC ANALYSIS (UPDATE) (INFORMATION ONLY)

(00:04:11) Mr. Tellez Foster gave a presentation.

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

(00:06:40) Mr. Corbin prefaced the item and asked Mr. Bedekar of SSPA to give a presentation. A discussion ensued.

C. AMENDMENT NO. 1 TO EMPLOYMENT AGREEMENT, GENERAL MANAGER

No recommendation. Watermaster Board is asked to discuss and consider the proposed employment agreement amendment.

(00:36:46) Chair Curatalo commented on this item.

(00:37:49)

Motion by Mr. Bill Velto, seconded by Mr. Steve Elie, 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.

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, Status Conference re Court of Appeal Remittitur in Consolidated Cases No. E080457 and E082127; Court Hearing (Appropriative Pool Motion for Costs and Fees)
3. October 31, 2025, Court Hearing (Ontario Motion for Attorney's Fees and Costs)
4. Court of Appeal Consolidated Cases No. E080457 and E082127 (City of Ontario appeal re: Fiscal Year 2021-22 and 2022-23 Assessment Packages)
5. Inland Empire Utilities Agency, et al. v. LS-Fontana LLC (C.D. Cal Cases Nos.: 5:25-cv-00809, 5:25 cv-01159)

(00:41:03) Mr. Herrema gave a report.

B. ENGINEER

1. 2024 State of the Basin Report (Update)
2. Ground-Level Monitoring Program

(00:45:23) Mr. Malone gave a report.

C. GENERAL MANAGER

1. Update on Implementation of Dry Year Yield Appellate Court Ruling – Workshops
2. Assessment Package for Fiscal Year ended June 30, 2025 – Water Activity Reports Due 9/15/25
3. Other

(00:47:07) For Item 1, Mr. Corbin informed the Board that the status conference regarding the Dry Year Yield will be held on October 3, 2025, and that Watermaster staff continues to work diligently to develop the proposed revisions and alternatives to those revisions. Regarding Item 2, he informed the Board that the Fiscal Year Assessment Workshops will be held at 10:00 a.m. on October 21 and October 28, 2025, respectively, using the standard methodology, and any revisions would be addressed following the court hearing regarding the DYY implementation. For Item 3, he reported on AB1413 concerning sustainable yields and whether they apply to adjudicated basins. Watermaster does not believe they do and has been collaborating with the California Groundwater Coalition (CGC) to ensure the Bill does not impact the basin. A discussion ensued.

IV. INFORMATION

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

(00:50:38) Mr. Tellez Foster informed the Board that this was an informational item that is updated every month.

V. BOARD MEMBER COMMENTS

(00:51:12) Chair Curatalo commented that the Board is looking forward to a good year working with Mr. Corbin.

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 11:52 a.m. to discuss only Item 1:

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

Confidential session concluded at 12:10 p.m. with no reportable action.

Ms. Nelson informed the Board that the Groundwater Recharge Brainstorming Session was rescheduled from October 2 to October 15, 2025.

ADJOURNMENT

Chair Curatalo adjourned the Watermaster Board meeting at 12:11 p.m.

Secretary: _____

Approved: _____

Attachment:

1. 20250925 Roll Call Vote Outcome for Business Item II.C.

ATTACHMENT 1

September 25, 2025 Watermaster Board Roll Call Vote Outcome

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

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

September 30, 2025

The Watermaster Board special 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 September 30, 2025.

WATERMASTER BOARD MEMBERS PRESENT AT WATERMASTER

Bob Bowcock for James Curatalo, Chair	CalMat Company
Mike Gardner	Western Municipal Water District
Jimmy Medrano	State of California - CDCR
Bill Velto	City of Upland
Marty Zvirbulis	Fontana Water Company

WATERMASTER CONSULTANTS PRESENT ON ZOOM

Brad Herrema	Brownstein Hyatt Farber Schreck, LLP
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OTHERS PRESENT AT WATERMASTER

Bob Feenstra	Agricultural Pool – Dairy
Brian Geye	California Speedway Corporation
Chris Diggs	City of Pomona

OTHERS PRESENT ON ZOOM

Eduardo Espinoza	Cucamonga Valley Water District
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CALL TO ORDER

Mr. Bob Bowcock chaired the meeting and called the Watermaster Board special meeting to order at 9:02 a.m.

FLAG SALUTE

Mr. Bowcock led the Board in the flag salute.

ROLL CALL

(00:00:43) Ms. Nelson conducted the roll call and announced that a quorum was present.

(00:01:09) Board member, Mr. Steve Elie, notified the Board that he was in Los Angeles for business and could not participate in the meeting, and disconnected from Zoom following his comment.

AGENDA – ADDITIONS/REORDER

None

I. 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 9:05 a.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 10:12 a.m. with no reportable action.

ADJOURNMENT

Mr. Bowcock adjourned the Watermaster Board special meeting at 10:13 a.m.

Secretary: _____

Approved: _____



CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: October 2025

TO: Watermaster Committees & Board

SUBJECT: Monthly Financial Reports (For the Reporting Periods Ended July 31 and August 31, 2025)
(Consent Calendar Item I.B.)

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

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

Financial Impact: Unless otherwise noted, all expenditures were included in the Fiscal Year 2025/26 budget as approved by the Advisory Committee and adopted by the Watermaster Board in May 2025.

ACTIONS:

Appropriative Pool – October 9, 2025 [Final]: Received and filed.

Non-Agricultural Pool – October 9, 2025 [Final]: Received and filed without approval.

Agricultural Pool – October 9, 2025: No meeting.

Advisory Committee – October 16, 2025 [Final]: Received and filed.

Watermaster Board – October 23, 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 amended budget and carryover 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 July 31, 2025)
2. Monthly Financial Reports (Period Ended August 31, 2025)



Chino Basin Watermaster

Cash Disbursements

July 2025

Date	Number	Vendor Name	Description	Amount
07/02/2025	25536	ACWA JOINT POWERS INSURANCE AUTHORITY	Leadership Essentials for the Water Industry Program - E. Tellez Foster	\$ (2,495.00)
07/02/2025	25537	BURRTEC WASTE INDUSTRIES, INC.	Utilities: Waste	(168.79)
07/02/2025	25538	CHEF DAVE'S CATERING & EVENT SERVICES	May and June Board meeting catering services	(1,179.05)
07/02/2025	25539	CURATALO, JAMES		(1,000.00)
07/02/2025	25540	FRONTIER COMMUNICATIONS	Landline connection for Bay Alarm system	(367.75)
07/02/2025	25541	LEWIS BRISBOIS BISGAARD & SMITH LLP	May ONAP legal services	(1,100.00)
07/02/2025	25542	PITNEY BOWES GLOBAL FINANCIAL SVCS.	Quarterly postage meter lease	(454.87)
07/02/2025	25543	READY REFRESH	Office water dispenser June lease and deliveries	(85.05)
07/02/2025	25544	RON SHELLEY'S AUTOMOTIVE	2005 Ford Expedition tires	(762.83)
07/02/2025	25545	SOUTHERN CA EDISON	Utilities: Electric - Annex	(159.63)
07/02/2025	25546	VANGUARD CLEANING SYSTEMS	July janitorial service and bi-annual carpet cleaning	(1,800.00)
07/02/2025	25547	VELTO, BILL		(375.00)
07/02/2025	25548	VERIZON WIRELESS	June internet services for extensometer site	(38.01)
07/02/2025	25549	VISION SERVICE PLAN	July vision insurance coverage	(122.09)
07/02/2025	25550	ZVIRBULIS, MARTIN		(625.00)
07/10/2025	25556	ACWA JOINT POWERS INSURANCE AUTHORITY	August life insurance	(284.47)
07/10/2025	25557	BAY ALARM COMPANY	Quarterly security alarm monitoring service	(394.46)
07/10/2025	25551	BROWNSTEIN HYATT FARBER SCHRECK	May legal services	(89,657.84)
07/10/2025	25558	CLARK PEST CONTROL	Bi-monthly pest control services	(100.00)
07/10/2025	25552	CORELOGIC INFORMATION SOLUTIONS	June geographic package services	(125.00)
07/10/2025	25559	CUCAMONGA VALLEY WATER DISTRICT	August lease	(11,902.91)
07/10/2025	25553	EGOSCUE LAW GROUP, INC.	June OAP legal services	(19,900.00)
07/10/2025	25560	GREAT AMERICA LEASING CORP.	June copy machine lease	(1,518.35)
07/10/2025	25561	IRELAND SOUND SYSTEMS INC	San Sevaire audio/video equipment and installation	(8,447.31)
07/10/2025	25562	STATE COMPENSATION INSURANCE FUND	FY 26 worker's compensation insurance	(3,634.99)
07/10/2025	25554	UNITED HEALTHCARE	July dental insurance coverage	(1,190.72)
07/10/2025	25563	VANGUARD CLEANING SYSTEMS	June electrostatic spraying	(220.00)
07/10/2025	25564	CALIFORNIA BANK & TRUST	Account ending 6198 - See detail attached	(5,211.87)
07/10/2025	25555	OFFICE & ERGONOMIC SOLUTIONS, INC.	Final balance for senior accountant office	(1,140.74)
07/14/2025	ACH7/14/25	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	1959 Survivor Billing-Plan 3299	(208.80)
07/14/2025	ACH7/14/25	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	1959 Survivor Billing-Plan 27239	(522.00)
07/22/2025	25565	DE BOOM, NATHAN		(125.00)
07/22/2025	25566	GEYE, BRIAN		(500.00)
07/22/2025	25567	SPECTRUM ENTERPRISE	July internet services	(1,171.78)
07/22/2025	25568	WESTERN MUNICIPAL WATER DISTRICT		(375.00)
07/22/2025	25569	CLEANTECH SERVICES	Bi-annual window cleaning	(488.00)
07/22/2025	25570	GRAINGER	Calibration and buffer solutions	(96.47)
07/22/2025	25571	LEGAL SHIELD	July employee paid legal insurance	(119.55)
07/22/2025	25572	RUBEN LLAMAS		(125.00)
07/22/2025	25573	SOUTHERN CA EDISON	Utilities: Electric - Main building	(3,053.91)
07/22/2025	25574	VC3, INC.	June IT services	(3,661.53)
07/22/2025	25575	VERIZON WIRELESS	June internet services for Field Ops tablets	(239.16)
07/22/2025	25576	WELL TEC SERVICES	Meter installations and calibration tests	(94,562.50)
07/22/2025	25577	WEST YOST	June engineering services	(405,152.76)
07/22/2025	25578	BOWCOCK, ROBERT		(1,000.00)
07/22/2025	25579	FILIPPI, GINO		(250.00)
07/22/2025	25580	KESSLER ALAIR INSURANCE SERVICES, INC.	FY 26 Directors and Officers policy renewal	(21,232.26)
07/22/2025	25581	KUHN, BOB		(375.00)
07/22/2025	25582	PIERSON, JEFFREY		(9,500.00)
07/30/2025	25583	BOWCOCK, ROBERT		(250.00)
07/30/2025	25584	EIDE BAILLY LLP	June accounting consulting services	(175.00)
07/30/2025	25585	PITNEY BOWES GLOBAL FINANCIAL SERVICES	June postage meter refill	(507.00)
07/30/2025	25586	SAN BERNARDINO COUNTY - DEPT. AIRPORTS	August rent for extensometer site	(190.98)
07/30/2025	25587	SOCALGAS	Utilities: Gas	(72.16)
07/30/2025	25588	SOUTHERN CALIFORNIA EDISON	Utilities: Electric - Annex	(246.26)
07/30/2025	25589	UNITED HEALTHCARE	August dental insurance coverage	(1,190.72)
07/30/2025	25590	VERIZON WIRELESS	July internet services for extensometer site	(38.01)
07/30/2025	25591	VISION SERVICE PLAN	August vision insurance coverage	(122.09)
07/31/2025	ACH7/31/25	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	July Unfunded Accrued Liability-Plan 3299	(14,363.08)
07/31/2025	ACH7/31/25	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	July Unfunded Accrued Liability-Plan 27239	(379.08)
Total for Month				\$ (714,754.83)



Chino Basin Watermaster

Credit Card Expense Detail

July 2025

Date	Number	Description	Expense Account	Amount
07/10/2025	25564	CALIFORNIA BANK & TRUST		
		Riverside Office - Chino Basin Day Garage Parking - E. Tellez-Foster	6173 · Airfare/Mileage	(10.00)
		Simple Simon's Baker - Chino Basin Day Lunch Order - E. Tellez Foster	6141.1 · Meeting Supplies	(22.90)
		USPS - 2-day express check delivery - J. Schatz	6042 · Postage - General	(31.40)
		Amazon - Amazon Web Services - May 2025	6056 · Website Services	(323.72)
		Dairy Inc - WM staff lunch potluck supplies	6141.1 · Meeting Supplies	(8.75)
		Panera Bread - OPS meeting	6141.1 · Meeting Supplies	(89.37)
		Microsoft Software - Mapping and visualization software subscription	6054 · Computer Software	(15.00)
		REV Subscription - Speech to text transcription services	6112 · Subscriptions/Publications	(29.99)
		Panera Bread - Personnel Committee meeting lunch order	6141.1 · Meeting Supplies	(114.73)
		Costco - Meeting snacks and drinks	6312 · Board Meeting Expenses	(451.70)
		BlueHost - Annual Software Renewal - Single Domain SSL	1432 · Prepaid Expenses - Other	(89.88)
		CalPERS -Educational Forum 2025 - Registration - D. Uriarte	1432 · Prepaid Expenses - Other	(549.00)
		CalPERS -Educational Forum 2025 - Registration - A. Nelson	1432 · Prepaid Expenses - Other	(549.00)
		BambooHR - HR and payroll system - June 2025	6061.2 · HRIS System	(298.99)
		Amazon - Desk calendar - R. Favela	6031.7 · General Office Supplies	(6.45)
		Amazon - Portable fire extinguishers	6031.7 · General Office Supplies	(74.66)
		The Pozole Place - Admin meeting - A. Nelson, R. Favela Quintero, D. Uriarte, K. Dolar	6141.1 · Meeting Supplies	(121.42)
		Amazon - Fire blankets & kitchen checklist board	6031.7 · General Office Supplies	(26.90)
		Amazon - HP Printer ink cartridges - A. Nelson	6031.7 · General Office Supplies	(409.22)
		BlueHost - Monthly Software Renewal - Standard VPN Server with cPanel	6056 · Website Services	(91.99)
		SP Babylist - Registry gift for G. Rapp	6031.7 · General Office Supplies	(74.32)
		Wayfair - Senior Accountant office furniture - D. Uriarte	6036 · Minor Office Furniture	(1,027.88)
		Amazon -Monitor, Camera and Headset - E. Tellez-Foster	6031.7 · General Office Supplies	(638.55)
		FedEx - Board meeting package - J. Pierson	6042 · Postage - General	(31.21)
		Amazon - IT Supplies - F. Yoo	6031.7 · General Office Supplies	(46.29)
		FedEx - Board meeting package - S. Elie	6042 · Postage - General	(31.21)
		Adobe Reader Tool Add-on - A. Nelson	6054 · Computer Software	(1.50)
		Amazon - Headset stand - E. Tellez-Foster	6031.7 · General Office Supplies	(14.00)
		Amazon - Misc. office supplies	6031.7 · General Office Supplies	(31.84)
Total for Month				\$ (5,211.87)



Chino Basin Watermaster

Combining Schedule of Revenues, Expenses & Changes in Net Assets

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

(Unaudited)

	JUDGMENT ADMIN.	OPTIMUM BASIN MGMT.	TOTAL JUDGMENT ADMIN & OBMP	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUND WATER REPLENISH.	GRAND TOTALS	ADOPTED BUDGET 2025-2026 WITH CARRYOVER
				AP POOL	OAP POOL	ONAP POOL			
Administrative Revenues:									
Administrative Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,453,849
Interest Revenue	-	31,908	31,908	1,242	5,127	280	149	38,707	368,030
Groundwater Replenishment	-	-	-	-	-	-	-	-	-
Mutual Agency Project Revenue	-	-	-	-	-	-	-	-	195,850
Miscellaneous Income	-	-	-	-	-	-	-	-	-
Total Administrative Revenues	-	31,908	31,908	1,242	5,127	280	149	38,707	12,017,729
Administrative & Project Expenditures:									
Watermaster Administration	227,040	-	227,040	-	-	-	-	227,040	2,789,042
Watermaster Board-Advisory Committee	26,616	-	26,616	-	-	-	-	26,616	442,947
Optimum Basin Mgmt Administration	-	106,378	106,378	-	-	-	-	106,378	1,236,522
OBMP Project Costs	-	342,113	342,113	-	-	-	-	342,113	4,699,276
Pool Legal Services	-	-	-	7,034	24,550	935	-	32,519	-
Pool Meeting Compensation	-	-	-	-	1,250	750	-	2,000	-
Pool Special Projects	-	-	-	-	-	-	-	-	-
Pool Administration	-	-	-	-	-	-	-	-	411,149
Debt Service	-	-	-	-	-	-	-	-	2,438,793
Agricultural Expense Transfer ¹	-	-	-	25,800	(25,800)	-	-	-	-
Total Administrative Expenses	253,657	448,490	702,147	32,834	-	1,685	-	736,666	12,017,729
Net Ordinary Income	(253,657)	(416,582)	(670,239)	(31,592)	5,127	(1,405)	149	(697,960)	-
Other Income/(Expense)									
Refund-Recharge Debt Service	-	-	-	-	-	-	-	-	-
Carryover Budget	-	-	-	-	-	-	-	-	553,870
Net Other Income/(Expense)	-	-	-	-	-	-	-	-	553,870
Net Transfers To/(From) Reserves	\$ (253,657)	\$ (416,582)	\$ (670,239)	\$ (31,592)	\$ 5,127	\$ (1,405)	\$ 149	\$ (697,960)	\$ 553,870
Net Assets, July 1, 2025			9,139,181	586,974	1,468,387	79,752	42,777	11,317,071	
Refund-Excess Operating Reserves			-					-	
Net Assets, End of Period			8,468,942	555,383	1,473,514	78,347	42,926	10,619,111	
Pool Assessments Outstanding				(86,315)	(586,852)	-			
Pool Fund Balance				\$ 469,068	\$ 886,662	\$ 78,347			

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



Chino Basin Watermaster

Treasurer's Report

July 2025

	Type	Monthly Yield	Cost	Market	% Total
Cash & Investments					
Local Agency Investment Fund (LAIF) *	Investment	4.26%	\$ 665,832	\$ 666,630	5.9%
CA CLASS Prime Fund **	Investment	4.34%	8,340,495	8,340,130	74.4%
CA CLASS Pool Restricted Funds **	Investment	4.34%	1,434,076	1,434,013	12.8%
Bank of America	Checking		765,745	765,745	6.8%
Bank of America	Payroll		-	-	0.0%
Total Cash & Investments			\$ 11,206,148	\$ 11,206,518	100.0%

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

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

Certification

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

Anna Nelson, Director of Administration

Prepared By:

Daniela Uriarte, Senior Accountant



Chino Basin Watermaster

Budget to Actual

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

(Unaudited)

	July 2025	YTD Actual	FY 25 Carryover Budget	FY 26 Adopted Budget	\$ Over / (Under) Budget	% of Budget
1 Administration Revenue						
2 Local Agency Subsidies	\$ -	\$ -	\$ -	\$ 195,850	\$ (195,850)	0%
3 Admin Assessments-Appropriative Pool	-	-	-	11,131,622	(11,131,622)	0%
4 Admin Assessments-Non-Ag Pool	-	-	-	322,227	(322,227)	0%
5 Total Administration Revenue	-	-	-	11,649,699	(11,649,699)	0%
6 Other Revenue						
7 Appropriative Pool-Replenishment	-	-	-	-	-	N/A
8 Non-Ag Pool-Replenishment	-	-	-	-	-	N/A
9 Interest Income	31,908	31,908	-	368,030	(336,122)	9%
10 Miscellaneous Income	-	-	-	-	-	N/A
11 Total Other Revenue	31,908	31,908	-	368,030	(336,122)	9%
12 Total Revenue	31,908	31,908	-	12,017,729	(11,985,821)	0%
13 Judgment Administration Expense						
14 Judgment Administration	57,492	57,492	14,344	910,511	(867,363)	6%
15 Admin. Salary/Benefit Costs	65,942	65,942	-	1,127,840	(1,061,898)	6%
16 Office Building Expense	19,701	19,701	-	228,535	(208,834)	9%
17 Office Supplies & Equip.	2,017	2,017	10,038	35,750	(43,771)	4%
18 Postage & Printing Costs	1,573	1,573	-	27,190	(25,617)	6%
19 Information Services	7,651	7,651	-	224,400	(216,750)	3%
20 Contract Services	7,249	7,249	-	103,950	(96,701)	7%
21 Watermaster Legal Services	37,821	37,821	-	346,011	(308,190)	11%
22 Insurance	21,232	21,232	-	55,000	(33,768)	39%
23 Dues and Subscriptions	30	30	-	40,900	(40,870)	0%
24 Watermaster Administrative Expenses	922	922	-	9,630	(8,708)	10%
25 Field Supplies	101	101	-	3,900	(3,799)	3%
26 Travel & Transportation	2,182	2,182	-	35,600	(33,418)	6%
27 Training, Conferences, Seminars	8,885	8,885	-	43,500	(34,615)	20%
28 Advisory Committee Expenses	6,212	6,212	-	111,785	(105,573)	6%
29 Watermaster Board Expenses	20,404	20,404	-	331,162	(310,758)	6%
30 ONAP - WM & Administration	4,198	4,198	-	123,585	(119,387)	3%
31 OAP - WM & Administration	5,495	5,495	-	140,528	(135,033)	4%
32 Appropriative Pool- WM & Administration	11,901	11,901	-	147,036	(135,135)	8%
33 Allocated G&A Expenditures	(27,352)	(27,352)	-	(403,675)	376,323	7%
34 Total Judgment Administration Expense	253,657	253,657	24,382	3,643,138	(3,413,863)	7%
35 Optimum Basin Management Plan (OBMP)						
36 Optimum Basin Management Plan	106,378	106,378	59,443	1,236,522	(1,189,587)	8%
37 Groundwater Quality Monitoring	-	-	-	4,500	(4,500)	0%
38 Groundwater Level Monitoring	37,161	37,161	15,800	500,880	(479,519)	7%
39 Program Element (PE)2- Comp Recharge	18,370	18,370	55,000	1,968,267	(2,004,897)	1%
40 PE3&5-Water Supply/Desalte	13,418	13,418	9,100	173,320	(169,002)	7%
41 PE4- Management Plan	50,462	50,462	124,788	604,076	(678,402)	7%
42 PE6&7-CoopEfforts/SaltMgmt	42,739	42,739	96,394	772,078	(825,733)	5%
43 PE8&9-StorageMgmt/Conj Use	152,611	152,611	168,963	272,480	(288,832)	35%
44 Recharge Improvements	-	-	-	2,438,793	(2,438,793)	0%
45 Administration Expenses Allocated-OBMP	8,852	8,852	-	139,094	(130,242)	6%
46 Administration Expenses Allocated-PE 1-9	18,500	18,500	-	264,581	(246,081)	7%
47 Total OBMP Expense	448,490	448,490	529,488	8,374,591	(8,455,588)	5%
48 Other Expense						
49 Groundwater Replenishment	-	-	-	42,777	(42,777)	0%
50 Other Expenses	-	-	-	-	-	N/A
51 Total Other Expense	-	-	-	42,777	(42,777)	0%
52 Total Expenses	702,147	702,147	553,870	12,060,506	(11,912,228)	6%
53 Increase / (Decrease) to Reserves	\$ (670,239)	\$ (670,239)	\$ -	\$ (42,777)	\$ (627,462)	



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2025 to July 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 26 amended budget and FY 25 carryover budget. The final two columns indicate the amount over or under budget, and the YTD percentage of total budget used. As of July 31st, the target budget percentage is generally 8%.

Revenues

Lines 1-5 Administration Revenue – Includes local agency subsidies and administrative assessment for the Appropriative, Agricultural and Non-Agricultural Pools.

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

Expenses

Lines 13-34 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 21 Watermaster Legal Services includes outside legal counsel expenses. The account is slightly over budget due to the timing of administration matters in July.
- Line 22 Insurance includes general liability insurance, directors' and officers' liability, umbrella coverage, environmental pollution liability and other various insurance policies. The account is at 39% of budget due to the timing of policy renewals.
- Line 24 Watermaster Administrative Expenses include expenses for meetings, supplies, lunch meetings, and other various expenses. The account is slightly over budget due to increased meeting activity in July.
- Line 27 Training, Conferences, Seminars include costs for staff attending conferences or seminars, training, or presentations regarding the Chino Basin Watermaster activities. The account is at 20% of budget due to the timing of conferences in the first quarter of the fiscal year.

Lines 35-47 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, 2025 to July 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 July 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, 2025:	\$ 77,376.71	Beginning Balance July 1, 2025:	\$ 224,225.46
Additions:		Additions:	
Interest Earnings	280.35	Interest Earnings	1,242.36
Subtotal Additions:	280.35	Subtotal Additions:	1,242.36
Reductions:		Reductions:	
Invoices paid July 2025 - July 2025	(935.00)	Invoices paid July 2025 - July 2025	(7,034.00)
Subtotal Reductions:	(935.00)	Subtotal Reductions:	(7,034.00)
Available Fund Balance as of July 31, 2025	\$ 76,722.06	Available Fund Balance as of July 31, 2025	\$ 218,433.82

Fund Balance For Non-Agricultural Pool Account 8511 - Meeting Compensation		Fund Balance For Appropriate Pool Account 8368 - Tom Harder Contract	
Beginning Balance July 1, 2025:	\$ 2,375.00	Beginning Balance July 1, 2025:	\$ 20,577.61
Reductions:		Reductions:	
Compensation paid July 2025 - July 2025	(750.00)	Invoices paid July 2025 - July 2025	-
Subtotal Reductions:	(750.00)	Subtotal Reductions:	-
Available Fund Balance as of July 31, 2025	\$ 1,625.00	Available Fund Balance as of July 31, 2025	\$ 20,577.61



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

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

(Unaudited)

Pool Services Fund Accounting – Cont.

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

Beginning Balance July 1, 2025:	\$ 225,597.51
Reductions:	
Invoices paid July 2025 - July 2025	(24,550.00)
Subtotal Reductions:	(24,550.00)
Available Fund Balance as of July 31, 2025	\$ 201,047.51

Agricultural Pool Reserve Funds As shown on the Combining Schedules

Beginning Balance July 1, 2025:	\$ 881,534.98
Additions:	
YTD Interest earned on Ag Pool Funds FY 26	5,126.53
Transfer of Funds from AP to Special Fund for Legal Service Invoices	24,550.00
Total Additions:	29,676.53
Reductions:	
Legal service invoices paid July 2025 - July 2025	(24,550.00)
Subtotal Reductions:	(24,550.00)
Agricultural Pool Reserve Funds Balance as of July 31, 2025:	\$ 886,661.51

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

Beginning Balance July 1, 2025:	\$ 18,069.65
Reductions:	
Compensation paid July 2025 - July 2025	(1,250.00)
Subtotal Reductions:	(1,250.00)
Available Fund Balance as of July 31, 2025	\$ 16,819.65

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

Beginning Balance July 1, 2025:	\$ 12,189.00
Reductions:	
Invoices paid July 2025 - July 2025	-
Subtotal Reductions:	-
Available Fund Balance as of July 31, 2025	\$ 12,189.00



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2025 to July 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 July 31st, the target budget percentage is generally 8%.

