

FEE EXEMPT

1 SCOTT S. SLATER (State Bar No. 117317)
BRADLEY J. HERREMA (State Bar No. 228976)
2 **BROWNSTEIN HYATT FARBER SCHRECK, LLP**
1020 State Street
3 Santa Barbara, CA 93101-2711
Telephone: 805.963.7000
4 Facsimile: 805.965.4333

5 Attorneys for
CHINO BASIN WATERMASTER

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF SAN BERNARDINO

11 CHINO BASIN MUNICIPAL WATER
DISTRICT,

12 Plaintiff,

13 v.

14 CITY OF CHINO, ET AL.,

15 Defendants.

Case No. RCV RS 51010

[Assigned for All Purposes to the
Honorable Stanford E. Reichert]

**APPENDIX OF DOCUMENTS
REFERENCED IN CHINO BASIN
WATERMASTER FURTHER RESPONSE
TO FEBRUARY 22, 2017 ORDER**

18
19 Chino Basin Watermaster ("Watermaster") hereby submits this Appendix of Documents
20 Referenced in Watermaster's Further Response to the February 22, 2017 Order.

EXHIBIT	DESCRIPTION
1	Watermaster Resolution No. 07-05, Resolution of the Chino Basin Watermaster Regarding the Peace II Agreement and the OBMP Implementation Plan
2	December 21, 2007 Order Concerning Motion for Approval of Peace II Documents
3	Peace II Agreement ¹
4	Watermaster Compliance with Condition Subsequent Number Seven


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28 ¹ This Appendix only includes the actual Peace II Agreement, and not its attachments.

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EXHIBIT	DESCRIPTION
5	Declaration of David G. Crosley in Support of City of Chino's Opposition to Watermaster's Motion Regarding 2015 Safe Yield Reset Agreement, Amendment of Restated Judgment, Paragraph 6 filed on January 19, 2016

Date: April 7, 2017

BROWNSTEIN HYATT FARBER
SCHRECK, LLP

By: 
SCOTT SLATER
BRADLEY J. HERREMA
CHINO BASIN WATERMASTER

038350\0036\15581335.1

EXHIBIT 1

September 21, 2007

**WATERMASTER RESOLUTION
NO. 07-05**

**RESOLUTION OF THE CHINO BASIN WATERMASTER
REGARDING THE PEACE II AGREEMENT AND
THE OBMP IMPLEMENTATION PLAN**

WHEREAS, the Judgment in the Chino Basin Adjudication, *Chino Municipal Water District v. City of Chino, et al.*, San Bernardino Superior Court No. 51010, created the Watermaster and directed it to perform the duties as provided in the Judgment or ordered or authorized by the court in the exercise of the Court's continuing jurisdiction;

WHEREAS, Watermaster has the express powers and duties as provided in the Judgment or as "hereafter" ordered or authorized by the Court in the exercise of the Court's continuing jurisdiction" subject to the limitations stated elsewhere in the Judgment;

WHEREAS, Watermaster, with the advice of the Advisory and Pool Committees has discretionary powers to develop an OBMP for Chino Basin, pursuant to Paragraph 41 of the Judgment;

WHEREAS, in June of 2000, the Parties to the Judgment executed the Peace Agreement providing for the implementation of the OBMP and Watermaster adopted Resolution 00-05 whereby it agreed to act in accordance with the Peace Agreement;

WHEREAS, the Court ordered Watermaster to proceed in accordance with the Peace Agreement and the OBMP Implementation, Exhibit "B" thereto;

WHEREAS, Watermaster adopted and the Court approved Chino Basin Watermaster Rules and Regulations in June of 2001;

WHEREAS, the Peace Agreement, the OBMP Implementation Plan and the Chino Basin Watermaster Rules and Regulations reserved Watermaster's discretionary powers in accordance with Paragraph 41 of the Judgment, with the advice from the Advisory and Pool Committees, and contemplated further implementing actions by Watermaster;

WHEREAS, the Judgment requires that Watermaster in implementing the Physical Solution, and the OBMP have flexibility to consider and where appropriate make adjustments after taking into consideration technological, economic, social and institutional factors in maximizing the efficient use of the waters of the Basin.

WHEREAS, the Parties to the Judgment provided input into the creation of a "Stakeholder Non-Binding Term Sheet" that articulated methods to maximize beneficial use of the Basin ("Peace II measures") was distributed to and considered by each of the Pools, the Advisory Committee and the Watermaster Board and subsequently transmitted to the Court;

September 21, 2007

WHEREAS, Watermaster will continue to require that to the extent any of the Peace II Implementing Measures constitute "projects" within the meaning of the California Environmental Quality Act ("CEQA"), compliance with CEQA will be required as a precondition of Watermaster's issuance of any final, binding approvals; and

WHEREAS, the actions articulated in the "Stakeholder Non-Binding Term Sheet" and contemplated herein to maximize the beneficial use of the groundwater and the Basin benefit the Basin and the Parties to the Judgment.

NOW, THEREFORE, IT IS HEREBY RESOLVED AND DETERMINED THAT:

1. Watermaster caused the completion of a preliminary engineering, hydrogeologic, and technical evaluation of the physical impacts to the Basin and to the Parties to the Judgment that may result from implementation of the Peace II measures. The preliminary evaluation was conducted by Mark Wildermuth of Wildermuth Environmental.

2. The Assistant to the Special Referee, Joe Scalmanini of Luhdorff & Scalmanini Consulting Engineers, transmitted his technical review in March of 2007 ("Report"). In relevant part, the Report states:

"For planning level analysis, the existing model is a useful and applicable tool to simulate approximate basin response to management actions that involve the quantities and distribution of pumping and recharge in the basin. For example, for the most notable of its applications to date, which has been to conduct a planning level analysis of intended future hydraulic control, the model can be confidently utilized to examine whether groundwater conditions (levels) will form in such a way that hydraulic control will be achieved as result of basin re-operation and, if not, what other changes in basin operation are logically needed to achieve it."
(Report at p. 37)

3. Watermaster caused the preparation of a specific project description set forth in Attachment "A" hereto for the purpose of conducting a more refined engineering, hydrogeologic and technical evaluation of the physical impacts to the Basin and to the Parties to the Judgment that may result from implementation of the Peace II measures.

4. Watermaster caused the completion of a macro socioeconomic analysis by Dr. David Sunding, a PhD in economics and professor at the University of California Berkeley set forth in Attachment "B" hereto. The macro analysis provided an evaluation of the macro costs and benefits to the parties as a whole that may be attributable to the Peace II measures.

5. Watermaster caused an update of the previously completed socioeconomic analysis conducted pursuant to the Judgment. The analysis was completed by Dr. Sunding, and it considered the positive and negative impacts of implementing the OBMP, the Peace Agreement, and the Peace II measures, including Watermaster assessments. The analysis also addressed the potential distribution of costs and benefits among the parties that were initiated

September 21, 2007

with the approval of the Peace Agreement. The study was completed in final draft form on September 13, 2007 and is set forth in Attachment "C" hereto. Each of the Parties to the Judgment has had the opportunity to comment on earlier drafts of the report and on the final draft of the report and to consider the analyses contained therein prior to Watermaster's approval of this Resolution 07-05.

9. Watermaster has caused the preparation of the 2007 Supplement to the Optimum Basin Management Program ("OBMP") addressing Watermaster's efforts to, among other things; pursue Hydraulic Control through Basin Re-Operation as set forth in Attachment "D" hereto.

10. Watermaster has prepared a summary of the cumulative total of groundwater production and desalting from all authorized Desalters and other activities authorized by the 2007 Supplement to the OBMP Implementation Plan as amended as provided in the Peace Agreement in a schedule that: (i) identifies the total quantity of groundwater that will be produced through the proposed Basin Re-Operation to obtain Hydraulic Control, and (ii) characterizes and accounts for all water that is projected to be produced by the Desalters for the initial Term of the Peace Agreement (by 2030) as dedicated water, New Yield, controlled overdraft pursuant to the Physical Solution or subject to Replenishment. This schedule is set forth in Attachment "E" hereto. Watermaster will modify its projections from time to time, as may be prudent under the circumstances.

11. More than fifteen months have passed since the Non-Binding Term Sheet was initially published by Watermaster in its current form and transmitted to the Court for its consideration and more than six months have passed following Watermaster's declaration that any party interested in participating in the development and construction of Future Desalters should identify their interest in making a proposal and no party has stepped forward and made a responsive proposal in lieu of the Western Municipal Water District proposal.

12. The Peace II measures collectively consist of:

(a) Watermaster's election to exercise its reserved discretion as provided in the Judgment, the Peace Agreement and the OBMP Implementation Plan, to amend the Watermaster Rules and Regulations as more fully set forth in Attachment "F" attached hereto and incorporated herein by this reference;

(b) Watermaster's execution and Court approval of the proposed Purchase and Sale Agreement with the Non-Agricultural (Overlying) Pool as more fully set forth in Attachment "G" attached hereto and incorporated herein by this reference;

(c) Watermaster's and the Court's approval of the proposed amendments to the Judgment as more fully set forth in Attachment "H", Attachment "I" and Attachment "J" attached hereto and incorporated herein by this reference;

(d) Watermaster's approval of and further agreement to act in accordance with the Peace II Agreement, including the provisions related to Future Desalters, as more fully set forth in Attachment "K" attached hereto, upon a further order of the

September 21, 2007

Court directing Watermaster to proceed in accordance with its terms;

(e) Watermaster's and the Court's approval of the 2007 Supplement to the OBMP Implementation Plan as they are more fully set forth in Attachment "D" attached hereto and incorporated herein by this reference; and

(f) Execution of the proposed Second Amendment to the Peace Agreement as more fully set forth in Attachment "L" attached hereto and incorporated herein by this reference, approval by Watermaster and a further order of the Court directing Watermaster to proceed in accordance with its terms.


13. The Overlying (Non-Agricultural), the Overlying (Agricultural) Pool, and the Appropriative Pool have approved the Peace II measures and recommended Watermaster's adoption of this Resolution 07-05

14. The Advisory Committee has approved the Peace II measures and recommended Watermaster's adoption of this Resolution 07-05.

15. In adopting this Resolution and by its agreement to implement the Peace II measures, Watermaster is not committing to carry out any project within the meaning of CEQA unless and until CEQA compliance has been demonstrated for any such project.

16. The Watermaster Board will transmit this Resolution 07-05, and the Peace II implementing measures, and the referenced Attachments to the Court along with other supporting materials and request the Court to approve the proposed Judgment Amendments and to further order that Watermaster proceed to further implement the 2007 Supplement to the OBMP as provided in the Peace II measures.

Date: 10-25-07



for CHINO BASIN WATERMASTER

EXHIBIT 1

FILED
SUPERIOR COURT
COUNTY OF SAN BERNARDINO
RANCHO CUCAMONGA DISTRICT

DEC 21 2007

By *John A. Taha*
Deputy

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO, RANCHO CUCAMONGA DIVISION

CHINO BASIN MUNICIPAL WATER
DISTRICT,

Plaintiff,

v.

THE CITY OF CHINO, et al.

Defendants.

CASE NO. RCV 51010

ORDER CONCERNING MOTION
FOR APPROVAL OF PEACE II
DOCUMENTS

Date: Submitted on Nov. 29, 2007
Dept. 8

I. Introduction

A. Watermaster's Filings

On October 25, 2007, Chino Basin Watermaster filed a Motion for Approval of Peace II Documents. Watermaster's motion requests Court approval of three proposed Judgment amendments, a proposed amendment to the Peace Agreement, a Purchase and Sale Agreement for water from the Overlying (Non-Agricultural) Pool, a Supplement to the Optimum Basin Management Program ("OBMP") Implementation Plan, a Peace II Agreement, and proposed amendments to Watermaster's Rules and Regulations. Watermaster requested a November 29, 2007 hearing on the motion.

On November 15, 2007, Watermaster filed a Transmittal of Supplemental Documents,

1 which included the 2007 CBWM Groundwater Model Documentation and Evaluation of the
2 Peace II Project Description, Final Report, dated November 2007. On December 13, 2007,
3 Watermaster filed its Second Transmittal of Supplemental Documents, which included several
4 stipulations.

5 Watermaster filed its Response to Special Referee's Preliminary Comments and
6 Recommendations on Motion for Approval of Peace II Documents on December 14, 2007. The
7 Watermaster's Response noted: "The technical issues raised by the Referee are addressed in a
8 separate document that is being prepared by Mark Wildermuth, which will be filed at a later
9 date." (Watermaster Response p. 2, fn. 2) Mr. Wildermuth's Letter Report to Watermaster on
10 the subject "Evaluation of Alternative 1C and Declining Safe Yield" (December 18, 2007) was
11 filed with the Court December 19, 2007.

12 B. Filings in Support of Watermaster's Motion

13 Numerous filings have been received in support of the Motion. On November 9, 2007,
14 Fontana Union Water Company, San Antonio Water Company, and Monte Vista Water District
15 filed Joinders to Watermaster's motion. The City of Pomona filed a Statement in Support of the
16 motion, also on November 9, 2007. On November 13, 2007, Inland Empire Utilities Agency
17 ("IEUA") filed a Joinder to Watermaster's motion and Declaration of Richard Atwater. Also on
18 November 14, 2007, the City of Chino Hills, the City of Upland, the Agricultural Pool, and
19 Cucamonga Valley Water District filed Joinders to Watermaster's motion.

20 On November 15, 2007, Western Municipal Water District filed a Joinder to
21 Watermaster's motion and Declaration of John Rossi. Also on November 15, 2007, the City of
22 Ontario filed a Joinder to the motion and Declaration of Kenneth Jeske. The third filing on
23 November 15, 2007, was Three Valleys Municipal Water District's Joinder to the motion and
24 Declaration of Jeff Kightlinger. On November 26, 2007, the City of Chino filed a Joinder and
25 Statement in Support of Watermaster Motion to Approve Peace II Documents.

26 On November 29, 2007, Watermaster and the Chino Basin Water Conservation District
27 entered into and filed a stipulation stating the Conservation District's support for the Court's
28 approval of the Peace II Measures in consideration for certain clarifications. Watermaster's

1 second transmittal, filed on November 29, 2007, included a Declaration from Ronald Craig on
2 behalf of the City of Chino Hills, and a Declaration from Eldon Horst for Jurupa Community
3 Services District, both in support of approval of the Peace II Measures.

4 C. Court's Order to Show Cause

5 An Order to Show Cause Why Court Should Not Continue the Hearing on Motion for
6 Approval of Peace II Documents ("OSC") was issued on November 15, 2007. The OSC stated
7 the Court intended to continue the hearing on Watermaster's Motion "... absent sufficient cause
8 being shown by, among other things, testimony of Mark Wildermuth elicited on November 29,
9 2007." (OSC p. 4, Ins. 24-25) The Chino Basin Water Conservation District filed a Response to
10 the OSC on November 19, 2006, and Watermaster filed a Response to Order to Show Cause and
11 Conservation District on November 26, 2007.

12 D. Special Referee Reports

13 Special Referee Anne Schneider's Preliminary Comments and Recommendations on
14 Motion for Approval of Peace II Documents ("Preliminary Report") was filed on November 27,
15 2007. The Special Referee filed her Final Report and Recommendations on Motion for
16 Approval of Peace II Documents on December 20, 2007.

17 E. November 29, 2007 Court Hearing

18 The Court held a hearing on November 29, 2007, with testimony from Mr. Manning and
19 Mr. Wildermuth. The Reporter's Transcript was available December 11, 2007.

20 **II. Discussion**

21 An extraordinary effort has been made to get the motion, all of the supporting and
22 supplemental pleadings and other documents, and the Special Referee reports filed before the
23 end of 2007. The Court has considered all of the pleadings, declarations, reports and other
24 documents, as well as the testimony presented on November 29, 2007. It is obvious that
25 everyone involved in the "Peace II" process has been working diligently. Moreover, the Court is
26 appreciative of the way this case has been managed in recent years. The Court appreciates all of
27 your efforts, including but not limited to the parties, the attorneys, Watermaster and its attorney,
28 the Special Referee, and the Technical Expert's education of the Court in this complex matter.

1 A. Guidance Regarding the Roles of Watermaster and the Special Referee

2 Watermaster asserts that the traditional role of Watermaster and its interaction with the
3 Court is made more complex in Chino Basin by the existence of a Special Referee.

4 Watermaster states that no other adjudicated groundwater basin has both a Watermaster and a
5 Special Referee, and notes that the Judgment does not provide for a referee. (Watermaster
6 Response, *supra*, p. 3, lns. 11-16.) Watermaster asks for guidance as to Watermaster's and the
7 Special Referee's roles.

8 1. Watermaster's Role

9 The Court accepts Watermaster's analysis of its role: "Watermaster's legal existence
10 emanates from the Judgment. All of Watermaster's enumerated powers originate within and
11 arise from the Judgment. It is not a public agency or private entity that has been formed under
12 some general or special law. Its duty is 'to administer and to enforce the provisions of this
13 Judgment and any subsequent instructions or orders of the Court hereunder.' [Citation.] As all
14 special masters, Watermaster operates as an extension of the Court and to meet the needs of the
15 Court in carrying out its obligations under the Judgment and Article X, Section 2 of the
16 California Constitution." (Watermaster Resp. to Sp. Ref. Prelim. Comments, p. 2, lns. 22-25 and
17 p. 3, lns. 1-3.) Although it is not stated in Watermaster's pleadings, it is important to note that it
18 is not Watermaster's duty to be an advocate for any, or for all, of the parties. Watermaster's
19 position with respect to the parties should be neutral.

20 2. Special Referee's Role

21 The Court also accepts the Special Referee's analysis of the role of a referee: "The role
22 of the Special Referee is to (1) provide the court with as full and complete explanations as
23 possible of what the Watermaster requests or of issues that have been brought to the court; and
24 (2) to make recommendations to the court as appropriate." (Sp. Rev. Fin. Report, p. 3, lns. 4-6.)
25 The Special Referee's role in this case is discussed further below.

26 3. Courts Favor Referee in Water Law Determinations

27 The recommendation that trial courts obtain expert advice in water law decisions was
28 recognized by the California Supreme Court long ago: "... in view of the complexity of the

1 factual issues in water cases and the great public interests involved, [it has been recommended]
2 that the trial courts seek the aid of the expert advice and assistance provided for in that section
3 [former Water Code Section 24, now Water Code Section 2000].” (*City of Pasadena v. City of*
4 *Alhambra* (1949) 33 Cal.2d 908, 917.)

5 In this case, it was the parties who first suggested to the Court in the early 1990’s that an
6 order of reference be made to Anne Schneider. That was in connection with motions entitled
7 Joint Motion to Interpret, Enforce, Carry-out, Modify, Amend or Amplify the Judgment Herein
8 (dated August 25, 1992) and California Steel Industries, Inc.’s Notice of Motion to Interpret,
9 Enforce, Carry-out, Modify, Amend, or Amplify Paragraph 7, Page 66 of Exhibit G of the 1978
10 Judgment (dated March 25, 1993).

11 Then in April 1997, the Court, on its own motion, ordered a reference to Anne Schneider
12 under Code of Civil Procedure Section 639, subdivision (d). In that instance, the reference to
13 Anne Schneider was made as an alternative to ordering a reference to the SWRCB under Water
14 Code Sections 2000 *et seq.*, in connection with a Motion for Order that Audit Commissioned by
15 Watermaster is not a Watermaster Expense and Motion to Appoint a Nine-Member Watermaster
16 Board. (Ruling and Order of Special Reference, dated April 29, 1997, pp. 7, & 10.)

17 4. Referee Status in this Case

18 In April 1998, the Court first ordered a reference to Anne Schneider in connection with
19 an uncontested matter: the development of an Optimum Basin Management Program for Chino
20 Basin (“OBMP”). Special Referee Schneider was asked “to report and make recommendations
21 to the court concerning the contents, implementation, effectiveness, and shortcomings of the
22 optimum basin management plan.” (Ruling, dated Feb. 19, 1998, p. 9, lns. 12-16.) The Court
23 authorized the Special Referee “to conduct hearings, if necessary, to ensure the development of
24 all essential elements of the program.” (*Id.* at p. 10, lns. 13-14.)

25 Since that appointment, the Special Referee has been providing expert advice and
26 conducting workshops either at the Court’s request or the request of the parties or Watermaster,
27 as authorized in various court orders. For example, Watermaster requested that a workshop be
28 held to present to the Court through the Special Referee, the Interim Plan for Management of

1 Subsidence. (See Order Scheduling Workshop, dated June 19, 2002, p. 2, lns. 6-10.) The
2 Special Referee also has been requested to monitor the Peace II process and the plan for future
3 desalters and related activities. (Order Re-Appointing Nine-Member Board, dated Feb. 9, 2006,
4 p. 5, lns. 9-17.) It should be clear from this discussion that the Special Referee in this case does
5 not necessarily function as the typical referee described in Watermaster's Response to the
6 Special Referee's Preliminary Report, at page 4.

7 This Court has said on many occasions that the assistance provided by the Special
8 Referee is invaluable. It is the desire of the Court that the Special Referee continue to monitor
9 the contents, implementation, effectiveness and shortcomings (if any) of the OBMP. It is
10 suggested in the Special Referee's Final Report that because of Watermaster's involvement in
11 negotiations related to the OBMP "the Special Referee may be less constrained than
12 Watermaster in raising questions and voicing concerns...." (Sp. Ref. Final Report, p. 3, lns. 13-
13 16.) In participating in the parties' negotiations, Watermaster must not forget that its function is
14 to meet the needs of the Court in carrying out its obligations under the Judgment and Article X,
15 Section 2 of the California Constitution.

16 B. Findings Pertaining to Watermaster's Motion

17 Watermaster's motion requests review and court approval under paragraphs 15 and 31 of
18 the Judgment. Under paragraph 15, the Court reserves jurisdiction to make further or
19 supplemental orders "as may be necessary or appropriate for interpretation, enforcement or
20 carrying out" the Judgment and "to modify, amend or amplify" any of its provisions. Under
21 Judgment paragraph 31, in reviewing Watermaster decisions, "[T]he Court shall require the
22 moving party to notify the active parties....of a date for taking evidence and argument, and on
23 the date so designated shall review de novo the question at issue. Watermaster's findings or
24 decision, if any, may be received in evidence at said hearing, but shall not constitute presumptive
25 or prima facie proof of any fact in issue."

26 In addition to the testimony offered at the hearing on November 29, 2007, Watermaster
27 has presented several declarations and other documentary evidence in support of its motion. The
28 Court has considered all of the evidence presented by Watermaster and finds there is substantial

1 evidence to support Watermaster's implied findings that the proposed Judgment amendments
2 and other Peace II documents will promote the public interest, will protect the rights of the
3 parties, and are consistent with California Constitution Article X, section 2. The key points
4 relied upon by Watermaster, and which were proved to the Court, are enumerated on page 9 of
5 the Special Referee's Final Report and Recommendations on Motion for Approval of Peace II
6 Documents, and are incorporated herein by reference.

7 **III. Order**

8 **SUBJECT TO THE CONTINUING JURISDICTION OF THE COURT, AND TO THE**
9 **SATISFACTION OF THE CONDITIONS SUBSEQUENT LISTED BELOW**, the Court hereby
10 makes the following orders:

- 11 1. The amendments to Judgment Exhibit "I", Judgment Paragraph 8, and Judgment
12 Exhibit "G" are hereby approved.
- 13 2. Watermaster shall proceed in accordance with the second amendment to the Peace
14 Agreement.
- 15 3. Watermaster's adoption of Resolution 07-05 is approved and Watermaster shall
16 proceed in accordance with the terms of the resolution and the documents attached
17 thereto.
- 18 4. The Court hereby adopts the recommendations made in Special Referee's Final
19 Report and Recommendations on Motion for Approval of Peace II Documents, which
20 are incorporated herein by reference.
- 21 5. A hearing is set for Thursday, May 1, 2008, at 2:00 p.m. for the Court to review
22 Watermaster's compliance with the first four conditions listed below.

23 **Conditions Subsequent**

- 24 1. By February 1, 2008, Watermaster shall prepare and submit to the Court a brief to
25 explain the amendments to Judgment Paragraph 8 and Judgment "G".
- 26 2. By February 1, 2008, Watermaster shall prepare and submit to the Court for approval
27 a corrected initial schedule to replace Resolution No. 07-05 Attachment "E", together
28 with an explanation of the corrections made.

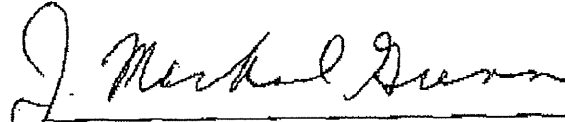
- 1 3. By March 1, 2008, Watermaster shall prepare and submit to the Court for approval a
2 new Hydraulic Control technical report that shall address all factors included in the
3 Special Referee's Final Report and Recommendations. The new Hydraulic Control
4 report shall include technical analysis of the projected decline in safe yield, and a
5 definition and analysis of "new equilibrium" issues.
- 6 4. By April 1, 2008, Watermaster shall report to the Court on the status of CEQA
7 documentation, compliance, and requirements, and provide the Court with assurances
8 that Watermaster's approval and participation in any project that is a "project" for
9 CEQA purposes has been or will be subject to all appropriate CEQA review.
- 10 5. By July 1, 2008, Watermaster shall prepare and submit to the Court a detailed outline
11 of the scope and content of its first Recharge Master Plan update, and shall report its
12 progress by January 1, 2009, and July 1, 2009.
- 13 6. By July 1, 2008, Watermaster shall report to the Court on the development of
14 standards and criteria by which the RWQCB will determine that hydraulic control is
15 achieved and maintained.
- 16 7. By December 31, 2008, Watermaster shall prepare and submit to the Court for
17 approval a revised schedule to replace the corrected initial schedule, which submittal
18 shall include a reconciliation of new yield and stormwater estimates for 2000/01
19 through 2006/07, and a discussion of how Watermaster will account for
20 unreplenished overproduction for that period.
- 21 8. By July 1, 2010, Watermaster shall prepare and submit to the Court for approval an
22 updated Recharge Master Plan. The updated Recharge Master Plan shall include all
23 elements listed in the Special Referee's Final Report and Recommendations.
- 24 9. Watermaster shall comply with all commitments it has made in the Peace II
25 Documents, whether or not specifically included in these conditions subsequent.

26 Watermaster is forewarned that a failure to comply with any of the above conditions subsequent
27 will render the Court's approval of Watermaster's motion null and void. A lack of compliance
28 with the conditions subsequent will also be seen as a failure by Watermaster, through its nine-

1 member Board, to perform its most important duty: to administer and to enforce the provisions of
2 this Judgment and any subsequent instructions or orders of the Court.

3 IT IS SO ORDERED.

4 Dated: December 21, 2007

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7 J. Michael Gunn, Judge

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CHINO BASIN WATERMASTER

Case No. RCV 51010

Chino Basin Municipal Water District v. The City of Chino

PROOF OF SERVICE

I declare that:

I am employed in the County of San Bernardino, California. I am over the age of 18 years and not a party to the within action. My business address is Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California 91730; telephone (909) 484-3888.

On December 21, 2007 I served the following:

1) ORDER CONCERNING MOTION FOR APPROVAL OF PEACE II DOCUMENTS

BY MAIL: in said cause, by placing a true copy thereof enclosed with postage thereon fully prepaid, for delivery by United States Postal Service mail at Rancho Cucamonga, California, addresses as follows:

See attached service list: Mailing List 1

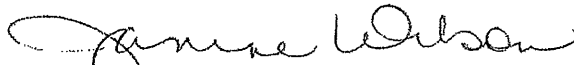
BY PERSONAL SERVICE: I caused such envelope to be delivered by hand to the addressee.

BY FACSIMILE: I transmitted said document by fax transmission from (909) 484-3890 to the fax number(s) indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting fax machine.

BY ELECTRONIC MAIL: I transmitted notice of availability of electronic documents by electronic transmission to the email address indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting electronic mail device.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on December 21, 2007 in Rancho Cucamonga, California.



Janine Wilson
Chino Basin Watermaster

RICHARD ANDERSON
1365 W. FOOTHILL BLVD
SUITE 1
UPLAND, CA 91786

RODNEY BAKER
COUNSEL FOR EGGWEST &
JOHNSON
PO BOX 438
COULTERVILLE, CA 95311-0438

WILLIAM P. CURLEY
PO BOX 1059
BREA, CA 92882-1059

CRAIG STEWART
GEOMATRIX CONSULTANTS INC
510 SUPERIOR AVE, SUITE 200
NEWPORT BEACH, CA 92663

LEAGUE OF CA HOMEOWNERS
ATTN: KEN WILLIS
99 "C" STREET, SUITE 209
UPLAND, CA 91786

CHARLES FIELD
4415 FIFTH STREET
RIVERSIDE, CA 92501

CARL HAUGE
SWRCB
PO BOX 942836
SACRAMENTO, CA 94236-0001

DAVID SCRIVEN
KRIEGER & STEWART
ENGINEERING
3602 UNIVERSITY AVE
RIVERSIDE, CA 92501

DAN FRALEY
HERMAN G. STARK YOUTH
CORRECTIONAL FACILITY
15180 S EUCLID
CHINO, CA 91710

DAVID B. COSGROVE
RUTAN & TUCKER
611 ANTON BLVD
SUITE 1400
COSTA MESA, CA 92626

PAUL HOFER
11248 S TURNER AVE
ONTARIO, CA 91761

JOE DELGADO
BOYS REPUBLIC
3493 GRAND AVENUE
CHINO HILLS, CA 91709

GLEN DURRINGTON
5512 FRANCIS ST
CHINO, CA 91710

DICK DYKSTRA
10129 SCHAEFER
ONTARIO, CA 91761-7973

RALPH FRANK
25345 AVENUE STANFORD, STE 208
VALENCIA, CA 91355

CARL FREEMAN
L.D. KING
2151 CONVENTION CENTRE WAY
ONTARIO, CA 91764

BOB BEST
NAT'L RESOURCE CONS SVCS
25864 BUSINESS CENTER DR K
REDLANDS, CA 92374

JIM GALLAGHER
SOUTHERN CALIFORNIA WATER CO
2143 CONVENTION CENTER WAY
SUITE 110
ONTARIO, CA 91764

DON GALLEANO
4220 WINEVILLE RD
MIRA LOMA, CA 91752-1412

PETER HETTINGA
14244 ANON CT
CHINO, CA 91710

PETE HALL
PO BOX 519
TWIN PEAKS, CA 92391

MANUEL CARRILLO
CONSULTANT TO SENATOR SOTO
822 N EUCLID AVE, SUITE A
ONTARIO, CA 91762

KRONICK ET AL
KRONICK MOSKOVITZ TIEDEMANN
& GIRARD
400 CAPITOL MALL, 27TH FLOOR
SACRAMENTO, CA 95814-4417

RONALD LA BRUCHERIE
12953 S BAKER AVE
ONTARIO, CA 91761-7903

JOEL KUPERBERG
OCWD GENERAL COUNSEL
RUTAN & TUCKER, LLP
611 ANTON BLVD., 14TH FLOOR
COSTA MESA, CA 92626-1931

ANNESLEY IGNATIUS
COUNTY OF SAN BERNARDINO FCD
825 E 3RD ST
SAN BERNARDINO, CA 92415-0835

W. C. "BILL" KRUGER
CITY OF CHINO HILLS
2001 GRAND AVE
CHINO HILLS, CA 91709

STEVE ARBELBIDE
417 PONDEROSA TR
CALIMESA, CA 92320

SANDRA ROSE
PO BOX 337
CHINO, CA 91708

JOHN ANDERSON
12475 CEDAR AVENUE
CHINO, CA 91710

SWRCB
PO BOX 2000
SACRAMENTO, CA 95809-2000

SENATOR NELL SOTO
STATE CAPITOL
ROOM NO 4066
SACRAMENTO, CA 95814

JOHN THORNTON
PSOMAS AND ASSOCIATES
3187 RED HILL AVE, SUITE 250
COSTA MESA, CA 92626

ALAN MARKS
COUNSEL – COUNTY OF SAN
BERNARDINO
157 W 5TH STREET
SAN BERNARDINO, CA 92415

JIM BOWMAN
CITY OF ONTARIO
303 EAST "B" STREET
ONTARIO, CA 91764

BOB KUHN
669 HUNTERS TRAIL
GLENDDORA, CA 91740

GEOFFREY VANDEN HEUVEL
CBWM BOARD MEMBER
8315 MERRILL AVENUE
CHINO, CA 91710

BRIAN GEYE
DIRECTOR OF TRACK ADMIN
CALIFORNIA SPEEDWAY
PO BOX 9300
FONTANA, CA 92334-9300

MICHAEL THIES
SPACE CENTER MIRA LOMA INC
3401 S ETIWANDA AVE, BLDG 503
MIRA LOMA, CA 91752-1126

ROBERT BOWCOCK
INTEGRATED RESOURCES MGMNT
405 N. INDIAN HILL BLVD
CLAREMONT, CA 91711-4724

Distribution List Name: Committee List 1- Court Filings, Water Transactions

Members:

