

CHINO BASIN WATERMASTER



NOTICE OF MEETING

Thursday, January 22, 2026

11:00 a.m. – Watermaster Board Meeting

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

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**
11:00 a.m. – January 22, 2026
Mr. Jeff Pierson, 2025 Vice-Chair
Mr. Bob Bowcock, 2025 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

INTRODUCTIONS – CALENDAR YEAR 2026 WATERMASTER BOARD MEMBERS

Appropriative Pool	Curtis Burton (City of Chino)
Appropriative Pool	Bill Veltro (Appropriative Pool Minor Representative)
Appropriative Pool	Marty Zvirbulis (Fontana Water Company)
Overlying (Non-Ag) Pool	Bob Bowcock (CalMat Co.)
Overlying (Ag) Pool	Jimmy Medrano (State of California)
Overlying (Ag) Pool	Jeff Pierson (Crops)
Municipal	Steve Elie (Inland Empire Utilities Agency)
Municipal	Mike Gardner (Western Municipal Water District)
Municipal	Bob Kuhn (Three Valleys Municipal Water District)

I. CALENDAR YEAR 2026 OFFICERS – ACTION

A. ELECTION OF OFFICERS

Chair _____
Vice-Chair _____
Secretary/Treasurer _____

II. 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 December 18, 2025 (Page 1)

B. FINANCIAL REPORTS

Receive and file as presented:

Monthly Financial Reports for the Reporting Period Ended November 30, 2025 (Page 7)

C. CHINO BASIN WATERMASTER 2026 INVESTMENT POLICY – RESOLUTION NO. 2026-01

Adopt the Watermaster Investment Policy and corresponding Resolution 2026-01 as presented. (Page 23)

D. APPLICATION: WATER TRANSACTION – 5.09 AF FROM SAN ANTONIO WATER COMPANY TO CALMAT CO. (APPROPRIATIVE)

Approve the proposed transaction. (Page 31)

E. APPLICATION: WATER TRANSACTION – 8.14 AF FROM SAN ANTONIO WATER COMPANY TO CUCAMONGA VALLEY WATER DISTRICT

Approve the proposed transaction. (Page 38)

F. APPLICATION: WATER TRANSACTION – 2.04 AF FROM SAN ANTONIO WATER COMPANY TO FONTANA WATER COMPANY

Approve the proposed transaction. (Page 45)

G. APPLICATION: WATER TRANSACTION – 738.05 AF FROM SAN ANTONIO WATER COMPANY TO CITY OF UPLAND

Approve the proposed transaction. (Page 52)

H. APPLICATION: WATER TRANSACTION – 738.05 AF FROM CITY OF UPLAND TO FONTANA WATER COMPANY

Approve the proposed transaction. (Page 59)

I. 2026 HEARING OFFICER PANEL APPOINTMENT

Approve and appoint the recommended panel of five individuals to serve, if selected, as Hearing Officer in calendar year 2026, to be reconsidered periodically and no less frequently than annually. (Page 66)

J. WELL TEC SERVICES FLOW METER CALIBRATION & REPLACEMENT PROJECT PHASE 2

Approve and authorize the General Manager to execute the contract on behalf of Watermaster subject to any non-substantive changes. (Page 68)

K. NOTICE OF INTENT TO CHANGE THE OPERATING SAFE YIELD OF THE CHINO GROUNDWATER BASIN (Page 76)

III. BUSINESS ITEMS

A. CHINO BASIN WATERMASTER 48TH ANNUAL REPORT (FISCAL YEAR 2024/25)

Adopt the 48th Annual Report, and direct staff to file a copy with the Court, subject to any necessary non-substantive changes. (Page 77)

**B. BUDGET AMENDMENT A-26-01-01 – REFINEMENT OF SAFE YIELD REEVALUATION
TECHNICAL WORK**

Adopt the budget amendment as presented. (Page 189)

IV. REPORTS/UPDATES

A. WATERMASTER LEGAL COUNSEL

1. January 30, 2026 Court Hearing (Ontario Motion for Attorney's Fees and Costs)
2. February 6, 2026 Court Hearing (Proposed Order following Court of Appeal Remittitur in Consolidated Cases No. E080457 and E082127)
3. Court of Appeal Consolidated Cases No. E080457 and E082127 (City of Ontario appeal re: Fiscal Year 2021-22 and 2022-23 Assessment Packages)
4. Inland Empire Utilities Agency, et al. v. LS-Fontana LLC (C.D. Cal Cases Nos.: 5:25-cv-00809, 5:25 cv01159)

B. ENGINEER

1. 2026 Task Orders

C. GENERAL MANAGER

1. Fiscal Year 2025/26 Exhibit "G" Physical Solution Transfers
2. Optimum Basin Management Program – Economic Analysis (Update)
3. CBWM Annual Fundraiser (Spark of Love Toy Drive)
4. Other

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; b) Inland Empire Utilities Agency, et al. v. LS-Fontana LLC (C.D. Cal Cases Nos.: 5:25-cv-00809, 5:25 cv01159)
2. CONTRACT NEGOTIATIONS: Agreement for Operation and Maintenance of Facilities to Implement the Chino Basin Recharge Master Plan, dated January 13, 2003

VIII. FUTURE MEETINGS AT WATERMASTER

01/22/26	Thu	9:30 a.m.	Watermaster Orientation (in person only)
01/22/26	Thu	11:00 a.m.	Watermaster Board
02/12/26	Thu	9:00 a.m.	Appropriative Pool Committee
02/12/26	Thu	11:00 a.m.	Non-Agricultural Pool Committee
02/12/26	Thu	1:30 p.m.	Agricultural Pool Committee
02/19/26	Thu	9:00 a.m.	Advisory Committee
02/24/26	Tue	9:00 a.m.	Groundwater Recharge Coordinating Committee
02/26/26	Thu	9:30 a.m.	Watermaster Orientation (in person only)
02/26/26	Thu	11:00 a.m.	Watermaster Board

ADJOURNMENT

DRAFT MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
December 18, 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 December 18, 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.
Mike Gardner	Western Municipal Water District
Bob Kuhn	Three Valleys Municipal Water District
Jimmy Medrano	Agricultural Pool – State of CA
Marco Tule, for Steve Elie	Inland Empire Utilities Agency
Bill Velto	City of Upland
Marty Zvirbulis	Fontana Water Company

WATERMASTER BOARD MEMBERS ABSENT

Steve Elie	Inland Empire Utilities Agency
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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
Alonso Jurado	Water Resources Associate
Kirk Richard Dolar	Administrative Analyst
Jordan Garcia	Senior Field Operations Specialist
Erik Vides	Field Operations Specialist

WATERMASTER CONSULTANTS PRESENT AT WATERMASTER

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

WATERMASTER CONSULTANTS ON ZOOM

Carolina Sanchez	West Yost
Emma Erickson	West Yost
Garrett Rapp	West Yost

OTHERS PRESENT AT WATERMASTER

Bob Feenstra	Agricultural Pool – Dairy
Lewis Callahan	Agricultural Pool – State of CA
Chris Diggs	City of Pomona
Nicole deMoet	City of Upland
Amanda Coker	Cucamonga Valley Water District
Haley Cole	CV Strategies
Bryan Smith	Jurupa Community Services District
Joel Ignacio	Inland Empire Utilities Agency

Brian Geye

Non-Agricultural – CA Speedway Corporation

OTHERS PRESENT ON ZOOM

Christen Miller	Agricultural Pool – County of San Bernardino
Gino Filippi	Agricultural Pool – Crops
Ben Orosco	City of Chino
Hye Jin Lee	City of Chino
Courtney Jones	City of Ontario
Chad Nishida	City of Ontario
Scott Burton	City of Ontario
Jiwon Seung	Cucamonga Valley Water District
Justin Castruita	Fontana Union Water Company
Cris Fealy	Fontana Water Company
Toby Moore	Golden State Water Company
Aimee Zhao	Inland Empire Utilities Agency
Eddie Lin	Inland Empire Utilities Agency
John Russ	Inland Empire Utilities Agency
Justin Scott-Coe	Monte Vista Irrigation Company
Justin Scott-Coe	Monte Vista Water District
Alyssa Coronado	Santa Ana River Water Company
John Lopez	Santa Ana River Water Company
David De Jesus	Three Valleys Municipal Water District
Laura Roughton	Western Municipal Water District
Mallory O'Conor	Western Municipal Water District
Richard Rees	WSP USA

CALL TO ORDER

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

FLAG SALUTE

(00:00:05) Chair Curatalo led the Board in the flag salute.

ROLL CALL

(00:00:35) 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.

None

RECOGNITION OF OUTGOING MEMBER'S SERVICE ON WATERMASTER BOARD

(00:01:58) Mr. Corbin indicated that with the upcoming year's Board rotation schedule, Chair Curatalo's seat on the Board will conclude this month. He commended Chair Curatalo for his long-standing service on the Watermaster Board and great contributions to the Chino Basin. Following his remarks, Board members and Counsel each took turns expressing their appreciation and commendations to Chair Curatalo. Mr. Corbin presented a commendation certificate on behalf of the Board, staff, and basin stakeholders.

(11:03 a.m.) Mr. Marco Tule joined the meeting.

AGENDA – ADDITIONS/REORDER

None

SAFETY MINUTE

(00:08:39) Mr. Corbin emphasized the importance of being aware of and adhering to the seizure protocol and noted that the Epilepsy Foundation has curated an informational flyer which is available at the back table for anyone wishing to review them. He also thanked staff for their efforts in hosting the internal safety meeting which highlighted CPR, earthquake safety, fire safety, active shooter drills, and updating of Watermaster's emergency action plan and indicated that staff will continue to have planned and unplanned safety drills to keep everyone safe.

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 November 20, 2025

B. FINANCIAL REPORTS

Receive and file as presented:

Monthly Financial Report for the Period Ended October 31, 2025

(00:10:44)

Motion by Mr. Bob Kuhn, seconded by Mr. Mike Gardner, there being no dissent, the item passed unanimously by voice vote.

Moved to approve the Consent Calendar as presented.

II. BUSINESS ITEMS

A. FISCAL YEAR 2024/2025 ANNUAL FINDING OF SUBSTANTIAL COMPLIANCE WITH THE RECHARGE MASTER PLAN

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

(00:11:14) Mr. Corbin prefaced the item and invited Mr. Tellez Foster to give a report on the findings.

(00:12:42)

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

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

B. DISCUSS THE 2025 DRAFT SAFE YIELD REEVALUATION REPORT AND PEER REVIEW RECOMMENDATION

Consider the advice and assistance from the Pools and the Advisory Committee and provide direction to staff.

(00:13:05) Mr. Corbin provided a report and noted that a meeting is scheduled for tomorrow between West Yost and Mr. Tom Harder to advance the technical discussions. The Board provided direction for staff and consultants to develop the scope and timeline with stakeholder input and bring back to the Board in January 2026.

(00:32:24)

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

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

C. APPLICATION: LOCAL STORAGE AGREEMENT – APPROPRIATIVE POOL

Approve the Application for Local Storage Agreement submitted on behalf of the Appropriate Pool members as presented subject to any changes resulting from the Board's final adoption of the Fiscal Year 2025/26 Assessment Package.

(00:33:35) Mr. Corbin gave a report. A discussion ensued.

(00:39:26)

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

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

III. REPORTS/UPDATES

A. WATERMASTER LEGAL COUNSEL

1. January 30, 2026 Court Hearing (Ontario Motion for Attorney's Fees and Costs)
2. February 6, 2026 Court Hearing (Proposed Order following Court of Appeal Remittitur in Consolidated Cases No. E080457 and E082127)
3. Court of Appeal Consolidated Cases No. E080457 and E082127 (City of Ontario appeal re: Fiscal Year 2021-22 and 2022-23 Assessment Packages)
4. Inland Empire Utilities Agency, et al. v. LS-Fontana LLC (C.D. Cal Cases Nos.: 5:25-cv-00809, 5:25 cv01159)

(00:39:53) Mr. Slater gave a report. A discussion ensued.

B. ENGINEER

1. Turner Basin Initial Concept Plan Report

(00:43:44) Mr. Malone prefaced the item and asked Ms. Carolina Sanchez to give a presentation. A discussion ensued.

C. GENERAL MANAGER

1. Optimum Basin Management Program – Economic Analysis (Update)
2. CBWM Annual Fundraiser (Spark of Love Toy Drive)
3. Fiscal Year 2025/26 Exhibit G Transfer/Sale Cycle (Update)
4. Other

(01:06:22) For Item 1, Mr. Corbin invited Mr. Tellez Foster to provide an update. For Item 2, Mr. Corbin prefaced the Watermaster year-end fundraiser and invited Ms. Nelson to provide additional information supporting the Rancho Cucamonga Fire Department's Spark of Love Toy Drive. For Item 3, Mr. Corbin gave an update on the status of Fiscal Year 2025/26 Exhibit G transfer/sale cycle. For Item 4, Mr. Corbin reminded members to submit their year-end stipends and extended holiday greetings, wishing everyone a Merry Christmas, Happy Hanukkah, and Happy Holidays.

IV. INFORMATION

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

(01:09:22) Mr. Corbin prefaced the item and invited Mr. Joel Ignacio with the Inland Empire Utilities Agency to give a presentation on Project 23a.

V. BOARD MEMBER COMMENTS

(01:14:23) Mr. Mike Gardner wished everyone Happy Holidays and a Happy New Year. Mr. Marco Tule commented on the Turner Basin and associated costs, expressed interest in exploring more alternatives, and extended holiday greetings to all. Chair Curatalo concluded by wishing everyone Happy Holidays and a prosperous, healthy New Year.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

The Board convened into Confidential Session at 12:17 p.m. to discuss the following:

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

Confidential session concluded at 1:20 p.m. with the following reportable action:

The Board directed Watermaster staff to continue negotiations with the mediator regarding the remittitur and the Ontario challenge related to the Watermaster Assessment package.

ADJOURNMENT

Chair Curatalo adjourned the Watermaster Board meeting at 1:21 p.m.

Secretary: _____

Approved: _____

Attachment:

1. 20251218 Roll Call Vote Outcome for Business Item II.B.

ATTACHMENT 1**December 18, 2025 Watermaster Board Roll Call Vote Outcome**

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



CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: January 2026

TO: Watermaster Committees & Board

SUBJECT: Monthly Financial Reports (For the Reporting Period Ended November 30, 2025)
(Consent Calendar Item II.B.)

Issue: Record of Monthly Financial Reports for the reporting period ended November 30, 2025 [Normal Course of Business]

Recommendation: Receive and file Monthly Financial Reports for the reporting period ended November 30, 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 and subsequently amended in July 2025.

ACTIONS:

Appropriative Pool – January 8, 2026 [Final]: Received and filed.

Non-Agricultural Pool – January 8, 2026 [Final]: Received and filed without approval.

Agricultural Pool – January 8, 2026 [Final]: Received and filed.

Advisory Committee – January 15, 2026 [Final]: Received and filed.

Watermaster Board – January 22, 2026 [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 November 30, 2025)



Chino Basin Watermaster
Cash Disbursements
November 2025

Date	Number	Vendor Name	Description	Amount
11/03/2025	ACH 11.3.25	CALPERS	November medical insurance premiums	\$ (18,177.31)
11/06/2025	25757	VISION SERVICE PLAN	November insurance coverage	(122.09)
11/06/2025	25758	VELTO, BILL		(875.00)
11/06/2025	25759	UNITED HEALTHCARE	November dental insurance coverage	(1,190.72)
11/06/2025	25760	SOUTHERN CALIFORNIA EDISON	Utilities: Electric - Annex	(121.33)
11/06/2025	25761	PIERSON, JEFFREY		(5,250.00)
11/06/2025	25762	WEST YOST	September engineering services	(249,769.85)
11/06/2025	25763	STANDARD INSURANCE CO.	November life and disability coverage	(1,100.18)
11/06/2025	25764	CHEF DAVE'S CATERING & EVENT SERVICES	October Board meeting catering services	(638.01)
11/06/2025	25765	CUCAMONGA VALLEY WATER DISTRICT - UTILITY	Utilities: Water	(421.80)
11/06/2025	25766	FRONTIER COMMUNICATIONS	November alarm system landline connection and office Teams phones	(318.15)
11/06/2025	25767	VANGUARD CLEANING SYSTEMS	November janitorial service	(1,000.00)
11/06/2025	25768	EIDE BAILLY LLP	September accounting consulting services	(355.95)
11/13/2025	25769	EGOSCU LAW GROUP, INC.	October OAP legal services	(13,600.00)
11/17/2025	25770	UNION 76	October fuel purchases	(86.20)
11/17/2025	25771	SOUTHERN CA EDISON	Utilities: Electric - Main building	(1,499.84)
11/17/2025	25772	ACWA JOINT POWERS INSURANCE AUTHORITY	December life insurance	(285.71)
11/17/2025	25773	CALIFORNIA BANK & TRUST	Account ending 6198 - See detail attached	(8,360.15)
11/17/2025	25774	WAXIE SANITARY SUPPLY	Bathroom supplies	(738.54)
11/17/2025	25775	INLAND EMPIRE UTILITIES AGENCY	FY 26 Q1 Groundwater Recharge O&M cost reimbursement	(423,618.19)
11/17/2025	25776	VANGUARD CLEANING SYSTEMS	October electrostatic spraying	(220.00)
11/17/2025	25777	GRAINGER	Field OPS supplies	(248.03)
11/17/2025	25778	S.S. PAPADOPULOS & ASSOCIATES, INC.	September Safe Yield reevaluation peer review	(35,093.75)
11/17/2025	25779	BURRTEC WASTE INDUSTRIES, INC.	Utilities: Waste	(168.79)
11/17/2025	25780	FRONTIER COMMUNICATIONS	November dedicated internet access (DIA)	(870.00)
11/17/2025	25781	CORELOGIC INFORMATION SOLUTIONS	October geographic package services	(125.00)
11/17/2025	25782	BAY ALARM COMPANY	December burglar and fire alarm systems	(188.00)
11/17/2025	ACH 11.17.25	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	November Unfunded Accrued Liability-Plan 3299	(14,363.08)
11/17/2025	ACH 11.17.26	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	November Unfunded Accrued Liability-Plan 27239	(379.08)
11/20/2025	25786	LEGAL SHIELD	November employee paid legal insurance	(119.55)
11/20/2025	25787	VERIZON WIRELESS	October internet services for Field Ops tablets	(239.16)
11/20/2025	25785	CUCAMONGA VALLEY WATER DISTRICT	December lease	(12,319.51)
11/20/2025	25788	WEST YOST	October engineering services	(250,058.55)
11/20/2025	25784	CHEF DAVE'S CATERING & EVENT SERVICES	November Board meeting catering services	(686.50)
11/20/2025	25783	C.J. BROWN & COMPANY, CPAs	FY 25 audit services	(3,911.00)

Total for Month \$ (1,046,519.02)



Chino Basin Watermaster
Credit Card Expense Detail
November 2025

Date	Number	Description	Expense Account	Amount
11/17/2025	25773	CALIFORNIA BANK & TRUST Yogurtland - Water Professional Appreciation - Ice cream social Amazon - Amazon Web Services - September 2025 Avenue of the Arts Costa Mesa - ACWA Leadership Academy - Lodging - E. Tellez-Foster Microsoft Software - Mapping and visualization software subscription Amazon - Insect fan trap (2x) REV Subscription - Speech to text transcription services Amazon - Plug-in fly traps UCR-Dining Services - CBWM UCR School of Public Policy lunch - E. Tellez-Foster Edible.com - Get well arrangement The Pozole Place - Lunch meeting - T. Corbin, J. Scott-Coe Costco - Meeting snacks and drinks Costco - Office supplies Tractor Supply Co - Griddle Amazon - C batteries BambooHR - HR and payroll system - October 2025 Amazon - Insect glue traps Amazon - Insect fly traps Amazon - Insect aerosol spray Amazon - Copy paper (2x) Amazon - Self-seal envelopes BlueHost - Monthly Software Renewal - Standard VPN Server with cPanel Marriot Desert Springs Resort & Spa - CalPers Ed Forum - Coffee - A. Nelson Fisherman Landing Bar & Grill - CalPERS Ed Forum - Dinner - A. Nelson Marriot Desert Springs Resort & Spa - CalPers Ed Forum - Coffee - A. Nelson Fisherman Landing Bar & Grill - CalPERS Ed Forum - Dinner - A. Nelson, D. Uriarte Amazon - Emergency earthquake kits supplies Marriot Desert Springs Resort & Spa - CalPers Ed Forum - Lodging - A. Nelson Marriot Desert Springs Resort & Spa - CalPers Ed Forum - Lodging - D. Uriarte Marriot Desert Springs Resort & Spa - CalPers Ed Forum - Coffee - A. Nelson Amazon - Wireless mouse, paper shredder, decaf coffee Solinist Eureka LLC - PC interface cable City of Ontario - Encroachment permit Lands End - Holiday gifts for staff Old Town Baking - Administrative Leadership Forum - Cookies Amazon - Insect aerosol spray (2x) Autozone - F-150 battery replacement FedEx - Board meeting package - J. Pierson, S. Elie Albertsons - Water Professionals Appreciation - Cake Albertsons - Economic Analysis Presentation - Donuts Amazon - Emergency earthquake kits storage bags Amazon - USB C cables	6141.1 Meeting Supplies 6056 Website Services 6191 Conferences - General 6054 Computer Software 6031.7 General Office Supplies 6112 Subscriptions/Publications 6031.7 General Office Supplies 6141.1 Meeting Supplies 6141.1 Meeting Supplies 6141.1 Meeting Supplies 6312 Board Meeting Expenses 6031.7 General Office Supplies 6031.7 General Office Supplies 6031.7 General Office Supplies 6061.2 HRIS System 6031.7 General Office Supplies 6056 Website Services 6191 Conferences - General 6191 Conferences - General 6191 Conferences - General 6191 Conferences - General 6031.7 General Office Supplies 6191 Conferences - General 6191 Conferences - General 6191 Conferences - General 6031.7 General Office Supplies 6055 Computer Hardware 7103.6 Grdwtr Qual-Supplies 6154 Uniforms 6141.1 Meeting Supplies 6031.7 General Office Supplies 6177 Vehicle Repairs & Maintenance 6042 Postage - General 6141.1 Meeting Supplies 6141.1 Meeting Supplies 6031.7 General Office Supplies 6031.7 General Office Supplies	(104.77) (344.37) (464.80) (15.00) (56.52) (29.99) (66.10) (30.31) (84.14) (60.84) (370.86) (35.87) (469.12) (16.15) (298.99) (17.08) (6.02) (18.31) (122.02) (29.67) (91.99) (9.57) (50.21) (7.95) (125.00) (188.35) (1,111.53) (1,111.53) (21.76) (106.97) (260.34) (1,246.12) (915.64) (45.00) (17.20) (288.83) (19.30) (41.99) (21.07) (23.53) (15.34)

Total for Month \$ (8,360.15)



Chino Basin Watermaster
Combining Schedule of Revenues, Expenses & Changes in Net Assets
For the Period of July 1, 2025 through November 30, 2025
(Unaudited)

	JUDGMENT ADMIN.	OPTIMUM BASIN MGMT.	TOTAL JUDGMENT ADMIN & OBMP	POOL ADMINISTRATION & SPECIAL PROJECTS			ADOPTED BUDGET 2025-2026		
				AP POOL	OAP POOL	ONAP POOL	GROUND WATER REPLENISH.	GRAND TOTALS	WITH CARRYOVER
Administrative Revenues:									
Administrative Assessments	\$ 6,578,699	\$ -	\$ 6,578,699	\$ -	\$ -	\$ 31,000	\$ -	\$ 6,609,699	\$ 11,453,849
Interest Revenue	-	131,839	131,839	8,222	24,549	1,304	385	166,299	368,030
Groundwater Replenishment	-	-	-	-	-	-	105,187	105,187	-
Mutual Agency Project Revenue	195,850	-	195,850	-	-	-	-	195,850	195,850
Miscellaneous Income	-	-	-	-	-	-	-	-	-
Total Administrative Revenues	6,774,548	131,839	6,906,387	8,222	24,549	32,304	105,573	7,077,035	12,017,729
Administrative & Project Expenditures:									
Watermaster Administration	1,152,566	-	1,152,566	-	-	-	-	1,152,566	2,789,042
Watermaster Board-Advisory Committee	144,032	-	144,032	-	-	-	-	144,032	442,947
Optimum Basin Mgmt Administration	-	342,328	342,328	-	-	-	-	342,328	1,236,522
OBMP Project Costs	-	1,901,661	1,901,661	-	-	-	-	1,901,661	4,699,276
Pool Legal Services	-	-	-	12,286	88,238	935	-	101,459	-
Pool Meeting Compensation	-	-	-	-	16,000	3,250	-	19,250	-
Pool Special Projects	-	-	-	-	-	-	-	-	-
Pool Administration	-	-	-	-	-	-	-	-	411,149
Debt Service	-	-	-	-	-	-	-	-	2,438,793
Agricultural Expense Transfer ¹	-	-	-	104,238	(104,238)	-	-	-	-
Replenishment Water Assessments	-	-	-	-	-	-	62,834	62,834	-
Total Administrative Expenses	1,296,598	2,243,989	3,540,587	116,524	-	4,185	62,834	3,724,130	12,017,729
Net Ordinary Income	5,477,950	(2,112,150)	3,365,800	(108,302)	24,549	28,119	42,738	3,352,905	-
Other Income/(Expense)									
Refund-Recharge Debt Service	-	-	-	-	-	-	-	-	-
Carryover Budget	-	-	-	-	-	-	-	-	553,870
Net Other Income/(Expense)	-	-	-	-	-	-	-	-	553,870
Net Transfers To/(From) Reserves	\$ 5,477,950	\$ (2,112,150)	\$ 3,365,800	\$ (108,302)	\$ 24,549	\$ 28,119	\$ 42,738	\$ 3,352,905	\$ 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	12,504,981			478,672	1,492,936	107,871	85,515	14,669,976	
Pool Assessments Outstanding				(86,315)	(586,852)	(31,000)			
Pool Fund Balance				\$ 392,357	\$ 906,084	\$ 76,871			

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



Chino Basin Watermaster

Treasurer's Report

November 2025

	Type	Monthly Yield	Cost	Market	% Total
Cash & Investments					
Local Agency Investment Fund (LAIF) *	Investment	4.10%	\$ 680,480	\$ 681,793	8.0%
CA CLASS Prime Fund **	Investment	4.04%	\$ 5,956,091	\$ 5,956,642	69.5%
CA CLASS Pool Restricted Funds **	Investment	4.04%	\$ 1,375,312	\$ 1,375,439	16.0%
Bank of America	Checking		\$ 559,275	\$ 559,275	6.5%
Bank of America	Payroll		-	-	0.0%
Total Cash & Investments			\$ 8,571,159	\$ 8,573,150	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 November 30, 2025
(Unaudited)

		November 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	\$ -	100%
3	Admin Assessments-Appropriative Pool	6,426,042	6,426,042	-	11,131,622	(4,705,580)	58%
4	Admin Assessments-Non-Ag Pool	152,657	152,657	-	322,227	(169,570)	47%
5	Total Administration Revenue	6,578,699	6,774,548	-	11,164,699	(4,875,151)	58%
6	Other Revenue						
7	Appropriative Pool-Replenishment	81,011	81,011	-	-	81,011	N/A
8	Non-Ag Pool-Replenishment	24,177	24,177	-	-	24,177	N/A
9	Interest Income	19,278	131,839	-	368,030	(236,191)	36%
10	Miscellaneous Income	-	-	-	-	-	N/A
11	Total Other Revenue	124,465	237,026	-	368,030	(131,004)	64%
12	Total Revenue	6,703,164	7,011,575	-	12,017,729	(5,006,154)	58%
13	Judgment Administration Expense						
14	Judgment Administration	59,666	304,542	14,344	910,511	(620,313)	33%
15	Admin. Salary/Benefit Costs	90,648	436,843	-	1,127,840	(690,997)	39%
16	Office Building Expense	20,523	109,741	-	228,535	(118,794)	48%
17	Office Supplies & Equip.	1,417	11,481	10,038	35,750	(34,307)	25%
18	Postage & Printing Costs	1,065	5,417	-	27,190	(21,773)	20%
19	Information Services	5,184	36,564	-	224,400	(187,836)	16%
20	Contract Services	299	26,195	-	103,950	(77,755)	25%
21	Watermaster Legal Services	-	204,684	-	346,011	(141,327)	59%
22	Insurance	-	65,894	-	55,000	10,894	120%
23	Dues and Subscriptions	510	30,852	-	40,900	(10,048)	75%
24	Watermaster Administrative Expenses	561	4,169	-	9,630	(5,461)	43%
25	Field Supplies	-	1,921	-	3,900	(1,979)	49%
26	Travel & Transportation	1,702	9,449	-	35,600	(26,151)	27%
27	Training, Conferences, Seminars	-	14,833	-	43,500	(28,667)	34%
28	Advisory Committee Expenses	7,907	32,130	-	111,785	(79,655)	29%
29	Watermaster Board Expenses	10,666	111,902	-	331,162	(219,260)	34%
30	ONAP - WM & Administration	3,232	20,380	-	123,585	(103,205)	16%
31	OAP - WM & Administration	6,335	25,667	-	140,528	(114,861)	18%
32	Appropriative Pool- WM & Administration	11,159	52,855	-	147,036	(94,181)	36%
33	Allocated G&A Expenditures	(31,717)	(208,921)	-	(403,675)	194,754	52%
34	Total Judgment Administration Expense	189,158	1,296,598	24,382	3,643,138	(2,370,922)	35%
35	Optimum Basin Management Plan (OBMP)						
36	Optimum Basin Management Plan	28,088	342,328	59,443	1,236,522	(953,637)	26%
37	Groundwater Quality Monitoring	205	1,576	-	4,500	(2,924)	35%
38	Groundwater Level Monitoring	28,447	237,058	15,800	500,880	(279,622)	46%
39	Program Element (PE)2- Comp Recharge	38,883	572,091	55,000	1,968,267	(1,451,176)	28%
40	PE3&5-Water Supply/Desalte	17,138	48,907	9,100	173,320	(133,513)	27%
41	PE4- Management Plan	61,066	221,671	124,788	604,076	(507,193)	30%
42	PE6&7-CoopEfforts/SaltMgmt	12,528	230,112	96,394	772,078	(638,360)	26%
43	PE8&9-StorageMgmt/Conj Use	62,174	381,326	168,963	272,480	(60,117)	86%
44	Recharge Improvements	-	-	-	2,438,793	(2,438,793)	0%
45	Administration Expenses Allocated-OBMP	7,119	58,605	-	139,094	(80,489)	42%
46	Administration Expenses Allocated-PE 1-9	24,598	150,316	-	264,581	(114,265)	57%
47	Total OBMP Expense	280,245	2,243,989	529,488	8,374,591	(6,660,090)	25%
48	Other Expense						
49	Groundwater Replenishment	-	62,834	-	42,777	20,058	147%
50	Other Expenses	-	-	-	-	-	N/A
51	Total Other Expense	-	62,834	-	42,777	20,058	147%
52	Total Expenses	469,403	3,603,421	553,870	12,060,506	(9,010,954)	29%
53	Increase / (Decrease) to Reserves	\$ 6,233,761	\$ 3,408,153		\$ (42,777)	\$ 3,450,930	



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2025 to November 30, 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 November 30th, the target budget percentage is generally 42%.