	Year to Date Actual	FY 25-26 Budget	\$ Over / (Under) Budget	% of Budget
WM Salary Expense				
5901.1 · Judgment Admin - Doc. Review	13,127	74,466	(61,339)	17.6%
5901.3 · Judgment Admin - Field Work	594	14,357	(13,763)	4.1%
5901.5 · Judgment Admin - General	2,358	55,535	(53,177)	4.2%
5901.7 · Judgment Admin - Meeting	4,957	45,648	(40,691)	10.9%
5901.9 · Judgment Admin - Reporting	-	21,742	(21,742)	0.0%
5910 · Judgment Admin - Court Coord./Attendance	-	28,837	(28,837)	0.0%
5911 · Judgment Admin - Exhibit G	-	6,396	(6,396)	0.0%
5921 · Judgment Admin - Production Monitoring	-	9,471	(9,471)	0.0%
5931 · Judgment Admin - Recharge Applications	-	33,092	(33,092)	0.0%
5941 · Judgment Admin - Reporting	-	44,602	(44,602)	0.0%
5951 · Judgment Admin - Rules & Regs	-	11,350	(11,350)	0.0%
5961 · Judgment Admin - Safe Yield	9,316	106,006	(96,690)	8.8%
5971 · Judgment Admin - Storage Agreements	1,583	20,671	(19,088)	7.7%
5981 · Judgment Admin - Water Accounting/Database	9,218	112,036	(102,818)	8.2%
5991 · Judgment Admin - Water Transactions	2,195	13,062	(10,867)	16.8%
6011.11 · WM Staff - Overtime	128	18,000	(17,872)	0.7%
6011.10 · Admin - Accounting	19,178	280,410	(261,232)	6.8%
6011.15 · Admin - Building Admin	1,256	31,040	(29,784)	4.0%
6011.20 · Admin - Conference/Seminars	10,546	50,660	(40,114)	20.8%
6011.25 · Admin - Document Review	7,943	54,110	(46,167)	14.7%
6011.50 · Admin - General	23,155	278,870	(255,715)	8.3%
6011.60 · Admin - HR	3,398	100,980	(97,582)	3.4%
6011.70 · Admin - IT	9,942	72,830	(62,888)	13.7%
6011.80 · Admin - Meeting	12,408	93,640	(81,232)	13.3%
6011.90 · Admin - Team Building	248	33,490	(33,242)	0.7%
6011.95 · Admin - Training (Give/Receive)	2,429	79,580	(77,151)	3.1%
6017 · Temporary Services	-	28,250	(28,250)	0.0%
6201 · Advisory Committee	3,292	61,397	(58,105)	5.4%
6301 · Watermaster Board	8,000	101,669	(93,670)	7.9%
8301 · Appropriative Pool	9,042	89,707	(80,665)	10.1%
8401 · Agricultural Pool	2,936	83,199	(80,263)	3.5%
8501 · Non-Agricultural Pool	2,202	66,256	(64,054)	3.3%
6901.1 · OBMP - Document Review	2,879	50,364	(47,485)	5.7%
6901.3 · OBMP - Field Work	-	9,471	(9,471)	0.0%
6901.5 · OBMP - General	6,433	52,005	(45,572)	12.4%
6901.7 · OBMP - Meeting	2,546	33,487	(30,941)	7.6%
6901.9 · OBMP - Reporting	-	39,176	(39,176)	0.0%
7104.1 · PE1 - Monitoring Program	15,824	166,708	(150,884)	9.5%
7201 · PE2 - Comprehensive Recharge	7,282	49,649	(42,367)	14.7%
7301 · PE3&5 - Water Supply/Desalter	-	19,189	(19,189)	0.0%
7301.1 · PE5 - Reg. Supply Water Prgm.	-	16,759	(16,759)	0.0%
7401 · PE4 - MZ1 Subsidence Mgmt. Plan	-	25,595	(25,595)	0.0%
7501 · PE6 - Coop. Programs/Salt Mgmt.	1,188	22,984	(21,796)	5.2%
7501.1 · PE 7 - Salt Nutrient Mgmt. Plan	594	16,786	(16,192)	3.5%
7601 · PE8&9 - Storage Mgmt./Recovery	-	33,288	(33,288)	0.0%
Subtotal WM Staff Costs	196,199	2,656,820	(2,460,621)	7%
60184.1 · Administrative Leave	853	-	853	100.0%
60185 · Vacation	5,946	110,082	(104,136)	5.4%
60185.1 · Comp Time	1,059	-	1,059	100.0%
60186 · Sick Leave	3,384	81,688	(78,304)	4.1%
60187 · Holidays	3,220	102,102	(98,882)	3.2%
Subtotal WM Paid Leaves	14,462	293,872	(279,410)	5%
Total WM Salary Costs	210,660	2,950,692	(2,740,032)	7.1%



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2025 to July 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 July 31st, the target budget percentage is generally 8%.

	Year to Date Actual	FY 25-26 Budget	\$ Over / (Under) Budget	% of Budget
Engineering Services Costs				
5901.8 · Judgment Admin - Meetings-Engineering Services	\$ -	\$ 38,909	\$ (38,909)	0.0%
5906.1 · Judgment Admin - Watermaster Model Update	-	-	-	0.0%
5906.71 · Judgment Admin - Data Requests-CBWM Staff	4,907	109,124	(104,217)	4.5%
5906.72 · Judgment Admin - Data Requests-Non-CBWM Staff	317	56,483	(56,166)	0.6%
5925 · Judgment Admin - Ag Production & Estimation	1,282	31,992	(30,710)	4.0%
5935 · Judgment Admin - Mat'l Physical Injury Requests	-	41,668	(41,668)	0.0%
5945 · Judgment Admin - WM Annual Report Preparation	-	17,762	(17,762)	0.0%
5965 · Judgment Admin - Support Data Collection & Mgmt Process	7,637	17,302	(9,665)	44.1%
6206 · Advisory Committee Meetings-WY Staff	676	22,624	(21,948)	3.0%
6306 · Watermaster Board Meetings-WY Staff	2,082	22,624	(20,542)	9.2%
8306 · Appropriative Pool Meetings-WY Staff	1,539	22,624	(21,085)	6.8%
8406 · Agricultural Pool Meetings-WY Staff	1,239	22,624	(21,385)	5.5%
8506 · Non-Agricultural Pool Meetings-WY Staff	676	22,624	(21,948)	3.0%
6901.8 · OBMP - Meetings-WY Staff	8,627	38,909	(30,282)	22.2%
6901.95 · OBMP - Reporting-WY Staff	-	66,832	(66,832)	0.0%
6906 · OBMP Engineering Services - Other	8,673	65,810	(57,137)	13.2%
6906.1 · OBMP Watermaster Model Update	1,658	8,176	(6,519)	20.3%
6906.21 · State of the Basin Report	-	-	-	0.0%
6906.26 · 2020 OBMP Update	-	-	-	0.0%
6906.71 · OBMP - Data Requests - CBWM Staff	-	-	-	0.0%
6906.72 · OBMP - Data Requests - Non CBWM	-	-	-	0.0%
7104.3 · Grdwtr Level-Engineering	21,241	274,794	(253,553)	7.7%
7104.8 · Grdwtr Level-Contracted Services	-	29,128	(29,128)	0.0%
7104.9 · Grdwtr Level-Capital Equipment	-	19,000	(19,000)	0.0%
7202 · PE2-Comp Recharge-Engineering Services	-	23,350	(23,350)	0.0%
7202.2 · PE2-Comp Recharge-Engineering Services	11,088	181,496	(170,408)	6.1%
7208 · SB88 Specs-Compliance-50% IEUA	-	-	-	0.0%
7210 · OBMP - 2023 RMPU	-	-	-	0.0%
7220 · Integrated Model Mtg./Tech. Review-50% IEUA	-	-	-	0.0%
7302 · PE3&5-PBHSP Monitoring Program	5,944	77,792	(71,848)	7.6%
7303 · PE3&5-Engineering - Other	7,474	21,080	(13,606)	35.5%
7306 · PE3&5-Engineering - Outside Professionals	-	31,500	(31,500)	0.0%
7402 · PE4-Engineering	31,438	301,531	(270,093)	10.4%
7402.10 · PE4-Northwest MZ1 Area Project	1,108	169,378	(168,270)	0.7%
7403 · PE4-Eng. Services-Contracted Services-InSar	17,600	28,600	(11,000)	61.5%
7406 · PE4-Engineering Services-Outside Professionals	-	55,155	(55,155)	0.0%
7408 · PE4-Engineering Services-Network Equipment	87	19,107	(19,020)	0.5%
7502 · PE6&7-Engineering	24,744	365,564	(340,820)	6.8%
7502.2 · PE7-Groundwtr Quality Model	-	70,216	(70,216)	0.0%
7505 · PE6&7-Laboratory Services	2,849	41,300	(38,451)	6.9%
7508 · HC Mitigation Plan-50% IEUA (TO #6)	-	-	-	0.0%
7510 · PE6&7-IEUA Salinity Mgmt. Plan	1,976	9,522	(7,546)	20.8%
7511 · PE6&7-SAWBMP Task Force-50% IEUA	2,205	28,022	(25,818)	7.9%
7517 · Surface Water Monitoring Plan-Chino Creek - 50% IEUA	9,182	28,434	(19,252)	32.3%
7520 · Preparation of Water Quality Mgmt. Plan	-	39,250	(39,250)	0.0%
7610 · PE8&9-Support 2020 Mgmt. Plan	-	21,720	(21,720)	0.0%
7614 · PE8&9-Support Imp. Safe Yield Court Order	152,611	79,656	72,955	191.6%
7615 · PE8&9-Develop 2025 Storage Plan	-	137,816	(137,816)	0.0%
Total Engineering Services Costs	\$ 328,859	\$ 2,659,500	\$ (2,330,639)	12.4%



Chino Basin Watermaster

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(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 July 31st, the target budget percentage is generally 8%.

	Year to Date Actual	FY 25-26 Budget	\$ Over / (Under) Budget	% of Budget
6070 · Watermaster Legal Services				
6071 · BHFS Legal - Court Coordination	\$ 202	\$ 76,000	\$ (75,798)	0.3%
6072 · BHFS Legal - Rules & Regulations	-	10,495	(10,495)	0.0%
6073 · BHFS Legal - Personnel Matters	9,330	28,150	(18,821)	33.1%
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)	28,290	177,240	(148,950)	16.0%
Total 6070 · Watermaster Legal Services	37,821	346,011	(308,190)	10.9%
6275 · BHFS Legal - Advisory Committee	2,244	27,764	(25,520)	8.1%
6375 · BHFS Legal - Board Meeting	6,273	88,704	(82,431)	7.1%
6375.1 · BHFS Legal - Board Workshop(s)	-	29,215	(29,215)	0.0%
8375 · BHFS Legal - Appropriative Pool	1,320	34,705	(33,385)	3.8%
8475 · BHFS Legal - Agricultural Pool	1,320	34,705	(33,385)	3.8%
8575 · BHFS Legal - Non-Ag Pool	1,320	34,705	(33,385)	3.8%
Total BHFS Legal Services	12,477	249,798	(237,321)	5.0%
6907.3 · WM Legal Counsel				
6907.31 · Archibald South Plume	-	12,565	(12,565)	0.0%
6907.32 · Chino Airport Plume	-	12,565	(12,565)	0.0%
6907.33 · Desalter/Hydraulic Control	-	38,680	(38,680)	0.0%
6907.34 · Santa Ana River Water Rights	1,136	21,405	(20,270)	5.3%
6907.36 · Santa Ana River Habitat	-	-	-	0.0%
6907.38 · Reg. Water Quality Cntrl Board	-	63,200	(63,200)	0.0%
6907.39 · Recharge Master Plan	726	14,270	(13,544)	5.1%
6907.41 · Prado Basin Habitat Sustainability	-	10,290	(10,290)	0.0%
6907.44 · SGMA Compliance	-	10,290	(10,290)	0.0%
6907.45 · OBMP Update	4,986	177,240	(172,254)	2.8%
6907.47 · 2020 Safe Yield Reset	6,531	151,180	(144,649)	4.3%
6907.50 · San Sevaine Basin Discharge - State Court	-	54,130	(54,130)	0.0%
6907.51 · San Sevaine Basin Discharge CWA Litigation	62,183	150,440	(88,257)	41.3%
6907.90 · WM Legal Counsel - Unanticipated	-	38,885	(38,885)	0.0%
Total 6907 · WM Legal Counsel	75,561	755,140	(679,579)	10.0%
Total Brownstein, Hyatt, Farber, Schreck Costs	\$ 125,859	\$ 1,350,949	\$ (1,225,090)	9.3%



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(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 July 31st, the target budget percentage is generally 8%.

	Year to Date Actual	FY 25-26 Budget	\$ Over / (Under) Budget	% of Budget
6900 · Optimum Basin Mgmt Plan				
6901.1 · OBMP - Document Review-WM Staff	\$ 2,879	\$ 50,364	\$ (47,485)	5.7%
6901.3 · OBMP - Field Work-WM Staff	-	9,471	(9,471)	0.0%
6901.5 · OBMP - General-WM Staff	6,433	52,005	(45,572)	12.4%
6901.7 · OBMP - Meeting-WM Staff	2,546	33,487	(30,941)	7.6%
6901.8 · OBMP - Meeting-West Yost	8,627	38,909	(30,282)	22.2%
6901.9 · OBMP - Reporting-WM Staff	-	39,176	(39,176)	0.0%
6901.95 · OBMP - Reporting-West Yost	-	66,832	(66,832)	0.0%
Total 6901 · OBMP WM and West Yost Staff	20,486	290,244	(269,758)	7.1%
6903 · OBMP - SAWPA				
6903 · OBMP - SAWPA Group	-	18,952	(18,952)	0.0%
Total 6903 · OBMP - SAWPA	-	18,952	(18,952)	0.0%
6906 · OBMP Engineering Services				
6906.1 · OBMP - Watermaster Model Update	1,658	8,176	(6,519)	20.3%
6906.21 · State of the Basin Report	-	-	-	0.0%
6906 · OBMP Engineering Services - Other	8,673	65,810	(57,137)	13.2%
Total 6906 · OBMP Engineering Services	10,331	73,986	(63,655)	14.0%
6907 · OBMP Legal Fees				
6907.31 · Archibald South Plume	-	12,565	(12,565)	0.0%
6907.32 · Chino Airport Plume	-	12,565	(12,565)	0.0%
6907.33 · Desalter/Hydraulic Control	-	38,680	(38,680)	0.0%
6907.34 · Santa Ana River Water Rights	1,136	21,405	(20,270)	5.3%
6907.36 · Santa Ana River Habitat	-	-	-	0.0%
6907.38 · Reg. Water Quality Cntrl Board	-	63,200	(63,200)	0.0%
6907.39 · Recharge Master Plan	726	14,270	(13,544)	5.1%
6907.41 · Prado Basin Habitat Sustainability	-	10,290	(10,290)	0.0%
6907.44 · SGMA Compliance	-	10,290	(10,290)	0.0%
6907.45 · OBMP Update	4,986	177,240	(172,254)	2.8%
6907.47 · 2020 Safe Yield Reset	6,531	151,180	(144,649)	4.3%
6907.50 · San Sevaine Basin Discharge - State	-	54,130	(54,130)	0.0%
6907.51 · San Sevaine Basin Discharge CWA	62,183	150,440	(88,257)	41.3%
6907.90 · WM Legal Counsel - Unanticipated	-	38,885	(38,885)	0.0%
Total 6907 · OBMP Legal Fees	75,561	755,140	(679,579)	10.0%
6909 · OBMP Other Expenses				
6909.6 · OBMP Expenses - Miscellaneous	-	96,000	(96,000)	0.0%
Total 6909 · OBMP Other Expenses	-	98,200	(98,200)	0.0%
Total 6900 · Optimum Basin Mgmt Plan	\$ 106,378	\$ 1,236,522	\$ (1,130,144)	8.6%



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(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 July 31st, the target budget percentage is generally 8%.

	Year to Date Actual	FY 25-26 Budget	\$ Over / (Under) Budget	% of Budget
5901 · Admin-WM Staff				
5901.1 · Admin-Doc. Review-WM Staff	\$ 13,127	\$ 74,466	\$ (61,339)	17.6%
5901.3 · Admin-Field Work-WM Staff	594	14,357	(13,763)	4.1%
5901.5 · Admin-General-WM Staff	2,358	55,535	(53,177)	4.2%
5901.7 · Admin-Meeting-WM Staff	4,957	45,648	(40,691)	10.9%
5901.8 · Admin-Meeting - West Yost	-	38,909	(38,909)	0.0%
5901.9 · Admin-Reporting-WM Staff	-	21,742	(21,742)	0.0%
Total 5901 · Admin-WM Staff	21,036	250,657	(229,621)	8.4%
5900 · Judgment Admin Other Expenses				
5906.71 · Admin-Data Req-CBWM Staff	4,907	109,124	(104,217)	4.5%
5906.72 · Admin-Data Req-Non CBWM Staff	317	56,483	(56,166)	0.6%
5910 · Court Coordination/Attend-WM	-	28,837	(28,837)	0.0%
5911 · Exhibit G-WM Staff	-	6,396	(6,396)	0.0%
5921 · Production Monitoring-WM Staff	-	9,471	(9,471)	0.0%
5925 · Ag Prod & Estimation-West Yost	1,282	31,992	(30,710)	4.0%
5931 · Recharge Applications-WM Staff	-	33,092	(33,092)	0.0%
5935 · Admin-Mat'l Phy Inj Requests	-	41,668	(41,668)	0.0%
5941 · Reporting-WM Staff	-	44,602	(44,602)	0.0%
5945 · WM Annual Report Prep-West Yost	-	17,762	(17,762)	0.0%
5951 · Rules & Regs-WM Staff	-	11,350	(11,350)	0.0%
5961 · Safe Yield-WM Staff	9,316	106,006	(96,690)	8.8%
5965 · Support Data Collect-West Yost	7,637	17,302	(9,665)	44.1%
5971 · Storage Agreements-WM Staff	1,583	20,671	(19,088)	7.7%
5981 · Water Acct/Database-WM Staff	9,218	112,036	(102,818)	8.2%
5991 · Water Transactions-WM Staff	2,195	13,062	(10,867)	16.8%
Total 5900 · Judgment Admin Other Expenses	36,456	659,854	(623,398)	5.5%
Total 5900 · Judgment Administration	\$ 57,492	\$ 910,511	\$ (853,019)	6.3%



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(Unaudited)

“Carry Over” Funding:

The “Carry Over” funding was calculated at the start of FY 26. The Total “Carry Over” funding amount of \$553,870 has been posted to the general ledger accounts. The total amount consisted of \$508,838 from Engineering Services, \$34,994 from OBMP Activities, and \$10,038 from Administration Services. More detailed information is provided in the table below.

Carry Over Budget Detail FY 2025/26

Account	Description	Amount	Fiscal Year	Type
6038	Other Office Equipment - Boardroom Upgrades	\$ 10,038	FY 2020/21	ADMIN
7545	Meter Installation - New Meter Installation, Calibration and Testing	34,994	FY 2018/19	OBMP
5925	Agriculture Production and Estimation	4,344	FY 2024/25	ENG
5965	Support for Implementation of Improved Data Collection and Management Process	10,000	FY 2024/25	ENG
6906.1	Watermaster Model Application and Required Demonstrations	59,443	FY 2024/25	ENG
7104.3	Groundwater Level Monitoring Program	15,800	FY 2024/25	ENG
7202.2	Comprehensive Recharge Program	55,000	FY 2024/25	ENG
7302	PBHSP Monitoring Program- 50% IEUA Cost Share	9,100	FY 2024/25	ENG
7402.1	PE4/MZ-1: Subsidence Management Plan for Northwest MZ-1	124,788	FY 2024/25	ENG
7502	Groundwater Quality Monitoring and Reporting Program and as-needed Consulting	41,400	FY 2024/25	ENG
7517	Implementation of Chino Creek Monitoring Program - IEUA Cost Share	20,000	FY 2024/25	ENG
7614	Support Implementation of the Safe Yield Court Order	168,963	FY 2024/25	ENG
Total Carryover Budget		\$ 553,870		



Chino Basin Watermaster

Cash Disbursements

August 2025

Date	Number	Vendor Name	Description	Amount
08/05/2025	25592	BAY ALARM COMPANY	September burglar and fire alarm systems	\$ (188.00)
08/05/2025	25593	CHEF DAVE'S CATERING & EVENT SERVICES	July Board meeting catering services	(573.36)
08/05/2025	25594	CUCAMONGA VALLEY WATER DISTRICT - UTILITY	Utilities: Water	(392.32)
08/05/2025	25595	DE BOOM, NATHAN		(125.00)
08/05/2025	25596	ELIE, STEVEN		(250.00)
08/05/2025	25597	FILIPPI, GINO		(500.00)
08/05/2025	25598	FRONTIER COMMUNICATIONS	August landline connection for alarm system and office Teams phones	(335.05)
08/05/2025	25599	GEYE, BRIAN		(625.00)
08/05/2025	25600	READY REFRESH	Office water dispenser July lease and deliveries	(115.03)
08/05/2025	25601	STANDARD INSURANCE CO.	August life and disability coverage	(1,088.99)
08/05/2025	25602	STATE COMPENSATION INSURANCE FUND	FY 26 worker's compensation insurance	(2,265.50)
08/05/2025	25603	VANGUARD CLEANING SYSTEMS	August janitorial service	(1,000.00)
08/05/2025	25604	VC3, INC.	July IT services and Dell post warranty support renewal	(5,755.96)
08/05/2025	25605	VELTO, BILL		(500.00)
08/05/2025	25606	VIDES, ERIK	Reimbursement: ESRI conference	(89.22)
08/05/2025	25607	UNION 76	July fuel purchases	(281.10)
08/05/2025	25608	GARCIA, JORDAN	Reimbursement: ESRI conference	(97.00)
08/05/2025	25609	JURADO, ALONSO	Reimbursement: ESRI conference	(186.54)
08/11/2025	ACH8/11/25	CALPERS	August medical insurance premiums	(18,177.31)
08/14/2025	25610	ACWA JOINT POWERS INSURANCE AUTHORITY	September life insurance	(284.47)
08/14/2025	25611	BROWNSTEIN HYATT FARBER SCHRECK	June legal services	(141,988.99)
08/14/2025	25612	BURRTEC WASTE INDUSTRIES, INC.	Utilities: Waste	(168.79)
08/14/2025	25613	C.J. BROWN & COMPANY, CPAs	FY 25 audit services	(6,950.00)
08/14/2025	25614	CALIFORNIA BANK & TRUST	Account ending 6198 - See detail attached	(9,701.42)
08/14/2025	25615	CORELOGIC INFORMATION SOLUTIONS	July geographic package services	(125.00)
08/14/2025	25616	CUCAMONGA VALLEY WATER DISTRICT	September lease	(11,902.91)
08/14/2025	25617	CURATALO, JAMES		(1,000.00)
08/14/2025	25618	DE HAAN, HENRY		(375.00)
08/14/2025	25619	EGOSCUE LAW GROUP, INC.	July OAP legal services	(24,550.00)
08/14/2025	25620	GREAT AMERICA LEASING CORP.	July copy machine lease	(1,054.82)
08/14/2025	25621	PHILADELPHIA INSURANCE COMPANY	FY 26 Umbrella coverage renewal	(13,847.04)
08/14/2025	25622	SOUTHERN CA EDISON	Utilities: Electric - Main building	(3,169.61)
08/14/2025	25623	SPECTRUM ENTERPRISE	August internet services	(1,174.02)
08/14/2025	25624	VANGUARD CLEANING SYSTEMS	July electrostatic spraying	(220.00)
08/14/2025	25625	KUHN, BOB		(500.00)
08/14/2025	25626	SANTA ANA WATERSHED PROJECT AUTHORITY	FY 26 Basin Monitoring Program Task Force contributions	(7,608.00)
08/25/2025	25627	BLUERIDGE SOFTWARE, INC.	Contract assistant training	(350.00)
08/25/2025	25628	LEWIS BRISBOIS BISGAARD & SMITH LLP	June ONAP legal services	(550.00)
08/25/2025	25629	TOTAL COMPENSATION SYSTEMS, INC.	GASB 75 roll-forward valuation	(1,530.00)
08/25/2025	25630	VC3, INC.	August IT services	(3,714.96)
08/25/2025	25631	VERIZON WIRELESS	July internet services for Field Ops tablets	(239.16)
08/25/2025	25632	WESTERN MUNICIPAL WATER DISTRICT		(375.00)
08/25/2025	25633	PITNEY BOWES INC.	Red ink cartridge	(129.21)
08/25/2025	25634	SOCALGAS	Utilities: Gas	(67.62)
08/25/2025	ACH8/25/25	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	August Unfunded Accrued Liability-Plan 3299	(14,363.08)
08/25/2025	ACH8/25/25	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	August Unfunded Accrued Liability-Plan 27239	(379.08)
08/27/2025	25635	ABC LOCKSMITHS*	Annual air access cloud subscription - access control locks	(768.00)
08/27/2025	25636	CUCAMONGA VALLEY WATER DISTRICT - UTILITY	Utilities: Water	(419.98)
08/27/2025	25637	READY REFRESH	Office water dispenser August lease and deliveries	(107.19)
08/27/2025	25638	SAN BERNARDINO COUNTY - DEPT. AIRPORTS	September rent for extensometer site	(190.98)
08/27/2025	25639	SOUTHERN CALIFORNIA EDISON	Utilities: Electric	(218.89)
08/27/2025	25640	STANDARD INSURANCE CO.	September life and disability coverage	(1,088.99)
08/27/2025	25641	VERIZON WIRELESS	August internet services for extensometer site	(38.01)
08/27/2025	25642	VISION SERVICE PLAN	September vision insurance coverage	(122.09)
08/27/2025	25643	WEST YOST	July engineering services	(301,135.68)
08/27/2025	25644	RUBEN LLAMAS		(125.00)
Total for Month				\$ (583,078.37)



Chino Basin Watermaster

Credit Card Expense Detail

August 2025

Date	Number	Description	Expense Account	Amount
08/14/2025	25614	CALIFORNIA BANK & TRUST		
		Amazon - Amazon Web Services - June 2025	6056 · Website Services	(312.21)
		Thai Diamond BBQ - Lunch Meeting - Ops Team and IEUA	6141.1 · Meeting Supplies	(140.76)
		Embassy Suites by Hilton - ESRI Conference 2025 Hotel Reservation - A. Jurado	6191 · Conferences - General	(1,012.90)
		Embassy Suites by Hilton - ESRI Conference 2025 Hotel Reservation - E. Vides	6191 · Conferences - General	(1,097.05)
		Embassy Suites by Hilton - ESRI Conference 2025 Hotel Reservation - J. Garcia	6191 · Conferences - General	(1,033.94)
		Thai Diamond BBQ - Lunch Meeting - E. Tellez-Foster and IEUA	6141.1 · Meeting Supplies	(122.25)
		Route 30 Brewing Company - Lunch Meeting - E. Tellez-Foster, I. Achimore	6141.1 · Meeting Supplies	(89.91)
		Tesla - Supercharger - F-150 Lightning	6175 · Vehicle Fuel	(7.52)
		Microsoft Software - Mapping and visualization software subscription	6054 · Computer Software	(15.00)
		Tesla - Supercharger - F-150 Lightning	6175 · Vehicle Fuel	(28.76)
		REV Subscription - Speech to text transcription services	6112 · Subscriptions/Publications	(29.99)
		The Toll Roads - Toll Fee - ESRI Conference Commute 07.15.25 - Ford F-150 Lightning	6173 · Airfare/Mileage	(3.25)
		The Toll Roads - Toll Fee - ESRI Conference Commute 07.15.25 - Ford F-150 Lightning	6173 · Airfare/Mileage	(7.38)
		The Toll Roads - Toll Fee - ESRI Conference Commute 07.17.25 - Ford F-150 Lightning	6173 · Airfare/Mileage	(1.00)
		Mimi's Café - Lunch Meeting - T. Corbin, S. Burton	6141.1 · Meeting Supplies	(48.95)
		Claim Jumper - SHRM Annual Conference 2025 - Breakfast - A. Nelson	6191 · Conferences - General	(39.29)
		ACE Parking - SHRM Annual Conference 2025 - A. Nelson	6173 · Airfare/Mileage	(25.00)
		Claim Jumper - SHRM Annual Conference 2025 - Dinner - A. Nelson	6191 · Conferences - General	(40.99)
		Kumi Sushi Grill - SHRM Annual Conference 2025 - Dinner - A. Nelson	6191 · Conferences - General	(45.05)
		Starbucks - SHRM Annual Conference 2025 - Coffee - A. Nelson	6191 · Conferences - General	(9.89)
		Amazon - Safety Hard Hats	6151 · Small Tools & Equipment	(40.07)
		Amazon - Headphones - J. Garcia, E. Vides	6031.7 · General Office Supplies	(86.09)
		Claim Jumper - SHRM Annual Conference 2025 - Lunch - A. Nelson	6191 · Conferences - General	(35.99)
		Old Spaghetti Factory - SHRM Annual Conference 2025 - Dinner - A. Nelson	6191 · Conferences - General	(37.99)
		Amazon - Safety Vests	6151 · Small Tools & Equipment	(21.30)
		Wyndham Hotel - SHRM Annual Conference 2025 - Lodging - A. Nelson	6191 · Conferences - General	(1,341.35)
		Shawarma House - SHRM Annual Conference 2025 - Lunch - A. Nelson	6191 · Conferences - General	(29.62)
		Land's End - Back Order Employee Uniform - J. Nakano	6154 · Uniforms	(39.12)
		SHRM - HR Certification Prep - A. Nelson	6193 · Employee Training	(1,291.80)
		Costco - Meeting Snacks and Drinks	6312 · Board Meeting Expenses	(351.96)
		Costco - Office Supplies	6031.7 · General Office Supplies	(146.30)
		Amazon - Office Lobby Floor Mat	6031.7 · General Office Supplies	(103.37)
		Amazon - Tea and Decaf Coffee	6031.7 · General Office Supplies	(39.97)
		BambooHR - HR and payroll system - July 2025	6061.2 · HRIS System	(298.94)
		1-800-FLOWERS - Sympathy bouquet for E. Vides	6031.7 · General Office Supplies	(90.78)
		Amazon - Liquid I.V. Hydration Packets	6031.7 · General Office Supplies	(51.14)
		Ford - F-150 Lighting Charger Adapter	6175 · Vehicle Fuel	(228.07)
		Amazon - Air Fresheners	6031.7 · General Office Supplies	(14.86)
		The Deli - Pools Meeting Lunch - T. Corbin, E. Tellez-Foster, J. Nakano	6141.1 · Meeting Supplies	(62.98)
		The Deli - Pools Meeting Lunch - F. Yoo	6141.1 · Meeting Supplies	(25.69)
		BlueHost - Monthly Software Renewal - Standard VPN Server with cPanel	6056 · Website Services	(91.98)
		Amazon - Tripod for San Sevaine Meeting Room	6031.7 · General Office Supplies	(16.15)
		Amazon - Cubicle Floor Mat - R. Favela-Quintero	6031.7 · General Office Supplies	(64.47)
		Mezzaterranean - Admin Meeting - A. Nelson, R. Favela-Quintero - D. Uriarte, K. Dolar	6141.1 · Meeting Supplies	(100.45)
		Amazon - Cork Board - R. Favela-Quintero	6031.7 · General Office Supplies	(42.21)
		Amazon - Bulletin Push Pins - R. Favela-Quintero	6031.7 · General Office Supplies	(10.23)
		Albertsons - Victor Valley WRA Tour Meeting Supplies	6141.1 · Meeting Supplies	(83.65)
		Amazon - Laptop Stand - R. Favela-Quintero	6031.7 · General Office Supplies	(38.76)
		Albertsons - Victor Valley WRA Tour Meeting Supplies	6141.1 · Meeting Supplies	(21.98)
		Jersey Mike's - Victor Valley WRA Tour Lunch	6141.1 · Meeting Supplies	(225.58)
		FedEx - Board Meeting Package - J. Pierson	6042 · Postage - General	(31.90)
		FedEx - Board Meeting Package - S. Elie	6042 · Postage - General	(31.90)
		Amazon - Cabinet Lighting - R. Favela-Quintero	6031.7 · General Office Supplies	(19.37)
		Amazon - Paper Clip Holder - R. Favela-Quintero	6031.7 · General Office Supplies	(12.92)
		Wayfair - Bookcase and Storage Stand - A. Nelson	6036 · Minor Office Furniture	(281.42)
		SupportPdfFiller.com - Annual Premium Subscription - 7/25/25-7/25/26	6054 · Computer Software	(179.97)
Total for Month \$				(9,701.42)