Alfred E. Smith	asmith@nossaman.com
Andy Malone	amalone@wilderemuthenvironmental.com
Anne Schneider	ajs@eslawfirm.com
April Woodruff	awoodruff@jeua.org
Arnold Rodriguez	jarodriguez@sarwc.com
Art Kidman	akidman@mkblawyers.com
Ashnok Dhingra	ashok.dhingra@m-e.aecom.com
Barbara Swanson	Barbara_Swanson@yahoo.com
Bill Kruger	citycouncil@chinohills.org
Bill Rice	WRice@waterboards.ca.gov
Bill Thompson	bthompson@ci.norco.ca.us
Bob Feenstra	feenstra@agconceptsinc.com
Bob Kuhn	bgkuhn@aol.com
Bonnie Tazza	bonniet@cvwdwater.com
Boyd Hill	bhill@mkblawyers.com
Brenda Fowler	balee@fontanawater.com
Brian Hess	bhess@niagarawater.com
Butch Araiza	butcharaiza@mindspring.com
Carol (marie@tragerlaw.com)	marie@tragerlaw.com
Charles Field	cdfield@charter.net
Charles Moorrees	cmoorrees@sawaterco.com
Chris Swanberg	chris.swanberg@corr.ca.gov
Cindy LaCamera	clacamera@mwdh2o.com
Craig Stewart	cstewart@geomatrix.com
Curtis Aaron	caaron@fontana.org
Dan Arrighi	darrighi@sgvwater.com
Dan Hostetler	dghostetler@csupomona.edu
Dan McKinney	dmckinney@rhlaw.com
Dave Argo	argodg@bv.com
Dave Crosley	DCrosley@cityofchino.org
Dave Ringel	david.j.ringel@us.mwhglobal.com
David B. Anderson	danders@water.ca.gov
David D DeJesus	ddejesus@mwdh2o.com
David D DeJesus	davidcicgm@aol.com
Dennis Dooley	ddooley@angelica.com
Diane Sanchez	dianes@water.ca.gov
Don Galleano	donald@galleanowinery.com
Duffy Blau	Duffy954@aol.com
Eldon Horst	ehorst@jcsd.us
Eric Garner	elgarner@bbklaw.com
Eunice Ulloa	ulloa.cbwcd@verizon.net
Frank Brommenschenkel	frank.brommen@verizon.net
Fred Fudacz	ffudacz@nossaman.com
Fred Lantz	flantz@ci.burbank.ca.us
Gene Koopman	GTKoopman@aol.com
Gerard Thibeault	gthibeault@rb8.swrcb.ca.gov
Gordon P. Treweek	GTreweek@CBWM.ORG
Grace Cabrera	grace_cabrera@ci.pomona.ca.us
Henry Pepper	henry_pepper@ci.pomona.ca.us
James Curatalo	jamesc@cvwdwater.com
James Jenkins	cnomgr@airports.sbcounty.gov
James P. Morris	jpmorris@bbklaw.com
Janine Wilson	Janine@CBWM.ORG
Jarlath Oley	joley@mwdh2o.com
Jean Cihigoyenette	Jean_CGC@hotmail.com
jeeinc@aol.com	jeeinc@aol.com
Jeffrey L. Pierson	jpierson@unitexcorp.com
Jennifer Novak	jennifer.novak@doj.ca.gov
Jerry King	jking@psomas.com
Jess Senecal	JessSenecal@lagerlof.com
Jill Willis	jwillis@bbklaw.com
Jim Hill	jhill@cityofchino.org
Jim Markman	jmarkman@rwglaw.com
Jim Taylor	jim_taylor@ci.pomona.ca.us

Jim@city-attorney.com
jimmy@city-attorney.com
Joe Graziano
Joe P LeClaire
Joe Scalmanini
John Anderson
John Huitsing
John Rossi
John Schatz
John Vega
Jose Galindo
Judy Schurr
Justin Brokaw
Kathy Kunysz
Kathy Tiegs
Ken Jeske
Ken Kules
Kenneth Willis
Kevin Sage
Kyle Snay
Lisa Hamilton
Mark Hensley
Martin Zvirbulis
Robert Bowcock

Jim@city-attorney.com
jimmy@city-attorney.com
jgraz4077@aol.com
jleclaire@wildermuthenvironmental.com
jscal@lsce.com
janderson@ieua.org
johnhuitsing@gmail.com
jrossi@wmwd.com
jschatz13@cox.net
johnv@cvwdwater.com
jose_a_galindo@praxair.com
jschurr@earthlink.net
jbrokaw@hughes.net
kkunysz@mwdh2o.com
ktiegs@ieua.org
kjeske@ci.ontario.ca.us
kkules@mwdh2o.com
kwillis@homeowners.org
Ksage@IRMwater.com
kylesnay@gswater.com
Lisa.Hamilton@corporate.ge.com
mhensley@localgovlaw.com
martinz@cvwdwater.com
bbowcock@irmwater.com

Distribution List Name: Committee List 2 - Court Filings, Water Transactions

Members:

Manuel Carrillo	Manuel.Carrillo@SEN.CA.GOV
Marilyn Levin	marilyn.levin@doj.ca.gov
Mark Kinsey	mkinsey@mvwd.org
Mark Ward	mark_ward@ameron-intl.com
Mark Wildermuth	mwildermuth@wildermuthenvironmental.com
Martha Davis	mdavis@ieua.org
Martin Rauch	martin@rauchcc.com
Martin Zvirbulis	martinz@cvwdwater.com
Maynard Lenhert	directorlenhert@mvwd.org
Michael B. Malpezzi	MMalpezzi@reliant.com
Michael Fife	Mfife@hatchparent.com
Michelle Staples	mstaples@jdplaw.com
Mike Del Santo	mdelsant@prologis.com
Mike Maestas	mmaestas@chinohills.org
Mike McGraw	mjm McGraw@FontanaWater.com
Mike Thies	mthies@spacecenterinc.com
Mohamed El-Amamy	melamamy@ci.ontario.ca.us.
Nathan deBoom	n8deboom@gmail.com
Pam Wilson	pwilson@hatchparent.com
Paul Deutsch	pdeutsch@geomatrix.com
Paul Hofer	farmwatchtoo@aol.com
Pete Hall	r.pete.hall@cdcr.ca.gov
Peter Hettinga	peterhettinga@yahoo.com
Phil Krause	pkrause@parks.sbcounty.gov
Phil Rosentrater	prosentrater@wmwd.com
Rachel R Robledo	RRobledo@HatchParent.com
Raul Garibay	raul_garibay@ci.pomona.ca.us
Richard Atwater	Atwater@ieua.org
Rick Hansen	rhansen@tvmwd.com
Rick Rees	rrees@geomatrix.com
Rita Kurth	ritak@cvwdwater.com
Robert Bowcock	rbowcock@irmwater.com
Robert Cayce	rcayce@airports.sbcounty.gov
Robert DeLoach	robertd@cvwdwater.com
Robert Neufeld	robertn@cvwdwater.com
Robert Rauch	robert.rauchcc@verizon.net
Robert Tock	rtock@jcsd.us
Robert W. Nicholson	rwnicholson@sgwwater.com
Robert Young	rkyoung@fontanawater.com
Roger Florio	roger.florio@ge.com
Ron Craig	RonC@rbf.com
Ron Small	ron.small@dgs.ca.gov
Rosemary Hoerning	rhoerning@ci.upland.ca.us
Sam Fuller	samf@sbsvmwd.com
Sandra S. Rose	ybarose@verizon.net
Sandy Lopez	slopez@ci.ontario.ca.us
Scott Burton	sburton@ci.ontario.ca.us
smt@tragerlaw.com	smt@tragerlaw.com
Steve Arbelbide	sarbelbide@californiasteel.com
Steve Kennedy	skennedy@bbmblaw.com
Steven K. Beckett	skbeckett@bbmblaw.com
Steven Lee	slee@rhlaw.com
Steven R. Orr	sorr@rwglaw.com
Tej Pahwa	tpahwa@dtsc.ca.gov
Terry Catlin	tcatlin@verizon.net
Timothy Ryan	tjryan@sgwwater.com
Tom Bunn	TomBunn@Lagerlof.com
Tom Love	TLove@ieua.org
Tom McPeters	THMcP@aol.com
Tracy Tracy	ttracy@mvwd.org
Vanessa Hampton	vhampton@jcsd.us
Wayne Davison	wayne.davison2@cdcr.ca.gov
William J. Brunick	bbrunick@bbmblaw.com
WM Admin Staff	

EXHIBIT 3

October 25, 2007

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

WHEREAS, paragraph 41 of the Judgment entered in *Chino Basin Municipal Water District v. City of Chino* (San Bernardino Superior Court Case No. 51010) grants Watermaster, with the advice of the Advisory and Pool Committees, “discretionary powers in order to implement an Optimum Basin Management Program (“OBMP”) for the Chino Basin”;

WHEREAS, the Parties to the Judgment executed an agreement resolving their differences and pledging their support for Watermaster actions in accordance with specific terms in June of 2000 (“Peace Agreement”);

WHEREAS, Watermaster approved Resolution 00-05, and thereby adopted the goals and objectives of the OBMP, the OBMP Implementation Plan and committed to act in accordance with the terms of the Peace Agreement;

WHEREAS, pursuant to Article IV, paragraph 4.2, each of the parties to the Peace Agreement agreed not to oppose Watermaster’s adoption and implementation of the OBMP Implementation Plan attached as Exhibit “B” to the Peace Agreement;

WHEREAS, the Peace Agreement, the OBMP Implementation Plan and the Chino Basin Watermaster Rules and Regulations contemplate further actions by Watermaster in furtherance of its responsibilities under paragraph 41 of the Judgment and in accordance with the Peace Agreement and the OBMP Implementation Plan;

WHEREAS, the Parties to the Peace Agreement made certain commitments regarding the funding, design, construction and operation of Future Desalters;

WHEREAS, after receiving input from its stakeholders in the form of the Stakeholder’s Non-Binding Term Sheet, Watermaster has proposed to adopt Resolution 07-05 attached as Exhibit “1” hereto to further implement the OBMP through a suite of measures commonly referred to and herein defined as “Peace II Measures”, including but not limited to the 2007 Supplement to the OBMP, the Second Amendment to the Peace Agreement, amendments to Watermaster’s Rules and Regulations, the purchase and sale of water within the Overlying (Non-Agricultural) Pool and certain Judgment amendments; and

NOW, THEREFORE, in consideration of the mutual promises specified herein and by conditioning their performance under this Agreement upon the conditions precedent set forth in Article III herein, the Watermaster Approval, and Court Order, and for other good and valuable consideration, the Parties agree as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

1.1 Definitions.

- (a) "Desalters" means Desalters and Future Desalters collectively, as defined in the Peace Agreement.
- (b) "Hydraulic Control" means the reduction of groundwater discharge from the Chino North Management Zone to the Santa Ana River to de minimus quantities. The Chino North Management Zone is defined in the 2004 Basin Plan amendment (RWQCB resolution R8-2004-001) attached hereto as Exhibit "B."
- (c) "Leave Behind" means a contribution to the Basin from water held in storage within the Basin under a Storage and Recovery Agreement that may be established by Watermaster from time to time that may reflect any or all of the following: (i) actual losses; (ii) equitable considerations associated with Watermaster's management of storage agreements; and (iii) protection of the long-term health of the Basin against the cumulative impacts of simultaneous recovery of groundwater under all storage agreements.
- (d) "Re-Operation" means the controlled overdraft of the Basin by the managed withdrawal of groundwater Production for the Desalters and the potential increase in the cumulative un-replenished Production from 200,000 authorized by paragraph 3 of the Engineering Appendix Exhibit I to the Judgment, to 600,000 acre feet for the express purpose of securing and maintaining Hydraulic Control as a component of the Physical Solution.
- (e) Unless otherwise expressly provided herein, all definitions set forth in the Peace Agreement and the Judgment are applicable to the terms as they are used herein.

1.2 Rules of Construction.

- (a) Unless the context clearly requires otherwise:
 - (i) The plural and singular forms include the other;
 - (ii) "Shall," "will," "must," and "agrees" are each mandatory;
 - (iii) "May" is permissive;
 - (iv) "Or" is not exclusive;
 - (v) "Includes" and "including" are not limiting; and
 - (vi) "Between" includes the ends of the identified range.

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- (b) Headings at the beginning of Articles, paragraphs and subparagraphs of this Agreement are solely for the convenience of the Parties, are not a part of this Agreement and shall not be used in construing it.
- (c) The masculine gender shall include the feminine and neuter genders and vice versa.
- (d) The word "person" shall include individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, water district and other entity of whatever nature.
- (e) Reference to any agreement (including this Agreement), document, or instrument means such agreement, document, instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms thereof.
- (f) Except as specifically provided herein, reference to any law, statute or ordinance, regulation or the like means such law as amended, modified, codified or reenacted, in whole or in part and in effect from time to time, including any rules and regulations promulgated thereunder.

ARTICLE II

COMPLIANCE WITH CEQA

- 2.1 Project Description. The proposed project description regarding the design, permitting, construction and operation of Future Desalter, securing Hydraulic Control through Basin Re-Operation is set forth in Attachment "A" to Watermaster Resolution 07-05 attached hereto as Exhibit "1."
- 2.2 Acknowledgment of IEUA as the Lead Agency for CEQA Review. IEUA has been properly designated as the "Lead Agency" for the purposes of completing environmental assessment and review of the proposed project.
- 2.3 Commitments are Consistent with CEQA. The Parties agree and acknowledge that no commitment will be made to carry out any "project" under the amendments to the OBMP and within the meaning of CEQA unless and until the environmental review and assessment that may be required by CEQA for that defined "project" have been completed.
- 2.4 Reservation of Discretion. Execution of this Agreement is not intended to commit any Party to undertake a project without compliance with CEQA or to commit the Parties individually or collectively to any specific course of action, which would result in the present approval of a future project.
- 2.5 No Prejudice by Comment or Failure to Comment. Nothing contained in environmental review of the Project, or a Party's failure to object or comment thereon, shall limit any

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Party's right to allege that "Material Physical Injury" will result or has resulted from the implementation of the OBMP or its amendment.

ARTICLE III
CONDITIONS PRECEDENT

- 3.1 Performance Under Articles IV-XII is Subject to Satisfaction of the Conditions Precedent. Each Party's obligations under this Agreement are subject to the satisfaction of the following conditions precedent on or before the dates specified below, unless satisfaction or a specified condition or conditions is waived in writing by all other Parties:
- (a) Watermaster approval of Resolution 07-05 in a form attached hereto as Exhibit "1," including the following Attachments thereto
 - (i) the amendments to the Chino Basin Watermaster Rules and Regulations set forth in Attachment "F" thereto.
 - (ii) the 2007 Supplement to the OBMP Implementation Plan set forth in Attachment "D" thereto.
 - (iii) the amendments to the Judgment set forth in Attachments "H, I, and J" thereto.
 - (iv) the Second Amendment to the Peace Agreement set forth in Attachment "L" thereto.
 - (v) the Purchase and Sale Agreement for the Purchase of Water by Watermaster From the Overlying (Non-Agricultural) Pool as set forth in Attachment G thereto.
 - (b) The execution of the proposed Second Amendment to the Peace Agreement by all Parties to the Peace Agreement .
 - (c) Court approval of the proposed Judgment Amendments and a further order of the Court directing Watermaster to proceed in accordance with the terms of the Peace II Measures as embodied in Resolution 07-05.

ARTICLE IV
MUTUAL ACKNOWLEDGEMENT AND COVENANTS

- 4.1 Acknowledgment of Peace II Measures. The collective actions of Watermaster set forth in Watermaster Resolution 07-05 and the Attachments thereto (Peace II Measures) constitute further actions by Watermaster in implementing the OBMP in accordance with the grant and limitations on its discretionary authority set forth under paragraph 41 of the Judgment
- 4.2 Non-Opposition. No Party to this Agreement shall oppose Watermaster's adoption of Resolution 07-05 and implementation of the Peace II measures as embodied therein

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including the Judgment Amendments, Amendments to the Peace Agreement, the 2007 Supplement to the OBMP Implementation Plan and Amendments to the Chino Basin Watermaster's Rules and Regulations or to Watermaster's execution of memoranda of agreement that are not materially inconsistent with the terms contained therein. Notwithstanding this covenant, no party shall be limited in their right of participation in all functions of Watermaster as they are provided in the Judgment or to preclude a Party to the Judgment from seeking judicial review of Watermaster determinations pursuant to the Judgment or as otherwise provided in this Agreement.

- 4.3 Consent to Amendments. Each Party expressly consents to the Judgment amendments and modifications set forth in Watermaster's Resolution 07-05.
- 4.4 Non-Agricultural Pool Intervention. The Parties acknowledge and agree that any Party to the Judgment shall have the right to purchase Non-Agricultural overlying property within the Basin and appurtenant water rights and to intervene in the Non-Agricultural Pool.

ARTICLE V **FUTURE DESALTERS**

- 5.1 Purpose. Watermaster plans to coordinate and the Parties to the Judgment plan to arrange for the physical capacity and potable water use of water from the Desalters. Desalters in existence on the effective date of this Agreement will be supplemented to provide the required capacity to cumulatively produce approximately 40,000 acre-feet per year of groundwater from the Desalters by 2012.
- 5.2 2007 Supplement to the OBMP Implementation Plan. The OBMP Implementation Plan will be supplemented as set forth in the 2007 Supplement to the OBMP Implementation Plan to reflect that Western Municipal Water District ("WMWD"), acting independently or in its complete discretion with the City of Ontario ("Ontario") or the Jurupa Community Services District ("Jurupa") or both, will exercise good faith and reasonable best efforts to arrange for the design, planning, and construction of Future Desalters in accordance with the 2007 Supplement to the OBMP Implementation Plan, to obtain Hydraulic Control, further Re-Operation and support the Future Desalters.
- 5.3 Implementation. WMWD, acting independently or in its complete discretion with Ontario, Jurupa, or both, will exercise good faith and reasonable best efforts to arrange for the design, planning, and construction of Future Desalters in accordance with the 2007 Supplement to the OBMP Implementation Plan, to account for Hydraulic Control, Re-Operation and Future Desalters.
- (a) WMWD, acting independently or in its complete discretion with Ontario or Jurupa or both, will exercise good faith and reasonable best efforts to proceed in accordance with the timeline for the completion of design, permitting, finance and construction as attached hereto as Exhibit "2"
- (b) WMWD, acting independently or in its complete discretion with the City of Ontario or the Jurupa Community Services District or both, will provide quarterly progress reports to Watermaster and the Court.

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- 5.4 Project Description. The Future Desalters will add up to 9 mgd to existing Desalters. This will include production capacity from new groundwater wells that will be located in the Southerly end of the Basin, as depicted in Exhibit "3" attached hereto and incorporated herein by this reference. The final design and construction of Future Desalters *may* depend on the terms and conditions that may be freely arrived at by fair bargaining among WMWD and the Chino Basin Desalter Authority ("CDA") or whether it is required to build stand-alone facilities or both. There are material yield benefits to the Parties to the Judgment that are achieved by obtaining Hydraulic Control through Basin Re-Operation. The extent of these benefits is somewhat dependent upon the final location of new production facilities within the southerly end of the Basin. Accordingly, Watermaster will ensure that the location of Future Desalter groundwater production facilities will achieve both Hydraulic Control and maximize yield enhancement by their location emphasizing groundwater production from the Southerly end of the Basin.
- 5.5 Implementing Agreements. Within twenty-four (24) months of the effective date, WMWD, acting independently or in its complete discretion with the City of Ontario or the Jurupa Community Services District or both, will exercise good faith and reasonable best efforts to complete final binding agreement(s) regarding Future Desalters that includes the following key terms:
- (a) Arrangements for WMWD's purchase of product water from CDA;
 - (b) Arrangements with CDA, Jurupa and other Chino Basin parties for the common use of existing facilities, if any;
 - (c) Arrangement with the owners of the SARI line;
 - (d) Arrangements with the Appropriative Pool regarding the apportionment of any groundwater produced as controlled overdraft in accordance with the Physical Solution between Desalters I, Desalters II on the one hand and the Future Desalters on the other hand;
 - (e) WMWD's payment to Watermaster to reimburse Parties to the Judgment for their historical contributions towards the OBMP, if any;
 - (f) The schedule for approvals and project completion.
- 5.6 Reservation of Discretion. Nothing herein shall be construed as committing WMWD, or any members of CDA to take any specific action(s) to accommodate the needs or requests of the other, Watermaster, or any Party to the Judgment, whatever the request may be.
- 5.7 Condition Subsequent. WMWD's obligation to execute a binding purchase agreement with CDA or to independently develop the Future Desalters is subject to the express condition subsequent that the total price per acre-foot of water delivered must not be projected to exceed the sum of the following: (i) the full MWD Tier II Rate; (ii) the MWD Treatment Surcharge calculated in terms of an annual average acre-foot charge; and (iii) \$150 (in 2006 dollars) per acre-foot of water delivered to account for water supply reliability.

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- (a) The full acre-foot cost to Western for Capital and O&M (assuming the priority allocation of controlled overdraft), includes:
 - (i) the delivery of the desalted water to its Mockingbird Reservoir or directly to the City of Norco,
 - (ii) any applicable ongoing Watermaster assessments, payments to CDA and JCSD and for SARI utilization.
- (b) Provided that if third-party funding, grants and a MWD subsidy under the Local Resources Program or otherwise should reduce Western's costs to an amount which is \$75 (in 2006 dollars) below the cap described in paragraph 5.5, Western will transmit an amount equal to fifty (50) percent of the amount less than the computed price cap less \$75 (in 2006 dollars) to Watermaster.
- (c) Western may elect to exercise its right of withdrawal under this paragraph 5.7 within 120 days following the later of: (1) completion of preliminary design; or (2) the certification of whatever CEQA document is prepared for the project, but not later than sixty (60) days thereafter and in no event after a binding water purchase agreement has been executed.

5.8 Limitations. The operation of the Future Desalters will be subject to the following limitations:

- (a) Well Location. New groundwater production facilities for the Future Desalters will be located in the southern end of the Basin to achieve the dual purpose of obtaining Hydraulic Control and increasing Basin yield.
 - (i) New wells will be constructed in the shallow aquifer system among Desalter I wells No. 1 through 4 and west of Desalter I.
 - (ii) So long as these wells produce at least one-half of the Future Desalter groundwater, the Future Desalters shall be entitled to first priority for the allocation of the 400,000 acre-feet of controlled overdraft authorized by the Judgment Amendments to Exhibit I.
- (b) Export. The export of groundwater from the Basin must be minimized. WMWD will present a plan for export minimization to the Watermaster for review and approval prior to operation of the Future Desalters.
 - (i) Watermaster will account for water imported and exported by WMWD.
 - (ii) Watermaster will prepare an initial reconciliation of WMWD's imports and exports at the end of the first ten (10) years of operation and every year thereafter to determine whether a "net export" occurred.

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- (iii) WMWD will pay an assessment, if any, on all "net exports" in accordance with Judgment Exhibit "H," paragraph 7(b) after the initial reconciliation is completed at the end of the first ten (10) years of operation.

ARTICLE VI
GROUNDWATER PRODUCTION BY AND
REPLENISHMENT FOR DESALTERS

- 6.1 Acknowledgment. The Parties acknowledge that the hierarchy for providing Replenishment Water for the Desalters is set forth in Article VII, paragraph 7.5 of the Peace Agreement, and that this section controls the sources of water that will be offered to offset Desalter Production.
- 6.2 Peace II Desalter Production Offsets. To facilitate Hydraulic Control through Basin Re-Operation, in accordance with the 2007 Supplement to the OBMP Implementation Plan and the amended Exhibits G and I to the Judgment, additional sources of water will be made available for purposes of Desalter Production and thereby some or all of a Replenishment obligation. With these available sources, the Replenishment obligation attributable to Desalter production in any year will be determined by Watermaster as follows:
 - (a) Watermaster will calculate the total Desalter Production for the preceding year and then apply a credit against the total quantity from:
 - (i) the Kaiser account (Peace Agreement Section 7.5(a).);
 - (ii) dedication of water from the Overlying (Non-Agricultural) Pool Storage Account or from any contribution arising from an annual authorized Physical Solution Transfer in accordance with amended Exhibit G to the Judgment;
 - (iii) New Yield (other than Stormwater (Peace Agreement Section 7.5(b)));
 - (iv) any declared losses from storage in excess of actual losses enforced as a "Leave Behind";
 - (v) Safe Yield that may be contributed by the parties (Peace Agreement Section 7.5(c));
 - (vi) any Production of groundwater attributable to the controlled overdraft authorized pursuant to amended Exhibit I to the Judgment.
 - (b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriate Pool to meet any remaining replenishment obligation as follows.

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

ARTICLE VII

YIELD ACCOUNTING

- 7.1 New Yield Attributable to Desalters. Watermaster will make an annual finding as to the quantity of New Yield that is made available by Basin Re-Operation including that portion that is specifically attributable to the Existing and Future Desalters. Any subsequent recalculation of New Yield as Safe Yield by Watermaster will not change the priorities set forth above for offsetting Desalter production as set forth in Article VII, Section 7.5 of the Peace Agreement. For the initial term of the Peace Agreement, neither Watermaster nor the Parties will request that Safe Yield be recalculated in a manner that incorporates New Yield *attributable to the Desalters* into the determination of Safe Yield so that this source of supply will be available for Desalter Production rather than for use by individual parties to the Judgment.
- 7.2 Apportionment of Controlled Overdraft. Within twelve (12) months of the court approval and no later than December 1, 2008, with facilitation by Watermaster, WMWD and the Appropriative Pool will establish by mutual agreement the portion of the 400,000 acre-feet of the controlled overdraft authorized by the amendment to Exhibit "I" to the Judgment that will be allocated among the Desalters and pursuant to a proposed schedule.

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- (a) To the extent the groundwater wells for the Future Desalters pump at least fifty (50) percent groundwater from the southern end of the Basin as set forth in Exhibit "3" the *Future Desalters* will be entitled to first priority to the controlled overdraft authorized by the amendment to Exhibit "I" to the Judgment.
- (b) WMWD and the Appropriative Pool will exercise good faith and reasonable best efforts to arrive at a fair apportionment. Relevant considerations in establishing the apportionment include, but are not limited to: (i) the nexus between the proposed expansion and achieving Hydraulic Control; (ii) the nexus between the project and obtaining increased yield; (iii) the identified capital costs; (iv) operating and maintenance expenses; and (v) the availability of third-party funding.
- (c) The parties will present any proposed agreement regarding apportionment to Watermaster. Watermaster will provide due regard to any agreement between WMWD and the Appropriative Pool and approve it so long as the proposal phases the Re-Operation over a reasonable period of time to secure the physical condition of Hydraulic Control and will achieve the identified yield benefits while at the same time avoiding Material Physical Injury or an inefficient use of basin resources.
- (d) If WMWD and the Appropriative Pool do not reach agreement on apportionment of controlled overdraft to Future Desalters, then no later than August 31, 2009, the members of the Appropriative Pool will submit a plan to Watermaster that achieves the identified goals of increasing the physical capacity of the Desalters and potable water use of approximately 40,000 acre-feet of groundwater production from the Desalters from the Basin no later than 2012. The Appropriative Pool proposal must demonstrate how it has provided first priority to the Future Desalters if the conditions of paragraph 7.2(a) are met.
- (e) Watermaster will have discretion to apportion the controlled overdraft under a schedule that reflects the needs of the parties and the need for economic certainty and the factors set forth in Paragraph 7.2(a) above. Watermaster may exercise its discretion to establish a schedule for Basin Re-Operation that best meets the needs of the Parties to the Judgment and the physical conditions of the Basin, including but not limited to such methods as "ramping up," "ramping down," or "straight-lining."
 - (i) An initial schedule will be approved by Watermaster and submitted to the Court concurrent with Watermaster Resolution 07-05.
 - (ii) Watermaster may approve and request Court approval of revisions to the initial schedule if Watermaster's approval and request are supported by a technical report demonstrating the continued need for access to controlled overdraft, subject to the limitations set forth in amended Exhibit "I" to the Judgment and the justification for the amendment.

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- 7.3 Suspension. An evaluation of Watermaster's achievement of Basin outflow conditions, achievement of Hydraulic Control and compliance with Regional Board orders will be completed annually by Watermaster. Re-Operation and Watermaster's apportionment of controlled overdraft will not be suspended in the event that Hydraulic Control is secured in any year *before* the full 400,000 acre-feet has been produced so long as: (i) Watermaster has prepared, adopted and the Court has approved a contingency plan that establishes conditions and protective measures to avoid Material Physical Injury and that equitably distributes the cost of any mitigation attributable to the identified contingencies, and (ii) Watermaster is in substantial compliance with a Court approved Recharge Master Plan as set forth in Paragraph 8.1 below.
- 7.4 Storage: Uniform Losses. The Parties acknowledge that Watermaster has assessed a two (2)-percent loss on all groundwater presently held in storage to reflect the current hydrologic condition. As provided in the Peace Agreement, Watermaster will continue to maintain a minimum 2 (two) percent loss until substantial evidence exists to warrant the imposition of another loss factor. However, the Parties further acknowledge and agree that losses have been substantially reduced through the OBMP Implementation Plan and the operation of Desalters I and II and that once Hydraulic Control is achieved outflow and losses from the Basin will have been limited to *de minimis* quantities. Therefore, Watermaster may establish uniform losses for all water held in storage based on whether the Party has substantially contributed to Watermaster reducing losses and ultimately securing and maintaining Hydraulic Control.
- (a) Pre-Implementation of the Peace Agreement. The uniform annual loss (leave behind) of six (6) percent will be applied to all storage accounts to address actual losses, management and equitable considerations arising from the implementation of the Peace Agreement, the OBMP Implementation Plan, the 2007 Supplement to the OBMP Implementation Plan, including but not limited to the Desalters and Hydraulic Control unless the Party holding the storage account: (i) has previously contributed to the implementation of the OBMP as a Party to the Judgment, is in compliance with their continuing covenants under the Peace Agreement or in lieu thereof they have paid or delivered to Watermaster "financial equivalent" consideration to offset the cost of past performance prior to the implementation of the OBMP and (ii) promised continued future compliance with Watermaster Rules and Regulations. In the event that a Party satisfies 7.4(a)(i) and 7.4(a)(ii) they will be assessed a minimum loss of two (2) percent against all water held in storage to reflect actual estimated losses. Watermaster's evaluation of the sufficiency of any consideration or financial equivalency may take into account the fact that one or more Parties to the Judgment are not similarly situated.
- (b) Post-Hydraulic Control. Following Watermaster's determination that it has achieved Hydraulic Control and for so long as Watermaster continues to sustain losses from the Basin to the Santa Ana River at a *de minimis* level (less than one (1) percent), any Party to the Judgment (agency, entity or person) may qualify for the Post-Hydraulic Control uniform loss percentage of less than 1 percent if they meet the criteria of 7.4(a)(i) and 7.4(a)(ii) above.

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- 7.5 Allocation of Losses. Any losses from storage assessed as a Leave Behind in excess of actual losses ("dedication quantity") will be dedicated by Watermaster towards groundwater Production by the Desalters to thereby avoid a Desalter replenishment obligation that may then exist *in the year* of recovery. Any dedication quantity which is not required to offset Desalter Production in the year in which the loss is assessed, will be made available to the members of the Appropriative Pool. The dedication quantity will be pro-rated among the members of the Appropriative Pool in accordance with each Producer's combined total share of Operating Safe Yield and the previous year's actual production. However, before any member of the Appropriative Pool may receive a distribution of any dedication quantity, they must be in full compliance with the 2007 Supplement to the OBMP Implementation Plan and current in all applicable Watermaster assessments.

ARTICLE VIII **RECHARGE**

- 8.1 Update to the Recharge Master Plan. Watermaster will update and obtain Court approval of its update to the Recharge Master Plan to address how the Basin will be contemporaneously managed to secure and maintain Hydraulic Control and subsequently operated at a new equilibrium at the conclusion of the period of Re-Operation. The Recharge Master Plan will be jointly approved by IEUA and Watermaster and shall contain recharge estimations and summaries of the projected water supply availability as well as the physical means to accomplish the recharge projections. Specifically, the Plan will reflect an appropriate schedule for planning, design, and physical improvements as may be required to provide reasonable assurance that following the full beneficial use of the groundwater withdrawn in accordance with the Basin Re-Operation and authorized controlled overdraft, that sufficient Replenishment capability exists to meet the reasonable projections of Desalter Replenishment obligations. With the concurrence of IEUA and Watermaster, the Recharge Master Plan will be updated and amended as frequently as necessary with Court approval and not less than every five (5) years. Costs incurred in the design, permitting, operation and maintenance of recharge improvements will be apportioned in accordance with the following principles.
- a. Operations and Maintenance. All future operations and maintenance costs attributable to all recharge facilities utilized for recharge of recycled water in whole or in part unfunded from third party sources, will be paid by the Inland Empire Utilities Agency ("IEUA") and Watermaster. The contribution by IEUA will be determined annually on the basis of the relative proportion of recycled water recharged bears to the total recharge from all sources in the prior year. For example, if 35 percent of total recharge in a single year is from recycled water, then IEUA will bear 35 percent of the operations and maintenance costs. All remaining unfunded costs attributable to the facilities used by Watermaster will be paid by Watermaster.
- i. IEUA reserves discretion as to how it assesses its share of costs.

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ii. Watermaster will apportion its costs among the members of the stakeholders in accordance with Production, excluding Desalter Production.

iii. The operations and maintenance costs of water recharged by aquifer storage and recovery will not be considered in the calculation other than by express agreement.

b. Capital. Mutually approved capital improvements for recharge basins that do or can receive recycled water constructed pursuant to the Court approved Recharge Master Plan, if any, will be financed through the use of third party grants and contributions if available, with any unfunded balance being apportioned 50 percent each to IEUA and Watermaster. The Watermaster contribution shall be allocated according to shares of Operating Safe Yield. All remaining unfunded costs attributable to the facilities used by Watermaster will be paid by Watermaster.

8.2 Coordination. The members of the Appropriative Pool will coordinate the development of their respective Urban Water Management Plans and Water Supply Master Plans with Watermaster as follows.

- (a) Each Appropriator that prepares an Urban Water Management Plan and Water Supply Plans will provide Watermaster with copies of their existing and proposed plans.
- (b) Watermaster will use the Plans in evaluating the adequacy of the Recharge Master Plan and other OBMP Implementation Plan program elements.
- (c) Each Appropriator will provide Watermaster with a draft in advance of adopting any proposed changes to their Urban Water Management Plans and in advance of adopting any material changes to their Water Supply Master Plans respectively in accordance with the customary notification routinely provided to other third parties to offer Watermaster a reasonable opportunity to provide informal input and informal comment on the proposed changes.
- (d) Any party that experiences the loss or the imminent threatened loss of a material water supply source will provide reasonable notice to Watermaster of the condition and the expected impact, if any, on the projected groundwater use.

