

CHINO BASIN WATERMASTER
FOR
CHINO BASIN MUNICIPAL WATER DISTRICT
VS
CITY OF CHINO, ET. AL.
CASE NO. 164327

TENTH
ANNUAL REPORT
OF THE
CHINO BASIN WATERMASTER
FISCAL YEAR 1986-87

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10th

MARCH 1988

WATERMASTER

DWIGHT F. FRENCH Chairman
GEORGE A. BORBA Vice-Chairman
JOHN L. ANDERSON Secretary/Treasurer
EDWARD A. GIRARD Member
ANNE W. DUNIHUE Member



DONALD R. PETERS

Chief, Watermaster Services
Telephone (714) 987-1712

March 1988

TO: ALL ACTIVE AND CONCERNED PARTIES IN CHINO BASIN CASE NO. 164327

Subject: Tenth Annual Report of Chino Basin Watermaster

This Tenth Annual Report of Watermaster activities is for your information. The Honorable Judge Don A. Turner of San Bernardino Superior Court ordered acceptance of this report on February 26, 1988.

A brief summary of activities during this reporting period (July 1, 1986 through June 30, 1987) is as follows:

Total production from the Basin during 1986/87 was 147,068 acre feet, with production by Pool as follows:

	Appropriative Pool	Overlying (Agricultural) Pool	Overlying (Non-Agricultural) Pool	Totals
1986/87 Production	84,662 AF	59,847 AF	2,559 AF	147,068 AF
Initial Operating Safe Yield	54,834 AF	*82,800 AF	7,355 AF	145,000 AF

*Allocated safe yield rights for the Overlying (Agricultural) Pool is 414,000 acre feet during any consecutive five year period. The amount shown above (82,800 acre feet) is the annual average.

As noted above, the 1986/87 production year exceeded the initial shares of Operating Safe Yield. This marks the second year this has occurred since the effective date of the Judgment for accounting and operations, i.e., July 1, 1977.

A total of 3,246,901 acre feet of rights were leased among the members of the Appropriative Pool, and 1,569 acre feet of local storage was purchased by Cucamonga County Water District from Fontana Union Water Company.

To satisfy the 1985/86 production in excess of Operating Safe Yield (ie, 13,609 acre feet), 10,087 acre feet of State Project Water was recharged into the basin and 3,500 acre feet of water was purchased out of Watermaster's Cyclic Storage Account with Metropolitan Water District of Southern California during Fiscal Year 1986/87. Also during Fiscal 86/87, Watermaster took delivery and spread 9,921 acre feet of State Project Water which was applied to the Cyclic Storage Account. The combination of replenishment and cyclic storage deliveries totals 20,008 acre feet of State Project Water recharged into the basin. The Cyclic Storage Account now shows a June 30, 1987 balance of 68,221.

Fiscal Year 86/87 marks the fourth year that the Overlying (Agricultural) Pool has not produced its total five year allocation of safe yield which allows such water be available for reallocation or transfer to members of the Appropriative Pool. (Exhibit "H", Paragraph 10, Page 73 of the Watermaster Judgment). A total of 37,158.801 acre feet qualified as unpumped transfers with 811.27 acre feet of Unallocated Safe Yield qualifying under the land use conversion priority as a permanent transfer. The balance was allocated as a one time transfer to offset the 1986/87 production all of which is shown on Appendix "D" of this report.

Local Storage Agreements were approved for San Antonio Water Company for 2,500 acre feet; Santa Ana River Water Company for 1,500 acre feet; and Swan Lake Mobile Home Park for 300 acre feet. Second Local Storage Agreements were approved for Cucamonga County Water District in the amount of 15,000 acre feet; Mira Loma Space Center for 200 acre feet; Sunkist Growers for 5,000 acre feet; and Union Carbide - Linde Division for 2,000 acre feet. There are now a total of twenty-five storage agreements which total 106,828 acre feet of potential stored water over the next five to ten years under the Judgment. At the close of Fiscal 1986/87, 86,346.821 acre feet of water remains in storage pursuant to these local storage agreements.

Assessments billed by Pool during 1986/87 for 1985/86 production are as follows:

Appropriative Pool	\$2,120,118.99
Overlying (Agricultural) Pool	5,886.52
Overlying (Non-Agricultural) Pool	153.06
	\$2,126,158.57

Your cooperation and input to our management plan this past year has been appreciated.

Sincerely,

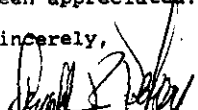

Donald R. Peters, Chief
Watermaster Services

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TENTH ANNUAL REPORT OF CHINO BASIN WATERMASTER

The Chino Basin Watermaster was established under the Judgment entered in Superior Court of the State of California for the County of San Bernardino as a result of Case No. 164327 entitled, "Chino Basin Municipal Water District v. City of Chino et al," signed by the Honorable Judge Howard B. Wiener on January 27, 1978. The effective date of this Judgment for accounting and operations was July 1, 1977. This Tenth Annual Report presents a view of Watermaster, Watermaster Advisory Committee and Pool Committee Activities and an accounting of water production for Fiscal Year 1986/87.

BACKGROUND OF JUDGMENT AND WATERMASTER

After many years of study and discussions among concerned water producers a "Memorandum of Agreement on the Chino Basin Plan" was signed; and, in January 1975, a bill was introduced in the California Legislature by Senator Ruben S. Ayala. This final effort to draw up a management plan for the Chino Basin was designated Senate Bill 222. It authorized the levy of a three year, \$2.00 per acre foot per year production assessment to raise funds to conduct the necessary studies and negotiations to implement the needed water management program for the Chino Groundwater Basin.

S.B. 222, now renumbered as a part of the Municipal Water District Law in the Water Code, Section 74120, was approved by Governor Ronald Reagan and filed with the Secretary of State on June 28, 1975, affecting fiscal year 1974/75 production.

During the early studies and negotiations under S.B. 222, very active participation was taken by three major types of producers from the Chino Basin representing the majority of the producers' interests. Three major negotiation committees resulted and were utilized to protect the interests of the various producers during the three year study. These three committees acquired the following names: (1) Overlying (Agricultural) Pool including the State of California and minimal producers; (2) Overlying (Non-Agricultural) Pool representing industry; and (3) Appropriative Pool, representing cities and water companies. Other working sub-committees were formed to analyze and define specific problem areas. The three pools acting together were called the "Advisory Committee," which met regularly and have over 100 individuals on the mailing list. This Advisory Committee was very effective in making recommendations for formal action to the Chino Basin Municipal water District (CBMWD) Board of Directors who had the responsibility of administering S.B. 222.

Socio-economic, safe yield and other studies were conducted to provide information necessary to reach agreement about the allocations of rights between and within pools. Cost savings were achieved by terminating many of the studies as soon as the necessary information was compiled without formal completion or publication.