Chino Basin Watermaster

Combining Schedule of Revenues, Expenses & Changes in Net Assets

For the Period of July 1, 2025 through August 31, 2025

(Unaudited)

	JUDGMENT ADMIN.	OPTIMUM BASIN MGMT.	TOTAL JUDGMENT ADMIN & OBMP	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUND WATER REPLENISH.	GRAND TOTALS	ADOPTED BUDGET 2025-2026 WITH CARRYOVER
				AP POOL	OAP POOL	ONAP POOL			
Administrative Revenues:									
Administrative Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,453,849
Interest Revenue	-	60,041	60,041	3,087	10,021	541	292	73,982	368,030
Groundwater Replenishment	-	-	-	-	-	-	-	-	-
Mutual Agency Project Revenue	-	-	-	-	-	-	-	-	195,850
Miscellaneous Income	-	-	-	-	-	-	-	-	-
Total Administrative Revenues	-	60,041	60,041	3,087	10,021	541	292	73,982	12,017,729
Administrative & Project Expenditures:									
Watermaster Administration	443,553	-	443,553	-	-	-	-	443,553	2,789,042
Watermaster Board-Advisory Committee	50,396	-	50,396	-	-	-	-	50,396	442,947
Optimum Basin Mgmt Administration	-	172,324	172,324	-	-	-	-	172,324	1,236,522
OBMP Project Costs	-	637,104	637,104	-	-	-	-	637,104	4,699,276
Pool Legal Services	-	-	-	7,034	43,250	935	-	51,219	-
Pool Meeting Compensation	-	-	-	-	2,000	1,625	-	3,625	-
Pool Special Projects	-	-	-	-	-	-	-	-	-
Pool Administration	-	-	-	-	-	-	-	-	411,149
Debt Service	-	-	-	-	-	-	-	-	2,438,793
Agricultural Expense Transfer ¹	-	-	-	45,250	(45,250)	-	-	-	-
Total Administrative Expenses	493,950	809,428	1,303,378	52,284	-	2,560	-	1,358,222	12,017,729
Net Ordinary Income	(493,950)	(749,388)	(1,243,337)	(49,197)	10,021	(2,019)	292	(1,284,240)	-
Other Income/(Expense)									
Refund-Recharge Debt Service	-	-	-	-	-	-	-	-	-
Carryover Budget	-	-	-	-	-	-	-	-	553,870
Net Other Income/(Expense)	-	-	-	-	-	-	-	-	553,870
Net Transfers To/(From) Reserves	\$ (493,950)	\$ (749,388)	\$ (1,243,337)	\$ (49,197)	\$ 10,021	\$ (2,019)	\$ 292	\$ (1,284,240)	\$ 553,870
Net Assets, July 1, 2025			9,139,181	586,974	1,468,387	79,752	42,777	11,317,071	
Refund-Excess Operating Reserves			-					-	
Net Assets, End of Period			7,895,844	537,778	1,478,409	77,732	43,069	10,032,831	
Pool Assessments Outstanding				(86,315)	(586,852)	-			
Pool Fund Balance				\$ 451,462	\$ 891,556	\$ 77,732			

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



Chino Basin Watermaster

Treasurer's Report

August 2025

	Type	Monthly Yield	Cost	Market	% Total
Cash & Investments					
Local Agency Investment Fund (LAIF) *	Investment	4.25%	\$ 673,127	\$ 673,934	6.2%
CA CLASS Prime Fund **	Investment	4.33%	7,625,688	7,625,982	70.6%
CA CLASS Pool Restricted Funds **	Investment	4.33%	1,420,751	1,420,806	13.2%
Bank of America	Checking		1,082,405	1,082,405	10.0%
Bank of America	Payroll		-	-	0.0%
Total Cash & Investments			\$ 10,801,972	\$ 10,803,127	100.0%

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

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

Certification

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

Anna Nelson, Director of Administration

Prepared By:

Daniela Uriarte, Senior Accountant



Chino Basin Watermaster

Budget to Actual

For the Period July 1, 2025 to August 31, 2025

(Unaudited)

	August 2025	YTD Actual	FY 25 Carryover Budget	FY 26 Adopted Budget	\$ Over / (Under) Budget	% of Budget
1 Administration Revenue						
2 Local Agency Subsidies	\$ -	\$ -	\$ -	\$ 195,850	\$ (195,850)	0%
3 Admin Assessments-Appropriative Pool	-	-	-	11,131,622	(11,131,622)	0%
4 Admin Assessments-Non-Ag Pool	-	-	-	322,227	(322,227)	0%
5 Total Administration Revenue	-	-	-	11,649,699	(11,649,699)	0%
6 Other Revenue						
7 Appropriative Pool-Replenishment	-	-	-	-	-	N/A
8 Non-Ag Pool-Replenishment	-	-	-	-	-	N/A
9 Interest Income	28,133	60,041	-	368,030	(307,989)	16%
10 Miscellaneous Income	-	-	-	-	-	N/A
11 Total Other Revenue	28,133	60,041	-	368,030	(307,989)	16%
12 Total Revenue	28,133	60,041	-	12,017,729	(11,957,688)	0%
13 Judgment Administration Expense						
14 Judgment Administration	54,313	111,806	14,344	910,511	(813,049)	12%
15 Admin. Salary/Benefit Costs	55,270	121,212	-	1,127,840	(1,006,628)	11%
16 Office Building Expense	18,740	38,441	-	228,535	(190,094)	17%
17 Office Supplies & Equip.	1,495	3,512	10,038	35,750	(42,276)	8%
18 Postage & Printing Costs	1,234	2,808	-	27,190	(24,382)	10%
19 Information Services	5,477	13,128	-	224,400	(211,272)	6%
20 Contract Services	1,949	9,198	-	103,950	(94,752)	9%
21 Watermaster Legal Services	59,508	97,330	-	346,011	(248,681)	28%
22 Insurance	25,734	46,967	-	55,000	(8,033)	85%
23 Dues and Subscriptions	210	240	-	40,900	(40,660)	1%
24 Watermaster Administrative Expenses	851	1,773	-	9,630	(7,857)	18%
25 Field Supplies	-	101	-	3,900	(3,799)	3%
26 Travel & Transportation	1,722	3,904	-	35,600	(31,696)	11%
27 Training, Conferences, Seminars	1,926	10,811	-	43,500	(32,689)	25%
28 Advisory Committee Expenses	1,838	8,050	-	111,785	(103,735)	7%
29 Watermaster Board Expenses	21,942	42,347	-	331,162	(288,815)	13%
30 ONAP - WM & Administration	5,987	10,185	-	123,585	(113,400)	8%
31 OAP - WM & Administration	7,568	13,063	-	140,528	(127,465)	9%
32 Appropriative Pool- WM & Administration	14,598	26,499	-	147,036	(120,537)	18%
33 Allocated G&A Expenditures	(40,070)	(67,422)	-	(403,675)	336,253	17%
34 Total Judgment Administration Expense	240,293	493,950	24,382	3,643,138	(3,173,570)	13%
35 Optimum Basin Management Plan (OBMP)						
36 Optimum Basin Management Plan	65,946	172,324	59,443	1,236,522	(1,123,641)	13%
37 Groundwater Quality Monitoring	-	-	-	4,500	(4,500)	0%
38 Groundwater Level Monitoring	46,188	83,349	15,800	500,880	(433,331)	16%
39 Program Element (PE)2- Comp Recharge	27,422	45,792	55,000	1,968,267	(1,977,475)	2%
40 PE3&5-Water Supply/Desalte	3,859	17,277	9,100	173,320	(165,143)	9%
41 PE4- Management Plan	15,371	65,833	124,788	604,076	(663,031)	9%
42 PE6&7-CoopEfforts/SaltMgmt	92,696	135,435	96,394	772,078	(733,037)	16%
43 PE8&9-StorageMgmt/Conj Use	69,385	221,996	168,963	272,480	(219,447)	50%
44 Recharge Improvements	-	-	-	2,438,793	(2,438,793)	0%
45 Administration Expenses Allocated-OBMP	13,897	22,749	-	139,094	(116,345)	16%
46 Administration Expenses Allocated-PE 1-9	26,173	44,673	-	264,581	(219,908)	17%
47 Total OBMP Expense	360,938	809,428	529,488	8,374,591	(8,094,651)	9%
48 Other Expense						
49 Groundwater Replenishment	-	-	-	42,777	(42,777)	0%
50 Other Expenses	-	-	-	-	-	N/A
51 Total Other Expense	-	-	-	42,777	(42,777)	0%
52 Total Expenses	601,231	1,303,378	553,870	12,060,506	(11,310,998)	10%
53 Increase / (Decrease) to Reserves	\$ (573,098)	\$ (1,243,337)		\$ (42,777)	\$ (1,200,560)	



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2025 to August 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 26 amended budget and FY 25 carryover budget. The final two columns indicate the amount over or under budget, and the YTD percentage of total budget used. As of August 31st, the target budget percentage is generally 17%.

Revenues

Lines 1-5 Administration Revenue – Includes local agency subsidies and administrative assessment for the Appropriative, Agricultural and Non-Agricultural Pools.

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

Expenses

Lines 13-34 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 21 Watermaster Legal Services includes outside legal counsel expenses. The account is at 28% of budget due to the timing of administration matters and court coordination in August.
- Line 22 Insurance includes general liability insurance, directors' and officers' liability, umbrella coverage, environmental pollution liability and other various insurance policies. The account is at 85% of budget due to the timing of policy renewals.
- Line 27 Training, Conferences, Seminars include costs for staff attending conferences or seminars, training, or presentations regarding the Chino Basin Watermaster activities. The account is at 25% of budget due to the timing of conferences in the first quarter of the fiscal year.

Lines 35-47 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, 2025 to August 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 August 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, 2025:	\$ 77,376.71	Beginning Balance July 1, 2025:	\$ 224,225.46
Additions:		Additions:	
Interest Earnings	540.62	Interest Earnings	3,087.26
Subtotal Additions:	540.62	Subtotal Additions:	3,087.26
Reductions:		Reductions:	
Invoices paid July 2025 - August 2025	(935.00)	Invoices paid July 2025 - August 2025	(7,034.00)
Subtotal Reductions:	(935.00)	Subtotal Reductions:	(7,034.00)
Available Fund Balance as of August 31, 2025	<u>\$ 76,982.33</u>	Available Fund Balance as of August 31, 2025	<u>\$ 220,278.72</u>

Fund Balance For Non-Agricultural Pool Account 8511 - Meeting Compensation		Fund Balance For Appropriate Pool Account 8368 - Tom Harder Contract	
Beginning Balance July 1, 2025:	\$ 2,375.00	Beginning Balance July 1, 2025:	\$ 20,577.61
Reductions:		Reductions:	
Compensation paid July 2025 - August 2025	(1,625.00)	Invoices paid July 2025 - August 2025	-
Subtotal Reductions:	(1,625.00)	Subtotal Reductions:	-
Available Fund Balance as of August 31, 2025	<u>\$ 750.00</u>	Available Fund Balance as of August 31, 2025	<u>\$ 20,577.61</u>



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2025 to August 31, 2025 (Unaudited)

Pool Services Fund Accounting – Cont.

Fund Balance for Agricultural Pool Account 8467 - Legal Services (Held by AP)		Agricultural Pool Reserve Funds As shown on the Combining Schedules	
Beginning Balance July 1, 2025:	\$ 225,597.51	Beginning Balance July 1, 2025:	\$ 881,534.98
Reductions:		Additions:	
Invoices paid July 2025 - August 2025	(43,250.00)	YTD Interest earned on Ag Pool Funds FY 26	10,021.33
Subtotal Reductions:	(43,250.00)	Transfer of Funds from AP to Special Fund for Legal Service Invoices	43,250.00
		Total Additions:	53,271.33
Available Fund Balance as of August 31, 2025	<u>\$ 182,347.51</u>	Reductions:	
		Legal service invoices paid July 2025 - August 2025	(43,250.00)
		Subtotal Reductions:	(43,250.00)
		Agricultural Pool Reserve Funds Balance as of August 31, 2025:	<u>\$ 891,556.31</u>
Fund Balance For Agricultural Pool Account 8470 - Meeting Compensation (Held by AP)		Fund Balance For Agricultural Pool Account 8471 - Special Projects (Held by AP)	
Beginning Balance July 1, 2025:	\$ 18,069.65	Beginning Balance July 1, 2025:	\$ 12,189.00
Reductions:		Reductions:	
Compensation paid July 2025 - August 2025	(2,000.00)	Invoices paid July 2025 - August 2025	-
Subtotal Reductions:	(2,000.00)	Subtotal Reductions:	-
Available Fund Balance as of August 31, 2025	<u>\$ 16,069.65</u>	Available Fund Balance as of August 31, 2025	<u>\$ 12,189.00</u>



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2025 to August 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 August 31st, the target budget percentage is generally 17%.

	Year to Date Actual	FY 25-26 Budget	\$ Over / (Under) Budget	% of Budget
WM Salary Expense				
5901.1 · Judgment Admin - Doc. Review	30,699	74,466	(43,767)	41.2%
5901.3 · Judgment Admin - Field Work	594	14,357	(13,763)	4.1%
5901.5 · Judgment Admin - General	2,848	55,535	(52,687)	5.1%
5901.7 · Judgment Admin - Meeting	10,263	45,648	(35,385)	22.5%
5901.9 · Judgment Admin - Reporting	-	21,742	(21,742)	0.0%
5910 · Judgment Admin - Court Coord./Attendance	77	28,837	(28,760)	0.3%
5911 · Judgment Admin - Exhibit G	-	6,396	(6,396)	0.0%
5921 · Judgment Admin - Production Monitoring	-	9,471	(9,471)	0.0%
5931 · Judgment Admin - Recharge Applications	729	33,092	(32,363)	2.2%
5941 · Judgment Admin - Reporting	-	44,602	(44,602)	0.0%
5951 · Judgment Admin - Rules & Regs	-	11,350	(11,350)	0.0%
5961 · Judgment Admin - Safe Yield	19,828	106,006	(86,178)	18.7%
5971 · Judgment Admin - Storage Agreements	1,583	20,671	(19,088)	7.7%
5981 · Judgment Admin - Water Accounting/Database	15,843	112,036	(96,193)	14.1%
5991 · Judgment Admin - Water Transactions	2,770	13,062	(10,292)	21.2%
6011.11 · WM Staff - Overtime	128	18,000	(17,872)	0.7%
6011.10 · Admin - Accounting	38,402	280,410	(242,008)	13.7%
6011.15 · Admin - Building Admin	2,072	31,040	(28,968)	6.7%
6011.20 · Admin - Conference/Seminars	10,546	50,660	(40,114)	20.8%
6011.25 · Admin - Document Review	19,668	54,110	(34,442)	36.3%
6011.50 · Admin - General	44,656	278,870	(234,214)	16.0%
6011.60 · Admin - HR	5,928	100,980	(95,052)	5.9%
6011.70 · Admin - IT	18,675	72,830	(54,155)	25.6%
6011.80 · Admin - Meeting	21,413	93,640	(72,227)	22.9%
6011.90 · Admin - Team Building	1,016	33,490	(32,474)	3.0%
6011.95 · Admin - Training (Give/Receive)	16,168	79,580	(63,412)	20.3%
6017 · Temporary Services	-	28,250	(28,250)	0.0%
6201 · Advisory Committee	3,981	61,397	(57,416)	6.5%
6301 · Watermaster Board	14,587	101,669	(87,082)	14.3%
8301 · Appropriative Pool	19,860	89,707	(69,847)	22.1%
8401 · Agricultural Pool	6,677	83,199	(76,522)	8.0%
8501 · Non-Agricultural Pool	4,601	66,256	(61,655)	6.9%
6901.1 · OBMP - Document Review	10,007	50,364	(40,357)	19.9%
6901.3 · OBMP - Field Work	1,782	9,471	(7,689)	18.8%
6901.5 · OBMP - General	7,188	52,005	(44,817)	13.8%
6901.7 · OBMP - Meeting	10,972	33,487	(22,515)	32.8%
6901.9 · OBMP - Reporting	-	39,176	(39,176)	0.0%
7104.1 · PE1 - Monitoring Program	37,899	166,708	(128,809)	22.7%
7201 · PE2 - Comprehensive Recharge	16,505	49,649	(33,144)	33.2%
7301 · PE3&5 - Water Supply/Desalter	-	19,189	(19,189)	0.0%
7301.1 · PE5 - Reg. Supply Water Prgm.	-	16,759	(16,759)	0.0%
7401 · PE4 - MZ1 Subsidence Mgmt. Plan	-	25,595	(25,595)	0.0%
7501 · PE6 - Coop. Programs/Salt Mgmt.	1,188	22,984	(21,796)	5.2%
7501.1 · PE 7 - Salt Nutrient Mgmt. Plan	594	16,786	(16,192)	3.5%
7601 · PE8&9 - Storage Mgmt./Recovery	2,772	33,288	(30,516)	8.3%
Subtotal WM Staff Costs	402,521	2,656,820	(2,254,299)	15%
60184.1 · Administrative Leave	2,048	-	2,048	100.0%
60185 · Vacation	7,944	110,082	(102,138)	7.2%
60185.1 · Comp Time	1,059	-	1,059	100.0%
60186 · Sick Leave	7,703	81,688	(73,985)	9.4%
60187 · Holidays	3,220	102,102	(98,882)	3.2%
Subtotal WM Paid Leaves	21,973	293,872	(271,899)	7%
Total WM Salary Costs	424,494	2,950,692	(2,526,198)	14.4%



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2025 to August 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 August 31st, the target budget percentage is generally 17%.

	Year to Date Actual	FY 25-26 Budget	\$ Over / (Under) Budget	% of Budget
Engineering Services Costs				
5901.8 · Judgment Admin - Meetings-Engineering Services	\$ -	\$ 38,909	\$ (38,909)	0.0%
5906.1 · Judgment Admin - Watermaster Model Update	-	-	-	0.0%
5906.71 · Judgment Admin - Data Requests-CBWM Staff	12,753	109,124	(96,372)	11.7%
5906.72 · Judgment Admin - Data Requests-Non-CBWM Staff	3,093	56,483	(53,390)	5.5%
5925 · Judgment Admin - Ag Production & Estimation	1,282	31,992	(30,710)	4.0%
5935 · Judgment Admin - Mat'l Physical Injury Requests	-	41,668	(41,668)	0.0%
5945 · Judgment Admin - WM Annual Report Preparation	-	17,762	(17,762)	0.0%
5965 · Judgment Admin - Support Data Collection & Mgmt Process	9,444	17,302	(7,859)	54.6%
6206 · Advisory Committee Meetings-WY Staff	901	22,624	(21,723)	4.0%
6306 · Watermaster Board Meetings-WY Staff	4,025	22,624	(18,599)	17.8%
8306 · Appropriative Pool Meetings-WY Staff	2,744	22,624	(19,880)	12.1%
8406 · Agricultural Pool Meetings-WY Staff	2,491	22,624	(20,133)	11.0%
8506 · Non-Agricultural Pool Meetings-WY Staff	1,690	22,624	(20,934)	7.5%
6901.8 · OBMP - Meetings-WY Staff	10,234	38,909	(28,676)	26.3%
6901.95 · OBMP - Reporting-WY Staff	9,719	66,832	(57,114)	14.5%
6906 · OBMP Engineering Services - Other	11,417	65,810	(54,393)	17.3%
6906.1 · OBMP Watermaster Model Update	1,658	8,176	(6,519)	20.3%
6906.21 · State of the Basin Report	-	-	-	0.0%
6906.26 · 2020 OBMP Update	-	-	-	0.0%
6906.71 · OBMP - Data Requests - CBWM Staff	-	-	-	0.0%
6906.72 · OBMP - Data Requests - Non CBWM	-	-	-	0.0%
7104.3 · Grdwtr Level-Engineering	40,132	274,794	(234,662)	14.6%
7104.8 · Grdwtr Level-Contracted Services	159	29,128	(28,970)	0.5%
7104.9 · Grdwtr Level-Capital Equipment	5,063	19,000	(13,937)	26.6%
7202 · PE2-Comp Recharge-Engineering Services	1,816	23,350	(21,534)	7.8%
7202.2 · PE2-Comp Recharge-Engineering Services	27,471	181,496	(154,025)	15.1%
7208 · SB88 Specs-Compliance-50% IEUA	-	-	-	0.0%
7210 · OBMP - 2023 RMPU	-	-	-	0.0%
7220 · Integrated Model Mtg./Tech. Review-50% IEUA	-	-	-	0.0%
7302 · PE3&5-PBHSP Monitoring Program	8,852	77,792	(68,940)	11.4%
7303 · PE3&5-Engineering - Other	8,425	21,080	(12,655)	40.0%
7306 · PE3&5-Engineering - Outside Professionals	-	31,500	(31,500)	0.0%
7402 · PE4-Engineering	41,708	301,531	(259,823)	13.8%
7402.10 · PE4-Northwest MZ1 Area Project	5,794	169,378	(163,584)	3.4%
7403 · PE4-Eng. Services-Contracted Services-InSar	17,600	28,600	(11,000)	61.5%
7406 · PE4-Engineering Services-Outside Professionals	-	55,155	(55,155)	0.0%
7408 · PE4-Engineering Services-Network Equipment	273	19,107	(18,834)	1.4%
7502 · PE6&7-Engineering	77,845	365,564	(287,719)	21.3%
7502.2 · PE7-Groundwtr Quality Model	-	70,216	(70,216)	0.0%
7505 · PE6&7-Laboratory Services	26,766	41,300	(14,534)	64.8%
7508 · HC Mitigation Plan-50% IEUA (TO #6)	-	-	-	0.0%
7510 · PE6&7-IEUA Salinity Mgmt. Plan	1,976	9,522	(7,546)	20.8%
7511 · PE6&7-SAWBMP Task Force-50% IEUA	10,611	28,022	(17,412)	37.9%
7517 · Surface Water Monitoring Plan-Chino Creek - 50% IEUA	16,454	28,434	(11,980)	57.9%
7520 · Preparation of Water Quality Mgmt. Plan	-	39,250	(39,250)	0.0%
7610 · PE8&9-Support 2020 Mgmt. Plan	-	21,720	(21,720)	0.0%
7614 · PE8&9-Support Imp. Safe Yield Court Order	219,224	79,656	139,568	275.2%
7615 · PE8&9-Develop 2025 Storage Plan	-	137,816	(137,816)	0.0%
Total Engineering Services Costs	\$ 581,619	\$ 2,659,500	\$ (2,077,879)	21.9%



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2025 to August 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 August 31st, the target budget percentage is generally 17%.

	Year to Date Actual	FY 25-26 Budget	\$ Over / (Under) Budget	% of Budget
6070 · Watermaster Legal Services				
6071 · BHFS Legal - Court Coordination	\$ 17,908	\$ 76,000	\$ (58,092)	23.6%
6072 · BHFS Legal - Rules & Regulations	-	10,495	(10,495)	0.0%
6073 · BHFS Legal - Personnel Matters	19,470	28,150	(8,680)	69.2%
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)	59,952	177,240	(117,288)	33.8%
Total 6070 · Watermaster Legal Services	97,330	346,011	(248,681)	28.1%
6275 · BHFS Legal - Advisory Committee	3,168	27,764	(24,596)	11.4%
6375 · BHFS Legal - Board Meeting	15,500	88,704	(73,205)	17.5%
6375.1 · BHFS Legal - Board Workshop(s)	-	29,215	(29,215)	0.0%
8375 · BHFS Legal - Appropriative Pool	3,894	34,705	(30,811)	11.2%
8475 · BHFS Legal - Agricultural Pool	3,894	34,705	(30,811)	11.2%
8575 · BHFS Legal - Non-Ag Pool	3,894	34,705	(30,811)	11.2%
Total BHFS Legal Services	30,350	249,798	(219,449)	12.2%
6907.3 · WM Legal Counsel				
6907.31 · Archibald South Plume	-	12,565	(12,565)	0.0%
6907.32 · Chino Airport Plume	-	12,565	(12,565)	0.0%
6907.33 · Desalter/Hydraulic Control	-	38,680	(38,680)	0.0%
6907.34 · Santa Ana River Water Rights	1,136	21,405	(20,270)	5.3%
6907.36 · Santa Ana River Habitat	-	-	-	0.0%
6907.38 · Reg. Water Quality Cntrl Board	-	63,200	(63,200)	0.0%
6907.39 · Recharge Master Plan	2,092	14,270	(12,178)	14.7%
6907.41 · Prado Basin Habitat Sustainability	-	10,290	(10,290)	0.0%
6907.44 · SGMA Compliance	-	10,290	(10,290)	0.0%
6907.45 · OBMP Update	6,636	177,240	(170,604)	3.7%
6907.47 · 2020 Safe Yield Reset	7,587	151,180	(143,593)	5.0%
6907.50 · San Sevaine Basin Discharge - State Court	-	54,130	(54,130)	0.0%
6907.51 · San Sevaine Basin Discharge CWA Litigation	84,290	150,440	(66,150)	56.0%
6907.90 · WM Legal Counsel - Unanticipated	-	38,885	(38,885)	0.0%
Total 6907 · WM Legal Counsel	101,740	755,140	(653,400)	13.5%
Total Brownstein, Hyatt, Farber, Schreck Costs	\$ 229,419	\$ 1,350,949	\$ (1,121,530)	17.0%



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2025 to August 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 August 31st, the target budget percentage is generally 17%.

	Year to Date Actual	FY 25-26 Budget	\$ Over / (Under) Budget	% of Budget
6900 · Optimum Basin Mgmt Plan				
6901.1 · OBMP - Document Review-WM Staff	\$ 10,007	\$ 50,364	\$ (40,357)	19.9%
6901.3 · OBMP - Field Work-WM Staff	1,782	9,471	(7,689)	18.8%
6901.5 · OBMP - General-WM Staff	7,188	52,005	(44,817)	13.8%
6901.7 · OBMP - Meeting-WM Staff	10,972	33,487	(22,515)	32.8%
6901.8 · OBMP - Meeting-West Yost	10,234	38,909	(28,676)	26.3%
6901.9 · OBMP - Reporting-WM Staff	-	39,176	(39,176)	0.0%
6901.95 · OBMP - Reporting-West Yost	9,719	66,832	(57,114)	14.5%
Total 6901 · OBMP WM and West Yost Staff	49,901	290,244	(240,343)	17.2%
6903 · OBMP - SAWPA				
6903 · OBMP - SAWPA Group	7,608	18,952	(11,344)	40.1%
Total 6903 · OBMP - SAWPA	7,608	18,952	(11,344)	40.1%
6906 · OBMP Engineering Services				
6906.1 · OBMP - Watermaster Model Update	1,658	8,176	(6,519)	20.3%
6906.21 · State of the Basin Report	-	-	-	0.0%
6906 · OBMP Engineering Services - Other	11,417	65,810	(54,393)	17.3%
Total 6906 · OBMP Engineering Services	13,075	73,986	(60,911)	17.7%
6907 · OBMP Legal Fees				
6907.31 · Archibald South Plume	-	12,565	(12,565)	0.0%
6907.32 · Chino Airport Plume	-	12,565	(12,565)	0.0%
6907.33 · Desalter/Hydraulic Control	-	38,680	(38,680)	0.0%
6907.34 · Santa Ana River Water Rights	1,136	21,405	(20,270)	5.3%
6907.36 · Santa Ana River Habitat	-	-	-	0.0%
6907.38 · Reg. Water Quality Cntrl Board	-	63,200	(63,200)	0.0%
6907.39 · Recharge Master Plan	2,092	14,270	(12,178)	14.7%
6907.41 · Prado Basin Habitat Sustainability	-	10,290	(10,290)	0.0%
6907.44 · SGMA Compliance	-	10,290	(10,290)	0.0%
6907.45 · OBMP Update	6,636	177,240	(170,604)	3.7%
6907.47 · 2020 Safe Yield Reset	7,587	151,180	(143,593)	5.0%
6907.50 · San Sevaine Basin Discharge - State	-	54,130	(54,130)	0.0%
6907.51 · San Sevaine Basin Discharge CWA	84,290	150,440	(66,150)	56.0%
6907.90 · WM Legal Counsel - Unanticipated	-	38,885	(38,885)	0.0%
Total 6907 · OBMP Legal Fees	101,740	755,140	(653,400)	13.5%
6909 · OBMP Other Expenses				
6909.6 · OBMP Expenses - Miscellaneous	-	96,000	(96,000)	0.0%
Total 6909 · OBMP Other Expenses	-	98,200	(98,200)	0.0%
Total 6900 · Optimum Basin Mgmt Plan	\$ 172,324	\$ 1,236,522	\$ (1,064,198)	13.9%



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2025 to August 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 August 31st, the target budget percentage is generally 17%.