8.3 Continuing Covenant. To ameliorate any long-term risks attributable to reliance upon un-replenished groundwater production by the Desalters, the annual availability of any portion of the 400,000 acre-feet set aside as controlled overdraft as a component of the Physical Solution, is expressly subject to Watermaster making an annual finding about whether it is in substantial compliance with the revised Watermaster Recharge Master Plan pursuant to Paragraphs 7.3 and 8.1 above.

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8.4 Acknowledgment re 6,500 Acre-Foot Supplemental Recharge. The Parties make the following acknowledgments regarding the 6,500 Acre-Foot Supplemental Recharge:

- (a) A fundamental premise of the Physical Solution is that all water users dependent upon Chino Basin will be allowed to pump sufficient waters from the Basin to meet their requirements. To promote the goal of equal access to groundwater within all areas and sub-areas of the Chino Basin, Watermaster has committed to use its best efforts to direct recharge relative to production in each area and sub-area of the Basin and to achieve long-term balance between total recharge and discharge. The Parties acknowledge that to assist Watermaster in providing for recharge, the Peace Agreement sets forth a requirement for Appropriative Pool purchase of 6,500 acre-feet per year of Supplemental Water for recharge in Management Zone 1 (MZ1). The purchases have been credited as an addition to Appropriative Pool storage accounts. The water recharged under this program has not been accounted for as Replenishment water.
- (b) Watermaster was required to evaluate the continuance of this requirement in 2005 by taking into account provisions of the Judgment, Peace Agreement and OBMP, among all other relevant factors. It has been determined that other obligations in the Judgment and Peace Agreement, including the requirement of hydrologic balance and projected replenishment obligations, will provide for sufficient wet-water recharge to make the separate commitment of Appropriative Pool purchase of 6,500 acre-feet unnecessary. Therefore, because the recharge target as described in the Peace Agreement has been achieved, further purchases under the program will cease and Watermaster will proceed with operations in accordance with the provisions of paragraphs (c), (d) and (e) below.
- (c) The parties acknowledge that, regardless of Replenishment obligations, Watermaster will independently determine whether to require wet-water recharge within MZ1 to maintain hydrologic balance and to provide equal access to groundwater in accordance with the provisions of this Section 8.4 and in a manner consistent with the Peace Agreement, OBMP and the Long Term Plan for Subsidence." Watermaster will conduct its recharge in a manner to provide hydrologic balance within, and will emphasize recharge in MZ1. Accordingly, the Parties acknowledge and agree that each year Watermaster shall continue to be guided in the exercise of its discretion concerning recharge by the principles of hydrologic balance.
- (d) Consistent with its overall obligations to manage the Chino Basin to ensure hydrologic balance within each management zone, for the duration of the Peace Agreement (until June of 2030), Watermaster will ensure that a minimum of 6,500 acre-feet of wet water recharge occurs within MZ1 on an annual basis. However, to the extent that water is unavailable for recharge or there is no replenishment obligation in any year, the obligation to recharge 6,500 acre-feet will accrue and be satisfied in subsequent years.
 - (1) Watermaster will implement this measure in a coordinated manner so as to

facilitate compliance with other agreements among the parties, including but not limited to the Dry-Year Yield Agreements.

- (2) In preparation of the Recharge Master Plan, Watermaster will consider whether existing groundwater production facilities owned or controlled by producers within MZ1 may be used in connection with an aquifer storage and recovery ("ASR") project so as to further enhance recharge in specific locations and to otherwise meet the objectives of the Recharge Master Plan.
- (e) Five years from the effective date of the Peace II Measures, Watermaster will cause an evaluation of the minimum recharge quantity for MZ1. After consideration of the information developed in accordance with the studies conducted pursuant to paragraph 3 below, the observed experiences in complying with the Dry Year Yield Agreements as well as any other pertinent information, Watermaster may increase the minimum requirement for MZ1 to quantities greater than 6,500 acre-feet per year. In no circumstance will the commitment to recharge 6,500 acre-feet be reduced for the duration of the Peace Agreement.

ARTICLE IX

9.1 Basin Management Assistance. Three Valleys Municipal Water District ("TVMWD") shall assist in the management of the Basin through a financial contribution of \$300,000 to study the feasibility of developing a water supply program within Management Zone 1 of the Basin or in connection with the evaluation of Future Desalters. The study will emphasize assisting Watermaster in meeting its OBMP Implementation Plan objectives of concurrently securing Hydraulic Control through Re-Operation while attaining Management Zone 1 subsidence management goals. Further, TVMWD has expressed an interest in participating in future projects in the Basin that benefit TVMWD. If TVMWD wishes to construct or participate in such future projects, TVMWD shall negotiate with Watermaster in good faith concerning a possible "buy-in" payment.

9.2 Allocation of Non-Agricultural Pool OBMP Special Assessment

a. For a period of ten years from the effective date of the Peace II Measures, any water (or financial equivalent) that may be contributed from the Overlying (Non-Agricultural) Pool in accordance with paragraph 8(c) of Exhibit G to the Judgment (as amended) will be apportioned among the members of the Appropriate Pool in each year as follows:

(i)	City of Ontario.	80 af
(ii)	City of Upland	161 af
(iii)	Monte Vista Water District	213 af
(iv)	City of Pomona	220 af
(v)	Marygold Mutual Water Co	16 af
(vi)	West Valley Water District	15 af

b. In the eleventh year from the effective date of the Peace II Measures and in each year thereafter in which water may be available from the Overlying (Non-Agricultural) Pool in excess of identified Desalter replenishment obligations as determined in accordance with Section 6.2 above, any excess water (or financial equivalent) will be distributed pro rata among the members of the Appropriate Pool based upon each Producer's combined total share of Operating Safe Yield and the previous year's actual production.

ARTICLE X
SETTLEMENT AND RELEASE

- 10.1 Settlement. By its execution of this Agreement, the Parties mutually and irrevocably, fully settle their respective claims, rights and obligations, whatever they may be, regarding the design, funding, construction and operation of Future Desalters as set forth in and arising from Article VII of the Peace Agreement.
- 10.2 Satisfaction of Peace Agreement Obligation Regarding Future Desalters. The Parties' individual and collective responsibilities arising from the Part VII of the Peace Agreement and the OBMP Implementation Plan regarding the planning, design, permitting, construction and operation of Future Desalters, whatever they may be, are unaffected by this Agreement. However, upon the completion of a 10,000 AFY (9 mgd) expansion of groundwater production and desalting from Desalter II as provided for herein, the Parties will be deemed to have satisfied all individual and collective pre-existing obligations arising from the Peace Agreement and the OBMP Implementation Plan, whatever they may be, with regard to Future Desalters as described in Part VII of the Peace Agreement and the OBMP Implementation Plan.
- 10.3 Satisfaction of Pomona Credit. In recognition of the ongoing benefits received by TVMWD through the City of Pomona's anion exchange project, as its sole and exclusive responsibility, TVMWD will make an annual payment to Watermaster in an amount equal to the credit due the City of Pomona under Peace Agreement Paragraph 5.4(b) ("the Pomona Credit").
- (a) Within ninety (90) days of each five-year period following the Effective Date of this Agreement, in its sole discretion TVMWD shall make an election whether to continue or terminate its responsibilities under this paragraph. TVMWD shall provide written notice of such election to Watermaster.
 - (b) Watermaster will provide an annual invoice to TVMWD for the amount of the Pomona Credit.
 - (c) Further, in any renewal term of the Peace Agreement, TVMWD will continue to make an equivalent financial contribution which TVMWD consents to

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Watermaster's use for the benefit of MZ1, subject to the same conditions set forth above with respect to TVMWD's payment of the "Pomona Credit".

- (d) In the event TVMWD elects to terminate its obligation under this Paragraph, the Peace Agreement and the responsibility for satisfying the Pomona Credit will remain unchanged and unaffected, other than as it will be deemed satisfied for each five-year period that TVMWD has actually made the specified payment.

10.4 Release. Upon WMWD's completion of a 10,000 AFY (9 mgd) expansion of groundwater production and desalting in a manner consistent with the parameters set forth in this Agreement, each Party, for itself, its successors, assigns, and any and all persons taking by or through it, hereby releases WMWD and IEUA from any and all obligations arising from WMWD's and IEUA's responsibility for securing funding, designing, and constructing Future Desalters as set forth in or arising exclusively from Article VII of the Peace Agreement and the Program Elements 3, 6, and 7, OBMP Implementation Plan only, and each Party knowingly and voluntarily waives all rights and benefits which are provided by the terms and provisions of section 1542 of the Civil Code of the State of California, or any comparable statute or law which may exist under the laws of the State of California, in or arising from WMWD's and IEUA's responsibility for securing funding, designing, and constructing Future Desalters as set forth in or arising exclusively from Article VII of the Peace Agreement and the OBMP Implementation Plan only. The Parties hereby acknowledge that this waiver is an essential and material term of this release. The Parties, and each of them, acknowledge that Civil Code section 1542 provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Each Party understands and acknowledges that the significance and consequence of this waiver of Civil Code section 1542 is the waiver of any presently unknown claims as described above, and that if any Party should eventually suffer additional damages arising out of the respective claim that Party will not be able to make any claim for those additional damages. Further, all Parties to this Agreement acknowledge that they consciously intend these consequences even as to claims for such damages that may exist as of the date of this Agreement but which are not known to exist and which, if known, would materially affect the Parties' respective decision to execute this Agreement, regardless of whether the lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

10.5 Assessments. In view of the substantial investments previously made and contemplated by Watermaster and the parties over the term of the Peace Agreement and in particular to implement the OBMP, the parties desire substantial certainty regarding Watermaster's principles of cost allocation. The principles set forth in the Peace Agreement and the

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Peace II Measures including those stated herein, constitute a fair and reasonable allocation of responsibility among the stakeholders. Accordingly, other than in the event of an emergency condition requiring prompt action by Watermaster or to correct a manifest injustice arising from conditions not presently prevailing in the Basin and unknown to Watermaster and the parties and then only to the extent Watermaster retains discretion, Watermaster will maintain the principles of cost allocation for apportioning costs and assessments as provided in the Judgment and now implemented through the Peace Agreement and the Peace II Measures for the balance of the initial Term of the Peace Agreement. For the balance of the initial Term of the Peace Agreement, the parties to the Peace II Agreement will waive any objections to the Watermaster's principles of cost allocation other than as to issues regarding whether Watermaster has: (i) properly followed appropriate procedures; (ii) correctly computed assessments and charges; and (iii) properly reported .

10.6 Reservation of Rights. Nothing herein shall be construed as precluding any party to the Judgment from seeking judicial review of any Watermaster action on the grounds that Watermaster has failed to act in accordance with the Peace Agreement as amended, this Agreement, the Amended Judgment, the OBMP Implementation Plan as amended and applicable law.

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ARTICLE XI
TERM

- 11.1 Commencement. This Agreement will become effective upon the satisfaction of all conditions precedent and shall expire on the Termination Date.
- 11.2 Termination. This Agreement is coterminous with the initial term of the Peace Agreement and will expire of its own terms and terminate on the date of the Initial Term of the Peace Agreement.

ARTICLE XIII
GENERAL PROVISIONS

- 12.1 Construction of this Agreement. Each Party, with the assistance of competent legal counsel, has participated in the drafting of this Agreement and any ambiguity should not be construed for or against any Party on account of such drafting.
- 12.2 Awareness of Contents/Legal Effect. The Parties expressly declare and represent that they have read the Agreement and that they have consulted with their respective counsel regarding the meaning of the terms and conditions contained herein. The parties further expressly declare and represent that they fully understand the content and effect of this Agreement and they approve and accept the terms and conditions contained herein, and that this Agreement is executed freely and voluntarily.
- 12.3 Counterparts. This Agreement may be executed in counterparts. This Agreement shall become operative as soon as one counterpart hereof has been executed by each Party. The counterparts so executed shall constitute an Agreement notwithstanding that the signatures of all Parties do not appear on the same page.

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

Dated:

Party: _____

By _____

EXHIBIT 4

BROWNSTEIN HYATT FARBER SCHRECK, LLP
21 East Carrillo Street
Santa Barbara, CA 93101

1 SCOTT S. SLATER (State Bar No. 117317)
MICHAEL T. FIFE (State Bar No. 203025)
2 AMY M. STEINFELD (State Bar No. 240175)
BROWNSTEIN HYATT FARBER SCHRECK, LLP
3 21 East Carrillo Street
Santa Barbara, CA 93101
4 Telephone No: (805) 963-7000
Facsimile No: (805) 965-4333
5
6 Attorneys For
CHINO BASIN WATERMASTER

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF SAN BERNARDINO

10 CHINO BASIN MUNICIPAL WATER
11 DISTRICT
12 Plaintiff,
13 vs.
14 CITY OF CHINO, ET AL.
15 Defendant.

Case No. RCV 51010
[Assigned for All Purposes to the
Honorable JOHN P. WADE]
WATERMASTER'S COMPLIANCE WITH
CONDITION SUBSEQUENT NUMBER
SEVEN; SUPPLEMENT TO CONDITION
SUBSEQUENT NUMBER FIVE
Hearing Date: February 2, 2009
Time: 9:30 AM
Dept.: S32

19 I.

20 INTRODUCTION

21 The Court's December 21, 2007 *Order Concerning Motion for Approval of Peace II*
22 *Documents* required Watermaster to satisfy nine conditions subsequent. At the November 13, 2008
23 hearing, this Court approved Conditions Subsequent Number One through Six. Condition
24 Subsequent Number Seven requires Watermaster to submit to the Court for approval a revised
25 schedule of the drawdown of the re-operation account, which submittal shall include a reconciliation
26 of new yield and stormwater estimates for 2000/01 through 2006/07, and a discussion of how
27 Watermaster will account for unreplenished overproduction for that period. The substance of this
28

1 response is contained in the November 12, 2008 letter report from Watermaster's consulting
2 hydrologist Mr. Wildermuth attached to this pleading as Exhibit "A."

3 This report was approved unanimously by the three pool committees, the Advisory
4 Committee and the Board. Watermaster is not aware of any opposition to its filing and request for
5 Court's approval.

6 Moreover, at the February 2, 2009 hearing, Watermaster will present evidence concerning
7 the nature of the Chino Basin and the history of management of the Basin, including current
8 management of the Basin under the Peace II Measures.¹ These issues also form the background of
9 the required reporting under Condition Subsequent Number Seven. Because Watermaster intends to
10 address these issues in depth on February 2, 2009, this pleading will provide a summary of the issues
11 that serve as background to the Wildermuth report.

12 II.

13 BACKGROUND: REPLENISHMENT AND RECHARGE

14 Watermaster replenishes the water in the groundwater basin that is pumped in excess of the
15 Safe Yield or Operating Safe Yield. The Judgment identifies various sources of replenishment water,
16 including but not limited to imported water and recycled water. (Judgment Paragraph 49.) The
17 Judgment also identifies different methods of putting this replenishment water into the groundwater
18 basin, including but not limited to spreading the water into recharge basins to allow it to soak into
19 the ground, direct injection of the water into the basin, and in lieu procedures whereby pumping is
20 reduced and surface supplies are taken instead. (Judgment Paragraph 50.)

21 An additional source of water that can be used for replenishment purposes is the Santa Ana
22 River, which runs along the southern edge of the Chino Basin. Depending on groundwater
23 conditions in the Chino Basin, water from the Santa Ana River can soak through the bed of the River
24 and into the Chino Basin. It is one of the purposes of the Basin Re-Operation project – one of the
25 Peace II Measures – to induce such inflow in greater quantities. The quantities of water that were to
26 be induced from the River were contractually earmarked for production by the Chino Basin

27 _____
28 ¹ An outline of Watermaster's presentation will be provided to the parties and the Court in advance
of the February 2, 2009 hearing.

1 Desalters. (Peace Agreement Section 7.5(b).) This water, defined as "New Yield," could be
2 produced *without* triggering a replenishment obligation.

3 In addition, in 2003, Watermaster began the first phase of implementation of its Recharge
4 Master Plan with the construction of the Chino Basin Facilities Improvement Project ("CBFIP").
5 The CBFIP was a \$40 million project to improve the recharge facilities in the Chino Basin to
6 enhance their ability to recharge imported water, recycled water and stormwater. These recharge
7 basin improvements allow Watermaster to recharge additional replenishment water, and by capturing
8 additional amounts of stormwater, replenishment obligations are reduced. At the time
9 implementation of the CBFIP began, Watermaster committed to reconcile its estimates of new
10 stormwater recharge from the facilities with actual observed conditions every five years, with the
11 first such reconciliation to occur in 2008.

12 For several years, Watermaster used the best information available to provide accurate
13 estimates of the amount of water recharging the Basin from the Santa Ana River, and for the amount
14 of new stormwater that the CBFIP was likely to capture. For the period of 2000/01 to 2006/07,
15 Watermaster estimated that 29,070 acre-feet of New Yield flowed into the Chino Basin from the
16 Santa Ana River and thus this quantity of groundwater production through the Chino Basin Desalters
17 did not need to be replenished. (Peace Agreement Section 7.5(b).)

18 In addition, for the first five years of operation of the CBFIP, Watermaster had expected that
19 12,000 acre-feet per year of New Yield attributable to stormwater would be captured. A
20 corresponding quantity of groundwater production occurred without incurring a replenishment
21 obligation. (Peace Agreement Section 1.1 (aa).)

22 23 III.

24 COMPLIANCE WITH CONDITION SUBSEQUENT NUMBER SEVEN

25 During the process leading up to the December 21, 2007 Order, a new technical analysis
26 completed under the direction of Watermaster indicated that previous estimates of the amount of
27 water flowing into the groundwater basin from the Santa Ana River had been overstated. In fact, the
28

1 new analysis indicated that inflow from the River had not started, and would not start until
2 Watermaster could implement the measures ultimately approved by the Court.

3 Separately, after the first five years of operation of the CBFIP, actual experience with the
4 improved facilities and technical review indicates that the amount of additional stormwater that was
5 actually captured was less than previously estimated.

6 The attached letter technical report from Mr. Wildermuth explains the way in which
7 Watermaster will account for the overestimate of inflow from the Santa Ana River and the
8 overestimate of new stormwater capture in a manner consistent with the Judgment. In summary,
9 Watermaster will account for the overestimate of the Santa Ana River inflow for the period of
10 2000/01 through 2006/07 by deducting this amount from the schedule of court authorized drawdown
11 from the Basin Re-Operation account instead of replenishing the water.

12 A new proposed table reflecting this change is attached to Mr. Wildermuth's technical report
13 as Table 3. This table is the revised schedule which is intended to replace the corrected initial
14 schedule referenced in the Court's December 21, 2007 Order. (Order, page 8, line 17; See Peace II
15 Agreement Section 7.2(e)(i) and (e)(ii).) In the opinion of the author of the technical report, Mr.
16 Wildermuth, debiting the Basin Re-Operation account is the superior management strategy. No
17 party objects to this view.

18 With regard to stormwater capture, Watermaster will account for the overestimate of new
19 stormwater capture according to procedures already agreed upon in April 2003 for this purpose.
20 These procedures are described on page four of Mr. Wildermuth's report. Watermaster will credit no
21 water for the new stormwater capture for the next five years until the overestimate has been
22 mitigated, and after that Watermaster will credit 6,000 acre-feet a year for the stormwater capture,
23 unless subsequent analysis over the next five years indicates that a different number should be used.

24 This method of correcting for the overestimate of Santa Ana River inflow and new
25 stormwater recharge is protective of the groundwater Basin, consistent with the Judgment and prior
26 Orders of the Court, and is not opposed by any party. Watermaster therefore respectfully requests the
27 Court to approve this submission in satisfaction of Condition Subsequent Number Seven.
28

BROWNSTEIN HYATT FARBER SCHRECK, LLP
21 East Carrillo Street
Santa Barbara, CA 93101

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IV.

SUPPLEMENT TO CONDITION SUBSEQUENT NUMBER FIVE

Condition Subsequent Number Five required Watermaster to submit a detailed outline of its Recharge Master Plan update to the Court by July 1, 2008, and to report on its progress toward completing the updated Recharge Master Plan by January 1, 2009 and July 1, 2009.

Watermaster submitted its outline by the required date. No party objected to the outline, and the Court approved it at the November 13, 2008 hearing. Attached to this pleading as Exhibit "B" is an updated schedule showing all of the items described or required by the outline, and a projected period of completion for each. According to this schedule, Watermaster is on track to complete the update to the Recharge Master Plan by the July 1, 2010 date required by Condition Subsequent Number Eight.

This schedule was approved unanimously by the three pool committees, the Advisory Committee and the Board. Watermaster knows of no opposition to this schedule. The December 21, 2007 Order does not require Court approval for this schedule.

Dated: December 23, 2008 **BROWNSTEIN HYATT FARBER SCHRECK, LLP**

By: *Scott S. Slater*
Scott S. Slater
Michael T. Fife
Attorneys for CHINO BASIN WATERMASTER

SB 491715 v1:008350.0001

SB 493057 v1:008350.0001

Exhibit A



WILDERMUTH™
ENVIRONMENTAL INC.

November 13, 2008

Chino Basin Watermaster
Attention: Kenneth R. Manning
Chief Executive Officer
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Subject: Response to Condition Subsequent Number 7

Dear Mr. Manning:

Pursuant to your request, Wildermuth Environmental, Inc. (WEI) reviewed the December 20, 2007 Special Referee's Report and the Honorable Judge Gunn's December 21, 2007 Court Order with regard to Condition Subsequent No. 7 (CS7). Specifically, you asked WEI to develop and recommend a response to CS7 for the Watermaster's consideration and use in the Watermaster's response to the Court. Our review and recommendations are summarized below.

Condition Subsequent No. 7

CS7 reads:

By December 31, 2008, Watermaster shall prepare and submit to the Court for approval a revised schedule to replace the initial corrected schedule, which submittal shall include a reconciliation of new yield and storm water estimates for 2000/01 through 2006/07, and a discussion of how Watermaster will account for un-replenished overproduction for that period.

There are two issues posed by the CS7. The first issue relates to under-replenishment of the Chino Basin desalters during the 2000/01 through 2006/07 period. The following questions need to be answered to resolve this issue:

- What was the magnitude of said under-replenishment?
- How will the Watermaster fulfill the replenishment obligation?

The second issue relates to how Watermaster accounts for the new yield created by the operation of the recently constructed recharge improvements, referred to as the Chino Basin Facilities Improvement Program (CBFIP). To resolve this issue, the following questions need to be answered:

- What was the volume of storm water recharge over the 2000/01 through 2006/07 period?
- What part of this recharge is "new" and how will the Watermaster account for this new recharge?

Under-Replenishment of the Chino Desalters During the 2000/01 through 2006/07

The *Chino Basin Water Resources Management Study* (MW, 1993) and the subsequent early desalter engineering studies used groundwater flow models to evaluate groundwater basin response to desalter proposals and concluded that the inducement of new Santa Ana River inflow to the Chino Basin would occur from the then proposed Chino desalters. Subsequent investigations during the development of the Optimum Basin Management Program (OBMP) produced a similar result. One of the conditions necessary to generate new yield with the desalters is to assume that new yield will occur and to conduct replenishment operations with that assumption. At the time of the desalter startup, around 2000, WEI used Watermaster's *Rapid Assessment Model* (RAM) of the Chino Basin to determine how much new yield could be obtained from the Santa Ana River. (RAM is a steady state model that produces an equilibrium response to any prescribed groundwater management plan.) Through the application of RAM, it was determined that Watermaster should assume that about half of the desalter production would come from the River.

Our current models are, by contrast, very detailed transient models. The recent modeling work done for the Peace II process suggests a very different answer for the new yield associated with the desalters and the reoperation authorized by the Peace II Agreement. In analyzing future reoperation alternatives, it was determined that the induced Santa Ana River recharge lagged the dedication of groundwater storage to desalter replenishment by several years. Table 1 shows the Initial Corrected Schedule¹ referred to in CS7. The planning simulation for this schedule started in July 2006. This table contains the estimated new yield from the Santa Ana River and the time history of withdrawals from the reoperation accounts used to satisfy the desalter replenishment obligation. Note that new yield from the river appears to start in fiscal year 2011/12 and rises to about 5,000 acre-ft/yr by 2021/2022. The column titled "Residual Replenishment Obligation" is the desalter replenishment obligation that must be satisfied through either physical recharge, other sources provided for in the Peace II Agreement, water acquired from other storage accounts, or a combination of these sources. One of the take aways from Table 1 is that the induced Santa Ana River recharge originally projected to occur in the 2000/01 through 2006/07 period did not occur.

Table 2 shows desalter production during the 2000/01 through 2006/07 period, which totals to about 91,200 acre-ft. This production must be fully replenished. The table shows that 36,400 acre-ft of replenishment obligation was provided by the Desalter Account, that 25,700 acre-ft was provided by the CDA reoperation account, and that about 29,100 acre-ft was provided projected new Santa Ana River recharge. However, as mentioned above, the new modeling results strongly suggest that new Santa Ana River recharge did not occur; thus, there is an outstanding replenishment obligation of about 29,100 acre-ft.

There are four water sources that can be used to make up the outstanding replenishment obligation, including 1) physical (wet-water) recharge with supplemental water, 2) a debit from the non-Western Municipal Water District (WMWD) reoperation account², 3) other sources provided for in the Peace

¹ The term *Initial Corrected Schedule* refers to the specific schedule of desalter production, projected new yield, use of reoperation water for desalter replenishment, and other desalter replenishment that was requested by the Court during the Peace II process.

² It is likely that the WMWD will become a member of the CDA before the end of 2008. The WMWD reoperation account refers to the water in storage that is dedicated to desalter capacity that will be constructed by the WMWD

II Agreement, 4) water acquired from other storage accounts, or a combination of these sources. Physical recharge is the least desirable alternative because it will retard the projected buildup in new yield (as shown in Table 1), it works counter to hydraulic control, and it will come at a great cost. Figure 1 shows the time history of projected Santa Ana River recharge attributed to desalter production with reoperation and the estimated retardation of the projected buildup in new yield if the 29,100 acre-ft were replenished with physical recharge. A better approach is acquire the replenishment water either from the non-WMWD reoperation account, other sources provided for in the Peace II Agreement, other water from existing storage accounts if available, or a combination thereof. Table 3 presents a modified version of the Initial Corrected Schedule, extended back to fiscal 2000/01, that shows historical and projected desalter production, projected new yield, the time history of withdrawals from the Desalter Account, projected withdrawals from the reoperation accounts, and the historical and projected residual replenishment obligation. In this schedule, it was assumed that the Watermaster would debit the non-WMWD reoperation account in fiscal 2009/10; although it could be done this year as well. If the replenishment water was supplied from the non-WMWD reoperation account, the non-WMWD reoperation account would be depleted one year earlier than initially projected in Table 1.

Reconciliation of Storm Water Recharge for the 2000/01 through 2006/07 Period

In addition to the new yield created by new Santa Ana River recharge, the Peace Agreement provides for new yield created by new storm water recharge. New storm water recharge refers to the additional storm water recharge that results from the CBFIP and subsequent storm water recharge enhancements. New storm water recharge is equal to the total volume of storm water recharge minus the storm water recharge that would have occurred without the CBFIP and subsequent storm water recharge enhancements.

The CBFIP was mostly completed during fiscal 2004/05. The Inland Empire Utilities Agency (IEUA) managed CBFIP construction and currently operates the CBFIP facilities. These facilities are operated pursuant to an agreement between the Watermaster, the IEUA, the Chino Basin Water Conservation District, and the County of San Bernardino. The IEUA collects data and prepares storm water recharge estimates for each of the recharge basins in the Chino Basin. The IEUA reviews its calculations with the Groundwater Recharge Coordinating Committee and provides the final estimates to the Watermaster. Recently, we developed pre-CBFIP storm water recharge estimates for use in our groundwater modeling work for both the Peace II Agreement and, more recently, the material physical injury analysis of the Dry Year Yield Program Expansion. The WEI and IEUA estimates are provided in Table 4. The recharge facility locations are shown in Figure 2.

In contrast to the new yield developed by the desalters, the new recharge from recharge improvements varies significantly from year to year as a function of precipitation, storm water management practices, and the state of the recharge facilities. In 2003, Watermaster investigated two methods for computing new storm water recharge. The first method involves preparing estimates of the long-term average annual storm water recharge with and without the CBFIP and calculating the new yield as the difference. Modeling tools would be used to estimate recharge, and

and will be exclusively available to the WMWD. The non-WMWD reoperation account refers to the other water in the reoperation account.

the new yield estimate would be refined over time if historical observations demonstrated that the assumptions, data, and/or models needed to be refined. With this approach, the new yield estimate is more stable over time, providing certainty to the members of the Appropriative Pool. Moreover, the yield of the Chino Basin is based on recharge components, some of which are highly variable over time (stormwater recharge and the deep percolation of precipitation), yet the yield is a constant value. This occurs because the Chino Basin is a large storage reservoir that buffers the effects of wet and dry periods. The use of a long-term average annual estimate of new recharge is consistent with the notion of the safe yield of the Chino Basin and other basins that are managed to a safe yield.

The second method would be to estimate actual recharge annually, based on observed data, and what would have recharged had the CBFIP not been implemented. The difference would equal the new yield. With this approach, the new yield estimate would be highly variable over time.

In April 2003, Watermaster adopted the first approach. The procedures for implementing this approach are as follows:

1. The volume of recharge provided by the pre-CBFIP facilities was assumed to be 5,600 acre-ft/yr (baseline) per the Peace Agreement implementation plan.
2. Assumptions were made about the additional recharge that would result from the CBFIP.
3. It was assumed that the CBFIP would produce a long-term average new recharge of 12,000 acre-ft/yr.
4. This assumed long-term average recharge (12,000 acre-ft/yr) would be used for the first five years of new recharge facility operations.
5. Each year, the performance characteristics and actual additional recharge would be determined.
6. At the end of five years, a new long-term average estimate of new recharge would be computed, based on the actual performance characteristics of the facilities.
7. Any credit or debit that results from the initial estimate of additional recharge being too low or high, respectively, would be spread evenly over the next five-year period.
8. Repeat items 5 through 7 every five years.

This process started in fiscal 2004/05; thus, the five-year period will end in June 2009. The Watermaster is charged with developing a new long-term average recharge estimate using the recharge monitoring and performance data collected by the IEUA. The Watermaster should be able to prepare this estimate by the end of August 2009 and will then be in a position to execute step 7 listed above. Table 5 and Figure 3 show how such a calculation will be performed. In this example, the initial long-term average of new recharge was assumed to be 12,000 acre-ft/yr through 2008/09. A new long-term average of new recharge of 6,000 acre-ft/yr is computed in the summer of 2009 and is used for the next five years. Note that this estimate of new storm water recharge means that the Watermaster overestimated new storm water recharge by 6,000 acre-ft/yr for the first five years, resulting a cumulative overestimate of 30,000 acre-ft through the end of 2008/09. This overestimate is debited from the new recharge estimates for the 2009/10 through 2013/14 period and, in this example, results in a new recharge credit of zero acre-ft/yr through 2013/14. And, the initial overestimate is completely debited from the appropriators.

Recommended Responses to CS7

In response to the questions posed by CS7 as they relate to the under-replenishment of the Chino Basin desalters during the 2000/01 to 2006/07 period, our recommended answers are as follows:

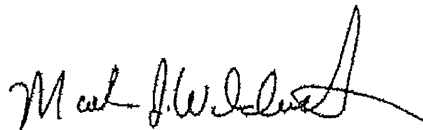
1. What was the magnitude of the desalter under replenishment during this period? The estimated under-replenishment is 29,070 acre-ft as shown in Table 2 and is numerically equal to the projected new Santa Ana River recharge.
2. How will Watermaster fulfill the replenishment obligation? Our recommendation is that Watermaster use either water from the non-WMWD reoperation account, other water that it can acquire from sources provided for in the Peace II Agreement, water acquired from other storage accounts, or a combination of these sources. Physical recharge will retard full acquisition of hydraulic control and will lead to reduced Santa Ana River recharge of about 5,000 acre-ft through 2030. There are no hydrologic or economic advantages to replenishing with physical recharge, only disadvantages.

In response to the questions posed by CS7 as they relate to the reconciliation of the new storm water recharge, our recommended answers are as follows:

1. What was the storm water recharge over the 2000/01 through 2006/07 period? The volume of storm water recharged during this period is provided in Table 4. The period through 2003/04 represents the pre-CBFIP period, as does the first part of the fiscal 2004/05. Thereafter, the storm water recharge totals include new storm water recharge.
2. What part of this recharge is "new" and how will the Watermaster account for this new recharge? The Watermaster will use the process described above, specifically steps 6 and 7, to account for new recharge. Watermaster will perform its first reconciliation in fiscal 2009/10 pursuant to the new storm water recharge policy it adopted in April 2003.

Please call me if you have any questions or need further assistance.

Wildermuth Environmental, Inc.



Mark J. Wildermuth
Chairman

cc.
Sheri Rojo, Chino Basin Watermaster
Ben Pak, Chino Basin Watermaster
Scott Slater, Brownstein Hyatt Farber Schreck
Michael Fife, Brownstein Hyatt Farber Schreck

Encl.