The Judgment entered named the CBMWD five (5) person Board of Directors as "Watermaster" responsible to the Court for implementing its terms. The three pool committees and the Watermaster Advisory Committee were formally structured to assist the Watermaster in making

decisions. Each of the three pools has met regularly to transact the business concerns of their respective producers. Items that affected more than one pool were decided upon at the Watermaster Advisory Committee level, with voting power determined by prior year water assessments paid as provided in the Judgment.

Approximately five percent (5%) of the Basin is in Los Angeles County, fifteen percent (15%) in Riverside County and the remaining portion is in the West End of San Bernardino County. The majority of this area is within the CBMWD service area. A location map of the Chino Groundwater Basin was provided in the Judgment as Exhibit "A".

Mailing list of the members of the three pool committees are attached as Appendices "A". Production information for each pool is provided in Appendix "B".

The Judgment provides for separate and distinct replenishment assessment formulas for each of the three pools. The administrative assessment formula for each pool is determined on a per acre foot basis for each acre foot of water produced by a particular pool. Cost per acre foot varies between pools in accordance with their respective total budgeted amounts for pool administration and total production during the previous production period.

Costs of replacing water extracted in excess of the respective pool's share of safe yield and operating safe yield amounts are recovered by the application of replenishment assessment formulas as follows:

- a) Overlying (Agricultural) Pool pays on a gross basis

whereby the total cost of replenishment water plus estimated spreading costs are spread equally on each acre foot of water produced during the previous production year. To further stabilize assessments from year to year these assessments are based on a five (5) year moving average with a maximum right of 414,000 acre feet in any one five (5) year period.

b) Overlying (Non-Agricultural) Pool pays on a net basis whereby each producer pays the current cost of replenishment water plus the estimated cost of spreading for each acre foot of water produced in excess of its respective share of safe yield.

c) The Appropriative Pool has four producers, City of Pomona, Marygold Mutual Water Company, San Bernardino County Prado Tiro, and West San Bernardino County Water District, who pay replenishment assessments on a net basis whereby each pays the current cost of replenishment water plus the estimated cost of spreading.

The remaining pool members are subject to the 15/85 formula which spreads the total cost of replenishment water two (2) ways: fifteen percent (15%) on a gross basis (uniformly on each acre foot produced) and eighty-five percent (85%) on a net basis, that is on each acre foot of production over a producer's share of operating safe yield.

ACTIVITIES OF WATERMASTER AND COMMITTEES

I. WATERMASTER ACTIVITIES

Watermaster members and officers are as follows:

Dwight French	Chairman
George Borba	Vice-Chairman
John L. Anderson	Secretary/Treasurer
Edward A. Girard	Asst. Secretary/Treasurer
Anne W. Dunihue	Member

Regular Watermaster meetings are scheduled for the first Wednesday following each month that contains five (5) Wednesdays, meeting in the Chino Basin Municipal Water District Board Room at 8555 Archibald Avenue, Cucamonga, at 8:30 a.m. Special meetings are noticed as required.

During this reporting period, regular meetings were held on:

November 5, 1986
January 7, 1987
May 6, 1987

Assessments levied by Watermaster on November 5, 1986 for overproduction during 1985/86 production period and for budgeted administrative and special project costs for 1986/87 were as follows:

A) Overlying (Agricultural) Pool members were assessed the following amounts on each acre foot of water produced with minimal producers paying a Five Dollar (\$5.00) administrative filing fee:

Administration and Special Projects: \$0.10

Replenishment assessments for this pool are established by a five (5) year moving average to stabilize assessments from year to year. With reported production declining from 96,567 acre feet in 1974/75 to 83,934 acre feet in 1977/78, the pool committee decided during Fiscal

Year 1978/79 to purchase 2,000 acre feet of replenishment water to provide for a potential increase in production during the balance of the five (5) year period. This replenishment water is still available through a Local Storage Agreement as safe yield was not exceeded this year.

B) Overlying (Non-Agricultural) Pool members were assessed \$5.00 for budgeted administrative and special project costs and \$155.10 (\$153.00 for replenishment water plus \$2.10 for spreading) for each acre foot of production in excess of each producer's share of operating safe yield.

C) Appropriative Pool members subject to the 15/85 formula, nineteen members total, were assessed \$4.640 and \$131.835 per acre foot respectively. Each producer in this Pool was also assessed \$.4060 per acre foot to cover the budgeted administrative and special project costs.

The City of Norco produced 502.8 acre feet in excess of their export rights of 1,567 acre feet. This excess was subject to the current net cost of replenishment plus spreading costs.

D) Appendices "G" and "H" give an overview of the total amounts of water produced and tributary to the Chino Groundwater Basin.

Agreements and policy matters negotiated and approved by Watermaster and Watermaster Advisory Committee prior to June 30, 1987 were as follows:

A) Watermaster Insurance coverage was secured in August 1978 and has been continued with Watermaster being covered as an additional insured under CBMWD's policy for one million dollars. Substantial savings have been realized in comparison to securing independent insurance coverage.

B) A Noticed Public Hearing was conducted by Watermaster on May 6, 1987 to approve the 1987/88 Administrative Budget and a summary of this budget is attached as Appendix "C".

C) A summary of the activities under the agreement with San Bernardino County Flood Control District for the spreading and monitoring of replenishment and Cyclic Storage Water is shown on Appendix "E" and "F". The agreement covers the period July 1, 1985 through June 30, 1988.

D) Redetermination of Safe Yield - On June 30, 1987, the Watermaster program marked its tenth year of operation under the jurisdiction of the Judgment. June 30, 1982 marked the date in which work could commence on redetermination of the Chino Groundwater Basin's safe yield. However, Watermaster has recommended no changes during this past fiscal year and therefore, pursuant to Exhibit I, Paragraph 2b, Page 80 of the Judgment, "changes in the safe yield shall not be made upon less than five (5) year notice of intent by Watermaster," Watermaster hereby posts its fifth "Notice of Intent" and is shown as Appendix "K".

E) During Fiscal Year 85-86, various mitigation measures were addressed by the various Pool committees regarding the

Stringfellow Acid Pits. One mitigation measure focused upon was the large quantity of water envisioned to be pumped from the site by the State Environmental Health Services and Santa Ana Watershed Project Authority, the State agencies charged with the cleanup operation. The plan requires the export of the water pumped because there are no locally approved toxic dumping facilities available. State of California agencies are granted pumping rights in the Agricultural Pool, however they are not granted export rights. The Committee determined the need for a cooperative effort throughout the water industry in dealing with contamination problems and pursuant to Watermaster Advisory Committee recommendation, Watermaster moved to petition the Court to allow the export of a maximum of 300 acre feet of water annually by the State and said petition was approved by the Court in November 1985. During Fiscal Year 1986/87, 32.4 acre feet of contaminated wastewater was removed and exported from the site. As of June 30, 1987, 43.9 acre feet of contaminated water has been exported from the Stringfellow Acid Pits.