	Year to Date Actual	FY 25-26 Budget	\$ Over / (Under) Budget	% of Budget
5901 · Admin-WM Staff				
5901.1 · Admin-Doc. Review-WM Staff	\$ 30,699	\$ 74,466	\$ (43,767)	41.2%
5901.3 · Admin-Field Work-WM Staff	594	14,357	(13,763)	4.1%
5901.5 · Admin-General-WM Staff	2,848	55,535	(52,687)	5.1%
5901.7 · Admin-Meeting-WM Staff	10,263	45,648	(35,385)	22.5%
5901.8 · Admin-Meeting - West Yost	-	38,909	(38,909)	0.0%
5901.9 · Admin-Reporting-WM Staff	-	21,742	(21,742)	0.0%
Total 5901 · Admin-WM Staff	44,404	250,657	(206,253)	17.7%
5900 · Judgment Admin Other Expenses				
5906.71 · Admin-Data Req-CBWM Staff	12,753	109,124	(96,372)	11.7%
5906.72 · Admin-Data Req-Non CBWM Staff	3,093	56,483	(53,390)	5.5%
5910 · Court Coordination/Attend-WM	77	28,837	(28,760)	0.3%
5911 · Exhibit G-WM Staff	-	6,396	(6,396)	0.0%
5921 · Production Monitoring-WM Staff	-	9,471	(9,471)	0.0%
5925 · Ag Prod & Estimation-West Yost	1,282	31,992	(30,710)	4.0%
5931 · Recharge Applications-WM Staff	729	33,092	(32,363)	2.2%
5935 · Admin-Mat'l Phy Inj Requests	-	41,668	(41,668)	0.0%
5941 · Reporting-WM Staff	-	44,602	(44,602)	0.0%
5945 · WM Annual Report Prep-West Yost	-	17,762	(17,762)	0.0%
5951 · Rules & Regs-WM Staff	-	11,350	(11,350)	0.0%
5961 · Safe Yield-WM Staff	19,828	106,006	(86,178)	18.7%
5965 · Support Data Collect-West Yost	9,444	17,302	(7,859)	54.6%
5971 · Storage Agreements-WM Staff	1,583	20,671	(19,088)	7.7%
5981 · Water Acct/Database-WM Staff	15,843	112,036	(96,193)	14.1%
5991 · Water Transactions-WM Staff	2,770	13,062	(10,292)	21.2%
Total 5900 · Judgment Admin Other Expenses	67,402	659,854	(592,452)	10.2%
Total 5900 · Judgment Administration	\$ 111,806	\$ 910,511	\$ (798,705)	12.3%



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2025 to August 31, 2025

(Unaudited)

“Carry Over” Funding:

The “Carry Over” funding was calculated at the start of FY 26. The Total “Carry Over” funding amount of \$553,870 has been posted to the general ledger accounts. The total amount consisted of \$508,838 from Engineering Services, \$34,994 from OBMP Activities, and \$10,038 from Administration Services. More detailed information is provided in the table below.

Carry Over Budget Detail FY 2025/26

Account	Description	Amount	Fiscal Year	Type
6038	Other Office Equipment - Boardroom Upgrades	\$ 10,038	FY 2020/21	ADMIN
7545	Meter Installation - New Meter Installation, Calibration and Testing	34,994	FY 2018/19	OBMP
5925	Agriculture Production and Estimation	4,344	FY 2024/25	ENG
5965	Support for Implementation of Improved Data Collection and Management Process	10,000	FY 2024/25	ENG
6906.1	Watermaster Model Application and Required Demonstrations	59,443	FY 2024/25	ENG
7104.3	Groundwater Level Monitoring Program	15,800	FY 2024/25	ENG
7202.2	Comprehensive Recharge Program	55,000	FY 2024/25	ENG
7302	PBHSP Monitoring Program- 50% IEUA Cost Share	9,100	FY 2024/25	ENG
7402.1	PE4/MZ-1: Subsidence Management Plan for Northwest MZ-1	124,788	FY 2024/25	ENG
7502	Groundwater Quality Monitoring and Reporting Program and as-needed Consulting	41,400	FY 2024/25	ENG
7517	Implementation of Chino Creek Monitoring Program - IEUA Cost Share	20,000	FY 2024/25	ENG
7614	Support Implementation of the Safe Yield Court Order	168,963	FY 2024/25	ENG
Total Carryover Budget		\$ 553,870		



CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730

909.484.3888 www.cbwm.org

STAFF REPORT

DATE: October 23, 2025

TO: Board Members

SUBJECT: Application: Water Transaction – 300 AF from Santa Ana River Water Company to BlueTriton Brands, Inc. (Consent Calendar Item I.C.)

Issue: To consider the Consolidated Water Transfer Forms for the sale and transfer of 300 acre-feet of water from Santa Ana River Water Company to BlueTriton Brands, Inc. This purchase is requested to be transferred from Santa Ana River Water Company's Local Storage Account. [Within WM Duties and Powers]

Recommendation: Approve the proposed transaction.

Financial Impact: None.

ACTIONS:

Appropriative Pool – September 11, 2025 [Final]: Provided advice and assistance.

Non-Agricultural Pool – September 11, 2025 [Final]: Provided advice and assistance.

Agricultural Pool – September 11, 2025 [Final]: Provided advice and assistance.

Advisory Committee – October 16, 2025 [Final]: Provided advice and assistance.

Watermaster Board – October 23, 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 of the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

The date of this application is August 15, 2025. Notice of the transaction along with the materials submitted by the requestors was transmitted to stakeholders electronically on September 5, 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 of 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 at their October 2025 meetings respectively.

At the Pool Committee meetings held on September 11, 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 October 16, 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 2025 - 2026

DATE REQUESTED: August 15, 2025

AMOUNT REQUESTED: 300 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<u>Santa Ana River Water Company</u> Name of Party	<u>BlueTriton Brands, Inc.</u> Name of Party
<u>10530 54th Street</u> Street Address	<u>405 North Indian Hill Boulevard</u> Street Address
<u>Jurupa Valley</u> <u>CA</u> <u>91752</u> City State Zip Code	<u>Claremont</u> <u>CA</u> <u>91711</u> City State Zip Code
<u>(951) 685-6503</u> Telephone	<u>(909) 621-1266</u> Telephone
 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:

300 January to December
 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:

Ontario Facility

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

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

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

MATERIAL PHYSICAL INJURY

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

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

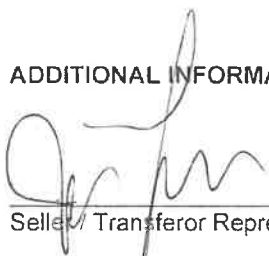
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

Yes ☐ No ☒



Seller / Transferor Representative Signature

John Lopez

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Kevin Sage

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: September 5, 2025

DATE OF APPROVAL FROM APPROPRIATIVE POOL: September 11, 2025

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: September 11, 2025

DATE OF APPROVAL FROM AGRICULTURAL POOL: September 11, 2025

HEARING DATE, IF ANY: N/A

DATE OF ADVISORY COMMITTEE APPROVAL: October 16, 2025

DATE OF BOARD APPROVAL: _____



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

TRANSFER OF WATER

Date of Notice:

September 5, 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: **August 15, 2025** Date of this notice: **September 5, 2025**

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

- Notice of Sale or Transfer – The purchase of 300 acre-feet of water from Santa Ana River Water Company by BlueTriton Brands, Inc. This purchase is made from Santa Ana River Water Company's Local Storage Account.

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

Appropriative Pool: September 11, 2025

Non-Agricultural Pool: September 11, 2025

Agricultural Pool: September 11, 2025

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

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

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

Watermaster address:

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

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



CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: October 23, 2025

TO: Board Members

SUBJECT: Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2025 and 2024; and the Chino Basin Watermaster Management Report for June 30, 2025 (Business Item II.A.)

Issue: Record of Annual Financial Report for the Fiscal Years Ended June 30, 2025 and 2024; and Management Report for June 30, 2025 [Normal Course of Business]

Recommendation: Receive and file (1) the Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2025 and 2024; and (2) the Chino Basin Watermaster Management Report for June 30, 2025.

Financial Impact: All audit costs were included in the FY 2025/26 budget as approved by the Advisory Committee and adopted by the Watermaster Board in May 2025 respectively.

ACTIONS:
Watermaster Board – October 23, 2025 [Recommended]: Receive and file.

BACKGROUND

Pursuant to Section 48 of the Restated Judgment under Watermaster Report and Accounting, and as a subset of the annual report, Watermaster is required to have a certified audit of assessments and expenditures pursuant to the Physical Solution, and a review of Watermaster activity performed every year.

DISCUSSION

Attached is the Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2025 and 2024; and the Chino Basin Watermaster Management Report for June 30, 2025. Please note that these reports are in draft format and the final version will be distributed several weeks after the Board has received and filed the draft reports. Watermaster does not foresee any material changes between the draft and final versions. Both the Annual Financial Report and the Management Report were issued by the audit firm of C.J. Brown & Company CPAs, Watermaster's auditor.

The Independent Auditor's Report is detailed on pages 4-7 of the Annual Financial Report. C.J. Brown & Company CPAs audited the financial statements of Chino Basin Watermaster as of and for the years ended June 30, 2025 and 2024. In the opinion of C.J. Brown & Company CPAs, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Watermaster, as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Furthermore, C.J. Brown & Company CPAs made the following comments with respect to the audit:

1. Did not identify any deficiencies in internal control to be material weaknesses.
2. Performed the audit according to the planned scope and timing requirements as previously communicated to the Watermaster and management as stated in the Audit Engagement letter dated May 8, 2025.
3. Significant accounting policies used by the Watermaster are described in Note 1 to the financial statements. The Watermaster adopted and internally processed two (2) GASB pronouncements during fiscal year 2025: GASB 101, and 102. No new accounting policies were adopted, and the application of existing policies was unchanged during fiscal year 2025.
4. Noted no transactions entered by the Watermaster during the year for which there was a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.
5. Noted no issues with Management's Judgments, Accounting Estimates and Financial Disclosures.
6. Encountered no significant difficulties in coordinating with management in performing and completing the audit processes and test work.
7. No disagreements with Watermaster management arose during the Watermaster audit.
8. Watermaster did not consult with other accountants regarding auditing and accounting matters.
9. There were no other audit findings or issues.
10. Noted two (2) audit adjustments and/or reclassifying journal entries recorded to adjust the original trial balance presented to the auditors at the start of the audit.
 - a. An audit adjusting journal entry to adjust net OPEB liability and expense accounts as of June 30, 2025 per the GASB 75 Actuarial Report.
 - b. An audit adjusting journal entry to adjust accrued vacation at year-end.

ATTACHMENTS

1. The Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2025 and 2024. (DRAFT)
2. The Chino Basin Watermaster Management Report for June 30, 2025. (DRAFT)



Chino Basin Watermaster

Annual Financial Report

For the Fiscal Years Ended June 30, 2025 and 2024

Our Mission Statement

“To manage the Chino Groundwater Basin in the most beneficial manner and to equitably administer and enforce the provisions of the Chino Basin Watermaster Judgment”

Chino Basin Watermaster Watermaster Board as of June 30, 2025

<u>Represents</u>	<u>Name</u>	<u>Title</u>
Appropriative	James Curatalo	Chair
Agricultural	Jeff Pierson	Vice-Chair
Non-Agricultural	Bob Bowcock	Secretary/Treasurer
Appropriative	Bill Velto	Member
Appropriative	Marty Zvirbulis	Member
Agricultural	Jimmy Medrano	Member
Municipal	Steve Elie	Member
Municipal	Mike Gardner	Member
Municipal	Bob Kuhn	Member

**Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730
(909) 484-3888
www.cbwm.org**

Chino Basin Watermaster
Annual Financial Report
For the Fiscal Years Ended June 30, 2025 and 2024

**Chino Basin Watermaster
Annual Financial Report
For the Fiscal Years Ended June 30, 2025 and 2024**

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Introductory Section

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October 23, 2025

Chino Basin Watermaster Board

Introduction

It is our pleasure to submit the Annual Financial Report for the Chino Basin Watermaster (Watermaster) for the fiscal years ended June 30, 2025 and 2024, following guidelines set forth by the Governmental Accounting Standards Board. The Watermaster is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the Watermaster's financial position and activities.

This report is organized into four sections: (1) Introductory, (2) Financial, (3) Required Supplementary Information and (4) Supplemental. The Introductory section offers general information about the Watermaster's organization and current Watermaster activities and reports on a summary of significant financial results. The Financial section includes the Independent Auditor's Report, Management's Discussion and Analysis of the Watermaster's basic financial statements, and the Watermaster's audited basic financial statements with accompanying Notes. The Required Supplementary Information section includes the schedules of changes in Other Post Employment Benefits (OPEB) liabilities and CalPERS Pension contributions. The Supplemental section includes combining net position and revenue and expense schedules.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Watermaster's MD&A can be found immediately after the Independent Auditor's Report.

Watermaster Structure and Leadership

The Chino Basin Watermaster ("Watermaster") was established under a judgment entered in Superior Court of the State of California for the County of San Bernardino as a result of Case No. RCVRS 51010 (formerly Case No. SCV 164327) entitled "Chino Basin Municipal Water District v. City of Chino, et al.", signed by the Honorable Judge Howard B. Weiner on January 27, 1978. The effective date of this Judgment for accounting and operations was July 1, 1977. Under the Judgment, three Pool committees were formed: (1) Overlying (Agricultural) Pool which includes the State of California and all producers of water for overlying uses other than industrial or commercial purposes; (2) Overlying (Non-Agricultural) Pool which represents producers of water for overlying industrial or commercial purposes; and (3) Appropriative Pool which represents cities, special districts, other public or private entities and utilities. The three Pools act together to form the "Advisory Committee". Pursuant to the Judgment, the Chino Basin Municipal Water District (CBMWD) five-member Watermaster Board Members was initially appointed as "Watermaster". Pursuant to a recommendation of the Advisory Committee, the Honorable J. Michael Gunn appointed a nine-member board as Watermaster on February 19, 1998 thereby creating an independent Watermaster separate from the CBMWD.

Watermaster Structure and Leadership, continued

The General Manager administers the day-to-day operations of the Watermaster in accordance with policies and procedures established by the Board. The Watermaster staff includes eleven regular, full-time employees. Each of the Watermaster's three Pools Committees, the Advisory Committee, and the Board meet monthly to hear various reports and offer advice, assistance, or approval, relating to the matters of the Watermaster.

Watermaster Mission and Services

Chino Basin Watermaster's mission is "To manage the Chino Groundwater Basin in the most beneficial manner and to equitably administer and enforce the provisions of the Chino Basin Watermaster Judgment", Case No. RCVRS 51010 (formerly Case No. SCV 164327). The Watermaster is charged with managing the 1978 Chino Basin Judgment and subsequent orders of the Court concerning the Groundwater Basin service area including accounting for water appropriations by acre footage of water produced, stored, exchanged, or replenished, by parties to the Judgment, purchasing of replenishment water, groundwater monitoring and implementation of special projects. The Watermaster is progressively and actively implementing the Basin's Optimum Basin Management Program Update (OBMPU) which includes extensive monitoring, partnering with Judgment parties to develop additional groundwater and stormwater recharge capabilities, storage and recovery programs, managing salt loads, evaluating the safe yield of the basin and protecting and enhancing this significant natural resource. In 2019, Watermaster began the work to update the OBMP which was originally adopted in 2000. The updated OBMP will provide the necessary basin management framework over the next 20 years to enhance Basin water supplies, protect and enhance water quality, and enhance Basin management overall. After an intensive stakeholder engagement process, the Watermaster Board adopted the 2020 OBMP on October 22, 2020. The Subsequent Environmental Impact Report (SEIR) needed for the OBMPU for which, the Inland Empire Utilities Agency (IEUA), Watermaster's partner in basin management, is the lead agency, and was completed in February of 2024.

Watermaster costs are allocated to the Pools based on various formulas using the prior year's production volume and the party's share of operating safe yield, and the percentage of water reallocated to the Appropriative Pool from the Overlying (Agricultural) Pool. Pursuant to the agreements in place and as prescribed in the Judgment, the Overlying (Agricultural) Pool does not pay assessments as those are covered by the Appropriative Pool.

Economic Condition and Outlook

The Watermaster's office is located in the City of Rancho Cucamonga in San Bernardino County which has experienced tempered economic growth within the region. The economic outlook for the Southern California region is one of cautious growth.

Internal Control Structure

Watermaster management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the Watermaster are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data that is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Watermaster's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The Advisory Committee annually approves, and the Board annually adopts an operating budget prior to the new fiscal year per the terms of the Judgment. The budget authorizes and provides the basis for reporting and controlling financial operations and accountability for the Watermaster's enterprise operations. The budgeting and reporting treatment applied to the Watermaster is consistent with the accrual basis of accounting and the financial statement basis.

Investment Policy

The Board has adopted an investment policy that conforms to state law, Watermaster's ordinance and resolutions, prudent money management, and the "prudent person" standards. The objectives of the Investment Policy are safety, liquidity and yield. Watermaster funds are invested in the State Treasurer's Local Agency Investment Fund (LAIF), with California Cooperative Liquid Assets Securities System (CLASS), and financial institutions that offer safety, daily and next-day liquidity, and optimized returns catered to California public agencies.

Water Rates and Watermaster Revenues

The Judgment prescribes Watermaster's authority and specifies classes of water production assessments to be used to fund certain activities. Those assessment categories are: Administration, Optimum Basin Management Program, Special Projects, and Replenishment. Each class of assessment has a prescribed purpose and is based on a percentage of water produced. Assessment revenue is Watermaster's principal source of income.

Audit and Financial Reporting

State Law requires the Watermaster to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of C.J. Brown & Company, CPAs – An Accountancy Corporation, has conducted the audit of the Watermaster's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

Other References

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

Acknowledgements

Preparation of this report was accomplished by the combined efforts of the Watermaster staff. We appreciate the dedicated efforts of Ms. Daniela Uriarte, Senior Accountant, and staff members who contributed to the annual audit processes and to the Watermaster overall. We would also like to thank the members of the Board for their continued support in planning and ensuring sound implementation of the Chino Basin Watermaster's fiscal policies.

Respectfully submitted,

Todd M. Corbin
General Manager

Anna T. Nelson
Director of Administration

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Financial Section

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Independent Auditor's Report

Watermaster Board Members
Chino Basin Watermaster
Rancho Cucamonga, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Chino Basin Watermaster (Watermaster) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Watermaster's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Watermaster, as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Watermaster's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Watermaster's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Watermaster's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Emphasis-of-Matter

As discussed in Note 10 to the financial statements, the Watermaster has adopted the provisions of *GASB Statement No. 101 – Compensated Absences*. As a result, Watermaster has restated its net position to reflect the effects of the change in accounting policy. Our opinion is not modified with respect to this matter.

Independent Auditor's Report, continued

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 12 and the required supplementary information on pages 42 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Watermaster's basic financial statements. The combining schedules of net position and combining schedules of revenue, expenses, and changes in net position on pages 46 through 49, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of revenue, expenses, and changes in net position are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section on pages 1 through 3 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Independent Auditor's Report, continued

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2025, on our consideration of the Watermaster's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Watermaster's internal control over financial reporting and compliance. This report can be found on pages 50 and 51.

C.J. Brown & Company, CPAs

Cypress, California

October 23, 2025

Chino Basin Watermaster
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2025 and 2024

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Chino Basin Watermaster (Watermaster) provides an introduction to the financial statements of the Watermaster for the fiscal years ended June 30, 2025 and 2024. We encourage readers to consider the information presented here with additional information that we have furnished in conjunction with the transmittal letter in the Introductory Section and with the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- In 2025, the Watermaster's net position increased by 1.45% or \$154,907 to \$10,807,477 as a result of ongoing operations. In 2024, the Watermaster's net position decreased by 18.21% or \$2,371,914 to \$10,652,570 as a result of ongoing operations. Please see Note 10 for further discussion.
- In 2025, the Watermaster's operating revenues decreased by 1.46% or \$151,501 to \$10,249,753. The Watermaster's operating revenues decreased by 3.08% or \$330,749 to \$10,401,254 in 2024.
- In 2025, the Watermaster's non-operating revenues decreased by 23.11% or \$168,229 to \$559,637. The Watermaster's non-operating revenues increased by 113.47% or \$386,897 to \$727,866 in 2024.
- In 2025, the Watermaster's operating expenses decreased by 11.31% or \$1,329,606 to \$10,424,955. The Watermaster's operating expenses increased by 40% or \$3,357,992 to \$11,754,561 in 2024.
- In 2025, the Watermaster's non-operating expenses decreased 98.75% or \$1,544,809 to \$19,571. The Watermaster's non-operating expenses increased 778.87% or \$1,386,380 to \$1,564,380 in 2024.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the Watermaster using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the Watermaster's investments in resources (assets), deferred outflows of resources, obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the Watermaster and assessing the liquidity and financial flexibility of the Watermaster. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the outcome of the Watermaster's operations over the past year and can be used to determine if the Watermaster has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the Watermaster's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the Watermaster

One of the most important questions asked about the Watermaster's finances is, "Is the Watermaster better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Watermaster in a way that helps answer this question.

Chino Basin Watermaster
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

Financial Analysis of the Watermaster, continued

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Watermaster's *net position* and changes in it. You can think of the Watermaster's net position – assets and deferred outflow of resources, less liabilities and deferred inflows of resources – as one way to measure the Watermaster's financial health, or *financial position*. Over time, *increases or decreases* in an organization's net position is one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation, such as changes in federal and state water quality standards. The Watermaster is funded on an annual basis through a court-mandated process.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 17 through 41.

Statements of Net Position

Condensed Statements of Net Position					
	2025	2024	Change	2023	Change
Assets:					
Current assets	\$ 13,470,007	13,091,179	378,828	15,417,627	(2,326,448)
Capital assets, net	1,144,851	983,347	161,504	196,878	786,469
Total assets	14,614,858	14,074,526	540,332	15,614,505	(1,539,979)
Deferred outflows of resources	746,464	902,988	(156,524)	863,919	39,069
Liabilities:					
Current liabilities	1,666,043	1,317,887	348,156	718,737	599,150
Non-current liabilities	2,739,205	2,867,140	(127,935)	2,600,947	266,193
Total liabilities	4,405,248	4,185,027	220,221	3,319,684	865,343
Deferred inflows of resources	148,597	139,917	8,680	9,861	130,056
Net position:					
Net investment in capital assets	433,913	167,003	266,910	145,069	21,934
Unrestricted	10,373,564	10,485,567	(112,003)	12,879,415	(2,393,848)
Total net position	\$ 10,807,477	10,652,570	154,907	13,024,484	(2,371,914)

As noted earlier, net position may serve over time as a useful indicator of an organization's financial position. In the case of the Watermaster, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$10,807,477 and \$10,652,570 as of June 30, 2025 and 2024, respectively.

Chino Basin Watermaster
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

Statements of Net Position, continued

Compared to prior year, net position of the Watermaster increased by 1.45% or \$154,907. The Watermaster's total net position is made up of three components: (1) net investment in capital assets, (2) restricted, and (3) unrestricted.

A portion of the Watermaster's net position, 4.01% and 1.57%, as of June 30, 2025 and 2024, respectively, reflects the Watermaster's investment in capital assets (net of accumulated depreciation) less any related debt (where applicable) used to acquire those assets that is still outstanding. The Watermaster uses these capital assets to provide services to customers within the Watermaster's service area; consequently, these assets are not available for future spending.

At the end of fiscal years 2025 and 2024, the Watermaster reflected a positive balance in its unrestricted net position of \$10,373,564 and \$10,485,567, respectively, that may be utilized in future years. See note 11 for further discussion.

Statements of Revenues, Expenses, and Changes in Net Position

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 10,249,753	10,401,254	(151,501)	10,732,003	(330,749)
Non-operating revenues	<u>559,637</u>	<u>727,866</u>	<u>(168,229)</u>	<u>340,969</u>	<u>386,897</u>
Total revenues	<u>10,809,390</u>	<u>11,129,120</u>	<u>(319,730)</u>	<u>11,072,972</u>	<u>56,148</u>
Expenses:					
Operating expense	10,424,955	11,754,561	(1,329,606)	8,396,569	3,357,992
Depreciation	209,957	182,093	27,864	143,842	38,251
Non-operating expense	<u>19,571</u>	<u>1,564,380</u>	<u>(1,544,809)</u>	<u>178,000</u>	<u>1,386,380</u>
Total expenses	<u>10,654,483</u>	<u>13,501,034</u>	<u>(2,846,551)</u>	<u>8,718,411</u>	<u>4,782,623</u>
Changes in net position	154,907	(2,371,914)	2,526,821	2,354,561	(4,726,475)
Net position, beginning of period, as restated (Note 10)	<u>10,652,570</u>	<u>13,024,484</u>	<u>(2,371,914)</u>	<u>10,669,923</u>	<u>2,354,561</u>
Net position, end of period	<u>\$ 10,807,477</u>	<u>10,652,570</u>	<u>154,907</u>	<u>13,024,484</u>	<u>(2,371,914)</u>

The statements of revenues, expenses, and changes of net position show how the Watermaster's net position changed during the fiscal years. In the case of the Watermaster, net position increased by 1.45% or \$154,907 to \$10,807,477 as a result of ongoing operations for the year ended June 30, 2025; and net position decreased by 18.21% or \$2,371,914 to \$10,652,570 as a result of ongoing operations for the year ended June 30, 2024.

A closer examination of the sources of changes in net position reveals that:

In 2025, the Watermaster's total revenues decreased 2.87% or \$319,730 to \$10,809,390. The Watermaster's operating revenues decreased by 1.46% or \$151,501 to \$10,249,753, due primarily to a decrease of \$256,967 in replenishment water revenue, which was offset by an increase of \$99,369 in administrative assessments. The Watermaster's non-operating revenues decreased by 23.11% or \$168,229 to \$559,637, due to a decrease in investment earnings, net of a year-end fair value adjustment for LAIF.

Chino Basin Watermaster
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

Statements of Revenues, Expenses, and Changes in Net Position, continued

In 2024, the Watermaster's total revenues increased 0.51% or \$56,148 to \$11,129,120. The Watermaster's operating revenues decreased by 3.08% or \$330,749 to \$10,401,254, due primarily to a decrease of \$359,646 in administrative assessments, which was offset by an increase of \$32,349 in replenishment water revenue. The Watermaster's non-operating revenues increased by 113.47% or \$386,897 to \$727,866, due to an increase in investment earnings, net of a year-end fair value adjustment for LAIF.

In 2025, the Watermaster's total expenses decreased 21.08% or \$2,846,551 to \$10,654,483. The Watermaster's operating expenses decreased by 11.31% or \$1,329,606 to \$10,424,955, due primarily to decreases of \$1,686,132 in groundwater replenishment and other water purchases, and \$825,709 in Watermaster administration; which were offset by an increase of \$1,267,642 in optimum basin management plan. The Watermaster's non-operating expenses decreased 98.75% or \$1,544,809 to \$19,571, primarily due to a decrease of \$1,542,183 in reserve distribution expenses.

In 2024, the Watermaster's total expenses increased 54.86% or \$4,782,623 to \$13,501,034. The Watermaster's operating expenses increased by 40% or \$3,357,992 to \$11,754,561, due primarily to increases of \$1,606,779 in groundwater replenishment and other water purchases, \$931,282 in optimum basin management plan, and \$821,319 in Watermaster administration. The Watermaster's non-operating expenses increased 778.87% or \$1,386,380 to \$1,564,380, primarily due to an increase of \$1,364,804 in reserve distribution expenses.

Capital Asset Administration

At the end of fiscal years 2025 and 2024, the Watermaster's investment in capital assets amounted to \$1,144,851 and \$983,347 (net of accumulated depreciation and amortization), respectively. This investment in capital assets includes leasehold improvements, office equipment, vehicles, leased building, and leased equipment. The capital assets of the Watermaster are more fully analyzed in note 4 to the basic financial statements.

Changes in capital assets in 2025 were as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2025</u>
Capital assets:				
Depreciable assets	\$ 1,474,274	374,326	(105,951)	1,742,649
Accumulated depreciation	<u>(490,927)</u>	<u>(209,957)</u>	<u>103,086</u>	<u>(597,798)</u>
Total capital assets	<u>\$ 983,347</u>	<u>164,369</u>	<u>(2,865)</u>	<u>1,144,851</u>

Changes in capital assets in 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2024</u>
Capital assets:				
Depreciable assets	\$ 861,191	968,562	(355,479)	1,474,274
Accumulated depreciation	<u>(664,313)</u>	<u>(182,093)</u>	<u>355,479</u>	<u>(490,927)</u>
Total capital assets	<u>\$ 196,878</u>	<u>786,469</u>	<u>-</u>	<u>983,347</u>

Chino Basin Watermaster
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

Conditions Affecting Current Financial Position

Management is unaware of any conditions, which could have a significant impact on the Watermaster's current financial position, net position, or operating results in terms of past, present, and future.

Requests for Information

This financial report is designed to provide the Watermaster's present users, including funding sources, customers, stakeholders, and other interested parties with a general overview of the Watermaster's finances and to demonstrate Watermaster's accountability with an overview of Watermaster's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Watermaster's Director of Administration, Anna Nelson, at Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA 91730 or (909) 484-3888.