Table 1
Initial Corrected Schedule
(acre-ft)

Fiscal Year	Desalter Pumping	New Yield	Re-Operation			Residual Replenishment Obligation
			Replenishment Allocation for Desalter III	Replenishment Allocation to CDA	Balance	
					400,000	0
2006 / 2007	26,350	0	0	26,350	373,650	0
2007 / 2008	26,350	0	0	26,350	347,300	0
2008 / 2009	26,356	0	0	26,356	320,944	0
2009 / 2010	26,356	0	0	26,356	294,588	0
2010 / 2011	28,965	0	0	28,965	265,622	0
2011 / 2012	31,574	75	0	31,500	234,123	0
2012 / 2013	34,182	442	5,000	28,740	200,383	0
2013 / 2014	36,791	962	10,000	25,829	164,554	0
2014 / 2015	39,320	1,629	10,000	4,554	150,000	23,137
2015 / 2016	39,320	2,255	10,000	0	140,000	27,065
2016 / 2017	39,320	2,771	10,000	0	130,000	26,549
2017 / 2018	39,320	3,275	10,000	0	120,000	26,045
2018 / 2019	39,320	3,767	10,000	0	110,000	25,553
2019 / 2020	39,320	4,283	10,000	0	100,000	25,037
2020 / 2021	39,320	4,764	10,000	0	90,000	24,556
2021 / 2022	39,320	5,198	10,000	0	80,000	24,122
2022 / 2023	39,320	5,570	10,000	0	70,000	23,750
2023 / 2024	39,320	5,854	10,000	0	60,000	23,466
2024 / 2025	39,320	5,959	10,000	0	50,000	23,361
2025 / 2026	39,320	5,834	10,000	0	40,000	23,486
2026 / 2027	39,320	5,698	10,000	0	30,000	23,622
2027 / 2028	39,320	5,546	10,000	0	20,000	23,774
2028 / 2029	39,320	5,479	10,000	0	10,000	23,841
2029 / 2030	39,320	5,594	10,000	0	0	23,726
Totals	866,045	74,953	175,000	225,000		391,091

1 -- Note that the new yield projection shown above relates only to the storage reduction caused by the use of the reoperation water listed in this schedule. There was over 60,000 acre-ft of additional storage reduction that occurred during 2000/01 and 2005/06 that is not reflected in the new yield schedule. In the near future, Watermaster will determine the additional new yield created by the Pre Peace II reductions in storage and will include a new schedule for yield.

Table 2
Desalter Production and Replenishment 2000/01 through 2006/07
 (acre-ft)

Fiscal Year	Desalter Production	Desalter Replenishment		
		Initial Projection of SAR Recharge	Desalter (aka Kaiser) Account	Re-operation Account
2000/01	7,989	3,995	3,995	
2001/02	9,458	4,729	4,729	
2002/03	10,439	5,220	5,220	
2003/04	10,605	5,303	5,303	
2004/05	9,854	4,927	4,927	
2005/06	16,476	4,897	11,579	
2006/07	26,356	0	608	25,748
Totals	91,177	29,070	36,360	25,748

Table 3
Initial Corrected Schedule Updated to Show Desalter Replenishment Accounting and Santa Ana River Inflow
From 2000/01 through 2029/30, Shortfall Deducted from Non-WMWD Reoperation Account
 (acre-ft)

Fiscal Year	Desalter Pumping	New Yield ¹	Desalter Replenishment				Residual Replenishment Obligation
			Desalter (aka Kaiser) Account	Re-Operation		Balance	
				Replenishment Allocation for Desalter II	Replenishment Allocation to CDA		
2000 / 2001	7,989	0	3,995				3,995
2001 / 2002	9,458	0	4,729				4,729
2002 / 2003	10,439	0	5,220				5,220
2003 / 2004	10,605	0	5,303				5,303
2004 / 2005	9,854	0	4,927				4,927
2005 / 2006	16,476	0	11,579			400,000	4,897
2006 / 2007	26,356	0	608	0	25,748	374,252	0
2007 / 2008	26,356	0	0	0	26,356	347,896	0
2008 / 2009	26,356	0	0	0	55,426	292,470	-29,070
2009 / 2010	26,356	0	0	0	26,356	266,114	0
2010 / 2011	28,965	0	0	0	28,965	237,149	0
2011 / 2012	31,574	75	0	0	31,500	205,649	0
2012 / 2013	34,182	442	0	5,000	28,740	171,909	0
2013 / 2014	36,791	962	0	10,000	1,909	160,000	23,920
2014 / 2015	39,320	1,629	0	10,000	0	150,000	27,691
2015 / 2016	39,320	2,255	0	10,000	0	140,000	27,065
2016 / 2017	39,320	2,771	0	10,000	0	130,000	26,549
2017 / 2018	39,320	3,275	0	10,000	0	120,000	26,045
2018 / 2019	39,320	3,767	0	10,000	0	110,000	25,553
2019 / 2020	39,320	4,283	0	10,000	0	100,000	25,037
2020 / 2021	39,320	4,764	0	10,000	0	90,000	24,556
2021 / 2022	39,320	5,198	0	10,000	0	80,000	24,122
2022 / 2023	39,320	5,570	0	10,000	0	70,000	23,750
2023 / 2024	39,320	5,854	0	10,000	0	60,000	23,466
2024 / 2025	39,320	5,959	0	10,000	0	50,000	23,361
2025 / 2026	39,320	5,834	0	10,000	0	40,000	23,486
2026 / 2027	39,320	5,698	0	10,000	0	30,000	23,622
2027 / 2028	39,320	5,546	0	10,000	0	20,000	23,774
2028 / 2029	39,320	5,479	0	10,000	0	10,000	23,841
2029 / 2030	39,320	5,594	0	10,000	0	0	23,726
Totals	930,877	74,953	36,360	175,000	225,000		419,565

1 -- Note that the new yield projection shown above relates only to the storage reduction caused by the use of the reoperation water listed in this schedule. There was over 60,000 acre-ft of additional storage reduction that occurred during 2000/01 and 2005/06 that is not reflected in the new yield schedule. In the near future, Watermaster will determine the additional new yield created by the Pre Peace II reductions in storage and will include a new schedule for yield.

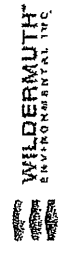
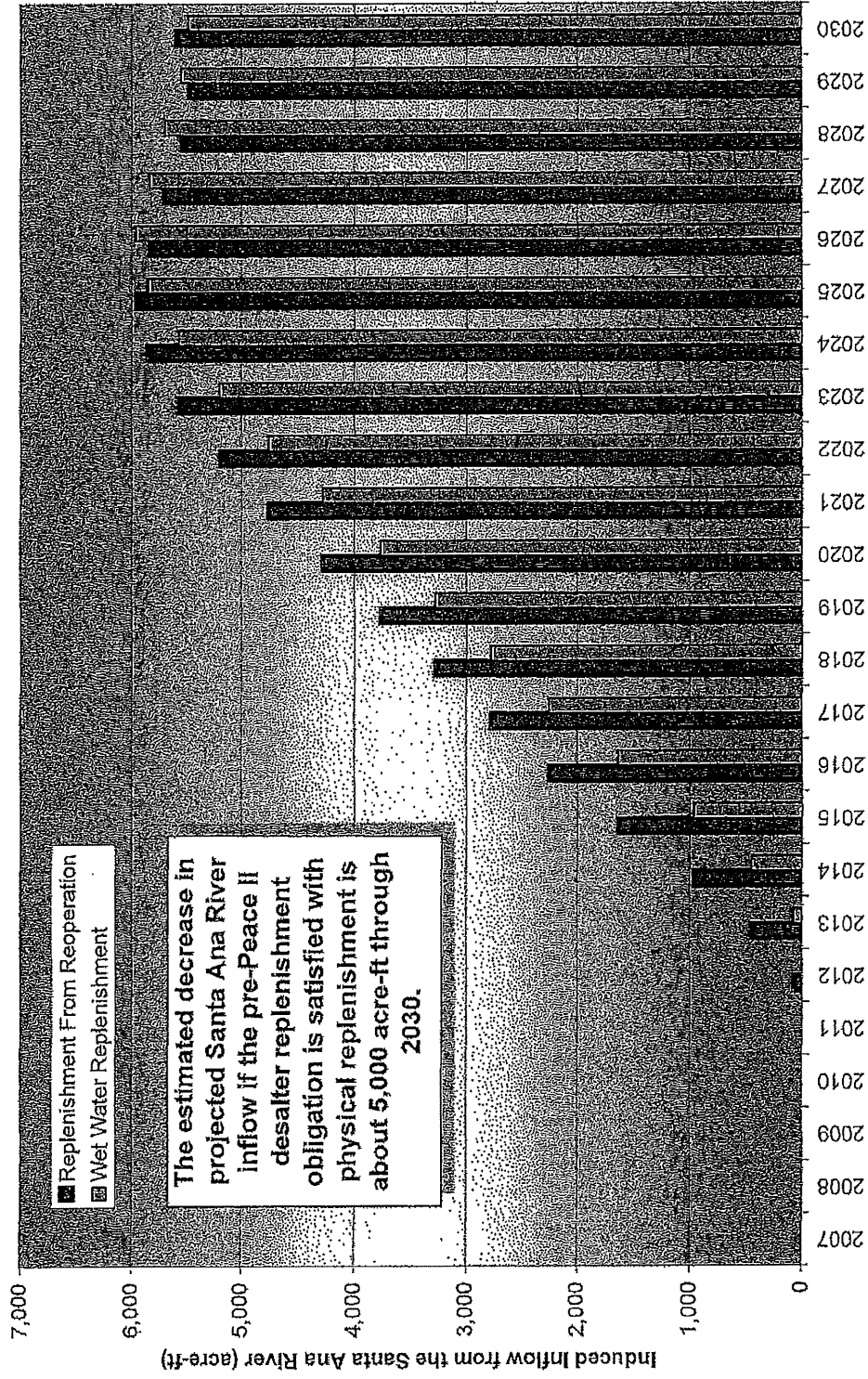
Table 4
Estimates of Historical Storm Water Recharge in the Chino Basin During the Peace Agreement Period
 (acre-ft)

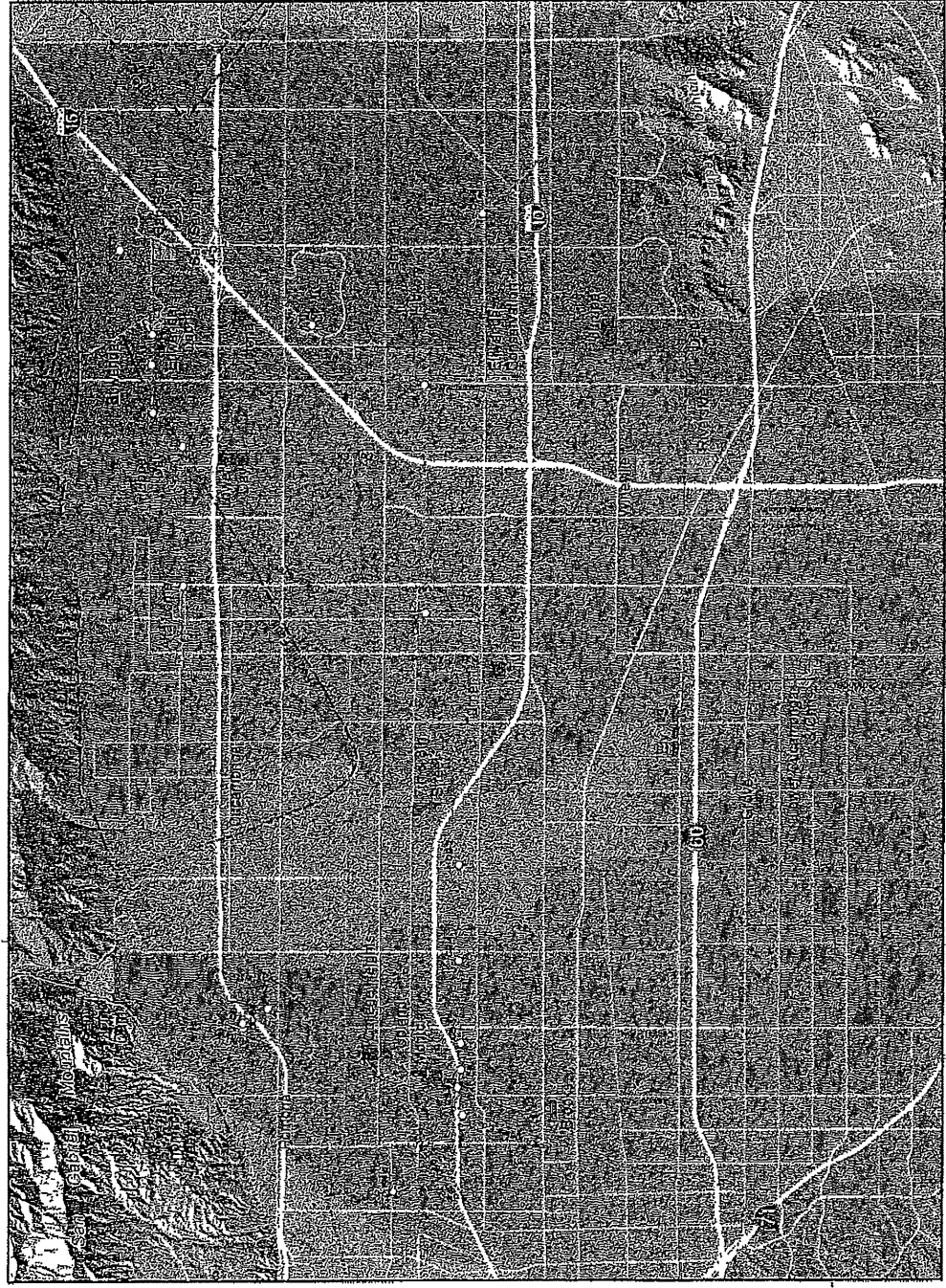
Channel/Recharge Basin	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
San Antonio Channel / CB-59								
College Heights East (MZ1)	0	0	0	0	0	0	1	171
College Heights West (MZ1)	0	0	0	0	0	108	0	1
Upland (MZ1)	572	94	910	397	989	214	195	312
Montclair 1, 2, 3, 4 (MZ1)	1,982	837	3,757	1,296	3,350	1,298	365	859
Brooks (MZ1)	794	133	1,276	563	1,775	524	205	475
West Cucamonga Channel								
15th Street (MZ1)	0	0	0	0	0	0	0	0
8th Street (MZ1)	0	0	0	0	240	918	398	959
7th Street (MZ1)	0	0	0	0	380	353	242	0
Ely 1 (MZ2)	605	446	575	567	2,010	1,409	631	1,603
Ely 2 (MZ2)	0	0	0	0	0	0	0	0
Ely 3 (MZ2)	0	0	0	0	0	122	0	0
Riverside Drive Drain								
Grove (MZ2)	0	0	0	0	0	133	106	326
Cucamonga/Deer Creek Ch / CB-11								
Turner 1 & 2 (MZ2)	167	100	192	0	452	1,870	250	1,166
Turner 3 & 4 (MZ2)	0	0	0	0	976	705	156	376
Day Creek Channel / CB-15								
Lower Day (MZ2)	0	0	0	0	2,798	624	78	303
Wineville (MZ3)	0	0	0	0	0	0	0	0
Riverside (MZ3)	0	0	0	0	0	0	0	0
Etowanda Channel / CB-14								
Etowanda Debris Basin (MZ2)	0	0	0	0	0	20	0	10
Victoria (MZ2)	0	0	0	0	0	330	260	427
Conservation Ponds (MZ3)	0	0	0	0	0	0	0	0
San Sevaine Channel / CB-13								
San Sevaine #1 (MZ2)	190	250	1,364	512	768	2,072	244	749
San Sevaine #2 (MZ2)	0	0	68	11	0	0	0	0
San Sevaine #3 (MZ2)	66	70	461	157	0	0	0	0
San Sevaine #4 & 5 (MZ2)	0	0	168	38	2,062	0	0	0
San Sevaine Reach (MZ3)	0	0	0	0	0	0	0	0
Jurupa (MZ3)	0	0	0	0	0	0	0	0
West Fontana Channel / CB-18								
Hickory (MZ2)	37	105	551	224	298	438	536	949
Banana (MZ3)	390	184	366	188	425	300	226	278
DeClez Channel								
RP3 Cell 1a (MZ3)	0	0	0	0	1,105	507	237	511
RP3 Cell 3b (MZ3)	0	0	0	0	0	260	565	0
DeClez (MZ3)	0	0	0	0	19	737	0	730
Total Recharge	4,803	2,218	9,688	3,973	17,648	12,940	4,746	10,205
Index Precipitation 1192 Cucamonga (inches)	16.58	7.96	21.6	11.67	33.87	3.15	5.86	14.71
Index Precipitation 2206 Fontana (inches)	12.39	4.52	17.3	7.67	27.6	12.09	4.52	12.35

Table 5
Example of New Storm Water Recharge Calculation
 (acre-ft)

Fiscal Year Ending	Pre CBFIP Recharge	Estimated Total Recharge	Projected New Storm Water Recharge	Over Estimate of New Recharge	Cumulative Over (Under) Estimate of New Recharge
2005	5,600	17,600	12,000	6,000	6,000
2006	5,600	17,600	12,000	6,000	12,000
2007	5,600	17,600	12,000	6,000	18,000
2008	5,600	17,600	12,000	6,000	24,000
2009	5,600	17,600	12,000	6,000	30,000
2010	5,600	11,600	0	0	24,000
2011	5,600	11,600	0	0	18,000
2012	5,600	11,600	0	0	12,000
2013	5,600	11,600	0	0	6,000
2014	5,600	11,600	0	0	0
2015	5,600	11,600	6,000	0	0
2016	5,600	11,600	6,000	0	0
2017	5,600	11,600	6,000	0	0
2018	5,600	11,600	6,000	0	0
2019	5,600	11,600	6,000	0	0
2020	5,600	11,600	6,000	0	0
2021	5,600	11,600	6,000	0	0
2022	5,600	11,600	6,000	0	0
2023	5,600	11,600	6,000	0	0
2024	5,600	11,600	6,000	0	0
2025	5,600	11,600	6,000	0	0
2026	5,600	11,600	6,000	0	0
2027	5,600	11,600	6,000	0	0
2028	5,600	11,600	6,000	0	0
2029	5,600	11,600	6,000	0	0
2030	5,600	11,600	6,000	0	0
Totals	145,600	331,600	156,000	30,000	na
Estimated Total Recharge					<u>331,600</u>
Pre Improvement Recharge				-	145,600
Over Estimate of New Recharge				-	30,000
Assumed New Recharge				=	<u>156,000</u>

Figure 1
The Effect of Desalter Replenishment on Santa Ana River Inflow





Recharge Basins (Symbolized by Improvements)

- Chino Basin Facilities Improvement Project
- Improvement By Others
- No Improvements

Imported Water Facilities

- Service Connection/Turnout
- Imported Water Pipeline

Drainage Areas

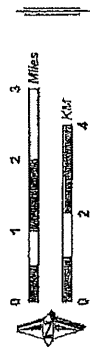
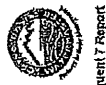
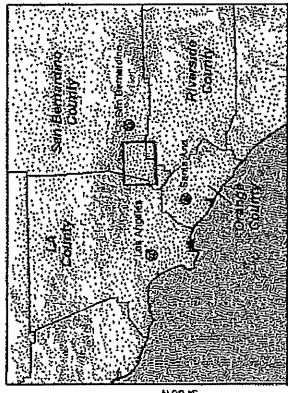
- San Antonio Creek System
- West Cucamonga Creek System
- Cucamonga and Deer Creek Systems
- Lower Cucamonga Creek System
- Dry Creek System
- San Savatna and Etwards Creek Systems

Other Features

- Rivers, Creeks, and Flood Control Channels

Faults

- Location Certain
- Location Approximate
- Location Concealed
- Location Uncertain



Author: AGM
Date: 2/28/12
File: Figure_2.mxd

Prepared by:
WILDMOUTH
23832 Wilshire Drive
Van Nuys, CA 91411
818-782-2850
www.wildmouth.com

Groundwater Recharge and Imported Water Facilities

Figure 2

Condition Subsequent 7 Report

Figure 3
Example Comparison of Projected and Actual New Recharge

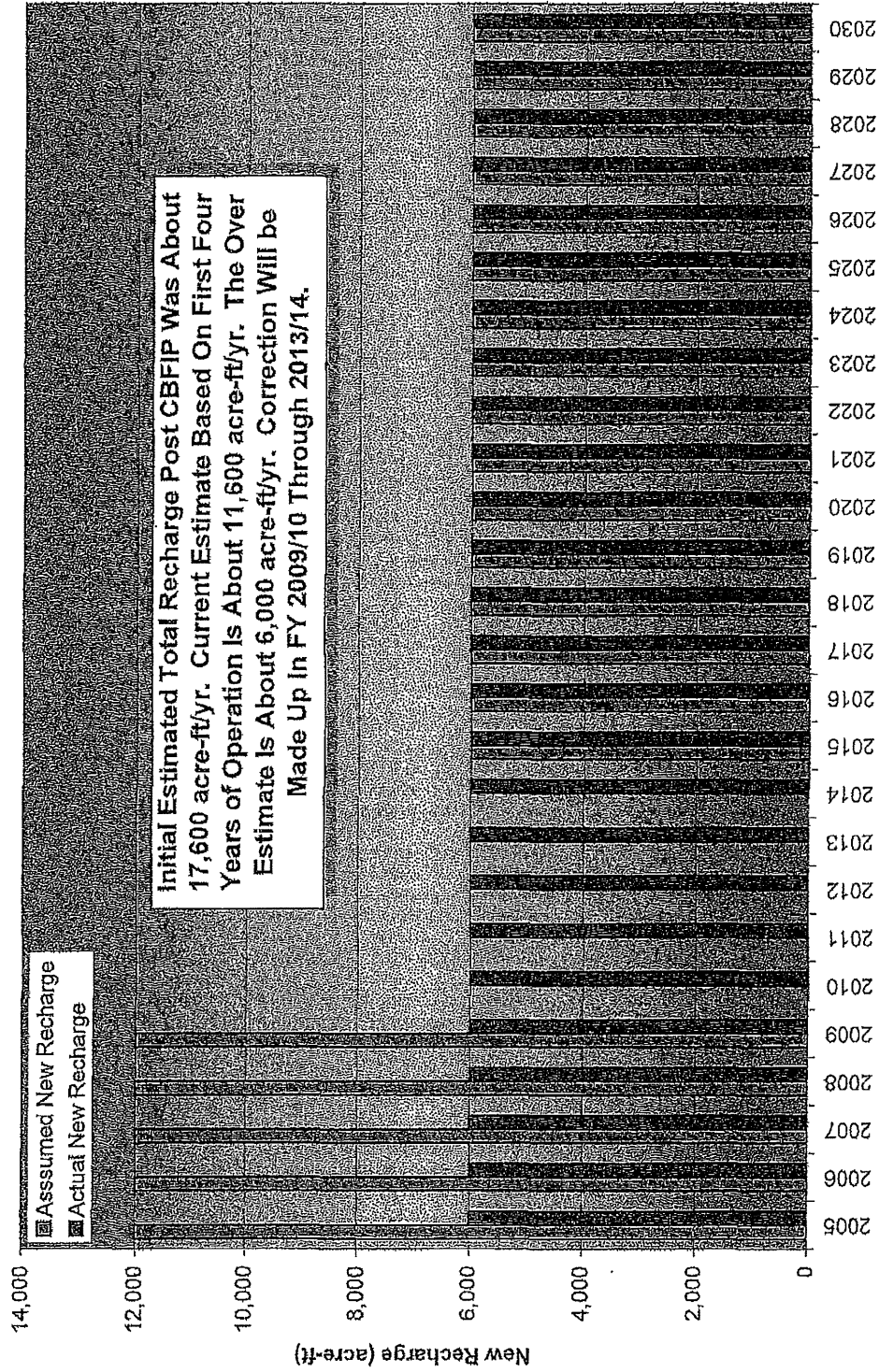


Exhibit B

**Exhibit B
Recharge Master Plan Update
Chino Basin Watermaster**

ID	Task No.	Whom	Task Name	Duration	Start	Finish	Predecessors
1	1	WEI	Project Management	565 days?	Tue 7/1/08	Fri 9/3/10	
2	1.1	WEI	Preparation of Project Control Plan	66 days?	Tue 7/1/08	Tue 9/30/08	
3	1.3	WEI	Administration and Preparation of Monthly Progress Reports	476 days	Wed 10/1/08	Tue 8/3/10	
4	1.4	WEI	Coordination of Meetings, Meetings, and Preparation of Minutes	476 days	Wed 10/1/08	Tue 8/3/10	
5	1.5	WEI	Web Site Management	476 days	Mon 1/13/08	Fri 9/3/10	
6	2		Collect, Compile and Review Data and Reports	70 days	Wed 10/1/08	Mon 1/12/09	
7	3		Develop Planning Criteria	58 days	Mon 1/5/09	Wed 3/25/09	
8	3.1	WEI	Complete Judgment, Peace Agreement and Court Order Requirements	2 days	Mon 1/5/09	Tue 1/5/09	
9	3.2	CBW/EP	Complete Storm Water Management Requirements	23 days	Mon 1/5/09	Wed 2/4/09	
10	3.3	BAV	Complete Design Requirements for Wells, Conveyances, Storage and Treatment Facilities	23 days	Mon 1/5/09	Wed 2/4/09	
11	3.4	WEI	Complete Siting Requirements for Recharge	23 days	Mon 1/5/09	Wed 2/4/09	
12	3.5	WEI	Complete Robustness Requirements	23 days	Mon 1/5/09	Wed 2/4/09	
13	3.6	WEI	Complete Regulatory Requirements	23 days	Mon 1/5/09	Wed 2/4/09	
14	3.7	BAV	Develop Cost Estimating Methodology and Financial Criteria	23 days	Mon 1/5/09	Wed 2/4/09	
15	3.8	WEI	Prepare Draft Section 2 of Project Report	35 days	Thu 2/5/09	Wed 3/25/09	
16	3.8.1	WEI	Prepare Draft Section 2 of Project Report	10 days	Thu 2/5/09	Wed 2/18/09	10,11,12,13,14,15
17	3.8.2	WEI	Review Draft Section 2 with Stakeholders	20 days	Thu 2/19/09	Wed 3/18/09	18
18	3.8.3	WEI	Incorporate Comments and Finalize Draft Section 2	5 days	Thu 3/19/09	Wed 3/25/09	19
19	4		Task 4 Characterize How Landuse Decisions and Storm Water Management Affect Safe Yield	170 days?	Mon 1/13/08	Thu 7/2/09	
20	4.1		Develop Methodology to Estimate Safe Yield	41 days?	Mon 1/5/09	Mon 3/2/09	
21	4.1.1	WEI	Complete Definitions	10 days	Mon 1/5/09	Fri 1/16/09	
22	4.1.2	WEI	Computational Procedures	11 days	Mon 1/19/09	Mon 2/2/09	24
23	4.1.3	WEI	Data Requirements	2 days	Tue 2/3/09	Wed 2/4/09	25
24	4.1.4	WEI	Base Period	2 days	Thu 2/5/09	Fri 2/6/09	26
25	4.1.5	WEI	Area of Interest	3 days	Mon 2/9/09	Wed 2/11/09	27
26	4.1.6	WEI	Safe Yield Estimate in the 1978 Judgment	1 day	Thu 2/12/09	Thu 2/12/09	28
27	4.1.7	WEI	Safe Yield Estimate in the 2008 Peace II Report	1 day	Fri 2/13/09	Fri 2/13/09	29
28	4.1.8	WEI	Evaluation of Methods	19 days	Mon 2/16/09	Fri 2/27/09	30
29	4.1.9	WEI	Recommend Method	1 day?	Mon 3/2/09	Mon 3/2/09	31
30	4.2	WEI	Refine and Validate Landuse Maps for Current and Ultimate Development Conditions	58 days	Mon 1/13/08	Tue 1/27/09	
31	4.3	WEI	Determine How Landuse and Storm Water Recharge Decisions Affect Safe Yield	135 days	Mon 1/13/08	Thu 5/14/09	
32	4.3.1	WEI	Update WJAM and Watermaster Models Assumptions and Input Files	60 days	Mon 1/13/08	Thu 1/29/09	
33	4.3.2	WEI	Run Models and Estimate Safe Yield	30 days	Fri 1/30/09	Thu 3/12/09	35,36,33,43,44
34	4.3.3	WEI	Characterize Hydrologic Components of Safe Yield	10 days	Fri 3/13/09	Thu 3/26/09	36
35	4.3.4	WEI	Estimate Recharge from the Deep Percolation of Precipitation and Applied Water	0 days	Thu 3/26/09	Thu 3/26/09	37
36	4.3.5	WEI	Estimate Recharge in Stream Channels and Existing Storm Water Recharge Facilities	0 days	Thu 3/26/09	Thu 3/26/09	37
37	4.3.6	WEI	Run Sensitivity Analysis	20 days	Fri 3/27/09	Thu 4/23/09	37
38	4.3.7	WEI	Describe Low Impact Development Scenarios for Recent and Future Developments	10 days	Fri 4/24/09	Thu 5/7/09	40
39	4.3.8	WEI	Describe How Land Use Decisions Affect Safe Yield	5 days	Fri 5/8/09	Thu 5/14/09	41
40	4.3.9	WEI	Describe Existing Storm Water Recharge Facilities	60 days	Mon 1/13/08	Thu 1/29/09	

**Exhibit B
Recharge Master Plan Update
Chino Basin Watermaster**

ID	Task No.	Whom	Task Name	Duration	Start	Finish	Predecessors
44	4.3.10	WE	Describe Historical Storm Water Management Operations -- Theoretical and Actual Run Sensitivity Analysis to Determine How Storm Water Recharge Decisions Affect Safe Yield	60 days	Mon 11/3/08	Thu 1/29/09	
45	4.3.11	WE		15 days	Fri 3/27/09	Thu 4/16/09	37,43,44
46	4.3.12	WE	Describe How Storm Water Recharge Decisions Affect Safe Yield	5 days	Fri 4/17/09	Thu 4/23/09	45
47	4.4	WE		35 days	Fri 5/15/09	Thu 7/2/09	
48	4.4.1	WE	Prepare Draft Section 3 of Project Report	20 days	Thu 5/14/09	Thu 6/11/09	22,46
49	4.4.2	WE	Review Draft Section 3 with Stakeholders	10 days	Fri 6/12/09	Thu 6/25/09	48
50	4.4.3	WE	Incorporate Comments and Finalize Draft Section 3	8 days	Fri 6/26/09	Thu 7/2/09	48
51							
52	5		Conduct Initial Integrated Review of Water Demands and Water Supply Plans	112 days	Mon 10/13/08	Mon 3/23/09	
53	5.1		Prepare Initial Water Demands and Water Supply Plans	25 days	Mon 10/13/08	Fri 11/14/08	
54	5.1.1	IEUA	Prepare Initial Water Demands for the IEUA Service Area	10 days	Mon 11/3/08	Fri 11/14/08	
55	5.1.2	IEUA	Prepare Initial Water Demands for the TWMWD Service Area	10 days	Mon 11/3/08	Fri 11/14/08	
56	5.1.3	IEUA	Prepare Initial Water Demands for the WMMWD Service Area	10 days	Mon 11/3/08	Fri 11/14/08	
57	5.2	IEUA	Integrate Water Demands and Water Supply Plans	5 days	Mon 11/17/08	Fri 10/24/08	
58	5.3	WE	Project Replenishment Obligations	27 days	Mon 11/24/08	Fri 1/21/09	54,55,56
59	5.4	WE	Characterize the Ability to Replenish With Existing Resources Pursuant to the Judgment	35 days	Tue 1/6/09	Mon 1/5/09	57
60	5.4.1	WE	Characterize the Reliability of Supplemental Water Supplies	22 days	Tue 1/6/09	Wed 2/4/09	58
61	5.4.2	WE	Characterize the Availability of Existing Recharge Facilities	22 days	Tue 1/6/09	Wed 2/4/09	58
62	5.4.3	WE	Estimate the Time History of Replenishment Shortage/ Surplus	2 days	Thu 2/5/09	Fri 2/6/09	61,60
63	5.4.4	WE	Characterize How the Reliability of Supplemental Supplies Affects the CUPO	1 day	Mon 2/9/09	Mon 2/9/09	62
64	5.4.5	WE	Describe Potential for Pre-emptive Replenishment	22 days	Tue 1/6/09	Wed 2/4/09	58
65	5.4.6	WE	Define the Range of Recharge Capacity Required for Replenishment	5 days	Tue 2/10/09	Mon 2/16/09	63
66	5.4.7	WE	Define Supplemental Recharge Capacity Requirements for Non Replenishment Purposes	5 days	Tue 2/17/09	Mon 2/23/09	65
67	5.5	WE	Prepare Section 4 of Project Report	20 days	Tue 2/24/09	Mon 3/23/09	
68	5.5.1	WE	Prepare Draft Section 4 of Project Report	5 days	Tue 2/24/09	Mon 3/23/09	
69	5.5.2	WE	Review Draft Section 4 with Stakeholders	10 days	Tue 3/3/09	Mon 3/16/09	68
70	5.5.3	WE	Incorporate Comments and Finalize Draft Section 4	5 days	Tue 3/17/09	Mon 3/23/09	69
71							
72	6		Describe Storm Water Recharge and Recharge Enhancement Opportunities	149 days	Tue 12/9/08	Thu 7/9/09	
73	6.1		Describe Existing Storm Water Management and Recharge	74 days	Tue 12/9/08	Thu 3/26/09	
74	6.1.1	CBWCD	Describe Regional and Local Policies Related to Storm Water Management and Recharge	24 days	Mon 1/5/09	Thu 2/5/09	
75	6.1.2	CBWCD	Describe Regional Storm Water Management and Recharge Facilities	38 days	Tue 12/9/08	Thu 2/5/09	
76	6.1.3	CBWCD	Describe Local Storm Water Management and Recharge Facilities	38 days	Mon 1/5/09	Wed 2/25/09	
77	6.1.4	WE	Estimate the Expected Storm Water Recharge with Existing Practices and Facilities	21 days	Thu 2/26/09	Thu 3/26/09	75,76
78	6.2		Identify Potential Storm Water Management Projects	79 days	Mon 1/5/09	Thu 4/23/09	
79	6.2.1	CBWCD	Describe Potential Regional Storm Water Recharge Projects	20 days	Fri 2/19/09	Thu 3/5/09	75
80	6.2.2	CBWCD	Describe Potential Local Storm Water Recharge Facilities	20 days	Thu 2/26/09	Wed 3/25/09	76
81	6.2.3	CBWCD	Identify and Recommend Potential Changes in Storm Water Management Policy to Increase Recharge	60 days	Mon 1/5/09	Fri 3/27/09	
82	6.2.4	WE	Estimate the Expected Increase in Storm Water Recharge for Each Potential New Recharge Facility	19 days	Mon 3/30/09	Thu 4/23/09	79,80,81
83	6.2.5	CBWCD	Estimate the Supplemental Water Recharge Capacity for Each Potential New Storm Water Recharge Facility	19 days	Mon 3/30/09	Thu 4/23/09	79,80,81