F) Litigation Matters. This will serve to advise all parties that Watermaster was named along with the County of San Bernardino, Chino Basin Municipal Water District and The Metropolitan Water District of Southern California as defendants in the drowning case of Lynette J. Gross, Case No. OCV-32933. Said action was filed with the County Clerk of San Bernardino County on March 30, 1984 and was referred to Chino Basin

Municipal Water District's insurance carrier for handling. The matter was settled out of court. Additional information regarding this matter is available upon request by contacting the Chief of Watermaster Services.

Minutes of all Pool meetings and special Ad Hoc meetings regarding this subject are available at the Watermaster office, 8555 Archibald Avenue, Rancho Cucamonga, California, and may be viewed by any interested party by contacting the Chief of Watermaster Services.

II. COMMITTEE ACTIVITIES

A. Overlying (Agricultural) Pool

At the annual meeting of this pool the following individuals were selected to administer the pool activities and to serve as representatives on the Watermaster Advisory Committee during Fiscal Year 1987/88.

Regular	Alternate
Michael Merrey	Louis Aukeman
Gus Wybenga	John Vander Schaaf
Tom Carnesi	Fred Douma
Robert DeBerard	Ken Eakins, CIW
Ray Albers	John Walters, CIM
*Garrison Daily	Jim Fairchild
*Gene Koopman	Joe Souza, YTA
*Herbert C. Hall	Paul A. Enders
*Pam Cvitan	State Attorney General

*Newly elected members for two year terms.

The following officers were duly nominated and elected:

Chairman	Robert DeBerard
Vice-Chairman	Tom Carnesi
Secretary	Don Peters, Chief, WM Services
Treasurer	John Anderson, Treas. of CBMWD

Through June 30, 1987, a total of two (2) meetings were conducted to act on matters affecting the members of this pool and to review actions to be taken by Watermaster.

Interventions and assignments to the Overlying (Agricultural) Pool during 1986/87 are indicated in Appendix "J".

B. Overlying (Non-Agricultural) Pool

At the annual meeting of this pool, the following individuals were selected to serve as officers of this Pool:

Chairman	Hooite Rugga
Vice-Chairman	Mike Varvis
Secretary	Don Peters, Chief, WM Services
Treasurer	John Anderson, Treas. of CBMWD

Watermaster Advisory Committee representatives for this Pool are as follows:

Union Carbide - Linda Division Representative
Southern California Edison Representative
Michael Thies, Space Center Mira Loma

Through June 30, 1987, two (2) meetings were conducted to act on matters affecting members of this pool and to review actions to be taken by Watermaster.

C. Appropriative Pool

At the annual meeting of this Pool, the following individuals were selected to serve as officers of this Pool:

Chairman	City of Upland Representative
Vice-Chairman	City of Chino Representative
Secretary	Don Peters, Chief, WM Services
Treasurer	John Anderson, Treas. of CBMWD

Through June 30, 1987, four (4) meetings were conducted to act on matters affecting members of this Pool and to review actions to be taken by Watermaster.

D. Watermaster Advisory Committee

At the annual meeting of this Committee, the following officers were selected:

Chairman
1st Vice Chairman
2nd Vice Chairman
Secretary
Treasurer

Michael Thies
Robert DeBerard
Lloyd Michael
Don Peters, Chief, WM Services
John Anderson, Treas. of CBMWD

Regular meetings were scheduled for the third Thursday of each month having five (5) Wednesdays at 12:00 noon. The annual meeting was held April 16, 1987 at 12:00 noon. The Advisory Committee conducted two (2) regular meetings whereby all actions recommended to Watermaster were reviewed and discussed.

Minutes of all meetings are available at the Watermaster office at 8555 Archibald Avenue, Rancho Cucamonga, California, and may be viewed by any interested party by contacting the Chief of Watermaster Services.

ADMINISTRATION OF JUDGMENT

The Judgment provides for various administrative and accounting tasks to be performed on a regular basis, some of which are as follows:

(1) Water Rights Lease Agreements between Appropriative Pool Members for Fiscal Year 1986/87 totaled 3,426.901 acre feet. Individual lease agreements on forms approved by the Watermaster were as follows:

(a) From: West San Bernardino County Water District	
To: Cucamonga County Water District	896.901
(b) From: Monte Vista Irrigation Company	
To: City of Norco	750.000
(c) From: Marygold Mutal Water Company	
To: Monte Vista Water District	400.000
(d) From: Santa Ana River Water Company	
To: Jurupa Community Services District	1,200.000
	3,426.901

(2) Sale of Water in Local Storage was initiated on forms approved by Watermaster. Fontana Union Water Company sold 2,569 acre feet of water in storage for use by Cucamonga County Water District in Fiscal 1986/87.

(4) Unqualified Audit Opinion and Audit Report to the Chino Basin Watermaster from Reardon & McCallum, Certified Public Accountants, for the period ending June 30, 1987, is attached as Appendix "L".

(5) Mailing lists of active parties are updated on a routine

basis through the use of the United States Post Office "Address Correction Requested Service" whereby any address change reported to the Post Office is forwarded to the Watermaster after each mailing. File changes are made upon receipt from this and other sources of address change. A current listing of active parties is available for review upon request to Watermaster.

(6) Quarterly Accounting of Water Production has been received for the Appropriative and Overlying (Non-Agricultural) Pools for Fiscal Year 1986/87. The Overlying (Agricultural) Pool's quarterly production was compiled on those wells having water measuring devices installed.

(7) Computer Programming and File Maintenance is a considerable effort with more than 1300 parties involved. Computer programs have been streamlined to more efficiently handle the various mailings necessary as well as making accommodations for the storage and handling of water production and other data.

(8) New Party Interventions are accumulated on a regular basis whereby land ownership changes and new producers are accounted for as they occur. Change of ownership is more frequently learned during production reporting periods. With all production reported on a quarterly basis, this has become a routine task. Parties having surrendered all property with water producing facilities are considered inactive parties and are accounted for as such.

(9) Special Project Task Orders have been initiated by separate work orders approved by the Watermaster Advisory Committee and

Watermaster for projects other than general administration duties. Special projects designed by number for the budget period ending June 30, 1987 were as follows:

(a) (Task Order 78-1) Conjunctive Use/Cyclic Storage Study was set up to assure that all aspects of the Chino Groundwater Basin are explored relating to the desirability and feasibility of conjunctively using this basin for storing approximately one million acre feet of State Project Water. Having additional water in storage in the Basin should increase groundwater levels and decrease the amount of energy required to pump water to the surface. This could monetarily benefit all producers in the basin. The California Department of Water Resources (DWR) and The Metropolitan Water District of Southern California (MWD) completed three (3) of the original (4) phases of this study and have met with Watermaster and the Watermaster Advisory Committee to present their results and recommendations. Because of monetary constraints, DWR phased itself out of the program leaving MWD to develop the balance of the plan. Watermaster and the pool committees continue to express institutional and environmental concerns to MWD which has resulted in Watermaster Advisory Ad Hoc Committee meetings with MWD and their consultants to identify these environmental concerns and to assure that the requirements mandated by the Judgment are addressed. An environmental assessment and subsequent E.I.R. report is expected to be completed in the Spring of 1987.