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Basic Financial Statements

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Chino Basin Watermaster
Statements of Net Position
June 30, 2025 and 2024

	2025	As restated 2024
Current assets:		
Cash and cash equivalents (note 2)	\$ 12,352,799	11,693,858
Accounts receivable	1,052,150	1,303,493
Accrued interest receivable	7,295	7,171
Other receivable	-	50,000
Prepaid expenses and other current assets	57,763	36,657
Total current assets	13,470,007	13,091,179
Non-current assets:		
Capital assets, net (note 4)	1,144,851	983,347
Total non-current assets	1,144,851	983,347
Total assets	14,614,858	14,074,526
Deferred outflows of resources:		
Deferred OPEB outflows (note 7)	79,011	91,055
Deferred pension outflows (note 8)	667,453	811,933
Total deferred outflows of resources	746,464	902,988
Current liabilities:		
Accounts payable and accrued expenses	1,310,996	962,078
Accrued salaries and benefits	46,249	36,023
Long-term liabilities – due within one year:		
Compensated absences (note 5)	173,011	181,839
Leases payable (note 6)	135,787	137,947
Total current liabilities	1,666,043	1,317,887
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 5)	12,998	-
Leases payable (note 6)	575,151	678,397
Net OPEB liability (note 7)	253,540	275,478
Net pension liability (note 8)	1,897,516	1,913,265
Total non-current liabilities	2,739,205	2,867,140
Total liabilities	4,405,248	4,185,027
Deferred inflows of resources:		
Deferred OPEB inflows (note 7)	148,597	139,917
Total deferred inflows of resources	148,597	139,917
Net position: (note 11)		
Net investment in capital assets	433,913	167,003
Unrestricted	10,373,564	10,485,567
Total net position	\$ 10,807,477	10,652,570

See accompanying notes to the basic financial statements

Chino Basin Watermaster
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>As restated 2024</u>
Operating revenues:		
Administrative assessments	\$ 9,964,355	9,864,986
Replenishment water revenue	92,858	349,825
Other revenue	<u>192,540</u>	<u>186,443</u>
Total operating revenue	<u>10,249,753</u>	<u>10,401,254</u>
Operating expenses:		
Groundwater replenishment and other water purchases	234,659	1,920,791
Optimum basin management plan	6,241,855	4,974,213
Watermaster administration	3,086,166	3,911,875
Pool, advisory, and board administration	<u>862,275</u>	<u>947,682</u>
Total operating expense	<u>10,424,955</u>	<u>11,754,561</u>
Operating loss before depreciation	(175,202)	(1,353,307)
Depreciation and amortization expense	<u>(209,957)</u>	<u>(182,093)</u>
Operating loss	<u>(385,159)</u>	<u>(1,535,400)</u>
Non-operating revenue (expense):		
Reserve distribution	-	(1,542,183)
Interest expense	(19,571)	(22,197)
Investment returns	<u>559,637</u>	<u>727,866</u>
Total non-operating revenue (expense), net	<u>540,066</u>	<u>(836,514)</u>
Changes in net position	154,907	(2,371,914)
Net position, beginning of period, as restated (note 10)	<u>10,652,570</u>	<u>13,024,484</u>
Net position, end of period	<u><u>\$ 10,807,477</u></u>	<u><u>10,652,570</u></u>

See accompanying notes to the basic financial statements

Chino Basin Watermaster
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Receipts from stakeholders	\$ 10,501,096	10,671,517
Payments to employees for salaries and wages	(1,623,182)	(3,351,075)
Payments to vendors for materials and services	<u>(8,282,048)</u>	<u>(8,370,959)</u>
Net cash provided by (used in) operating activities	<u>595,866</u>	<u>(1,050,517)</u>
Cash flows from non-capital financing activities:		
Payments for non-operating expenses	<u>-</u>	<u>(1,542,183)</u>
Net cash used in non-capital financing activities	<u>-</u>	<u>(1,542,183)</u>
Cash flows from capital financing activities:		
Acquisition of capital assets	(336,130)	(77,024)
Principal paid on capital lease payables	(140,737)	(127,003)
Interest paid on capital lease payables	<u>(19,571)</u>	<u>(22,197)</u>
Net cash used in capital financing activities	<u>(496,438)</u>	<u>(226,224)</u>
Cash flows from investing activities:		
Investment returns	<u>559,513</u>	<u>795,095</u>
Net cash provided by investing activities	<u>559,513</u>	<u>795,095</u>
Net increase (decrease) in cash and cash equivalents	658,941	(2,023,829)
Cash and cash equivalents, beginning of year	<u>11,693,858</u>	<u>13,717,687</u>
Cash and cash equivalents, end of year	<u><u>\$ 12,352,799</u></u>	<u><u>11,693,858</u></u>

Continued on next page

See accompanying notes to the basic financial statements

Chino Basin Watermaster
Statements of Cash Flows, continued
For the Fiscal Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating income	\$ <u>(385,159)</u>	<u>(1,535,400)</u>
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	209,957	182,093
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	251,343	270,263
Other receivable	50,000	(50,000)
Prepaid expenses and other current assets	(21,106)	15,127
Deferred outflows of resources	156,524	(39,069)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable and accrued expense	348,918	417,742
Accrued salaries and benefits	10,226	3,020
Compensated absences	4,170	(129,275)
Total OPEB liability	(21,938)	5,727
Net pension liability	(15,749)	193,069
Employee compensation plan	-	(389,475)
Deferred inflows of resources	<u>8,680</u>	<u>5,661</u>
Total adjustments	<u>981,025</u>	<u>484,883</u>
Net cash provided by (used in) operating activities	<u>\$ 595,866</u>	<u>(1,050,517)</u>

See accompanying notes to the basic financial statements

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2025 and 2024

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Chino Basin Watermaster (“Watermaster”) was established under a judgment entered in the Superior Court of the State of California for the County of San Bernardino as a result of Case No. RCV 51010 (formerly Case No. SCV 164327) entitled “Chino Basin Municipal Water District v. City of Chino, et al.”, signed by the Honorable Judge Howard B. Weiner on January 27, 1978. The effective date of this Judgment for accounting and operations was July 1, 1977.

Pursuant to the Judgment, the Chino Basin Municipal Water District (CBMWD) five-member Board of Directors was initially appointed as “Watermaster”. Their term of appointment as Watermaster was for five years, and the Court, by subsequent orders, provided for successive terms, or for a successor Watermaster. Pursuant to a recommendation of the Advisory Committee, the Honorable J. Michael Gunn appointed a nine-member board as Watermaster on September 28, 2000. Under the Judgment, three Pool committees were formed: (1) Overlying (Agricultural) Pool which includes the State of California and all producers of water for overlying uses other than industrial or commercial purposes; (2) Overlying (Non-Agricultural) Pool which represents producers of water for overlying industrial or commercial purposes; and (3) Appropriative Pool which represents cities, districts, other public or private entities, and utilities. The three Pool committees act together to form the “Advisory Committee.” The Watermaster provides the Chino Groundwater Basin service area with services which primarily include: Accounting for water appropriations and components of acre-footage of stored water by agency, purchase of replenishment water, groundwater monitoring, and implementation of special projects.

Watermaster expenditures are allocated to the pools based on the prior year’s production volume (or the same percentage used to set the annual assessments). Allocations for fiscal year 2024-2025 expenses are based on the 2023-2024 production volume.

Production volume	Fiscal Year 2025		Fiscal Year 2024	
	Acre Feet	Percentage	Acre Feet	Percentage
Appropriative Pool	74,795	77.72%	54,722	72.65%
Agricultural Pool	18,184	18.89%	17,717	23.52%
Non-agricultural Pool	3,259	3.39%	2,879	3.82%
Total production volume	96,238	100.00%	75,318	100.00%

The Agricultural Pool members ratified an agreement with the Appropriative Pool at their meeting of June 16, 1988, wherein the Appropriative Pool assumes Agricultural Pool administrative expenses and special project cost allocations in exchange for an accelerated transfer of un-pumped agricultural water to the Appropriative Pool. In addition, the Agricultural Pool transferred all pool administrative reserves at June 30, 1988, to the Appropriative Pool effective July 1, 1988.

In July of 2000, the principal parties in the Basin signed an agreement, known as the Peace Agreement, which formalized the Basin parties' commitment to implement an Optimum Basin Management Program (OBMP). The OBMP was developed in a collaborative public process that identified the needs and wants of all stakeholders; described the physical state of the groundwater basin; developed a set of management goals; identified impediments to those goals; described a series of actions that could be taken to remove those impediments and achieve the management goals; developed and executed agreements to implement the OBMP; and certified a programmatic Environmental Impact Report (PEIR) pursuant to CEQA with IEUA as the lead Agency. The Peace Agreement was signed by all the parties, and the Court approved the agreement and ordered the Watermaster to proceed in accordance with the terms of the agreement.

Chino Basin Watermaster
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2025 and 2024

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

A. Organization and Operations of the Reporting Entity, continued

In 2019, with a nearly two-decade-old “2000 OBMP,” the “2020 OBMP Update (2020 OBMPU)” was begun. This entailed a multi-stakeholder collaborative process wherein Watermaster hosted many Listening Sessions to bring the 20-year old planning document up to date. The process acknowledged the new challenges and opportunities that the region faced and provided solutions through collaboration. The multi-stakeholder effort concluded in the finalization of the 2020 OBMPU Report in October of 2020 setting the framework of basin management into the foreseeable future. A Subsequent Environmental Impact Report (SEIR) in support of the 2020 OBMPU was certified pursuant to Section 15088.5 of CEQA guidelines by IEUA as the lead agency.

B. Basis of Accounting and Measurement Focus

The Watermaster reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Watermaster is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as replenishment water revenues and groundwater replenishment, result from exchange transactions associated with the principal activity of the Watermaster. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

C. Financial Reporting

The Watermaster’s basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Watermaster solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Watermaster’s proprietary fund.

The Watermaster has adopted the following GASB pronouncements in the current year:

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave.

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows, and disclosures of contingent assets, deferred outflows, liabilities, and deferred inflows at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially all the Watermaster's cash is invested in interest-bearing accounts. The Watermaster considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

3. Investments

The Watermaster has adopted an investment policy directing the General Manager to invest and reinvest funds subject to the provisions of the Watermaster's Investment Policy and the ongoing review and control of the Watermaster and the Watermaster Advisory Committee in accordance with California Government Code section 53600.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

4. Accounts Receivable and Allowance for Uncollectible Accounts

The Watermaster extends credit to customers in the normal course of operations. Management has determined that all amounts are considered collectable. As a result, the Watermaster has not recorded an allowance for doubtful accounts as of June 30, 2025 and 2024, respectively.

5. Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

6. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment and software	5 years
Office furniture and fixtures	7 years
Leasehold improvements	10 years
Automotive equipment	7 years

Leased assets are amortized on a straight-line basis over the life of the lease term.

7. Deferred Outflows of Resources

The statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents the consumption of net assets applicable to future periods and, therefore, will not be recognized as an outflow of resources (expenditure) until that time. The Watermaster has the following items that qualify for reporting in this category:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred outflow for the net change in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with post-employment benefits through the Plan.
- Deferred outflow which is equal to the employer contributions made after the measurement date of the total OPEB liability. This amount will be amortized-in-full against the total OPEB liability in the next fiscal year.

Pensions

- Deferred outflow which is equal to the employer contributions made after the measurement date of the net pension liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year.
- Deferred outflow for the net difference between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred outflow for the net difference in actual and proportionate share of employer contribution which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred outflow for the net adjustment due to the changes in proportions of the net pension liability which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

8. Compensated Absences

The Watermaster's policy is to permit eligible employees to accumulate earned vacation up to a total of 320 hours. Employees may receive pay in lieu of using vacation for up to one-half of their annual vacation accrual if: (1) within the prior twelve months, the employee has used vacation in an amount equal to at least half of their annual vacation accrual rate; and (2) the employee has a minimum remaining accrued vacation balance of at least 40 hours. Eligible employees accrue and accumulate sick leave based on Watermaster policy. Twice a year, employees may buy-back accrued sick leave at 50% of their current pay provided that at least 480 hours of accrued sick leave remain after the cash-out. Upon termination of employment, employees are paid all unused vacation. Unused sick time is paid out based on Watermaster policy.

9. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Watermaster's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Dates: June 30, 2023 and 2022
- Measurement Dates: June 30, 2024 and 2023
- Measurement Periods: July 1, 2023 to June 30, 2024 and July 1, 2022 to June 30, 2023

10. Deferred Inflows of Resources

The statements of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element, deferred inflows of resources, represents an acquisition of net assets applicable to future periods and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The Watermaster has the following items that qualify for reporting in this category:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred inflow for the net difference between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with post-employment benefits through the Plan.
- Deferred inflow for the net difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over a 5-year period.

11. Lease payable

The Watermaster's lease obligation is measured at the present value of payments expected to be paid during the lease term.

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

12. Water Production Assessments

Water Production Assessment categories include Administration, Optimum Basin Management Program, Special Projects, and Water Replenishment. Assessments are billed on a yearly basis.

13. Budgetary Policies

The Watermaster adopts an annual operational budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

14. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net investment in capital assets** – This component of net position consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – This component of net position consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- **Unrestricted** – This component of net position consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net *investment in capital assets* or *restricted* components of net position.

(2) Cash and Investments

Cash and investments as of June 30 are classified in the accompanying financial statements as follows:

	<u>2025</u>	<u>2024</u>
Cash and investments	\$ 12,352,799	11,693,858
Total cash and investments	<u>\$ 12,352,799</u>	<u>11,693,858</u>

Cash and investments as of June 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Cash on hand	\$ 500	302
Deposits with financial institutions	-	610,770
California CLASS Investment Pool		
Designated	1,461,922	-
Undesignated	10,223,747	10,448,927
Local Agency Investment Fund (LAIF)	<u>666,630</u>	<u>633,859</u>
Total cash and investments	<u>\$ 12,352,799</u>	<u>11,693,858</u>

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(2) Cash and Investments, continued

As of June 30, Watermaster's authorized deposits had the following maturities:

	<u>2025</u>	<u>2024</u>
Deposits in California CLASS Investment Pool	<u>75 days</u>	<u>75 days</u>
Deposits in California Local Agency Investment Fund (LAIF)	<u>248 days</u>	<u>217 days</u>

Investments Authorized by the California Government Code and the Watermaster's Investment Policy

The table below identifies the investment types that are authorized by the Watermaster in accordance with the California Government Code (or the Watermaster's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Watermaster's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Collateralize Bank Deposits	5 years	None	None
Corporate debt - Short and Long Term	5 years	None	None
Commercial Paper - Pooled Funds	270 days	40%	10%
Commercial Paper - Non Pooled Funds	270 days	40%	10%
Repurchase agreements	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Investment in California State Investment Pool

The Watermaster is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 and is under the management of the Treasurer of the State of California with oversight provided by the Local Agency Investment Advisory Board. The fair value of the Watermaster's investment in this pool is reported in the accompanying financial statements at amounts based upon the Watermaster's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Bank balances are secured by the pledging of a pool of eligible securities to collateralize the Watermaster's deposits with the bank in accordance with the Code.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(2) Cash and Investments, continued

Investment in California CLASS

The Watermaster is a voluntary participant in the California CLASS (CLASS) that is regulated by the California Government Code Section 16429 and is a Joint Powers Authority investment pool that provides the opportunity to invest funds on a cooperative basis in rated pools that are managed in accordance with state law with the primary objectives of offering Participants safety, daily, and next day liquidity, and optimized returns.

The fair value of the Watermaster's investment in this pool is reported in the accompanying financial statements at amounts based upon the Watermaster's pro-rata share of the fair value provided by CLASS for the entire CLASS portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the CLASS, which are recorded on an amortized cost basis. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the Watermaster's deposits with the bank in accordance with the Code.

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). The California Government Code and the Watermaster's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure Watermaster deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2025 and 2024, bank balances are federally insured up to \$250,000 and the remaining balance is collateralized in accordance with the Code.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Watermaster manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(2) Cash and Investments, continued

Credit Risk, continued

Presented below is the minimum rating required by the California Government Code (where applicable), the Watermaster's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Credit ratings as of June 30, 2025, were as follows:

Investment Type	Total	Minimum Legal Rating	Ratings as of year-end	
			S&P Global Ratings AAAm	Not Rated
California CLASS	\$ 11,685,669	AAAm	11,685,669	-
Local Agency Investment Fund (LAIF)	666,630	N/A	-	666,630
	<u>\$ 12,352,299</u>		<u>11,685,669</u>	<u>666,630</u>

Credit ratings as of June 30, 2024, were as follows:

Investment Type	Total	Minimum Legal Rating	Ratings as of year-end	
			S&P Global Ratings AAAm	Not Rated
California CLASS	\$ 10,448,927	AAAm	10,448,927	-
Local Agency Investment Fund (LAIF)	633,859	N/A	-	633,859
	<u>\$ 11,082,786</u>		<u>10,448,927</u>	<u>633,859</u>

Concentration of Credit Risk

The Watermaster's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than external investment pools) that represented 5% or more of total Watermaster's investment at June 30, 2025 and 2024.

(3) Deferred Compensation Savings Plan

For the benefit of its employees, the Watermaster participates in a 457 and 401(a) Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes. Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the Watermaster is in compliance with this legislation. Therefore, these assets are not the legal property of the Watermaster, and are not subject to claims of the Watermaster's general creditors. Fair value of all plan assets held in trust for the 457 Plan at June 30, 2025 and 2024 was \$2,418,371 and \$2,065,835, respectively. Fair value of all plan assets held in trust by the Watermaster's 401(a) Plan at June 30, 2025 and 2024, amounted to \$902,450, and 631,429, respectively.

The Watermaster has implemented GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the Watermaster has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(4) Capital Assets

Changes in capital assets for 2025 were as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2025</u>
Depreciable and leased assets:				
Computer equipment	\$ 37,703	-	-	37,703
Furniture and fixtures	251,887	-	-	251,887
Leasehold improvements	23,443	-	-	23,443
Vehicles and equipment	163,755	338,994	-	502,749
Leased building	891,538	-	-	891,538
Leased equipment	105,948	35,332	(105,951)	35,329
Total depreciable and leased assets	<u>1,474,274</u>	<u>374,326</u>	<u>(105,951)</u>	<u>1,742,649</u>
Accumulated depreciation and amortization:				
Computer equipment	(37,704)	-	-	(37,704)
Furniture and fixtures	(134,627)	(33,120)	-	(167,747)
Leasehold improvements	(23,443)	-	-	(23,443)
Vehicles and equipment	(103,113)	(31,312)	-	(134,425)
Leased building	(106,135)	(127,363)	-	(233,498)
Leased equipment	(85,905)	(18,162)	103,086	(981)
Total accumulated depreciation and amortization	<u>(490,927)</u>	<u>(209,957)</u>	<u>103,086</u>	<u>(597,798)</u>
Total capital assets, net	<u>\$ 983,347</u>			<u>1,144,851</u>

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(4) Capital Assets, continued

Changes in capital assets for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2024</u>
Depreciable and leased assets:				
Computer equipment	\$ 37,703	-	-	37,703
Furniture and fixtures	223,950	27,937	-	251,887
Leasehold improvements	23,443	-	-	23,443
Vehicles and equipment	114,668	49,087	-	163,755
Leased building	355,479	891,538	(355,479)	891,538
Leased equipment	105,948	-	-	105,948
Total depreciable and leased assets	<u>861,191</u>	<u>968,562</u>	<u>(355,479)</u>	<u>1,474,274</u>
Accumulated depreciation and amortization:				
Computer equipment	(37,704)	-	-	(37,704)
Furniture and fixtures	(101,506)	(33,121)	-	(134,627)
Leasehold improvements	(23,443)	-	-	(23,443)
Vehicles and equipment	(91,676)	(11,437)	-	(103,113)
Leased building	(341,260)	(120,354)	355,479	(106,135)
Leased equipment	(68,724)	(17,181)	-	(85,905)
Total accumulated depreciation and amortization	<u>(664,313)</u>	<u>(182,093)</u>	<u>355,479</u>	<u>(490,927)</u>
Total capital assets, net	<u>\$ 196,878</u>			<u>983,347</u>

(5) Compensated Absences

The Watermaster recognizes liability for compensated absences in accordance with GASB Statement No. 101, "Compensated Absences". Compensated absences include unpaid vacation leave, sick leave and compensating time off which is accrued as earned, which are expected to be settled through paid time off or cash payments upon termination or retirement.

As of June 30, 2025 and 2024, the liability for compensated absences was calculated based on employees' pay rates at the fiscal year-end and historical usage data, considering employment policies. The liability represents amounts that are more likely than not be used or paid out.

Compensated absences as of June 30 are classified in the accompanying financial statements as follows:

	<u>2025</u>	<u>2024</u>
Current	\$ 173,011	181,839
Non-current	12,998	-
Total	<u>\$ 186,009</u>	<u>181,839</u>

The total liability for compensated absences amounted to \$186,009 and \$181,839, respectively.

The net change in the compensated absences liability for the fiscal year ended June 30, 2025 and 2024 was \$4,170 and \$(129,275), respectively, reflecting a net increase (decrease) due to changes in employee leave balances, pay rates, and usage patterns. The liability is reported in government-wide financial statements and business type fund financial statements.

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(6) Leases Payable

The change in leases payable for 2025 was as follows:

	Balance 2024	Additions	Payments	Balance 2025	Current Portion	Long Term Portion
Leases payable:						
Cucamonga Valley Water District – Office Building	797,043	-	(121,436)	675,607	124,374	551,233
Advanced Office – Ricoh Copiers	19,301	35,331	(19,301)	35,331	11,413	23,918
Total leases payable	<u>816,344</u>	<u>35,331</u>	<u>(140,737)</u>	<u>710,938</u>	<u>135,787</u>	<u>575,151</u>

The change in leases payable for 2024 was as follows:

	Balance 2023	Additions	Payments	Balance 2024	Current Portion	Long Term Portion
Leases payable:						
Cucamonga Valley Water District – Office Building	16,388	891,538	(110,883)	797,043	121,436	675,607
Advanced Office – Ricoh Copiers	35,421	-	(16,120)	19,301	16,511	2,790
Total leases payable	<u>51,809</u>	<u>891,538</u>	<u>(127,003)</u>	<u>816,344</u>	<u>137,947</u>	<u>678,397</u>

Cucamonga Valley Water District – Office Building

In September 2003, the Watermaster entered into an agreement with Cucamonga Valley Water District (District) to rent office building space for the purpose of providing an administrative headquarters location for the Watermaster. Terms of the agreement commenced on September 1, 2003 with an initial 10 year term with automatic extension for 3 periods of 5 years through August 30, 2023. Terms of the agreement include base rent is due monthly at \$4,900 per month due on the 1st of each month. Base rent is adjusted annually based on the Consumer Price Index for Riverside and San Bernardino County.

In August 2023, the Watermaster amended its agreement with the District. Terms of the agreement commenced on September 1, 2023 and continue through August 31, 2030. Terms of the agreement include base rent is due monthly at \$11,727 per month due on the 1st of each month. Commencing with the first day of the thirteenth month of the lease term, the monthly rent payable under this agreement shall be adjusted on an annual basis thereafter in accordance with the applicable Consumer Price Index of the Bureau of Labor Statistics of the Department of Labor for all Urban Consumers, Riverside-San Bernardino-Ontario (“CPI”).

As of June 30, 2025 and 2024, rental payments amounted to \$140,724 and \$132,407, respectively.

The Watermaster recorded a right-to-use asset and a lease payable at present value using an interest rate of 2.42%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(6) Leases Payable, continued

Annual lease payments are as follows:

<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$	124,374	16,350	140,724
2027		127,384	13,340	140,724
2028		130,467	10,257	140,724
2029		133,624	7,100	140,724
2030		136,858	3,866	140,724
2031		22,900	554	23,454
Total		675,607	51,467	727,074
Current		(124,374)		
Long-term	\$	551,233		

Advanced Office – Ricoh Copiers

In October 2019, the Watermaster entered into an agreement with Advanced Office for the purpose of acquiring two Ricoh copy machines. Terms of the agreement commenced in July 2019 and matures in August 2025.

On May 22, 2025, the Watermaster entered into an amended agreement with Advanced Office to extend the lease through May 21, 2028.

As of June 30, 2025 and 2024, rental payments amounted to \$19,301 and \$17,338, respectively.

Following the guidelines of *GASB Statement No. 87*, the Watermaster recorded a right-to-use asset and a lease payable at present value using an interest rate of 2.40%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Advanced Office – Ricoh Copiers

Annual lease payments are as follows:

<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$	11,413	1,116	12,529
2027		11,773	756	12,529
2028		12,145	384	12,529
Total		35,331	2,256	37,587
Current		(11,413)		
Long-term	\$	23,918		

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(7) Other Post-Employment Benefits Payable

Plan Description

The Watermaster's defined benefit other post-employment benefit (OPEB) plan (Plan) provides OPEB for all permanent and vested full-time employees. The Plan is a single-employer defined benefit OPEB plan administered by the Watermaster. The Watermaster's Board has the authority to establish and amend the benefit terms and financing requirements of the Plan. Watermaster participates in a CalPERS Health Program, a community-rated program for its medical coverage. Watermaster does not have an OPEB trust established and no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The Plan provides a contribution up to the CalPERS PEMCHA minimum employer contribution for eligible retirees and surviving spouses in receipt of a pension benefit from CalPERS. An employee is eligible for this employer contribution provided they are vested in their CalPERS pension benefit and commence payment of their pension benefit within 120 days of retirement from the Watermaster.

Vesting requires at least 5 years of CalPERS total service. The surviving spouse of an eligible retiree who elected spouse coverage under CalPERS is eligible for the employer contribution upon death of the retiree. Board members during or prior to 1994 are also eligible for Watermaster contribution at retirement.

Employee Covered by Benefit Terms

As of June 30, 2025 and 2024, the following employees were covered by the benefit terms:

	<u>2025</u>	<u>2024</u>
Active employees	9	9
Inactive employees or beneficiaries currently receiving benefit payments	<u>3</u>	<u>3</u>
Total plan membership	<u>12</u>	<u>12</u>

Total OPEB Liability

The Watermaster's total OPEB liability of \$253,540 and 275,478 was measured as of December 31, 2024 and 2022, respectively, and was determined by an actuarial valuation as of December 31, 2023 and 2021.

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(7) Other Post-Employment Benefits Payable, continued

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2025 and 2024, actuarial valuation, which was measured at December 31, 2024 and 2022, respectively, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation dates	December 31, 2023 and December 31, 2021
Measurement dates	December 31, 2024 and December 31, 2022
Actuarial cost method	Entry Age Normal cost method in accordance with the requirements of GASB Statement No. 75
Inflation	2025: 2.50% per annum 2024: 2.50% per annum
Salary increases	2025: 2.75% per annum, in aggregate 2024: 2.75% per annum, in aggregate
Discount rate	2025: 4.08% per annum, in aggregate 2024: 3.26% per annum, in aggregate
Healthcare cost trend rates	2025: 4.00% 2024: 4.00%

Changes in the Total OPEB Liability

	2025	2024
Balance at beginning of year	\$ 275,478	269,751
Changes during the year:		
Service cost	14,391	15,731
Interest	8,977	10,086
Experience (gains)/losses	-	(34,649)
Changes in assumptions	(30,680)	27,521
Benefit payments	(14,626)	(12,962)
Net change	(21,938)	5,727
Balance at end of year	\$ 253,540	275,478

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Watermaster as of June 30, 2025, as well as what the Watermaster's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Discount Rate - 1% 3.08%	Current Discount Rate 4.08%	Discount Rate + 1% 5.08%
Net OPEB liability	\$ 291,417	253,540	224,460

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(7) Other Post-Employment Benefits Payable, continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate, continued

The following presents the total OPEB liability of the Watermaster as of June 30, 2024, as well as what the Watermaster's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Discount Rate - 1% 2.26%	Current Discount Rate 3.26%	Discount Rate + 1% 4.26%
Net OPEB liability	\$ 316,652	275,478	241,946

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Watermaster as of June 30, 2025, as well as what the Watermaster's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare cost trend rates		
	1% Decrease 3.00%	Current 4.00%	1% Increase 5.00%
Net OPEB liability	\$ 215,039	253,540	301,219

The following presents the net OPEB liability of the Watermaster as of June 30, 2024, as well as what the Watermaster's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare cost trend rates		
	1% Decrease 3.00%	Current 4.00%	1% Increase 5.00%
Net OPEB liability	\$ 235,911	275,478	326,844

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the fiscal years ended June 30, 2025 and 2024, the Watermaster recognized OPEB expense of \$7,671 and \$15,969, respectively. As of June 30, the Watermaster reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 14,807	(43,849)	73,897	(49,539)
Difference between actual and expected experience	64,204	(104,748)	17,158	(90,378)
Total	\$ 79,011	(148,597)	91,055	(139,917)

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(7) Other Post-Employment Benefits Payable, continued

At June 30, 2025, there were amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB which are required to be recognized in OPEB expense over future periods. OPEB related amounts will be recognized as OPEB expense as follows:

Fiscal Year Ending June 30	Deferred Net Outflows/(Inflow of Resources
2026	(7,446)
2027	(7,446)
2028	(7,446)
2029	(7,446)
2030	(7,442)
Thereafter	(32,360)

Schedule of Changes in the Watermaster's Total OPEB Liability and Related Ratios

See page 42 for the Required Supplementary Schedule.