**Exhibit B
Recharge Master Plan Update
Chino Basin Watermaster**

ID	Task No.	Whom	Task Name	Duration	Start	Finish	Predecessors
84	6.3		Develop New Storm Water Recharge Alternatives	20 days	Fri 4/24/09	Thu 5/21/09	
85	6.3.1	CBWCD	Formulate Alternatives (Combinations of Facility and Associated Operating Plans)	10 days	Fri 4/24/09	Thu 5/7/09 83	
86	6.3.2	WEI	Estimate the Expected Increase in Storm Water Recharge for Each Alternative	10 days	Fri 5/8/09	Thu 5/21/09 85	
87	6.3.3	CBWCD	Prepare Cost Options for Each Alternative (Capital, O&M, Unit Cost)	10 days	Fri 5/8/09	Thu 5/21/09 85	
88	6.3.4	CBWCD	Describe Implementation Barriers	10 days	Fri 5/8/09	Thu 5/21/09 85	
89	6.3.5	CBWCD	Describe Policy Changes	10 days	Fri 5/8/09	Thu 5/21/09 85	
90	6.4		Prepare Section 5 of Project Report	55 days	Fri 4/24/09	Thu 7/9/09	
91	6.4.1	CBWCD	Prepare Draft Section 5 of Project Report	30 days	Fri 4/24/09	Thu 6/4/09 83	
92	6.4.2	CBWCD	Review Draft Section 5 with Stakeholders	20 days	Fri 6/5/09	Thu 7/2/09 91	
93	6.4.3	CBWCD	Incorporate Comments and Finalize Draft Section 5	5 days	Fri 7/3/09	Thu 7/9/09 92	
94							
95	7		Describe Supplemental Water Recharge and Supplemental Water Recharge Enhancement Opportunities	244 days	Wed 9/10/09	Fri 8/21/09	
96	7.1		Characterize Existing Supplemental Water Recharge Capacity	20 days	Mon 2/2/09	Fri 2/27/09	
97	7.1.1	B&V	Describe Regional Supplemental Water Recharge Facilities	20 days	Mon 2/2/09	Fri 2/27/09	
98	7.1.2	B&V	Describe Local Supplemental Water Recharge Facilities	20 days	Mon 2/2/09	Fri 2/27/09	
99	7.2	CBW-BP	Describe the Need for New Supplemental Water Recharge Capacity	20 days	Mon 2/23/09	Mon 2/23/09 65,66	
100	7.3		Identify New Supplemental Water Recharge Projects	165 days	Wed 9/10/08	Mon 5/4/09	
101	7.3.1	B&V	Describe Potential Regional Supplemental Water Recharge Projects	40 days	Mon 3/2/09	Fri 4/24/09 97,98	
102	7.3.2	B&V	Describe Potential Local Supplemental Water Recharge Facilities	40 days	Mon 3/2/09	Fri 4/24/09 97,98	
103	7.3.3	CBW-BP & B&V	Identify and Recommend Potential Changes in Supplemental Water Management Policy to Increase Recharge	20 days	Mon 4/27/09	Fri 5/22/09 101,102	
104	7.3.4	B&V	Estimate the Expected Increase in Supplemental Water Recharge for Each Potential New Recharge Facility	20 days	Mon 5/25/09	Fri 6/19/09 103	
105	7.3.5	B&V	Prepare Cost Options for Each Alternative (Capital, O&M, Unit Cost)	20 days	Mon 5/25/09	Fri 6/19/09 103	
106	7.3.6	CBW-BP & B&V	Describe Implementation Barriers	20 days	Mon 5/25/09	Fri 6/19/09 103	
107	7.4		Prepare Section 6 of Project Report	45 days	Mon 6/22/09	Fri 8/21/09	
108	7.4.1	CBW-BP & B&V	Prepare Draft Section 6 of Project Report	20 days	Mon 6/22/09	Fri 7/17/09 106	
109	7.4.2	CBW-BP & B&V	Review Draft Section 6 with Stakeholders	20 days	Mon 7/20/09	Fri 8/14/09 108	
110	7.4.3	CBW-BP & B&V	Incorporate Comments and Finalize Draft Section 6	5 days	Mon 8/7/09	Fri 8/21/09 109	
111	8		Integrate Storm and Supplemental Water Recharge Projects	121 days	Mon 8/17/09	Mon 2/1/10	
112	8.1	CBW-BP, B&V, WEI	Formulate Alternatives that Maximize Storm and Supplemental Water Recharge (Combinations of Facility and Associated Operating Plans)	10 days	Mon 8/17/09	Fri 8/28/09 92,109	
113	8.2	WEI	Characterize Groundwater Basin Response	40 days	Mon 8/31/09	Fri 10/23/09	
114	8.2.1	WEI	Simulate Recharge Operations with W/LAM and the Watermaster GW Models	30 days	Mon 8/31/09	Fri 10/9/09 113	
115	8.2.2	WEI	Characterize Groundwater Response and Safe Yield	10 days	Mon 10/12/09	Fri 10/23/09 115	
116	8.3		Financial Analysis	50 days	Mon 8/31/09	Fri 11/6/09	
117	8.3.1	WEI	Prepare Cost Options for Each Alternative (Capital, O&M, Unit Cost)	10 days	Mon 8/31/09	Fri 9/11/09 113	
118	8.3.2	CBW-BP & WEI	Forecast Watermaster Annual Assessments	10 days	Mon 10/26/09	Fri 11/6/09 118,119	
119	8.4	WEI	Describe Implementation Barriers for Each Alternative	5 days	Mon 11/9/09	Fri 11/13/09 116,119	
120	8.5	WEI	Describe Policy Changes for Each Alternative	5 days	Mon 11/9/09	Fri 11/13/09 116,119,119	
121	8.6	WEI	Rank Alternatives	31 days	Mon 11/16/09	Mon 12/28/09	
122	8.6.1	WEI	Prepare Matrix for the Alternatives and Ranking Criteria	10 days	Mon 11/16/09	Fri 11/27/09 116,118,119,120	
123	8.6.2	WEI	Score Each Alternative and Rank	10 days	Mon 11/30/09	Fri 12/11/09 123	

**Exhibit B
Recharge Master Plan Update
Chino Basin Watermaster**

ID	Task No.	Whom	Task Name	Duration	Start	Finish	Predecessors
125	8.6.3	WEI	Conduct Workshop to Review Ranking and to Obtain Stakeholder Input	10 days	Mon 12/14/09	Fri 12/25/09	124
126	8.6.4	WEI	Finalize Matrix and Ranking	1 day	Mon 12/28/09	Mon 12/28/09	125
127	8.7	WEI	Prepare Sections 7 and 8 of Project Report	25 days	Tue 1/29/10	Mon 2/1/10	
128	8.7.1	WEI	Prepare Draft Sections 7 and 8 of Project Report	10 days	Tue 1/29/10	Mon 1/11/10	126
129	8.7.2	WEI	Review Draft Sections 7 and 8 with Stakeholders	10 days	Tue 1/12/10	Mon 1/25/10	128
130	8.7.3	WEI	Incorporate Comments and Finalize Draft Sections 7 and 8	5 days	Tue 1/26/10	Mon 2/1/10	129
131	9	WEI	Conduct Final Integrated Review of Water Demands and Water Supply Plans	61 days	Tue 1/26/10	Tue 4/20/10	
132	9.1	WEI	Finalize Water Demands and Water Supply Plans	20 days	Tue 1/26/10	Mon 2/22/10	
133	9.1.1	IEUA	Finalize Water Demands for the IEUA Service Area	20 days	Tue 1/26/10	Mon 2/22/10	129
134	9.1.2	IEUA	Finalize Water Demands for the TWMWD Service Area	20 days	Tue 1/26/10	Mon 2/22/10	129
135	9.1.3	IEUA	Finalize Water Demands for the WAWWD Service Area	20 days	Tue 1/26/10	Mon 2/22/10	129
136	9.2	IEUA	Integrate Water Demands and Water Supply Plans	5 days	Tue 2/23/10	Mon 3/1/10	134, 135, 136
137	9.3	CSW, BP	Project Range of Future Replenishment Obligations	5 days	Tue 3/2/10	Mon 3/8/10	137
138	9.4	WEI	Characterize the Ability to Replenish With Existing and New Resources Pursuant to the Judgment	6 days	Tue 3/9/10	Tue 3/16/10	
139	9.4.1	WEI	Identify New Facilities and New Operating Plans Required for Supplemental Water Recharge	5 days	Tue 3/9/10	Mon 3/15/10	138
140	9.4.2	WEI	Forecast the Time History of Replenishment Shortage/ Surplus and the CURO	1 day	Tue 3/16/10	Tue 3/16/10	140
141	9.5	WEI	Prepare Section 9 of Project Report	25 days	Wed 3/17/10	Tue 4/20/10	
142	9.5.1	WEI	Prepare Draft Section 9 of Project Report	10 days	Wed 3/17/10	Tue 3/30/10	141
143	9.5.2	WEI	Review Draft Section 9 with Stakeholders	10 days	Wed 3/31/10	Tue 4/13/10	143
144	9.5.3	WEI	Incorporate Comments and Finalize Draft Section 9	5 days	Wed 4/14/10	Tue 4/20/10	144
145	10	WEI	Prepare Recharge Master Plan	75 days	Tue 1/26/10	Mon 5/10/10	
146	10.1	WEI	Describe New Recharge Projects to Meet Replenishment Obligations	5 days	Mon 3/16/10	Mon 3/22/10	140
147	10.2	WEI	Describe New Recharge Projects to Maximize Storm Water Recharge	5 days	Tue 1/26/10	Mon 2/1/10	129
148	10.3	WEI	Develop Schedule to Construct Recharge Improvements	10 days	Tue 3/23/10	Mon 4/5/10	148, 149
149	10.4	WEI	Describe Financing Alternatives	10 days	Tue 3/23/10	Mon 4/5/10	148, 149
150	10.5	WEI	Describe Monitoring Requirements	5 days	Tue 3/23/10	Mon 3/29/10	148, 149
151	10.6	WEI	Prepare Section 10 of Project Report	25 days	Tue 4/16/10	Mon 5/10/10	
152	10.7	WEI	Prepare Draft Section 10 of Project Report	10 days	Tue 4/16/10	Mon 4/19/10	150, 151, 152
153	10.7.1	WEI	Review Draft Section 10 with Stakeholders	10 days	Tue 4/20/10	Mon 5/3/10	154
154	10.7.2	WEI	Incorporate Comments and Finalize Draft Section 10	5 days	Tue 5/4/10	Mon 5/10/10	155
155	10.7.3	WEI	Prepare Final Report	51 days	Wed 4/21/10	Wed 6/30/10	
156	11	WEI	Prepare Draft Report Integrating the Work Products of Tasks 1 through 10	20 days	Wed 4/21/10	Tue 5/18/10	145
157	11.1	WEI	Review Draft	21 days	Wed 5/19/10	Wed 6/16/10	
158	11.2	WEI	Review Written Comments, Prepare Responses, Revise Report	15 days	Wed 5/19/10	Tue 6/8/10	159
159	11.2.1	WEI	Conduct Stakeholder Workshop	6 days	Wed 6/9/10	Wed 6/16/10	161
160	11.2.2	WEI	Finalize Report	10 days	Thu 6/17/10	Wed 6/30/10	162

CHINO BASIN WATERMASTER

Case No. RCV 51010

Chino Basin Municipal Water District v. The City of Chino

PROOF OF SERVICE

I declare that:

I am employed in the County of San Bernardino, California. I am over the age of 18 years and not a party to the within action. My business address is Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California 91730; telephone (909) 484-3888.

On December 23, 2008 I served the following:

1) WATERMASTER'S COMPLIANCE WITH CONDITION SUBSEQUENT NUMBER SEVEN; SUPPLEMENT TO CONDITION SUBSEQUENT NUMBER FIVE

BY MAIL: in said cause, by placing a true copy thereof enclosed with postage thereon fully prepaid, for delivery by United States Postal Service mail at Rancho Cucamonga, California, addresses as follows:
See attached service list: Mailing List 1


BY PERSONAL SERVICE: I caused such envelope to be delivered by hand to the addressee.

BY FACSIMILE: I transmitted said document by fax transmission from (909) 484-3890 to the fax number(s) indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting fax machine.

BY ELECTRONIC MAIL: I transmitted notice of availability of electronic documents by electronic transmission to the email address indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting electronic mail device.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on December 23, 2008 in Rancho Cucamonga, California.



Alexandra Perez
Chino Basin Watermaster

TERRY CATLIN
2344 IVY CT
UPLAND, CA 91784

KEN WILLIS
LEAGUE OF CA HOMEOWNERS
99 "C" STREET, SUITE 209
UPLAND, CA 91786

ROBERT BOWCOCK
INTEGRATED RESOURCES MGMNT
405 N. INDIAN HILL BLVD
CLAREMONT, CA 91711-4724

JIM W. BOWMAN
CITY OF ONTARIO
303 EAST "B" STREET
ONTARIO, CA 91764

GEOFFREY VANDEN HEUVEL
CBWM BOARD MEMBER
8315 MERRILL AVENUE
CHINO, CA 91710

PAUL HOFER
11248 S TURNER AVE
ONTARIO, CA 91761

BOB KUHN
669 HUNTERS TRAIL
GLEN DORA, CA 91740

CHARLES FIELD
4415 FIFTH STREET
RIVERSIDE, CA 92501

JAMES CURATALO
CVWD
PO BOX 638
RANCHO CUCAMONGA, CA
91729-0638

GLEN DURRINGTON
5512 FRANCIS ST
CHINO, CA 91710

Members:

Alfred E. Smith
Amy Steinfeld
Ari Kidman
Barbara Swanson
Bill Dendy
Carol
Carol Davis
Chris Swanberg
Dan McKinney
Diane Sanchez
Eric Garner
Fred Fudacz
James P. Morris
Jean Cihlgoyenette
Jeeinc@aol.com
Jennifer Novak
Jess Senecal
Jill Willis
Jim Markman
Jim@city-attorney.com
jimmy@city-attorney.com
John Cotti
John Schatz
Joseph S. Akluff
Kuperberg, Joel
Mark Hensley
Michelle Staples
Rodney Baker
smt@tragerlaw.com
Steve Kennedy
Steven K. Beckett
Steven Lee
Steven R. Orr
Tom Bunn
Tom McPeters
Tram Tran
William J. Brunick
William P. Curley

asmith@nossaman.com
asteinfeld@bhfs.com
akidman@mkblawyers.com
Barbara_Swanson@yahoo.com
bdendy@aol.com
marie@tragerlaw.com
cdavis@lagerlof.com
chris.swanberg@corr.ca.gov
dmckinney@rhlaw.com
dianes@water.ca.gov
elgarner@bbklaw.com
ffudacz@nossaman.com
jpmorris@bbklaw.com
Jean_CGC@hotmail.com
jeeinc@aol.com
jennifer.novak@doj.ca.gov
JessSenecal@lagerlof.com
jrwillis@bbklaw.com
jmarkman@rwglaw.com
jim@city-attorney.com
jimmy@city-attorney.com
jcott@localgovlaw.com
jschatz13@cox.net
AandVLaw@aol.com
jkuperberg@rutan.com
mhensley@localgovlaw.com
mstaples@jdplaw.com
rodbaker03@yahoo.com
smt@tragerlaw.com
skennedy@bbmblaw.com
skbeckett@bbmblaw.com
slee@rhlaw.com
som@rwglaw.com
TomBunn@Lagerlof.com
THMcP@aol.com
tran@mkblawyers.com
bbrunick@bbmblaw.com
wcurley@rwglaw.com

Members:

Manuel Carrillo	Manuel.Carrillo@SEN.CA.GOV
Mark Kinsey	mkinsey@mvwd.org
Mark Ward	mark_ward@ameron-intl.com
Mark Wildermuth	mwildermuth@wildermuthenvironmental.com
Martha Davis	mdavis@ieua.org
Martin Rauch	martin@rauchcc.com
Martin Zvirbulis	martinz@cvwdwater.com
Maynard Lenhart	directorlenhart@mvwd.org
Michael T Fife	MFife@bhfs.com
Mike Del Santo	mdelsanto@prologis.com
Mike Maestas	mmaestas@chinohills.org
Mike McGraw	mjmccgraw@FontanaWater.com
Mike Thies	mthies@spacecenterino.com
Mohamed El-Amamy	melamamy@ci.ontario.ca.us
Nathan deBoom	nddeboom@gmail.com
Pam Wilson	pwilson@bhfs.com
Paul Deutch	pdeutch@geomatrix.com
Paul Hofer	farmwatchtoo@aol.com
Paul Lacroix	placroix@rellant.com
Pete Hall	r.pete.hall@odwr.ca.gov
Peter Hettinga	peterhettinga@yahoo.com
Phil Krause	pkrause@parks.sbcounty.gov
Phil Rosenberg	prosenberg@hargis.com
Rachel R Robledo	rrobledo@bhfs.com
Raul Garibay	raul_garibay@ci.pomona.ca.us
Richard Atwater	Atwater@ieua.org
Rick Hansen	rhansen@tvmwd.com
Rick Rees	rrees@geomatrix.com
Rita Kurth	ritak@cvwdwater.com
Robert Bowcock	bbowcock@irmwater.com
Robert Cayce	rcayce@airports.sbcounty.gov
Robert DeLoach	robertd@cvwdwater.com
Robert Rauch	robert.rauchoc@verizon.net
Robert Tock	rtock@jcsd.us
Robert W. Nicholson	rwnicholson@sgywater.com
Robert Young	rkyoung@fontanawater.com
Roger Florio	roger.florio@ge.com
Ron Craig	RonC@rbf.com
Ryan Shaw	rshaw@ieus.org
Sam Fuller	samf@sbvmwd.com
Sandra S. Rose	directorrose@mvwd.org
Sandy Lopez	slopez@ci.ontario.ca.us
Scott Burton	sburton@ci.ontario.ca.us
Steve Arbelbide	sarbelbide@californiasteel.com
Tej Pahwa	tpahwa@dtso.ca.gov
Terry Catlin	tcatlin@verizon.net
Timothy Ryan	tjryan@sgvwater.com
Tom Love	TLove@ieua.org
Tony Banegas	tbanegas@sunkistgrowers.com
Tracy Tracy	ttracy@mvwd.org
Vanessa Hampton	vhampton@jcsd.us
WM Admin Staff	

Members:

Anne Schneider
Joe Scalmanini
Judy Schurr

ajs@eslawfirm.com
jscal@jsce.com
jschurr@courts.sbcounty.gov

Members:

Al Lopez
Andy Malone
Anthony La
April Woodruff
Arnold Rodriguez
Ashok K. Dhingra
Bill Kruger
Bill Rice
Bill Thompson
Bob Feenstra
Bob Kuhn
Bonnie Tazza
Brenda Fowler
Brian Hess
Butch Araiza
Carl Hauge
Charles Field
Charles Moorrees
Cindy LaCamera
Craig Stewart
Cruz Diaz
Curtis Aaron
Cyndi Windell
Dan Arrighi
Dan Hostetler
Dan McKinney
Dave Argo
Dave Crosley
David B. Anderson
David D DeJesus
David D DeJesus
David Ringel
Dennis Dooley
Don Galeano
Duffy Blau
Eldon Horst
Eunice Ulloa
Frank Brommenschenkel
Fred Lantz
Gene Koopman
Geoffrey Vanden Heuvel
Gerard Thibeault
Gerry Foote
Grace Cabrera
Greg Woodside
Henry Pepper
James Curatolo
James Jenkins
Janine Wilson
Jarlath Oley
Jeff Pierson
Jerry King
Jim Hill
Jim Taylor
Joe P LaClaire
John Anderson
John Ayers
John Bosler
John Huitsing
John Thornton
John V. Rossi
John Vega
lopezsixto@netzero.net
amalone@wildermuthenvironmental.com
ala@ci.upland.ca.us
awoodruff@ieua.org
jarodriguez@sarwc.com
ashok.dhingra@m-e.aecom.com
citycouncil@chinohills.org
WRice@waterboards.ca.gov
bthompson@ci.norco.ca.us
feenstra@agconceptsinc.com
bgkuhn@aol.com
bonniet@cvwdwater.com
balee@fontanawater.com
bhess@niagarawater.com
butcharaiza@mindspring.com
chatige@water.ca.gov
cdfield@aft.net
cmoorrees@sawaterco.com
clacamera@mwdh2o.com
cstewart@geomatrix.com
cruzdiaz1986@hotmail.com
caaron@fontana.org
cynthia.windell@sce.com
darrighi@sgwwater.com
dghosteller@csupomona.edu
dmckinney@rhlw.com
argodg@bv.com
DCrosley@cityofchino.org
danders@water.ca.gov
TVMWDIV2REP@gmail.com
davidcicgm@aol.com
david.j.ringel@us.mwhglobal.com
ddooley@angelica.com
donald@galleanowinery.com
Duffy954@aol.com
ehorst@jcsd.us
eulioa@cbwcd.org
frank.brommen@verizon.net
flantz@ci.burbank.ca.us
GTKoopman@aol.com
GeoffreyVH@juno.com
gthibeault@rb8.swrcb.ca.gov
gfoote@cbwcd.org
graoe_cabrera@ci.pomona.ca.us
gwoodside@ccwd.com
henry_pepper@ci.pomona.ca.us
jamesc@cvwdwater.com
onomgr@airports.sbcounty.gov
jwilson@cbwm.org
joley@mwdh2o.com
jpierson@unitexcorp.com
jking@psomas.com
jhill@cityofchino.org
jim_taylor@ci.pomona.ca.us
jleclaire@wildermuthenvironmental.com
janderson@ieua.org
jayers@sunkistgrowers.com
JohnBo@cvwdwater.com
johnhuitsing@gmail.com
jthornton@psomas.com
jrossi@wmwd.com
johnv@cvwdwater.com

Jose Galindo
Justin Brokaw
Kathy Kunysz
Kathy Tiegs
Ken Jeske
Ken Kules
Kenneth Willis
Kevin Sage
Kyle Snay
Lisa Hamilton
Mark Hensley
Martin Zvirbulis
Mike Thies
Robert Bowcock

jose_a_galindo@praxair.com
jbrokaw@hughes.net
kkunysz@mwdh2o.com
ktiegs@ieua.org
kjeske@ci.ontario.ca.us
kkules@mwdh2o.com
kwillis@homeowners.org
Ksage@IRMwater.com
kylesnay@gswater.com
Lisa.Hamilton@corporate.ge.com
mhensley@localgovia.wa.gov
martinz@owwdwater.com
mthies@spacecenterinc.com
bbowcock@irmwater.com

EXHIBIT 5

1 Jimmy L. Gutierrez (SBN 59448)
Arturo N. Fierro (SBN141091)
2 GUTIERREZ, FIERRO & ERICKSON, A.P.C
12616 Central Avenue
3 Chino, California 91710
Telephone: (909) 591-6336
4 Facsimile: (909) 628-9803

5 Attorneys for Defendant, City of Chino
6
7

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF SAN BERNARDINO – RANCHO CUCAMONGA DISTRICT**
10

11 CHINO BASIN MUNICIPAL WATER
12 DISTRICT,

13 Plaintiff,

14 v.

15 CITY OF CHINO, et al.,

16 Defendants.
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CASE NUMBER: RCV 51010
[Assigned for All Purposes to the Honorable
Stanford E. Reichert]

**DECLARATION OF DAVID G.
CROSLY IN SUPPORT OF CITY
OF CHINO'S OPPOSITION TO
WATERMASTER'S MOTION
REGARDING 2015 SAFE YIELD RESET
AGREEMENT, AMENDMENT OF
RESTATED JUDGMENT, PARAGRAPH 6**

[Filed concurrently with Opposition to
Watermaster's Motion, Objections to
Declaration of Mark Wildermuth and Proposed
Order, Objections to Declaration of Peter
Kavounas and Proposed Order and Declaration
of Robert Shibatani]

Date: February 26, 2016
Time: 1:30 p.m.
Dept.: R6

(FEE- EXEMPT PURSUANT TO GOVERNMENT
CODE § 6103)

1 DECLARATION OF DAVID G. CROSLEY

2 I, David G. Crosley, declare:

3 1. I am a registered Civil Engineer in the state of California, and the Water &
4 Environmental Manager for the City of Chino, a position I have held since 1995. I have
5 personal knowledge of the facts stated in this declaration. If I am called to testify, I would
6 competently testify to the matters that I have stated in this declaration.

7 2. As the Water & Environmental Manager for the City of Chino, I oversee the
8 planning of the City's water system and administration of the City's water resources
9 programs and I am familiar with them and all documents applicable thereto. The City of
10 Chino's water utility master plan and other planning documents identify the Chino
11 Groundwater Basin local groundwater resource as a primary source of water for the City.
12 Chino Basin local groundwater to meet the City's water needs is produced by the City of
13 Chino and by the Chino Basin Desalter Authority (CDA) that the City of Chino is obligated
14 to purchase under a Water Purchase Agreement used to finance the construction and
15 operation of the Desalters owned and operated by the CDA. The City of Chino provides
16 domestic water to its population, currently at 80,000 but projected to grow to 130,000 based
17 on the fact that all agricultural lands within the City are fully entitled. This growth in the City
18 of Chino and the surrounding areas was contemplated by the framers of the Judgment and
19 they made provision for the transfer of water rights when the agricultural lands convert. It
20 was known that agricultural land with its superior right to Chino Basin groundwater as
21 overlying land owners would give way to urbanization and that the agencies responsible for
22 that growth (CHINO, Ontario and JCSD) would "succeed" to those water rights under
23 Section 10 of Exhibit H to the Judgment.

24 3. As the Water & Environmental Manager for the City of Chino, I am the City of
25 Chino's designated primary representative on the Chino Basin Watermaster Appropriative
26 Pool and Advisory Committees, which I attend regularly. I am familiar with the practices and
27 procedures of the Watermaster, including the actions of the Appropriative Pool and Advisory
28 Committees. I also am familiar with the Judgement, OBMP, Peace Agreements and

1 Rules and Regulations of the Watermaster.

2 4. On an annual basis, the Watermaster prepares and approves a report, known as
3 the Assessment Package, which describes the water production rights available to each
4 producer of Chino Basin groundwater. The water production rights available to a producer
5 may be used by that producer to satisfy its current groundwater needs, stored to satisfy
6 projected future needs, or made available to other producers via separate transaction(s)
7 subject to the review and approval of the Watermaster.

8 5. On November 25, 2014, the Chino Basin Watermaster Board of Directors
9 approved the annual Assessment Package report describing water production rights for
10 Production Year 13/14, ending June 30, 2014, attached hereto as Exhibit A. Page 2A of
11 Exhibit A reflects the right of the City of Chino to 7.357% of the Operating Safe Yield which
12 is equal to 4,033.857 acre-feet per year. Page 2A also reflects that in Production Year 13/14
13 the City of Chino received a Net Agricultural Pool Reallocation equal to 8,367.955 acre-feet
14 in partial satisfaction of the City's total Land Use Conversion and Early Transfer claims for
15 the unproduced Agricultural Pool water. Additionally, Page 2A reflects that in Production
16 Year 13/14 the City of Chino's Annual Production Right was 16,435.669 acre-feet, all of
17 which was subject to carryover (storage). In Production Year 13/14, 4,033.857 acre-feet was
18 accounted for as Carry-over Next Year Beginning Balance and 12,401.812 acre-feet was
19 added to the City of Chino's Excess Carryover Account. The City did not receive any New
20 Yield in Production Year 13/14.

21 6. The meeting minutes of the November 25, 2014 Watermaster Board of
22 Directors Meeting indicating the Board's approval (Business Item No. IIA) of the 2014/2015
23 Assessment Package corresponding to the Production Year 13/14 are attached hereto as
24 Exhibit B.

25 7. Assessment Package information describing water production rights is typically
26 reproduced in the Chino Basin Watermaster Annual Report that is filed with the court.

27 8. The City of Chino currently has stored (i.e. reserved) water production rights
28 distributed in multiple separate account categories. These categories of rights to stored

1 water are (1) Pre-emptive Replenishment for Desalters, (2) Local Supplemental storage and
2 (3) Local Excess Carry-Over (aka Non-Supplemental) storage.

3 9. The Watermaster's annual accounting activities keep track of the amounts of
4 water in each of these categories and any transactions between producers that impact the
5 amounts in the various categories. Exhibit A Page 6A titled "Pool 3 Water Transaction
6 Summary" and Pages 7A & 7B titled "2014-2015 Water Transaction Detail" describe
7 transactions between producers affecting storage balances that occurred in Production Year
8 2013/2014.

9 10. The Pre-emptive Replenishment water was established via a City of Chino
10 purchase, through Watermaster, of water supplied by the Metropolitan Water District of
11 Southern California and that water is stored in the Basin strictly for the purpose of
12 replenishing desalter production. On June 30, 2014, the City of Chino had a total of
13 1,416,470 acre-feet in the Pre-emptive Replenishment category described in the "Pool 3
14 Other Storage and Replenishment Accounts Summary" on Page 5A of Exhibit A.

15 11. Local Supplemental storage consists of water imported to the Chino Basin and
16 recycled water stored in the Basin. Most of the City of Chino's Supplemental storage is
17 recycled water that was purchased from the Inland Empire Utilities Agency (IEUA) by the
18 City of Chino and recharged by the IEUA on behalf of the City of Chino (an IEUA member
19 agency). On June 30, 2014, the City of Chino had a total of 8,215,560 acre-feet in the Local
20 Supplemental storage category described in the "Pool 3 Local Supplemental Storage Account
21 Summary" on Page 4A of Exhibit A.

22 12. Local Excess Carry-Over storage consists of the City of Chino's unused share
23 of Operating Safe Yield and/or the City's share of the re-allocation of the Agricultural Pool's
24 under-utilized rights. On June 30, 2014, the City of Chino had a total of 65,507.715 acre-feet
25 in the Local Excess Carry-Over storage category described in the "Pool 3 Local Excess
26 Carry-Over Storage Account Summary" on Page 3A of Exhibit A.

27 13. In the most recent Production Year (i.e. 14/15) the City of Chino transferred
28 (i.e. sold) 6,500 acre-feet of its Excess Carry- Over reserves to the Fontana Water Company

1 (FWC) at the unit price of \$515.63/acre-foot for a total value of \$3,351,595 that was paid to
2 Chino by the FWC. This transaction is described by Watermaster Forms Nos. 3, 4, and 5,
3 attached hereto as Exhibit C.

4 14. I participated in the Chino Basin Watermaster's stakeholder processes that
5 resulted in the development of the Optimum Basin Management Program (OBMP) and
6 implementing documents, including the Peace Agreements. The OBMP and Peace
7 Agreements describe the importance of and need for the Chino Basin desalters which remove
8 contaminant salts from the local groundwater.

9 15. The Chino Basin Watermaster determined that 40,000 acre-feet per year of
10 groundwater production from the southern portion of the Chino Basin is needed to replace the
11 anticipated reduction, due to urbanization of agricultural lands, of groundwater production by
12 agricultural interests. This substitute for historical agricultural groundwater production is
13 necessary in order to sustain the Safe Yield of the Chino Basin. Sustaining the Safe Yield of
14 the Basin provides widespread benefit to Basin stakeholders. Also, the production and
15 treatment of groundwater in the southern portion of the Basin is necessary for the attainment
16 of hydraulic control of the Basin. Basin hydraulic control prevents contaminated
17 groundwater from flowing out of the Chino Basin to downstream areas of the Santa Ana
18 River Watershed and provides other broad benefits to the Basin stakeholders such as clean-up
19 of legacy agricultural contamination of the groundwater resource and the ability to implement
20 beneficial re-use of recycled water.

21 16. The Peace Agreement, which provided for the expansion of the Chino Basin
22 Desalter Program in furtherance of the OBMP, addresses the fact that designing, constructing,
23 and operating desalters is expensive in comparison to other available sources of water.
24 During the development of the Peace Agreement, the Basin stakeholders acknowledged the
25 widespread broad benefits that would result from the expansion of the desalters. In
26 consideration of (a) the broad benefits that would occur as a result of desalter expansion and
27 (b) anticipated desalter expansion expenses which were to be borne by a subgroup of Basin
28 stakeholders who agreed to undertake the design, construction and operation

1 responsibilities (and later to form the Chino Basin Desalter Authority) and (c) the need to
2 provide for replenishment of the desalter groundwater production, the Basin stakeholders
3 agreed to ultimately assess themselves to provide for the required ongoing replenishment
4 water under the Peace Agreements. Assessments would occur at that time in the future when
5 all other designated sources of replenishment water had been exhausted.

6 17. The Peace Agreement identified and designated certain known and limited
7 sources of water for the purpose of replenishing desalter groundwater production. Were it not
8 for the assumption of the ongoing replenishment expenses obligation by the Basin
9 stakeholders who signed the Peace Agreement, the Chino Basin Desalter Program expansion
10 would not have occurred due to the fact that at that time the program expansion was
11 considered economically infeasible if the replenishment water expenses were included in the
12 costs to be borne only by the members of the Chino Basin Desalter Authority.

13 18. The City of Chino decided to support the Peace Agreement and to become a
14 founding member of the Chino Basin Desalter Authority. As a member of the Chino Basin
15 Desalter Authority, the City of Chino accepted its proportionate share of the economic burden
16 associated with design, construction and ongoing operation of the desalters through its
17 corresponding commitment to purchase water produced by the desalters under a Water
18 Purchase Agreement with the Chino Basin Desalter Authority. A true copy of the Water
19 Purchase Agreement that the City of Chino executed on February 5, 2002 is attached hereto
20 as Exhibit D. The decision by the City of Chino to undergo the foregoing and incur those
21 costs was predicated on the Peace Agreement of the Basin stakeholders to provide and share
22 in the cost of replenishment water corresponding to the desalter groundwater production.