(b) (Task Order 78-3) Meter Installation Study was initiated to be a service to those parties required to purchase and install meters. Under the contract, a recommendation regarding the type, size, and

placement of a meter is made on an individual basis for each producer. This service is provided to orderly complete the installation of meters in the least amount of time, expense and inconvenience to each producer. Certain information considered necessary for the Watermaster's files will also be accumulated through this effort. Although the contract has been terminated, necessary follow-up work will continue to assure that all qualified wells as drilled are fitted with a meter measuring device as mandated by the Judgment.

(c) (Task Order 78-4) Meter Testing Program is designed to test every meter in the basin at least once every two years as an ongoing program of the Watermaster. During this reporting period, a total of seventy-four meters in the Overlying (Agricultural) Pool were tested under this program. Five agricultural producers who are grape growers maintain certain wells in outlying areas and are subject to constant vandalism and therefore the Edison Company's well test procedure will provide an acceptable record as to production based on their Edison billings submitted bi-monthly. However, these non-metered wells must undergo an Edison well test every two years pursuant to the Judgment. Two producers in the Appropriative Pool have established monthly meter testing programs and report results of those tests to Watermaster for review and approval, eliminating a duplication of effort.

(d) (Task Order 84-1A) Water Well Data was initiated during Fiscal 1984 to collect and analyze existing and new data to assist in the determination of key wells to provide Watermaster with information to make future groundwater management decisions. It has been

coordinated with other existing monitoring agencies' programs and Department of Water Resources well monitoring program proposed as part of the Conjunctive Use Study. This work will also prevent any duplication of work utilizing other existing sources of information to the maximum extent possible. It will establish the ground rules and criteria for a long term groundwater monitoring program and start developing a program that will eventually eliminate the data gaps which currently exist. Pursuant to the Judgment (page 80, Paragraph 2b) Watermaster has posted its 5 year "Notice of Intent" to reevaluate the level of safe yield of the basin. Upon the order of Watermaster, this Task Order will include a well measurement program which is a necessary step in the development of data for this reevaluation. This program will also determine the effects of the replenishment program currently underway, providing benefits to all producers within the basin.

(e) (Task Order 84-1B) Safe Yield Study has been initiated to collect and analyze existing and new data to redetermine the safe yield of the Chino Hydrologic Basin. Pursuant to the Judgment, Page 80, Section 20, the Watermaster has posted its Notice of Intent to reevaluate the safe yield of the Basin. This project will utilize original data gathered under Task Order 79-1 and the new Task Order 84-1A (Water Well Data) as well as compiling rainfall data to prepare a water level contour map and a computer model utilizing consulting engineers to develop and complete the safe yield determination.

Subject to approval and recommendation of the Watermaster Advisory Committee of any affected Pool Committee, additional special

project task orders may be designated and budgeted for as required to carry out the management plan.

(10) Local Storage Agreements were entered into by San Antonio Water Company for 2,500 acre feet; Santa Ana River Water Company for 1,500 acre feet; and Swan Lake Mobile Home Park for 300 acre feet. Second Local Storage Agreements were entered into by Cucamonga County Water District for 5,000 acre feet; Mira Loma Space Center for 200 acre feet; Sunkist Growers for 5,000 acre feet; and Union Carbide-Linde Division for 2,000 acre feet. Local Storage Agreements currently in effect and their amounts are reflected in Appendix I.

APPENDIX "A - 1"

OVERLYING (AGRICULTURAL) POOL COMMITTEE

Regular members and alternates for Fiscal 1985-86. *Newly elected members for two year term.

<u>Regular</u>	<u>Alternate</u>
Michael W. Merrey 825 East Third Street San Bernardino, CA 92415 (714) 383-2437	Louis Aukeman 12391 Schleisman Mira Loma, CA 91752 (714) 986-6580
Gus Wybenga 13950 Haven Avenue Ontario, CA 91761 (714) 947-5540	John Vander Schaaf 7849 Schaefer Avenue Ontario, CA 91761 (714) 628-0381
Tom Carnesi 1604 N. Palm Avenue Upland, CA 91786 (714) 982-5008	Fred Douma 14350 Cleveland Ontario, CA 91761 (714) 947-5192
Robert DeBerard Post Office Box 1223 Upland, CA 91785 (714) 946-3653	Ken Eakins, CIW 16756 Chino-Corona Road Frontera, CA 91720 (714) 597-1771
Ray Albers 8649 Merrell Avenue Chino, CA 91710 (714) 947-3931	John Walters, CIM 14901 Central Avenue Chino, CA 91710 (714) 597-1821
*Garrison Daily Orange Co. Water District Post Office Box 8300 Fountain Valley, CA 92728 (714) 963-5661	Jim Fairchild Orange Co. Water District Post Office Box 8300 Fountain Valley, CA 92728 (714) 963-5661
*Gene Koopman 13898 S. Archibald Avenue Ontario, CA 91761 (714) 947-4350	Joseph Souza, YTA Post Office Box 800 Ontario, CA 91761 (714) 597-1861
*Herbert C. Hall 9430 Lomita Drive Alta Loma, CA 91710 (714) 987-9365	Joe D. Lopez Post Office Box 246 Etiwanda, CA 91739 (714) 987-2164
*Pam Cvitan Deputy Attorney General 3580 Wilshire Blvd. Los Angeles, CA 90010 (213) 736-2116	State Attorney General 3580 Wilshire Blvd. Los Angeles, CA 90010 (213) 736-2116

APPENDIX "A - 2"

OVERLYING (NON-AGRICULTURAL) POOL COMMITTEE

Ameron Steel & Wire Division
ATTN: Frank E. Sanske
12459 Arrow Highway
Post Office Drawer 8
Etiwanda, CA 91739
(714) 899-1723

Anaheim Citrus Products
ATTN: Bill Bodkin
421 East Commercial Street
Anaheim, CA 92803
(714) 533-4558

Swan Lake
ATTN: Al Byrd
5800 Hamner Avenue
Mira Loma, CA 91752
(714) 685-7044

Conrock Company
ATTN: Gene Block
3200 San Fernando Road
Los Angeles, CA 90065
(213) 258-2777

Kaiser Steel Corporation
ATTN: Hooite Rugga
Post Office Box 5050
Fontana, CA 92335
(714) 350-5448

Space Center Mira Loma, Inc.
ATTN: Michael Thies
3401 Etiwanda Ave., Bldg. 503
Mira Loma, CA 91752
(714) 685-5221