(8) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Watermaster's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Watermaster's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the Watermaster's CalPERS 2.5% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. All employees hired after January 1, 2013 are eligible for the Watermaster's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(8) Defined Benefit Pension Plan, continued

Benefits Provided

The Watermaster participates in the Plan's miscellaneous risk pool. The provisions and benefits for the Plan's miscellaneous risk pool in effect at June 30, 2025 and 2024, are summarized as follows:

	Miscellaneous Plan	
	Classic	PEPRA
	Prior to	On or after
	January 1,	January 1,
Hire date	2013	2013
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	
Benefit payments	monthly for life	
Retirement age	50 - 55	52 - 67
Monthly benefits, as a percentage of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates		
2025	7.96%	7.75%
2024	7.96%	7.75%
Required employer contribution rates		
2025	14.13%	7.87%
2024	14.06%	7.68%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates, for all public employers, be determined on an annual basis by the actuary and shall be effective on July 1 following notice of the change in rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Watermaster is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, the contributions recognized as part of pension expense for the Plan were as follows:

	Miscellaneous	
	2025	2024
Contributions – employer	\$ 282,363	258,881

Net Pension Liability

As of June 30, the Watermaster reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	2025	2024
Proportionate share of net pension liability	\$ 1,897,516	1,913,265

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(8) Defined Benefit Pension Plan, continued

Net Pension Liability, continued

The Watermaster's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2024 and 2023 (the measurement dates), and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 and 2022 (the valuation dates), rolled forward to June 30, 2024 and 2023, using standard update procedures. The Watermaster's proportion of the net pension liability was based on a projection of the Watermaster's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The Watermaster's proportionate share of the pension liability for the Plan's miscellaneous risk pool as of the measurement date June 30, 2024 was as follows:

	<u>Miscellaneous</u>
Proportion – June 30, 2022	0.01534%
Increase in proportion	<u>0.00031%</u>
Proportion – June 30, 2023	<u>0.01565%</u>

The Watermaster's proportionate share of the pension liability for the Plan's miscellaneous risk pool as of the measurement date June 30, 2023 was as follows:

	<u>Miscellaneous</u>
Proportion – June 30, 2021	0.01489%
Increase in proportion	<u>0.00044%</u>
Proportion – June 30, 2022	<u>0.01534%</u>

Actuarial assumptions

The total pension liabilities in the June 30, 2023 and 2022, actuarial valuations were determined using the following actuarial assumptions and methods:

Valuation dates	June 30, 2022 and 2023
Measurement dates	June 30, 2023 and 2024
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	6.90%
Inflation rate	2.30%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Period Upon Which Actuarial Experience Survey Assumptions Were Based	1997-2015
Post Retirement Benefit Increase	Contract COLA up to 2.50% (2024) and 2.30% (2023) until Purchasing Power Protection Allowance Floor on Purchasing Power applies

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(8) Defined Benefit Pension Plan, continued

* The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvements using 80% of Scale MP 2020, published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study that can be found on the CalPERS website.

Deferred Pension Outflows (Inflows) of Resources

For the fiscal years ended June 30, 2025 and 2024, the Watermaster recognized pension expense (credit) of \$157,717 and \$(106,211), respectively.

Deferred Pension Outflows (Inflows) of Resources, continued

At June 30, 2025, other amounts reported as deferred outflows and inflows of resources related to the pensions, which will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Net Outflows/(Inflows) of Resources
2026	\$ 127,470
2027	263,121
2028	5,154
2029	(37,435)

As of June 30, 2025 and 2024, employer pension contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$253,545 and \$282,363, respectively, and will be and were recognized as a reduction of the net pension liability in the fiscal years ended June 30, 2025 and 2024, respectively.

As of June 30, 2025 and 2024, the Watermaster reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 309,143	-	253,545	-
Differences between actual and expected experience	157,656	-	82,578	-
Changes in assumptions	48,770	-	115,512	-
Net difference between projected and actual earnings on plan investments	109,238	-	309,775	-
Differences between actual contribution and proportionate share of contribution	10,037	-	20,077	-
Net adjustment due to differences in proportions of net pension liability	32,609	-	30,446	-
Total	<u>\$ 667,453</u>	<u>-</u>	<u>811,933</u>	<u>-</u>

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(8) Defined Benefit Pension Plan, continued

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 43 through 45 for the Required Supplementary Information.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. This discount rate is not adjusted for administrative expenses.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The table below reflects the expected real rates of return by asset class.

<u>Asset Class</u>	<u>Assumed Asset Classification</u>	<u>Real Return 1-10^{1,2}</u>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Management Study.

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(8) Defined Benefit Pension Plan, continued

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following table presents the Watermaster's proportionate share of the net position liability for the Plan, calculated using the discount rate, as well as what the Watermaster's proportional share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

As of June 30, 2025, the Watermaster's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, is as follows:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Net pension liability	\$ 3,067,510	1,897,516	934,440

As of June 30, 2024, the Watermaster's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, is as follows:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Net pension liability	\$ 2,968,140	1,913,265	1,045,012

(9) Nonqualified Employee Compensation Plan

Effective June 1, 2015, the Watermaster established a Nonqualified Deferred Compensation Plan (Plan). The purpose of this Plan is to provide deferred compensation for selected public employees to participate in the Plan. The Plan is intended to be an unfunded deferred compensation plan that complies with the requirements of Section 457(f) and 409A of the Internal Revenue Code of 1986. Each Plan Participant shall be entitled to elect and forego all or any portion, as either a dollar amount or a percentage, of the Participant's salary and/or bonus that may become payable by the Employer for a Plan year after all applicable deductions and withholdings. Such election shall be evidenced by a deferral agreement. During the fiscal years ended June 30, 2024, the Watermaster made an employer contributions of \$78,988, to the Plan for the benefit of its eligible employees. For each of Watermaster's regular payroll periods beginning on and after July 1, 2015 through the remainder of the employment term (from June 30, 2014 up to the expiration date of June 30, 2017), the Watermaster agreed to make an employer contributions to the Plan for the benefit of the eligible employee equal to 8% of the corresponding salary including any incentive compensation paid during that payroll period; provided that the eligible employee is still employed with Watermaster on the payroll of that payroll period.

On June 22, 2017, Watermaster agreed to make an employer contribution to the Plan for the benefit of another eligible employee equal to 4% of the corresponding salary effective for payroll period following July 1, 2017; and shall continue to be provided on each paycheck date thereafter until the Board takes further action. The balance of the Watermaster's Employee Compensation Plan as of June 30, 2023 amounted to \$389,475, which was paid out as of June 30, 2024.

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(10) Prior Period Adjustment

Compensated absences

In fiscal year 2025, the Watermaster implemented *GASB Statement No. 101, Compensated Absences*. The nature, justification, and an explanation of the change are included in note 1.C. As a result of the implementation, the Watermaster recorded a prior period adjustment of \$26,139, to restate beginning balances as of July 1, 2024.

The adjustment to net position is as follows:

The adjustment to net position is as follows:

Net position at June 30, 2024, as previously stated	\$ 13,024,484
Changes in net position, June 30, 2024, as previously stated	\$ (2,345,775)
Effect of adjustment to implement GASB 101:	
Compensated absences	<u>(26,139)</u>
Change in net position at June 30, 2024, as restated	<u>(2,371,914)</u>
Net position at July 1, 2024, as restated	<u>\$ 10,652,570</u>

(11) Net Position

Calculation of net position as of June 30, is as follows:

	<u>2025</u>	<u>2024</u>
Net investment in capital assets:		
Capital assets, net	\$ 1,144,851	983,347
Leases payable, current	(135,787)	(137,947)
Leases payable, non-current	<u>(575,151)</u>	<u>(678,397)</u>
Total net investment in capital assets	<u>433,913</u>	<u>167,003</u>
Unrestricted:		
Non-spendable net position:		
Designated net position reserve		
Restricted pool funds - CA Class Investment Pool	1,461,922	-
Prepaid expenses and deposits	<u>57,763</u>	<u>36,657</u>
Total non-spendable net position	<u>1,519,685</u>	<u>36,657</u>
Spendable net position:		
Undesignated net position reserve	<u>8,853,879</u>	<u>10,448,910</u>
Total spendable net position	<u>8,853,879</u>	<u>10,448,910</u>
Total unrestricted net position	<u>10,373,564</u>	<u>10,485,567</u>
Total net position	<u>\$ 10,807,477</u>	<u>10,652,570</u>

At June 30, 2025, management designated \$1,461,922 of unrestricted net position as restricted pool funds under unrestricted, non-spendable net position. These designations are not legally binding and may be modified by the board at its discretion.

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(12) Risk Management

The Watermaster is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Watermaster is insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the Watermaster as of June 30, 2025:

- Commercial General Liability: \$2,000,000 General Aggregate Limit (Other than Products/Completed Operations); \$2,000,000 Products/Completed Operations Aggregate Limit (Any One Person or Organization); \$1,000,000 Personal and Advertising Injury Limit; \$1,000,000 Each Occurrence Limit; \$300,000 Rented To You Limit; \$15,000 Medical Expenses Limit (Any One Person).
- Commercial Excess Liability: Limits of Liability are \$10,000 Retained Limit, \$8,000,000 Each Occurrence, \$8,000,000 General Aggregate Limit, \$8,000,000 Products/Completed Operations to Aggregate.
- Automobile: \$1,000,000 Combined Bodily Injury and Property Damage Single Limit (Each Accident); \$1,000,000 Uninsured Motorists Single Limit. \$1,000 deductible for Comprehensive and \$1,000 deductible for Collision.
- Property: \$525,000 with liability limits varying by property type with a \$1,000 deductible.
- Crime coverage: \$50,000 per claim with a \$1,000 deductible.
- Director & Officers Liability: \$1,000,000 Liability Coverage; Employment Practices Liability: \$1,000,000 Liability Coverage. Director and Officer/Crisis Management: \$25,000 to \$100,000 with liability limits varying by type of coverage.
- Workers' compensation: Total annual premium is \$8,607.

(13) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2025, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 103

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Chino Basin Watermaster
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(13) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 104

In September 2024, the GASB issued Statement No. 104 – Disclosure of Certain Capital Assets. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

(14) Commitments and Contingencies

Grant Awards

Grant funds received by the Watermaster are subject to audit by grantor agencies. Such audit could lead to requests for reimbursements to grantor agencies for expenditures disallowed under terms of the grant. Management of the Watermaster believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the Watermaster is subject to claims and litigation from outside parties. After consultation with legal counsel, the Watermaster believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(15) Subsequent Events

Events occurring after June 30, 2025, have been evaluated for possible adjustment to the financial statements or disclosure as of October 23, 2025, which is the date the financial statements were available to be issued.

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Required Supplementary Information

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Chino Basin Watermaster
Schedules of Changes in the Watermaster's Total OPEB Liability and Related Ratios
As of June 30, 2025
Last Ten Years*

	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB liability								
Service cost	\$ 14,391	15,731	22,310	23,695	23,005	17,062	18,418	16,048
Interest	8,977	10,086	6,834	6,925	9,009	8,739	7,571	7,073
Change in assumptions	(30,680)	27,521	(73,528)	(40,381)	59,799	17,923	(17,582)	14,256
Experience (gains)/losses	-	(34,649)	-	24,211	(26,687)	-	-	-
Benefit payments	<u>(14,626)</u>	<u>(12,962)</u>	<u>(12,962)</u>	<u>(4,332)</u>	<u>(2,932)</u>	<u>(3,722)</u>	<u>(2,423)</u>	<u>(2,308)</u>
Net change in total OPEB liability	(21,938)	5,727	(57,346)	10,118	62,194	40,002	5,984	35,069
Total OPEB liability – beginning of year	<u>275,478</u>	<u>269,751</u>	<u>327,097</u>	<u>316,979</u>	<u>254,785</u>	<u>214,783</u>	<u>208,799</u>	<u>173,730</u>
Total OPEB liability – end of year	<u><u>\$ 253,540</u></u>	<u><u>275,478</u></u>	<u><u>269,751</u></u>	<u><u>327,097</u></u>	<u><u>316,979</u></u>	<u><u>254,785</u></u>	<u><u>214,783</u></u>	<u><u>208,799</u></u>
Covered payroll	1,551,813	1,498,233	1,311,262	1,246,404	1,198,184	1,091,719	1,031,755	860,266
Total OPEB liability as a percentage of covered payroll	<u>16.34%</u>	<u>18.39%</u>	<u>20.57%</u>	<u>26.24%</u>	<u>26.45%</u>	<u>23.34%</u>	<u>20.82%</u>	<u>24.27%</u>

Notes to schedule:

Changes in benefit terms: None noted.

Changes in assumptions: The changes in actuarial assumptions include changes in discount rates as follows:

Fiscal year 2018: 3.38%
Fiscal year 2019: 3.80%
Fiscal year 2020: 3.26%
Fiscal year 2021: 2.12%
Fiscal year 2022: 2.06%
Fiscal year 2023: 3.72%
Fiscal year 2023: 3.26%
Fiscal year 2024: 4.08%

* The Watermaster has presented information for those years for which information is available until a full 10-year trend is compiled.

Chino Basin Watermaster
Schedules of the Watermaster's Proportionate Share of the Net Pension Liability
As of June 30, 2025
Last Ten Years

Description	Measurement Dates									
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Watermaster's proportion of the net pension liability	0.01565%	0.01534%	0.01489%	0.01435%	0.01316%	0.01277%	0.01233%	0.01221%	0.01206%	0.01182%
Watermaster's proportionate share of the net pension liability	\$ 1,897,516	1,913,265	1,720,196	776,209	1,431,357	1,308,658	1,188,162	1,210,470	1,043,862	811,437
Watermaster's covered-employee payroll	\$ 1,551,813	1,498,233	1,311,262	1,246,404	1,198,184	1,091,719	1,031,755	860,266	979,741	888,483
Watermaster's proportionate share of the net pension liability as a percentage of its covered-employee payroll	122.28%	127.70%	131.19%	62.28%	119.46%	119.87%	115.16%	140.71%	106.54%	91.33%
Plan's proportionate share of fiduciary net position as a percentage of total pension liability	78.08%	76.21%	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%

Notes to the Schedules of the Watermaster's Proportionate Share of Net Pension Liability

Changes in Benefit Terms

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

Change of Assumptions and Methods

In fiscal year 2024 and 2023, there were no changes to actuarial assumptions or methods.

In fiscal year 2022, the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term.

The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

In fiscal year 2021, there were no changes to actuarial assumptions or methods.

The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses.

Chino Basin Watermaster
Schedules of the Watermaster's Proportionate Share of the Net Pension Liability, continued
As of June 30, 2025
Last Ten Years

Notes to the Schedules of the Watermaster's Proportionate Share of Net Pension Liability, continued

Change of Assumptions and Methods, continued

These changes will apply only to new UAL bases established on or after June 30, 2019. In fiscal year 2020, no changes have occurred to the actuarial assumptions in relation to financial reporting.

In fiscal year 2020, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. This new system has refined and improved calculation methodology.

In December 2017, the CalPERS Board adopted new mortality assumptions for plans participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90% of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75% to 2.50%.

The assumptions for individual salary increases and overall payroll growth are reduced from 3.00% to 2.75%. These changes will be implemented in two steps commencing in the June 30, 2017 funding valuation. However, for financial reporting purposes, these assumption changes are fully reflected in the results for fiscal year 2018.

In fiscal year 2017, the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%. In December 2016, the CalPERS Board approved lowering the funding discount rate used in the PERF C from 7.50% to 7.00%, which is to be phased in over a three-year period (7.50% to 7.375%, 7.375% to 7.25%, and 7.25% to 7.00%) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

In fiscal year 2015, the financial reporting discount rate was increased from 7.50% to 7.65% resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.50% during this period, and remained adjusted for administrative expenses.

Chino Basin Watermaster
Schedules of Pension Plan Contributions
As of June 30, 2025
Last Ten Years

Description	Fiscal Years Ended									
	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Actuarially determined contribution	\$ 315,959	282,102	267,270	245,656	220,388	192,849	155,931	151,169	132,932	110,292
Contributions in relation to the actuarially determined contribution	<u>(309,143)</u>	<u>(253,545)</u>	<u>(282,363)</u>	<u>(262,145)</u>	<u>(238,632)</u>	<u>(226,625)</u>	<u>(188,604)</u>	<u>(159,828)</u>	<u>(137,342)</u>	<u>(83,557)</u>
Contribution deficiency (excess)	\$ 6,816	28,557	(15,093)	(16,489)	(18,244)	(33,776)	(32,673)	(8,659)	(4,410)	26,735
Covered payroll	\$ 1,551,813	1,498,233	1,311,262	1,246,404	1,198,184	1,091,719	1,031,755	860,266	979,741	888,483
Contribution's as a percentage of covered-employee payroll	<u>19.92%</u>	<u>16.92%</u>	<u>21.53%</u>	<u>21.03%</u>	<u>19.92%</u>	<u>20.76%</u>	<u>18.28%</u>	<u>18.58%</u>	<u>14.02%</u>	<u>9.40%</u>

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Supplemental Information Section

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Chino Basin Watermaster
Combining Schedule of Net Position
June 30, 2025

	<u>General Fund</u>	<u>Pool Fund</u>	<u>2025</u>
Current assets:			
Cash and cash equivalents	\$ 12,352,799	-	12,352,799
Accounts receivable	1,052,150	-	1,052,150
Accrued interest receivable	7,295	-	7,295
Due from General Fund	-	132,581	132,581
Prepaid expenses and other current assets	57,763	-	57,763
Total current assets	<u>13,470,007</u>	<u>132,581</u>	<u>13,602,588</u>
Non-current assets:			
Capital assets, net	<u>1,144,851</u>	-	<u>1,144,851</u>
Total non-current assets	<u>1,144,851</u>	-	<u>1,144,851</u>
Total assets	<u>14,614,858</u>	<u>132,581</u>	<u>14,747,439</u>
Deferred outflows of resources:			
Deferred OPEB outflows	79,011	-	79,011
Deferred pension outflows	667,453	-	667,453
Total deferred outflows of resources	<u>746,464</u>	-	<u>746,464</u>
Current liabilities:			
Accounts payable and accrued expenses	1,310,746	250	1,310,996
Accrued salaries and benefits	46,249	-	46,249
Due to Pool Fund	132,581	-	132,581
Long-term liabilities – due within one year:			
Compensated absences	173,011	-	173,011
Leases payable	135,787	-	135,787
Total current liabilities	<u>1,798,374</u>	<u>250</u>	<u>1,798,624</u>
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Compensated absences	12,998	-	12,998
Leases payable	575,151	-	575,151
Net OPEB liability	253,540	-	253,540
Net pension liability	1,897,516	-	1,897,516
Total non-current liabilities	<u>2,739,205</u>	-	<u>2,739,205</u>
Total liabilities	<u>4,537,579</u>	<u>250</u>	<u>4,537,829</u>
Deferred inflows of resources:			
Deferred OPEB inflows	148,597	-	148,597
Total deferred inflows of resources	<u>148,597</u>	-	<u>148,597</u>
Net position:			
Net investment in capital assets	433,913	-	433,913
Unrestricted	10,241,233	132,331	10,373,564
Total net position	<u>\$ 10,675,146</u>	<u>132,331</u>	<u>10,807,477</u>

Chino Basin Watermaster
Combining Schedule of Revenue, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2025

	<u>General Fund</u>	<u>Pool Fund</u>	<u>2025</u>
Operating revenues:			
Administrative assessments	\$ 9,834,155	130,200	9,964,355
Replenishment water revenue	92,858	-	92,858
Other revenue	192,540	-	192,540
Total operating revenue	<u>10,119,553</u>	<u>130,200</u>	<u>10,249,753</u>
Operating expenses:			
Groundwater replenishment and other water purchases	234,659	-	234,659
Optimum basin management plan	6,241,855	-	6,241,855
Watermaster administration	3,086,166	-	3,086,166
Pool, advisory, and board administration	523,314	338,961	862,275
Total operating expense	<u>10,085,994</u>	<u>338,961</u>	<u>10,424,955</u>
Operating income before depreciation	33,559	(208,761)	(175,202)
Depreciation and amortization expense	(209,957)	-	(209,957)
Operating income	<u>(176,398)</u>	<u>(208,761)</u>	<u>(385,159)</u>
Non-operating revenue (expense):			
Interest expense	(19,571)	-	(19,571)
Investment returns	473,247	86,390	559,637
Internal transfers	327,246	(327,246)	-
Total non-operating (expense) revenue, net	<u>780,922</u>	<u>(240,856)</u>	<u>540,066</u>
Changes in net position	<u>604,524</u>	<u>(449,617)</u>	<u>154,907</u>
Net position, beginning of period	<u>10,070,622</u>	<u>581,948</u>	<u>10,652,570</u>
Net position, end of period	<u>\$ 10,675,146</u>	<u>132,331</u>	<u>10,807,477</u>

Chino Basin Watermaster
Combining Schedule of Net Position
June 30, 2024

	<u>General Fund</u>	<u>Pool Fund</u>	<u>2024</u>
Current assets:			
Cash and cash equivalents	\$ 11,693,858	-	11,693,858
Accounts receivable	1,303,493	-	1,303,493
Accrued interest receivable	7,171	-	7,171
Due from General Fund	-	581,948	581,948
Prepaid expenses and other current assets	36,657	-	36,657
Total current assets	<u>13,091,179</u>	<u>581,948</u>	<u>13,673,127</u>
Non-current assets:			
Capital assets, net	983,347	-	983,347
Total non-current assets	<u>983,347</u>	<u>-</u>	<u>983,347</u>
Total assets	<u>14,074,526</u>	<u>581,948</u>	<u>14,656,474</u>
Deferred outflows of resources:			
Deferred OPEB outflows	91,055	-	91,055
Deferred pension outflows	811,933	-	811,933
Total deferred outflows of resources	<u>902,988</u>	<u>-</u>	<u>902,988</u>
Current liabilities:			
Accounts payable and accrued expenses	962,078	-	962,078
Accrued salaries and benefits	36,023	-	36,023
Due to Pool Fund	581,948	-	581,948
Long-term liabilities – due within one year:			-
Compensated absences	181,839	-	181,839
Leases payable	137,947	-	137,947
Total current liabilities	<u>1,899,835</u>	<u>-</u>	<u>1,899,835</u>
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Leases payable	678,397	-	678,397
Net OPEB liability	275,478	-	275,478
Net pension liability	1,913,265	-	1,913,265
Total non-current liabilities	<u>2,867,140</u>	<u>-</u>	<u>2,867,140</u>
Total liabilities	<u>4,766,975</u>	<u>-</u>	<u>4,766,975</u>
Deferred inflows of resources:			
Deferred OPEB inflows	139,917	-	139,917
Total deferred inflows of resources	<u>139,917</u>	<u>-</u>	<u>139,917</u>
Net position:			
Net investment in capital assets	167,003	-	167,003
Unrestricted	9,903,619	581,948	10,485,567
Total net position	<u>\$ 10,070,622</u>	<u>581,948</u>	<u>10,652,570</u>

Chino Basin Watermaster
Combining Schedule of Revenue, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2024

	<u>General Fund</u>	<u>Pool Fund</u>	<u>2024</u>
Operating revenues:			
Administrative assessments	\$ 9,187,986	677,000	9,864,986
Replenishment water revenue	349,825	-	349,825
Other revenue	<u>186,443</u>	<u>-</u>	<u>186,443</u>
Total operating revenue	<u>9,724,254</u>	<u>677,000</u>	<u>10,401,254</u>
Operating expenses:			
Groundwater replenishment and other water purchases	1,920,791	-	1,920,791
Optimum basin management plan	4,974,213	-	4,974,213
Watermaster administration	3,911,875	-	3,911,875
Pool, advisory, and board administration	<u>514,516</u>	<u>433,166</u>	<u>947,682</u>
Total operating expense	<u>11,321,395</u>	<u>433,166</u>	<u>11,754,561</u>
Operating income before depreciation	(1,597,141)	243,834	(1,353,307)
Depreciation and amortization expense	<u>(182,093)</u>	<u>-</u>	<u>(182,093)</u>
Operating income	<u>(1,779,234)</u>	<u>243,834</u>	<u>(1,535,400)</u>
Non-operating revenue (expense):			
Reserve distribution	(1,542,183)	-	(1,542,183)
Interest expense	(22,197)	-	(22,197)
Investment returns	<u>644,453</u>	<u>83,413</u>	<u>727,866</u>
Total non-operating revenue, net	<u>(919,927)</u>	<u>83,413</u>	<u>(836,514)</u>
Changes in net position	<u>(2,699,161)</u>	<u>327,247</u>	<u>(2,371,914)</u>
Net position, beginning of period	<u>12,769,783</u>	<u>254,701</u>	<u>13,024,484</u>
Net position, end of period	<u>\$ 10,070,622</u>	<u>581,948</u>	<u>10,652,570</u>

Report on Internal Controls and Compliance

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**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on Audits of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Chino Basin Watermaster Board
Rancho Cucamonga, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Chino Basin Watermaster (Watermaster) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprises the Watermaster's basic financial statements, and have issued our report thereon dated October 23, 2025.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Watermaster's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Watermaster's internal control. Accordingly, we do not express an opinion on the effectiveness of the Watermaster's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Watermaster's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Controls Over Financial Reporting
and on Compliance and Other Matters Based on Audits of Financial Statements
Performed in Accordance with *Government Auditing Standards*, (continued)**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Watermaster's internal control or on compliance. This report is an integral part of audits performed in accordance with *Government Auditing Standards* in considering the Watermaster's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company, CPAs
Cypress, California
October 23, 2025

Chino Basin Watermaster

Management Report

June 30, 2025

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Chino Basin Watermaster

Management Report

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CONFIDENTIAL

Watermaster Board
Chino Basin Watermaster
Rancho Cucamonga, California

Dear Members of the Board:

In planning and performing our audit of the financial statements of the governmental, business-type activities, and each major fund of the Chino Basin Watermaster (Watermaster) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the Watermaster's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Watermaster's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Current Year Comment and Recommendation

Disclosure of Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the Watermaster are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the Watermaster's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Watermaster Board to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the journal entries that were made and to provide the Watermaster Board with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the adjusting and reclassification entries provided by the auditor and have entered those entries into the Watermaster's accounting system to close-out the Watermaster's year-end trial balance.

Prior Year Comment and Recommendation

Disclosure of Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the Watermaster are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the Watermaster's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Watermaster Board to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the journal entries that were made and to provide the Watermaster Board with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the adjusting and reclassification entries provided by the auditor and have entered those entries into the Watermaster's accounting system to close-out the Watermaster's year-end trial balance.

* * * * *

This communication is intended solely for the information and use of management, the Watermaster Board, and others within the Watermaster, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

C.J. Brown & Company, CPAs
Cypress, California
October 16, 2025

APPENDIX

Chino Basin Watermaster

Audit/Finance Committee Letter

June 30, 2025

Watermaster Board
Chino Basin Watermaster
Rancho Cucamonga, California

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Chino Basin Watermaster (Watermaster) for the year ended June 30, 2025, and have issued our report thereon dated October 16, 2025.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 8, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Watermaster solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated October 16, 2025.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards

As auditors of the Watermaster, we are required per AU-C Section 240, “Consideration of Fraud in a Financial Statement Audit”, to “ordinarily” presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Watermaster is included in Note 1 to the financial statements, where the Watermaster adopted the provisions of GASB Statement No. 101, *Compensated absences*. There have been no initial selection of accounting policies and no other changes in significant accounting policies or their application during 2025. No other matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management’s estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of capital assets depreciation is based on historical estimates of each capitalized item’s useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the net other post-employment benefit (OPEB) liability is based on an actuarial valuation that was conducted by a third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary in calculating the net OPEB liability, OPEB expense, and deferred OPEB outflows/inflows for the Watermaster to determine that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the defined benefit pension plan’s deferred outflows of resources, net pension liability, and deferred inflows of resources are based on an actuarial valuation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the Watermaster to determine that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Watermaster’s financial statements relate to:

Financial Statement Disclosures, continued

The disclosure of fair value of cash and cash equivalents in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 4 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the Watermaster's net OPEB liability in Note 7 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

The disclosure of the Watermaster's defined benefit pension plan in Note 8 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management.

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 6 and 7 presents the material journal entries that we identified as a result of our audit procedures and were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Watermaster's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 16, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Watermaster, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Watermaster's auditors.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, Schedules of Changes in Watermaster's Total OPEB Liability and Related Ratios, Schedules of the Watermaster's Proportionate Share of the Net Pension Liability, and Schedules of Pension Plan Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Watermaster's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Conclusion

We appreciate the cooperation extended to us by Todd Corbin, General Manager, Anna Nelson, Director of Administration, and Daniela Uriarte, Senior Accountant, in the performance of our audit testwork.

We will be pleased to respond to any question you have about the foregoing. We appreciate the opportunity to continue to be of service to the Watermaster.

C.J. Brown & Company, CPAs

Cypress, California

October 16, 2025

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Chino Basin Watermaster
Schedule of Audit Adjusting Journal Entries
For the Fiscal Year Ended June 30, 2025

Adjusting Journal Entries JE # 1

To adjust net OPEB Liability at year-end.

1-60198	OPEB Expense - GASB 75	\$	6,042.00	
1-2951	Net OPEB Obligation			6,042.00

Adjusting Journal Entries JE # 2

To adjust accrued vacation at year-end.