Revenues

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

- Line 2 Local Agency Subsidies includes the annual Dry Year Yield (DYY) administrative fee received. This account is at 100% of budget due to the timing of payment.

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 16 Office Building Expense includes office lease, telephone, utilities, repair and maintenance, and building interior renovation costs. The account is at 48% of budget due to the timing of the office lease payment.
- Line 21 Watermaster Legal Services includes outside legal counsel expenses. The account is at 59% of budget due to the timing of administration matters and increased court coordination in August and September.
- Line 22 Insurance includes general liability insurance, directors' and officers' liability, umbrella coverage, environmental pollution liability and other various insurance policies. The account is over budget due to an unanticipated increase in the cost of Municipalities Umbrella coverage, as well as the implementation of a Cyber insurance policy that was not included in the original budget.
- Line 23 Dues and Subscriptions include annual dues for ACWA, CA Groundwater Coalition, SHRM, and other miscellaneous subscriptions. The account is at 75% of budget due to the timing of subscription renewals.
- Line 25 Field Supplies include expenses for small tools and equipment, safety shoes, and uniforms. The account is at 49% of budget due to the timing of uniform purchases.

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 November 30, 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 November 30, 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	1,303.91	Interest Earnings	8,221.54
Subtotal Additions:	<u>1,303.91</u>	Subtotal Additions:	<u>8,221.54</u>
Reductions:		Reductions:	
Invoices paid July 2025 - October 2025	(935.00)	Invoices paid July 2025 - October 2025	(12,286.00)
Subtotal Reductions:	<u>(935.00)</u>	Subtotal Reductions:	<u>(12,286.00)</u>
Available Fund Balance as of November 30, 2025	\$ 77,745.62	Available Fund Balance as of November 30, 2025	\$ 220,161.00
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 - October 2025	(3,250.00)	Invoices paid July 2025 - October 2025	-
Subtotal Reductions:	<u>(3,250.00)</u>	Subtotal Reductions:	<u>-</u>
Available Fund Balance as of November 30, 2025	\$ (875.00)	Available Fund Balance as of November 30, 2025	\$ 20,577.61



Chino Basin Watermaster
Monthly Variance Report & Supplemental Schedules
For the period July 1, 2025 to November 30, 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 - October 2025	(88,237.50)
Subtotal Reductions:	<u>(88,237.50)</u>

Available Fund Balance as of November 30, 2025**\$ 137,360.01****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	24,549.25
Transfer of Funds from AP to Special Fund for Legal Service Invoices	88,237.50
Total Additions:	<u>112,786.75</u>
Reductions:	
Legal service invoices paid July 2025 - October 2025	(88,237.50)
Subtotal Reductions:	<u>(88,237.50)</u>
Agricultural Pool Reserve Funds Balance as of November 30, 2025:	<u>\$ 906,084.23</u>

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 - October 2025	(16,000.00)
Subtotal Reductions:	<u>(16,000.00)</u>

Available Fund Balance as of November 30, 2025**\$ 2,069.65****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 - October 2025	-
Subtotal Reductions:	<u>-</u>

Available Fund Balance as of November 30, 2025**\$ 12,189.00**



Chino Basin Watermaster

Monthly Variance Report & Supplemental Schedules

For the period July 1, 2025 to November 30, 2025

(Unaudited)

Watermaster Salary Expenses

The following table details the Year-To-Date (YTD) Actual Watermaster burdened salary costs compared to the FY 26 adopted budget. The “\$ Over Budget” and the “% of Budget” columns are a comparison of the YTD actual to the annual budget. As of November 30th, the target budget percentage is generally 42%.

	Year to Date Actual	FY 25-26 Budget	\$ Over / (Under) Budget	% of Budget
WM Salary Expense				
5901.1 · Judgment Admin - Doc. Review	53,934	74,466	(20,532)	72.4%
5901.3 · Judgment Admin - Field Work	594	14,357	(13,763)	4.1%
5901.5 · Judgment Admin - General	3,631	55,535	(51,904)	6.5%
5901.7 · Judgment Admin - Meeting	26,208	45,648	(19,440)	57.4%
5901.9 · Judgment Admin - Reporting	-	21,742	(21,742)	0.0%
5910 · Judgment Admin - Court Coord./Attendance	2,282	28,837	(26,555)	7.9%
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	1,550	33,092	(31,542)	4.7%
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	53,942	106,006	(52,064)	50.9%
5971 · Judgment Admin - Storage Agreements	4,215	20,671	(16,456)	20.4%
5981 · Judgment Admin - Water Accounting/Database	46,489	112,036	(65,547)	41.5%
5991 · Judgment Admin - Water Transactions	5,068	13,062	(7,994)	38.8%
6011.11 · WM Staff - Overtime	1,837	18,000	(16,163)	10.2%
6011.10 · Admin - Accounting	119,638	280,410	(160,772)	42.7%
6011.15 · Admin - Building Admin	6,540	31,040	(24,500)	21.1%
6011.20 · Admin - Conference/Seminars	31,242	50,660	(19,418)	61.7%
6011.25 · Admin - Document Review	46,575	54,110	(7,535)	86.1%
6011.50 · Admin - General	125,736	278,870	(153,134)	45.1%
6011.60 · Admin - HR	21,655	100,980	(79,325)	21.4%
6011.70 · Admin - IT	31,554	72,830	(41,276)	43.3%
6011.80 · Admin - Meeting	64,375	93,640	(29,265)	68.7%
6011.90 · Admin - Team Building	9,528	33,490	(23,962)	28.5%
6011.95 · Admin - Training (Give/Receive)	26,550	79,580	(53,030)	33.4%
6017 · Temporary Services	-	28,250	(28,250)	0.0%
6201 · Advisory Committee	19,157	61,397	(42,240)	31.2%
6301 · Watermaster Board	42,924	101,669	(58,745)	42.2%
8301 · Appropriative Pool	37,777	89,707	(51,930)	42.1%
8401 · Agricultural Pool	13,958	83,199	(69,241)	16.8%
8501 · Non-Agricultural Pool	9,963	66,256	(56,293)	15.0%
6901.1 · OBMP - Document Review	23,915	50,364	(26,449)	47.5%
6901.3 · OBMP - Field Work	2,116	9,471	(7,355)	22.3%
6901.5 · OBMP - General	21,614	52,005	(30,391)	41.6%
6901.7 · OBMP - Meeting	25,530	33,487	(7,957)	76.2%
6901.9 · OBMP - Reporting	3,448	39,176	(35,728)	8.8%
7104.1 · PE1 - Monitoring Program	106,878	166,708	(59,830)	64.1%
7201 · PE2 - Comprehensive Recharge	48,091	49,649	(1,558)	96.9%
7301 · PE3&5 - Water Supply/Desalter	-	19,189	(19,189)	0.0%
7301.1 · PE5 - Reg. Supply Water Prgm.	576	16,759	(16,183)	3.4%
7401 · PE4 - MZ1 Subsidence Mgmt. Plan	182	25,595	(25,413)	0.7%
7501 · PE6 - Coop. Programs/Salt Mgmt.	8,515	22,984	(14,469)	37.0%
7501.1 · PE 7 - Salt Nutrient Mgmt. Plan	594	16,786	(16,192)	3.5%
7601 · PE8&9 - Storage Mgmt./Recovery	31,640	33,288	(1,648)	95.0%
Subtotal WM Staff Costs	1,080,931	2,656,820	(1,575,889)	41%
60184.1 · Administrative Leave	3,072	-	3,072	100.0%
60185 · Vacation	42,939	110,082	(67,143)	39.0%
60185.1 · Comp Time	2,560	-	2,560	100.0%
60186 · Sick Leave	21,030	81,688	(60,658)	25.7%
60187 · Holidays	17,536	102,102	(84,566)	17.2%
Subtotal WM Paid Leaves	87,136	293,872	(206,736)	30%
Total WM Salary Costs	1,168,067	2,950,692	(1,782,625)	39.6%



Chino Basin Watermaster
Monthly Variance Report & Supplemental Schedules
For the period July 1, 2025 to November 30, 2025
(Unaudited)

Engineering

The following table details the Year-To-Date (YTD) Actual Engineering costs compared to the FY 26 adopted budget. The “\$ Over Budget” and the “% of Budget” columns are a comparison of the YTD actual to the annual budget. As of November 30th, the target budget percentage is generally 42%.

	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%
5906.71 · Judgment Admin - Data Requests-CBWM Staff	51,413	109,124	(57,712)	47.1%
5906.72 · Judgment Admin - Data Requests-Non-CBWM Staff	13,518	56,483	(42,966)	23.9%
5925 · Judgment Admin - Ag Production & Estimation	18,502	31,992	(13,490)	57.8%
5935 · Judgment Admin - Mat'l Physical Injury Requests	-	41,668	(41,668)	0.0%
5945 · Judgment Admin - WM Annual Report Preparation	7,693	17,762	(10,069)	43.3%
5965 · Judgment Admin - Support Data Collection & Mgmt Process	15,504	17,302	(1,799)	89.6%
6206 · Advisory Committee Meetings-WY Staff	7,544	22,624	(15,080)	33.3%
6306 · Watermaster Board Meetings-WY Staff	12,299	22,624	(10,325)	54.4%
8306 · Appropriative Pool Meetings-WY Staff	9,374	22,624	(13,250)	41.4%
8406 · Agricultural Pool Meetings-WY Staff	6,665	22,624	(15,959)	29.5%
8506 · Non-Agricultural Pool Meetings-WY Staff	4,713	22,624	(17,911)	20.8%
6901.8 · OBMP - Meetings-WY Staff	15,714	38,909	(23,196)	40.4%
6901.95 · OBMP - Reporting-WY Staff	36,942	66,832	(29,890)	55.3%
6906 · OBMP Engineering Services - Other	23,437	65,810	(42,373)	35.6%
6906.1 · OBMP Watermaster Model Update	21,181	8,176	13,005	259.1%
7104.3 · Grdwtr Level-Engineering	119,536	274,794	(155,258)	43.5%
7104.8 · Grdwtr Level-Contracted Services	1,778	29,128	(27,350)	6.1%
7104.9 · Grdwtr Level-Capital Equipment	5,063	19,000	(13,937)	26.6%
7202 · PE2-Comp Recharge-Engineering Services	3,764	23,350	(19,587)	16.1%
7202.2 · PE2-Comp Recharge-Engineering Services	82,312	181,496	(99,184)	45.4%
7302 · PE3&5-PBHSP Monitoring Program	21,685	77,792	(56,107)	27.9%
7303 · PE3&5-Engineering - Other	8,425	21,080	(12,655)	40.0%
7306 · PE3&5-Engineering - Outside Professionals	18,221	31,500	(13,279)	57.8%
7402 · PE4-Engineering	91,850	301,531	(209,681)	30.5%
7402.10 · PE4-Northwest MZ1 Area Project	109,062	169,378	(60,316)	64.4%
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	1,640	19,107	(17,467)	8.6%
7502 · PE6&7-Engineering	146,901	365,564	(218,663)	40.2%
7502.2 · PE7-Groundwtr Quality Model	-	70,216	(70,216)	0.0%
7505 · PE6&7-Laboratory Services	31,501	41,300	(9,799)	76.3%
7510 · PE6&7-IEUA Salinity Mgmt. Plan	2,690	9,522	(6,832)	28.2%
7511 · PE6&7-SAWBMP Task Force-50% IEUA	17,972	28,022	(10,051)	64.1%
7517 · Surface Water Monitoring Plan-Chino Creek - 50% IEUA	21,940	28,434	(6,494)	77.2%
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	349,686	79,656	270,030	439.0%
7615 · PE8&9-Develop 2025 Storage Plan	-	137,816	(137,816)	0.0%
Total Engineering Services Costs	\$ 1,296,123	\$ 2,659,500	\$ (1,363,375)	48.7%

* West Yost and Subcontractor Engineering Budget of \$2,659,500 plus Carryover Funds from FY 2024/25 of \$508,838



Chino Basin Watermaster
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Legal

The following table details the YTD Brownstein Hyatt Farber Schreck (BHFS) expenses and costs compared to the FY 26 adopted budget. The “\$ Over Budget” and the “% of Budget” columns are a comparison of the YTD actual to the annual budget. As of November 30th, the target budget percentage is generally 42%. Due to the timing of billing, the figures below represent legal services provided through October 31, 2025, with a target budget percentage of 33%.

	Year to Date Actual	FY 25-26 Budget	\$ Over / (Under) Budget	% of Budget
6070 · Watermaster Legal Services				
6071 · BHFS Legal - Court Coordination	\$ 71,229	\$ 76,000	\$ (4,771)	93.7%
6072 · BHFS Legal - Rules & Regulations	-	10,495	(10,495)	0.0%
6073 · BHFS Legal - Personnel Matters	24,208	28,150	(3,942)	86.0%
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)	109,247	177,240	(67,993)	61.6%
Total 6070 · Watermaster Legal Services	204,684	346,011	(141,327)	59.2%
6275 · BHFS Legal - Advisory Committee	5,430	27,764	(22,334)	19.6%
6375 · BHFS Legal - Board Meeting	35,381	88,704	(53,324)	39.9%
6375.1 · BHFS Legal - Board Workshop(s)	-	29,215	(29,215)	0.0%
8375 · BHFS Legal - Appropriative Pool	5,704	34,705	(29,001)	16.4%
8475 · BHFS Legal - Agricultural Pool	5,044	34,705	(29,661)	14.5%
8575 · BHFS Legal - Non-Ag Pool	5,704	34,705	(29,001)	16.4%
Total BHFS Legal Services	57,263	249,798	(192,535)	22.9%
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	4,016	21,405	(17,390)	18.8%
6907.38 · Reg. Water Quality Cntrl Board	-	63,200	(63,200)	0.0%
6907.39 · Recharge Master Plan	4,981	14,270	(9,289)	34.9%
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	16,041	151,180	(135,139)	10.6%
6907.50 · San Sevaine Basin Discharge - State Court	-	54,130	(54,130)	0.0%
6907.51 · San Sevaine Basin Discharge CWA Litigation	129,149	150,440	(21,291)	85.8%
6907.90 · WM Legal Counsel - Unanticipated	-	38,885	(38,885)	0.0%
Total 6907 · WM Legal Counsel	160,822	755,140	(594,318)	21.3%
Total Brownstein, Hyatt, Farber, Schreck Costs	\$ 422,769	\$ 1,350,949	\$ (928,180)	31.3%



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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 26 adopted budget. The “\$ Over Budget” and the “% of Budget” columns are a comparison of the YTD actual to the annual budget. As of November 30th, the target budget percentage is generally 42%.

		Year to Date	FY 25-26	\$ Over / (Under) Budget	% of Budget
		Actual	Budget		
6900 · Optimum Basin Mgmt Plan					
6901.1 · OBMP - Document Review-WM Staff	\$ 23,915	\$ 50,364	\$ (26,449)	47.5%	
6901.3 · OBMP - Field Work-WM Staff	2,116	9,471	(7,355)	22.3%	
6901.5 · OBMP - General-WM Staff	21,614	52,005	(30,391)	41.6%	
6901.7 · OBMP - Meeting-WM Staff	25,530	33,487	(7,957)	76.2%	
6901.8 · OBMP - Meeting-West Yost	15,714	38,909	(23,196)	40.4%	
6901.9 · OBMP - Reporting-WM Staff	3,448	39,176	(35,728)	8.8%	
6901.95 · OBMP - Reporting-West Yost	36,942	66,832	(29,890)	55.3%	
Total 6901 · OBMP WM and West Yost Staff	129,280	290,244	(160,964)	44.5%	
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	21,181	8,176	13,005	259.1%	
6906.21 · State of the Basin Report	-	-	-	0.0%	
6906 · OBMP Engineering Services - Other	23,437	65,810	(42,373)	35.6%	
Total 6906 · OBMP Engineering Services	44,618	73,986	(29,368)	60.3%	
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	4,016	21,405	(17,390)	18.8%	
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	4,981	14,270	(9,289)	34.9%	
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	16,041	151,180	(135,139)	10.6%	
6907.50 · San Sevaine Basin Discharge - State	-	54,130	(54,130)	0.0%	
6907.51 · San Sevaine Basin Discharge CWA	129,149	150,440	(21,291)	85.8%	
6907.90 · WM Legal Counsel - Unanticipated	-	38,885	(38,885)	0.0%	
Total 6907 · OBMP Legal Fees	160,822	755,140	(594,318)	21.3%	
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	\$ 342,328	\$ 1,236,522	\$ (894,194)	27.7%	



Chino Basin Watermaster
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(Unaudited)

Judgment Administration

The following table details the Year-To-Date (YTD) Actual Judgment Administration costs compared to the FY 26 adopted budget. The “\$ Over Budget” and the “% of Budget” columns are a comparison of the YTD actual to the annual budget. As of November 30th, the target budget percentage is generally 42%.

		Year to Date	FY 25-26	\$ Over / (Under) Budget	% of Budget
		Actual	Budget		
5901 · Admin-WM Staff					
5901.1 · Admin-Doc. Review-WM Staff	\$ 53,934	\$ 74,466	\$ (20,532)	72.4%	
5901.3 · Admin-Field Work-WM Staff	594	14,357	(13,763)	4.1%	
5901.5 · Admin-General-WM Staff	3,631	55,535	(51,904)	6.5%	
5901.7 · Admin-Meeting-WM Staff	26,208	45,648	(19,440)	57.4%	
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	84,367	250,657	(166,290)	33.7%	
5900 · Judgment Admin Other Expenses					
5906.71 · Admin-Data Req-CBWM Staff	51,413	109,124	(57,712)	47.1%	
5906.72 · Admin-Data Req-Non CBWM Staff	13,518	56,483	(42,966)	23.9%	
5910 · Court Coordination/Attend-WM	2,282	28,837	(26,555)	7.9%	
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	18,502	31,992	(13,490)	57.8%	
5931 · Recharge Applications-WM Staff	1,550	33,092	(31,542)	4.7%	
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	7,693	17,762	(10,069)	43.3%	
5951 · Rules & Regs-WM Staff	-	11,350	(11,350)	0.0%	
5961 · Safe Yield-WM Staff	53,942	106,006	(52,064)	50.9%	
5965 · Support Data Collect-West Yost	15,504	17,302	(1,799)	89.6%	
5971 · Storage Agreements-WM Staff	4,215	20,671	(16,456)	20.4%	
5981 · Water Acct/Database-WM Staff	46,489	112,036	(65,547)	41.5%	
5991 · Water Transactions-WM Staff	5,068	13,062	(7,994)	38.8%	
Total 5900 · Judgment Admin Other Expenses	220,175	659,854	(439,679)	33.4%	
Total 5900 · Judgment Administration	\$ 304,542	\$ 910,511	\$ (605,969)	33.4%	



Chino Basin Watermaster
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“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 on 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: January 22, 2026

TO: Board Members

SUBJECT: Chino Basin Watermaster 2026 Investment Policy – Resolution No. 2026-01
(Consent Calendar Item II.C.)

Issue: Per Watermaster Policy Section 4.11, Watermaster shall prepare and submit a statement of investment policy to be considered and adopted by the Watermaster Board. [Normal Course of Business]

Recommendation: Adopt the Watermaster Investment Policy and corresponding Resolution 2026-01 as presented.

Financial Impact: None

ACTIONS:

Appropriative Pool – Date: January 8, 2026 [Final]: Provided advice and assistance

Non-Agricultural Pool – Date: January 8, 2026 [Final]: Provided advice and assistance

Agricultural Pool – Date: January 8, 2026 [Final]: Provided advice and assistance

Advisory Committee – Date: January 15, 2026 [Final]: Approved and recommended Board adoption

Watermaster Board – Date: January 22, 2026 [Recommended]: Adoption

BACKGROUND

Pursuant to the Restated Judgment Paragraph 23 (Investment of Funds), "Watermaster may hold and invest any and all Watermaster funds in investments authorized from time to time for public agencies of the State of California."

DISCUSSION

Watermaster maintains its investments as set forth in paragraph 23 of the Restated Judgment and Watermaster Rules and Regulations Section 2.6. As required by the Policy, Watermaster is asked to approve a Resolution and adopt an annual Investment Policy with any changes for compliance with State of California public agency investment requirements.

Resolution 2026-01, Resolution of the Chino Basin Watermaster, San Bernardino County, California, Establishing a Watermaster Investment Policy has been drafted (Attachment 1), and if adopted would rescind Resolution 2025-01 in its entirety. The 2026 Chino Basin Watermaster Investment Policy has also been drafted (Attachment 2).

There are no changes from the Board approved 2025 Investment Policy. Watermaster's legal counsel reviewed the policy for any changes in law that might affect the investment policy and supported the recommendation to continue the current practice with no changes.

The Pool Committees at their January 8, 2026 meetings unanimously recommended the Advisory Committee to recommend to the Watermaster Board to approve the 2026 Investment Policy and adopt corresponding Resolution 2026-01. The Advisory Committee was presented with this item at its January 15, 2026 meeting where it unanimously recommended the Board's approval of the Policy and adoption of Resolution 2026-01.

ATTACHMENTS

1. Resolution 2026-01 Establishing a Watermaster Investment Policy (DRAFT)
2. Chino Basin Watermaster 2026 Investment Policy (DRAFT)

RESOLUTION 2026-01

**RESOLUTION OF THE CHINO BASIN WATERMASTER,
SAN BERNARDINO COUNTY, CALIFORNIA,
ESTABLISHING
A WATERMASTER INVESTMENT POLICY**

WHEREAS, the normal and prudent operation of the Watermaster's daily business generates cash balances, operating and fund reserves; and

WHEREAS, the cash management system is designed to accurately monitor and forecast expenditures and revenues on behalf of Watermaster, thus enabling the Watermaster to invest funds to the fullest extent possible; and

WHEREAS, the cash funds are to be placed in investments authorized for public agencies of the State of California (Restated Judgment Paragraph 23); and

WHEREAS, Watermaster deems it to be in the best interests of the parties to the Judgment to delegate the authority to invest and reinvest the funds of Watermaster to the Watermaster General Manager subject to the provisions of its Investment Policy and the ongoing review and control of Watermaster and the Watermaster Advisory Committee.

WHEREAS, it is the Watermaster's policy to annually review, update, and adopt an investment policy;

NOW, THEREFORE, BE IT RESOLVED, by the Chino Basin Watermaster that:

- Section 1. The Chino Basin Watermaster 2026 Investment Policy, as attached, is adopted.
- Section 2. The authority to invest and reinvest funds of Watermaster is hereby delegated to the Watermaster General Manager (and his/her designees) subject to the provisions of said Investment Policy and the ongoing review and control of Watermaster and the Watermaster Advisory Committee.
- Section 3. This resolution shall take effect from and after its date of adoption and Resolution 2025-01 is rescinded in its entirety.

ADOPTED by the Watermaster Board on this 22nd day of January 2026.

APPROVED:

By:

Chair, Watermaster Board

ATTEST:

By:

Board Secretary/Treasurer
Chino Basin Watermaster

ATTACHMENT 1

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, _____, Secretary/Treasurer of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 2026-01, was adopted at a regular meeting of the Chino Basin Watermaster Board on January 22, 2026 by the following vote: ▶

AYES:	0
NOES:	0
ABSENT:	0
ABSTAIN:	0

CHINO BASIN WATERMASTER

Watermaster Secretary/Treasurer

CHINO BASIN WATERMASTER

2026 INVESTMENT POLICY

1.0 POLICY

WHEREAS; the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (Government Code (GC) § 53600.6 and § 53630.1); and

WHEREAS; the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency (though Chino Basin Watermaster is not a local agency, it handles its investments in a similar manner) in accordance with the provisions of California Government Code Sections 5922 and 53601 et seq.; and

WHEREAS; the General Manager ("GM") of the Chino Basin Watermaster ("Watermaster") shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Watermaster Board at a public meeting;

NOW THEREFORE, it shall be the policy of the Watermaster to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Watermaster and conforming to all statutes and judgments governing the investment of Watermaster funds as defined in GC §53600 et seq.

2.0 SCOPE

This investment policy applies to all financial assets of the Watermaster. These funds are accounted for in the annual Watermaster audit.

3.0 PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Watermaster, which persons of prudence, discretion, and intelligence, exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard in the California Government Code (53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers (the GM and his/her designees) acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a

timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

As specified in GC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the Watermaster shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
2. Liquidity: The investment portfolio will remain sufficiently liquid to enable the Watermaster to meet all operating requirements which might be reasonably anticipated.
3. Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from the Restated Judgment Paragraph 23, and from California Government Code 53600, et seq. Management responsibility for the investment program is hereby delegated to the Advisory Committee, who, with the GM, shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and pursuant to Watermaster Rules and Regulations Section 2.16, derived from the Restated Judgment, Paragraph 23. The Board shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code 53600.3, the GM is a trustee and a fiduciary subject to the prudent investor standard.

6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

7.0 AUTHORIZED AND SUITABLE INVESTMENTS

The Watermaster is empowered by California Government Code 53601 et seq. to invest in the following:

1. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association, or a federal association (as defined by Section 5102 of the Financial Code), or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed \$500,000 in any one Bank at a time.
2. Local Agency Investment Fund (LAIF) in Sacramento, CA.
3. Investment Trust of California (CalTRUST).
4. California Cooperative Liquid Assets Securities System (CLASS).
5. California Asset Management Program (CAMP).

Such investments shall be limited to securities that at the time of the investment have a term remaining to maturity of five years or less, or as provided above.

8.0 COLLATERALIZATION

All certificates of deposit must be collateralized. Collateral must be held by a third-party trustee and valued on a monthly basis.

9.0 DIVERSIFICATION

The Watermaster will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.

10.0 REPORTING

The Watermaster Director of Administration shall prepare Monthly Investment Reports which reflect investment transactions for review by the Pool Committees and the Advisory Committee prior to presentation to the Watermaster Board at its next regularly scheduled meeting.

Following formats used in prior years, said Investment Report will reflect the following information:

- a. Funds held in each Bank at the beginning and ending of the reporting period; and
- b. Investments deposited and/or redeemed by type and by Bank (including

interest rates, days invested and maturity yield rates) during the reporting period; and

- c. Investments outstanding at the close of the reporting period (including interest rates, days invested and maturity date); and
- d. Elements effecting the change in Watermaster's cash position; and
- e. A statement signed by the Director of Administration as to the ability of the cash on hand to meet foreseen expenditures during the next six months.

11.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the Watermaster on an annual basis. The Policy Statement will be reviewed by each Pool Committee. Should any Pool Committee recommend revisions to the Policy Statement, it shall be amended prior to presentation to the Advisory Committee for its review and comment. If necessary, the Policy Statement will be further amended to reflect the comments of the Advisory Committee. The final Policy Statement will then be presented to the Watermaster Board for adoption at the next regularly scheduled meeting.



CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: January 22, 2026

TO: Board Members

SUBJECT: Application: Water Transaction – 5.09 AF from San Antonio Water Company to CalMat Co. (Appropriative) (Consent Calendar Item II.D.)