Quaker Chemical
ATTN: Bill Wendel
10735 Kadota
Pomona, CA 91769
(714) 629-9776

San Edno. Co. Aviation Div.
ATTN: Michael W. Merrey
825 East Third Street
San Bernardino, CA 92415
(714) 383-2437

So. California Edison Co.
Etiwanda Generating Station
ATTN: Mike Varvis
8996 Etiwanda Avenue
Etiwanda, CA 91739
(714) 987-2561

Southern Service Co.
c/o Environmentals, Inc.
600 N. Euclid St., 3rd Floor
Anaheim, CA 92801
(714) 535-2242

Sunkist Growers
ATTN: David Cooper
616 East Sunkist Street
Ontario, CA 91764
(714) 983-9811

Union Carbide Corporation
Linde Division
ATTN: Guy Nolan
10829 Etiwanda Avenue
Fontana, CA 92335
(714) 829-4000

APPENDIX "A - 3"

APPROPRIATIVE POOL COMMITTEE

Chino, City of
ATTN: Ray Wellington
Post Office Box 667
Chino, CA 91710
(714) 591-9885

Cucamonga County Water District
ATTN: Lloyd Michael
Post Office Box 638
Cucamonga, CA 91730
(714) 987-2591

Felspar Mutual Water Company
ATTN: Roy Grace
4453 Avon Street
Riverside, CA 92509
(714) 685-2252

Fontana Union Water Company
ATTN: Robert Beck
Post Office Box 309
Fontana, CA 92335
(714) 822-2209

Jurupa Community Services Dist.
ATTN: John Schatz
8621 Jurupa Road
Riverside, CA 92509
(714) 685-7437

Marygold Mutual Water Company
ATTN: M. D. Funk
9715 Alder
Bloomington, CA 92316
(714) 877-0516

Monte Vista Water District
ATTN: Robert Thompson
10575 Central Avenue
Montclair, CA 91763
(714) 624-0035

Monte Vista Irrigation Co.
ATTN: H. K. Andersen
2529 West Temple
Los Angeles, CA 90026
(213) 388-7425

Mutual Water Company of
Glen Avon Heights
ATTN: Milt Aust
9643 Mission
Riverside, CA 92409
(714) 685-6441

Norco, City of
ATTN: Jim Ashcraft
Post Office Box 428
Norco, CA 91760
(714) 735-3900

Ontario, City of
ATTN: Mike Teal
303 East "B" Street
Ontario, CA 91764
(714) 986-1151

Pomona, City of
ATTN: Jim Lundie
Post Office Box 660
Pomona, CA 91768
(714) 620-2231

San Antonio Water Company
ATTN: Larry Dilley
Post Office Box 660
Upland, CA 91786
(714) 982-4107

San Bernardino County
Waterworks District No. 8
Attn: Tom Rose
14575 Pipeline Avenue
Chino, CA 91710
(714) 597-1785

APPENDIX "A - 3"

APPROPRIATIVE POOL COMMITTEE (Continued)

Santa Ana River Water Co.
ATTN: Arnold Rodriguez
10530 54th Street
Mira Loma, CA 91752
(714) 685-6503

Southern California Water Co.
ATTN: Mr. William Downey
Post Office Box 188
San Dimas, CA 91773
(714) 599-1289

Upland, City of
ATTN: Lee Travers
Post Office Box 460
Upland, CA 91785
(714) 982-1352

West End Consolidated Water Co.
ATTN: Larry Dilley
Post Office Box 877
Upland, CA 91785
(714) 982-4107

West San Bernardino County
Water District
ATTN: Ira Pace
Post Office Box 188
Rialto, CA 92376
(714) 875-1804

APPENDIX "B"
 PRODUCTION BY POOL
 (ACRE FEET)

FISCAL YEAR	APPROPRIATIVE POOL	OVERLYING (AGRICULTURAL) POOL	OVERLYING (NON-AGRICULTURAL) POOL	TOTAL
74/75	70,312	96,567	8,878	175,757
75/76	79,312	95,349	6,356	181,017
76/77	72,707	91,450	9,198	173,355
77/78	60,659	83,934	*10,082	154,675
78/79	60,597	73,688	7,127	141,412
79/80	63,834	69,369	7,363	140,566
80/81	70,726	68,040	5,650	144,416
81/82	66,731	65,117	5,684	137,532
82/83	63,481	56,759	2,395	122,635
83/84	70,558	59,033	3,208	132,799
84/85	76,912	55,236	2,415	134,563
85/86	80,859	52,061	3,193	136,113
86/87	84,662	59,847	2,559	147,068

* Includes 3,945 Acre Feet of mined water pumped by Edison Company as agent for the Chino Basin Municipal Water District

APPENDIX "B"

CHINA BASIN VETERANSHIP
 ADOPTED MAY 6, 1987
 REPORT 1987/1988
 SUMMARY OF ADMINISTRATIVE BUDGETS

	TOTALS		OPERATING		OPERATING		NOT APPLICABLE FUNDS	
	AMOUNT	PER ACRE FOOT	AMOUNT	PER ACRE FOOT	AMOUNT	PER ACRE FOOT		
Estimated 86/87 Production	131,375	76,500	50,2308	52,000	19,5010	2,475	2,1000	5822
GENERAL ADMINISTRATION:								
Joint Reorganizer-								
Advisory Committee-	543,575	525,374		517,240		5954		
Pool Administration	15,750	6,275		8,125		1,350		
Total Administrative Budgets	59,325	31,649	50,0137	25,373	50,4879	2,304	50,8012	
SPECIAL PROJECTS:								
Conductive Use/Cyclic Storage-	5,100	2,979		2,019		112		
Meter Installation-	2,225	1,296		881		49		
Well Water Data	11,700	0		0		0		511,700
Meter Testing Program	17,880	800		15,850		1,030		
Site Field Study	0	0		0		0		0
Total Special Project	36,705	5,065	0,0662	18,719	0,3606	1,196	0,4140	11,700
TOTAL ADMIN. AND SPECIAL PROJECTS	96,030	36,714	0,4799	44,122	0,8485	3,494	1,2153	11,700
25% Operating Reserve	21,083	9,179	0,1200	11,030	0,2121	873	0,3038	0
ADMINISTRATIVE COSTS TO BE ASSESSED	5117,113	45,493	0,5999	55,152	1,0606	4,367	1,5191	11,700
Projected Carry Forward from 86/87	17,009	0,2223		61,318	1,1192	13,436	4,6736	59,864
Revenue or (Expense) from Water Transfers	(10,350)	(0,1431)		10,990	0,2106	0	0,0000	0
PROJECTED 87/88 ADMINISTRATIVE (ASSESSMENTS) OF CARRY-OVER	(59,334)	(0,5007)		917,316	0,3291	99,669	1,1563	548,164
WATER REPLENISHMENT/CYCLIC PROPOSED 87/88 BUDGET--								
SUBJECT TO ADJUSTMENT FOR ACTUAL PRODUCTION FIGURES	51,953,000	See Budget		50		393	See Budget	55,995

*Total Costs have been allocated to Pools by estimated 86/87 production percentages.
 NOTE: All allocations have been rounded. This may have an insignificant impact on the extensions of the per acre foot costs.