1-60185.3	Vacation - Accrual Adjustment		5,582.30	
1-2223	Accrued Vacation Leave	\$		5,582.30

Semi-Annual Plume Status Report

Chino Airport Plumes October 2025

CONTAMINANTS

San Bernardino County Department of Airports (County) identifies four primary volatile organic compound (VOC) contaminants associated with the Chino Airport groundwater plumes: trichloroethene (TCE), 1,2,3-trichloropropane (1,2,3-TCP), cis-1,2-dichloroethene (cis-1,2-DCE), and 1,2-dichloroethane (1,2-DCA) with TCE and 1,2,3-TCP being the most frequently detected contaminants at the highest concentrations. For each of the four primary contaminants, the table below lists the California maximum contaminant level (MCL) and the maximum concentration detected in groundwater samples from wells within the plumes over the last five years.

Table 1. Maximum Concentration of Contaminants of Concern from July 2020 to June 2025				
Contaminant	MCL, micrograms per liter (µg/l)	Max Concentration, µg/l	Sample Date	Well
TCE	5	1,400	May 2025	CAMW73
1,2,3-TCP	0.005	39	November 2024	CAMW75
cis-1,2-DCE	6	1,300	November 2024	CAMW73
1,2- DCA	0.5	7.9	February 2025	CAMW75

Secondary contaminants of concern include 1,1-dichloroethene (1,1-DCE), carbon tetrachloride, 1,4-dioxane, tert-butyl alcohol (TBA), and 1,4-dichlorobenzene.

LOCATION

The Chino Airport is located in the southwestern portion of the Chino Basin within the City of Chino. Exhibit 1 shows the spatial extent of the TCE and 1,2,3-TCP plumes in groundwater, as delineated by both the Chino Basin Watermaster (Watermaster) for the *2024 State of the Basin Report* and the County for their *Semiannual Groundwater Monitoring Report – Winter and Spring 2024*.^{1,2} The delineations prepared by Watermaster show the spatial extent of the plumes with detectable concentrations of TCE and 1,2,3- TCP based on the five-year maximum concentrations measured over the period of July 2019 to June 2024. The delineations by the County show the area where TCE concentrations are greater than or equal to the MCL of 5 micrograms per liter (µg/l),

¹ West Yost. (2025). *Optimum Basin Management Program – 2024 State of the Basin Report*. Prepared for the Chino Basin Watermaster. September 2025.

² Tetra Tech. (2025). *Semiannual Groundwater Monitoring Report-Winter and Spring 2024*. Prepared for San Bernardino County Department of Airports. January 2025.

and where 1,2,3-TCP concentrations are greater than or equal to the MCL of 0.005 µg/l, based on concentrations measured during the 2024 winter and spring sampling events and data provided by Chino Basin Desalter Authority (CDA) for the desalter wells within the plumes.

The County characterizes West and East plumes, originating from two different main source areas at the Chino Airport. TCE and 1,2,3-TCP concentrations are higher within the West plumes than the East plumes, and the extent of the West plumes are also longer. The West and East TCE plumes have been interpreted as comingling within the airport boundaries since 2017. The West and East 1,2,3-TCP plumes were shown to be comingled within the airport property for the first time in 2021.

TCE and 1,2,3-TCP Plumes

The extent of the West TCE Plume with detectable TCE concentrations greater than 0.5 µg/l is about 2.5 miles long. The plume extends south-southwest approximately two miles from the source area to just north of Pine Avenue and then turns southeast extending another 0.6 miles in this direction terminating south of Pine Avenue. The change in direction of the plume in this area may be associated with the location of the Central Avenue Fault that forms a local groundwater barrier and historical pumping at irrigation wells. The source of the smaller East TCE Plume is approximately 1,500 feet northeast of the source of the West TCE Plume. The East TCE Plume comingles with the West TCE Plume on the airport property and extends southeast from the source area about 0.8 miles towards CDA well I-20. The known lateral extent of TCE at concentrations above the MCL covers an area of approximately 778 acres.

The extent of the West 1,2,3-TCP Plume with detectable 1,2,3-TCP concentrations greater than 0.005 µg/l follows the same general path as the West TCE Plume and extends about 2.9 miles southwest past Pine Avenue, turning southeast for approximately 0.6 miles just east of Euclid Avenue. The smaller East 1,2,3-TCP Plume is approximately 0.7 miles lengthwise trending south and comingles with the West 1,2,3-TCP Plume on airport property. The known lateral extent of 1,2,3-TCP in groundwater above the MCL currently covers an area of approximately 1,692 acres.

Over time, the vertical and lateral extents of the plumes have changed in response to groundwater production at nearby wells and other hydrological factors. Since monitoring began, groundwater production at CDA wells I-1, I-2, and I-3 has increased the vertical thickness of the West Plumes by more than 100 feet, and the pumping from the Chino II desalter wells east of the Airport and CDA wells I-20 and I-21 has drawn the East plumes laterally in a southeast direction. Additionally, detections of 1,2,3-TCP in 2022 indicated that the low concentration portion of the 1,2,3-TCP plume south of Pine Avenue may exist further to the south, compared to earlier interpretation.

REGULATORY ORDERS

- Cleanup and Abatement Order (CAO) No. 90-134 for the County of San Bernardino Department of Airports, Chino Airport—Issued to the County to address the groundwater contamination originating from the Chino Airport.
- CAO No. R8-2008-0064 for the San Bernardino County Department of Airports, Chino Airport—Required the County to define the lateral and vertical extent of the plume offsite from the Chino Airport and prepare a remedial action plan (RAP).
- CAO No. R8-2017-0011 for the San Bernardino County Department of Airports, Chino Airport—Required the County to respond to Santa Ana Regional Water Quality Control Board (Santa Ana Water Board) comments on the draft Feasibility Study and submit a final Feasibility Study. Additionally, it required the County to submit a final RAP within 60 days of the Santa Ana Water Board approval of the Final Feasibility Study and implement the RAP.

REGULATORY AND MONITORING HISTORY

In 1990, the Santa Ana Water Board issued CAO No. 90-134 to address groundwater contamination originating from the Chino Airport. From 1991 to 1992, ten inactive underground storage tanks and 310 containers of hazardous waste were removed, and 81 soil borings were drilled and sampled on the Chino Airport property. From 2003 to 2005, nine onsite monitoring wells were installed and used to collect groundwater quality samples. In 2007, the County conducted its first offsite groundwater characterization effort, which included 22 cone penetrometer tests (CPT) and direct push borings from which water quality samples were collected. In 2008, the Santa Ana Water Board issued CAO No. R8-2008-0064, requiring the County to define the lateral and vertical extent of the plume offsite and to prepare a RAP. From 2009 to 2012, 33 offsite monitoring wells were installed at 15 locations to characterize the extent of the contamination downgradient from the Chino Airport property. From 2013 to 2014, the County conducted an extensive investigation of 20 areas of concern identified for additional characterization of the soil and groundwater contamination associated with the Chino Airport. The investigative work included: piezocone-penetrometer tests, vertical-aquifer-profiling (VAP) borings with depth-discrete groundwater sampling, soil-gas probe sampling, high-resolution soil sampling and analysis, real-time data analysis, and three-dimensional contaminant distribution modeling. Following the completion of this investigative work, from September 2014 through February 2015, an additional 33 groundwater monitoring wells were installed in 17 locations on and adjacent to the Chino Airport property.

The County completed a draft feasibility study in August 2016 that identified remedial action objectives for groundwater contaminants originating from the Chino Airport and evaluated potential remediation alternatives for mitigation.³ On January 11, 2017, the Santa Ana Water Board issued CAO R8-2017-0011 to the County, which superseded CAO R8-2008-0064. The order required that the County: (1) submit a final feasibility study within 60 days of receiving the Santa Ana Water Board's comments on the draft feasibility study, (2) submit a final RAP within 60 days of the Santa Ana Water Board approval of the final feasibility study, (3) implement the RAP in accordance with a Santa Ana Water Board-approved schedule, and (4) prepare and submit technical reports and work plans as the Santa Ana Water Board deems necessary. The County submitted the final feasibility study on May 15, 2017.⁴ The feasibility study identified a groundwater pump-and-treat system as the preferred remedial action to provide hydraulic containment and cleanup of both the West and the East Plumes. The Santa Ana Water Board approved the final feasibility study on June 7, 2017, and requested that a RAP be prepared.

On December 18, 2017, the County submitted a draft interim remedial action plan (2017 IRAP).⁵ The 2017 IRAP was considered "interim" because the County is moving forward on an interim basis to initiate the remedial action as soon as possible, with the opportunity to evaluate and modify the remedy in the future. The 2017 IRAP identified a combination of institutional controls, monitored natural attenuation, and groundwater extraction and ex-situ treatment as the best remedial alternative. From April 2018 to January 2019 a CEQA analysis was completed for the proposed remedial strategy.⁶ During this time, the Santa Ana Water Board and County went through a series of comments and response to comments on

³ Tetra Tech. (2016). *Draft Feasibility Study Chino Airport San Bernardino County, California*. Prepared for San Bernardino County Department of Airports. August 2016.

⁴ Tetra Tech. (2017). *Final Feasibility Study Chino Airport San Bernardino County, California*. Prepared for San Bernardino County Department of Airports. May 2017.

⁵ Tetra Tech. (2017). *Draft Interim Remedial Action Plan Chino Airport, San Bernardino County, California*. Prepared for San Bernardino County Department of Airports. December 2017.

⁶ Filing of the Notice of Determination for the Mitigated Negative Declaration was completed on January 29, 2019.

the 2017 IRAP. Modifications were made to the 2017 IRAP and the Final IRAP was submitted to the Santa Ana Water Board on May 18, 2020.⁷ The Final IRAP was approved by the Santa Ana Water Board on November 4, 2020.

In April and May 2020, the County installed a cluster of three downgradient wells to monitor the increasing concentrations of TCE in wells located along the southeastern plume boundary. While the County was reviewing and finalizing the 2017 IRAP, they were simultaneously working on a Human Health and Screening Ecological Risk Assessment (HHERA) to support the IRAP by identifying remedial actions to protect human health and the environment. A draft of the HHERA was submitted to the Santa Ana Water Board for review in August 2018, and at the Board's and Office of Environmental Health Hazard Assessment direction, the County has conducted several subsequent investigations to fill data gaps:

- *The Supplemental Vapor Intrusion and Shallow Soil Investigation.*^{8,9} This study included shallow soil and soil gas sampling to evaluate the potential presence of VOCs and other contaminants on Chino Airport property in order to provide additional data for the ongoing environmental investigation and remedial design of the site. The final report concluded that two of the areas investigated may require land-use controls, and one area required additional investigation.
- *Focused Supplemental Investigation at Areas of Concern EE, HH, and J/K.*¹⁰ This ongoing study focuses on the following areas requiring additional monitoring as identified in the Supplemental Vapor Intrusion and Shallow Soil Investigation:
 - In 2023 the County completed an investigation of soil, soil gas, and indoor air sampling at the locations identified in the prior investigation.
 - Based on the results of the 2023 monitoring, the County completed additional soil gas sampling in 2024. Results from this sampling led to a proposal to install additional vapor monitoring probes and six new groundwater monitoring wells (CAMW-71 through CAMW-76) in areas where high concentrations of contaminants of concern were detected in the vapor sampling.
 - In August 2024, the County installed the six new monitoring wells, which are shown on Exhibit 1. Sampling at the new wells commenced during the Fall 2024 monitoring event. High concentrations of several contaminants of concern (including some of the highest concentrations measured from 2020 to 2024) resulted in the identification of an additional potential source area beneath the northwestern portion of the airport property. Once the supplemental vapor intrusion and soil gas investigation has been completed, a report evaluating the results will be submitted to GeoTracker.
 - In January 2025, the County installed additional soil gas probes in some of the areas of concern. The results were provided to the Santa Ana Water Board, along with a request to proceed with vapor sampling at additional locations, which was approved in February 2025.

⁷ Tetra Tech. (2020). *Final Interim Remedial Action Plan Chino Airport San Bernardino County, California*. Prepared for San Bernardino County Department of Airports. May 18, 2020.

⁸ Tetra Tech. (2021). *Final Work Plan for Supplemental Data Collection for Vapor Intrusion and Shallow Soil, Chino Airport, San Bernardino County, California*. Prepared for San Bernardino County Department of Airports. April 9, 2021.

⁹ Tetra Tech. (2021). *Supplemental Vapor Intrusion and Shallow Soil Investigation Report, Chino Airport, San Bernardino County, California*. Prepared for San Bernardino County Department of Airports. September 2021.

¹⁰ Tetra Tech. (2023). *Work Plan for Focused Supplemental Investigation at Areas of Concern EE, HH, and J/K, Chino Airport, San Bernardino County, California*. Prepared for the California Regional Water Quality Control Board, Santa Ana Region. January 3, 2023.

REMEDIAL ACTION

As described in the IRAP, the remedial action for the TCE and 1,2,3-TCP plumes consists of a groundwater pump-and-treat system, institutional controls, and monitored natural attenuation. The groundwater pump-and-treat system includes a total of 22 wells located across ten extraction well sites (EW-1 through EW-10) both onsite and offsite, termed “County extraction wells.” Due to the depth of the plumes, each extraction well site will consist of up to three individual wells to focus extraction at different depths. Exhibit 1 shows the location of the ten existing and proposed well sites for the County extraction wells. Once fully operational, the County extraction wells are predicted to produce approximately 1,700 gallons per minute (gpm) of groundwater, with individual wells ranging from 20-200 gpm each. The pump-and-treat system also includes existing CDA wells I-16, I-17, and I-18 to pump up to an additional 630 gpm of groundwater; and potentially CDA wells I-20 and I-21 if treatment is required at those wells in the future.

Extracted groundwater will be conveyed via a pipeline network to the main raw water influent line to the existing CDA Chino-I Desalter facility, where it will be treated for VOCs (including 1,2,3-TCP and TCE) at a new granular activated carbon (GAC) treatment system constructed at the CDA’s existing Chino-I Desalter facility (South GAC system). The South GAC system is designed to treat a maximum flow rate of 2,400 gpm from the County extraction wells and CDA wells I-16, I-17, I-18, with an initial operating flow rate of 2,325 gpm. In the future the South GAC system may be expanded to accommodate an additional 800 gpm for CDA wells I-20 and I-21. Once treated at the South GAC system, water will be conveyed to the existing Chino-I Desalter that uses reverse osmosis and ion exchange to treat for total dissolved solids (TDS) and nitrates, both of which are regional contaminants and not associated with Chino Airport operations or plumes. Treated water will be discharged for use as potable municipal water supply. In April 2023, pumping began at CDA wells I-17 and I-18 and treatment of groundwater from these wells commenced at the South GAC System at the Chino-I Desalter facility. An additional treatment system, the North GAC Treatment System, was also constructed by the CDA to treat water from four CDA wells (I-1 through I-4) that produce from the lower aquifer; however, this system is not associated with the County’s remedial action.

To assist in the design of the groundwater pump-and-treat system, the County installed two of the extraction well sites (EW-2 and EW-5) in 2018, along with twelve piezometers and eleven monitoring wells, and conducted aquifer pumping tests at these locations. The findings were submitted to the Santa Ana Water Board on June 19, 2019, and used by the County to refine the system design.¹¹ On December 8, 2021, the County submitted the *Final Preliminary Well Design Report* for the pump-and-treat system for remediation of the plumes and began working on a remedial action work plan (RAWP) to provide a detailed description of the remediation and construction activities associated with the implementation of the remedial action, including the construction and installation of the extraction wells, pipelines for conveyance of extracted groundwater, and the groundwater treatment system.¹² The 2022 RAWP was submitted to the Santa Ana Water Board on July 22, 2022 and approved in November 2024.¹³

¹¹ Tetra Tech. (2019). *Well Installation, Well Destruction, and Aquifer Pumping Test Report, Chino Airport, San Bernardino County, California*. Prepared for San Bernardino County Department of Airports. June 19, 2019.

¹² Tetra Tech. (2021). *Final Preliminary Well Design Report, Chino Airport, San Bernardino County, California*. Prepared for San Bernardino County Department of Airports. December 8, 2021.

¹³ Tetra Tech. (2022). *Remedial Action Work Plan, Chino Airport, San Bernardino County, California*. Prepared for San Bernardino County Department of Airports. July 22, 2022.

The RAWP divides the construction of the pump-and-treat system into two phases: Phase 1 includes the construction of onsite extraction wells and conveyance piping, as well as five monitoring wells; and Phase 2 includes the construction of offsite extraction wells and conveyance piping. Phase 1 construction, which is almost complete, includes: five extraction wells at two well sites (EW-2 and EW-5) installed in 2018; five extraction wells at three well sites (EW-1, EW-3, and EW-4) installed in December 2023 along with their associated piezometers; and a conveyance pipeline to connect the onsite wells to the South GAC System completed in July 2024. Well construction reports for all onsite extraction wells constructed in Phase 1 are available on GeoTracker. Groundwater pumping and treatment at the onsite extraction wells is anticipated to begin in the fourth quarter of 2025 once the State Water Resources Control Board, Division of Drinking Water (DDW), issues the permit amendment to include the additional wells. Phase 2 construction has not yet commenced since the offsite property access agreements have not been executed. Because the 2022 RAWP only addresses Phase 1 construction, an addendum to the RAWP will be submitted for Phase 2 construction of the offsite extraction wells and the conveyance piping. This Phase 2 RAWP addendum is anticipated to be completed during Q1 2026 with construction commencing in Q3 2026. The onsite County extraction wells constructed for Phase 1, along with the offsite County extraction wells to be constructed for Phase 2, will be operated, maintained, and monitored by CDA through a joint agreement between the County and CDA.

MONITORING AND REPORTING

The County conducts a groundwater monitoring program pursuant to CAO No. R8-2008-0064 to track the extent of the plume. Monitoring is performed per the 2023 *Sampling and Analysis Plan Update (SAP)* with the sampling frequency determined by well classification (i.e., background wells, horizontal or vertical extent wells, seasonal/increasing trend wells, and guard wells).¹⁵ Groundwater quality samples are collected quarterly, annually, or biennially at 96 site-related monitoring wells and four on-site agricultural wells to monitor the plume extents. Quarterly water-level monitoring is performed at the 96 site-related monitoring wells, ten extraction wells, fifteen onsite piezometers, and six riparian habitat area piezometers. All water quality data collected by the County are posted on the State Water Resources Control Board's GeoTracker website.¹⁶ Conclusions from the monitoring program can also be found in the semi-annual reports posted on GeoTracker. The most recent monitoring report, the *Semiannual Groundwater Monitoring Report-Summer and Fall 2024*, was submitted to the Santa Ana Water Board in May 2025.¹⁷

In August 2021, CDA submitted a groundwater sampling and analysis plan to the State DDW for the Chino I Desalter facility.¹⁹ The plan includes the characterization of raw water from groundwater extraction wells, as specified by DDW policy Memo 97-005 for groundwater classified as an 'extremely impaired source'. Based on the results of the initial monitoring event, the monitoring schedule for sampling was revised and the updated plan was approved in September 2022.²⁰ Per these requirements, the County, in cooperation with CDA, has been performing quarterly baseline water quality monitoring since fall 2021 at proxy monitoring wells. This data is submitted to the DDW for compliance as well as to the Santa Ana Water Board.

¹⁵ Tetra Tech. (2023). *Sampling and Analysis Plan Update, Chino Airport, San Bernardino County, CA*. Prepared for San Bernardino County Department of Airports. May 5, 2023.

¹⁶ https://geotracker.waterboards.ca.gov/profile_report?global_id=SL208634049

¹⁷ Tetra Tech. (2025). *Semiannual Groundwater Monitoring Report-Summer and Fall 2024*. Prepared for San Bernardino County Department of Airports. May 2025.

¹⁹ Tetra Tech. (2021). *Groundwater Monitoring Sampling and Analyses Plan for Developing Baseline Water Quality, Groundwater Monitoring for Policy Memo 97-500 Purposes, Chino Airport Project, County of San Bernardino*. August 6, 2021.

²⁰ Tetra Tech. (2022). *Revised Groundwater Monitoring Sampling and Analyses Plan for Developing Baseline Water Quality, Groundwater Monitoring for Policy Memo 97-500 Purposes, Chino Airport Project, County of San Bernardino*. 2022.

In June 2024, the County submitted a monitoring and reporting plan to the Santa Ana Water Board for the operation and performance monitoring of the Groundwater Extraction and Treatment System (GETS). Monitoring will be performed by both the County and CDA to evaluate the efficacy of the groundwater remediation program to permanently reduce concentrations of contaminants of concern in compliance with CAO R8-2017-0011. Monitoring of the GETS will be presented in quarterly Remedial Action Operation and Monitoring reports, and the performance monitoring program will be reevaluated every five years and updated as needed.

Watermaster also collects groundwater quality samples from private wells in the plume area and at its HCMP-4 monitoring well, located at the southern end of the plumes. Watermaster uses data from the County, CDA, and its own sampling to perform an independent characterization of the areal extent and concentration of the TCE and 1,2,3-TCP plumes.

RECENT ACTIVITY

The County has continued quarterly groundwater monitoring events pursuant to CAO No. R8-2008-0064 through the second quarter of 2025, and the data is available on GeoTracker. The most recent groundwater monitoring report prepared by the County was for the summer and fall 2024 sampling events and was submitted to the Santa Ana Water Board in May 2025.²¹ The summer and fall quarterly monitoring events are less comprehensive, and monitoring reports are more abbreviated than the winter and spring events. Results from the summer and fall monitoring events showed that concentrations of TCE, 1,2,3-TCP, and other contaminants of concern were consistent with previous monitoring results. TCE was detected above the MCL in 22 percent of wells and 1,2,3-TCP was detected above the MCL in 28 percent of the wells. Cis- 1,2- DCE, 1,2-DCA, and carbon tetrachloride were also detected above their respective MCLs. Water levels continued to decrease more in the deeper wells than in the shallow wells, indicating that influence from active production wells may be affecting water level drawdown and vertical gradients.

On April 7, 2025, the Santa Ana Regional Board approved the monitoring and reporting plan for the operation and performance monitoring of the GETS submitted by the County in June 2024. In accordance with the plan, the County submitted the first *Remedial Action Operation and Monitoring Report*²² in July 2025, covering activities from April 24, 2023, through March 31, 2025. Subsequently, on August 15, 2025, the County submitted the *Second Quarter 2025 Remedial Action Operation and Monitoring Report* for the period of April 1 through June 30, 2025.²⁴ Key updates from these reports include:

- North GAC System:
 - Approximately 937 million gallons (MG) of groundwater have been extracted and treated.
 - An estimated 206 pounds of TCE and 7.9 pounds of 1,2,3-TCP have been removed.
- South GAC System:
 - Approximately 462 MG of groundwater have been extracted and treated.
 - An estimated 181 pounds of TCE and 9.9 pounds of 1,2,3-TPC have been removed.

²¹ Tetra Tech. (2025). *Semiannual Groundwater Monitoring Report-Summer and Fall 2024*. Prepared for San Bernardino County Department of Airports. May 2025.

²² Tetra Tech. (2025). *Second Quarter 2023 - First Quarter 2025 Remedial Action Operation and Monitoring Report*. Prepared for San Bernardino County Department of Airports. July 2025.

²⁴ Tetra Tech. (2025). *Second Quarter 2025 Remedial Action Operation and Monitoring Report*. Prepared for San Bernardino County Department of Airports. August 15, 2025.

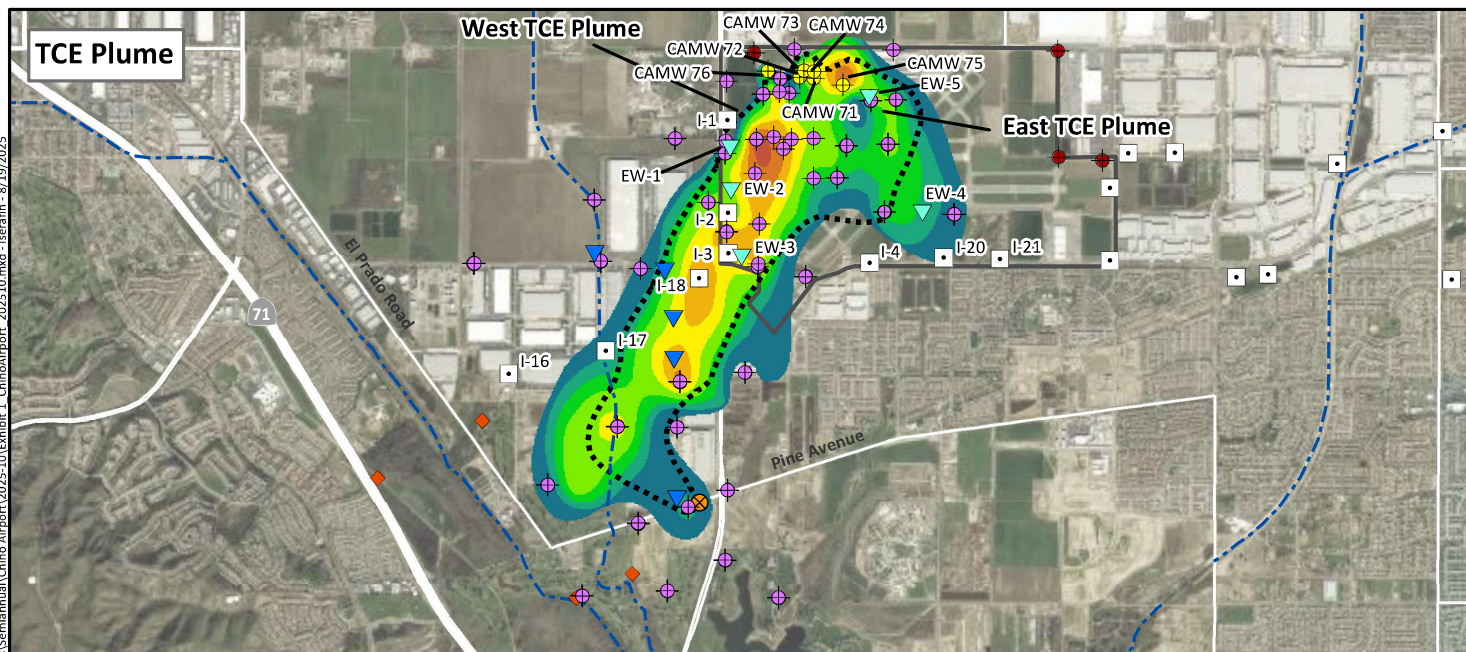
In July 2025, the County provided an update to the Santa Ana Water Board regarding the Supplemental Investigation at Areas of Concern (AOC) EE, HH, and J/K.²⁵ The update indicated that the remaining sampling to be completed in 2025 includes initial indoor air sampling at two buildings in AOC HH, along with a second round of indoor air sampling in AOCs EE, HH, and J/K during winter 2025/2026. Once the sampling is complete, the human health risk assessment will be updated and an addendum to the August 2018 human health and screening ecological risk assessment²³ will be prepared.

On August 4, 2025, the County submitted a letter report to the DDW summarizing the 2024 quarters 3 and 4 monitoring results for the proxy wells sampled pursuant to the Revised Groundwater Monitoring Sampling and Analyses Plan under Policy Memo 97-005.

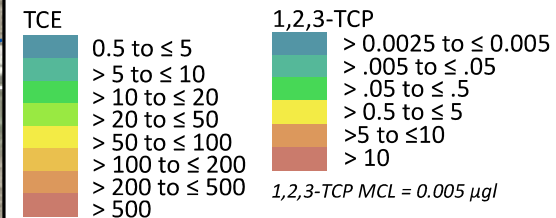
²⁵ Email Correspondence with California Water Boards and Tetra Tech on July 22, 2025.

²³ Tetra Tech. (2018). *Final Human Health and Screening Ecological Risk Assessment*. Prepared for San Bernardino County Department of Airports. August 2018.