Issue: To consider the Consolidated Water Transfer Forms for the sale and transfer of 5.09 acre-feet of water from San Antonio Water Company to CalMat Co. (Appropriative). This purchase is requested to be transferred from San Antonio Water Company's Annual Production Right. CalMat Co. (Appropriative) is utilizing this transaction to produce its San Antonio Water Company shares. [Within WM Duties and Powers]

Recommendation: Approve the proposed transaction.

Financial Impact: None.

ACTIONS:

Appropriative Pool – December 11, 2025 [Final]: Provided advice and assistance.
Non-Agricultural Pool – December 11, 2025 [Final]: Provided advice and assistance.
Agricultural Pool – December 11, 2025 [Final]: Provided advice and assistance.
Advisory Committee – January 15, 2026 [Final]: Provided advice and assistance.
Watermaster Board – January 22, 2026 [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 November 13, 2025. Notice of the transaction along with the materials submitted by the requestors was transmitted to stakeholders electronically on December 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 January 2026 meetings respectively.

At the Pool Committee meetings held on December 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 the Advisory Committee and Watermaster Board meetings subject to changes they deem appropriate. The proposed transaction was then presented to the Advisory Committee for consideration on January 15, 2026. The Advisory Committee unanimously recommended the Watermaster Board approve the proposed transaction.

ATTACHMENTS

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

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:** November 13, 2025**AMOUNT REQUESTED:** 5.09 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR): <u>San Antonio Water Company</u> Name of Party <u>139 N. Euclid Avenue</u> Street Address <u>Upland</u> <u>CA</u> <u>91786</u> City State Zip Code <u>909.982.4107</u> Telephone <u>NA</u> Facsimile	TRANSFER TO (BUYER / TRANSFeree): <u>CalMat Company (App Pool)</u> Name of Party <u>405 North Indian Hill Boulevard</u> Street Address <u>Claremont</u> <u>CA</u> <u>91711</u> City State Zip Code <u>909-621-1266</u> Telephone <u> </u> Facsimile
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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 Meet SAWCO entitlement for Calendar Year 2025

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.")

Is the Buyer an 85/15 Party?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the purpose of the transfer to meet a current demand over and above production right?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Is the water being placed into the Buyer's Annual Account?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

700-1,000 gpm

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:

Regular Production Wells

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

Brian C. Lee

Digitally signed by Brian C. Lee
Date: 2025.10.28 11:15:38
-07'00'

Seller / Transferor Representative Signature



Buyer / Transferee Representative Signature

Brian C. Lee

Seller / Transferor Representative Name (Printed)

Kevin Sage

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: December 5, 2025

DATE OF APPROVAL FROM APPROPRIATIVE POOL: December 11, 2025

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

DATE OF APPROVAL FROM AGRICULTURAL POOL: December 11, 2025

HEARING DATE, IF ANY: N/A

DATE OF ADVISORY COMMITTEE APPROVAL: January 15, 2026

DATE OF BOARD APPROVAL: _____



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

TRANSFER OF WATER

Date of Notice:

December 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: **November 13, 2025** Date of this notice: **December 05, 2025**

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

- Notice of Sale or Transfer – The purchase of 5.09 acre-feet of water from San Antonio Water Company by CalMat Co. (Appropriative). This purchase is made from San Antonio Water Company's Annual Production Right. CalMat Co. (Appropriative) is utilizing this transaction to produce its San Antonio Water Company shares.

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

Appropriative Pool:	December 11, 2025
Non-Agricultural Pool:	December 11, 2025
Agricultural Pool:	December 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: January 22, 2026

TO: Board Members

SUBJECT: Application: Water Transaction – 8.14 AF from San Antonio Water Company to Cucamonga Valley Water District (Consent Calendar Item II.E.)

Issue: To consider the Consolidate Water Transfer Forms for the sale and transfer of 8.14 acre-feet of water from San Antonio Water Company to Cucamonga Valley Water District. This purchase is requested to be transferred from San Antonio Water Company's Annual Production Right. Cucamonga Valley Water District is utilizing this transaction to produce its San Antonio Water Company shares. [Within WM Duties and Powers]

Recommendation: Approve the proposed transaction.

Financial Impact: None.

ACTIONS:

Appropriative Pool – December 11, 2025 [Final]: Provided advice and assistance.
Non-Agricultural Pool – December 11, 2025 [Final]: Provided advice and assistance.
Agricultural Pool – December 11, 2025 [Final]: Provided advice and assistance.
Advisory Committee – January 15, 2026 [Final]: Provided advice and assistance.
Watermaster Board – January 22, 2026 [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 November 13, 2025. Notice of the transaction along with the materials submitted by the requestors was transmitted to stakeholders electronically on December 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 January 2026 meetings respectively.

At the Pool Committee meetings held on December 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 the Advisory Committee and Watermaster Board meetings subject to changes they deem appropriate. The proposed transaction was then presented to the Advisory Committee for consideration on January 15, 2026. The Advisory Committee unanimously recommended the Watermaster Board approve the proposed transaction.

ATTACHMENTS

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

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:** November 13, 2025**AMOUNT REQUESTED:** 8.14 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):			TRANSFER TO (BUYER / TRANSFeree):		
<u>San Antonio Water Company</u>			<u>Cucamonga Valley Water District</u>		
Name of Party			Name of Party		
<u>139 N. Euclid Avenue</u>			<u>10440 Ashford Street</u>		
Street Address			Street Address		
<u>Upland</u>	<u>CA</u>	<u>91786</u>	<u>Rancho Cucamonga</u>	<u>CA</u>	<u>91730</u>
City	State	Zip Code	City	State	Zip Code
<u>909.982.4107</u>			<u>909-360-6914</u>		
Telephone			Telephone		
<u>NA</u>			<u>NA</u>		
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 Meet SAWCO entitlement for Calendar Year 2025

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No

Is the Buyer an 85/15 Party? Yes No

Is the purpose of the transfer to meet a current demand over and above production right? Yes No

Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

Varies

Projected Rate of Recapture

2025-26

Projected Duration of Recapture

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

Pumping

PLACE OF USE OF WATER TO BE RECAPTURED:

Management Zone 2

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

NA

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

Brian C. Lee

Digitally signed by Brian C. Lee
Date: 2025.10.28 11:15:38
-07'00'

Seller / Transferor Representative Signature

[Brian C. Lee](#)

Seller / Transferor Representative Name (Printed)

Amanda Coker

Digitally signed by Amanda Coker
Date: 2025.10.30 08:10:48 -07'00'

Buyer / Transferee Representative Signature

[Amanda Coker](#)

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: December 5, 2025

DATE OF APPROVAL FROM APPROPRIATIVE POOL: December 11, 2025

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

DATE OF APPROVAL FROM AGRICULTURAL POOL: December 11, 2025

HEARING DATE, IF ANY: N/A

DATE OF ADVISORY COMMITTEE APPROVAL: January 15, 2026

DATE OF BOARD APPROVAL: _____



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

TRANSFER OF WATER

Date of Notice:

December 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: **November 13, 2025** Date of this notice: **December 05, 2025**

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

- Notice of Sale or Transfer – The purchase of 8.14 acre-feet of water from San Antonio Water Company by Cucamonga Valley Water District. This purchase is made from San Antonio Water Company's Annual Production Right. Cucamonga Valley Water District is utilizing this transaction to produce its San Antonio Water Company shares.

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

Appropriative Pool:	December 11, 2025
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Agricultural Pool:	December 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**.

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Tel: (909) 484-3888
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CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: January 22, 2026
TO: Board Members
SUBJECT: Application: Water Transaction – 2.04 AF from San Antonio Water Company to Fontana Water Company (Consent Calendar Item II.F.)

Issue: To consider the Consolidate Water Transfer Forms for the sale and transfer of 2.04 acre-feet of water from San Antonio Water Company to Fontana Water Company. This purchase is requested to be transferred from San Antonio Water Company's Annual Production Right. Fontana Water Company is utilizing this transaction to produce its San Antonio Water Company shares. [Within WM Duties and Powers]

Recommendation: Approve the proposed transaction.

Financial Impact: None.

ACTIONS:

Appropriative Pool – December 11, 2025 [Final]: Provided advice and assistance.
Non-Agricultural Pool – December 11, 2025 [Final]: Provided advice and assistance.
Agricultural Pool – December 11, 2025 [Final]: Provided advice and assistance.
Advisory Committee – January 15, 2026 [Final]: Provided advice and assistance.
Watermaster Board – January 22, 2026 [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 November 13, 2025. Notice of the transaction along with the materials submitted by the requestors was transmitted to stakeholders electronically on December 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 January 2026 meetings respectively.

At the Pool Committee meetings held on December 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 the Advisory Committee and Watermaster Board meetings subject to changes they deem appropriate. The proposed transaction was then presented to the Advisory Committee for consideration on January 15, 2026. The Advisory Committee unanimously recommended the Watermaster Board approve the proposed transaction.

ATTACHMENTS

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

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:** November 13, 2025**AMOUNT REQUESTED:** 2.04 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR): <u>San Antonio Water Company</u> Name of Party <u>139 N. Euclid Avenue</u> Street Address <u>Upland</u> <u>CA</u> <u>91786</u> City State Zip Code <u>909.982.4107</u> Telephone <u>NA</u> Facsimile	TRANSFER TO (BUYER / TRANSFeree): <u>Fontana Water Company</u> Name of Party <u>15966 Arrow Route</u> Street Address <u>Fontana</u> <u>CA</u> <u>92335</u> City State Zip Code <u>909-822-2201</u> Telephone <u>909-823-5046</u> Facsimile
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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 Meet SAWCO shareholders entitlement for Calendar Year 2025 and satisfy FWC overproduction.

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No

Is the Buyer an 85/15 Party? Yes No

Is the purpose of the transfer to meet a current demand over and above production right? Yes No

Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

Varies

Projected Rate of Recapture

FY 2025/2026

Projected Duration of Recapture

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

Pumping

PLACE OF USE OF WATER TO BE RECAPTURED:

Chino Basin Management Zone 3

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

N/A

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

In 2025, Perchlorate and Nitrate levels were as high as 6.9 ppb and 10.0 ppm respectively.

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

Static water levels ranged from 321 to 674 feet (bgs) as of October 2025.

MATERIAL PHYSICAL INJURY

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

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

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

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

Brian C. Lee

Seller / Transferor Representative Signature



Buyer / Transferee Representative Signature

Brian C. Lee

Seller / Transferor Representative Name (Printed)

Martin Zvirbulis, Vice President

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: December 5, 2025

DATE OF APPROVAL FROM APPROPRIATIVE POOL: December 11, 2025

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

DATE OF APPROVAL FROM AGRICULTURAL POOL: December 11, 2025

HEARING DATE, IF ANY: N/A

DATE OF ADVISORY COMMITTEE APPROVAL: Revised AFIEEG

DATE OF BOARD APPROVAL: _____



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

TRANSFER OF WATER

Date of Notice:

December 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: **November 13, 2025** Date of this notice: **December 05, 2025**

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

- Notice of Sale or Transfer – The purchase of 2.04 acre-feet of water from San Antonio Water Company by Fontana Water Company. This purchase is made from San Antonio Water Company's Annual Production Right. Fontana Water Company is utilizing this transaction to produce its San Antonio Water Company shares.

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

Appropriative Pool:	December 11, 2025
Non-Agricultural Pool:	December 11, 2025
Agricultural Pool:	December 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: January 22, 2026

TO: Board Members

SUBJECT: Application: Water Transaction – 738.05 AF from San Antonio Water Company to City of Upland (Consent Calendar Item II.G.)

Issue: To consider the Consolidate Water Transfer Forms for the sale and transfer of 738.05 acre-feet of water from San Antonio Water Company to City of Upland. This purchase is requested to be transferred from San Antonio Water Company's Annual Production Right. City of Upland is utilizing this transaction to produce its San Antonio Water Company shares. [Within WM Duties and Powers]

Recommendation: Approve the proposed transaction.

Financial Impact: None.

ACTIONS:

Appropriative Pool – December 11, 2025 [Final]: Provided advice and assistance.
Non-Agricultural Pool – December 11, 2025 [Final]: Provided advice and assistance.
Agricultural Pool – December 11, 2025 [Final]: Provided advice and assistance.
Advisory Committee – January 15, 2026 [Final]: Provided advice and assistance.
Watermaster Board – January 22, 2026 [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 November 13, 2025. Notice of the transaction along with the materials submitted by the requestors was transmitted to stakeholders electronically on December 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 January 2026 meetings respectively.

At the Pool Committee meetings held on December 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 the Advisory Committee and Watermaster Board meetings subject to changes they deem appropriate. The proposed transaction was then presented to the Advisory Committee for consideration on January 15, 2026. The Advisory Committee unanimously recommended the Watermaster Board approve the proposed transaction.

ATTACHMENTS

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

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:** November 13, 2025**AMOUNT REQUESTED:** 738.05 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR): <u>San Antonio Water Company</u> Name of Party <u>139 N. Euclid Avenue</u> Street Address <u>Upland</u> <u>CA</u> <u>91786</u> City State Zip Code <u>909.982.4107</u> Telephone <u>NA</u> Facsimile	TRANSFER TO (BUYER / TRANSFeree): <u>City of Upland</u> Name of Party <u>1370 N. Benson Ave</u> Street Address <u>Upland</u> <u>CA</u> <u>91786</u> City State Zip Code <u>909-291-2966</u> Telephone <u>N/A</u> 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 Meet SAWCO entitlement for Calendar Year 2025

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.")

Is the Buyer an 85/15 Party?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the purpose of the transfer to meet a current demand over and above production right?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Is the water being placed into the Buyer's Annual Account?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

700-1,000 gpm

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:

Regular Production Wells

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

Brian C. Lee

Seller / Transferor Representative Signature



Buyer / Transferee Representative Signature

Brian C. Lee

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: December 5, 2025

DATE OF APPROVAL FROM APPROPRIATIVE POOL: December 11, 2025

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

DATE OF APPROVAL FROM AGRICULTURAL POOL: December 11, 2025

HEARING DATE, IF ANY: N/A

DATE OF ADVISORY COMMITTEE APPROVAL: Revised At Meeting

DATE OF BOARD APPROVAL: _____



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

TRANSFER OF WATER

Date of Notice:

December 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: **November 13, 2025** Date of this notice: **December 05, 2025**

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

- Notice of Sale or Transfer – The purchase of 738.05 acre-feet of water from San Antonio Water Company by City of Upland. This purchase is made from San Antonio Water Company's Annual Production Right. City of Upland is utilizing this transaction to produce its San Antonio Water Company shares.

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

Appropriative Pool:	December 11, 2025
Non-Agricultural Pool:	December 11, 2025
Agricultural Pool:	December 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: January 22, 2026

TO: Board Members

SUBJECT: Application: Water Transaction – 738.05 AF from City of Upland to Fontana Water Company (Consent Calendar Item II.H.)

Issue: To consider the Consolidate Water Transfer Forms for the sale and transfer of 738.05 acre-feet of water from City of Upland to Fontana Water Company. This purchase is requested to be transferred from City of Upland's Annual Production Right. [Within WM Duties and Powers]

Recommendation: Approve the proposed transaction.

Financial Impact: None.

ACTIONS:

Appropriative Pool – December 11, 2025 [Final]: Provided advice and assistance.
Non-Agricultural Pool – December 11, 2025 [Final]: Provided advice and assistance.
Agricultural Pool – December 11, 2025 [Final]: Provided advice and assistance.
Advisory Committee – January 15, 2026 [Final]: Provided advice and assistance.
Watermaster Board – January 22, 2026 [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 November 26, 2025. Notice of the transaction along with the materials submitted by the requestors was transmitted to stakeholders electronically on December 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 January 2026 meetings respectively.

At the Pool Committee meetings held on December 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 the Advisory Committee and Watermaster Board meetings subject to changes they deem appropriate. The proposed transaction was then presented to the Advisory Committee for consideration on January 15, 2026. The Advisory Committee unanimously recommended the Watermaster Board approve the proposed transaction.

ATTACHMENTS

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

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: November 26, 2025

AMOUNT REQUESTED: 738.05 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):			TRANSFER TO (BUYER / TRANSFeree):		
<u>City of Upland</u> Name of Party <u>460 N Euclid Ave</u> Street Address <u>Upland</u> <u>CA</u> <u>91786</u> City State Zip Code <u>(909) 291-2930</u> Telephone <u>Facsimile</u>			<u>Fontana Water Company</u> Name of Party <u>15966 Arrow Route</u> Street Address <u>Fontana</u> <u>CA.</u> <u>92335</u> City State Zip Code <u>(909) 822-2201</u> Telephone <u>(909) 823-5046</u> 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.")

Is the Buyer an 85/15 Party?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Is the purpose of the transfer to meet a current demand over and above production right?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Is the water being placed into the Buyer's Annual Account?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

Varies	2025-2026
Projected Rate of Recapture	Projected Duration of Recapture

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

Pumping

PLACE OF USE OF WATER TO BE RECAPTURED:

Chino Basin Management Zone 3

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

N/A

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

In 2025, perchlorate and nitrate levels ranged as high as 6.9 ppb and 9.3 ppm respectively.

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

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

MATERIAL PHYSICAL INJURY

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

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

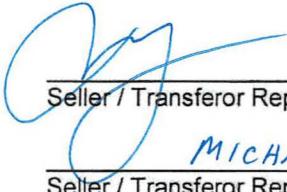
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

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

MICHAEL BAY

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Martin Zvirbulis, Vice President - Water Resources

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: December 5, 2025

DATE OF APPROVAL FROM APPROPRIATIVE POOL: December 11, 2025

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

DATE OF APPROVAL FROM AGRICULTURAL POOL: December 11, 2025

HEARING DATE, IF ANY: N/A

DATE OF ADVISORY COMMITTEE APPROVAL: January 15, 2026

DATE OF BOARD APPROVAL: _____



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

TRANSFER OF WATER

Date of Notice:

December 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: **November 26, 2025** Date of this notice: **December 05, 2025**

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

- Notice of Sale or Transfer – The purchase of 738.05 acre-feet of water from City of Upland by Fontana Water Company. This purchase is made from City of Upland's Annual Production Right.

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

Appropriative Pool: December 11, 2025

Non-Agricultural Pool: December 11, 2025

Agricultural Pool: December 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: January 22, 2026

TO: Board Members

SUBJECT: 2026 Hearing Officer Panel Appointment (Consent Calendar Item II.I.)

Issue: According to Watermaster Rules and Regulations, Article X, Section 10.22, "Watermaster Board shall develop and maintain a panel of five individuals that have technical expertise and some familiarity with the Basin" from which a hearing officer can be selected should the need arise relating to applications, contests, and complaints. [Within Watermaster Powers and Duties]

Recommendation: Approve and appoint the recommended panel of five individuals to serve, if selected, as a Hearing Officer in calendar year 2026, to be reconsidered periodically and no less frequently than annually.

Financial Impact: There is no financial impact associated with the recommendation until and unless a hearing officer's services are needed. Such expenses, should they arise, would need to be considered separately.

ACTIONS:
Watermaster Board – January 22, 2026 [Recommended]: Approval

BACKGROUND

Parties may make an application to Watermaster for Recharge, Transfer, Storage Agreements, Recapture, or participation in a Storage and Recovery Program. The Watermaster Rules and Regulations provide a process for applications, including contesting an application by another party. The Watermaster Rules and Regulations also provide a process for complaints as to an action causing Material Physical Injury. In case a contest or complaint requires a hearing, the Watermaster Rules and Regulations provide:

10.22 Designation of Hearing Officer for Applications, Contests and Complaints. The Watermaster Board shall develop and maintain a panel of five individuals that have technical expertise and some familiarity with the Basin. The hearing officer shall be selected by the mutual agreement of each side. If mutual agreement cannot be reached, each side to any hearing on an Application or Complaint shall rank their preferred hearing officer from one (1) to five (5). The panel member receiving the highest total score shall be selected by the Watermaster Board as the Hearing Officer, unless he or she is unable to serve in which case the panel member receiving the next highest rank shall be selected. Ties shall be broken by vote of the Watermaster Board. Watermaster may add or remove new members to the five-member panel from time to time or as circumstances may warrant. There shall be only two sides in any hearing and intervenors shall be assigned to a side.

The duties of a hearing officer are also described in the Rules and Regulations:

10.23 Duty of the Hearing Officer. The hearing officer shall conduct the hearings in accordance with the provisions of this Article. It shall be the responsibility of the hearing officer to compile the record, develop proposed findings and recommendations supported by substantial evidence in the record within thirty days of the hearing and transmit the record to the Advisory Committee and thereafter the Watermaster Board for further action. The hearing officer shall have and shall exercise the power to regulate all proceedings in any matter before it, and to take and do all acts and measures necessary or proper for the efficient performance of its duties.

In January 2025, the Watermaster Board appointed five individuals to the panel. All five were contacted and four expressed willingness to continue to be considered as potential hearing officers in 2026. Ms. Felicia Marcus did not respond and instead, Mr. Joe Grindstaff, Eastern Municipal Water District board member and former IEUA General Manager, is recommended for the fifth panelist.

DISCUSSION

The five individuals being recommended for appointment to the panel in 2026 are shown below:

1. Kurt Berchtold (Regional Water Quality Control Board – Executive Officer, Retired)
2. Brian Brady (Brian J. Brady & Associates)
3. Anthony Brown (Aquilologic – CEO & Principal Hydrologist)
4. Behrooz Mortazavi, Ph.D., P.E. (Water Resources Engineers, Inc. – Principal)
5. Joe Grindstaff (EMWD Board Member and Former IEUA General Manager)

Staff recommends a periodic evaluation of the members of the panel, no less frequently than annually, to maintain the panel's relevance.



CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: January 22, 2026

TO: Board Members

SUBJECT: Well Tec Services Flow Meter Calibration and Replacement Project Phase 2
(Consent Calendar Item II.J.)

Issue: Watermaster seeks to enter into a Work Order with Well Tec Services to perform Agricultural well meter tests, repairs and new meter installations. [Normal Course of Business]

Recommendation: Approve and authorize the General Manager to execute the Work Order on behalf of Watermaster subject to any non-substantive changes.

Financial Impact: The Work Order expenses of \$154,700 are funded within the current fiscal year budget and includes a carryover balance of \$34,993.75. If approved, the second year of the proposal will be added to next year's budget.

ACTIONS:

Watermaster Board – January 22, 2026 [Recommended]: Approve.

BACKGROUND

Paragraph 21 of the Restated Judgment requires that Watermaster shall cause parties, pursuant to uniform rules, to install and maintain in good operating condition, at the cost of each party. Such necessary measuring devices shall be inspected and tested as deemed necessary by Watermaster, and the cost thereof shall constitute a Watermaster expense.

Watermaster uses groundwater-production data to quantify and levy assessments pursuant to the Judgment. Estimates of production are also essential inputs to recalibrate Watermaster's groundwater flow model, which is used to inform the recalculation of Safe Yield, evaluate the state of Hydraulic Control, perform Material Physical Injury evaluations, and support many other Watermaster initiatives. Members of the Appropriative and Overlying Non-Agricultural Pools and the Chino Basin Desalter Authority record their own meter data and submit the data to Watermaster. For Agricultural Pool wells, Watermaster performs a field program to install totalizing flow meters, repair or replace broken meters, and visit the wells quarterly to record the metered data. Watermaster has determined that for some Agricultural Pool wells, it is necessary to repair, recalibrate, or in some cases replace existing meters or install new meters where necessary.

DISCUSSION

Watermaster requires the knowledge, skills, and expertise from Well Tec Services Inc. to test, calibrate, repair and, if necessary, replace water meters at Agricultural wells. This current effort started in FY 2024/25, based on the Watermaster Board's entrance into a contract with Well Tec Services and the approved Work Order for Phase 1 (see Attachment 1). As a result of access issues over the past fiscal year, Phase 1 still has six well sites that have yet to be tested and is expected to be concluded concurrently with the start of Phase 2. The remaining work to complete the six wells from Phase 1 is covered by the carryover balance of \$34,993.75 previously approved by the Board, though it is not likely that the entirety of the carryover funds will be expended unless all six meters need to be replaced. Any remaining funds from Phase 1 will be used in Phase 2, which may reduce the Work Order total for Phase 2.

The work for Phase 2 is now ready to be started, and approval of this second Work Order totaling \$315,900 which was included in the approved FY 2025/26 budget will allow the work to commence (see Attachment 2). If approved, Phase 2 is anticipated to be completed over two fiscal years. Well Tec Services has maintained consistent pricing from Phase 1 to Phase 2.

ATTACHMENT

1. Work Order for Phase 1 Dated November 16, 2023
2. Work Order for Phase 2 Dated January 7, 2026 (Draft)



November 16, 2023

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

Attention: Alonso Jurado (ajurado@cbwm.org)

Reference: Chino Basin Watermaster Well Calibration Project

Dear Sir,

We are pleased to offer our quotation:

A. Services

1. Analyze, plan and schedule, with Chino Basin Watermaster (CBW) personnel, calibration of 180 well (water source) sites.
2. Complete Ninety (90) onsite calibrations of existing flow meters of various manufacturers located within the Chino Basin.
3. Complete Sixty (60) offsite calibrations of existing flow meters of various manufacturers located within the Chino Basin. This scenario includes the exchange of flow meters at each site with a calibrated model of similar size and quality.
4. Complete Twenty (20) new flow meter installations, replacing existing flow meters found to be unserviceable. Each flow meter will be replaced with a comparable model and size found at each site,
5. Complete Ten (10) new flow meter installations where no flow meter existed or significant reconfiguration of well site is necessary.

Each meter calibration will be documented with a service report and a certified meter calibration report.

Year One Estimate:

Forty-five (45) Onsite meter calibrations	\$39,375
Thirty (30) Offsite meter calibrations (pull existing, replace with calibrated meter)	\$30,750
Ten (10) New meter installations (no well site modifications)	\$55,000
Five (5) New Meter installations (well site has to be modified)	\$43,750

Year One Total: \$168,875

Year Two Estimate:

Forty-five (45) Onsite meter calibrations	\$39,375
Thirty (30) Offsite meter calibrations (pull existing, replace with calibrated meter)	\$30,750
Ten (10) New meter installations (no well site modifications)	\$55,000
Five (5) New Meter installations (well site has to be modified)	\$43,750

Year Two Total: \$168,875

Project Total: \$337,750

INVOICES. Invoices will be submitted once a month with payment due within 30 days of the invoice date. A late charge at the rate of 1½% per month, or the highest rate allowed by applicable law, whichever is lowest, will be added to all amounts outstanding after said 30 days. Purchaser agrees to pay any and all attorneys' fees and court costs should attorneys be utilized or court proceedings initiated to collect any past due amounts.

CHANGED CONDITIONS. The discovery of any hazardous waste, substance, pollutant, contaminant, underground obstruction, condition or utilities on or under the job site which were not brought to the attention of Well Tec Inc. prior to the date of this Work Order will constitute a materially different site condition entitling Well Tec Inc. at its option, to terminate this Work Order (and to receive payment for all work performed up to and including the date of such termination) or to receive an equitable adjustment in the contract price and time for performance. Well Tec Inc., however, shall only have the right to terminate if such different site condition(s) creates additional health and safety risks or requires Well Tec Inc to perform work outside the original scope or beyond its capabilities. In any event, Well Tec Inc. may terminate operations on a site, which it believes presents an unreasonable health or safety risk.

HEALTH AND SAFETY. If Purchaser is to provide health and safety compliance monitoring, such monitoring shall be done at mutually agreed intervals. The monitoring is to be documented and Well Tec Services Inc. ("Well Tec") will be provided with copies of the documentation upon request. If Well Tec Inc. employees observe that the monitoring is not being performed in strict compliance with the site-specific health and safety plan, applicable federal, state or local laws and/or any other agreement between Purchaser and Well Tec Inc., then Well Tec Inc. may cease operations and go on standby until monitoring is resumed. Well Tec Inc. shall be entitled to an equitable adjustment in its time for performance and to payment at its standby rate for any such standby time. In no event will this paragraph relieve Purchaser of its duties and responsibilities to perform all health and safety compliance monitoring required by law or this Work Order.

INFORMATION. It is recognized that Purchaser has superior knowledge of the job site, site history, access routes to the job site, known or suspected contaminants, surface and subsurface conditions, etc., and Purchaser is obligated to advise Well Tec Inc. of all or any conditions that may affect Well Tec's performance hereunder. Purchaser agrees to provide Well Tec Inc. with such specifications, plans, site history information, reports, studies or other information on surface and subsurface conditions as will be reasonably required by Well Tec Inc. for safe, proper and timely performance of the work. Purchaser shall obtain all necessary permits and rights-of-way and indemnify and hold Well Tec Inc. harmless for its failure to do so and for claims of trespass or damage to property, including underground utilities or structures, which arise out of performance of the work.

PERFORMANCE. Well Tec Inc. will exercise reasonable skill and judgment in performing the work. EXCEPT AS EXPRESSLY PROVIDED HEREIN, NO OTHER WARRANTIES (EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) ARE GIVEN HEREUNDER. Well Tec Inc. does not warrant any specific results of any kind.