APPENDIX "D"

SUMMARY OF
UNALLOCATED SAFE YIELD TRANSFERS
FOR FISCAL YEAR 1986/87

	Land Use First 50% (Ac.Ft.)	Conversions Remain. 50% (Ac. Ft.)	Balance Avail. (Ac.Ft.)	Total Trans. (Ac.Ft.)
Chino, City of	196.235	27.149	2,432.758	2,656.142
Cucamonga Co. Water Dist.		26.775	2,399.209	2,425.984
Felspar Gardens Mut. Water Co.		0.352	31.519	31.871
Fontana Union Water Co.		47.320	4,240.171	4,287.491
Jurupa Comm. Services Dist.		11.434	1,024.521	1,035.955
Marygold Mut. Water Co.		4.848	434.387	439.235
Monte Vista Water District		30.687	2,749.791	2,780.478
Monte Vista Irrigation Co.		5.006	448.600	226.800
Mutual Water Co. of Glen Avon Hts.		3.462	310.204	313.666
Norco, City of		1.491	133.597	135.088
Ontario, City of	209.400	84.138	7,539.303	7,832.841
Pomona, City of		82.969	7,434.594	7,517.563
San Antonio Water Co.		11.147	998.863	1,010.010
San Bdno. Co. Waterworks Dist. #8		23.308	2,088.569	2,111.877
Santa Ana River Water Co.		9.627	862.635	872.262
So. Calif. Water Co.		3.044	272.753	275.797
Upland, City of		21.101	1,890.756	1,911.857
West End Consol. Water Co.		7.011	628.206	635.217
West San Bdno. Co. Water Dist.		<u>4.766</u>	<u>427.095</u>	<u>431.861</u>
	<u>405.635</u>	<u>405.635</u>	<u>36,347.531</u>	<u>37,158.801</u>

APPENDIX "D"

APPENDIX "E"
SUMMARY OF MWD "INTERRUPTIBLE" (INCLUDING "IN LIEU") AND
NON INTERRUPTIBLE DELIVERIES
(ACRE FEET)
YEAR ENDED JUNE 30, 1987

Month	City of Pomona		City of Chino		Monte Vista Water Dist.		City of Ontario		Metaterworks Dist. #8		So. Calif. Edison Co.		Cucamonga County Water District		TOTAL
	Non Int.	Int.	Non Int.	Int.	Non Int.	Int.	Non Int.	Int.	Non Int.	Int.	Non Int.	Int.	Non Int.	Int.	
July 1986	431	300	0	0	0	70	317	634	991	0	222	274	0	3,239	
August	538	300	28	0	12	70	357	622	1,048	0	312	370	0	3,649	
September	410	250	136	0	0	50	358	468	551	0	162	249	0	2,634	
October	106	100	66	90	4	10	148	500	351	0	284	0	0	1,659	
November	141	100	93	60	0	9	140	476	301	0	246	0	0	1,566	
December	92	100	111	40	0	0	158	393	240	0	199	0	0	1,333	
January	101	90	66	60	0	0	471	0	313	0	280	0	0	1,381	
February	78	60	53	40	0	5	238	0	172	0	173	0	0	819	
March	204	95	95	60	0	0	0	0	231	0	208	0	0	891	
April	277	170	124	80	0	8	22	429	680	0	332	80	0	2,202	
May	604	50	168	100	0	15	153	596	877	0	271	312	0	3,146	
June	617	50	279	0	0	30	91	562	1,002	0	311	403	0	3,345	
	3,591	1,665	1,219	630	16	267	2,453	4,680	6,757	0	2,998	1,688	0	25,884	

GROUNDWATER REPLENISHMENT DELIVERIES
(ACRE FEET)
YEAR ENDED JUNE 30, 1987

Month	San Sevaine	Montclair		Day	Etiwanda	Total
		OC-59	CB-3			
July 1986	0	0	0	0	0	0
August	0	0	0	0	0	0
September	0	0	0	0	0	0
October	0	0	0	0	0	0
November	0	0	0	0	0	0
December	0	1,418.3	0	81.7	0	1,500.0
January	600	1,500.0	0	600.0	600.0	3,300.0
February	942.4	1,274.6	0	792.6	776.4	3,786.0
March	552.7	0	0	480.3	467.3	1,500.3
April	0	0	0	0	0	0
May	0	0	0	0	0	0
June	0	0	0	0	0	0
	2,095.1	4,192.9	0	1,954.6	1,843.7	10,086.3

¹ Approximately 37.8% of amounts shown are used over the Chino Basin.

APPENDIX "F"

CHINO BASIN WATERMASTER

SUMMARY OF CYCLIC STORAGE DELIVERIES
YEAR ENDED JUNE 30, 1987*
(Acre Feet)

<u>Month</u>	<u>Montclair OC-59</u>	<u>San Sevaine</u>	<u>Day Creek Basin</u>	<u>Etiwanda</u>	<u>Total</u>
July 1986	-0-	-0-	-0-	-0-	-0-
August	-0-	-0-	-0-	-0-	-0-
September	-0-	216.4	291.6	220.4	728.4
October	-0-	838.9	1,043.0	822.6	2,704.5
November	-0-	833.3	956.8	833.1	2,623.2
December	-0-	829.6	765.4	822.0	2,417.0
January	330.0	435.7	363.0	318.8	1,447.5
February	-0-	-0-	-0-	-0-	-0-
March	-0-	-0-	-0-	-0-	-0-
April	-0-	-0-	-0-	-0-	-0-
May	-0-	-0-	-0-	-0-	-0-
June	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	330.0	3,153.9	3,419.8	3,016.9	9,920.6

BALANCE OF CYCLIC STORAGE ACCOUNT AS OF JUNE 30, 1987..... 68,221.3 ACRE FEET

*Previous summaries of Cyclic Storage Deliveries are available at the Watermaster office at 8555 Archibald Avenue, Rancho Cucamonga, California.

APPENDIX "G"
SUMMARY OF
OTHER IMPORTED SUPPLIES
(Acre Feet)
YEAR ENDED JUNE 1987

	<u>OTHER BASINS</u>	<u>SURFACE DIVERIONS</u>	<u>OTHER IMPORTED SURFACE DIVERIONS</u>	<u>RECLAIMED WATER</u>
Cucamonga County ⁽¹⁾ Water District	20,191	4,985		
Fontana Union Water Company	8,901	23,991		
Marygold Mutual Water Company			1,093	
MWD of Southern California			39,714	
Ontario, City of ⁽²⁾				640
Pomona, City of ⁽³⁾	5,487	3,465		7,514
San Antonio Water Company	11,084	4,702		
San Bernardino ⁽²⁾ County				666
West End Consolidated Water Company	2,880			
West San Bernardino Co. Water District		-0-		
Sub-Total	48,543	37,143	40,807	8,820
TOTAL		126,493		

(1) Includes water used over Cucamonga Basin.