23 19. The Peace II Agreement provides for a supplementation of 400,000 acre-feet of
24 Chino Basin native stored groundwater to the limited sources of water for desalter
25 groundwater production replenishment identified in the Peace Agreement. However, this
26 supplementation did not alter the ultimate obligation of the Basin stakeholders to provide
27 ongoing replenishment for the desalter program in the future when needed.

28 ///

EXHIBIT “A”



CHINO BASIN WATERMASTER
APPROVED 2014/2015 ASSESSMENT PACKAGE
(PRODUCTION YEAR 2013/2014)

APPROVED NOVEMBER 25, 2014

Chino Basin Watermaster

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Appendix A: Pool 3 Water Production Detail

Appendix B: Desalter Replenishment Accounting

Appendix C: Allocation for the Purchase of the Exhibit “G” Non-Ag Pool Water

Chino Basin Watermaster

Assessment Package References and Definitions

REPORT REFERENCE	NAME	DESCRIPTION
1A	AF Production and Exchanges	Total production and exchanges, excluding Desalter production. Copied from [2L].
1B	Appropriative Pool—AF/Admin	Production and Exchanges [1A] <times> per acre-foot Admin fee.
1C	Appropriative Pool—AF/OBMP	Production and Exchanges [1A] <times> per acre-foot OBMP fee.
1D	Ag Pool SY Reallocation—AF Total Reallocation	Reallocation of Ag Pool Safe Yield. Copied from [2E] and [12G].
1E	Ag Pool SY Reallocation—AF/Admin	Party Ag Pool reallocation [1D] <divided by> Total Ag Pool Reallocation [1D Total] <times> total dollar amount needed for Ag Pool Administration.
1F	Ag Pool SY Reallocation—AF/OBMP	Party Ag Pool reallocation [1D] <divided by> Total Ag Pool Reallocation [1D Total] <times> total dollar amount needed for Ag Pool OBMP.
1G	Replenishment Assessments—AF/15%	For Parties participating in the 85/15 Rule; Percentage of total 85/15 participant production <times> required credit amount. Copied from Page 9A.
1H	Replenishment Assessments—AF/85%	For parties participating in the 85/15 Rule; Total volume overproduced [2M] <times> 85% of the replenishment rate.
1I	Replenishment Assessments—AF/100%	For parties <u>not</u> participating in the 85/15 Rule; Total volume overproduced [2N] <times> 100% of the replenishment rate.
1J	85/15 Water Transaction Activity—15% Producer Credits	For parties participating in the 85/15 Rule; Credit amount equals 15% of the cost of the water purchased.
1K	85/15 Water Transaction Activity—15% Pro-rated Debits	For parties participating in the 85/15 Rule; Percentage of total 85/15 participant production <times> required credit amount. Copied from Page 9A.
1L	CURO Adjustment	Monetary amount needed (or to be credited) for each Party's Cumulative Unmet Replenishment Obligation (CURO). Calculated on Page 10A.
1M	ASSESSMENTS DUE—Total Production Based	Total fees assessed based on Party production. [1B] + [1C] + [1E] + [1F] + [1G] + [1H] + [1I] + [1J] + [1K] + [1L].
1N	ASSESSMENTS DUE—Pomona Credit	Debit amount to Pomona <times> -1 <times> percent share of Operating Safe Yield [2A].
1O	ASSESSMENTS DUE—Recharge Debt Payment	Total recharge debt payment <times> percent share of Operating Safe Yield [2A].
1P	ASSESSMENTS DUE—Recharge Improvement Project	Total Recharge Improvement Project <times> Percent Share of Operating Safe Yield [2A].
1Q	ASSESSMENTS DUE—Other Adjustments	Used as necessary for any other monetary adjustments needed to the Assessment Package.
1R	ASSESSMENTS DUE—Total Due	Total assessments. [1M] + [1N] + [1O] + [1P] + [1Q].

Chino Basin Watermaster

Assessment Package References and Definitions

REPORT REFERENCE	NAME	DESCRIPTION
2A	Percent of Operating Safe Yield	The Party's yearly percentage of Operating Safe Yield.
2B	Carryover Beginning Balance	The beginning balance in each Annual Account. This number carries forward from the ending balance in the previous period Assessment Package.
2C	Prior Year Adjustments	This number reflects the adjusted production rights from a previous Assessment Package, in the event that corrections are needed.
2D	Assigned Share of Operating Safe Yield	The Party's yearly volume of Operating Safe Yield.
2E	Net Ag Pool Reallocation	Reallocation of Ag Pool Safe Yield. Copied from [12G]. The calculations that lead to this are made on Page 12A.
2F	Water Transaction Activity	Water transactions. Copied from [6D]. The calculations that lead to this are made on Page 6A.
2G	Stormwater New Yield	Stormwater New Yield <times> percent share of Operating Safe Yield [2A].
2H	Other Adjustments	This number reflects adjusted production rights, in the event that corrections are needed.
2I	Annual Production Right	Current Year Production Right. [2B] + [2C] + [2D] + [2E] + [2F] + [2G] + [2H].
2J	Actual Fiscal Year Production	Fiscal year production, including Assignments and Voluntary Agreements, from CBWM's production system (as verified by each Party on their Water Activity Report). Includes a sub note subtracting Desalter production.
2K	Storage and Recovery Program(s)	Total exchanges for the period (July 1- June 30) including MZ1 forbearance and DYY deliveries (as reported to CBWM by IEUA and TVMWD and as verified by each Party on their Water Activity Report).
2L	Total Production and Exchanges	Actual production [2J] <plus> Storage and Recovery exchanges [2K]. Includes a sub note subtracting Desalter production. Also known as Assessable Production.
2M	Net Over-Production—85/15%	For 85/15 Rule participants: Production rights [2I] <minus> total production and exchanges [2L], equaling less than zero.
2N	Net Over-Production—100%	For non-85/15 Rule participants: Production rights [2I] <minus> total production and exchanges [2L], equaling less than zero. Includes a sub note subtracting Desalter production.
2O	Under Production Balances—Total Under-Produced	Production rights [2I] <minus> total production and exchanges [2L], equaling more than zero.
2P	Under Production Balances—Carryover: Next Year Begin Bal	Either total under-produced [2O] or share of Operating Safe Yield [2D], whichever is less.
2Q	Under Production Balances—To Excess Carryover Account	Total under produced [2O] <minus> Carryover to next year [2P], equaling more than zero.

Chino Basin Watermaster

Assessment Package References and Definitions

REPORT REFERENCE	NAME	DESCRIPTION
3A	Excess Carry Over Account (ECO)—Beginning Balance	The beginning balance in each ECO account. This carries forward from the ending balance in the previous period Assessment Package.
3B	Excess Carry Over Account (ECO)—2% Storage Loss	Beginning balance [3A] \times -0.02.
3C	Excess Carry Over Account (ECO)—Transfers To / (From)	Total of water transferred to and from ECO and the Annual Account.
3D	Excess Carry Over Account (ECO)—From Supplemental Storage	Total of water transferred to and from Local Supplemental Storage accounts, as shown on Page 4A.
3E	Excess Carry Over Account (ECO)—From Under-Production	Total of water transferred from the Annual Account due to under production. Copied from [2Q].
3F	Excess Carry Over Account (ECO)—Ending Balance	The current balance in each ECO account. [3A] + [3B] + [3C] + [3D] + [3E].

Chino Basin Watermaster

Assessment Package References and Definitions

REPORT REFERENCE	NAME	DESCRIPTION
4A	Recharged Recycled Account—Beginning Balance	The beginning balance in each Recharged Recycled Account. This number carries forward from the ending balance in the previous period Assessment Package.
4B	Recharged Recycled Account—2% Storage Loss	Beginning balance [4B] <times> -0.02.
4C	Recharged Recycled Account—Current Recharged Recycled	Total recharged recycled water credited to each Party for the year, as provided by IEUA.
4D	Recharged Recycled Account—Transfer to ECO Account	Total of water transferred to the ECO Account, as shown on Page 3A.
4E	Recharged Recycled Account—Ending Balance	The current balance in each Recharged Recycled account. [4B] + [4C] + [4D] + [4E].
4F	Quantified (Pre 7/1/2000) Account—Beginning Balance	The beginning balance in each Quantified Supplemental Account. This number carries forward from the ending balance in the previous period Assessment Package.
4G	Quantified (Pre 7/1/2000) Account—2% Storage Loss	Beginning balance [4G] <times> -0.02.
4H	Quantified (Pre 7/1/2000) Account—Transfers To / (From)	Total of water transferred to and from the Annual Account.
4I	Quantified (Pre 7/1/2000) Account—Transfer to ECO Account	Total of water transferred to the ECO Account, as shown on Page 3A.
4J	Quantified (Pre 7/1/2000) Account—Ending Balance	The current balance in each Quantified Supplemental account. [4G] + [4H] + [4I] + [4J].
4K	New (Post 7/1/2000) Account—Beginning Balance	The beginning balance in each New Supplemental Account. This number carries forward from the ending balance in the previous period Assessment Package.
4L	New (Post 7/1/2000) Account—2% Storage Loss	Beginning balance [4L] <times> -0.02.
4M	New (Post 7/1/2000) Account—Transfers To / (From)	Total of water transferred to and from the Annual Account.
4N	New (Post 7/1/2000) Account—Transfer to ECO Account	Total of water transferred to the ECO Account, as shown on Page 3A.
4O	New (Post 7/1/2000) Account—Ending Balance	The current balance in each New Supplemental Account. [4L] + [4M] + [4N] + [4O].
4P	Combined—Ending Balance	The combined amount in all supplemental storage accounts [4F] + [4K] + [4P].

Chino Basin Watermaster

Assessment Package References and Definitions

REPORT REFERENCE	NAME	DESCRIPTION
5A	Desalter Replenishment—Beginning Balance	The beginning balances in each Desalter Replenishment account. These numbers carry forward from the ending balances in the previous period Assessment Package. "Re-Operation Offset: Pre-Peace II Desalters" had an original beginning balance of 225,000.000 AF and "Re-Operation Offset: Peace II Expansion" had an original beginning balance of 175,000.000 AF.
5B	Desalter Replenishment—Storage Loss	Beginning balance [5A] <times> -(loss %). There is no loss assessed on the native Basin water allocated to offset Desalter production as a result of Basin Reoperation as approved in the Peace II Agreement. Per the "Preemptive Replenishment" agreements, no losses are deducted against these accounts.
5C	Desalter Replenishment—Transfers To	Total of water transferred to each Desalter Replenishment account.
5D	Desalter Replenishment—Transfers From	Total of water transferred from each Desalter Replenishment account.
5E	Desalter Replenishment—Ending Balance	The current balance in each Desalter Replenishment account. [5A] + [5B] + [5C] + [5D].
5F	Storage and Recovery—Beginning Balance	The beginning balance in the Storage and Recovery (DYY) Account. This number carries forward from the ending balance in the previous period Assessment Package.
5G	Storage and Recovery—Storage Loss	Beginning balance [5F] <times> -(loss %).
5H	Storage and Recovery—Transfers To	Total of water transferred to the Storage and Recovery Account ("puts").
5I	Storage and Recovery—Transfers From	Total of water transferred from the Storage and Recovery Account ("takes").
5J	Storage and Recovery—Ending Balance	The current balance in the Storage and Recovery Account. [5F] + [5G] + [5H] + [5I].

REPORT REFERENCE	NAME	DESCRIPTION
6A	Water Transactions—Assigned Rights	Total of assigned transactions for this period, including annual water transfers/leases between Appropriators and/or from Appropriators to Watermaster for replenishment purposes.
6B	Water Transactions—General Transfer	Total of water transfers between Parties for this period. Transfers in this column include the annual transfer of 10-percent of the Non-Ag OSY to the seven Appropriator Parties, as stated in the Peace II Agreement, and also the Exhibit "G" physical solution transfers from the Non-Ag Pool.
6C	Water Transactions—Transfers (To) / From ECO Account	Total of water transferred between the Annual Account and ECO Account.
6D	Water Transactions—Total Water Transactions	Total water transactions. [6A] + [6B] + [6C]. This column is used to populate [2F].

Chino Basin Watermaster

Assessment Package References and Definitions

REPORT REFERENCE	NAME	DESCRIPTION
12A	% Share of Operating Safe Yield	The Party's yearly percentage of Operating Safe Yield. Copied from [2A].
12B	Reallocation of Agricultural Pool Safe Yield—32,800 AF Early Transfer	The Party's percent share of Operating Safe Yield [12A] multiplied by 32,800.
12C	Reallocation of Agricultural Pool Safe Yield—Land Use Conversions	Total land use conversions claimed on Page 11A (as verified by each Party on their Water Activity Report).
12D	Reallocation of Agricultural Pool Safe Yield—Potential for Reallocation (AF)	The Agricultural Pool Reallocation amount potentially available to each Appropriator. [12B] + [12C].
12E	Reallocation of Agricultural Pool Safe Yield—Percent of Ag Pool Reallocation	Each Party's potential for reallocation [12D] from the total of [12D].
12F	Reallocation of Agricultural Pool Safe Yield—Difference: Potential vs. Net	The total over or under Agricultural Pool Reallocation (from Page 11A) <times> each Party's percent of Ag Pool reallocation.
12G	Reallocation of Agricultural Pool Safe Yield—Net Ag Pool Reallocation	Net Agricultural Pool Reallocation to each Party. [12D] + [12F]. This column is used to populate [2E].

REPORT REFERENCE	NAME	DESCRIPTION
13A	AF Production	Actual fiscal year production by each Party. Copied from [14H].
13B	Non-Agricultural Pool—AF/Admin	Production [13A] <times> per acre-foot Admin fee.
13C	Non-Agricultural Pool —AF/OBMP	Production [13A] <times> per acre-foot OBMP fee.
13D	Replenishment Assessments—AF Exceeding Annual Right	Over-production for each Party beyond their annual production right. Copied from [14].
13E	Replenishment Assessments—Per AF	Amount overproduced [13D] <times> the current replenishment rate.
13F	CURO Adjustment	Monetary amount needed (or to be credited) for each Party's Cumulative Unmet Replenishment Obligation (CURO). Calculated on Page 10B.
13G	Other Adjustments	Used as necessary for any other monetary adjustments needed to the Assessment Package.
13H	Total Assessments Due	Total fees assessed based on Party production. [13B] + [13C] + [13E] + [13F] + [13G].

Chino Basin Watermaster

Assessment Package References and Definitions

REPORT REFERENCE	NAME	DESCRIPTION
14A	Percent of Safe Yield	The Party's yearly percentage of Safe Yield.
14B	Carryover Beginning Balance	The beginning balance in each Annual Account. This number carries forward from the ending balance in the previous period Assessment Package.
14C	Prior Year Adjustments	This number reflects the adjusted production rights from a previous Assessment Package, in the event that corrections are needed.
14D	Assigned Share of Safe Yield (AF)	The Party's yearly volume of Safe Yield.
14E	Water Transaction Activity	Total of one-time water transfers between Parties for this period. Transfers in this column include the annual transfer of 10-percent of the Non-Ag Safe Yield to the seven Appropriator Parties, as stated in the Peace II Agreement, and also the Exhibit "G" physical solution transfers to the Appropriative Pool.
14F	Other Adjustments	This number reflects adjusted production rights, in the event that corrections are needed.
14G	Annual Production Right	Current Year Production Right. $[14B] + [14C] + [14D] + [14E] + [14F]$.
14H	Actual Fiscal Year Production	Fiscal year production, including Assignments, from CBWM's production system (as verified by each Party on their Water Activity Report). Also known as Assessable Production.
14I	Net Over Production	Over-production, if any, for each Party beyond their annual production right. $[14H] - [14G]$, equaling more than zero.
14J	Under Production Balances— Total Under-Produced	Production rights $[14G]$ <minus> production $[14H]$, equaling more than zero.
14K	Under Production Balances— Carryover: Next Year Begin Bal	Either total under-produced $[14J]$ or share of Safe Yield $[14D]$, whichever is less.
14L	Under Production Balances— To Local Storage Account	Total under-produced $[14J]$ <minus> Carryover to next year $[14K]$, equaling more than zero.

REPORT REFERENCE	NAME	DESCRIPTION
15A	Local Storage Account— Beginning Balance	The beginning balance in each Local Storage account. This number carries forward from the ending balance in the previous period Assessment Package.
15B	Local Storage Account— 2% Storage Loss	Beginning balance $[15A]$ <times> -0.02 .
15C	Local Storage Account— Transfers To / (From)	Total of water transferred to and from the Annual Account.
15D	Local Storage Account— Ending Balance	The current balance in each Local Storage Account. $[15A] + [15B] + [15C]$.

**CHINO BASIN WATERMASTER
ASSESSMENT CALCULATION
FISCAL YEAR 2014/15**

INCLUDES "10% ADMINISTRATIVE AND 15% OBMP/PROJECT OPERATING RESERVES"

PRODUCTION BASIS	FY 2013/14 BUDGET	FY 2014/15 BUDGET	ASSESSMENT	APPROPRIATIVE POOL		AGRICULTURAL POOL		NON-AG POOL	
				General Administration	OBMP	General Administration	OBMP	General Administration	OBMP
2012/13 Production & Exchanges in Acre-Feet (Actuals)	\$1,376,106	\$1,832,923	135,628,088	96,433,754	71.102%	34,438,009	25.406%	4,736,325	3.492%
2013/14 Production & Exchanges in Acre-Feet (Actuals)	4,383,973	3,949,719	138,351,406	100,165,551	72.399%	33,638,883	24.314%	4,546,972	3.287%
BUDGET									
Administration, Advisory Committee & Watermaster Board ¹	\$1,832,923	\$1,832,923	\$1,832,923	\$1,327,025	2,859,571	\$445,658	960,338	\$60,240	129,809
OBMP & Implementation Projects ¹	3,949,719	3,949,719	3,949,719	1,327,025	2,859,571	445,658	960,338	60,240	129,809
General Admin & OBMP Assessments	\$5,782,641	\$5,782,641	5,782,642	1,327,025	2,859,571	445,658	960,338	60,240	129,809
TOTAL BUDGET									
Less Budgeted Interest Income	(29,700)	(25,800)	(25,800)		(18,679)		(6,273)		(848)
Contributions from Outside Agencies	(154,581)	(155,331)	(155,331)		(12,459)		(37,767)		(5,105)
CASH DEMAND	5,477,798	5,601,511	5,601,511	1,327,025	2,728,433	445,658	916,298	60,240	123,856
OPERATING RESERVE									
Administrative (10%)	137,611	183,292	\$183,292	\$132,702	428,936	\$44,566	144,051	\$6,024	19,471
OBMP (15%)	642,896	592,458	592,458						
Less: Cash On Hand Utilized for Assessments ²	(780,507)	(775,750)	(775,750)	(178,022)	(383,616)	(59,786)	(128,831)	(8,081)	(17,414)
FUNDS REQUIRED TO BE ASSESSED	\$3,477,798	\$5,601,511	\$5,601,511	\$1,281,705	\$2,775,753	\$430,438	\$931,518	\$58,183	\$125,913
Current Year Assessments									
General Administration/OBMP Assessments (Minimum \$5.00 Per Prodner)				\$12.80	\$27.69	\$12.80	\$27.69	\$12.80	\$27.69
Grand Total				\$40.49	\$40.49	\$40.49	\$40.49	\$40.49	\$40.49
Prior Year Assessments, (Actuals) Information Only									
Grand Total				\$9.76	\$30.63	\$9.76	\$30.63	\$9.76	\$30.63
Variance Between Proposed Assessments and Prior Year Assessments									
Grand Total				\$3.04	(\$2.94)	\$3.04	(\$2.94)	\$3.04	(\$2.94)
Estimated Assessment as of "Approved" Budget May 22, 2014, Information Only									
Grand Total				\$13.48	\$28.40	\$13.48	\$28.40	\$13.48	\$28.40

¹ Total costs are allocated to Pools by actual production percentages. Does not include Recharge Debt Payment, Recharge Improvement Projects or Replenishment Water purchases.
² June 30th fund balance (estimated) less funds required for Operating Reserves, Agricultural Pool Reserves, Carryover replenishment obligations, and SB 22 funds.



Assessment Year 2014-2015 (Production Year 2013-2014)
Pool 3 Assessment Fee Summary

	AF Production and Exchanges				AF Pool SY Reallocation				Replenishment Assessments				8515 Water Transaction Activity				ASSESSMENTS DUE			
	Production	AF Admin	AF Admin	AF Total	AF Admin	AF Admin	AF Admin	AF Total	AF 18%	AF 18%	AF 18%	AF 18%	CURO Adjustment	Total Production Based	Promiss Credit	Recharge Payment	Recharge Imprint Project	Other Adjustments	Total Due	
Arroyhead Mtn Spring Water Co	379,111	4,852.62	10,487.58	0.00	0.00	0.00	0.00	0.00	0.00	189,636.41	0.00	0.00	0.00	200,399.07	0.00	0.00	0.00	0.00	200,399.07	
China Hills, City Of	7,224,004	92,467.25	200,039.57	17,599.06	37,870.01	191.80	0.00	0.00	0.00	75,492.83	0.00	0.00	0.00	426,463.53	2,567.35	16,626.31	49,716.41	0.00	457,379.80	
China, City Of	0.00	0.00	0.00	6,397,365	73,266.97	160,658.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	231,625.22	4,904.69	37,763.11	94,978.87	0.00	365,471.89	
Cucamonga Valley Water District	15,121,650	206,395.84	448,405.72	2,304,146	20,174.32	45,659.59	227.40	0.00	0.00	168,474.75	0.00	0.00	0.00	985,297.06	4,400.69	24,459.16	85,219.91	0.00	1,035,415.84	
Desalter Authority	28,242,852	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Fontana Union Water Company	0.00	0.00	0.00	3,187,566	27,912.66	80,408.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	69,218.50	7,771.37	50,327.83	150,491.87	0.00	236,910.07	
Fontana Water Company	16,377,678	156,833.01	425,605.16	695,920	6,093.24	13,186.48	216.51	0.00	0.00	160,700.04	0.00	0.00	0.00	10,283.39	1.33	6.63	26.62	0.00	10,318.18	
Fontana, City Of	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Golden State Water Company	796,362	9,425.43	20,389.86	205,170	1,756.87	3,866.46	10.39	0.00	0.00	7,995.19	0.00	0.00	0.00	42,933.20	500.00	3,236.05	9,662.60	0.00	55,463.75	
Juniper Community Services District	19,018,347	230,634.84	498,928.03	12,597,713	110,301.29	238,704.84	254.15	0.00	0.00	148,298.61	0.00	0.00	0.00	1,100,719.38	2,906.01	16,229.11	48,628.99	0.00	1,247,983.19	
Maygold Mutual Water Company	1,314,734	16,968.80	36,404.39	326,809	2,851.49	6,394.85	0.00	0.00	0.00	47,979.85	0.00	0.00	0.00	110,267.02	796.67	5,159.29	15,427.45	0.00	131,630.44	
Monte Vista Irrigation Company	0.00	0.00	0.00	337,474	2,954.61	6,394.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,349.35	822.67	5,327.67	15,930.94	0.00	31,430.84	
Monte Vista Water District	6,988,746	89,583.94	195,795.25	2,451,724	21,465.46	46,458.62	98.72	0.00	0.00	73,133.66	0.00	0.00	0.00	424,558.52	5,864.70	37,980.17	113,569.27	0.00	591,953.06	
Niagara Bottling, LLC	1,342,688	17,185.13	37,176.26	0.00	0.00	0.00	0.00	0.00	0.00	452,978.88	0.00	0.00	0.00	698.06	596,652.01	0.00	0.00	0.00	596,652.01	
Nicholsen Trust	0.00	0.00	0.00	1,914	16.78	36.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.02	4.67	30.22	90.37	0.00	176.26	
Norco, City Of	0.00	0.00	0.00	100,661	881.18	1,909.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,788.15	245.34	1,866.80	4,760.88	0.00	9,973.17	
Ontario, City Of	16,037,045	200,922.18	434,651.18	7,374,549	64,867.26	138,751.12	221.41	0.00	0.00	164,038.85	0.00	0.00	0.00	1,004,131.21	13,628.07	89,851.51	267,779.22	0.00	1,375,230.01	
Pomona, City Of	12,909,293	185,238.95	357,456.32	5,593,760	48,977.06	105,962.06	0.00	0.00	0.00	12,114.41	0.00	0.00	0.00	677,686.39	(63,030.59)	88,208.10	264,051.14	0.00	977,004.70	
San Antonio Water Company	1,156,242	14,866.30	32,089.41	794,623	6,569.08	14,240.06	16.35	0.00	0.00	0.00	0.00	0.00	0.00	79,888.57	1,632.01	11,864.22	35,476.68	0.00	129,051.47	
San Bernardino, County of (Shoother)	16,390	289.79	453.84	0.00	0.00	0.00	0.23	0.00	0.00	6,731.63	0.00	0.00	0.00	7,651.41	0.00	0.00	0.00	0.00	7,651.41	
Santa Ana River Water Company	46,575	620.99	1,343.38	648,969	5,692.14	12,296.32	0.69	0.00	0.00	507.00	0.00	0.00	0.00	20,451.01	1,632.01	10,245.19	30,635.43	0.00	62,913.64	
Upland, City Of	2,822,046	38,122.19	78,142.45	1,422,643	12,458.18	26,955.62	39.81	0.00	0.00	29,451.18	0.00	0.00	0.00	183,209.33	3,468.02	22,453.11	67,157.82	0.00	276,293.26	
West End Consolidated Water Co	0.00	0.00	0.00	472,579	4,137.69	8,954.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,092.13	1,192.01	7,460.47	23,908.46	0.00	44,013.06	
West Valley Water District	0.00	0.00	0.00	327,339	2,913.53	6,068.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,902.35	763.34	5,072.95	15,169.25	0.00	29,927.88	
West Valley Water District	129,406,103	1,282,119.06	2,775,884.10	49,197,176	430,437.89	931,571.39	1,167.94	0.00	0.00	689,497.64	0.00	0.00	0.00	6,113,868.65	0.00	431,739.99	1,281,000.00	0.00	7,836,608.64	

pt: 1) TMMWD elected to discontinue payment of the "Promona Credit" effective FY 2012/2013. It is now paid by the Appropriate Pool Parties, allocated on 1/4 OSI.
 2) Recharge Debt Project expenses [J] and Recharge Improvement Project expenses [I] are each allocated on 1/4 OSI, based on the approved budget.



Assessment Year 2014-2015 (Production Year 2013-2014)
Pool 3 Water Production Summary

Entity	Percent of Operating Yield	Carryover Beginning Balance	Prior Year Adjustments	Assigned Share of Operating Sales Yield	Net Ag Pool Reallocation	Water Transaction Activity	Shimwater New Field	Other Adjustments	Annual Production Right	Actual Fiscal Year Production	Storage and Recovery Program(s)	Total Production and Exchanges	Net Credit Production		Under-Production Balances		
													85/15%	100%	Total Under-Produced	Carrier: Next Year Credit Account	
Arrowhead Mt Spring Water Co	0.00%	0.00	0.00	0.00	0.00	70,030	0.00	0.00	70,030	379,111	0.00	379,111	0.00	309,081	0.00	0.00	0.00
Chino Hills, City Of	3.85%	0.00	0.00	2,111,922	1,958,600	3,113,982	0.00	0.00	7,224,004	7,224,004	0.00	7,224,004	0.00	0.00	0.00	0.00	0.00
Chino, City Of	7.35%	4,033,957	0.00	4,033,957	8,957,955	0.00	0.00	16,435,669	0.00	16,121,550	0.00	16,121,550	0.00	0.00	4,381,742	4,033,957	12,401,812
Cucamonga Valley Water District	6.60%	0.00	0.00	0.00	0.00	14,579,892	0.00	0.00	20,503,282	20,242,552	0.00	20,242,552	0.00	0.00	2,922,446	0.00	782,288
Desaler Authority	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29,242,552	0.00	29,242,552	0.00	0.00	0.00	0.00	0.00
Fontana Union Water Company	11.65%	0.00	0.00	6,381,736	3,157,595	(9,579,892)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fontana Water Company	0.00%	0.00	0.00	1,000	885,320	14,680,659	0.00	0.00	15,377,578	15,377,578	0.00	15,377,578	0.00	0.00	0.00	0.00	0.00
Fontana, City Of	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Golden State Water Company	0.70%	0.00	0.00	411,476	205,110	118,775	0.00	0.00	736,361	736,362	0.00	736,362	0.00	0.00	0.00	0.00	0.00
Jurupa Community Services District	3.75%	0.00	0.00	2,051,118	12,597,713	3,858,816	0.00	0.00	18,018,347	18,018,347	0.00	18,018,347	0.00	0.00	0.00	0.00	0.00
Maywood Mutual Water Company	1.15%	237,952	0.00	655,317	328,809	16,000	0.00	0.00	1,236,078	1,314,734	0.00	1,314,734	0.00	76,655	0.00	0.00	0.00
Metric Vista Irrigation Company	1.23%	675,759	0.00	675,759	337,474	31,515	0.00	0.00	1,722,507	0.00	0.00	0.00	0.00	0.00	1,722,507	675,759	1,045,748
Monia Vista Water District	8.79%	4,823,954	0.00	4,823,954	2,451,724	1,815,581	0.00	0.00	13,715,582	6,998,745	0.00	6,998,745	0.00	0.00	6,716,817	4,823,954	1,892,863
Niagara Bottling, LLC	0.00%	0.00	0.00	0.00	0.00	500,000	0.00	0.00	600,000	1,342,848	0.00	1,342,848	0.00	742,588	0.00	0.00	0.00
Nicholson Trust	0.00%	0.850	0.00	0.00	1,314	(8,500)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.243	0.243	0.00
Nero, City Of	0.36%	201,545	0.00	201,545	100,641	0.00	0.00	0.00	503,731	0.00	0.00	0.00	0.00	0.00	503,731	201,545	302,186
Ontario, City Of	20.74%	11,373,816	0.00	11,373,816	7,374,349	80,000	0.00	0.00	30,201,980	15,697,045	0.00	15,697,045	0.00	0.00	14,504,585	11,373,816	8,131,118
Pomona, City Of	20.45%	11,215,852	0.00	11,215,852	5,593,760	218,078	0.00	0.00	25,245,142	12,505,293	0.00	12,505,293	0.00	0.00	15,335,648	11,215,852	4,119,998
San Antonio Water Company	2.74%	1,102,508	0.00	1,102,508	751,523	(2,165,317)	0.00	0.00	1,175,801	1,159,242	0.00	1,159,242	0.00	0.00	16,359	1,102,508	1,118,867
San Bernardino County of Shooting P	0.00%	0.00	0.00	0.00	0.00	3,407	0.00	0.00	3,407	16,390	0.00	16,390	0.00	0.00	0.00	0.00	0.00
Santa Ana River Water Company	2.32%	1,301,374	0.00	1,301,374	649,868	(1,169,000)	0.00	0.00	2,082,715	48,515	0.00	48,515	0.00	0.00	2,034,200	1,301,374	732,826
Upland, City Of	5.20%	2,852,401	0.00	2,852,401	1,422,843	3,769,738	0.00	0.00	10,897,169	2,822,048	0.00	2,822,048	0.00	0.00	8,075,121	2,852,401	5,222,736
West End Consolidated Water Co	1.72%	947,714	0.00	947,714	472,573	0.00	0.00	2,858,001	0.00	0.00	0.00	0.00	0.00	0.00	2,858,001	947,714	1,420,287
West Valley Water District	1.75%	644,917	0.00	644,917	321,039	15,000	0.00	0.00	1,524,873	0.00	0.00	0.00	0.00	0.00	1,524,873	644,917	980,655
West Valley Water District	100.00%	39,412,879	0.00	54,834,000	48,181,416	29,334,414	0.00	0.00	172,742,405	129,408,103	0.00	129,408,103	0.00	12,953	30,372,376	41,707,649	32,072,516
Less Desaler Authority Production						29,242,552				29,242,552							
Total Less Desaler Authority Production						100,165,551				100,165,551							

2A 2B 2C 2D 2E 2F 2G 2H 2I 2J 2K 2L 2M 2N 2O 2P 2Q 2R 2S 2T 2U 2V 2W 2X 2Y 2Z

1) Shimwater New Yield is allocated to the Appropriations based on their % CSY. Watermaster has completed the process for correction of prior over-allocation that was documented through Condition Subsequent 7. Due to the ongoing State Yield Recalculation process and related questions as to the proper method for allocating Shimwater New Yield, 0.0% will be allocated during 2013/14. When the State Yield Recalculation and Shimwater New Yield allocation matters are resolved, the 2013/14 allocation will be recalculated, if necessary, and credited, if necessary.
 2) Column (2), "Actual Fiscal Year Production", includes Voluntary Agreements and Assignments. A detailed breakdown can be found in Appendix A.