LIABILITY. *Neither party shall be liable to the other party for any special, indirect, incidental or consequential damages, whether based on contract, tort (including negligence), and strict liability or otherwise. Further, Purchaser agrees to indemnify and hold Well Tec Inc. harmless from and against any and all claims, demand, cases of action (including third party claims for contribution or indemnification), liability and costs (including attorneys' fees and other costs of defense) which result from (i) any release or threatened release of any substance (whether hazardous or not); (ii) any claim that Well Tec Inc. or any of its subcontractors was a "generator" or "transporter" of hazardous waste or an "operator" of the job site (as such terms are used or defined under local, state or federal laws or regulations); or (iii) any negligent or wrongful act or omission of Purchaser or others under Purchaser's control, except that this indemnification shall not apply to the extent any demand or cause of action results from Well Tec Inc. negligence or intentional misconduct.*

POLLUTION CLAIMS. *Well Tec's total liability to Purchaser resulting from any release or threatened release of any hazardous waste, substance, pollutant or contaminant, whether or not directly or indirectly generated from Well Tec's performance of the work hereunder (including any injury to persons or property or death resulting there from), shall not exceed the amount due Well Tec Inc. for services rendered hereunder. This limitation applies to all liabilities, including indemnification liabilities, whether based on contract, tort (including negligence), and strict liability or otherwise. This limitation of liability does not in any way limit or affect Purchaser's obligations to indemnify and hold Well Tec Inc. harmless. This limitation of liability shall not apply to the extent it is held that the loss or damage arose from Well Tec's gross negligence or intentional misconduct. In addition, Purchaser agrees to limit Well Tec's liability to the same extent that Purchaser's liability is limited pursuant to its contract with its client (if one exists).*

DISPOSAL. Well Tec Inc. is not, and has no authority to act as, a handler, generator, operator, treater, storer, transporter or disposer of hazardous waste, substances, pollutants or contaminants found or identified at the site. Well Tec Inc. shall have no responsibility for the transportation, storage, treatment or disposition of contaminated or potentially contaminated waste materials of any kind that are directly or

*P.O. Box 3375 Beaumont, CA 92223 (909) 754-7020 (951) 849-1601 fax
Lic. #802369*

indirectly generated from Well Tec's performance of the work hereunder. Purchaser or its client shall be responsible for the disposal of any such waste materials.

DELAYS. Well Tec Inc. shall have no liability to Purchaser, or its clients, contractors or consultants for delays attributable to acts of God, acts of third parties, weather which is not reasonably anticipatable, intervention of public authorities, inability to obtain permits necessary to perform the work, work stoppages, changes in applicable laws or regulations after the date of commencement of performance hereunder, and any other conditions or events which are beyond the reasonable control of Well Tec Inc. shall be entitled to additional time to perform this Work Order equal to the time or any such delay.

MISCELLANEOUS. The terms and conditions set forth in this Work Order constitute the entire understanding of the parties relating to the work. All previous proposals, offers, and other communications relative to the work, oral or written, are hereby superseded. Any additional or conflicting provision(s) contained in any purchase order, acknowledgment, or other form of the Purchaser is hereby expressly objected to by Well Tec Inc. and shall not modify this Work Order.

INTERPRETATION. This Work Order shall be governed and construed in accordance with the laws of the state of the job site location. If any term, provision or condition contained herein shall, to any extent, be invalid or unenforceable, pursuant to state law or otherwise, the remainder of the terms, provisions, or conditions stated in this Work Order (or the application of such term, provision, or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected, and each term, provision and condition of the Work Order shall be valid and enforceable to the fullest extent permitted by law.

Special Conditions:

1. Payments terms on execution of contract- 50% for special order items,- work order due when services are completed.
2. Well Tec Services Inc. does not guarantee a specific amount of water or water quality in any way or form, we use information on wells that are nearby that may not produce the same quantities or qualities.

If you should require further information please contact our office. Thank you for choosing Well Tec Water Well & Pump Service, a full service pump, electrical and water well company.

Work Order

The undersigned Purchaser hereby instructs Well Tec Services to proceed with the work described with the understanding that the Terms and Conditions shown on the above are hereby incorporated as part of this work order. The Purchaser further understands that all Quotes or Estimates, if any, are based on the best information available prior to beginning work. As the scope, conditions or estimated quantities change, revised quotations or estimates will not be issued unless requested. All prices are subjected to Federal, State and local sales and use taxes.

Job site location: Chino Groundwater Basin

Services per project Estimate: 111623LALR2

Purchaser  By: _____	Well Tec Services By: _____ Mike Rentz _____
Title: <u>Acting General Manager</u>	Title: _____ President _____
Date: <u>1/25/24</u>	Date: _____ November 16, 2023 _____



January 7, 2026

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

Attention: Alonso Jurado (ajurado@cbwm.org)

Reference: Chino Basin Watermaster Well Flow Meter Calibration and Replacement Project Phase 2

Dear Sir,
We are pleased to offer our quotation:

A. Services

1. Analyze, plan and schedule, with Chino Basin Watermaster (CBWM) personnel, installation of twenty-four (24) new GloTech Gem Series flow meters where no flow meter currently exists and flow meter rehabilitation to fifteen (15) well sites with existing flow meters.
2. Complete thirty-nine (39) new flow meter installations and/or refurbishment where no flow meter existed or the meter is nonfunctional and reconfiguration of well site is necessary. Work is to be completed over two fiscal years.
 - a. After review with CBWM personnel Well Tec has reduced the amount of this proposal to reflect fifteen sites that have an inoperable flow meters that may be repairable at a reduced cost to the agency.
3. Each new meter installation and meter refurbishment will be documented with a service report and a certified meter calibration report.

Fiscal Year One Estimate:

Twelve (12) New Flow Meter Installations and Seven (7) Refurbished Flow Meter Installations

New installations will consist of wellhead piping modifications, new piping and a new flow meter. Flow meter refurbishment will consist of replacing the existing meter with a similar overhauled meter, piping modifications, two site visits may be needed to complete these tasks. Well Tec assumes that access will be provided to all sites suitable for a service truck, tools, and materials to complete these tasks, meters installed will range from 2"-8" in diameter.

Year One Total: \$154,700

Fiscal Year Two Estimate:

Twelve (12) New Flow Meter Installations and Eight (8) Refurbished Flow Meter Installations

New installations will consist of wellhead piping modifications, new piping and new a new flow meter. Flow meter refurbishment will consist of replacing the existing meter with a similar overhauled meter, piping modifications, two site visits may be needed to complete these tasks. Well Tec assumes that access will be provided to all sites suitable for a service truck, tools, and materials to complete these tasks, meters installed will range from 2"-8" in diameter.

Year Two Total: \$161,200

Project Total: \$315,900

INVOICES. Invoices will be submitted once a month with payment due within 30 days of the invoice date. A late charge at the rate of 1½% per month, or the highest rate allowed by applicable law, whichever is lowest, will be added to all amounts outstanding after said 30 days. Purchaser agrees to pay any and all attorneys' fees and court costs should attorneys be utilized or court proceedings initiated to collect any past due amounts.

CHANGED CONDITIONS. The discovery of any hazardous waste, substance, pollutant, contaminant, underground obstruction, condition or utilities on or under the job site which were not brought to the attention of Well Tec Inc. prior to the date of this Work Order will constitute a materially different site condition entitling Well Tec Inc. at its option, to terminate this Work Order (and to receive payment for all work performed up to and including the date of such termination) or to receive an equitable adjustment in the contract price and time for performance. Well Tec Inc., however, shall only have the right to terminate if such different site condition(s) creates additional health and safety risks or requires Well Tec Inc to perform work outside the original scope or beyond its capabilities. In any event, Well Tec Inc. may terminate operations on a site, which it believes presents an unreasonable health or safety risk.

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LIABILITY. *Neither party shall be liable to the other party for any special, indirect, incidental or consequential damages, whether based on contract, tort (including negligence), and strict liability or otherwise. Further, Purchaser agrees to indemnify and hold Well Tec Inc. harmless from and against any and all claims, demand, cases of action (including third party claims for contribution or indemnification), liability and costs (including attorneys' fees and other costs of defense) which result from (i) any release or threatened release of any substance (whether hazardous or not); (ii) any claim that Well Tec Inc. or any of its subcontractors was a "generator" or "transporter" of hazardous waste or an "operator" of the job site (as such terms are used or defined under local, state or federal laws or regulations); or (iii) any negligent or wrongful act or omission of Purchaser or others under Purchaser's control, except that this indemnification shall not apply to the extent any demand or cause of action results from Well Tec Inc. negligence or intentional misconduct.*

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MISCELLANEOUS. The terms and conditions set forth in this Work Order constitute the entire understanding of the parties relating to the work. All previous proposals, offers, and other communications relative to the work, oral or written, are hereby superseded. Any additional or conflicting provision(s) contained in any purchase order, acknowledgment, or other form of the Purchaser is hereby expressly objected to by Well Tec Inc. and shall not modify this Work Order.

INTERPRETATION. This Work Order shall be governed and construed in accordance with the laws of the state of the job site location. If any term, provision or condition contained herein shall, to any extent, be invalid or unenforceable, pursuant to state law or otherwise, the remainder of the terms, provisions, or conditions stated in this Work Order (or the application of such term, provision, or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected, and each term, provision and condition of the Work Order shall be valid and enforceable to the fullest extent permitted by law.

Special Conditions:

1. Payments terms on execution of contract- 50% for special order items, work order due when services are completed.
2. Well Tec Services Inc. does not guarantee a specific amount of water or water quality in any way or form, we use information on wells that are nearby that may not produce the same quantities or qualities.

If you should require further information please contact our office. Thank you for choosing Well Tec Water Well & Pump Service, a full service pump, electrical and water well company.

Work Order

The undersigned Purchaser hereby instructs Well Tec Services to proceed with the work described with the understanding that the Terms and Conditions shown on the above are hereby incorporated as part of this work order. The Purchaser further understands that all Quotes or Estimates, if any, are based on the best information available prior to beginning work. As the scope, conditions or estimated quantities change, revised quotations or estimates will not be issued unless requested. All prices are subjected to Federal, State and local sales and use taxes.

Job site location: Chino Groundwater Basin

Services per project Estimate: 010726KRR1

Purchaser

By: _____

Title: _____

Date: _____

Well Tec Services

By: _____ Mike Rentz _____

Title: _____ President _____

Date: _____ January 7, 2026 _____

NOTICE OF INTENT

Watermaster's "Notice of Intent" to Change the Operating Safe Yield of the Chino Groundwater Basin

PLEASE TAKE NOTICE that on this 22nd day of January 2026, the Chino Basin Watermaster hereby adopts this "**Notice of Intent**" to change the Operating Safe Yield of the Chino Groundwater Basin pursuant to the Judgment entered in Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino Superior Court, Case No. RCVRS 51010 (formerly Case No. 164327) as Restated (Exhibit "I", Paragraph 3.(b), Page 73).

Approved by:

**CHINO BASIN WATERMASTER
BOARD OF DIRECTORS – CHAIR**

Signature: _____

Attest:

**CHINO BASIN WATERMASTER
BOARD OF DIRECTORS – SECRETARY/TREASURER**

Signature: _____



CHINO BASIN WATERMASTER

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

STAFF REPORT

DATE: January 22, 2026

TO: Board Members

SUBJECT: Chino Basin Watermaster 48th Annual Report (Fiscal Year 2024/25) (Business Item III.A.)

Issue: Watermaster is required annually to file an Annual Report with the Court. The 48th Annual report (Fiscal Year 2024/25) has been drafted. [Within WM Duties and Powers]

Recommendation: Adopt the 48th Annual Report, and direct staff to file a copy with the Court, subject to any necessary non-substantive changes.

Financial Impact: The costs of preparing the Annual Report and filing it with the Court are included in the Watermaster Fiscal Year 2025/26 approved budget as required to be in compliance with the Restated Judgment.

ACTIONS:

Appropriative Pool – January 08, 2026 [Final]: Provided advice and assistance.

Non-Agricultural Pool – January 08, 2026 [Final]: Provided advice and assistance.

Agricultural Pool – January 08, 2026 [Final]: Provided advice and assistance.

Advisory Committee – January 15, 2026 [Final]: Provided advice and assistance.

Watermaster Board – January 22, 2026 [Recommended]: Adopt and direct staff to file a copy with the Court.

BACKGROUND

Paragraph 48 of the Restated Judgment requires that Watermaster file an Annual Report with the Court by January 31st each year. The Restated Judgment states that the Report shall apply to the preceding fiscal years' operations, contain details as to operation of the Pools, contain a certified audit of assessments and expenditures pursuant to this Physical Solution, and a review of Watermaster activities.

DISCUSSION

The 48th Annual Report covering fiscal year 2024/25 has been drafted. The report summarizes Watermaster's activities during the fiscal year and includes the annual audit. In November 2025, the Watermaster Parties decided to delay approving the Assessment Package due to several unresolved issues. Once those issues are resolved, and the Assessment Package is approved, the Assessment Package and associated appendices to the 48th Annual Report will be inserted into the Filing. Once adopted by the Board, the Annual Report will be filed with the Court.

At their January 8, 2026 Pool meetings, the Appropriative Pool Committee unanimously recommended the Advisory Committee to recommend to the Watermaster Board to adopt the report and direct staff to file it with the Court. The Overlying (Non-Agricultural) Pool directed its representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem necessary. The Overlying (Agricultural Pool) unanimously recommended the Advisory Committee to recommend the Watermaster Board to adopt the report and direct staff to file it with the Court, contingent upon Watermaster staff distributing the Draft Annual Report to its Pool members.

At the January 15, 2026 Advisory Committee meeting, the Advisory Committee recommended the Board to adopt the report and direct staff to file it with the Court.

ATTACHMENTS

1. Final Draft of the CBWM 48th Annual Report (Fiscal Year 2024/25)

CHINO BASIN WATERMASTER

48TH ANNUAL REPORT

FISCAL YEAR 2024-25



DRY

SUPPORTING MORE THAN FOUR DECADES OF
PARTNERSHIPS AND SOLUTIONS FOR A SUSTAINABLE FUTURE

WATERMASTER AND BASIN MILESTONES

1970s

Conflicts over water threaten supply reliability, water quality, and the regional economy. In 1973, a pump tax is enacted to raise money to implement recharge projects.

1978

Chino Basin is adjudicated and the Chino Basin Municipal Water District Board is appointed as Watermaster. Planning and funding are initiated to manage the Basin.

1998

The nine-member Watermaster Board is created and tasked with developing the Optimum Basin Management Program (OBMP).

1999

The first OBMP provides a detailed blueprint to ensure a reliable water supply and quality.

2000

Stakeholders enter into the Peace Agreement, advancing the OBMP Implementation Plan. Basin monitoring begins in earnest, as does the first desalter expansion.

2002

The Recharge Master Plan implementation and funding agreement advances the \$40 million Chino Basin Facilities Project, securing grant funding for approximately half the cost.

2004

Santa Ana Regional Water Quality Control Board (Santa Ana Water Board) adopts the Max Benefit Salinity Management Program, enabling a massive recycled water and supplemental water recharge program and desalter expansion to achieve Hydraulic Control.

2007

Stakeholders enter into the Peace II Agreement for a second desalter expansion to meet the Maximum Benefit commitments, securing millions in grant funding and hundreds of millions in cost savings and benefits.

2013

The 2013 Amendment to the 2010 Recharge Master Plan Update (RMPU) reflects providers' revised Urban Water Management Plans, forming the foundation for cost-effective recharge using storm, imported, and recycled water to improve water quality and ensure a reliable supply. Recharge improvement projects begin.

2016

The Chino Basin Desalter Authority demonstrates Hydraulic Control. Desalter expansion continues.

2018

Appeals to the first Safe Yield Reset Court Order conclude, and the first Safe Yield Reset is adopted effective 2011; Safe Yield is set at 135,000 acre-feet per year.

2020

The 2020 OBMP is developed with stakeholder input and adopted by the Watermaster Board, updating the 20-year-old document. The Court orders a second Safe Yield Reset, setting the Safe Yield at 131,000 acre-feet per year.

2021

The Court approves an expansion of the current Storage Management Plan, from 500,000 acre-feet to 700,000 acre-feet, until 2030.

2023

Adaptive Management strategies are adopted, further increasing local water reserves.

2024

The Environmental Impact Report for the OBMP Update is certified.

2025

The Court allows for an increase in safe storage capacity to 900,000 acre-feet until June 30, 2040.

A MESSAGE FROM CHINO BASIN WATERMASTER

A YEAR OF TRANSITIONS AND PROGRESS

Once again, Chino Basin experienced a year defined by changes and transitions, both expected and unforeseen. All year, Watermaster has worked to meet the ongoing challenges for local water management, guided by our commitment to our core principles and management practices:

- **Adaptive management.** Whether reacting to the ongoing challenges of a shifting hydrologic cycle or planning for the impacts of continued development in the Basin, Watermaster remains dedicated to using adaptive management principles to sustainably manage our changing water landscape.
- **Productive stakeholder engagement.** By maintaining broad, effective engagement, the Watermaster Board, Pools, and Committees ensured an environment of openness and dialogue in addressing issues such as changes in hydrology, water use projections, and contract interpretations.
- **Collaboration.** Our most essential tool remains the broad spirit of collaboration among the Parties and stakeholders, which helps us navigate complex interests and manage the Basin responsibly.

These guiding principles led to progress on several critical projects in 2024–25.

- **The Court-ordered 2025 Safe Yield Reevaluation Report is substantially complete.** The report is undergoing a comprehensive independent peer review based on a scope of work approved by the Board and developed by Watermaster staff in conjunction with the Parties this year.
- **Work on the OBMP continues to advance.** Watermaster remains focused on effective long-term management and has updated the Chino Valley groundwater model and advanced discussions on adapting long-term recharge strategies, including measures to mitigate the potential loss of recharge areas that are currently in use.
- **Ongoing improvements to operational efficiency and effectiveness** this year include increased budget transparency and technology changes that save money and improve our connections with stakeholders.

The progress described in this Annual Report is possible only because of the collaboration and commitment exhibited by all stakeholders in the Basin. Thanks to the dedication and support of the Watermaster Board, Advisory Committee, Pools, and staff, I am confident that we are well positioned to adapt to all the changes we see ahead and to sustainably manage the Basin for the benefit of all stakeholders. I look forward to charting this future with you.

Todd M. Corbin
General Manager, Chino Basin Watermaster

P A R T N E R S I N B A S I N M A N A G E M E N T

ADAPTIVE MANAGEMENT FOR A RESILIENT FUTURE

SAFE YIELD REEVALUATION FOR A CHANGING BASIN

The Safe Yield Reevaluation (SYR) is the most significant initiative of fiscal year (FY) 2024-25. This in-depth, Court-mandated review of the Chino Basin's sustainable pumping limit is the first since 2020. Current analyses indicate that conditions have shifted.

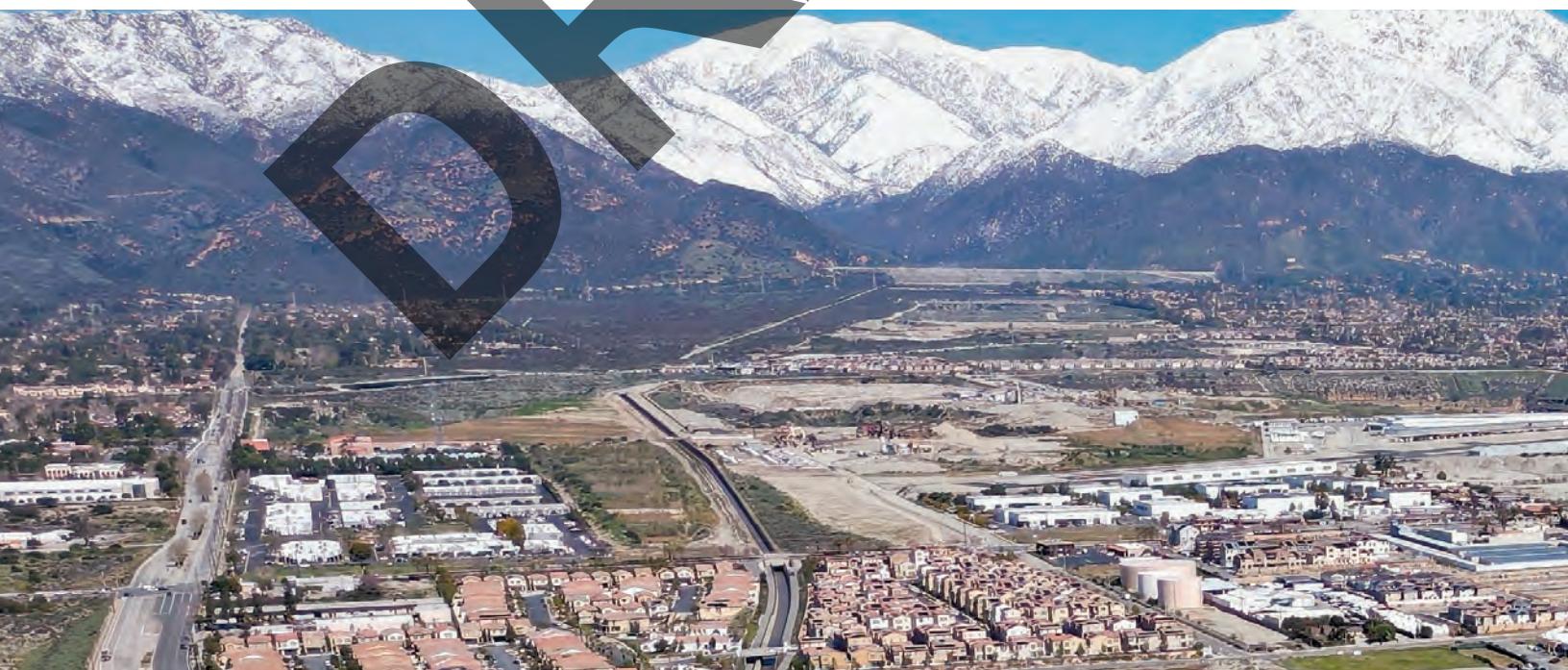
Watermaster hosted three workshops in FY 2024-25, which served as pivotal forums for collaboration and transparency. Participants reviewed preliminary modeling results, collaborated to finalize scenarios of projected conditions, and discussed thresholds for evaluating unacceptable impacts from pumping behaviors known as Material Physical Injury (MPI). All feedback was circulated and integrated into the documents.

Water Plan Scenarios were developed for each agency, outlining scenarios for expected, low, and high water use. These scenarios, a central feature of the SYR, combine historical pumping, conservation data, and projected demands and climate conditions in the Chino Valley Model. Stakeholders aligned Watermaster worked with stakeholders to develop water supply and demand projections.

Reduced irrigation and pumping have reduced Basin recharge and, in turn, the Safe Yield. Watermaster's and the municipal agencies' conservation and recharge goals have created a paradox of success: storage levels are at record highs and water conservation is strong, yet both conditions reduce the incidental recharge to the Basin. In addition, changing rainfall patterns and growth of impervious land cover are diminishing natural recharge. These cumulative effects led to a reduction in the net recharge into the Basin.

As part of standard Safe Yield review practice, the Watermaster Board requested an independent peer review. This review will ensure the analysis is scientifically sound, enhance transparency, and increase the confidence of the Court and stakeholders.

The technical work for the determination of the Safe Yield is expected by December 2025. In the coming months, Watermaster will collaborate in completing the Board-directed peer review and finalizing the technical models to determine the Safe Yield. The results will then undergo stakeholder review and discussion.



**THE FINAL SYR WILL PROVIDE A SCIENTIFICALLY VALIDATED,
BROADLY SUPPORTED FOUNDATION FOR SUSTAINABLE
GROUNDWATER MANAGEMENT IN THE NEXT DECADE.**

FROM RECORD DROUGHT TO RECORD RECHARGE

Exceptional recharge has positioned the Basin in a strong hydrologic position entering 2025. Groundwater levels are up, storage is high, and the Basin remains balanced despite massive climatic swings. These conditions and adaptive pumping operations enhance drought resilience and help maintain Hydraulic Control, preventing unwanted groundwater outflow.

RECHARGE OPPORTUNITIES IN A TIME OF EXTREMES

Turning two wet years into long-term reliability. After the driest 24-year period on record (1999–2022), the Chino Basin experienced two very wet years, and Watermaster made every drop count. Thanks to basin-wide coordination and years of infrastructure preparation, Watermaster's stakeholders managed to recharge and store about 156,000 acre-feet of water over these two years. During the current fiscal year, recharge efforts added about 40,000 acre-feet to the Basin despite below-average rainfall.

INCREASED STORAGE LIMITS WILL ALLOW GREATER OPERATIONAL FLEXIBILITY

By the end of FY 2023–24, total managed groundwater storage had climbed to roughly 709,000 acre-feet, an all-time high that exceeded the then-current Safe Storage Capacity in the Chino Basin, a Court-approved volume limit for managed groundwater storage.

In December 2024, Watermaster filed a court motion to increase the Chino Basin's Safe Storage Capacity to 900,000 acre-feet, a volume determined to be non-injurious based on recent technical work. In January 2025, the Court approved the increase through June 30, 2040, ensuring that Watermaster Parties have the flexibility to add to their storage accounts in wet years without harming the Basin.

ECONOMIC STUDY WILL PROVIDE CLARITY ON MANAGEMENT COSTS AND BENEFITS

Identifying the costs and benefits of different management choices. Watermaster launched a comprehensive economic study to evaluate financial and economic factors in Chino Basin water management. This study is intended to inform long-term planning and decision-making by clarifying the economic costs and benefits of various management actions.

San Bernardino Mountains and the valley below.

NEAR-RECORD STORAGE LEVELS CONFIRMED THE EFFECTIVENESS OF WATERMASTER'S ADAPTIVE MANAGEMENT, WHICH IS KEEPING THE BASIN STABLE THROUGH RECORD-SETTING VARIABILITY.

PLANNING FOR THE BASIN'S NEXT CHAPTER

Watermaster introduces forecasting and regulatory updates to guide the next generation of Basin management.

RENEWAL OF PEACE AGREEMENTS AND THE WATER RIGHTS & REPLENISHMENT FORECASTING (WRRF) TOOL

LAYING THE FOUNDATION FOR THE NEXT PHASE OF BASIN MANAGEMENT

The Peace (2000) and Peace II (2007) Agreements marked major milestones in Chino Basin history, establishing Watermaster's governance framework and enabling broad regional cooperation.

Peace II also delivered major benefits, including construction of the desalters, creation of 400,000 acre-feet of increased storage capacity in the Basin, and water supply and quality savings worth hundreds of millions of dollars.

In late FY 2023-24, Watermaster reminded the Parties that they must meet by December 31, 2025, to consider continuing or modifying the Peace Agreements. Either the Agricultural or the Appropriative Pool may also choose to unilaterally extend the agreements by up to 30 years.

WRRF TOOL BRINGS A NEW ERA OF DATA-DRIVEN WATER MANAGEMENT

The WRRF tool is a new analytical platform supporting negotiations for the renewal of the Peace Agreements. The WRRF models water rights transfers, managed storage, and replenishment obligations between Parties. Users can adjust variables such as desalter pumping, land use changes, and voluntary agreements while visualizing impacts on production rights and storage balances.

In October 2024, Watermaster hosted hands-on stakeholder workshops to demonstrate the tool and gather feedback. That feedback was used to further refine the tool's interface and ensure that its logic reflects real-world operations.

The WRRF tool provides a fact-based, transparent framework to evaluate potential rule changes and supports informed negotiation under the evolving Peace Agreements. The WRRF tool is expected to play a vital role in shaping future water allocation strategies and enhancing transparency in basin-wide planning.



The Prado Basin.

PROGRESS ON THE BASIN PLAN AMENDMENT TO REVISE THE MAXIMUM BENEFIT SNMP

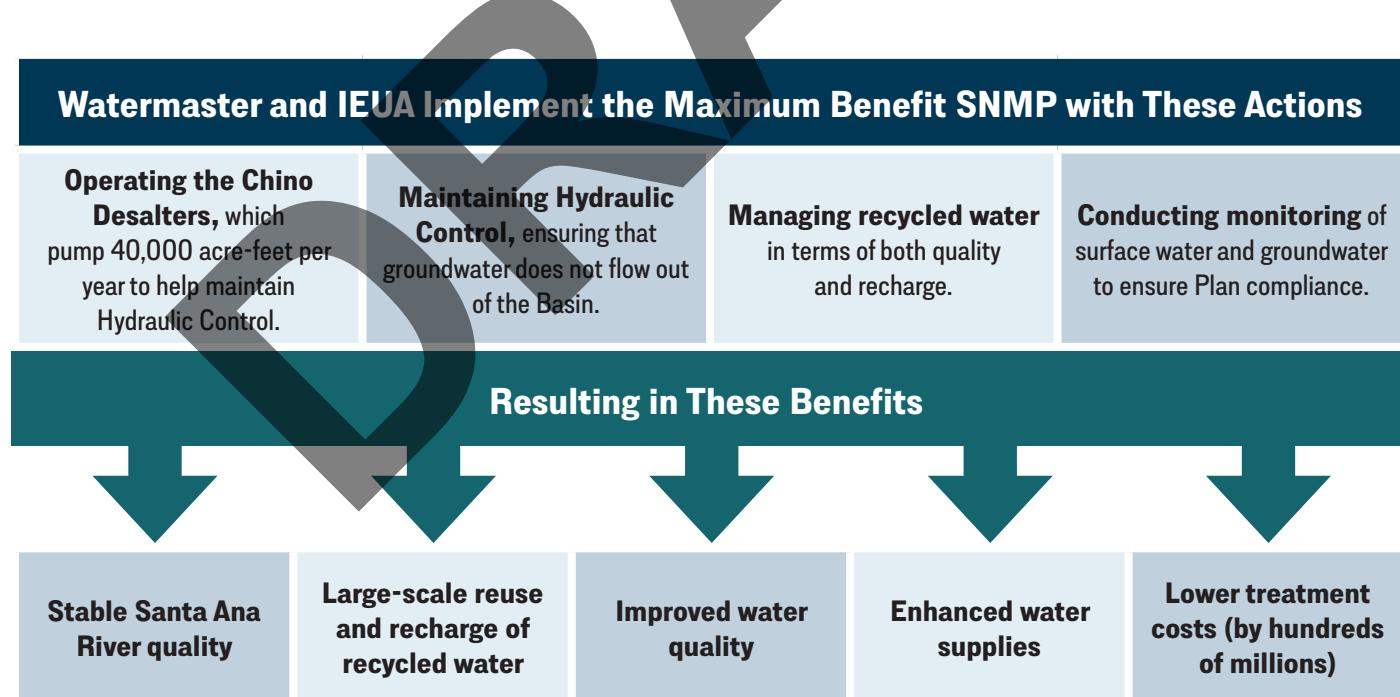
A multi-year partnership to protect the Santa Ana River and sustain Chino Basin water quality for the future.