(2) Reclaimed Water - For the record only, not a part of Other Imported Supplies. Amounts shown are from sales records of Chino Basin Municipal Water District.

(3) Includes water used over Spadra and Pomona Basins.

APPENDIX "H"

TOTAL WATER USED WITHIN CHINO BASIN*

(Acre Feet)

Fiscal Year	Chino Basin Extractions	Other Imported Supplies	Total
74/75	175,757	49,383	225,140
75/76	181,017	57,686	238,703
76/77	173,355	55,765	229,120
77/78	154,675	61,567	216,242
78/79	141,314	75,864	217,176
79/80	140,566	70,727	211,293
80/81	144,416	77,765	222,181
81/82	137,532	67,491	205,023
82/83	122,635	76,000	198,635
83/84	132,799	99,257	232,056
84/85	134,563	92,952	227,515
85/86	136,113	114,624	250,737
86/87	147,068	126,493	273,561

*Includes water used over Cucamonga Basin

APPENDIX "H"

APPENDIX "I"

LOCAL STORAGE AGREEMENTS
YEAR ENDED JUNE 30, 1987

<u>AGENCY</u>	<u>DATE OF AGREEMENT</u>	<u>AMOUNT OF AGREEMENT</u>	<u>AMOUNT IN STORAGE</u>
AGRICULTURAL POOL #19	3/31/82	2,000.00 AF	2,000.000 AF
AMERON #6	3/30/83	100.00 AF	121.790 AF
CHINO, CITY OF #12	1/23/85	15,000.00 AF	75.327 AF
CONROCK #1	6/30/79	1,589.22 AF	1,589.220 AF
CONROCK #1.1	5/30/84	1,589.22 AF	1,271.376 AF
CUCAMONGA CO. W.D. #10	5/30/84	5,000.00 AF	5,000.000 AF
CUCAMONGA CO. W.D. #10.1	5/06/87	5,000.00 AF	4,813.647 AF
FONTANA UNION W.C. #2	7/30/80	31,500.00 AF	28,969.033 AF
KAISER STEEL #9	5/30/84	15,000.00 AF	11,619.492 AF
MONTE VISTA IRRIG. CO.#17	5/07/86	500.00 AF	78.267 AF
POMONA, CITY OF #15	1/29/86	7,000.00 AF	10,279.833 AF
SAN ANTONIO W.C. #3	8/15/80	2,500.00 AF	2,500.000 AF
SAN ANTONIO W.C. #3.1	11/5/86	2,500.00 AF	2,216.594 AF
S.B.CO. AVIATION DIV. #5	3/31/82	400.00 AF	118.120 AF
S.B.CO.WW.D.No.8 #18	5/07/86	2,400.00 AF	5,919.085 AF
SANTA ANA RIVER W.C. #20	5/06/87	1,500.00 AF	271.977 AF
SO. CALIF. EDISON #14	6/05/85	500.00 AF	1,070.394 AF
SPACE CNTR MIRA LOMA #4	3/31/82	100.00 AF	100.000 AF
SPACE CNTR MIRA LOMA #4.1	11/5/86	200.00 AF	78.889 AF
SUNKIST GROWERS INC. #7	3/30/83	2,500.00 AF	2,500.000 AF
SUNKIST GROWERS INC. #7.1	11/5/86	5,000.00 AF	1,332.816 AF
SWAN LAKE #21	5/06/87	300.00 AF	147.700 AF
UNION CARBIDE-LINDE #8	3/30/83	150.00 AF	150.000 AF
UNION CARBIDE-LINDE #8.1	11/5/86	2,000.00 AF	1,628.322 AF
WEST END CONSOL. W.C. #13	6/05/85	2,500.00 AF	2,494.939 AF
		<u>106,828.44 AF</u>	<u>59,639.852 AF</u>

APPENDIX "I"

APPENDIX "J"

LIST OF INTERVENTIONS AND ASSIGNMENTS

INTERVENOR

INACTIVE PARTY

OVERLYING (AGRICULTURAL) POOL

John Aguerre	Chino Valley Investment
Robert Barth	None
Que Fuller	Charles W. Hobbs
Jimmy Harris	Sheila Sherwood
Richard Lambeth	None
Jim Nace	None
Lemon D. and Louise Thrall	Betty Stone
Whispering Lakes Community Church	Peter Hettinga

OVERLYING (NON-AGRICULTURAL) POOL

Valocal	Cucamonga Vintners
American Diversified Capital Corporation	Imbach Ranch

APPENDIX "K"

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

PLEASE TAKE NOTICE that on this 30th day of June, 1987, Chino Basin Watermaster hereby files this "NOTICE OF INTENT" to change the operating safe yield of the Chino Groundwater Basin pursuant to the Judgment entered in Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino Superior Court, Case No. 164327 (Exhibit I, Paragraph 2b, Page 80).

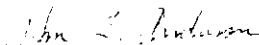
Approved by the
Watermaster Advisory Committee

By 
Lloyd Michael, Chairman

CHINO BASIN WATERMASTER

By 
Dwight French, Chairman

ATTEST:

By 
John L. Anderson, Secretary

APPENDIX "K"

APPENDIX "L"

CHINO BASIN WATERMASTER
Annual Financial Report
JUNE 30, 1987

APPENDIX "L"

APPENDIX "L - 1"

CHINO BASIN WATERMASTER
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 1987

TABLE OF CONTENTS

	<u>EXHIBIT</u>
Auditor's Opinion	
Comparative Balance Sheet	1
Statement of Revenue, Expenses, and Retained Earnings	2
Statement of Changes in Financial Position.	3
Notes to Financial Statements	
	 <u>SCHEDULE</u>
Combining Statement of Revenue, Expenses, and Retained Earnings of the Various Funds of the Watermaster	 1

WALTER F. HEARDON, CPA
DANIEL McCALLUM, CPA
HELENE W. BLUMNER, CPA
SARAH M. STARKS, CPA

**REARDON
McCALLUM
& COMPANY**

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
CALIFORNIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

Certified Public Accountants

Board of Directors
Chino Basin Watermaster
8555 Archibald Avenue
Cucamonga, CA 91730

Gentlemen:

We have examined the financial statements of the Chino Basin Watermaster for the year ended June 30, 1987. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the Chino Basin Watermaster of June 30, 1987 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles for governmental agencies applied on a basis consistent with that of the preceding year.