Assessment Year 2014-2015 (Production Year 2013-2014)

Pool 3 Local Excess Carry Over Storage Account Summary

	Excess Carry Over Account (ECO)					
	Beginning Balance	2% Storage Loss	Transfers To / (From)	From Supplemental Storage	From Under-Production	Ending Balance
Arrowhead Min Spring Water Co	0.000	0.000	0.000	0.000	0.000	0.000
Chino Hills, City Of	10,366.057	(207.321)	(3,113.982)	0.000	0.000	7,044.754
Chino, City Of	54,189.696	(1,083.793)	0.000	0.000	12,401.812	65,507.715
Cucamonga Valley Water District	46,087.452	(921.749)	(4,000.000)	0.000	762.288	41,927.991
Desalter Authority	0.000	0.000	0.000	0.000	0.000	0.000
Fontana Union Water Company	0.000	0.000	0.000	0.000	0.000	0.000
Fontana Water Company	0.000	0.000	(2,179.252)	2,179.252	0.000	0.000
Fontana, City Of	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	1,246.202	(24.924)	(4,775)	0.000	0.000	1,216.503
Jurupa Community Services District	9,624.165	(192.483)	(2,159.516)	0.000	0.000	7,272.166
Marygold Mutual Water Company	849.904	(16.998)	0.000	0.000	0.000	832.906
Monte Vista Irrigation Company	3,993.782	(79.875)	0.000	0.000	1,045.748	4,959.655
Monte Vista Water District	4,843.000	(95.660)	0.000	0.000	1,892.863	6,539.003
Niagara Bottling, LLC	191.118	(3.822)	(600.000)	412.704	0.000	0.000
Nicholson Trust	1.152	(0.023)	0.000	0.000	0.000	1.129
Norco, City Of	2,813.073	(56.261)	0.000	0.000	302.186	3,058.998
Ontario, City Of	34,525.345	(690.505)	(5,500.000)	0.000	3,131.118	31,465.957
Pomona, City Of	28,062.663	(561.253)	(3,245.800)	0.000	4,119.996	28,375.606
San Antonio Water Company	5,562.409	(111.248)	(1,003.648)	0.000	0.000	4,447.513
San Bernardino, County of (Shooting	3.476	(0.069)	(3.407)	0.000	0.000	0.000
Santa Ana River Water Company	1,124.810	(22.496)	0.000	0.000	732.826	1,836.140
Upland, City Of	11,709.197	(234.183)	(15.000)	0.000	5,222.736	16,682.750
West End Consolidated Water Co	3,652.669	(77.053)	(1,167.000)	0.000	1,420.287	4,028.903
West Valley Water District	6,022.209	(120.444)	(500.000)	0.000	980.656	6,382.421
	225,068,379	(4,501,361)	(23,492,380)	2,591,956	32,012,516	231,679,110
	3A	3B	3C	3D	3E	3F

p3: In October 2014, the following Appropriators transferred water from their ECO Accounts to offset their Production Year 2013/2014 overproduction obligations: City of Chino Hills (3,113.982 AF), Golden State (4.775 AF), JCSD (2,159.516 AF), and County of San Bernardino (3.407 AF).



Assessment Year 2014-2015 (Production Year 2013-2014)
Pool 3 Local Supplemental Storage Account Summary

	Recharged Recycled Account				Identified (Pre-7/1/2010) Account				New (Post-7/1/2010) Account				Combined
	Beginning Balance	2% Storage Loss	Current Recharged Recycled	Transfer to ECO Account	Ending Balance	2% Storage Loss	Transfers To/ (From) ECO Account	Transfer to ECO Account	Beginning Balance	2% Storage Loss	Transfers To/ (From) ECO Account	Transfer to ECO Account	
Arrowhead Mtn Spring Water Co	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Chiro Hills, City Of	3,314.443	(65.268)	1,192.700	0.000	4,441.875	(101.232)	0.000	0.000	4,360.410	0.000	0.000	0.000	9,404.265
China, City Of	3,810.695	(75.211)	1,396.500	0.000	5,130.984	(22.230)	0.000	0.000	1,089.306	2,036.122	(40.722)	0.000	1,995.400
Cucamonga Valley Water District	8,423.245	(168.484)	3,178.400	0.000	11,431.161	(225.022)	0.000	0.000	11,075.105	674.159	(33.483)	0.000	660.676
Desalter Authority	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fontana Union Water Company	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fontana Water Company	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fontana, City Of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	0.000	0.000	0.000	0.000	0.000	(22.358)	0.000	0.000	1,438.578	80.449	(1.208)	0.000	69.241
Jurupa Community Services District	2,282.487	(45.649)	486.200	0.000	2,722.038	0.000	0.000	0.000	0.000	1,040.342	(20.806)	0.000	1,019.536
Marygold Mutual Water Company	0.000	0.000	0.000	0.000	0.000	(92.269)	0.000	0.000	1,651.224	2,446.019	(49.920)	0.000	(2,173.252)
Monte Vista Irrigation Company	0.000	0.000	0.000	0.000	0.000	(119.367)	0.000	0.000	3,649.005	101.049	(2.026)	0.000	95.029
Monte Vista Water District	1,575.664	(31.513)	594.600	0.000	2,138.061	(71.368)	0.000	0.000	3,487.047	341.923	(6.800)	0.000	334.693
Niagara Bottling, LLC	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3,857.144	(77.142)	0.000	(412.704)
Nicholson Trust	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Norco, City Of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	101.851	(2.037)	0.000	99.814
Ontario, City Of	14,948.423	(298.468)	5,423.600	0.000	20,074.035	(170.152)	0.000	0.000	6,337.482	5,030.233	(101.604)	0.000	4,978.629
Pomona, City Of	0.000	0.000	0.000	0.000	0.000	(230.844)	0.000	0.000	11,301.603	1,648.604	(32.970)	0.000	1,615.634
San Antonio Water Company	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1,147.689	(22.952)	0.000	1,124.687
San Bernardino, County of (Shooting Park)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Santa Ana River Water Company	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	593.415	(10.158)	0.000	499.247
Upland, City Of	3,668.769	(73.376)	1,223.700	0.000	4,919.084	(122.659)	0.000	0.000	6,010.395	0.000	0.000	0.000	10,929.430
West End Consolidated Water Co	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	478.244	(8.554)	0.000	468.690
West Valley Water District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	325.195	(8.503)	0.000	318.692
	38,024.696	(780.488)	13,993.000	0.000	50,857.408	(1,126.307)	0.000	0.000	55,140.085	22,088.413	(441.759)	0.000	(2,591.966)
													19,064.988
													50,857.108 + 19,064.988 = 69,914.606

Misc not exceed 100,000 AF per Phase Agreements / and //

pk: 1) The first 3,000 AF of City of Fontana's recharged recycled water transfers to MWD.
 2) FWC's and Niagara's July-Sept 2011 preemptive replenishment amounts were previously placed into their "New" Supplemental Storage accounts. In October 2014, PVC transferred 2,173.252 AF and Niagara transferred 600.000 AF to offset their Production Year 2013/2014 overproduction obligations.



Assessment Year 2014-2015 (Production Year 2013-2014)

Pool 3 Other Storage and Replenishment Accounts Summary

Desalter Replenishment:

	Beginning Balance	Storage Loss	Transfers To	Transfers From	Ending Balance
Re-Operation Offset: Pre-Peace II Desalters	1,286.700	0.000		(1,286.700)	0.000
Re-Operation Offset: Peace II Expansion	175,000.000	0.000			175,000.000
Non-Ag Dedication	0.000	0.000			0.000
City of Chino Preemptive Replenishment:	1,416.470	0.000			1,416.470
City of Ontario Preemptive Replenishment:	3,322.247	0.000			3,322.247
Jurupa CSD Preemptive Replenishment:	2,360.783	0.000			2,360.783
	5A	5B	5C	5D	5E

Storage and Recovery:

	Beginning Balance	Storage Loss	Transfers To	Transfers From	Ending Balance
MWD DYY / CUP	0.000	0.000	0.000	0.000	0.000
	5F	5G	5H	5I	5J

p5: 1) "Re-Operation Offset: Pre-Peace II Desalters" had an original beginning balance of 225,000,000 AF. The account will need adjustment following the current modeling and Safe Yield Recalculation work (i.e. Santa Ana River Underflow New Yield - SARUNY) and will be adjusted in the next Assessment Package. The 29,070 AF correction required by Condition Subsequent 7 is included. (See Appendix B)
 2) "Re-Operation Offset: Peace II Expansion" had an original beginning balance of 175,000,000 AF.
 3) There is no loss assessed on the native Basin water allocated to offset Desalter production as a result of Basin Reoperation as approved in the Peace II Agreement.
 4) Chino, Ontario, and JCSD Preemptive Replenishment Agreement water is shown. Per the Agreements, no losses are deducted against these accounts.



Assessment Year 2014-2015 (Production Year 2013-2014)

Pool 3 Water Transaction Summary

Water Transactions				
	Assigned Rights	General Transfer	Transfers (To) / From ECO Account	Total Water Transactions
Arrowhead Mtn Spring Water Co.	0.000	70.030	0.000	70.030
Chino Hills, City Of	0.000	0.000	3,113.982	3,113.982
Chino, City Of	0.000	0.000	0.000	0.000
Cucamonga Valley Water District	(500.000)	11,079.692	4,000.000	14,579.692
Desalter Authority	0.000	0.000	0.000	0.000
Fontana Union Water Company	0.000	(9,579.692)	0.000	(9,579.692)
Fontana Water Company	10,606.500	1,994.907	2,179.252	14,680.659
Fontana, City Of	0.000	0.000	0.000	0.000
Golden State Water Company	115.000	0.000	4.775	119.775
Jurupa Community Services District	1,200.000	0.000	2,159.516	3,359.516
Manlygold Mutual Water Company	0.000	16.000	0.000	16.000
Monte Vista Irrigation Company	0.000	31.515	0.000	31.515
Monte Vista Water District	3.648	1,612.283	0.000	1,615.931
Niagara Bottling, LLC	0.000	0.000	600.000	600.000
Nicholson Trust	(6.500)	0.000	0.000	(6.500)
Norco, City Of	0.000	0.000	0.000	0.000
Ontario, City Of	(5,500.000)	80.000	5,500.000	80.000
Pomona, City Of	(3,245.800)	219.678	3,245.800	219.678
San Antonio Water Company	(3,299.908)	110.943	1,003.648	(2,185.317)
San Bernardino, County of (Shooting Park)	0.000	0.000	3.407	3.407
Santa Ana River Water Company	(1,200.000)	31.000	0.000	(1,169.000)
Upland, City Of	3,594.060	160.678	15.000	3,769.738
West End Consolidated Water Co	(1,167.000)	0.000	1,167.000	0.000
West Valley Water District	(500.000)	15.000	500.000	15.000
	0.000	5,842.034	23,492.380	29,334.414

6A

6B

6C

6D

- p6: 1) Transfers in Column [6A] include annual water transfers/leases between Appropriators and/or from Appropriators to Watermaster for replenishment purposes.
 2) There were no transfers from Appropriative Pool Parties to Watermaster toward the replenishment obligation during this production year.
 3) Transfers in Column [6B] include the annual transfer of 10-percent of the Non-Ag OSY to the seven Appropriator Parties, as stated in the Peace II Agreement, and also the Exhibit "G" physical solution transfers from the Non-Ag Pool. (See Appendix C)



Chino Basin Watermaster Assessment Breakdown 2014-2015 Water Transaction Detail

Assessment Year 2014-2015 (Production Year 2013-2014)

To:	From:	Date of Submittal	Quantity	\$ / Acre Feet	Total \$	If 85/15 Rule Applies:		WM Pays	
						85%	15%		
Cucamonga Valley Water District	Pomona, City Of Storage Account	1/24/2014	3,000,000	504.05	\$1,512,150.00				
	West Valley Water District Storage Account	5/10/2014	500,000	504.05	\$252,025.00				
Fontana Water Company	Cucamonga Valley Water District Storage Account	4/30/2014	4,000,000	504.05	\$2,016,200.00	\$1,713,770.00	\$302,430.00	Fontana Water Company	
	Nicholson Trust Annual Account	5/1/2014	6,500	492.00	\$3,198.00	\$2,718.30	\$479.70	Fontana Water Company	
	Ontario, City Of Storage Account	6/4/2014	5,500,000	504.05	\$2,772,275.00	\$2,356,493.75	\$415,841.25	Fontana Water Company	
	San Antonio Water Company Storage Account	5/5/2014	1,000,000	492.00	\$492,000.00	\$418,200.00	\$73,800.00	Fontana Water Company	
Golden State Water Company	Upland, City Of Storage Account	8/11/2014	15,000	520.00	\$7,800.00	\$6,630.00	\$1,170.00	Golden State Water Company	
	West End Consolidated Water Co Storage Account	6/11/2014	100,000	49.00	\$4,900.00				
	<i>85/15 Rule does not apply - method of utilizing West End shares.</i>								
Jurupa Community Services District	Santa Ana River Water Company Annual Account	3/11/2014	1,200,000	480.00	\$576,000.00	\$489,600.00	\$86,400.00	Jurupa Community Services District	
Monte Vista Water District	San Antonio Water Company Storage Account	1/13/2014	3,648	209.00	\$762.43				
	<i>85/15 Rule does not apply - method of utilizing SAWCO shares.</i>								
Upland, City Of	Pomona, City Of Storage Account	1/22/2014	2,45,800	0.00	\$0.00				
	San Antonio Water Company Annual Account	1/13/2014	2,296,260	209.00	\$479,918.34				
	<i>85/15 Rule does not apply - method of utilizing SAWCO shares.</i>								
	West End Consolidated Water Co Storage Account	6/11/2014	1,067,000	49.00	\$52,283.00				
	<i>85/15 Rule does not apply - method of utilizing West End shares.</i>								
						\$8,169,511.77	\$4,987,352.05	\$880,120.95	
						Total Credits		\$880,120.95	

18,934,208



Chino Basin Watermaster Assessment Breakdown 2014-2015 Water Transaction Detail

Assessment Year 2014-2015 (Production Year 2013-2014)

Applied Recurring Transactions:

From:	To:	Quantity	\$ / Acre Feet	
Fontana Union Water Company Annual Account - Transfer (To) / From	Cucamonga Valley Water District Annual Account - Transfer (To) / From	All	0.00	Transfer FUWC water transfer rights to CVWD.
Fontana Union Water Company Annual Account - 32,800 AF Early Transfer	Cucamonga Valley Water District Annual Account - Transfer (To) / From	All	0.00	Transfer FUWC Ag Pool Reallocation Early Transfer to CVWD.
Fontana Union Water Company Annual Account - Diff - Potential vs. Net	Cucamonga Valley Water District Annual Account - Transfer (To) / From	All	0.00	Transfer FUWC Ag Pool Reallocation Difference (Potential vs. Net) to CVWD.
Fontana Union Water Company Annual Account - Stormwater New Yield	Cucamonga Valley Water District Annual Account - Transfer (To) / From	All	0.00	Transfer FUWC New Yield to CVWD.
Fontana Union Water Company Annual Account - Assigned Share of Operating Safe Yield	Cucamonga Valley Water District Annual Account - Transfer (To) / From	All	0.00	Transfer FUWC Share of Safe Yield to CVWD.



Chino Basin Watermaster Assessment Breakdown 2014-2015 Analysis of the Application of the 85/15 Rule to Water Transfers

Assessment Year 2014-2015 (Production Year 2013-2014)

To	(Over)/Under Production Excluding Water Transfer(s)	From	Date of Submittal	Transfer Quantity	Is Buyer an 85/15 Party?	Is Transfer Being Placed into Annual Account?	Is Purpose of Transfer to Utilize SAWCO or West End Shares?	Amount of Transfer Eligible for 85/15 Rule
Cucamonga Valley Water District	881,742	Pomona, City Of	1/24/2014	3,000,000	Yes	Yes	No	0.000
		West Valley Water District	5/10/2014	500,000	Yes	Yes	No	0.000
Fontana Water Company	(12,885,752)	Cucamonga Valley Water District	4/30/2014	4,000,000	Yes	Yes	No	4,000,000
		Nicholson Trust	5/1/2014	6,500	Yes	Yes	No	6,500
		Ontario, City Of	6/4/2014	5,500,000	Yes	Yes	No	5,500,000
		San Antonio Water Company	5/5/2014	1,000,000	Yes	Yes	No	1,000,000
Golden State Water Company	(119,776)	Upland, City Of	6/1/2014	15,000	Yes	Yes	No	15,000
		West End Consolidated Water Co	6/1/2014	100,000	Yes	Yes	Yes	0.000
		<i>85/15 Rule does not apply -- method of utilizing West End shares.</i>						
Junipa Community Services District	(3,359,516)	Santa Ana River Water Company	3/1/2014	1,200,000	Yes	Yes	No	1,200,000
Monte Vista Water District	6,713,169	San Antonio Water Company	1/13/2014	3,648	Yes	Yes	Yes	0.000
		<i>85/15 Rule does not apply -- method of utilizing SAWCO shares.</i>						
Upland, City Of	4,466,077	Pomona, City Of	1/22/2014	245,800	Yes	Yes	No	0.000
		San Antonio Water Company	1/13/2014	2,296,260	Yes	Yes	Yes	0.000
		<i>85/15 Rule does not apply -- method of utilizing SAWCO shares.</i>						
		West End Consolidated Water Co	6/1/2014	1,067,000	Yes	Yes	Yes	0.000
		<i>85/15 Rule does not apply -- method of utilizing West End shares.</i>						

p8. The column titled "(Over)/Under Production Excluding Water Transfer(s)" excludes water transfers between Appropriators and to Watermaster (if any), but includes the "10% Non-Ag Haircut" water to the seven Appropriators.



Assessment Year 2014-2015 (Production Year 2013-2014)

Watermaster Replenishment Calculation

Cost of Replenishment Water per acre foot:

Watermaster Replenishment Cost	\$593.00
Projected Spreading - OCWD Connection Fee	\$2.00
Projected Spreading - IEUA Surcharge	\$15.00
Pre-purchased Credit	\$0.00
Total Replenishment Cost per acre foot	\$610.00

Replenishment Obligation:	AF @ \$610.00	15%	85%	Total
Appropriative - 100	1,130,324			\$689,497.64
Appropriative - 15/85	12,983	\$1,187.94	\$6,731.69	\$7,919.63
Non-Agricultural - 100	91,520			\$55,827.20
	1,234,827			\$753,244.47

Company	AF Production and Exchanges	85/15 Producers	Percent of Total 85/15 Producers	15% Replenishment Assessment	15% Water Transaction Debits
Arrowhead Mtn Spring Water Co	379.111				
Chino Hills, City Of	7,224.004	7,224.004	8.578%	\$101.90	\$75,492.88
Chino, City Of	0.000	0.000	0.000%	\$0.00	\$0.00
Cucamonga Valley Water District	16,121.550	16,121.550	19.142%	\$227.40	\$168,474.75
Desalter Authority	29,242.552				
Fontana Union Water Company	0.000	0.000	0.000%	-	\$0.00
Fontana Water Company	15,377.579	15,377.579	18.259%	\$216.91	\$160,700.04
Fontana, City Of	0.000				
Golden State Water Company	736.362	736.362	0.874%	\$10.39	\$7,695.19
Jurupa Community Services District	18,018.347	18,018.347	21.394%	\$254.15	\$188,296.81
Marygold Mutual Water Company	1,314.734				
Monte Vista Irrigation Company	0.000	0.000	0.000%	-	\$0.00
Monte Vista Water District	6,998.745	6,998.745	8.310%	\$98.72	\$73,138.86
Niagara Bottling, LLC	1,342.588				
Nicholson Trust	0.000	0.000	0.000%	-	\$0.00
Norco, City Of	0.000	0.000	0.000%	-	\$0.00
Ontario, City Of	15,697.045	15,697.045	18.638%	\$221.41	\$164,038.55
Pomona, City Of	12,909.293				
San Antonio Water Company	1,159.242	1,159.242	1.376%	\$16.35	\$12,114.41
San Bernardino, County of (Shootin	16.390	16,390	0.019%	\$0.23	\$171.28
Santa Ana River Water Company	48.515	48,515	0.058%	\$0.68	\$507.00
Upland, City Of	2,822.046	2,822.046	3.351%	\$39.81	\$29,491.18
West End Consolidated Water Co	0.000	0.000	0.000%	-	\$0.00
West Valley Water District	0.000	0.000	0.000%	-	\$0.00
** Fee assessment total is 15% of Appropriated 15/85 replenishment	129,408.103	84,219.825	**	\$1,187.94	\$880,120.95

Transfers to
1G

Transfers to
1K

p9: The "Watermaster Replenishment Cost" listed is MWD's 2014 Tier 1 Full Service Untreated Rate. The 2014 rate is used for a consecutive year because it is the most suitable rate.



Assessment Year 2014-2015 (Production Year 2013-2014)

Watermaster Cumulative Unmet Replenishment Obligation (CURO)

Remaining Replenishment Obligation:	AF	Replenishment Rate
Appropriative - 100	976.084	\$610.00
Appropriative - 15/85	14.988	\$608.00
Non-Agricultural - 100	45.049	
	1,036.121	

Pool 3 Appropriative

Company	Outstanding Obligation (AF)	Fund Balance (\$)	Outstanding Obligation (\$)	AF Production and Exchanges	85/15 Producers	Percent	15%	85%	100%	Total
Arrowhead Mtn Spring Water Co	410.893	\$251,145.27	(\$500.54)	379,111					(\$500.54)	(\$500.54)
Chino Hills, City Of	0.000	\$0.00	\$0.00	7,224,004	7,224,004	8.578%	(\$0.23)	\$0.00	\$0.00	(\$0.23)
Chino, City Of	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00	\$0.00	\$0.00
Cucamonga Valley Water District	0.000	\$0.00	\$0.00	16,121,550	16,121,550	19.142%	(\$0.52)	\$0.00	\$0.00	(\$0.52)
Desalter Authority	0.000	\$0.00	\$0.00	29,242,552			\$0.00	\$0.00	\$0.00	\$0.00
Fontana Union Water Company	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00	\$0.00	\$0.00
Fontana Water Company	0.000	\$0.00	\$0.00	15,377,579	15,377,579	18.259%	(\$0.50)	\$0.00	\$0.00	(\$0.50)
Fontana, City Of	0.000	\$0.00	\$0.00	0.000					\$0.00	\$0.00
Golden State Water Company	0.000	\$0.00	\$0.00	736,362	736,362	0.874%	(\$0.02)	\$0.00	\$0.00	(\$0.02)
Jurupa Community Services District	0.000	\$0.00	\$0.00	18,018,347	18,018,347	21.394%	(\$0.58)	\$0.00	\$0.00	(\$0.58)
Marygold Mutual Water Company	0.000	\$0.00	\$0.00	1,314,734					\$0.00	\$0.00
Monte Vista Irrigation Company	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00	\$0.00	\$0.00
Monte Vista Water District	0.000	\$0.00	\$0.00	6,998,745	6,998,745	8.310%	(\$0.23)	\$0.00	\$0.00	(\$0.23)
Niagara Bottling, LLC	565.191	\$345,454.57	(\$688.06)	1,342,588					(\$688.06)	(\$688.06)
Nicholson Trust	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00	\$0.00	\$0.00
Norco, City Of	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00	\$0.00	\$0.00
Ontario, City Of	0.000	\$0.00	\$0.00	15,697,045	15,697,045	18.638%	(\$0.51)	\$0.00	\$0.00	(\$0.51)
Pomona, City Of	0.000	\$0.00	\$0.00	12,909,293					\$0.00	\$0.00
San Antonio Water Company	0.000	\$0.00	\$0.00	1,159,242	1,159,242	1.376%	(\$0.04)	\$0.00	\$0.00	(\$0.04)
San Bernardino, County of (Shooting Par	14.988	\$9,160.83	(\$18.15)	16,390	16,390	0.019%	\$0.00	(\$15.43)	\$0.00	(\$15.43)
Santa Ana River Water Company	0.000	\$0.00	\$0.00	48,515	48,515	0.058%	\$0.00	\$0.00	\$0.00	\$0.00
Upland, City Of	0.000	\$0.00	\$0.00	2,822,046	2,822,046	3.351%	(\$0.09)	\$0.00	\$0.00	(\$0.09)
West End Consolidated Water Co	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00	\$0.00	\$0.00
West Valley Water District	0.000	\$0.00	\$0.00	0.000	0.000	0.000%	\$0.00	\$0.00	\$0.00	\$0.00
Pool 3 Appropriative Total	991.072	\$605,760.67	(\$1,206.75)	129,408,103	84,219,825	**	(\$2.72)	(\$15.43)	(\$1,188.60)	(\$1,206.74)

p10: There are 1097.132 AF and 734.489 AF of Outstanding Obligations from the previous two FYs, and the financial Outstanding Obligations are reconciled on these two pages.



Assessment Year 2014-2015 (Production Year 2013-2014)

Watermaster Cumulative Unmet Replenishment Obligation (CURO)

Remaining Replenishment Obligation:		AF	Replenishment Rate	
Appropriative - 100		976,084	2014 Rate	\$610.00
Appropriative - 15/85		14,988	2013 Rate	\$608.00
Non-Agricultural - 100		45,049		
		1,036,121		

Pool 2 Non-Agricultural

Company	Outstanding Obligation (AF)	Fund Balance (\$)	Outstanding Obligation (\$)
Ameron International Corp.	0.000	\$0.00	\$0.00
Aqua Capital Management LP	0.000	\$0.00	\$0.00
California Speedway Corp. (Auto Club Sp	0.000	\$0.00	\$0.00
California Steel Industries, Inc. (CSI)	0.000	\$0.00	\$0.00
Calmat Co., a Division of Vulcan Material	0.000	\$0.00	\$0.00
CCG Ontario, LLC	0.000	\$0.00	\$0.00
General Electric Co. (GE)	0.000	\$0.00	\$0.00
Hamner Park Associates (Swan Lake M	0.000	\$0.00	\$0.00
Kaiser Ventures, Inc.	0.000	\$0.00	\$0.00
KCO, LLC / The Koll Company	0.000	\$0.00	\$0.00
Loving Savior Of The Hills Lutheran Chur	0.000	\$0.00	\$0.00
NRG California South LP	0.000	\$0.00	\$0.00
Ontario, City of (Non-Ag)	0.000	\$0.00	\$0.00
Praxair, Inc.	0.000	\$0.00	\$0.00
Riboli Family / San Antonio Winery	11.347	\$6,935.18	(\$13.51)
San Bernardino, County of (Chino Airport	0.000	\$0.00	\$0.00
Southern California Edison Co. (SCE)	0.000	\$0.00	\$0.00
Southern Service Co. (Angelica)	33.702	\$20,599.50	(\$41.28)
Space Center Mira Loma, Inc.	0.000	\$0.00	\$0.00
Sunkist Growers, Inc.	0.000	\$0.00	\$0.00
TAMCO			
West Venture Development Co.	0.000	\$0.00	\$0.00
Pool 2 Non-Agricultural Total	45.049	\$27,534.68	(\$54.79)

p10: There are 1097,132 AF and 734,469 AF of Outstanding Obligations from the previous two FYs, and the financial Outstanding Obligations are reconciled on these two pages.



Chino Basin Watermaster Assessment Breakdown 2014-2015 Land Use Conversion Summary

Assessment Year 2014-2015 (Production Year 2013-2014)

AGRICULTURAL POOL SUMMARY IN ACRE FEET

Agricultural Pool Safe Yield	82,800.000
Agricultural Total Pool Production	(33,638.883)
Early Transfer	(32,800.000)
Total Conversions	(26,161.700)
Under(Over) Production:	(9,800.583)

	Agricultural Pool Summary		Total Prior to Peace Agrmt		Total Land Use	
	Prior Converted	Acres Converted @ 13 af/ac	Acres	Acre Feet	Acres Converted @ 20 af/ac	Acre Feet
Chino Hills, City Of	0.000	670.266	871.346	871.346	131.280	262.560
Chino, City Of	196.235	1,454.750	1,891.175	2,087.410	2,767.827	5,535.654
Cucamonga Valley Water District	0.000	460.280	598.364	598.364	0.000	0.000
Fontana Water Company	0.000	0.000	0.000	0.000	417.000	834.000
Jurupa Community Services District	0.000	2,756.920	3,583.996	3,583.996	5,146.100	10,292.200
Monte Vista Water District	0.000	28.150	36.595	36.595	9.240	18.480
Ontario, City Of	209.400	527.044	685.157	894.557	573.269	1,146.538
	405.635	5,897.410	7,666.633	8,072.268	9,044.716	18,089.432
						26,161.700

p11: "Agricultural Total Pool Production" includes Voluntary Agreements between Appropriators and Agricultural Pool Parties.



Assessment Year 2014-2015 (Production Year 2013-2014)

Pool 3 Agricultural Pool Reallocation Summary

	Reallocation of Agricultural Pool Safe Yield						
	% Share of Operating Safe Yield	32,800 AF Early Transfer	Land Use Conversions	Potential for Reallocation (AF)	Percent of Ag Pool Reallocation	Difference: Potential vs. Net	Net Ag Pool Reallocation
Arrowhead Min Spring Water Co.	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000
Chino Hills, City Of	3.851%	1,263.128	1,133.906	2,397.034	4.065%	(398.434)	1,998.600
Chino, City Of	7.357%	2,413.098	7,623.064	10,036.160	17.021%	(1,668.205)	8,367.955
Cucamonga Valley Water District	6.601%	2,165.128	598.364	2,763.492	4.687%	(459.346)	2,304.146
Desalter Authority	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000
Fontana Union Water Company	11.657%	3,823.496	0.000	3,823.496	6.485%	(635.540)	3,187.956
Fontana Water Company	0.002%	0.656	834.000	834.656	1.416%	(138.736)	695.920
Fontana, City Of	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000
Golden State Water Company	0.750%	246.000	0.000	246.000	0.417%	(40.890)	205.110
Jurupa Community Services District	3.759%	1,232.952	13,876.198	15,109.148	25.625%	(2,511.435)	12,597.713
Marygold Mutual Water Company	1.195%	391.960	0.000	391.960	0.665%	(55.151)	336.809
Monte Vista Irrigation Company	1.234%	404.752	0.000	404.752	0.686%	(67.278)	337.474
Monte Vista Water District	8.797%	2,885.416	55.075	2,940.491	4.987%	(488.767)	2,451.724
Niagara Bottling, LLC	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000
Nicholson Trust	0.007%	2.296	0.000	2.296	0.004%	(0.382)	1.914
Norco, City Of	0.368%	120.704	0.000	120.704	0.205%	(20.063)	100.641
Ontario, City Of	20.742%	6,803.376	2,041.095	8,844.471	15.000%	(1,470.123)	7,374.348
Pomona, City Of	20.454%	6,708.912	0.000	6,708.912	11.378%	(1,115.152)	5,593.760
San Antonio Water Company	2.748%	901.344	0.000	901.344	1.529%	(149.821)	751.523
San Bernardino, County of (Shooting	0.000%	0.000	0.000	0.000	0.000%	0.000	0.000
Santa Ana River Water Company	2.973%	778.344	0.000	778.344	1.320%	(129.376)	648.968
Upland, City Of	5.202%	1,706.256	0.000	1,706.256	2.894%	(283.613)	1,422.643
West End Consolidated Water Co.	1.728%	566.784	0.000	566.784	0.961%	(94.211)	472.573
West Valley Water District	1.175%	385.400	0.000	385.400	0.654%	(64.061)	321.339
	100.000%	32,800.000	28,161.700	58,961.700	100.000%	(9,800.584)	49,161.116
	[12A]	[12B]	[12C]	[12D]	[12E]	[12F]	[12G]



Assessment Year 2014-2015 (Production Year 2013-2014)
Pool 2 Assessment Fee Summary

	Non-Agricultural Pool			Replenishment Assessments			Total	
	AF Production	AF/Admin	AF/OBWP	AF Exceeding Annual Right	Per AF	CURO Adjustment		Other Adjustments
Ameron International Corp.	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
Aqua Capital Management LP	0.000	0.00	0.00	57.154	34,863.94	0.00	0.00	34,863.94
California Speedway Corp. (Auto Club Speedway)	435.795	5,578.18	12,067.16	0.000	0.00	0.00	0.00	17,645.34
California Steel Industries, Inc. (CSI)	1,417.448	18,143.33	39,249.14	0.000	0.00	0.00	0.00	57,392.47
Calmat Co., a Division of Vulcan Materials Co.	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
CCG Ontario, LLC	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
General Electric Co. (GE)	0.004	0.05	0.11	0.004	2.44	0.00	0.00	2.60
Hamner Park Associates (Swan Lake MHP)	295.791	3,658.12	7,913.55	0.000	0.00	0.00	0.00	11,571.68
Kaiser Ventures, Inc.	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
KCO, LLC / The Koll Company	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
Loving Savior Of The Hills Lutheran Church	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
NRG California South LP	289.980	3,711.74	8,029.55	0.000	0.00	0.00	0.00	11,741.29
Ontario, City of (Non-Ag)	1,855.196	23,746.51	51,370.38	0.000	0.00	0.00	0.00	75,116.89
Praxair, Inc.	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
Riboli Family / San Antonio Winery	10.403	133.16	288.06	10.403	6,345.63	(13.51)	0.00	6,753.54
San Bernardino, County of (Chino Airport)	104.278	1,334.76	2,887.46	0.000	0.00	0.00	0.00	4,222.22
Southern California Edison Co. (SCE)	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
Southern Service Co. (Angelica)	36.579	457.44	1,011.21	19.609	11,961.49	(41.28)	0.00	13,398.86
Space Center Mira Loma, Inc.	93.708	1,159.46	2,594.77	0.000	0.00	0.00	0.00	3,794.24
Sunkist Growers, Inc.	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
TAMCO	17.850	228.48	494.27	4.350	2,553.50	0.00	0.00	3,376.25
West Venture Development Co.	0.000	0.00	0.00	0.000	0.00	0.00	0.00	0.00
	4,546.972	58,201.24	125,905.65	91.520	55,827.20	(54.79)	0.00	239,879.30

p13: 1) TAMCO Intervened into the Non-Ag Pool, effective July 1, 2013. Concurrently, Ameron International permanently transferred 15,000 AF of Safe Yield to TAMCO.