The Chino Basin Watermaster and Inland Empire Utilities Agency (IEUA), in coordination with the Santa Ana Water Board, are leading a multi-year effort to amend the Basin Plan and update the Maximum Benefit Salt and Nutrient Management Plan (SNMP), first adopted in 2004.

The SNMP allows the use of recycled water for recharge and reuse while maintaining Hydraulic Control and protecting Santa Ana River water quality. The amendment modernizes salt management by revising IEUA's recycled water salinity compliance metric from a one-year to a 10-year volume-weighted average, which avoids unnecessarily triggering mitigations during droughts. It also incorporates planned recycled water use by the Jurupa Community Services District (JCSD), extending program benefits while maintaining water quality safeguards.

In FY 2024-25, the Maximum Benefit Agencies—Watermaster, IEUA, and JCSD—supported Santa Ana Water Board staff in preparing a fully accessible amendment package. The package is under final review, with peer review expected by November 2025. Once approved and adopted, the Basin Plan Amendment will support long-term Basin water quality and reliability.

THE BASIN PLAN AMENDMENT IS MOVING TOWARD ADOPTION, ENSURING THE BASIN'S WATER QUALITY AND RELIABILITY FOR DECADES TO COME.



CONTINUED RECHARGE AND STORAGE IMPROVEMENTS

Thanks to proactive management and planning, productive partnerships, and sustained investments, the Basin's extensive system of recharge basins continues to grow, along with storage capacity.

SUSTAINED INVESTMENTS IMPROVE THE BASIN'S RECHARGE THROUGH 2013 AND 2023 RMPUs

Watermaster has made substantial, long-term investments in the Basin's Recharge Program since the first Recharge Master Plan was adopted in 2003. Notable improvements to basins owned by the San Bernardino County Flood Control District include automated gates, inflatable dams, retention berms, new pump and conveyance systems, and expanded monitoring equipment.

The Recharge Investigation and Projects Committee (RIPComm) met four times during FY2024-25 to review progress on the RMPU and related projects, maintaining oversight and coordination among agencies.

RECORD RECHARGE FROM COORDINATED OVERSIGHT AND WET-YEAR CONDITIONS

RIPComm oversight, the launch of the Storage and Recovery Master Plan, and favorable wet-year conditions together produced exceptional results. The 2024-25 water year was among the top ten years for recharge in the last half century. Because of the strong recharge rates, Watermaster expects to meet recycled water dilution requirements through approximately 2033 even if no imported water is available for dilution.



THREE MAJOR BASIN PROJECTS COMPLETED OR MOVING TOWARD COMPLETION

The newly completed Lower Day Basin expanded Chino Basin's stormwater recharge network in August 2024. This increased recharge capacity reflects years of work under the RMPU and demonstrates the value of Basin-wide collaboration.

Montclair Basins project was delayed, but gained additional funding. The project was delayed due to permitting and coordination for Dry Year Yield operations. In June 2025, IEUA received notice of \$1.3 million in anticipated Bureau of Reclamation funding, with construction now projected for December 2026.

Wineville/Jurupa/RP3 stormwater capture improvements are substantially complete and remain on track for completion in Spring 2026. The \$29 million project connects the three basins with new pump stations and pipelines, enabling the low-percolation Wineville Basin to temporarily store stormwater before pumping it to the higher-percolation basin RP3. This will speed infiltration, increase stormwater capture, and reduce bypass flows when individual basins reach capacity.

Lower Day Basin.

PARTNERSHIPS STRENGTHEN RECHARGE PROGRAM

Coordination with the County on Turner Basin site continues. With the Turner site being contemplated for future development, Watermaster partnered with the County of San Bernardino to assess nearby basins and lands for retrofit options. The Board also approved an engineering study to identify alternative recharge concepts, laying the groundwork for future multi-agency capital projects.

Watermaster and IEUA also advanced projects beyond the 2013 RMPU, including monitoring upgrades and habitat initiatives that support long-term recharge and environmental performance.

DRY YEAR YIELD (DYY) PROGRAM CONTINUES TO BENEFIT THE BASIN

The Metropolitan Water District of Southern California recharged about 14,163 acre-feet of imported water into the Basin through the DYY Program in 2024-25.

**DESPITE EXTREME HYDROLOGIC SWINGS FROM DROUGHT TO HEAVY RAINFALL,
WATERMASTER AND IEUA HAVE RECHARGED OVER 1.1 MILLION ACRE-FEET SINCE 1978.**



Managed storage has risen consistently over the last quarter century.

DATA-DRIVEN MANAGEMENT & INNOVATION

Watermaster is expanding its use of data and analytical tools to guide science-based decisions across the Basin. From enhanced monitoring networks to advanced modeling for Safe Yield, salinity, and replenishment forecasting, these efforts build a real-time understanding of Basin conditions and future scenarios.

Watermaster emphasizes data collection and analytical tools that support science-driven decision-making.

Examples include expansive monitoring networks (surface water and groundwater), sophisticated modeling for Safe Yield and salinity projections, and the WRRF forecasting tool.

Watermaster installed 38 new meters to improve production data accuracy.

DATA ARE KEY TO ADAPTIVE WATER MANAGEMENT

Watermaster is embracing cutting-edge technology to better understand and manage our vital groundwater resources.

30 LOCATIONS

for Surface Water Monitoring

1,240 WELLS

for Groundwater Level Monitoring

190 SITES

for Ground-Level Monitoring

420 WELLS

for Groundwater Production Monitoring

1,100 WELLS

for Groundwater Quality Monitoring

250 SAMPLES

for Groundwater Recharge Monitoring

40+ YEARS

of Vegetation Monitoring Data from Satellites.

PRADO BASIN HABITAT REMAINS STABLE

Watermaster works through the Prado Basin Habitat Sustainability Program (PBHSP) to protect natural streamside habitats while managing Prado Basin water. The program tracks groundwater, surface water, and plant health to make sure water projects don't harm the environment.

Extensive monitoring showed that overall habitat conditions remain mostly stable in the Prado Basin through 2024-25. However, some areas, especially along Mill Creek, showed slight vegetation declines that will be checked in upcoming field surveys. Groundwater levels in northern Mill Creek have slightly declined over the monitoring period but have rebounded about 50 percent. No special actions are needed at this time.

The PBHSP committee met twice this year to review results and plan next year's work and budget.



South Prado Basin.

CHINO CREEK MONITORING PROGRAM LAUNCHES WITH COLLABORATIVE, COST-EFFECTIVE APPROACH

Rapid action delivers high-quality data to cost-effectively protect a potentially impaired creek.

RESPONDING QUICKLY TO A WATER QUALITY CONCERN

In 2024, the State and the Santa Ana Water Board identified Chino Creek Reach 1B as lacking sufficient data and could be designated as impaired. This reach, which overlies the Chino Basin and receives recycled water discharges, is critical to maintaining compliance with the Maximum Benefit SNMP. To avoid costly new regulatory actions, Watermaster and IEUA acted quickly to collect data to prevent future restrictions on recycled water use in the Basin.

Working with the Santa Ana Water Board staff, Watermaster and IEUA developed the Chino Creek Monitoring Program Work Plan and Quality Assurance Project Plans. Finalized in July 2024, the Plans set clear objectives and strict data standards to ensure credible, regulator-ready results.

The Monitoring Program launched in August 2024, with monthly sampling at eight sites along San Antonio Creek and Chino Creek. It tracks a variety of constituents with established regulatory water quality objectives and evaluates sources of dissolved minerals.

This year, Watermaster uploaded data to the California Environmental Data Exchange Network (CEDEN). Monitoring will continue through FY 2026-27, with annual reviews to refine methods. After three years, Watermaster and IEUA will release a comprehensive trend report to guide future monitoring and focus resources where they provide the greatest value.

MZ-1 PROGRAM: KEEPING THE GROUND STABLE THROUGH PROACTIVE MANAGEMENT

Watermaster's MZ-1 Program continues to successfully manage land subsidence through comprehensive monitoring and adaptive management. Since 2007, subsidence in the MZ-1 Managed Area has been largely stabilized, though localized movement persists in Northwest MZ-1. To address this, Watermaster expanded its Ground-Level Monitoring Program and implemented an updated Subsidence Management Plan. Ongoing efforts include high-resolution water-level monitoring, Interferometric Synthetic Aperture Radar (InSAR) analyses, extensometer maintenance, and elevation surveys, ensuring early detection and effective response to ground movement.

QUICK COORDINATION AND HIGH-QUALITY DATA COLLECTION POSITIONED THE BASIN TO PROTECT COMPLIANCE AND SAVE COSTS.



Testing groundwater quality.

WORKING TOGETHER FOR A STRONGER BASIN

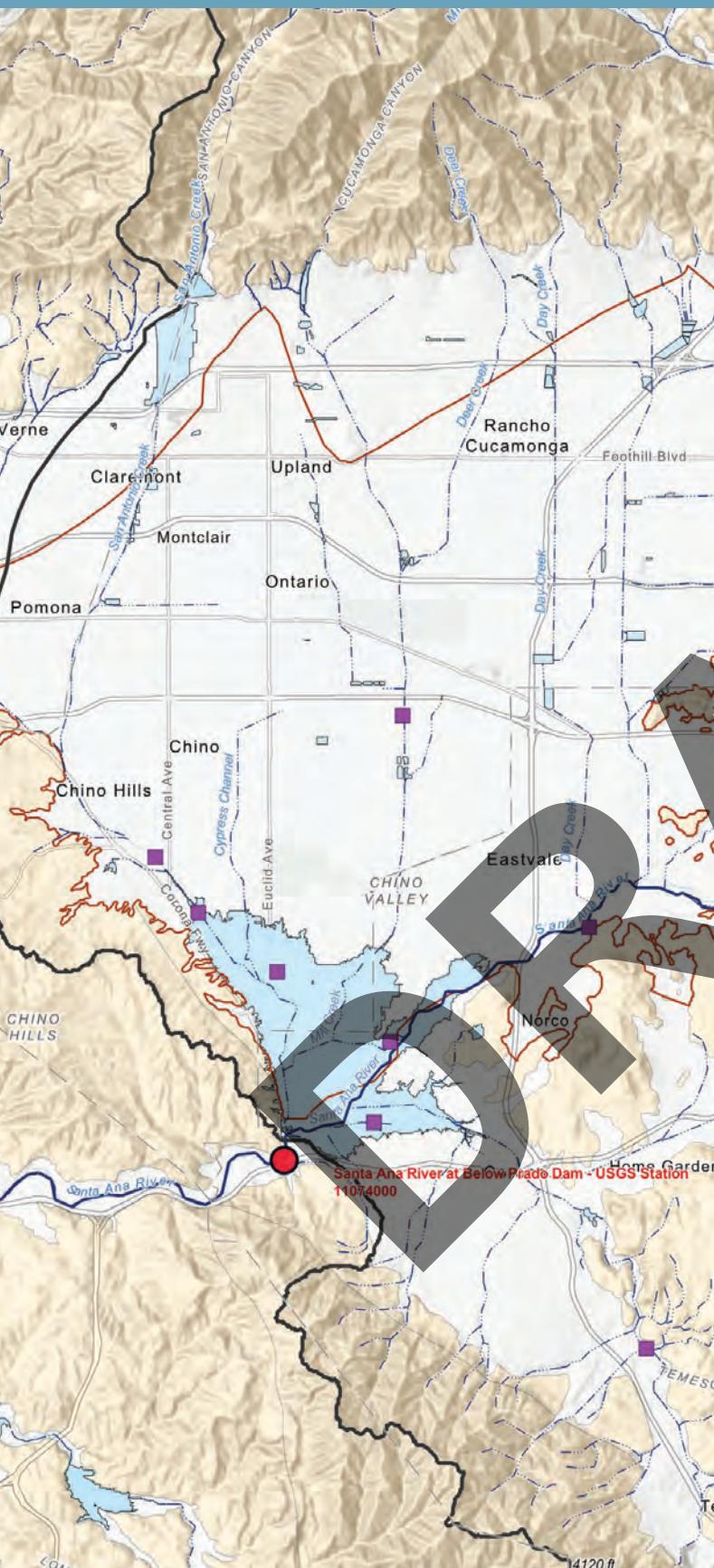


Image from the new interactive StoryMap format of the State of the Basin Report.

COLLABORATION, COMMUNICATION & STAKEHOLDER ENGAGEMENT

BUILDING PARTNERSHIPS THAT STRENGTHEN BASIN MANAGEMENT

Watermaster continues to focus on supporting strong collaboration between stakeholders, including IEUA, retail agencies, and regulatory partners. Joint work—for example, on the Chino Creek Monitoring Program, Safe Yield Reevaluation workshops, and the Basin Plan Amendment for the SNMP—showcased how shared science and transparent discussions move Basin management forward.

Through regular pool and committee meetings, workshops, and joint technical studies, Watermaster fostered open communication and built consensus around complex issues. This cooperative model continues to build trust among all Parties—a key ingredient as Watermaster prepares for upcoming negotiations on agreements that will shape the Basin's long-term future.

MAKING WATER MANAGEMENT CLEAR AND ACCESSIBLE

Watermaster continued to expand outreach and education to make its technical work easier to understand and its public value more visible to regulators, pool members, and the public. Staff-led field tours and workshops helped connect daily operations to long-term Basin goals. Visual dashboards and the WRRF tool workshops simplified complex water-accounting concepts, assisting Parties to see how decisions affect Basin outcomes.

STATE OF THE BASIN REPORT

Modernizing how we share basin information. In June 2025, Watermaster released a draft of the 2024 State of the Basin Report in a new, interactive StoryMap format. The online platform integrates maps, graphics, and narratives to communicate Basin conditions. This dynamic, web-based format makes information easier to explore and share, and includes a downloadable PDF for reference. By combining data and storytelling, Watermaster is helping both technical users and the public better understand how Basin management sustains regional water reliability.

STRENGTHENING ADMINISTRATIVE POLICIES AND PRACTICES

Watermaster is committed to rigorous financial planning and efficiency, supporting sound fiscal policies that define effective Basin management.

STRENGTHENING FINANCIAL POLICIES AND FISCAL OVERSIGHT

This year, Watermaster advanced its financial management with key policy updates. The Board adopted an updated Investment Policy and revised the Excess Cash Reserve Policy, refining the calculation of reserve balances and establishing an annual Board adoption process. Following recommendations from the Pools and the Advisory Committee, the Board also retained the \$1.374 million excess cash reserve in case it is needed for an ongoing recharge project, pending completion of the FY 2025–26 budget process.

ADVANCING OPERATIONAL EFFICIENCIES THROUGH TECHNOLOGY

Watermaster implemented technology upgrades by improving the agency's online payroll software, an upgrade projected to save approximately \$5,000 annually, while transitioning the office phone system to Microsoft Teams. This change replaced legacy VOIP phones, improved system reliability, flexibility, and strengthened day-to-day communication with stakeholders.

CELEBRATING PARTNERSHIPS AND SERVICE MILESTONES

Watermaster marked several important milestones by adopting proclamations honoring the 70th anniversary of the Cucamonga Valley Water District and the 75th anniversary of the IEUA—commending both agencies for their enduring collaboration and significant contributions to the Chino Basin.

Watermaster also recognized two of its longest-serving team members, Justin Nakano and Frank Yoo, for 20 years of dedicated service. Their deep institutional knowledge and long-standing commitment are indispensable to Watermaster's daily operations and the effective management of the Basin.

STAFF FIELD TOURS OFFER INVALUABLE FIRSTHAND INSIGHTS

Watermaster staff participated in field tours across Chino Basin facilities—including recharge basins, treatment plants, and monitoring sites—to strengthen understanding, collaboration, and professional development. These hands-on visits provided firsthand exposure to groundwater replenishment, water treatment, and subsidence monitoring, bridging the gap between office-based analyses and real-world operations.



WATERMASTER GOVERNANCE AND MEMBERSHIP – CALENDAR YEAR 2025

Watermaster Board

Agricultural Pool Representatives

REPRESENTATIVE	MEMBER ENTITY
Jeff Pierson , Vice-Chair	Crops
Alternate: Bob Feenstra	Dairy
Jimmy Medrano	State of CA
Alternate: Lewis Callahan	State of CA

Non-Agricultural Pool Representatives

Bob Bowcock , Secretary/Treasurer	CalMat Co.
Alternate: Brian Geye	California Speedway Corporation

Appropriative Pool Representatives

James Curatalo , Chair	Cucamonga Valley Water District
Alternate: Jimmie Moffatt	
Marty Zvirbulis	Fontana Water Company
Alternate: Josh Swift	
Bill Velto	City of Upland
Alternate: Kati Parker	

Municipal Water District Representatives

Steve Elie	Inland Empire Utilities Agency
Alternate: Marco Tule	
Bob Kuhn	Three Valleys Municipal Water District
Alternate: David De Jesus	
Mike Gardner	Western Municipal Water District
Alternate: Laura Roughton	

Staff

Todd Corbin	General Manager
Edgar Tellez Foster , PhD	Water Resources Management & Planning Director
Anna Nelson , CAP, OM, TA	Director of Administration
Justin Nakano , MPA	Water Resources Technical Manager
Frank Yoo	Data Services & Judgment Reporting Manager
Alonso Jurado	Water Resource Associate
Ruby Favela Quintero , CAP	Executive Assistant
Daniela Uriarte	Sr. Accountant
Kirk Richard Dolar	Administrative Analyst
Jordan Garcia	Senior Field Operation Specialist
Erik Vides	Field Operation Specialist

The representatives and their alternates shown on this page reflect the governance and membership in December 2025. Changes made during the calendar year are tracked by Watermaster and are available upon request.

Advisory Committee

Agricultural Pool Representatives

REPRESENTATIVE	MEMBER ENTITY
Jeff Pierson , Second Vice-Chair	Crops
Ruben Llamas , Paul Hofer	Crops
Nathan deBoom , Henry DeHaan , Robert Feenstra , John Huitsing	Dairy
Alternates to any Crops or Dairy Seat: Gino Filippi , Ron LaBrucherie, Jr. Geoffrey Vanden Heuvel	Crops Dairy
Tariq Awan , Imelda Cadigal , Jimmy Medrano	State of California
Alternates to any State of California Seat: Carol Boyd , Lewis Callahan , Noah Golden-Krasner , Michael Maeda	

Non-Agricultural Pool Representatives

Brian Geye , Vice-Chair	California Speedway Corporation
Alternate: Bob Bowcock	CalMat Co.
Kathleen Brundage	California Steel Industries, Inc.
Alternate: Erick Jimenez	
Chad Nishida	City of Ontario (Non-Ag)
Alternate: Alexis Mascarinas	

Appropriative Pool Representatives

John Bosler	Cucamonga Valley Water District
Alternates: Eduardo Espinoza , Chair	
Amanda Coker	
Hye Jin Lee	City of Chino
Alternates: Keith Lemieux , Ben Orosco	
Ron Craig	City of Chino Hills
Alternate: Mark Wiley	
Josh Swift	Fontana Union Water Company
Alternates: Justin Castruita , Megan Sims , Eric Tarango	
Cris Fealy	Fontana Water Company
Alternates: Justin Castruita , Megan Sims	
Chris Berch ,	Jurupa Community Services District
Alternates: Jesse Pompa , Bryan Smith	
Justin Scott-Coe	Monte Vista Water District
Alternate: Stephanie Reimer	
Courtney Jones	City of Ontario
Alternates: Chad Nishida , Scott Burton , Alexis Mascarinas	
Chris Diggs	City of Pomona
Alternates: Melissa Cansino , Nichole Horton	
Brian Lee	San Antonio Water Company
Alternate: Teri Layton	
John Lopez	Santa Ana River Water Company
Alternate: Alyssa Coronado	
Nicole deMoet	City of Upland
Alternate: Norberto Ferreira	

Municipal Representatives (Non-Voting)

Matt Lichfield	Three Valleys Municipal Water District
Alternate: Sylvie Lee	
Laura Roughton	Western Municipal Water District
Alternate: Bryan Shaw	

Agricultural Pool Committee

REPRESENTATIVE

Bob Feenstra, Chair
Jeff Pierson, Vice-Chair
Paul Hofer
Ruben Llamas
Alternates to any Crop Seat:
Gino Filippi, Ron LaBrucherie, Jr.
Nathan deBoom
Henry DeHaan
John Huitsing, Treasurer
Alternate to any Dairy Seat:
Geoffrey Vanden Heuvel
Christen Miller
Alternate: **Trevor Leja**
Tariq Awan, Imelda Cadigal, Jimmy Medrano
Alternate to any State of California Seat:
Lewis Callahan, Michael Maeda
Carol Boyd, Noah Golden-Krasner

MEMBER ENTITY

Dairy
Crops
Crops
Crops
Crops
Dairy
Dairy
Dairy
Dairy
County of San Bernardino
State of California-CDCR
State of California-CDCR
State of California-DOJ

Appropriative Pool Committee

REPRESENTATIVE

Chris Diggs, Chair
Alternates: **Melissa Cansino, Nichole Horton**
Chris Berch, Vice-Chair
Alternates: **Bryan Smith, Jesse Pompa**

MEMBER ENTITY

City of Pomona
Jurupa Community Services District
Blue Triton Brands, Inc., NCL. Co. LLC
CalMat Co.*
City of Chino
City of Chino Hills
Cucamonga Valley Water District
City of Fontana*
Fontana Union Water Company
Fontana Water Company
Golden State Water Company*
Marygold Mutual Water Company*
Monte Vista Irrigation Company*
Monte Vista Water District*
Niagara Bottling, LLC*
Nicholson Family Trust*
City of Norco*
City of Ontario
San Antonio Water Company*
County of San Bernardino*
Santa Ana River Water Company*
City of Upland
West End Consolidated Water Co.*
West Valley Water District*

Non-Agricultural Pool Committee

Brian Geye, Chair
Bob Bowcock, Vice-Chair
Alternate: **Kevin Sage**
William Urena
Alternate: **Adrian Gomez**
Sam Rubenstein
Erick Jimenez
Alternate: **Anna Mauser**
Tyson Chave
Alternate: **Sharon Pangan**
Dawn Varacchi-Ives
Natalie Costaglio
Alternate: **Michael Adler**
Jose Galindo
Alternate: **Jose Ventura**
Justin Scott-Coe
Alternate: **Stephanie Reimer**
Alexis Mascarinas
Alternates: **Chad Nishida**
Steve Riboli
Greg Zarco
Alternate: **Maureen Snelgrove**
Hakim Hvianca
Ashley Zapp
Alternates: **Brad Bredesen, Alberto Mendoza**

California Speedway Corporation
CalMat Co.
9W Halo Western OpCo L.P.
ANG II (Multi) LLC
California Steel Industries, Inc.
CCG Ontario, LLC
General Electric Company
Hamner Park Associates
A California Limited Partnership
Linde, Inc.
Monte Vista Water District (Non-Ag)
City of Ontario (Non-Ag)
Riboli Family and San Antonio Winery, Inc.
County of San Bernardino (Non-Ag)
Space Center Mira Loma, Inc.
TAMCO
West Venture Development Company

—

* Minor Representatives

2025 BOARD OF DIRECTORS



James Curatalo, Chair



Jeff Pierson, Vice-Chair



Bob Bowcock, Secretary/Treasurer



Steve Elie, Member



Mike Gardner, Member



Bob Kuhn, Member



Jimmy Medrano, Member



Bill Veltu, Member



Marty Zvirbulis, Member

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2024–25 Annual Report

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COURT HEARINGS AND ORDERS FISCAL YEAR 2024-25

During the fiscal year 2024-25, several hearings were held relating to administration of the Judgment and implementation of the Optimum Basin Management Program (OBMP). Hearings and orders were as follows:

Hearing/Order Date	Primary Subject Matter
April 4, 2025 Hearing	<ul style="list-style-type: none">• Order Granting the Filing of the 47th Annual Report
April 4, 2025	<ul style="list-style-type: none">• Chino Basin Watermaster Motion For Court To Receive And File 47th Annual Report
January 10, 2025 Hearing	<ul style="list-style-type: none">• Order Granting Motion to Increase the Safe Storage Capacity of the Chino Basin
January 10, 2025 Hearing	<ul style="list-style-type: none">• Order Granting Motion for Authorization to File Suit
January 10, 2025 Hearing	<ul style="list-style-type: none">• Order Granting Motion for Court to Receive and File the 2023/2024 Annual Report for the Ground-Level Monitoring Program
November 15, 2024 Hearing	<ul style="list-style-type: none">• Order Granting Chino Basin Watermaster's Motion and Motion for Court To Receive And File Watermaster Semi-Annual OBMP Status Report 2024-1
November 8, 2024	<ul style="list-style-type: none">• Motion for Court to Receive and File Watermaster Semi-Annual OBMP Status Report 2024-1

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RESOLUTIONS FISCAL YEAR 2024-2025

Resolution	Adopted	Summary of Resolution
2025-02	September 25, 2025	<p><i>Resolution Recognizing Water Professionals' Appreciation Week</i></p> <ul style="list-style-type: none"> • The Chino Basin Watermaster hereby declares October 4-12, 2025, Water Professionals Appreciation Week and extends its sincere gratitude and appreciation to the Watermaster staff and to the water and wastewater professionals who work tirelessly to provide excellent essential services to our community every day.
2025-01	January 23, 2025	<p><i>Establishing A Watermaster Investment Policy</i></p> <ul style="list-style-type: none"> • The authority to invest and reinvest funds of Watermaster is hereby delegated to the Watermaster General Manager (and his/her designees) subject to the provisions of said Investment Policy and the ongoing review and control of Watermaster and the Watermaster Advisory Committee. • This resolution shall take effect from and after its date of adoption and Resolution 2024-01 is rescinded in its entirety.
2024-05	November 21, 2024	<p><i>Resolution to Levy Administrative, Replenishment, and Special Project Assessments for Fiscal Year 2024/25</i></p> <ul style="list-style-type: none"> • Chino Basin Watermaster levies the respective assessments for each pool effective November 21, 2024 as shown on Exhibit "A". • That pursuant to the Judgment, each party has thirty (30) days from the date of invoice to remit the amount of payment for assessments due. After that date, interest will accrue on that portion which was due as provided for in Section 55 (c) of the Restated Judgment.
2024-04	October 24, 2024	<p><i>Resolution Requesting the Increase of the Safe Storage Capacity</i></p> <ul style="list-style-type: none"> • Watermaster manage all quantities of water held in storage in amounts from 700,001 AF up to a maximum of 900,000 AF through 2040, consistent with all provisions of the Peace Agreement and the Peace II Agreement applicable to the Local Storage of water within the Basin be extended, without limitation, subject to further order of this Court; • Watermaster conform the Watermaster Rules and Regulations consistent with such order. • Watermaster implement the OBMP in conformance with such Order, the IEUA FRSEIR certified February 21, 2024, and the Court's April 28, 2017, March 15, 2019, and July 31, 2020 orders establishing a Safe Yield Reset process; • All of the parties' rights and remedies, whatever they may be, are expressly reserved, preserved and protected and made applicable to the quantities of stored water greater than 700,001 AF; and • The Court reserves jurisdiction to consider future proposals of Watermaster or the parties with regard to storage management.
2024-03	September 26, 2024	<p><i>Resolution Recognizing Water Professionals' Appreciation Week</i></p> <ul style="list-style-type: none"> • The Chino Basin Watermaster hereby declares Oct. 5-13, 2024 Water Professionals Appreciation Week and extends its sincere gratitude and appreciation to the Watermaster staff and to the water and wastewater professionals who work tirelessly to provide excellent essential services to our community every day.

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**INTERVENTIONS AFTER JUDGMENT
PRODUCTION YEAR 2024-25¹**

Appropriative Pool²	Non-Agricultural Pool	Agricultural Pool
None	None	None

A complete list of interventions after judgment may be found in Watermaster's History of Interventions After Judgment at the following link: www.cbwm.org/docs/legaldocs/WatermastersHistoryofInterventionsAfterJudgment.pdf

¹ Production Year is July 1 to June 30.