WEST YOST - 41 Clients\941 Chino Basin Watermaster\00-00-00 Master\PE6 - Water Quality\GIS\WQD Plumes\Status Reports\Semianual\Chino Airport\2025-10\Exhibit 1 - Chino Airport - 202510.mxd - Israfin - 8/19/2025



Maximum Concentration ($\mu\text{g/L}$)
July 2019 - June 2024



MCL = $5 \mu\text{g/L}$

(Delineated by Watermaster in the 2024 SOB Report)

Approximate Extent of TCE ($>5 \mu\text{g/L}$) or 1,2,3-TCP ($>0.005 \mu\text{g/L}$) Plume

(Delineated by the County of San Bernardino for the Winter/Spring 2024 Groundwater Monitoring Report)

County of San Bernardino Monitoring Well
(Some locations have multiple well casings at various depths)

Former Agricultural Well

Piezometer Near Prado Basin Riparian Habitat

HCMP Monitoring Well 4

Extraction Well Site

Location of Future Extraction Well Site

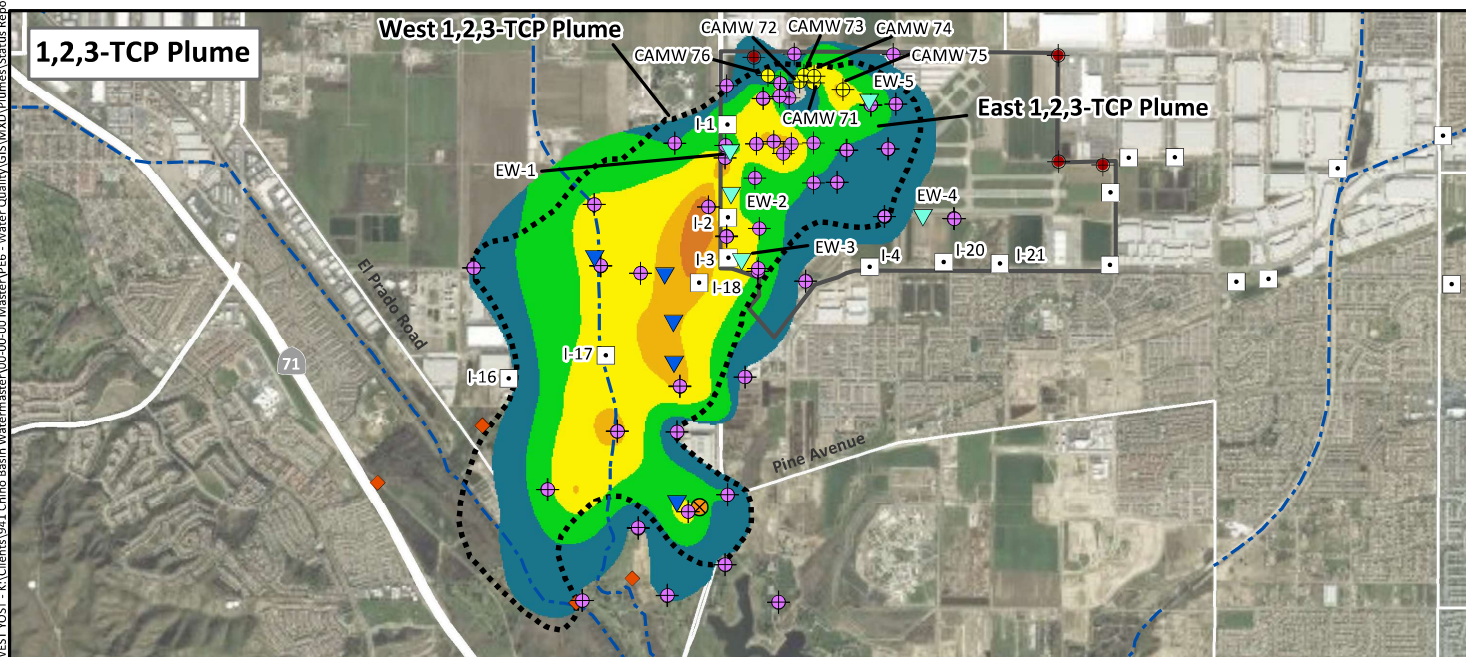
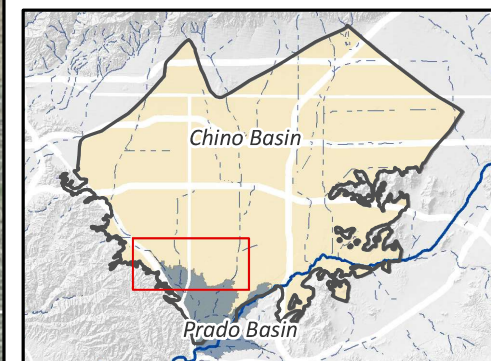
Monitoring Well Installed in Summer 2024

CDA Production Well

Wells are labeled by well name if mentioned in the report

Chino Airport Boundary

Streams & Flood Control Channels



Prepared by:



Prepared for:

Chino Basin Watermaster
Semi-Annual Plume Report



Semi-Annual Plume Status Report

South Archibald Plume October 2025

CONTAMINANTS

The primary contaminant is trichloroethene (TCE). The California maximum contaminant level (MCL) for TCE is 5 micrograms per liter ($\mu\text{g/l}$). The maximum TCE concentration detected in a groundwater sample collected from wells within the plume during the last five years (July 2020 to June 2025) is 74 $\mu\text{g/l}$.

LOCATION

The South Archibald TCE plume is located in the southern Chino Basin within the City of Ontario. Exhibit 1 shows the spatial extent of the plume where detectable TCE concentrations are equal to or greater than 0.5 $\mu\text{g/l}$, as delineated by the Chino Basin Watermaster (Watermaster) for the *2024 State of the Basin Report*.¹ This extent is based on the five-year maximum TCE concentration measured from July 2019 to June 2024. The TCE plume is approximately 23,200 feet long, extending southward from State Route 60 to roughly Kimball Avenue, and is about 14,300 feet wide extending from Grove Avenue to Turner Avenue. Exhibit 1 also shows the approximate extent of the plume with concentrations greater than 5 $\mu\text{g/l}$ as delineated by the responsible parties during the most recent sampling event in 2024.

REGULATORY ORDERS

- 2005 Draft Cleanup and Abatement Orders (CAOs) — In 2005, Six Draft CAOs were issued to the following parties: Aerojet-General Corporation, The Boeing Company, Northrop Grumman Corporation, Lockheed Martin Corporation, General Electric Company, and United States Department of Defense.
- Draft CAO R8-2012-00XX for the City of Ontario, City of Upland, and Inland Empire Utilities Agency (IEUA), Former Ontario-Upland Sewage Treatment Plant (Regional Recycling Plant No. 1), City of Ontario, San Bernardino County — This CAO was issued jointly to the City of Ontario, City of Upland, and IEUA.
- Stipulated Settlement and CAO No. R8-2016-0016 for the City of Ontario, the City of Upland, the IEUA, Aerojet Rocketdyne, Inc.,² The Boeing Company, General Electric Company, Lockheed Martin Corporation and the United States of America, Former Ontario-Upland Sewage Treatment Plant (Regional Recycling Plant No. 1) City of Ontario— This was the final CAO issued to all parties previously issued draft CAOs in 2005 and 2012, excluding Northrop Grumman.

¹ West Yost. (2025). *Optimum Basin Management Program – 2024 State of the Basin Report*. Prepared for the Chino Basin Watermaster. September 2025.

² Formerly known as Aerojet-General Corporation.

REGULATORY AND MONITORING HISTORY

In the mid-1980s, as part of its work associated with the Chino Basin Storage Program, the Metropolitan Water District of Southern California collected water quality samples that indicated that TCE was present in private wells in the southern Chino Basin. The Santa Ana Regional Water Quality Control Board (Santa Ana Water Board) confirmed these findings through subsequent rounds of sampling.

In 2005, the Santa Ana Water Board issued Draft CAOs to six parties who were tenants on the Ontario Airport property. On a voluntary basis, four of these parties — Aerojet-General Corporation, The Boeing Company, General Electric Company, and Lockheed Martin Corporation, collectively the ABGL parties, worked with the U.S. Department of Defense to investigate the source of contamination. As part of the investigation, the ABGL parties collected water quality samples from private wells and residential taps, as well from four triple-nested monitoring wells (ABGL wells) constructed in the northern portion of the plume. Private residences in the area where TCE concentrations in groundwater were above the MCL were provided alternative water systems.

In 2008, Santa Ana Water Board staff conducted research to identify the likely source of TCE contamination. Based on their findings, the Santa Ana Water Board staff identified discharges of wastewater to the RP-1 treatment plant and associated disposal areas as potential sources of TCE. Several industries, including previously identified tenants of the Ontario Airport property, were found to have likely used TCE solvents before and during the early 1970's and discharged waste into the sewage system of the Cities of Ontario and Upland, which were tributary to the RP-1 treatment plant and disposal areas. In 2012, the Santa Ana Water Board issued an additional Draft CAO jointly to the City of Ontario, City of Upland, and IEUA as the previous and current operators of the RP-1 treatment plant and disposal area (collectively the RP-1 parties).

From 2007 through 2014, under the oversight of the Santa Ana Water Board, the ABGL parties and the RP-1 parties individually and jointly conducted sampling at private residential wells and taps in areas where groundwater was potentially contaminated with TCE approximately every two years. By 2014, the ABGL parties had sampled all private wells and taps within the plume area at least once as part of the monitoring program. The data was documented in a report published in November 2014.³ Both the ABGL and RP-1 parties provided potable water to residences in the area where water contained TCE concentrations equal to or above 80 percent of the MCL for TCE (e.g., equal to or greater than 4.0 µg/l) either through water tank systems or by bottled water service.

In July 2015, the RP-1 parties completed a draft feasibility study report for the South Archibald plume (Feasibility Study).⁴ The Feasibility Study established cleanup objectives for domestic water supply and plume remediation and evaluated alternatives to achieve these objectives. In August 2015, the RP-1 parties prepared a Draft Remedial Action Plan (RAP) presenting the preferred alternatives for plume remediation and domestic water supply.⁵ A public review period followed and two community meetings were held in September 2015 to educate the public about the plume, the Feasibility Study, and the RAP, and to solicit comments on these

³ Erler & Kalinowski, Inc. (2014). *Supplemental Data Report Trichloroethene Plume Central Chino Basin*. Prepared for Aerojet Rocketdyne, Boeing, General Electric, and Lockheed Martin. November 19, 2014.

⁴ Dudek. (2015). *Draft Feasibility Study Report South Archibald Plume, Ontario, California*. Prepared for City of Ontario, City of Upland, and Inland Empire Utilities Agency. July 2015.

⁵ Dudek. (2015). *Draft Remedial Action Plan South Archibald Plume, Ontario, California*. Prepared for City of Ontario, City of Upland, and Inland Empire Utilities Agency. August 2015.

reports. In November 2015, the revised Draft Feasibility Study and RAP, along with responses to comments, were completed to address input from the public, ABGL, and other parties.^{6,7}

In September 2016, the Santa Ana Water Board issued the Final Stipulated Settlement and CAO R8-2016-0016 (Stipulated CAO) jointly to the RP-1 parties and the ABGL parties (excluding Northrop Grumman). The Stipulated CAO was adopted by all parties in November 2016, thus approving the preferred plume remediation and domestic water supply alternatives identified in the RAP. The parties also reached a settlement agreement that aligned with the Stipulated CAO and authorized funding to initiate implementation of the plume remediation alternative.

In July 2021, the RP-1 parties collaborated with the Santa Ana Water Board and Watermaster to distribute a Community Fact Sheet to residences overlying the plume. The Fact Sheet addressed the health and environmental impacts of TCE and other potential contaminants such as per- and polyfluoroalkyl substances (PFAS), as well as their presence in the plume area, and available sampling resources.⁸

REMEDIAL ACTION

Plume Remediation. The plume remediation alternative identified in the Feasibility Study, RAP, and Stipulated CAO involves utilizing both existing and newly constructed Chino Basin Desalter Authority (CDA) wells and treatment facilities. The RP-1 parties and the CDA reached a Joint Facility Development Agreement for implementation of a project designed to remediate the South Archibald plume by modifying the CDA facilities to treat TCE and other volatile organic compounds (VOCs) while continuing to use existing facilities (i.e. reverse osmosis membranes) to treat total dissolved solids (TDS) and nitrate. The project consisted of the construction and operation of three new CDA wells (II-10, II-11, and II-12), the construction of a dedicated pipeline to convey groundwater produced from these wells to the Chino-II Desalter treatment facility, and the replacement of existing decarbonators at the Chino-II Desalter facility with an air stripping system to remove TCE and other VOCs from the water treated through the reverse osmosis (RO) trains. Additionally, a new pipeline was constructed to connect existing CDA well I-11 to the pipeline conveying groundwater produced at the new CDA wells to the Chino-II Desalter facility. Portions of project construction were funded by Proposition 1 Grant Agreement No. D1712507 (Prop 1 Grant Agreement) and Title XVI grants from the United States Bureau of Reclamation. Construction of CDA wells II-10 and II-11 was completed in September 2015. The equipping of these wells was completed in 2018, and pumping initiated at wells II-11 and II-10 in July and September 2018, respectively. An onsite monitoring well (II-MW-3) near the proposed location of well II-12 was constructed in 2019 and the construction of well II-12 was completed in November 2020. The CDA finished equipping well II-12 in July 2021, and pumping began on August 24, 2021. An amendment to the Prop 1 Grant Agreement in March 2024 increased grant funds, extended the work completion date to January 31, 2026, and updated the final disbursement request dates.⁹

⁶ Dudek. (2015). *Draft Feasibility Study Report South Archibald Plume, Ontario, California*. Prepared for City of Ontario, City of Upland, and Inland Empire Utilities Agency. November 2015.

⁷ Dudek. (2015). *Draft Remedial Action Plan South Archibald Plume, Ontario, California*. Prepared for City of Ontario, City of Upland, and Inland Empire Utilities Agency. November 2015.

⁸ Santa Ana Water Board. (2021). Community Fact Sheet.
https://documents.geotracker.waterboards.ca.gov/regulators/deliverable_documents/9334058463/20210407_CommunityFactSheet_SouthArchibaldPrivateWells-Short_ADA_Final.pdf

⁹ State Water Board. (2024). *Proposition 1 Groundwater Grant Amendment 3*. March 2024.

Domestic Water Supply. The domestic water supply alternative identified in the Feasibility Study and RAP is a hybrid between the installation of tank systems for some residences, where potable water is delivered from the City of Ontario, and the installation of a pipeline to connect residences directly to the City of Ontario potable water system. Pursuant to the Stipulated CAO, the Cities of Ontario and Upland assumed the responsibility for implementing the domestic water supply alternative and in February 2017, the Cities submitted a *Domestic Water Supply Work Plan* to the Santa Ana Water Board (2017 Work Plan), outlining the approach to provide alternative water supplies to affected residences that were receiving bottled water at the time.¹⁰ The Santa Ana Water Board approved the 2017 Work Plan on March 3, 2017.¹¹ At that time, 32 residences were using previously installed tank systems and 21 residences were receiving bottled water. The alternative water supply plan options included: 1) installation of a tank system; 2) connection to an existing City of Ontario water main; 3) connection to a future City of Ontario water main; or 4) remain on bottled water. In accordance with the schedule in the Stipulated CAO and the work plan, tank systems were to be installed within six months of resident consent, connections to Ontario's existing municipal water system were to be constructed within three months of resident consent, and construction and connection to a new water main was to occur within 18 months of resident consent. Additionally, bottled water would be supplied to any newly affected residents immediately upon the determination of the presence of TCE in their water supply at concentrations greater than 4 µg/l. Since 2017, the City of Ontario has continued to conduct annual monitoring at private wells and taps in the area in support of the Stipulated CAO and 2017 Work Plan.

As of the end of 2024, 22 affected residences are supplied water by 16 tank systems. Of these, approximately ten systems are located at the western edge of the plume, where TCE concentrations have remained stable or are declining over time.

MONITORING AND REPORTING

Pursuant to the Stipulated CAO and the 2017 Work Plan, the Cities of Ontario and Upland collect annual groundwater quality samples from approximately 50-60 private wells and taps at about 45 residential and agricultural locations within the plume area. The purpose of this sampling is to: 1) evaluate the lateral extent of the plume in accordance with the Stipulated CAO, 2) identify locations where TCE concentrations in private water supply wells exceed the MCL, 3) identify locations where TCE concentrations that were previously above the MCL are now below 80 percent of the MCL, and 4) identify residences that may qualify for participation in the City of Ontario's alternative water supply program. Since 2017, the Cities of Ontario and Upland have conducted eight rounds of sampling, and all the results are documented in annual groundwater monitoring reports submitted to the Santa Ana Water Board. The annual reports are all available to view on the State Water Resources Control Board's GeoTracker online portal.¹²

The IEUA and CDA also conduct groundwater quality sampling under a monitoring and reporting plan developed in 2021 pursuant to the Prop 1 Grant Agreement for the funding of the expansion of the CDA facilities to cleanup TCE in the South Archibald plume, in addition to the high nitrates and TDS in

¹⁰ Dudek. (2017). *Domestic Water Supply Work Plan South Archibald Plume, Ontario, California*. Prepared for the City of Ontario, City of Upland. February 2017.

¹¹ Santa Ana Water Board. (2017). *Domestic Water Supply Workplan – South Archibald Trichloroethylene Plume, Ontario, California*. Letter to the City of Ontario from Kurt Berchtold. March 3, 2017.

¹² https://geotracker.waterboards.ca.gov/profile_report?global_id=T10000004658

groundwater (Prop 1 Monitoring Plan¹³). The Prop 1 Monitoring Plan includes collecting samples at the CDA production and monitoring wells located within and near the plume. As part of the monitoring program, two CDA monitoring wells were constructed at the request of the Santa Ana Water Board and California State Water Resources Control Board (State Board) to monitor key locations in the plume: 1) multi-nested well II-MW-5 (a, b, c, d) located within the area of the highest concentration of TCE within the plume; and 2) well II-MW-4 located just upgradient of CDA well II-12.^{14,15} The locations of II-MW-5 (a, b, c, d) and II-MW-4 are shown in Exhibit 1.

The Prop 1 Monitoring Plan includes quarterly sampling for TCE, nitrate, and TDS at CDA production and monitoring wells. The Prop 1 Monitoring Plan also includes sampling for the following additional constituents at wells all except II-MW-5: 1,2,3-trichloropropane (1,2,3-TCP), 1,4-dioxane, perchlorate, and hexavalent chromium. Per the Prop 1 Monitoring Plan, sampling for these additional constituents were conducted at all four well casings at II-MW-5 upon construction completion (March 2021) and then again after the first (2022) and second years (2023). An additional sampling event was conducted in April/May 2025 to provide additional data. Moving forward, these constituents will be sampled at two future monitoring wells, as outlined in Section 2.2 of the Prop 1 Monitoring Plan.

The Prop 1 Monitoring Plan also requires the submission of quarterly and annual Operational Reports¹⁶, which include data collected during each reporting period. Additionally, the groundwater data is uploaded to the State Water Resources Control Board's GeoTracker website.

In addition to the monitoring conducted by the CDA and the RP-1 Parties, Watermaster routinely collects groundwater samples from private wells in the plume area. Watermaster uses data from its own monitoring efforts, along with data collected by the CDA, IEUA and the City of Ontario, to delineate the South Archibald TCE plume as part of the biennial Chino Basin State of the Basin Report.

RECENT ACTIVITY

In accordance with the Stipulated CAO, the most recent annual sampling event conducted by the Cities of Ontario and Upland at private wells and taps within the plume area took place from October through November 2024. A total of 39 samples were collected at 35 residential, commercial, and agricultural locations. Additionally, the CDA collected samples from ten CDA pumping and monitoring wells located within and adjacent to the plume. The results of these sampling efforts are documented in the *2024 Annual Groundwater Monitoring Report*¹⁷ and summarized below:

¹³ Hazen and Sawyer. (2021). *Monitoring Plan – Chino Basin Improvement and Groundwater Clean-up Project*. Prepared for CDA and IEUA. January 2021.¹⁴ CDA Board of Directors July 2020 Meeting Agenda and Minutes. <https://www.chinodesalter.org/AgendaCenter/ViewFile/Agenda/07022020-309>

¹⁴ CDA Board of Directors July 2020 Meeting Agenda and Minutes. <https://www.chinodesalter.org/AgendaCenter/ViewFile/Agenda/07022020-309>

¹⁵ Santa Ana Water Board. (2020). *Comments on Responses to Comments on Monitoring and Reporting Plan and Request for Additional Monitoring for Inland Empire Utilities Agency and Chino Basin Desalter Authority Clean-Up Project (Grant Agreement No. D1712507)*. April 24, 2020.

¹⁶ Operational Reports are required to be submitted after the end of the grant term in 2024.

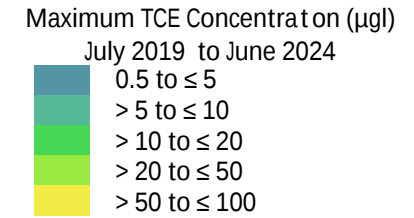
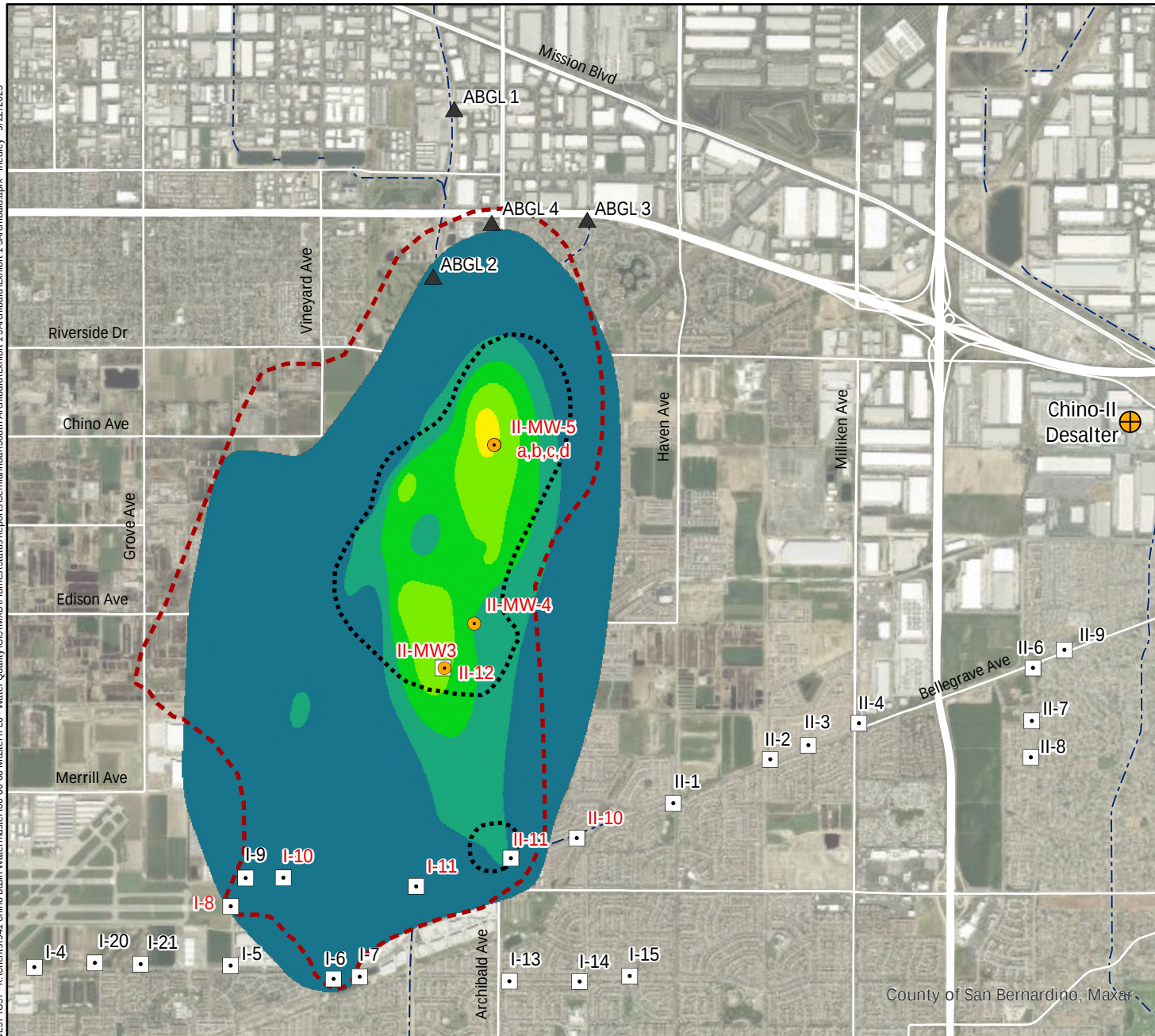
¹⁷ Dudek. (2024). *Annual Groundwater Monitoring Report South Archibald TCE Plume – Ontario, California*. Prepared for the City of Ontario and City of Upland. December 2024

- TCE was detected in 24 samples at residential, commercial, and agricultural locations, as well as at seven CDA production and monitoring wells.
- TCE concentrations exceeded the MCL of 5 µg/l at six residential, commercial, and agricultural locations and at four CDA well locations (II-11, II-12, II-MW-4, and II-MW-5).
- TCE concentrations along the western edge of the plume are continuing to decline over time.
- TCE concentrations remain the highest in the north-central part of the plume with increasing concentrations observed in the central part of the plume just north of CDA well II-12, likely due to groundwater pumping at well II-12.
- TCE concentrations are also increasing at CDA well I-11 at the southern extent of the plume, approximately half a mile west-southwest of CDA well II-11.

On January 21, 2025, the Santa Ana Water Board provided comments on the *2024 Annual Groundwater Monitoring Report*, including approval to remove two locations from the alternative water supply program. These locations included one that had TCE concentrations consistently below 4 µg/l and one where residents were no longer using the previously installed tank systems. Additionally, over the last few years, several of the affected residential properties have been demolished to make way for future residential development. As these sites are developed, they will be connected to the City of Ontario's potable distribution system. Therefore, the total number of locations requiring alternative water supply has and will continue to decrease. The City of Ontario will continue to monitor for TCE at all potentially affected residences and provide residences with TCE concentrations that exceed 80 percent of the MCL with an alternative water supply.

On June 30, 2025, the City of Ontario submitted the 2025 Workplan to the Santa Ana Water Board for the annual sampling event at the private wells.¹⁸ The workplan proposed sampling of groundwater from approximately 50 properties supplied by private wells within and nearby the plume area. This included 19 candidate locations intended to further define the extent of the plume in the northeast and southwest areas. On August 22, 2025, the Santa Ana Water Board approved and provided comments on the 2025 Workplan.

¹⁸ EEC Environmental. 2025. *Workplan Private Water Supply Well Sampling*. Prepared for City of Ontario. June 30, 2025.



(Delineated by Chino Basin Watermaster in the 2024 State of the Basin Report)

Approximate Extent of the Plume
Delineated in the 2024
Annual Groundwater Monitoring Report

Extent Greater Than 5 µg/l

Complete Extent

Chino Basin Desalter Authority Facilities:

Pumping Well*

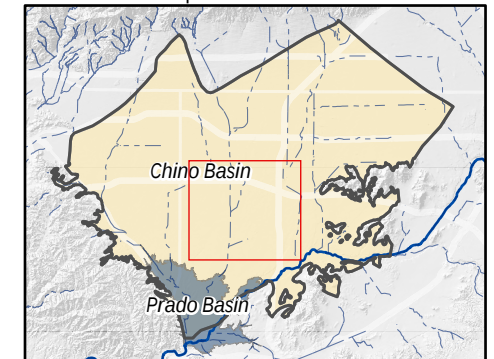
Monitoring Well*

Chino-II Desalter Treatment Facility

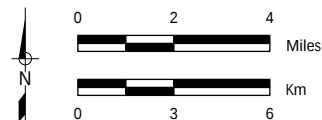
ABGL Monitoring Well

Streams & Flood Control Channels

*Red labels indicate wells that are specifically discussed in the report.



Prepared by:



Prepared for:

Chino Basin Watermaster
Semi-Annual Plume Report
South Archibald



South Archibald
TCE Plume

Project Status: Wineville/Jurupa/RP3 Basin Improvements

Budget:

- Authorized capital budget: \$28,846,016

Available Funding:

- \$15.4 M in SRF Loan at 0.55%
- \$10.8 M is State and Federal Grants

Cost Summary:

- Actual Cost as of June 6, 2025: **\$ 26,815,424**
- Remaining Budget: **\$ 2,030,592**

Progress:

- Construction Contract with MNR is 99% completed
- Overall construction is 90% completed (March 2026)

Completed scope items

- Rubber dam system at Wineville Basin's spillway
- Control slide gates within Wineville Basin
- Basin grading for a new pump station at Wineville
- Power, controls, and communication systems at Wineville
- 2-miles of 30-Inch Pipeline passing through Fontana and Ontario.
- Stormwater diversion to Jurupa Basin.

Remaining scope items with MNR:

- Finalize Punchlist Items
- Resolve Rubber Dam Connection and Control Issues

Updates:

- Requesting additional SRF funds
- See updated progress schedule
 - Pump delivery moved to Nov/Dec due to factory backlogs/high demands
 - Issued IFB on Nov. 18, 2025
 - Job Walk for IFB Oct. 2, 2025
 - Close Bids for IFB on Nov. 13, 2025
 - Award Contractor on Nov. 202, 2025

TASK	PROGRESS	START	END
Prepare Solicitation Documents			
Draft Documents	100%	06-Jun-24	22-Aug-24
Review Documents	100%	23-Aug-24	28-Aug-24
Finalize Documents	100%	29-Aug-24	11-Nov-24
Request for Qualification of Pump Suppliers			
Enter into PlanetBids	100%	19-Nov-24	19-Nov-24
Solicitation (Q&A Period)	100%	20-Nov-24	12-Dec-24
Final Week of Solicitation for RFQ	100%	16-Dec-24	19-Dec-24
Close Solicitation for RFQ (milestone)	100%	19-Dec-24	19-Dec-24
Review Responses to the RFQ	100%	20-Dec-24	13-Jan-25
Notify Prequalified Suppliers (milestone)	100%	14-Jan-25	14-Jan-25
Request for Proposal of Prequalified Suppliers			
Prequalified Supplier Draft Initial Submittal and Pricing	100%	14-Jan-25	13-Feb-25
Receive Initial Submittal (milestone)	100%	13-Feb-25	13-Feb-25
Review Initial Submittal	100%	13-Feb-25	27-Feb-25
Prequalified Supplier Draft Final Submittal	100%	28-Feb-25	21-Mar-25
Receive Final Submittal (milestone)	100%	21-Mar-25	21-Mar-25
IEUA Reviews Final Submittal to Decide Pump Supplier	100%	24-Mar-25	07-Apr-25
Board of Directors' Authorization of Purchase Order (milestone)	100%	21-May-25	21-May-25
Pump Fabrication/Installation/Testing/Close-out			
Finalized Pump Submittals	100%	22-May-25	01-Jul-25
Fabrication	74%	22-May-25	18-Nov-25
Delivery	0%	18-Nov-25	02-Dec-25
Installation	0%	02-Dec-25	31-Jan-26
Testing	0%	31-Jan-26	03-Mar-26
Close Out	0%	03-Mar-26	17-Mar-26



Outlet Control Gate/Rubber Dam System



Completed Basin at Wineville