Assessment Year 2014-2015 (Production Year 2013-2014)

Pool 2 Water Production Summary

	Percent of Safe Yield	Carryover Beginning Balance	Prior Year Adjustments	Assigned Share of Safe Yield (AF)	Water Transaction Activity	Other Adjustments	Annual Production Right	Actual Fiscal Year Production	Net Over Production	Under Production Balances		
										Total Under-Produced	Carryover: Next Year Beg'n Bal	To Local Storage Account
Ameron International Corp.	1.127%	97,868	0.000	82,858	(8,286)	0.000	172,430	0.000	0.000	172,430	82,858	89,572
Aqua Capital Management LP	8.612%	632,981	0.000	632,981	(1,323,117)	0.000	(57,154)	0.000	57,154	0.000	0.000	0.000
California Speedway Corp. (Auto)	13.805%	1,000,000	0.000	1,000,000	(100,000)	0.000	1,900,000	435,795	0.000	1,464,205	1,600,000	464,204
California Steel Industries, Inc. (C)	27.974%	1,564,457	0.000	1,615,137	(161,513)	0.000	3,018,081	1,417,448	0.000	1,600,633	1,600,633	0.000
Galmet Co., a Division of Vulcan	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CCG Ontario, LLC	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
General Electric Co. (GE)	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.004	0.004	0.000	0.000	0.000
Hamner Park Associates (Swan L)	6.316%	464,240	0.000	464,240	(46,424)	0.000	882,056	285,791	0.000	596,265	484,240	132,024
Kaiser Ventures, Inc.	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
KCO, LLC / The Koll Company	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Loving Savior Of The Hills Luthera	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NRG California South LP	12.986%	954,540	0.000	954,540	(95,454)	0.000	1,813,626	289,980	0.000	1,523,646	954,540	569,106
Ontario, City of (Non-Ag)	31.669%	2,327,807	0.000	2,327,807	(232,781)	0.000	4,422,833	1,855,196	0.000	2,567,636	2,327,807	239,829
Praxair, Inc.	0.014%	1,000	0.000	1,000	(0,100)	0.000	1,900	0.000	0.000	1,900	1,000	0.899
Riboli Family / San Antonio Winery	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	10,403	10,403	0.000	0.000	0.000
San Bernardino, County of (Chino)	1.821%	30,496	0.000	133,870	(13,387)	0.000	150,979	104,278	0.000	46,701	46,701	0.000
Southern California Edison Co. (S)	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Southern Service Co. (Angelica)	0.256%	0.000	0.000	16,789	(1,679)	0.000	16,910	36,519	19,609	0.000	0.000	0.000
Space Center Miraloma, Inc.	1.477%	0.000	0.000	194,121	(10,412)	0.000	93,711	93,708	0.000	0.000	0.000	0.000
Sunkist Growers, Inc.	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TAMCO	0.204%	0.000	0.000	15,000	(1,500)	0.000	13,500	17,850	4,350	0.000	0.000	0.000
West Venture Development Co.	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	100.00%	7,073,382	0.000	7,350,343	(1,994,853)	0.000	12,428,872	4,546,972	91,520	7,973,419	6,477,782	1,495,634

p14: 1) TAMCO intervened into the Non-Ag Pool, effective July 1, 2013. Concurrently, Ameron International permanently transferred 15,000 AF of Safe Yield to TAMCO.
 2) Transfers in Column [14E] include the annual transfer of 10 percent of the Non-Ag Safe Yield to the seven Appropriator Parties, as stated in the Peace II Agreement, and also the Exhibit "C" physical solution transfers to the Appropriative Pool. (See Appendix C)
 3) Column [14H], "Actual Fiscal Year Production," includes Assignments between Appropriators and Non-Ag Pool Parties.



Assessment Year 2014-2015 (Production Year 2013-2014)

Pool 2 Local Storage Account Summary

	Local Storage Account			
	Beginning Balance	2% Storage Loss	Transfers To / (From)	Ending Balance
Ameron International Corp.	287,817	(6,756)	89,572	371,633
Aqua Capital Management LP	2,905,286	(58,105)	(2,847,181)	0.000
California Speedway Corp. (Auto Club Speedway)	2,249,609	(44,592)	(535,756)	1,668,321
California Steel Industries, Inc. (CSI)	3,873,398	(77,467)	0.000	3,795,931
Calmat Co., a Division of Vulcan Materials Co.	5,280	(0.105)	0.000	5,175
CCG Ontario, LLC	0.000	0.000	0.000	0.000
General Electric Co. (GE)	0.000	0.000	0.000	0.000
Harner Park Associates (Swan Lake MHP)	951,790	(19,035)	132,024	1,064,779
Kaiser Ventures, Inc.	0.000	0.000	0.000	0.000
KCO, LLC / The Koll Company	0.000	0.000	0.000	0.000
Loving Savior Of The Hills Lutheran Church	0.000	0.000	0.000	0.000
NRG California South LP	2,576,527	(51,530)	569,105	3,094,103
Orlando, City of (Non-Ag)	2,563,181	(51,263)	(239,829)	2,751,747
Praxair, Inc.	60,469	(1,209)	0.899	60,149
Riboll Family / San Antonio Winery	0.000	0.000	0.000	0.000
San Bernardino, County of (Chino Airport)	0.000	0.000	0.000	0.000
Southern California Edison Co. (SCE)	0.000	0.000	0.000	0.000
Southern Service Co. (Angelica)	0.000	0.000	0.000	0.000
Space Center Mira Loma, Inc.	0.000	0.000	0.000	0.000
Sunkist Growers, Inc.	0.000	0.000	0.000	0.000
TAMCO	0.000	0.000	0.000	0.000
West Venture Development Co.	0.000	0.000	0.000	0.000
	15,473,347	(309,462)	(2,351,547)	12,812,338
	15A	15B	15C	15D

p15: 1) TAMCO intervened into the Non-Ag Pool, effective July 1, 2013. Concurrently, Ameron International permanently transferred 15,000 AF of Safe Yield to TAMCO.
 2) Column [15C] includes the Exhibit "G" physical solution transfers to the Appropriative Pool. (See Appendix C)



Assessment Year 2014-2015 (Production Year 2013-2014)

Appendix A: Pool 3 Water Production Detail

	Physical Production	Voluntary Agreements (w/ Ag)	Assignments (w/ Non-Ag)	Other Adjustments	Actual FY Production (Assmnt Pkg Column 2J)
Arrowhead Mtn Spring Water Co.	379,111	0,000	0,000	0,000	379,111
Chino Hills, City Of	2,160,925	(286,221)	0,000	5,359,300	7,224,004
Chino, City Of	6,725,430	(6,686,440)	(104,278)	65,288	0,000
Cucamonga Valley Water District	16,121,550	0,000	0,000	0,000	16,121,550
Desalter Authority	29,282,283	0,000	0,000	(39,731)	29,242,552
Fontana Union Water Company	0,000	0,000	0,000	0,000	0,000
Fontana Water Company	15,377,579	0,000	0,000	0,000	15,377,579
Fontana, City Of	0,000	0,000	0,000	0,000	0,000
Golden State Water Company	736,362	0,000	0,000	0,000	736,362
Jurupa Community Services District	18,406,630	0,000	(379,499)	(8,784)	18,018,347
Marygold Mutual Water Company	1,314,734	0,000	0,000	0,000	1,314,734
Metropolitan Water District	0,000	0,000	0,000	0,000	0,000
Monte Vista Irrigation Company	0,000	0,000	0,000	0,000	0,000
Monte Vista Water District	12,521,892	(151,480)	0,000	(5,371,667)	6,998,745
Niagara Bottling, LLC	1,342,588	0,000	0,000	0,000	1,342,588
Nicholson Trust	0,000	0,000	0,000	0,000	0,000
Norco, City Of	0,000	0,000	0,000	0,000	0,000
Ontario, City Of	21,980,342	(4,428,101)	(1,855,196)	0,000	15,697,045
Pomona, City Of	12,909,293	0,000	0,000	0,000	12,909,293
San Antonio Water Company	1,159,242	0,000	0,000	0,000	1,159,242
San Bernardino, County of (Shooting)	16,390	0,000	0,000	0,000	16,390
Santa Ana River Water Company	0,000	0,000	0,000	48,515	48,515
Upland, City Of	2,822,046	0,000	0,000	0,000	2,822,046
West End Consolidated Water Co	0,000	0,000	0,000	0,000	0,000
West Valley Water District	0,000	0,000	0,000	0,000	0,000
	143,246,397	(11,552,242)	(2,338,973)	52,921	129,408,103
Less Desalter Authority Production					29,242,552
Total Less Desalter Authority Production					100,165,551

Note: Other Adjustments include water provided to another Appropriator, pump-to-waste that has been captured in a recharge basin, and ASR Injections. The volume noted for City of Chino is an adjustment made to keep the City's Actual Production from being a negative number.

Assessment Package Appendix B
Desalter Replenishment Accounting, Shortfall Deducted from the Pre-Peace II Desalters Re-Operation Account¹
Per Peace II Agreement, Section 6.2 (PIIA, 6.2)
(Acre-Feet)

Production Year	Desalter Production				Paragraph 31 Settlement Agreements Deductions PIIA, 6.2(a)(ii)	SARUNY New Yield (SARUNY) PIIA, 6.2(i)(ii)	"Leave Behind" Losses PIIA, 6.2(i)(iv)	Safe Yield Contributed by Parties PIIA, 6.2(a)(v)	Controlled Overdraft / Re-Op. PIIA, 6.2(a)(vi)		Non-Ag OBMP Assessment (10% Haircut) PIIA, 6.2(b)(i)	Residual Replenishment Obligation ^{5, 6, 9}
	Pre-Peace II Desalter Production	Peace II Desalter Expansion Production ²	Total	Desalter (aka Kaiser) Account PIIA, 6.2(a)(i)					Allocation to Pre-Peace II Desalters ³	Allocation to Peace II Desalter Expansion ⁴		
2001	7,989	0	7,989	3,985	0	0	0	0	0	0	3,985	
2002	9,458	0	9,458	4,729	0	0	0	0	0	0	4,729	
2003	10,439	0	10,439	5,219	0	0	0	0	0	0	5,219	
2004	10,605	0	10,605	5,303	0	0	0	0	0	0	5,303	
2005	9,854	0	9,854	4,927	0	0	0	0	0	0	4,927	
2006	16,476	0	16,476	11,579	0	0	0	0	0	0	4,897	
2007	26,558	0	26,558	808	4,273	0	0	21,475	0	0	0	
2008	26,972	0	26,972	0	0	0	0	28,972	0	0	0	
2009	32,520	0	32,520	0	0	0	0	81,589	0	0	0	
2010	28,517	0	28,517	0	0	0	0	28,517	0	0	0	
2011	29,319	0	29,319	0	0	0	0	28,318	0	0	0	
2012	28,379	0	28,379	0	0	0	0	203,350	0	0	0	
2013	27,062	0	27,062	0	0	0	0	27,062	0	0	0	
2014	29,228	0	29,228	0	0	0	0	1,288	0	0	0	
2015	30,000	0	30,000	0	0	0	0	175,000	0	0	0	
2016	30,000	7,500	37,500	0	0	0	0	167,500	7,500	0	30,000	
2017	30,000	10,000	40,000	0	0	0	0	157,500	10,000	0	30,000	
2018	30,000	10,000	40,000	0	0	0	0	147,500	10,000	735	29,265	
2019	30,000	10,000	40,000	0	0	0	0	137,500	10,000	735	29,265	
2020	30,000	10,000	40,000	0	0	0	0	127,500	10,000	735	29,265	
2021	30,000	10,000	40,000	0	0	0	0	117,500	10,000	735	29,265	
2022	30,000	10,000	40,000	0	0	0	0	107,500	10,000	735	29,265	
2023	30,000	10,000	40,000	0	0	0	0	97,500	10,000	735	29,265	
2024	30,000	10,000	40,000	0	0	0	0	87,500	10,000	735	29,265	
2025	30,000	10,000	40,000	0	0	0	0	77,500	10,000	735	29,265	
2026	30,000	10,000	40,000	0	0	0	0	67,500	10,000	735	29,265	
2027	30,000	10,000	40,000	0	0	0	0	57,500	10,000	735	29,265	
2028	30,000	10,000	40,000	0	0	0	0	47,500	10,000	735	29,265	
2029	30,000	10,000	40,000	0	0	0	0	37,500	10,000	735	29,265	
2030	773,573	1,47,500	921,073	35,380	4,273	0	0	225,000	147,500	10,250	437,549	
Totals								(225,000 available)	(175,000 available)			

1. Table format and content: WEL, Response to Condition Subsequent Number 7, November 2008.
2. Peace II Desalter Expansion expected to increase total desalter production in October 2015.
3. 3,958,877 acre-feet + 316,177 acre-feet added as Non-Ag dedicated stored water per Paragraph 31 Settlement Agreements. Per Agreements, the water is deemed to have been dedicated as of June 30, 2007.
4. The Santa Ana River Underflow New Yield (SARUNY) projection in the table is shown as zero for each year. In the near future, through the modeling work and Safe Yield Recalculation process, Watermaster will determine the SARUNY created by Desalters and Re-Operation, and will produce a new schedule.
5. Six years of Desalter tracking (Production Year 2000/2001 through Production Year 2005/2006) incorrectly assumed that a significant portion of Desalter production was being offset by SAR Underflow New Yield. Condition Subsequent 7 included an adjustment of 28,070 AF against Desalter replenishment in Production Year 2008/2009.
6. The Peace I Agreement terminates in 2030. Per this schedule, the Peace II Desalter expansion has not yet fully utilized its available 175,000 acre-feet.
7. For the first 10 years following the Peace II Agreement (2008/2007 through 2015/2016), the Non-Ag "10% Haircut" water is apportioned among the specific seven members of the Appropriative Pool, per PIIA 6.2(a). In the eleventh year and in each year thereafter, it is dedicated to Watermaster to further offset desalter replenishment. However, to the extent there is no remaining desalter replenishment obligation in any year after applying the offsets set forth in 6.2(e), it will be distributed pro rata among the members of the Appropriative Pool based upon each Producer's combined total share of OSY and the previous year's actual production.
8. Per the Peace II Agreement, Section 6.2(b)(ii), the residual replenishment assessment is against the Appropriative Pool, pro-rata based on each Producer's combined total share of OSY and the previous year's actual production.
9. The production year 2013/14 desalter replenishment obligation could be as high as 27,940 AF. Due to the ongoing Safe Yield Recalculation process and related SARUNY matter, the desalter replenishment obligation is not being assessed at this time. When the Safe Yield Recalculation and SARUNY matters are resolved, the desalter replenishment obligation will be recalculated, if necessary, and assessed, if necessary.

Assessment Package Appendix C
Allocation for the Purchase of the Exhibit "G" Non-Ag Pool Water
2014

Non-Ag Pool Party	Amount Sold (AF)
Aqua Capital Management	4,107,000
Auto Club Speedway	1,000,000
Total	5,107,000

Appropriative Pool Party	Amount Purchased (AF)
Arrowhead Mtn Spring Water Co	70,030
Chino Hills, City Of	-
Chino, City Of	-
Cucamonga Valley Water District	1,036,098
Desalter Authority	-
Fontana Union Water Company	463,907
Fontana Water Company	1,994,907
Fontana, City Of	-
Golden State Water Company	-
Jurupa Community Services District	-
Marygold Mutual Water Company	-
Monte Vista Irrigation Company	31,515
Monte Vista Water District	1,399,605
Niagara Bottling, LLC	-
Nicholson Trust	-
Norco, City Of	-
Ontario, City Of	-
Pomona, City Of	-
San Antonio Water Company	110,943
San Bernardino, County of (Shooting Park)	-
Santa Ana River Water Company	-
Upland, City Of	-
West End Consolidated Water Company	-
West Valley Water District	-
Total	5,107,000

CHINO BASIN WATERMASTER
Case No. RCV 51010
Chino Basin Municipal Water District v. The City of Chino

PROOF OF SERVICE

I declare that:

I am employed in the County of San Bernardino, California. I am over the age of 18 years and not a party to the within action. My business address is Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California 91730; telephone (909) 484-3888.

On April 7, 2017 I served the following:

1. APPENDIX OF DOCUMENTS REFERENCED IN CHINO BASIN WATERMASTER FURTHER REPOSE TO FEBRUARY 22, 2017 ORDER

/ X / BY MAIL: in said cause, by placing a true copy thereof enclosed with postage thereon fully prepaid, for delivery by United States Postal Service mail at Rancho Cucamonga, California, addresses as follows:

See attached service list: Mailing List 1

/ ___ / BY PERSONAL SERVICE: I caused such envelope to be delivered by hand to the addressee.

/ ___ / BY FACSIMILE: I transmitted said document by fax transmission from (909) 484-3890 to the fax number(s) indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting fax machine.

/ X / BY ELECTRONIC MAIL: I transmitted notice of availability of electronic documents by electronic transmission to the email address indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting electronic mail device.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on April 7, 2017 in Rancho Cucamonga, California.



By: Janine Wilson
Chino Basin Watermaster

BRIAN GEYE
AUTO CLUB SPEEDWAY
9300 CHERRY AVE
FONTANA, CA 92335

BOB KUHN
THREE VALLEYS MWD
669 HUNTERS TRAIL
GLENDDORA, CA 91740

ROBERT BOWCOCK
INTEGRATED RESOURCES MGMNT
405 N. INDIAN HILL BLVD
CLAREMONT, CA 91711-4724

STEVE ELIE
IEUA
17017 ESTORIL STREET
CHINO HILLS, CA 91709

GINO L. FILIPPI
CBWM BOARD MEMBER
305 N. 2ND AVE., PMB #101
UPLAND, CA 91786

PAUL HOFER
11248 S TURNER AVE
ONTARIO, CA 91761

DON GALLEANO
WMWD
4220 WINEVILLE ROAD
MIRA LOMA, CA 91752

BOB DiPRIMIO
CBWM BOARD MEMBER
11142 GARVEY AVENUE
EL MONTE, CA 91733

JAMES CURATALO
CUCAMONGA VALLEY WATER DIST
PO BOX 638
RANCHO CUCAMONGA, CA 91729

JEFF PIERSON
PO BOX 1440
LONG BEACH, CA 90801-1440

ALLEN HUBSCH
LOEB & LOEB LLP
10100 SANTA MONICA BLVD.
SUITE 2200
LOS ANGELES, CA 90067

BOB FEENSTRA
2720 SPRINGFIELD ST,
ORANGE, CA 92867

Members:

Allen W. Hubsch
Andrew Gagen
Arthur Kidman
Catharine Irvine
Dan McKinney
David Aladjem
Eddy Beltran
Fred Fudacz
Jean Cihigoyenetché
Jill Willis
Jim Markman
jimmy@city-attorney.com
Joel Kuperberg
John Harper
John Schatz
Mark D. Hensley
Martin Cihigoyenetché
Michelle Staples
Nick Jacobs
Paeter E. Garcia
Paige H. Gosney
Randy Visser
Robert E. Donlan
Rodney Baker
Steve Kennedy
Timothy Ryan
Tom Bunn
Tom McPeters
Tracy J. Egoscue
Trish Geren
William J Brunick

ahubsch@loeb.com
agagen@kidmanlaw.com
akidman@kidmanlaw.com
cirvine@DowneyBrand.com
dmckinney@douglascountylaw.com
daladjem@downeybrand.com
ebeltran@kidmanlaw.com
ffudacz@hossaman.com
Jean@thejclawfirm.com
jnwillis@bbklaw.com
jmarkman@rwglaw.com
jimmy@city-attorney.com
jkuperberg@rutan.com
jrharper@harperburns.com
jschatz13@cox.net
mhensley@hensleylawgroup.com
marty@thejclawfirm.com
mstaples@jdtplaw.com
njacobs@somachlaw.com
paeter.garcia@bbklaw.com
pgosney@jdtplaw.com
RVisser@sheppardmullin.com
red@eslawfirm.com
rodbaker03@yahoo.com
skennedy@bmklawplc.com
tjryan@sgvwater.com
TomBunn@Lagerlof.com
THMcP@aol.com
tracy@egoscuelaw.com
tgeren@sheppardmullin.com
bbrunick@bmblawoffice.com

Members:

Agnes Cheng	agnes.cheng@cc.sbcounty.gov
Al Lopez	alopez@wmwd.com
Alfonso Ruiz Jr.	Alfonso.Ruiz@gerdau.com
Amanda Coker	acoker@cityofchino.org
Andrea Olivas	aolivas@jcsd.us
Andrew Silva	Andrew.Silva@cao.sbcounty.gov
Andy Campbell	acampbell@ieua.org
Andy Malone	amalone@weiwater.com
Ankita Patel	apatel@niagarawater.com
Anna Truong	ATruong@cbwm.org
April Robitaille	arobitaille@bhfs.com
April Woodruff	awoodruff@ieua.org
Arnold "AJ" Gerber	agerber@parks.sbcounty.gov
Arnold Rodriguez	jarodriguez@sarwc.com
Art Bennett	citycouncil@chinohills.org
Ashok Dhingra	ash@akdconsulting.com
Ben Lewis	benjamin.lewis@gswater.com
Ben Peralta	bperalta@tvmwd.com
Bill Thompson	bthompson@ci.norco.ca.us
Bob Bowcock	bbowcock@irmwater.com
Bob DiPrimio	rjdiprimio@sgvwater.com
Bob Feenstra	bobfeenstra@gmail.com
Bob Kuhn	bgkuhn@aol.com
Bob Kuhn	bkuhn@tvmwd.com
Bob Page	bpage@cao.sbcounty.gov
Brad Herrema	bherrema@bhfs.com
Brandon Howard	brahoward@niagarawater.com
Brenda Fowler	balee@fontanawater.com
Brenda Trujillo	brendatrujillo@chinohills.org
Brent Yamasaki	byamasaki@mwdh2o.com
Brian Geye	bgeye@autoclubspeedway.com
Brian Hess	bhess@niagarawater.com
Brian Thomas	bkthomas@jcsd.us
Camille Gregory	cgregory@cbwm.org
Carol Bennett	cbennett@tkeengineering.com
Carol Boyd	Carol.Boyd@doj.ca.gov
Carolina Sanchez	csanchez@weiwater.com
Casey Costa	ccosta@chinodesalter.org
Chad Blais	cblais@ci.norco.ca.us
Charles Field	cdfield@att.net
Charles Linder	Charles.Linder@nrgenergy.com
Charles Moorrees	cmoorrees@sawaterco.com
Chino Hills City Council	citycouncil@chinohills.org
Chris Berch	CBerch@ieua.org
Christopher R. Guillen	cguillen@bhfs.com
Chuck Hays	chays@fontana.org
Cindy Cisneros	cindyc@cvwdwater.com
Cindy LaCamera	clacamera@mwdh2o.com
Cindy Li	Cindy.li@waterboards.ca.gov
Craig Miller	CMiller@wmwd.com
Craig Stewart	Craig.Stewart@amec.com
Cris Fealy	cifealy@fontanawater.com
Curtis Paxton	cpaxton@chinodesalter.org
Curtis Stubbings	Curtis_Stubbings@praxair.com
Dan Arrighi	darrighi@sgvwater.com
Dan Chadwick	dchadwick@fontana.org
Danielle Soto	danielle_soto@CI.POMONA.CA.US
Darron Poulsen	darron_poulsen@ci.pomona.ca.us
Daryl Grigsby	daryl_grigsby@ci.pomona.ca.us
Dave Argo	daveargo46@icloud.com
Dave Crosley	DCrosley@cityofchino.org
David D DeJesus	tvmwddiv2rep@gmail.com

David De Jesus ddejesus@tvmwd.com
David Huskey David.Huskey@cdcr.ca.gov
David Lovell dlovell@dpw.sbcounty.gov
David Penrice dpenrice@acmwater.com
David Ringel david.j.ringel@us.mwhglobal.com
David Starnes david.starnes@mcmcn.net
Dennis Dooley ddooley@angelica.com
Dennis Mejia dmejia@ci.ontario.ca.us
Dennis Williams dwilliams@geoscience-water.com
Diana Frederick diana.frederick@cdcr.ca.gov
Don Galleano donald@galleanowinery.com
Earl Elrod earl.elrod@verizon.net
Edgar Tellez Foster etellezfoster@cbwm.org
Eric Fordham eric_fordham@geopentech.com
Eric Garner eric.garner@bbklaw.com
Eric Leuze Eric.Leuze@nrgenergy.com
Eric Tarango edtarango@fontanawater.com
Erika Clement Erika.clement@sce.com
Eunice Ulloa eulloa@cbwcd.org
Felix Hamilton felixhamilton.chino@yahoo.com
Frank Brommenschenkel frank.brommen@verizon.net
Frank Yoo FrankY@cbwm.org
Gabby Garcia ggarcia@mvwd.org
Gailyn Watson gwatson@airports.sbcounty.gov
Geoffrey Kamansky gkamansky@niagarawater.com
Geoffrey Vanden Heuvel geoffreyvh60@gmail.com
Gerald Yahr yahrj@koll.com
Giannina Espinoza gia.espinoza@gerdau.com
Gina Nicholls gnicholls@nossaman.com
Gino L. Filippi Ginoffvine@aol.com
Gloria Rivera gloriar@cvwdwater.com
Grace Cabrera grace_cabrera@ci.pomona.ca.us
Greg Woodside gwoodside@ocwd.com
Henry DeHaan hpdehaan@verizon.net
James Curatalo jamesc@cvwdwater.com
James Jenkins cnomgr@airports.sbcounty.gov
James McKenzie jmckenzie@dpw.sbcounty.gov
Jane Anderson janderson@jcsd.us
Janine Wilson JWilson@cbwm.org
Jasmin A. Hall jhall@ieua.org
Jason Marseilles jmarseilles@ieua.org
Jason Pivovaroff jpivovaroff@ieua.org
Jean Perry JPerry@wmwd.com
Jeanina M. Romero jromero@ci.ontario.ca.us
Jeannette Vagnozzi jvagnozzi@ci.upland.ca.us
Jeffrey L. Pierson jpierson@intexcorp.com
Jesse White jesse.white@gerdau.com
Jessie Ruedas Jessie@thejclawfirm.com
Jesus Placentia jplasencia@cityofchino.org
Jill Willis jnwillis@bbklaw.com
Jim Bowman jbowman@ci.ontario.ca.us
Jim Taylor jim_taylor@ci.pomona.ca.us
Jo Lynne Russo-Pereyra jolynner@cvwdwater.com
Joanne Chan jchan@wvwd.org
Joe Graziano jgraz4077@aol.com
Joe Grindstaff jgrindstaff@ieua.org
Joe Joswiak JJoswiak@cbwm.org
Joe P LeClaire leclairj@cdmsmith.com
Joel Ignacio jignacio@ieua.org
John Abusham john.abusham@nrg.com
John Bosler johnb@cvwdwater.com
John Huitsing johnhuitsing@gmail.com
John Lopez and Nathan Cole customerservice@sarwc.com
John V. Rossi jrossi@wmwd.com

Jon Lambeck	jlambeck@mwdh2o.com
Jose Alire	jalire@cityofchino.org
Jose Galindo	jose_a_galindo@praxair.com
Josh Swift	jmswift@fontanawater.com
Julie Cavender	julie.cavender@cdcr.ca.gov
Julie Saba	jsaba@jcsd.us
Justin Brokaw	jbrokaw@marygoldmutualwater.com
Justin Nakano	JNakano@cbwm.org
Justin Scott Coe	jscottcoe@mvwd.org
Karen Johnson	kejwater@aol.com
Kathleen Brundage	kathleen.brundage@californiasteel.com
Kathy Kunysz	kkunysz@mwdh2o.com
Kathy Tiegs	Kathyt@cvwdwater.com
Kati Parker	kparker@ieua.org
Katie Gienger	kgienger@ontarioca.gov
Keith Person	keith.person@waterboards.ca.gov
Kelly Berry	KBerry@sawpa.org
Ken Jeske	kjeske1@gmail.com
Ken Waring	kwaring@jcsd.us
Kevin Blakeslee	kblakeslee@dpw.sbcounty.gov
Kevin Sage	Ksage@IRMwater.com
Krystn Bradbury	kbradbury@ontarioca.gov
Kurt Berchtold	kberchtold@waterboards.ca.gov
Kyle Snay	kylesnay@gswater.com
Landon Kern	lkern@cityofchino.org
Laura Mantilla	lmantilla@ieua.org
Lawrence Dimock	lawrence.dimock@cdcr.ca.gov
Lee Moore	Lee.Moore@nrgenergy.com
Linda Jadeski	ljadeski@wwwd.org
Linda Minky	LMinky@BHFS.com
Lisa Hamilton	lisa.hamilton@amecfw.com
Lisa Lemoine	LLemoine@wmwd.com
Lisa Snider	lsnider@ieua.org
Marco Tule	marco.tule@nrg.com
Maribel Sosa	Maribel_Sosa@ci.pomona.ca.us
Mark Wiley	mwiley@chinohills.org
Marsha Westropp	MWestropp@ocwd.com
Martin Zvirbulis	martinz@cvwdwater.com
Mathew C. Ballantyne	mballantyne@cityofchino.org
Matthew H. Litchfield	mlitchfield@wwwd.org
Michael Sigsbee	msigsbee@ci.ontario.ca.us
Mike Blazevic	mblazevic@weiwater.com
Mike Maestas	mikem@cvwdwater.com

Members:

Maria Flores	mflores@ieua.org
Maria Mendoza-Tellez	MMendoza@weewater.com
Marilyn Levin	marilyn.levin@doj.ca.gov
Mario Garcia	mgarcia@tvmwd.com
Mark Kinsey	mkkinsey@mvwd.org
Mark Wildermuth	mwildermuth@weewater.com
Marla Doyle	marla_doyle@ci.pomona.ca.us
Martha Davis	mdavis@ieua.org
Martin Rauch	martin@rauchcc.com
Meg McWade	meg_mcwade@ci.pomona.ca.us
Melanie Otero	melanie_otero@ci.pomona.ca.us
Melissa L. Walker	mwalker@dpw.sbcounty.gov
Michael Adler	michael.adler@mcmcn.net
Michael Camacho	MCamacho@pacificaservices.com
Michael Cruikshank	MCruikshank@DBStephens.com
Michael P. Thornton	mthornton@tkeengineering.com
Michael T Fife	MFife@bhfs.com
Michael Thompson	michael.thompson@cdcr.ca.gov
Mike Sigsbee	msigsbee@ci.ontario.ca.us
Monica Heredia	mheredia@chinohills.org
Moore, Toby	TobyMoore@gswater.com
Nadeem Majaj	nmajaj@chinohills.org
Nadia Picon-Aguirre	naguirre@wwwd.org
Nathan deBoom	n8deboom@gmail.com
Neetu Gupta	ngupta@ieua.org
Nicole Escalante	NEscalante@ci.ontario.ca.us
Noah Golden-Krasner	Noah.goldenkrasner@doj.ca.gov
Pam Sharp	PSharp@chinohills.org
Pam Wilson	pwilson@bhfs.com
Patty Jett	pjett@spacecenterinc.com
Paul Deutsch	paul.deutsch@amec.com
Paul Hofer	farmwatchtoo@aol.com
Paul Hofer	farmerhofer@aol.com
Paul Leon	pleon@ci.ontario.ca.us
Paula Lantz	paula_lantz@ci.pomona.ca.us
Penny Alexander-Kelley	Paalexander-kelley@cc.sbcounty.gov
Pete Hall	pete.hall@cdcr.ca.gov
Pete Hall	rpetehall@gmail.com
Pete Vicario	PVicario@cityofchino.org
Peter Hettinga	peterhettinga@yahoo.com
Peter Kavounas	PKavounas@cbwm.org
Peter Rogers	progers@chinohills.org
Peter Thyberg	Peter.Thyberg@cdcr.ca.gov
Rachel Avila	R.Avila@MPGLAW.com
Rachel Ortiz	rortiz@nossaman.com
Ramsey Haddad	ramsey.haddad@californiasteel.com
Randall McAlister	randall.mcalister@ge.com
Raul Garibay	raul_garibay@ci.pomona.ca.us
Ray Wilkings	rwilkings@autoclubspeedway.com
Rene Salas	Rene_Salas@ci.pomona.ca.us
Richard Zuniga	richard.zuniga@nov.com
Rick Darnell	Richard.Darnell@nrgenergy.com
Rick Hansen	rhansen@tvmwd.com
Rick Rees	Richard.Rees@amec.com
Rick Zapien	rzapien@cbwm.org
Rita Pro	rpro@cityofchino.org
Robert C. Hawkins	RHawkins@earthlink.net
Robert DeLoach	robertadeloach1@gmail.com
Robert Neufeld	robneu1@yahoo.com
Robert Stockton	bstockton@wmwd.com
Robert Tock	rtock@jcsd.us
Robert Wagner	rwagner@wbecorp.com

Rogelio Matta	rmatta@fontana.org
Roger Florio	roger.florio@ge.com
Roger Han	roger_han@praxair.com
Ron Craig	ronc@mbakerintl.com
Ron LaBrucherie, Jr.	ronLaBrucherie@gmail.com
Ronald C. Pietersma	rcpietersma@aol.com
Rosemary Hoerning	rhoerning@ci.upland.ca.us
Ryan Shaw	RShaw@wmwd.com
Sandra S. Rose	directorrose@mvwd.org
Sarah Schneider	sarah.schneider@amec.com
Scott Burton	sburton@ci.ontario.ca.us
Scott Runyan	srunyan@cc.sbcounty.gov
Scott Slater	sslater@bhfs.com
Seth J. Zielke	sjzielke@fontanawater.com
Shaun Stone	sstone@ieua.org
Sheri Rojo	smrojo@aol.com
Sonya Barber	sbarber@ci.upland.ca.us
Sonya Bloodworth	sbloodworth@wmwd.com
Sophie Akins	Sophie.Akins@cc.sbcounty.gov
Steve Riboli	steve.riboli@sanantoniowinery.com
Steve Smith	ssmith@ieua.org
Steven J. Elie	selie@ieua.org
Steven J. Elie	s.elie@mpglaw.com
Suki Chhokar	schhokar@sdca.org
Susan Collet	scollett@jcsd.us
Sylvie Lee	slee@ieua.org
Taya Victorino	tayav@cvwdwater.com
Teri Layton	tlayton@sawaterco.com
Terry Catlin	tlcatlin@wfajpa.org
Tim Barr	tbarr@wmwd.com
Todd Corbin	tcorbin@jcsd.us
Todd Minten	tminten@chinodesalter.org
Tom Cruikshank	tcruikshank@spacecenterinc.com
Tom Harder	tharder@thomashardercompany.com
Tom Haughey	tom@haugheyinsurance.com
Tom O'Neill	toneill@ci.ontario.ca.us
Toni Medel	mmedel@rbf.com
Van Jew	vjew@mvwd.org
Veva Weamer	vweamer@weewater.com
Vicki Hahn	vhahn@tvmwd.com
Vicky Rodriguez	vrodrigu@ci.ontario.ca.us
Vivian Castro	VCastro@cbwcd.org
W. C. "Bill" Kruger	citycouncil@chinohills.org
William Urena	wurena@angelica.com