² Dates in parentheses are the dates of Court orders or notices of ruling relating to interventions. Reference is made to the order or notice of ruling for further information. The intervening party may have received a transfer of water rights on a date other than the date of the order or notice of ruling.

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**WATERMASTER'S "NOTICE OF INTENT" TO
CHANGE THE OPERATING SAFE YIELD OF THE
CHINO GROUNDWATER BASIN**

PLEASE TAKE NOTICE that on this 23rd day of January 2025, the Chino Basin Watermaster hereby adopts this "**Notice of Intent**" to change the Operating Safe Yield of the Chino Groundwater Basin pursuant to the Judgment entered in Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino Superior Court, Case No. RCVRS 51010 (formerly Case No. 164327) as Restated (Exhibit "I", Paragraph 3.(b), Page 73).

Approved by:

**CHINO BASIN WATERMASTER
BOARD OF DIRECTORS – CHAIR**

Signature: /s/ James V. Curatalo

Attest:

**CHINO BASIN WATERMASTER
BOARD OF DIRECTORS – SECRETARY/TREASURER**

Signature: /s/ Robert Bowcock

APPROPRIATE RIGHTS

As shown on Exhibit E of Judgment entered January 27, 1978

<u>Party</u>	<u>Appropriative Right (Acre-Feet)</u>	<u>Share of Operating Safe Yield (Percent)</u>	<u>Share of Operating Safe Yield (Acre-Feet)</u>
City of Chino	5,271.7	6.693	3,670.067
City of Norco	289.5	0.368	201.545
City of Ontario	16,337.4	20.742	11,373.816
City of Pomona	16,110.5	20.454	11,215.852
City of Upland	4,097.2	5.202	2,852.401
Cucamonga County Water District	4,431.0	5.626	3,084.786
Jurupa Community Services District	1,104.1	1.402	768.655
Monte Vista County Water District	5,958.7	7.565	4,148.344
West San Bernardino County Water District	925.5	1.175	644.317
Etiwanda Water Company	768.0	0.975	534.668
Feldspar Gardens Mutual Water Company	68.3	0.087	47.549
Fontana Union Water Company	9,188.3	11.666	6,396.736
Marygold Mutual Water Company	941.3	1.195	655.317
Mira Loma Water Company	1,116.0	1.417	776.940
Monte Vista Irrigation Company	972.1	1.234	676.759
Mutual Water Company of Glen Avon Heights	672.2	0.853	467.974
Park Water Company	236.1	0.300	164.369
Pomona Valley Water Company	3,106.3	3.944	2,162.553
San Antonio Water Company	2,164.5	2.748	1,506.888
Santa Ana River Water Company	1,869.3	2.373	1,301.374
Southern California Water Company	1,774.5	2.253	1,235.376
West End Consolidated Water Company	1,361.3	1.728	947.714
Total	78,763.8	100.000	54,834.000

As of June 30, 2025

City of Chino	5,794.25	7.357	3,004.157
City of Chino Hills	3,032.86	3.851	1,572.517
City of Norco	289.50	0.368	150.269
City of Ontario	16,337.40	20.742	8,469.788
City of Pomona	16,110.50	20.454	8,352.186
City of Upland	4,097.20	5.202	2,124.185
Cucamonga Valley Water District	5,199.00	6.601	2,695.452
Jurupa Community Services District	2,960.60	3.759	1,534.950
Monte Vista Water District	6,929.15	8.797	3,592.167
West Valley Water District	925.50	1.175	479.800
Fontana Union Water Company	9,181.12	11.657	4,760.019
Fontana Water Company	1.44	0.002	0.817
Marygold Mutual Water Company	941.30	1.195	487.966
Monte Vista Irrigation Company	972.10	1.234	503.892
Niagara Bottling, LLC	0	0	0
Nicholson Family Trust	5.75	0.007	2.858
San Antonio Water Company	2,164.50	2.748	1,122.118
Santa Ana River Water Company	1,869.30	2.373	968.991
Golden State Water Company	591.05	0.750	306.255
West End Consolidated Water Company	1,361.30	1.728	705.612
San Bernardino County (Shooting Park)	0	0	0
BlueTriton Brands, Inc.	0	0	0
City of Fontana	0	0	0
Calmat Co.	0	0	0
NCL Co., LLC	0	0	0
Total	78,763.82	100.000	40,834.000

DISPOSITION OF ORIGINAL APPROPRIATIVE RIGHTS¹

Original Party and Quantities	Current Party(s) as of June 30, 2025 and Original Quantities ³
City of Chino (3,670.067 AF)	City of Chino (3,670.067 AF)
City of Norco (201.545 AF)	City of Norco (201.545 AF)
City of Ontario (11,373.816 AF)	City of Ontario (11,373.816 AF)
City of Pomona (11,215.852 AF)	City of Pomona (11,215.852 AF)
City of Upland (2,852.401 AF)	City of Upland (2,852.401 AF)
Cucamonga County Water District (3,084.786 AF)	Cucamonga Valley Water District (3,084.786 AF)
Jurupa Community Services District (768.655 AF)	Jurupa Community Services District (768.655 AF)
Monte Vista County Water District (4,148.344 AF)	Monte Vista Water District (4,148.344 AF)
West San Bernardino County Water District (644.317 AF)	West Valley Water District (644.317 AF)
Etiwanda Water Company (534.668 AF)	Cucamonga Valley Water District (534.668 AF)
Feldspar Gardens Mutual Water Company (47.549 AF)	Jurupa Community Services District (47.549 AF)
Fontana Union Water Company (6,396.736 AF)	Fontana Union Water Company (6,391.736 AF); Fontana Water Company (1.000 AF); Nicholson Family Trust (4.00 AF)
Marygold Mutual Water Company (655.317 AF)	Marygold Mutual Water Company (655.317 AF)
Mira Loma Water Company (776.940 AF)	Jurupa Community Services District (776.940 AF)
Monte Vista Irrigation Company (676.759 AF)	Monte Vista Irrigation Company (676.759 AF)
Mutual Water Company of Glen Avon Heights (467.974 AF)	Jurupa Community Services District (467.974 AF)
Park Water Company (164.369 AF)	City of Chino/City of Chino Hills/Monte Vista Water District (164.369 AF) ²
Pomona Valley Water Company (2,162.553 AF)	City of Chino/City of Chino Hills/Monte Vista Water District (2,162.553 AF) ²
San Antonio Water Company (1,506.888 AF)	San Antonio Water Company (1,506.888 AF)
Santa Ana River Water Company (1,301.374 AF)	Santa Ana River Water Company (1,301.374 AF)
Southern California Water Company (1,235.376 AF)	Golden State Water Company (411.476 AF); City of Chino/City of Chino Hills/Monte Vista Water District (823.900 AF) ²
West End Consolidated Water Company (947.714 AF)	West End Consolidated Water Company (947.714 AF)

¹ A detailed history of the transactions/assignments that led to the current allocation of Appropriative Rights under the Judgment is contained in the History of Appropriative Rights at the following link: www.cbwm.org/docs/legaldocs/HistoryofAppropriativeRights.pdf

² The joint listing of parties separated by a "/" does not indicate any joint interest in the right indicated but indicates that these parties each have succeeded to a portion of the original right decreed in the 1978 Judgment. For additional information, see the History of Appropriative Rights.

³ The amounts shown in this column are reflective of the original shares in the Operating Safe Yield (OSY) that was apportioned under the 1978 Judgment and do not include the 5,000 acre-foot decrease in OSY that occurred in FY 2017-18 after the exhaustion of the 200,000 AF controlled overdraft. For information as to each Party's current rights in OSY, see Appendix E-1 Appropriative Rights.

NON-AGRICULTURAL RIGHTS
(AS SHOWN ON EXHIBIT D OF JUDGMENT ENTERED JANUARY 27, 1978)

<u>Party</u>	<u>Total Overlying Non-Agricultural Rights (Acre-Feet)</u>	<u>Share of Safe Yield (Acre-Feet)</u>
Ameron Steel Producers, Inc.	125	97.858
Carlsberg Mobile Home Properties, Ltd '73	593	464.240
Conrock Company	406	317.844
County of San Bernardino	171	133.870
Kaiser Steel Corporation	3,743	2,930.274
Quaker Chemical Co.	0	0
Red Star Fertilizer	20	15.657
Southern California Edison Co.	1,255	982.499
Southern Service Co. dba Blue Seal Linen	24	18.789
Space Center, Mira Loma	133	104.121
Sunkist Growers, Inc.	2,393	1,873.402
Union Carbide Corporation	546	427.446
Total	9,409	7,366.000

NON-AGRICULTURAL RIGHTS¹
(AS OF JUNE 30, 2024)

9W Halo Western OpCo L.P.	18.789
ANG II (Multi) LLC	0 ²
California Speedway Corporation	1,000.000
California Steel Industries, Inc.	1,615.137
CalMat Co.	0
CCG Ontario, LLC	0
City of Ontario (Non-Ag)	3,920.567
County of San Bernardino (Non-Ag)	133.870
General Electric Company	0
Hamner Park Associates, a California Limited Partnership	464.240
Linde Inc.	1.000
Monte Vista Water District (Non-Ag)	50.000
Riboli Family and San Antonio Winery, Inc.	0
Space Center Mira Loma, Inc.	104.121
TAMCO	42.619
West Venture Development Company (Pending Court Disposition)	15.657
Total	7,366.000

¹This list identifies the names of the members of the Non-Agricultural Pool according to the records of the Non-Agricultural Pool Committee. This list is not reflective of all "Active Parties" of the Non-Agricultural Pool, as that term is used in Paragraph 58 of the Restated Judgment.

² Per notice from ANG II (Multi) LLC to Watermaster staff dated January 2, 2020, 9W Halo Western OpCo L.P. holds its rights under a temporary lease between ANG II (Multi) LLC, as lessor, and 9W Halo Western OpCo L.P., as lessee, expiring on January 31, 2030.

DISPOSITION OF ORIGINAL NON-AGRICULTURAL RIGHTS¹

Original Party and Quantities	Current Party(s) and Quantities as of June 30, 2025
Ameron Steel Producers (97.858 AF)	TAMCO (42.619 AF), City of Ontario (Non-Ag) (55.239 AF)
Carlsberg Mobile Home Properties, Ltd '73 (464.240 AF)	Hamner Park Associates, a California Limited Partnership (464.240 AF)
Conrock Company (317.844 AF)	City of Ontario (Non-Ag) (317.844 AF)
County of San Bernardino (133.870 AF)	County of San Bernardino (Non-Ag) (133.870 AF)
Kaiser Steel Corporation (2930.274 AF)	California Speedway Corporation (1000.000 AF), California Steel Industries, Inc. (1615.137 AF), City of Ontario (Non-Ag) (265.137 AF), Monte Vista Water District (Non-Ag) (50.000 AF)
Red Star Fertilizer (15.657 AF)	West Venture Development Company (Pending Court Disposition) (15.657 AF)
Southern California Edison Co. (982.499 AF)	City of Ontario (Non-Ag) (982.499 AF)
Southern Service Co. dba Blue Seal Linen (18.789 AF)	9W Halo Western OpCo L.P. (18.789 AF)
Space Center, Mira Loma (104.121 AF)	Space Center Mira Loma, Inc. (104.121 AF)
Sunkist Growers, Inc. (1,873.402 AF)	City of Ontario (Non-Ag) (1,873.402 AF)
Union Carbide Corporation (427.446 AF)	City of Ontario (Non-Ag) (426.446 AF), Linde Inc. (1.000 AF)

¹A detailed history of the transactions/assignments that led to the current allocation of Non-Agricultural Rights under the Judgment is contained in the History of Non-Agricultural Rights website link: www.cbwm.org/docs/legaldocs/HistoryofNonAgriculturalRights.pdf

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HISTORY OF REALLOCATION OF UNPRODUCED AG POOL SAFE YIELD¹ (ACRE-FEET)

Production Year	Calculation of Water Rights Available for Reallocation due to Ag Pool Underproduction of Safe Yield ⁵		Claims to Underproduced Ag Pool Safe Yield			Rights Available for Reallocation less Claimed Rights ^{9,11}	Total Reallocation of Unproduced Ag Pool Safe Yield ¹⁰
	Assessable Ag Pool Production	Water Rights Available for Reallocation	Claims Resulting from Land Use Conversions ⁶	Early Transfer Claims ^{5,8,11}	Total Claims		
A	B	C	D	$E = C + D$			
83-84 ²	59,033	n/a ⁵	593	n/a	593	n/a	26,355
84-85	55,543	n/a	593	n/a	593	n/a	19,136
85-86	52,061	n/a	811	n/a	811	n/a	21,902
86-87	59,847	n/a	811	n/a	811	n/a	37,159
87-88	57,865	n/a	4,056	n/a	4,056	n/a	78,489
88-89 ³	46,762	24,935	811	n/a	811	24,124	24,935
89-90	48,420	36,038	811	n/a	811	35,227	36,038
90-91	48,085	34,380	811	n/a	811	33,569	34,380
91-92	44,682	34,715	811	n/a	811	33,904	34,715
92-93	44,092	38,118	811	n/a	811	37,307	38,118
93-94	44,298	38,708	811	n/a	811	37,897	38,708
94-95	55,022	38,502	3,652	n/a	3,652	34,850	38,502
95-96	43,639	27,778	11,711	n/a	11,711	16,067	27,778
96-97	44,809	39,161	12,620	n/a	12,620	26,541	39,161
97-98	43,345	37,991	14,426	n/a	14,426	23,565	37,991
98-99	47,538	39,455	17,022	n/a	17,022	22,433	39,455
99-00 ⁴	44,401	38,399	10,471	32,800	43,271	-4,872	38,399
00-01	39,954	42,846	13,920	32,800	46,720	-3,874	42,846
01-02	39,495	43,306	14,133	32,800	46,933	-3,627	43,306
02-03	37,457	45,343	16,480	32,800	49,280	-3,937	45,343
03-04	41,978	40,822	17,510	32,800	50,310	-9,488	40,822
04-05	34,450	48,350	19,013	32,800	51,813	-3,464	48,350
05-06	33,900	48,900	20,370	32,800	53,170	-4,270	48,900
06-07	37,295	45,505	22,158	32,800	54,958	-9,454	45,505
07-08	30,910	51,890	22,461	32,800	55,261	-3,371	51,890
08-09	32,143	50,657	22,730	32,800	55,530	-4,873	50,657
09-10	31,855	50,945	22,943	32,800	55,743	-4,798	50,945
10-11	31,342	51,458	23,033	32,800	55,833	-4,375	51,458
11-12	34,353	48,447	23,237	32,800	56,037	-7,590	48,447
12-13	34,458	48,342	23,773	32,800	56,573	-8,231	48,342
13-14	33,639	49,161	26,162	32,800	58,962	-9,801	49,161
14-15	28,521	54,279	26,768	22,511	49,279	5,000	54,279
15-16	26,167	56,633	27,450	24,183	51,633	5,000	56,633
16-17	26,863	55,937	28,296	22,642	50,937	5,000	55,937
17-18	28,461	54,339	29,031	20,308	49,339	5,000	54,339
18-19	21,786	61,014	29,972	26,042	56,014	5,000	61,014
19-20	21,841	60,959	30,997	24,962	55,959	5,000	60,959
20-21	21,485	61,315	31,717	20,599	52,315	9,000	61,315
21-22	21,304	61,496	32,898	19,598	52,496	9,000	61,496
22-23	17,082	65,718	33,726	22,992	56,718	9,000	65,718
23-24	17,717	65,083	34,596	21,487	56,083	9,000	65,083
24-25	18,184	64,616	36,092	19,524	55,616	9,000	64,616

¹ Source: Watermaster Annual Reports and Assessment Packages.

² Fiscal year 83-84 was the first-year that reallocation occurred under the Judgment.

³ During fiscal year 87-88 the Appropriatees agree to pay Ag Pool assessments and the reallocation procedure changed by agreement. Effective FY 88-89, the Ag Pool's unused water rights from the prior year are made available for reallocation to the Appropriate Pool in the following year (i.e. 82,800 AF less the total assessable production).

⁴ During fiscal year 99-00 the Peace Agreement is signed. The Appropriatees agree to pay the Ag Pool assessments for the life of the Peace Agreement and the reallocation procedure is changed by agreement. The Ag Pool's unused water rights (i.e. 82,800 AF less the total assessable production) are made available for reallocation to the Appropriate Pool in the current year.

⁵ n/a indicates the information is not applicable for the given year.

⁶ When land is converted from agricultural to urban uses, water rights are permanently transferred to the appropriate pool. This column represents the sum of the cumulative transfers that have resulted from land use changes over time. For example, in 85-86 land use conversions resulted in 218 acre-feet of conversions. Thus the total claims for 85-86 were 811: the sum of the conversions from prior years plus the new conversions for 85-86 (811 = 593 + 218).

⁷ After a duplication of conversion areas was identified, Jurupa's Pre-Peace Agreement acres were adjusted to 337.6 acres and the Post-Peace Agreement acres were adjusted to 846.4 acres.

⁸ During fiscal year 99-00 the Peace Agreement is signed and establishes that each year 32,800 acre-feet of Ag Pool rights will be pre-emptively transferred to the Appropriate Pool and the transfer will be distributed proportional to each member's share of the Operating Safe Yield.

⁹ If the total claims to underproduced Ag Pool Safe Yield (C + D) are greater than the water rights available for reallocation (B) then the reallocation is limited to the amount of rights available. The reduction is distributed among the Parties in proportion to their share of the Operating Safe Yield.

¹⁰ For production years 83-84 through 87-88, the allocation was computed in a different manner and so the generalized formula does not apply for these years.

¹¹ For production years 14-15 through 17-18, the Early Transfer Claims and Rights Available for Reallocation less Claimed Rights have been revised in accordance to the March 15, 2019 Court Order.

HISTORY OF TOTAL ANNUAL GROUNDWATER PRODUCTION FROM THE CHINO BASIN (ACRE-FEET)*

Production Year	Appropriative Pool ¹³	Agricultural Pool ¹³	Non-Agricultural Pool ¹³	Chino Basin Desalters ¹⁴	Department of Toxic Substances Control ¹⁵	Total Production ¹⁶
77-78	62,408	91,714	10,102 ¹	-	-	164,224
78-79	61,372	81,479	7,263	-	-	150,114
79-80	65,371	70,050	7,541	-	-	142,961
80-81	71,443	67,726	5,777	-	-	144,945
81-82	66,844	64,032	5,801	-	-	136,676
82-83	63,557	56,858	2,448	-	-	122,864
83-84	70,544	60,076	3,258	-	-	133,877
84-85	76,903	54,248	2,446	-	-	133,598
85-86	80,885	50,611	3,255	-	-	134,751
86-87	84,662	57,964	2,696	-	-	145,322
87-88	91,579 ²	55,949	3,018	-	-	150,545
88-89	93,617 ³	45,683	3,692	-	-	142,992
89-90	101,344 ⁴	47,358	4,927	-	-	153,629
90-91	86,513 ⁵	47,011	5,479	-	-	139,003
91-92	91,736 ⁶	43,456	4,900	-	-	140,092
92-93	86,584 ⁷	44,300	5,226	-	-	136,110
93-94	80,934 ⁸	44,492	4,322	-	45	129,793
94-95	93,608 ⁹	55,415	4,091	-	45	153,159
95-96	103,729 ¹⁰	43,639	3,240	-	60	150,668
96-97	112,205	44,923	3,779	-	76	160,983
97-98	99,810 ¹¹	43,370	3,274 ¹²	-	83	146,537
98-99	111,048	47,792	3,734	-	81	162,655
99-00	128,892	44,242	5,605	-	82	178,821
00-01	116,204	39,285	5,991	7,989	100	169,570
01-02	123,531	38,196	4,150	9,458	81	175,416
02-03	121,748	35,168	3,979	10,439	79	171,413
03-04	125,320	38,192	2,057	10,605	79	176,253
04-05	118,030	31,505	2,246	9,854	81	161,715
05-06	107,249	30,253	2,641	16,542	80	156,765
06-07	119,438	29,653	3,251	27,077	79	179,498
07-08	120,650	23,539	3,421	30,121	81	177,813
08-09	134,119	23,277	2,420	29,012	83	188,910
09-10	117,299	21,043	2,039	28,857	85	169,323
10-11	99,172	21,030	1,986	29,043	87	151,319
11-12	93,615	22,319 ¹³	3,162	28,411	89	147,595
12-13	109,294	23,718 ¹⁷	3,686	27,098	87	163,883
13-14	113,976	21,796 ¹⁷	3,834	29,282	85	168,973
14-15	97,842	17,118 ¹⁷	3,371	30,022	84	148,436
15-16	100,297	17,109 ¹⁷	2,670	28,191	85	148,352
16-17	93,699	17,715 ¹⁷	3,636	28,284	104	143,438
17-18	88,740	18,827	2,919	30,088	83	140,656
18-19	83,280	15,478	3,204	31,233	80	133,275
19-20	95,418	15,722	2,350	35,630	72	149,190
20-21	105,040	14,929	2,795	40,156	77	162,998
21-22	107,529	14,077	1,767	40,566	82	164,021
22-23	74,412	11,190	2,168	39,844	72	127,686
23-24	63,444	11,020	2,493	40,337	66	117,360
24-25	80,352	10,704	2,413	40,682	58	134,209

* Total Production adjusted from prior annual reports to include previously omitted production from wells that have become non-active over time.

¹ Includes 3,945 AF of mined water pumped by Edison as agent for IEUA.

² Does not include 7,674.3 AF exchanged with MWDSC.

³ Does not include 6,423.6 AF exchanged with MWDSC.

⁴ Does not include 16,377.1 AF exchanged with MWDSC.

⁵ Does not include 14,929.1 AF exchanged with MWDSC.

⁶ Does not include 12,202.4 AF exchanged with MWDSC.

⁷ Does not include 13,657.3 AF exchanged with MWDSC.

⁸ Does not include 20,194.7 AF exchanged with MWDSC.

⁹ Does not include 4,221.9 AF exchanged with MWDSC.

¹⁰ Does not include 6,167.2 AF exchanged with MWDSC.

¹¹ Does not include 4,275.4 AF exchanged with MWDSC.

¹² Does not include 216.5 AF exchanged with MWDSC.

¹³ Represents total physical production by Pools, not assessed production.

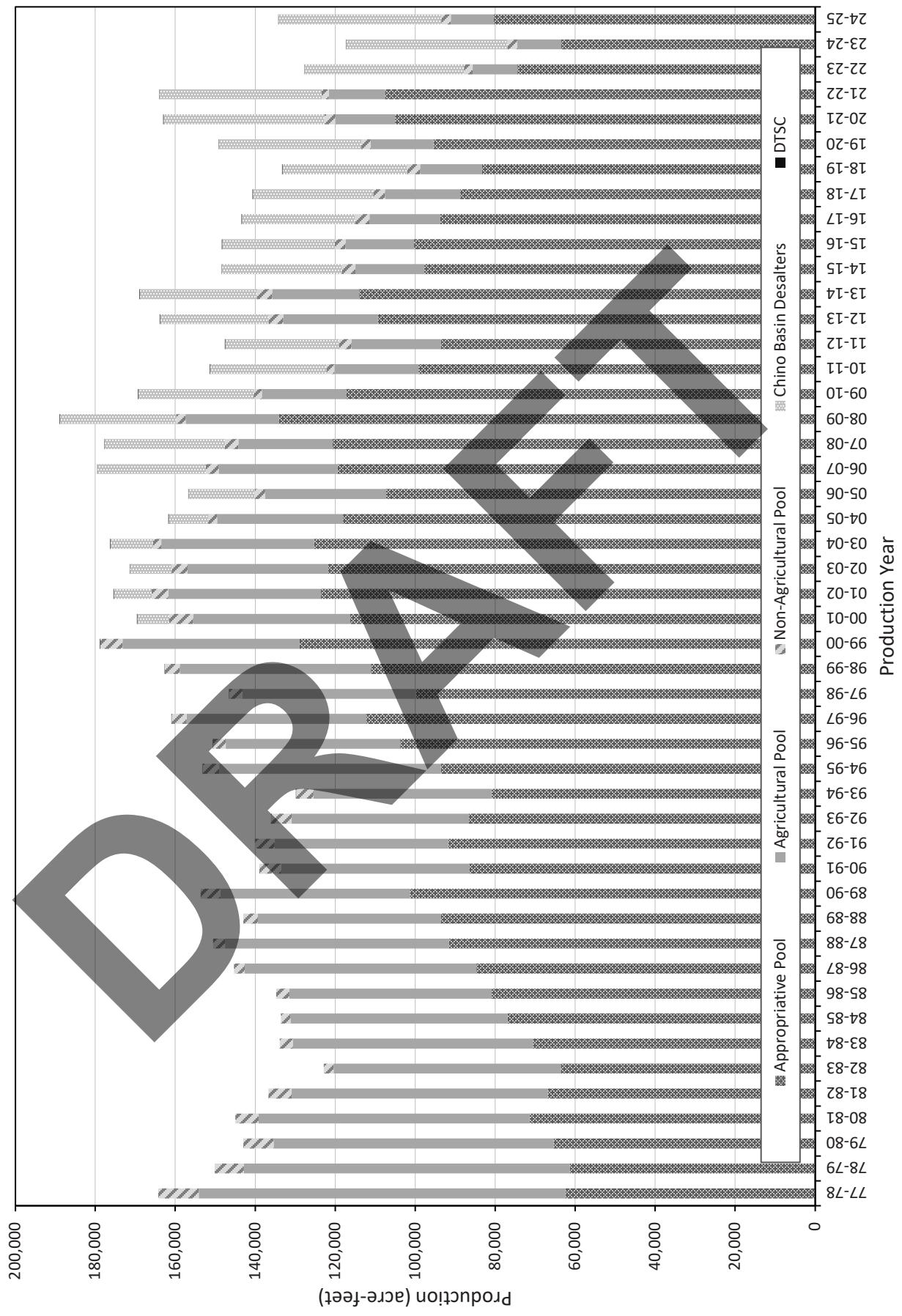
¹⁴ Production by the Chino Basin Desalters is not considered assessable production; Desalter replenishment obligation accounting is shown in the Assessment Package.

¹⁵ Production by DTSC is accounted separately, by agreement, such that the production is not assessed by Watermaster.

¹⁶ Total reflects physical production by pumpers and does not account for any adjustments or exchanges that are made in the Assessment Packages.

¹⁷ Total Agricultural Pool production revised due to incorrect multiplier used on an irrigation well meter.

HISTORY OF TOTAL ANNUAL GROUNDWATER PRODUCTION FROM THE CHINO BASIN (ACRE-FEET)



**SUMMARY OF SUPPLEMENTAL SUPPLIES
USED BY THE CHINO BASIN PARTIES¹
FISCAL YEAR 2024-25
(ACRE-FEET)**

Parties	Other Groundwater Basins	Surface Diversions	Imported Water Deliveries				Recycled Water ²	Total		
			SBVMWD	MWDSC						
				IEUA	TVMWD	WMWD				
Chino, City of	-	-	-	4,052	-	-	3,506	7,558		
Chino Hills, City of	-	-	-	1,500	-	-	1,449	2,949		
Cucamonga Valley Water District ³	7,834	4,709	-	15,958	-	-	1,258	29,758		
Inland Empire Utilities Agency	-	-	-	-	-	-	152	152		
Fontana Water Company ⁴	15,539	11,467	-	65	-	-	477	27,548		
Golden State Water Company ⁵	3,317	-	-	-	4,650	-	-	7,966		
Jurupa Community Services District ⁶	720	-	-	-	-	-	-	720		
Marygold Mutual Water Company ⁷	-	-	311	-	-	-	-	311		
Monte Vista Water District	-	-	-	8,862	-	-	350	9,212		
Norco, City of ⁸	5,248	-	-	-	-	-	-	5,248		
Ontario, City of	-	-	-	5,839	-	-	11,406	17,245		
Pomona, City of ⁹	3,651	1,683	-	-	3,027	-	1,798	10,158		
San Antonio Water Company ¹⁰	3,254	6,001	-	-	-	-	-	9,255		
San Bernardino, County of	-	-	-	-	-	-	174	174		
Santa Ana River Water Company ¹¹	0	-	-	-	-	-	-	-		
State of California, CIM ¹²	-	-	-	-	-	-	7	7		
Upland, City of ¹³	6,047	1,669	-	2,582	-	-	647	10,944		
West End Consolidated Water Company ¹⁴	2,628	-	-	-	-	-	-	2,628		
West Valley Water District ¹⁵	9,606	5,966	3,562	-	-	-	-	19,134		
Total	57,842	31,495	3,873	38,857	7,676	-	21,223	160,967		

¹ The values reported herein represent the total supplemental water supply used by each Party within its entire service area. Some Parties have service area boundaries which extend outside the adjudicated Chino Basin boundary.

² Recycled water is supplied by IEUA unless stated otherwise.

³ Other groundwater is produced from Cucamonga Basin. Surface water diversions are from Lloyd Michaels, Royer-Nesbit, and Arthur H. Bridge WTPs, and Deer Canyon.

⁴ Other groundwater is produced from Colton/Rialto, Lytle, and "unnamed" Basins. Surface water diversions are from Lytle Creek.

⁵ Other groundwater is produced from Six Basins.

⁶ Other groundwater is produced from Riverside Basins.

⁷ Treated water is purchased from San Bernardino Valley Municipal Water District (SBVMWD) and then treated and delivered by West Valley Water District (WVWD)

⁸ Other groundwater is produced from Arlington and Temescal Basins and a portion of the hydrologic Chino Basin that is outside the adjudicated boundary.

⁹ Other groundwater is produced from Six Basins and Spadra Basin. Surface water diversions are from San Antonio Creek. Recycled water is served from the Pomona Water Reclamation Plant.

¹⁰ Other groundwater is produced from Six Basins and Cucamonga Basin. Surface water diversions are from San Antonio Creek. Supplemental supplies shown herein do not include sales to the City of Upland - these supplies are shown as part of Upland's supply within this table.

¹¹ Other groundwater is produced from the portion of the hydrologic Chino Basin that is outside the adjudicated boundary.

¹² Recycled water includes water treated by CIM and discharged to ponds then reused on location for irrigation purposes.

¹³ Other groundwater is produced from Six Basins and Cucamonga Basin. Supplemental supplies shown herein do not include sales to Golden State Water Company (GSWC) - these supplies are shown as part of GSWC's supply within this table.

¹⁴ Other groundwater is produced from Six Basins and Cucamonga Basin.

¹⁵ Other groundwater is produced from Rialto and Riverside Basins. Surface water diversions are from Lytle Creek.

**SUMMARY OF IMPORTED WATER DELIVERIES FROM
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
TO THE CHINO BASIN PARTIES FOR FISCAL YEAR 2024-25
(ACRE-FEET)¹**

Month	Water Facilities Authority - CB-12						Reliant CB-01
	Upland	MVWD	Ontario	Chino	Chino Hills ²	Sub-Total	
July	374	1,080	1,063	378	200	3,095	-
August	295	1,322	909	417	200	3,143	-
September	153	1,233	814	478	120	2,798	-
October	226	1,146	758	400	100	2,630	-
November	167	996	456	346	90	2,054	-
December	233	677	424	342	90	1,766	-
January	228	424	369	318	100	1,439	-
February	74	57	59	97	100	386	-
March	178	249	238	196	100	962	-
April	188	441	188	266	100	1,183	-
May	216	689	228	331	100	1,564	-
June	251	548	333	483	200	1,815	-
Total	2,582	8,862	5,839	4,052	1,500	22,835	-

Month	Fontana Water Co.	Cucamonga Valley Water District			Three Valleys MWD to Pomona	Three Valleys MWD to GSWC	Western MWD to Norco	Total
		CB-19	CB-07	CB-16				
July	-	-	1,600	1,600	327	605	-	5,627
August	-	-	1,599	1,599	376	600	-	5,718
September	-	-	1,376	1,376	323	582	-	5,078
October	-	-	1,369	1,369	283	501	-	4,783
November	-	-	1,196	1,196	294	297	-	3,841
December	-	-	602	602	209	292	-	2,868
January	29	-	1,000	1,000	248	241	-	2,957
February	18	-	504	504	2	176	-	1,086
March	1	-	1,414	1,414	16	213	-	2,606
April	17	-	1,666	1,666	152	284	-	3,301
May	0	-	1,845	1,845	258	360	-	4,027
June	0	-	1,788	1,788	539	499	-	4,640
Total	65	-	15,958	15,958	3,027	4,650	-	46,533

¹ Does not include Dry Year Yield activity ("puts" or "takes").

² Total includes water delivered directly from WFA and from WFA through MVWD by agreement.

TOTAL WATER CONSUMPTION BY THE CHINO BASIN PARTIES¹ (ACRE-FEET)

Year	Chino Basin Extractions ²	Supplemental Supplies ³	Total
77-78	164,224	61,567	225,791
78-79	150,114	75,864	225,978
79-80	142,961	70,727	213,688
80-81	144,945	77,765	222,710
81-82	136,676	67,491	204,167
82-83	122,864	76,000	198,864
83-84	133,877	99,257	233,134
84-85	133,598	92,952	226,550
85-86	134,751	114,624	249,375
86-87	145,322	126,493	271,815
87-88	150,545	116,175	266,720
88-89	142,992	128,167	271,159
89-90	153,629	139,004	292,633
90-91	139,003	116,493	255,496
91-92	140,092	104,480	244,572
92-93	136,110	117,205	253,315
93-94	129,793	136,038	265,831
94-95	153,159	116,797	269,956
95-96	150,668	130,494	281,162
96-97	160,983	115,031	276,014
97-98	146,537	106,360	252,897
98-99	162,655	113,040	275,695
99-00	178,821	129,208	308,029
00-01	169,570	128,596	298,166
01-02	175,416	140,907	316,323
02-03	171,413	134,154	305,567
03-04	176,253	143,989	320,242
04-05	161,715	145,644	307,359
05-06	156,765	171,896	328,661
06-07	179,498	176,807	356,305
07-08	177,813	162,465	340,278
08-09	188,910	131,819	320,729
09-10	169,323	144,354	313,677
10-11	151,319	154,760	306,079
11-12	147,595	171,808	319,403
12-13	163,883	154,870	318,753
13-14	168,973	183,699	352,672
14-15	148,436	162,477	310,913
15-16	148,352	114,780	263,132
16-17	143,438	147,767	291,205
17-18	140,656	185,964	326,620
18-19	133,275	153,828	287,103
19-20	149,190	130,142	279,332
20-21	162,998	156,808	319,806
21-22	164,021	145,733	309,754
22-23	127,766	143,308	271,074
23-24	117,370	153,800	271,170
24-25		160,967	160,967

¹ The values reported herein are intended to represent the supplemental water supply used by each Party within its entire service area. Some Parties have service area boundaries which extend outside the adjudicated Chino Basin boundary. During the preparation of the FY14/15 Annual Report, it was determined that the collection and reporting of supplemental water supplies has been inconsistent over time, such that some parties reported estimates of water used within the boundary of Chino Basin and others provided the entire service area use, and some agencies varied their reporting methods over time. In many years, the reported data also excluded some Watermaster Parties. And, in some cases, the supplemental supplies included recharge water volumes. The values reported for the noted years are representative of total water consumption by the Chino Basin parties and are not directly comparable to values reported for prior years. Watermaster staff will be working with the Parties to update the historical information for consistency in future annual reports.

² Represents the total groundwater extraction values reported in Appendix H-1.

³ Total does not include cyclic deliveries, water delivered by exchange, or water from direct spreading that was used for replenishment.

**SUMMARY OF CONJUNCTIVE USE, REPLENISHMENT, AND CYCLIC ACTIVITIES
FISCAL YEAR 2024-25
(ACRE-FEET)**

Conjunctive Use Resulting from Storage and Recovery Programs in the Chino Basin											DYY Holding Account Summary:				Watermaster's Upcoming Replenishment Obligations:				
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	Beginning Bal.	Loss	Put	Take	Ending Bal.
Direct	Monte Vista Water District	-	-	-	-	-	-	-	-	-	-	-	-	-	45,908.2	(32.1)	17,932.6	0.0	63,808.6
In-Lieu	Chino Basin Watermaster	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Chino, City of	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Chino Hills, City of	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Cucamonga Valley Water District	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Fontana Water Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Jurupa Community Services District	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Monte Vista Water District	1,397.2	668.2	623.0	762.5	318.5	-	-	-	-	-	-	-	-	-	-	-	3,769.4	
	Ontario, City of	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Pomona, City of	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Upland, City of	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Storage / (Withdrawals)		-	1,397.2	668.2	623.0	762.5	318.5	-	-	-	-	-	-	-	-	-	-	3,769.4	
Replenishment (and Preemptive Replenishment) Deliveries											Watermaster's Replenishment Obligations:				Watermaster's Upcoming Replenishment Obligations:				
											Cumulative Unmet Replenishment Obligation (CURO)				Fiscal Year 2024/25 CURO				
											Desalter Replenishment Obligation (DRO)				Fiscal Year 2024/25 DRO				
											Fiscal Year 2023/24 Overproduction				Fiscal Year 2024/25 Overproduction				
Direct*	ASR	Monte Vista Water District	-	-	-	-	-	-	-	-	Watermaster's Upcoming Replenishment Obligations:				Watermaster's Upcoming Replenishment Obligations:				
	CB-11	(Deer Creek)	-	-	-	-	-	-	-	-	Cumulative Unmet Replenishment Obligation (CURO)				Fiscal Year 2024/25 CURO				
	CB-13	(San Sevaine)	-	-	-	-	-	-	-	-	Desalter Replenishment Obligation (DRO)				Fiscal Year 2024/25 DRO				
	CB-14	(Etzwanda)	-	-	-	-	-	-	-	-	Fiscal Year 2023/24 Overproduction				Fiscal Year 2024/25 Overproduction				
	CB-15	(Day Creek)	-	-	-	-	-	-	-	-	Watermaster's Upcoming Replenishment Obligations:				Watermaster's Upcoming Replenishment Obligations:				
	CB-18	(Etzwanda Inter-tie)	-	-	-	-	-	-	-	-	Cumulative Unmet Replenishment Obligation (CURO)				Fiscal Year 2024/25 CURO				
	CB-20	(West Cucamonga)	-	-	-	-	-	-	-	-	Desalter Replenishment Obligation (DRO)				Fiscal Year 2024/25 DRO				
	OC-59	(San Antonio)	-	-	-	-	-	-	-	-	Fiscal Year 2023/24 Overproduction				Fiscal Year 2024/25 Overproduction				
In-Lieu		-	-	-	-	-	-	-	-	-	Watermaster's Upcoming Replenishment Obligations:				Watermaster's Upcoming Replenishment Obligations:				
	Service Connections	-	-	-	-	-	-	-	-	-	Cumulative Unmet Replenishment Obligation (CURO)				Fiscal Year 2024/25 CURO				
	CB-12	-	-	-	-	-	-	-	-	-	Desalter Replenishment Obligation (DRO)				Fiscal Year 2024/25 DRO				
	CB-16	-	-	-	-	-	-	-	-	-	Fiscal Year 2023/24 Overproduction				Fiscal Year 2024/25 Overproduction				
Purchased from Parties											Watermaster's Upcoming Replenishment Obligations:				Watermaster's Upcoming Replenishment Obligations:				
Purchased from Cyclic Account											Cumulative Unmet Replenishment Obligation (CURO)				Fiscal Year 2024/25 CURO				
Pre-Purchased Previous Years(s)											Desalter Replenishment Obligation (DRO)				Fiscal Year 2024/25 DRO				
Total Replenishment											Fiscal Year 2023/24 Overproduction				Fiscal Year 2024/25 Overproduction				

**STORM AND SUPPLEMENTAL WATER RECHARGE
BY BASIN FISCAL YEAR 2024-25
(ACRE-FEET)**

	JULY			AUGUST			SEPTEMBER			OCTOBER			NOVEMBER			DECEMBER		
	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC
MZ 1																		
Aquifer Storage & Recovery (ASR)																		
MVWD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Chino Hills	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
San Antonio Channel																		
Upland	0	411	0	0	179	0	0	231	0	6	125	0	17	0	0	0	10	0
College Heights	0	0	0	0	248	0	0	300	0	1	401	0	1	20	0	0	0	0
Montclair 1, 2 3 & 4	0	2,738	0	0	2,288	0	0	2,138	0	15	1,543	0	21	899	0	0	43	0
Brooks	3	0	126	1	0	78	1	0	42	5	0	57	5	0	152	3	0	109
West Cucamonga Channel																		
15th Street	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8th Street	5	0	0	10	0	0	17	0	0	48	0	179	76	0	319	3	0	392
7th Street	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	7	3,149	126	11	2,715	78	18	2,669	42	75	2,069	236	119	919	471	6	54	501
MZ 2																		
Cucamonga /Deer Creek Channels																		
Turner 1 & 2	0	1	72	5	0	112	7	0	54	7	0	56	6	0	82	1	0	158
Turner 3 & 4	12	0	0	9	0	0	7	0	56	32	0	181	72	0	118	20	0	211
Day Creek Channel																		
Lower Day	1	0	0	2	0	0	1	0	0	2	1	0	4	514	0	1	47	0
Etiwanda Channel																		
Etiwanda Debris Basin	0	283	0	0	296	0	0	345	0	0	301	0	0	159	0	0	0	0
Victoria	2	0	225	2	0	164	1	0	62	4	0	113	2	0	146	1	0	111
Managed Aquifer Recharge (MAR)																		
Intex Property	0	20	0	0	63	0	0	0	0	0	8	0	0	26	0	0	9	0
Minor Drainage																		
Grove	6	0	0	1	0	0	3	0	0	3	0	0	0	0	1	0	0	0
San Sevaine Channel																		
San Sevaine 1, 2, 3 & 4	0	454	108	0	437	58	0	451	73	3	449	101	7	329	131	0	39	248
San Sevaine 5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Cucamonga Channel																		
Ely 1, 2 & 3	8	0	10	1	0	57	4	0	15	31	0	108	17	0	247	4	0	288
West Fontana Channel																		
Hickory	0	0	260	0	15	159	0	0	81	1	0	148	19	0	29	0	0	78
	29	757	676	20	811	550	21	796	341	82	758	707	127	1,027	752	27	94	1,093
MZ 3																		
Day Creek Channel																		
Wineville	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Riverside	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DeClez Channel																		
DeClez	2	0	0	2	0	0	8	0	162	29	0	166	7	0	181	3	0	233
RP3 Cell 1, 3, & 4	0	0	440	0	0	445	0	28	981	0	23	601	0	14	204	0	0	148
RP3 Cell 2	7	0	1	8	0	42	3	0	21	0	0	0	0	0	10	0	0	0
Etiwanda Channel																		
Etiwanda Conservation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
San Sevaine Channel																		
Jurupa	0	24	0	0	36	0	0	14	0	21	21	0	66	0	0	15	0	0
West Fontana Channel																		
Banana	0	0	29	0	0	18	0	0	9	6	0	17	31	0	17	0	0	78
	9	24	469	10	36	505	10	43	1,173	56	45	784	104	14	412	17	0	459
Total	45	3,930	1,272	40	3,562	1,133	50	3,507	1,555	212	2,871	1,726	351	1,959	1,635	50	148	2,053

Evaporative losses are applied to Imported and Recycled Water (1.5% November - March, 4.2% April - October).

ST = stormwater
 IMP = imported water
 RC = recycled water

JANUARY			FEBRUARY			MARCH			APRIL			MAY			JUNE			TOTAL				
ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ST	IMP	RC	ALL	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	0	0	142	0	0	58	0	0	3	0	0	3	0	0	0	0	0	0	240	956	0	1,195
0	0	0	2	0	0	1	0	0	0	0	0	0	0	0	0	0	0	5	969	0	974	
22	0	0	361	43	0	160	0	0	13	0	0	10	0	0	5	0	0	606	9,691	0	10,297	
11	0	92	86	0	38	63	0	54	9	0	78	7	0	115	2	0	77	194	0	1,016	1,211	
96	0	421	884	43	240	538	0	262	37	0	295	31	0	396	11	0	321	1,834	11,616	3,389	16,839	
35	0	82	110	0	16	151	0	40	113	0	57	11	0	108	14	0	153	459	1	988	1,448	
54	0	189	162	0	56	149	0	37	47	0	101	37	0	114	16	0	143	617	0	1,205	1,822	
16	0	0	172	6	0	73	0	0	6	0	0	10	0	0	10	0	0	297	568	0	865	
0	0	0	130	0	0	54	0	0	4	0	0	8	0	0	0	0	0	196	1,383	0	1,579	
13	0	92	96	0	35	85	0	50	8	0	98	24	0	109	4	0	127	240	0	1,332	1,572	
0	0	0	0	8	0	0	11	0	0	0	0	0	0	0	0	0	0	0	146	0	146	
1	0	0	113	0	0	48	0	0	8	0	0	3	0	0	2	0	0	189	0	0	189	
19	0	301	101	0	120	103	0	114	5	0	168	20	0	113	0	0	131	258	2,158	1,667	4,083	
19	0	0	228	0	0	97	0	0	2	0	0	13	0	0	5	0	0	364	0	0	364	
51	0	179	411	0	85	110	0	134	24	0	173	29	0	196	18	0	14	706	0	1,505	2,211	
8	0	38	66	0	0	54	0	25	13	0	75	15	0	72	6	0	77	181	15	1,042	1,238	
216	0	881	1,590	15	313	923	11	400	229	0	672	170	0	711	74	0	644	3,508	4,271	7,739	15,518	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
57	0	159	156	0	31	159	0	55	17	0	151	74	0	108	57	0	121	571	0	1,367	1,937	
2	0	153	88	0	56	88	0	33	0	0	151	31	0	113	0	0	0	210	65	3,325	3,599	
19	0	31	55	0	33	35	0	47	0	0	101	0	0	72	0	0	81	125	0	438	564	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
79	0	0	231	0	0	216	0	0	55	0	0	57	0	0	67	0	0	806	95	0	902	
21	0	38	21	0	52	20	0	25	1	0	75	3	0	72	1	0	77	103	0	505	608	
178	0	380	551	0	173	517	0	160	73	0	478	166	0	365	125	0	279	1,815	160	5,635	7,610	
490	0	1,681	3,025	57	725	1,979	11	823	339	0	1,445	367	0	1,471	211	0	1,244	7,157	16,047	16,762	39,966	

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**APPENDIX N WILL BE INSERTED AND FILED WITH THE COURT
WHEN THE FY 2025/26 ASSESSMENT PACKAGE IS APPROVED.**

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**APPENDIX O WILL BE INSERTED AND FILED WITH THE COURT
WHEN THE FY 2025/26 ASSESSMENT PACKAGE IS APPROVED.**

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SUMMARY BUDGET FISCAL YEAR 2024-25

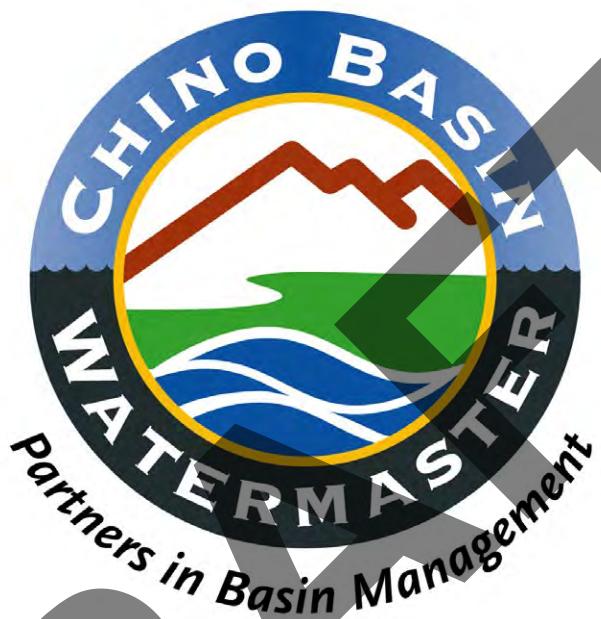
	Approved Budget	Approved Budget	Approved vs. Amended
4000 Mutual Agency Revenue	\$186,412	\$191,070	\$4,658
4110 Appropriative Pool Assessments	8,886,164	9,521,030	634,866
4120 Non-Agricultural Pool Assessments	428,750	312,750	(116,000)
4730 Prorated Interest Income	312,500	478,500	166,000
Total Income	9,813,827	10,503,350	689,523
 Judgment Administration Expenses			
5900 Judgment Administration Costs	728,726	721,010	(7,716)
6010 Administration Salary Costs	1,413,610	1,032,120	(381,490)
6020 Office Building Expense	208,510	234,470	25,960
6030 Office Supplies & Equip.	46,950	56,390	9,440
6040 Postage & Printing Costs	33,806	32,950	(856)
6050 Information Services	199,818	232,530	32,712
6060 WM Special Contract Services	60,200	111,460	51,260
6070 Watermaster Legal Services	565,964	414,060	(151,904)
6080 Insurance Expense	50,468	50,950	482
6110 Dues and Subscriptions	40,027	25,900	(14,127)
6150 Field Supplies & Equipment	3,200	3,200	0
6170 Travel & Transportation	29,570	104,960	75,390
6190 Conferences & Seminars	50,400	49,370	(1,030)
6200 Advisory Committee Expenses	105,823	134,130	28,307
6300 Watermaster Board Expenses	256,601	288,290	31,689
8300 Appropriative Pool Administration	112,173	125,500	13,327
8400 Agricultural Pool Administration	108,700	124,220	15,520
8500 Non-Agricultural Pool Administration	108,194	120,940	12,746
9500 Allocated Administration Expenses	(440,828)	(540,830)	(100,002)
Total Judgment Administration Expenses	3,681,911	3,321,620	(360,291)
 OBMP Expenses & Program Elements 1-9			
6900 Optimum Basin Mgmt Program	1,066,497	1,437,940	371,443
7104 Groundwater Level Monitoring	456,925	585,050	128,125
7200 OBMP Pgm Element 2 - Comp Recharge	1,414,773	1,774,300	359,527
7300 OBMP Pgm Element 3 & 5 - Water Supply Plan-Desalter	84,677	122,010	37,333
7400 OBMP Pgm Element 4 - Mgmt Zone Strategies	512,434	412,400	(100,034)
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt	673,924	669,380	(4,544)
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use	633,092	867,050	233,958
7690 Recharge Improvement Debt & Projects	848,765	772,770	(75,995)
9501 Allocated Administration Expenses - OBMP	222,160	232,750	10,590
9502 Allocated Administration Expenses - PE 1-9	218,669	308,080	89,411
Total OBMP Expenses & Program Elements 1-9	6,131,916	7,181,730	1,049,814
 Total Expenses	9,813,827	10,503,350	689,523
 Net Ordinary Income	0	0	(0)
 Other Income			
4225 Interest Income	0	0	0
4210 Approp Pool-Replenishment	0	0	0
4220 Non-Ag Pool-Replenishment	0	0	0
4600 Groundwater Sales	0	0	0
4700 Other Income	0	0	0
Total Other Income	0	0	0
 Other Expense			
5010 Groundwater Recharge	0	0	0
9990 Excess Reserve Refunds	0	0	0
Total Other Expense	0	0	0
 9900 To / (From) Reserves	0	0	0
 Net Other Income	0	0	0
 Net Income	\$0	\$0	(\$0)

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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**

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

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

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

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Introductory Section



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

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

C.J. Brown & Company, CPAs

Cypress, California

October 23, 2025

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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

	2025	2024	Change	2023	Change
Revenues:					
Operating revenues	\$ 10,249,753	10,401,254	(151,501)	10,732,003	(330,749)
Non-operating revenues	559,637	727,866	(168,229)	340,969	386,897
Total revenues	10,809,390	11,129,120	(319,730)	11,072,972	56,148
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	19,571	1,564,380	(1,544,809)	178,000	1,386,380
Total expenses	10,654,483	13,501,034	(2,846,551)	8,718,411	4,782,623
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)	10,652,570	13,024,484	(2,371,914)	10,669,923	2,354,561
Net position, end of period	\$ 10,807,477	10,652,570	154,907	13,024,484	(2,371,914)

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 \$10,809,930. 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

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	<u>13,470,007</u>	<u>13,091,179</u>
Non-current assets:		
Capital assets, net (note 4)	<u>1,144,851</u>	<u>983,347</u>
Total non-current assets	<u>1,144,851</u>	<u>983,347</u>
Total assets	<u>14,614,858</u>	<u>14,074,526</u>
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	<u>746,464</u>	<u>902,988</u>
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	<u>1,666,043</u>	<u>1,317,887</u>
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)	<u>1,897,516</u>	<u>1,913,265</u>
Total non-current liabilities	<u>2,739,205</u>	<u>2,867,140</u>
Total liabilities	<u>4,405,248</u>	<u>4,185,027</u>
Deferred inflows of resources:		
Deferred OPEB inflows (note 7)	<u>148,597</u>	<u>139,917</u>
Total deferred inflows of resources	<u>148,597</u>	<u>139,917</u>
Net position: (note 11)		
Net investment in capital assets	433,913	167,003
Unrestricted	<u>10,373,564</u>	<u>10,485,567</u>
Total net position	<u>\$ 10,807,477</u>	<u>10,652,570</u>

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

	^{as restated} 2025	2024
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	<u>154,907</u>	<u>(2,371,914)</u>
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>\$ 10,807,477</u>	<u>10,652,570</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	<u>658,941</u>	<u>(2,023,829)</u>
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>\$ 12,352,799</u>	<u>11,693,858</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

	2025	2024
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating income	\$ (385,159)	(1,535,400)
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	8,680	5,661
Total adjustments	981,025	484,883
Net cash provided by (used in) operating activities	\$ 595,866	(1,050,517)

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:

	2025	2024
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:

	2025	2024
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:

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

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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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 AAm	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 AAm	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:

	Balance		Disposals/ Transfers	Balance
	2024	Additions		2025
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	1,474,274	374,326	(105,951)	1,742,649
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	(490,927)	(209,957)	103,086	(597,798)
Total capital assets, net	\$ 983,347			1,144,851

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:

	Balance 2023	Additions	Disposals/ Transfers	Balance 2024
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	861,191	968,562	(355,479)	1,474,274
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	(664,313)	(182,093)	355,479	(490,927)
Total capital assets, net	\$ 196,878			983,347

(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 to be used or paid out.

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

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

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:

Year	Principal	Interest	Total
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	<u>22,900</u>	<u>554</u>	<u>23,454</u>
Total	675,607	<u>51,467</u>	<u>727,074</u>
Current	<u>(124,374)</u>		
Long-term	<u>\$ 551,233</u>		

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:

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

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:

	2025	2024
Active employees	9	9
Inactive employees or beneficiaries currently receiving benefit payments	3	3
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

	<u>2025</u>	<u>2024</u>
Balance at beginning of year	\$ <u>275,478</u>	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	<u>(21,938)</u>	<u>5,727</u>
Balance at end of year	<u>\$ 253,540</u>	<u>275,478</u>

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:

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

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%	Current Discount Rate	Discount Rate + 1%
	2.26%	3.26%	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	Current	1% Increase
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	Current	1% Increase
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
Hire date	Prior to January 1, 2013	On or after January 1, 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	\$ 667,453	-	811,933	-

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.

Asset Class	Assumed Asset Classification	Real Return 1-10^{1,2}
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:

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

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:

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

(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 payday 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:

	2025	2024
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	433,913	167,003
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	1,519,685	36,657
Spendable net position:		
Undesignated net position reserve	<u>8,853,879</u>	<u>10,448,910</u>
Total spendable net position	8,853,879	10,448,910
Total unrestricted net position	10,373,564	10,485,567
Total net position	\$ 10,807,477	10,652,570

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

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	(14,626)	(12,962)	(12,962)	(4,332)	(2,932)	(3,722)	(2,423)	(2,308)
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	275,478	269,751	327,097	316,979	254,785	214,783	208,799	173,730
Total OPEB liability – end of year	\$ 253,540	275,478	269,751	327,097	316,979	254,785	214,783	208,799
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	16.34%	18.39%	20.57%	26.24%	26.45%	23.34%	20.82%	24.27%

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 2024: 3.26%

Fiscal year 2025: 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	<u>(15,093)</u>	<u>(16,489)</u>	<u>(18,244)</u>	<u>(33,776)</u>	<u>(32,673)</u>	<u>(8,659)</u>	<u>(4,410)</u>	26,735
Covered payroll	\$ 1,551,813	1,498,233	<u>1,311,262</u>	<u>1,246,404</u>	<u>1,198,184</u>	<u>1,091,719</u>	<u>1,031,755</u>	<u>860,266</u>	<u>979,741</u>	888,483
Contribution's as a percentage of covered-employee payroll	19.92%	16.92%	<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>	9.40%

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Supplemental Information Section

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

	General Fund	Pool Fund	2025
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	<u>57,763</u>	<u>-</u>	<u>57,763</u>
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>-</u>	<u>1,144,851</u>
Total non-current assets	<u>1,144,851</u>	<u>-</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	<u>667,453</u>	<u>-</u>	<u>667,453</u>
Total deferred outflows of resources	<u>746,464</u>	<u>-</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	<u>135,787</u>	<u>-</u>	<u>135,787</u>
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	<u>1,897,516</u>	<u>-</u>	<u>1,897,516</u>
Total non-current liabilities	<u>2,739,205</u>	<u>-</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	<u>148,597</u>	<u>-</u>	<u>148,597</u>
Total deferred inflows of resources	<u>148,597</u>	<u>-</u>	<u>148,597</u>
Net position:			
Net investment in capital assets	433,913	-	433,913
Unrestricted	<u>10,241,233</u>	<u>132,331</u>	<u>10,373,564</u>
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

	General Fund	Pool Fund	2025
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	<u>36,657</u>	<u>-</u>	<u>36,657</u>
Total current assets	<u>13,091,179</u>	<u>581,948</u>	<u>13,673,127</u>
Non-current assets:			
Capital assets, net	<u>983,347</u>	<u>-</u>	<u>983,347</u>
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	<u>811,933</u>	<u>-</u>	<u>811,933</u>
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	<u>581,948</u>	<u>-</u>	<u>581,948</u>
Long-term liabilities – due within one year:			
Compensated absences	181,839	-	181,839
Leases payable	<u>137,947</u>	<u>-</u>	<u>137,947</u>
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	<u>275,478</u>	<u>-</u>	<u>275,478</u>
Net pension liability	<u>1,913,265</u>	<u>-</u>	<u>1,913,265</u>
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	<u>139,917</u>	<u>-</u>	<u>139,917</u>
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	<u>9,903,619</u>	<u>581,948</u>	<u>10,485,567</u>
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	186,443	-	186,443
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	514,516	433,166	947,682
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	(182,093)	-	(182,093)
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	644,453	83,413	727,866
Total non-operating revenue, net	<u>(919,927)</u>	<u>83,413</u>	<u>(836,514)</u>
Changes in net position			
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>

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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

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

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CHINO BASIN WATERMASTER

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STAFF REPORT

DATE: January 22, 2026

TO: Board Members

SUBJECT: Budget Amendment A-26-01-01 – Refinement of Safe Yield Reevaluation Technical Work (Business Item III.B.)

Issue: Watermaster is bringing forward a budget amendment based on the advice and assistance of the Pools to perform refinements to the Safe Yield Reevaluation technical work based on SSPA and the Appropriative Pool's technical advisor's recommendations. [AC Approval Required]

Recommendation: Approve the budget amendment as presented.

Financial Impact: The proposed budget amendment in the amount of \$207,700, with a 7.5% contingency, is presented for a total budget increase of \$223,277.50. If approved, the authorized Fiscal Year 2025/26 budget would increase from \$12,017,729 to \$12,241,007 (excluding any Carry-Over funding). The additional authorized funding of \$223,277.50 will be evaluated, along with all costs and carry-over funding during the assessment reconciliation for the Fiscal Year 2025-26 Assessment Package to determine the amount of the final assessment for the fiscal year.

ACTIONS:

Appropriative Pool – January 08, 2026 [Final]: Unanimously recommended AC to approve.

Non-Agricultural Pool – January 08, 2026 [Final]: Unanimously recommended their reps to support at AC and Board subject to any changes they deem necessary.

Agricultural Pool – January 08, 2026 [Final]: Unanimously recommended AC to approve.

Advisory Committee – January 15, 2026 [Final]: Approved by majority 93.064 volume votes

Watermaster Board – January 22, 2026 [Recommended]: Adopt

BACKGROUND

The court-ordered update to the Chino Basin groundwater model is now complete and the initial technical analysis for the 2025 Safe Yield Reevaluation is completed. The review process began with a workshop on March 25, 2025 to discuss the preliminary results. After a workshop presenting initial findings and prior to the release of the Final Administrative Draft of the technical analysis report by Watermaster's engineering consultant, West Yost and Associates (West Yost), the Watermaster Board (Board) directed, at its March 27, 2025 meeting, an independent peer review of the groundwater model results, methodologies, and final 2025 Safe Yield Reevaluation Report be conducted. The Board requested the peer review be conducted prior to finalizing the Final Administrative Draft of the technical analysis report by Watermaster's engineering consultant for the Board's consideration.

Watermaster staff developed a peer review scope of work and solicitation process which was reviewed, amended and approved through the Watermaster process in April and May 2025. Watermaster received three proposals from a prequalified list of bidders. After the proposals were scored and bidder interviews were conducted, the consulting firm of S.S. Papadopoulos and Associates (SSPA) was selected.

DISCUSSION

The comprehensive Scope of Work included evaluating Watermaster's implementation of the court-approved 2022 Safe Yield Reset Methodology, reviewing assumptions and calculations used to estimate Net Recharge for the 10-year period 2021-2030, assessing the calibration and storage level determinations of the Chino Valley Model (CVM), and identifying any additional issues relevant to the calculation of Net Recharge. SSPA was tasked with presenting findings for discussion at the regular meetings of the Advisory Committee and Watermaster Board in September 2025.

The Superior Court granted, on September 12, 2025, Watermaster's motion for extension of time to complete the evaluation of the Safe Yield through October 31, 2025. Watermaster's moving papers indicated that this extension would allow the Watermaster Board to address the results of the 2025 evaluation during a December 2025 Board meeting. A tentative timeline consistent with this schedule was developed and shared with the Watermaster Pool Committees on September 11, 2025.

The evaluation and determination of Safe Yield is a significant element of sustainable basin management and local water supplies. The presentation was provided to the Advisory Committee and the Watermaster Board in September 2025.

In October 2025, SSP&A provided its recommendation in Appendix A, *the Supplemental Hydrogeologic Information*. Included in Appendix A, on October 23, 2025, West Yost provided its response on Appendix E-1, *Response to Recommendations from SSP&A Peer Review Report*. On December 5, 2025, Mr. Jim Van de Water and Mr. Thomas Harder of Thomas Harder & Company (Appropriative Pool technical consultant) provided a letter in response to the Peer Review recommendation. Watermaster also received comments from the State of California's technical consultant, the City of Ontario, and Monte Vista Water District.

At their December 11, 2025, meetings, the three Pool Committees provided their advice and assistance on the draft Safe Yield Reevaluation Report and Peer Review Recommendations as follows:

- The Appropriative Pool made a motion out of Confidential Session, directing their technical consultant, Mr. Thomas Harder of Thomas Harder & Company, to work with West Yost to develop a recommended scope of work to implement the agreed-upon recommendations to improve identified elements of the Chino Valley Model. The Pool further indicated that they do not believe the technical analysis work for the reevaluation of the safe yield to be complete.
- The Overlying (Non-Agricultural) Pool expressed support for the Appropriative Pool's position, though the Pool expressly stated that they do not intend to fund any related additional technical work.

- The Overlying (Agricultural) Pool was given an update from staff as to the other Pool Committees' positions. They further discussed the item in Confidential Session and did not provide any reportable action.

At its December 18, 2025 Board meeting, the Board instructed staff to prepare a budget amendment consistent with Pool and Advisory Committee recommendations. The Scope of work presented (Attachment 2) reflects the collaboration between the Appropriative Pool's technical consultant and Watermaster's Engineer, West Yost. During the Pool Committee meetings in January, 2026, Watermaster's engineer, West Yost, provided an overview of the scope of the effort, clarifying that this refinement is intended to improve the model based upon the recommendations of the peer reviewer and the collaboration with parties' consultants. This effort is intended to improve and refine the Chino Valley Model and it may or may not result in a change to the Safe Yield as presented in the Draft Technical Report.

At the January 8, 2026 Pool Committee meetings, the Appropriative Pool unanimously recommended approval of the budget amendment along with the recommended scope of work. The Overlying (Non-Agricultural) Pool provided the following advice and assistance: "The Non-Agricultural Pool encourages the work to be done for the Appropriative Pool and treat it as a special project. motion by Mr. Bob Bowcock, and seconded by Ms. Alexis Mascarinas with the City of Ontario. The Overlying (Agricultural) Pool unanimously recommended approval of the item as presented.

At the January 15, 2026 Advisory Committee meeting, the Committee approved the budget amendment with a motion to approve the budget amendment as presented, include the Safe Yield Reevaluation as a topic at the upcoming Board strategic planning session, and treat the budget amendment funding as an Appropriative Pool special assessment. The motion passed by majority 93.064 volume votes in favor with a no vote by Monte Vista Water District.

ATTACHMENTS

1. Fiscal Year 2025/26 Budget Amendment Form (A-26-01-01)
2. West Yost Scope of Work for Implementation of Suggested Technical Refinements



CHINO BASIN WATERMASTER
BUDGET AMENDMENT (A-26-01-01)

To: **All Parties**Fiscal Year 2025/26From : Daniela Uriarte, Senior AccountantDate: January 8, 2026

Describe reason for the budget amendment here: The current approved, adopted, and subsequently amended budget for FY 2025/26 is \$12,017,729. Budget Amendment (A-26-01-01) is being submitted for \$207,700 with a 7.5% contingency, a total of \$223,277.50. Account number (7614 PE 8&9 Develop S&R Master Plan) will be used to record these expenses. The current budget for account number (7614), is \$79,656 and the additional funding of \$223,277.50 would bring the "Amended" budget to \$302,933.50 (\$79,656 + \$223,277.50 = \$302,933.50). This Budget Amendment is proposed to increase the total Watermaster amended budget from \$12,017,729 (excluding any Carry-Over funding) to \$12,241,007, an increase of \$223,277.50. The additional funding of \$223,277.50 is proposed to be included in the Assessment Package reconciliation in Spring 2026.

Expenditure Amendment

<i>Line Item Description</i>	<i>Account Number</i>	<i>Amended Budget 1</i>	<i>Amended Budget 2</i>	<i>Amendment Amount</i>
PE 8&9 Develop S&R Master Plan	7614	\$79,656	\$302,934	\$223,278
TOTAL:				\$ 223,278

Revenue Source

<i>Line Item Description</i>	<i>Account Number</i>	<i>Amended Budget 1</i>	<i>Amended Budget 2</i>	<i>Amendment Amount</i>
Administrative Assessments - OBMP	Various	\$12,017,729	\$12,241,007	\$223,278
TOTAL:				\$ 223,278

Amendment Procedure

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

Finance Use Only

Date Board Approved _____

Entered into System By _____

Finance Log # _____

Date Posted _____

Approved By _____

Date Approved _____



25 Edelman
Irvine CA 92618

949.420.3030 phone
530.756.5991 fax
westyost.com

December 29, 2025

Project No.: 941-80-25-32
SENT VIA: EMAIL

Todd M. Corbin
General Manager
Chino Basin Watermaster
Rancho Cucamonga, CA 91730

SUBJECT: Proposal for Model Update and Report Revisions to Address Peer Review Recommendations on 2025 Safe Yield Reevaluation

Dear Todd:

This letter proposal describes a scope of work, schedule, and budget to assist the Chino Basin Watermaster (Watermaster) in implementing selected recommendations from the S.S. Papadopoulos & Associates (SSPA) Peer Review and Watermaster party review of the 2025 Safe Yield Reevaluation (2025 SYR).

BACKGROUND AND OBJECTIVES

Watermaster hosted a workshop on March 25, 2025 to discuss several of the preliminary results of the 2025 Safe Yield Reevaluation. Following that meeting, the Watermaster Board directed staff to procure an independent peer review consultant to review the 2025 Chino Valley Model (CVM) and the 2025 SYR draft report.¹ SSPA conducted the peer review between July and September 2025, coordinating closely with Watermaster and West Yost. SSPA review was comprehensive, evaluating both the technical basis of the CVM and the application of the 2022 Safe Yield Reset Methodology (2022 SYRM). The SSPA findings and recommendations were presented to the Watermaster Advisory Committee² and Board in September 2025 and were published in October 2025.

Following the publication of the draft 2025 SYR Report, Watermaster hosted a workshop on November 6, 2025 to review the findings and gather feedback. Several parties provided written feedback on the draft 2025 SYR Report, including the City of Ontario, Jurupa Community Services District, the State of California, Monte Vista Water District, and the Appropriative Pool (AP) Committee. The AP Committee's technical consultant, Thomas Harder and Company (THC), provided detailed technical recommendations to support additional documentation and refine the CVM in a letter dated December 5, 2025. At the AP Committee meeting on December 11, 2025, the Appropriative Pool requested that West Yost work with THC to develop a scope to address the peer review recommendations. West Yost met with THC staff on December 19, 2025 to discuss a draft of the scope of work described in this letter proposal.

Based on SSPA's review and the comments from THC, Watermaster staff directed West Yost to prepare this letter proposal, which identifies the SSPA and THC recommendations that West Yost believes should be implemented for the final 2025 SYR Report, and the SSPA recommendations that should be considered

¹ [October 2025 Draft 2025 SYR Report; Appendices](#)

² [Presentation from 9/18/2025 Advisory Committee Meeting](#)

for implementation in future Safe Yield recalculations (e.g., the 2030 Safe Yield Recalculation). This letter proposal includes a proposed scope of work and cost estimate to implement the SSPA and THC recommendations that West Yost recommends for completing the final 2025 SYR Report.

SCOPE OF WORK TO IMPLEMENT PEER-REVIEW RECOMMENDATIONS

Table 1, attached, is a summary of the SSPA peer-review recommendations, which are described in more detail in the peer review report. Table 1 includes West Yost's opinion on the timing to implement the recommendations (i.e., implement for the 2025 SYR or defer for consideration in a future Safe Yield Recalculation). More detail on the reasoning for the timing of recommendations can be found in Appendix E of the draft 2025 SYR Report. West Yost recommends implementing all THC recommendations as part of the 2025 SYR.

Based on the recommendations in Table 1 and the THC recommendations, West Yost grouped the recommendations chosen for implementation in the 2025 SYR Report into tasks to develop a proposed scope of work, each further described below:

- Task 1. Develop Integrated Water Budgets
- Task 2. Refine Calibration Data
- Task 3. Refine Model Mechanics and Numerical Stability
- Task 4. Prepare, Run, and Process Additional PESTPP-IES Configuration and Projection Ensemble
- Task 5. Update Report and Appendices
- Task 6. Conduct Stakeholder Workshop
- Task 7. Project Management and Meetings

While the 2025 CVM was found by the independent peer reviewer to be well-calibrated and technically robust, several refinements were recommended to enhance transparency, confirm hydrologic-system balance, and improve confidence in the model results (e.g., estimates of net recharge). The scope of work is intended to balance the responsiveness to the peer review recommendations that have the greatest material impact on the Safe Yield evaluation, the practicality of implementing the peer-review recommendations, and labor/cost efficiency. Accordingly, this scope focuses on refinements that can be completed within a reasonable timeframe and are expected to yield practical improvements in calibration performance and improved documentation.

Certain recommendations, such as those addressing calibration biases, may require the interrogation of model structure or other changes that are longer-term items that may be more appropriately addressed with improvements in monitoring and future CVM updates.

Task 1. Develop Integrated Water Budgets

Task 1 includes developing comprehensive water budgets within and between the HSPF, R4, and MODFLOW components of the CVM. We will verify and reconcile inflow/outflow components (i.e., ensuring that the models are physically realistic and mass is conserved) and evaluate upstream headwater inflows for reasonableness for use in the model. Our approach for each component of the CVM is as follows:

- **HSPF Model:** Prepare an annual water budget for the calibration period that summarizes all relevant components needed to verify water balance closure. Summarize the annual outflows that provide boundary inflows to the R4 and MODFLOW models. As part of this task, we will

review and compare the simulated upstream headwater inflows to gaged data similar to that shown in Section 6.2.1 of the 2020 Safe Yield Recalculation Report³ to confirm that boundary inflows are hydrologically reasonable and consistent with observed conditions.

- **R4 Model:** Prepare an annual water budget for the calibration period that summarizes all relevant components needed to verify water balance closure. Because the R4 model outputs are interpolated between land-use years, a full time-series balance would include non-physical gaps introduced by interpolation. Instead, the water budget will be prepared for a representative land-use year. The results from that year, combined with some additional analysis on the differences between land use year parameters, will be used to verify internal continuity across the runoff, router, and root-zone modules for all land-use years. Summarize the annual outflows (streamflow and deep infiltration of precipitation and applied water [DIPAW]) that are used as inputs to the MODFLOW model.
 - The water budget will also account for the individual components of precipitation and applied water infiltration that comprise DIPAW (THC recommendation).
 - As part of this review, we will also evaluate the assumptions underlying agricultural applied-water recharge, including irrigation efficiencies and crop coefficients, to confirm that the applied-water component of DIPAW is reasonable and representative of local agricultural conditions (THC recommendation). This evaluation will focus on documentation and verification rather than modification of model inputs.
- **HYDRUS-2D:** Use the existing lag-time estimates of deep infiltration of precipitation and applied water (DIPAW) to calculate vadose-zone storage and fluxes.
- **MODFLOW:** For MODFLOW inputs that are derived from surface-water model outputs (such as streamflow, boundary inflows, and DIPAW), compile the existing MODFLOW water budget components and verify that they are consistent with the corresponding surface-water model and HYDRUS-2D model results.

Task 1 Assumptions

- Work will rely on existing 2025 SYR model files and results; no new HSPF or R4 calibrations will be performed.
- Reconciliation will focus on annual totals over the calibration period.
- Analysis will include tabular and graphical summaries only; no reconfiguration of model linkages.
- Model inputs will not be revised unless a significant mass-balance discrepancy is identified.

Task 1 Deliverables

- Annual water budgets for HSPF and R4, summary tables and figures showing consistency and balance within and across all four models and documentation demonstrating the reasonableness of the upstream headwater inflows. The deliverables will be included as an appendix to the 2025 SYR Report (Task 5).

Task 2. Refine Calibration Data

Task 2 includes addressing the peer review recommendations to refine or improve the representation and weighting of calibration observations in the 2025 CVM in response to peer review recommendations, focusing on streamflow and groundwater-level datasets. This is broken up into two subtasks:

³ [2020 Safe Yield Recalculation Report](#)

- **Subtask 2.1 – Increase Weighting of Streamflow Observations:** Increase the relative weighting of streamflow targets in the PESTPP-IES calibration framework to ensure that simulated streamflow contributes more strongly to the objective function. This will improve calibration consistency between surface-water and groundwater domains (peer review recommendation 4).
- **Subtask 2.2 – Review and Refine Groundwater-Level Observation Data:** Reevaluate groundwater-level observation data used for calibration, focusing on data completeness, temporal weighting, and redundancy. Observations affected by known measurement issues or structural bias (e.g., wells near boundaries or faults) will be adjusted or down-weighted. Updated weights will support a more balanced calibration across space and time and prepare inputs for Task 4 uncertainty analysis (peer review recommendations 10 and 15).

Task 2 Assumptions

- All work will use existing datasets and PESTPP-IES configuration files from the 2025 SYR; no new observations will be collected.
- Data refinements are limited to review, reweighting, and coding improvements; no modification of model structure or parameterization.

Task 2 Deliverables

- Revised observation datasets, weighting tables, and documentation of calibration-data refinements for inclusion in the updated 2025 SYR Report (Task 5).

Task 3. Refine Model Mechanics and Numerical Stability

Task 3 is to implement several peer review recommendations related to the model mechanics and stability and is divided into four subtasks:

- **Subtask 3.1 – Evaluate DIPAW and Lateral Flow Multipliers:** Retain the current use of scalar multipliers for Deep Infiltration of Precipitation and Applied Water (DIPAW) and lateral inflow, while refining their initialization and allowable variation to improve transparency and assess sensitivity (peer review recommendation 8). This subtask will use alternative configurations with an initial scalar multiplier of 1.0 instead of 0.94 for DIPAW to evaluate the influence of these multipliers on calibration results and ensure that their behavior remains physically reasonable within the ensemble framework.
- **Subtask 3.2 – Address Pumping Curtailment Representation:** Review the implementation of pumping stress periods to ensure all prescribed extractions are fully simulated (peer review recommendation 11).
- **Subtask 3.3 – Adjust Head Closure Criteria:** Test reduced head-closure criteria in MODFLOW (peer review recommendation 12) to evaluate potential improvements in convergence precision versus model runtime. If feasible, the tolerance will be tightened consistent with typical groundwater-flow model best practices, and results will be compared for computational efficiency and stability.
- **Subtask 3.4 – Refine Observation Noise:** Modify the handling of observation noise in the calibration datasets (peer review recommendation 17). Random noise in streamflow observations will be removed, and groundwater-level observation noise will be reduced, while retaining limited stochastic variability to avoid ensemble collapse in PESTPP-IES and to reflect realistic measurement uncertainty.
- **Subtask 3.5 – Evaluate Localized Parameter Adjustments:** Evaluate whether limited, localized adjustments to parameters within defensible ranges could reduce systematic groundwater-level

deviations in specific areas of concern (e.g., Well 1206525), as identified in THC's comment and recommendation. This evaluation will include testing small adjustments to parameters such as DIPAW multipliers or aquifer hydraulic properties in localized zones to assess the potential to improve model fit. The intent of this subtask is to provide a diagnostic evaluation only; no basin-wide recalibration or structural modification of the CVM will be performed.

Task 3 Assumptions

- The refinements will be implemented within the existing 2025 CVM structure and calibration framework.
- Model testing will focus on short diagnostic runs to verify mechanical stability before full ensemble runs (Task 4).
- Changes are limited to parameter configuration and solver settings; no revisions to aquifer properties, pilot points, or stress-period discretization are planned.
- Localized parameter adjustments evaluated under Subtask 3.5 will be diagnostic only and will not modify the final parameter sets used in the PESTPP-IES calibration or Projection Ensemble unless determined necessary.

Task 3 Deliverables

- Documentation of model mechanic refinements and summary tables of adjusted parameters and solver settings for incorporation into the revised 2025 SYR Report (Task 5).

Task 4. Prepare, Run, and Process Additional PESTPP-IES Configuration and Projection Ensemble

Task 4 is to develop an alternative PESTPP-IES configuration that incorporates the refinements from Tasks 1-3, process the resulting calibration and projection outputs, and reevaluate model uncertainty and the Safe Yield. This task directly responds to peer review recommendations 10, 15, and 16 by enhancing the characterization of model uncertainty, improving the spatial and temporal fit of groundwater levels, and ensuring that the selected calibrated realizations encompass a broader range of observed conditions. Task 4 is divided into the following subtasks:

- **Subtask 4.1 – Configure and Initiate PESTPP-IES Calibration Run:** Integrate updates from Tasks 1–3 into a new PESTPP-IES setup, including refined observation datasets, multipliers, and solver settings. Generate required input files, confirm parameter linkages, and initiate a full calibration run using the updated configuration.
- **Subtask 4.2 – QA/QC Calibration Results:** Review calibration diagnostics, residuals, and parameter statistics to verify convergence and reasonableness of the new configuration. Evaluate whether calibration improvements reduce spatial bias and whether the ensemble captures a wider portion of observed groundwater-level variability, addressing peer review recommendation 15.
- **Subtask 4.3 – Construct and Review Calibrated Realizations:** Assemble model datasets for the set of calibrated realizations produced by the new PESTPP-IES run. Conduct diagnostic simulations to confirm numerical stability and review the distribution of calibration metrics across realizations. Select a representative subset for use in projection modeling that reflects both calibration quality and variability in net recharge (peer review recommendation 16).
- **Subtask 4.4 – Develop and Execute Projection Ensemble.** Using the selected calibrated realizations, construct a Projection Ensemble consistent with the 2025 SYR projection scenarios and water-management assumptions. Conduct simulations of future conditions to produce basin-wide estimates of net recharge, groundwater levels, and change in storage.

- **Subtask 4.5 – Process Results and Reevaluate Safe Yield:** Post-process ensemble outputs to calculate time-series averages, evaluate Material Physical Injury (MPI) indicators, and update the Tentative Safe Yield. Compare results with those documented in the draft 2025 SYR to determine whether the refinements improve the model's ability to encompass observed variability and reduce calibration bias.

Task 4 Assumptions

- PESTPP-IES configuration will use the 2025 CVM structure and calibration framework.
- Ensemble size will remain consistent with the 2025 SYR (five realizations).
- Additional realizations will only be generated if calibration divergence is significant.
- No alternative configurations of pilot points or parameter fields will be introduced.
- There will be no changes to the Projection Scenarios used in the Projection Ensemble other than the imported water recharge calculated to meet replenishment obligations.
- Selection of representative realizations will follow the same multi-criteria approach as the 2025 SYR but will incorporate weighting of calibration statistics and spatial coverage per peer review recommendations 15 and 16.

Task 4 Deliverables

- Documentation of the additional PESTPP-IES configuration, calibration results, ensemble projections, and comparative analysis of Tentative Safe Yield, to be incorporated into the revised 2025 SYR Report (Task 5).

Task 5. Update Report and Appendices

Task 5 includes revising the draft 2025 SYR Report to incorporate the results of Tasks 1–4, clarify methods, and update supporting tables and figures.

Task 5 Assumptions

- The scope includes two iterative draft versions: a redlined draft for Watermaster staff review and a final draft for stakeholder distribution.
- Revisions will be limited to content directly affected by the updates in Tasks 1–4; other portions of the draft 2025 SYR will be retained unchanged except for editorial consistency.

Task 5 Deliverables

- Revised draft and final 2025 SYR Report, including internal redlines as deliverables to Watermaster staff.

Task 6. Conduct Stakeholder Workshop

Task 6 includes preparing for and conducting one stakeholder meeting with the parties and peer review consultants to review the updated results and solicit feedback before finalizing the documentation.

Following completion of the revised draft 2025 SYR, the updated findings and documentation will be shared with SSPA for information and comment. No additional formal peer review or model revisions beyond those described in this scope are anticipated.

Task 6 Assumptions

- One half-day, in-person workshop.
- Additional modeling iterations resulting from post-workshop feedback are not included.

Task 6 Deliverables

- Workshop and presentation materials.

Task 7. Project Management and Meetings

This task includes ongoing project coordination, budget tracking, and progress reporting, including:

- Project management to facilitate schedule and budget tracking and QA/QC reviews.
- Up to three one-hour coordination meetings with Watermaster staff to review progress and address technical questions.

Task 7 Assumptions

- Up to three (3) one-hour, virtual meetings with Watermaster staff.

Task 7 Deliverables

- Meeting notes summarizing key decisions and action items.

PROJECT SCHEDULE

The technical work (Tasks 1-5, through completion of the revised draft 2025 SYR report) is scheduled for completion by April 30, 2026. Following a workshop with the parties to present the updated technical information, and a four-week review and comment period, the final 2025 SYR report is anticipated to be completed by June 2026.

PROJECT BUDGET

West Yost proposes to complete the scope of work on a time-and-materials basis using the rates established for FY 2025/26 per West Yost's 2024 Master Services Agreement with Watermaster. The estimated budget is summarized in Table 2 below.

Table 2. Estimated Project Hours and Budget		
Task	Level of Effort, Hours	Estimated Budget, dollars
Task 1. Develop Integrated Water Budgets	178	47,300
Task 2. Refine Calibration Data	88	27,800
Task 3. Refine Model Mechanics and Numerical Stability	112	37,100
Task 4. Prepare, Run, and Process Additional PESTPP-IES Configuration and Projection Ensemble	146	45,500
Task 5. Update Report and Appendices	104	28,200
Task 6. Conduct Stakeholder Workshop	48	15,000
Task 7. Project Management and Meetings	22	6,800
Total Project Hours and Budget	698	\$207,700

STAFFING

Garrett Rapp, PE will serve as Project Manager. Eric Chiang, PhD will serve as Lead Modeler. Andy Malone, PG will provide technical QA/QC review. Samantha Adams will serve as Principal-in-Charge. Work will be supported by West Yost engineers, scientists, and other staff as needed.

Todd Corbin
December 29, 2025
Page 8

Thank you for the opportunity to continue supporting Watermaster to advance groundwater management in the Chino Basin. Please contact us with any questions or concerns.

Sincerely,

WEST YOST



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Attachments: Attachment A. Table 1

Attachment A

Table 1

Table 1. SSPA Peer-Review Recommendations and West Yost Recommendations for Implementation

Recommendation	Recommendation	Update for 2025 SYR	Reconsider or Defer to 2030 SYR	Task
1	Develop comprehensive water budgets within and between the individual models (HSPF, R4, and MODFLOW) to ensure consistency and balance across the integrated system	X		1.1
2	Consider incorporating the R4 Model within the calibration process to better link surface-water and groundwater components and improve streamflow calibration		X	None
3	Reassess the lag representation for both physical realism and numerical integrity, confirming its necessity through comparison with observed groundwater responses		X	None
4	Incorporate streamflow observations within PEST and increase their weighting to ensure that streamflow observations meaningfully contribute to the overall calibration objective function	X		2.1
5	Evaluate the reasonableness of surface headwater inflows to streams to confirm that upstream boundary conditions are appropriately represented	X		1.2
6	Consider integrating the R4 Model within the calibration framework to improve consistency between surface-water and groundwater systems and strengthen overall water-budget accounting.		X	None
7	Consider incorporating cumulative streamflow volumes as additional observations to aid in the model calibration. This will help constrain the overall flow budgets of the system.		X	None
8	Avoid calibrating multipliers for DIPAW and lateral inflow	X		3.1
9	Consider storage change as an additional calibration target in the form of "head change" targets or "type hydrographs" if cluster analysis is performed	X		None
10	Monitor calibration improvement in groundwater levels. Address spatial bias in the model – north and east heads overestimated, west underestimated. Ensure that recent trends showing increasing groundwater levels are well represented.	X		2.2, 4
11	Address pumping curtailment in the model to ensure that all the prescribed pumping is simulated	X		3.2
12	Currently the head closure criteria is set to 15 feet. It is recommended to reduce this value to the extent practical. A maximum of one foot is recommended.	X		3.3
13	Check if any pumping wells are co-located with a constant head boundary	X		None
14	Include stream inflows for the last stress period that are currently missing	X		None
15	Model uncertainty is not fully captured. Several observations are outside of the modeled range provided by selected realizations.	X		4
16	Enhance model uncertainty quantification by basing representative model realizations on both calibration quality and net recharge variability	X		4
17	Avoid the use of random noise in observations. Avoid streamflow observation noise. Avoid observation noise in groundwater, if possible; or use systematic noise that retains temporal changes in individual hydrographs to capture change in storage.	X		3.4
18	Add uncertainty bands around groundwater level time-series plots in Appendix B	X		None
19	It is recommended that calibration results for the 'mean' realization (Realization C) be presented in the report since it forms the basis of Safe Yield estimates	X		None