Reardon McCallum & Co

September 1, 1987
Upland, California

APPENDIX "L - 3"

CHINO BATH WATERMASTER
COMPARATIVE BALANCE SHEET

Exhibit I

June 30, 1967 and 1966

	1967	1966
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash in bank - checking	\$ 1,328	\$ 2,007
Cash in bank - savings	46,575	54,109
Time certificates of deposit	47,903	56,116
Interest receivable	66	0
Prepaid office supplies	169	248
TOTAL CURRENT ASSETS	\$ 248,138	\$ 281,364
<u>LIABILITIES AND RETAINED EARNINGS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 20,502	\$ 44,466
RETAINED EARNINGS		
Reserve for Watermaster activities	219,636	236,898
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 248,138	\$ 281,364

See accompanying notes to financial statements

APPENDIX "L - 4"

CHINO BASIN WATERMASTER

Exhibit 2

STATEMENT OF REVENUE, EXPENSES AND RETAINED EARNINGS

For the Fiscal Year Ended June 30, 1987

	FISCAL 1986/1987			FISCAL 1985/1986
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	(Memorandum Only)
REVENUES:				
Assessment Revenue				
Replenishment water assessments	\$ 2,028,380	\$ 2,076,531	\$ 48,151	\$ 2,367,335
Administrative assessments	48,945	49,625	680	50,760
Miscellaneous revenues	0	591	591	400
Interest revenue	59,075	52,156	(6,919)	53,224
Total Revenues	2,136,400	2,278,907	42,507	2,471,719
EXPENSES:				
CBMWD Services Contract				
Salaries, payroll burden & overheads	61,950	41,719	20,232	37,148
Materials and supplies	75	31	44	100
Printing and mailing	400	1,074	(674)	673
Other expenses	1,425	259	1,126	419
General and administrative	3,200	2,217	983	2,426
Total CBMWD Services Contract	67,050	45,339	21,711	40,766
Replenishment water deliveries	2,000,913	2,082,162	(81,249)	2,416,855
Printing and mailing	2,400	2,230	120	2,019
Contract labor and materials	87,460	54,954	32,506	73,247
Audit fees	2,200	1,534	616	973
Legal fees	8,850	8,949	(99)	4,967
Engineering fees	5,200	0	5,200	754
Meeting compensation	2,850	900	1,950	1,825
Other direct expenses	500	1	499	(1)
Total Expenses	2,177,423	2,196,169	(18,746)	2,541,405
EXCESS (DEFICIT) REVENUE OVER EXPENSES	(41,023)	17,262	23,761	(69,686)
RETAINED EARNINGS AT BEGINNING OF YEAR	236,898	236,898	0	306,580
RETAINED EARNINGS AT END OF YEAR	\$ 195,875	\$ 219,636	\$ 23,761	\$ 236,898

See accompanying notes to financial statements

APPENDIX "L - 5"

CHING BASIN WATERMASTER

Exhibit J

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Fiscal Year Ended June 30, 1987

SOURCES OF WORKING CAPITAL

Operations

Excess of expenses over revenues

\$ (17,262)

NET INCREASE (DECREASE) IN WORKING CAPITAL

\$ (17,262)

ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL ITEMS

	7/1/86	6/30/87	
Current Assets			
Cash	\$ 56,116	\$ 47,903	\$ (8,213)
Short term investments	225,000	200,000	(25,000)
Receivables	0	66	66
Prepaid expenses	248	169	(79)
	281,364	248,138	
Current Liabilities			
Accounts payable	44,466	28,502	15,964
Working Capital	\$ 236,898	\$ 219,636	
NET INCREASE (DECREASE) IN WORKING CAPITAL			\$ (17,262)

See accompanying notes to financial statements

APPENDIX "L - 6"
CHINO BASIN WATERMASTER
NOTES TO FINANCIAL
STATEMENTS

June 30, 1987

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

- A. Books and records are kept on the accrual basis.
- B. Separate cost centers have been established to segregate the Watermaster activities as required under the judgement and rules and regulations of Watermaster and each pool (See Schedule 1).
- C. Short-term investments are recorded at cost.

NOTE 2 - APPROPRIATIVE POOL INTEREST REVENUE

On August 30, 1979, the Appropriative Pool unanimously approved assessment procedures whereby any interest earned by Watermaster on replenishment assessments paid by Appropriative Pool members would be subtracted from the total current assessment due from those members. Fiscal 85/86 interest revenue was allocated to the Appropriative Pool members based on the funds received in payment of the 85/86 assessments, resulting in a lower 86/87 assessment and a subsequent transfer of funds from the Appropriative Pool to Groundwater Replenishment.

NOTE 3 - ALLOCATION OF WATERMASTER ADMINISTRATION EXPENSES TO POOLS

Except for the costs of the two special studies related to the reevaluation of the basin safe yield charged to SB 222, Watermaster Administration Expenses are allocated to the pools based upon the prior year's production figures (or the same percentages used to set the annual assessments).

Allocations for fiscal 86/87 have been made based upon 85/86 productions of:

Appropriative Pool	80,859.1 AF or	59.414%
Overlying Agricultural Pool	52,061.4 AF or	38.241%
Overlying Non-agricultural Pool	3,192.9 AF or	2.345%
	<hr/>	<hr/>
Total production	136,113.4 AF or	100.000%

APPENDIX "L - 7"

STATE OF CALIFORNIA
 COUNTY OF SAN DIEGO
 COMPARATIVE STATEMENT OF REVENUE, EXPENSES AND DEBTED EARNINGS
 For the Fiscal Year Ended June 30, 1967

Continued

DEPARTMENT	NICHOLAS APPOINTMENT				GOVERNMENT OPERATIONS				POOL ADMINISTRATION AND SPECIAL PROJECTS				TOTAL
	ADMINIS-	SPECIAL	TOTAL	FUNDS	REPLACEMENT	POOL	AGRICULTURAL	NON-AGRICULTURAL	EDUCATIONAL	FUNDS	EDUCATIONAL	FUNDS	
Assessment Revenue													
Replacement water assessments													
Transfer of prior year interest to													
Replacement assessments (Note 2)													
Administrative assessments													
Miscellaneous revenue													
Interest revenue													
Total Revenues	39	582	591	0	2,311,865	41,802	23,584	1,264	87	2,178,577			2,002,192
EXPENSES:													
Replacement water deliveries													
CHWD Material, payroll burden & overheads	36,661	2,744	33,405	1,775	2,732	3,416	390			41,716			41,716
CHWD General and administrative	1,615	117	1,732	63	155	220	23			2,237			2,237
Materials and supplies	1,015		1,015	13	205	2,056	51			2,435			2,435
Contract labor and materials			0	22,022	60	4,855	55			24,955			24,955
Audit fees	1,544		1,544							1,544			1,544
Legal fees	6,731	575	7,306		1,501	335	37			6,948			6,948
Printing - compensation	700		700			205				500			500
Other expenses	105		105		195					390			390
Total Watermaster Administration Expenses	42,414	2,436	48,450		26,490	11,324	1,061			61,275			61,275
Allocation of Admin. Expenses to Pools (Note 3)	(42,375)	(2,690)	(45,299)										
Total Expenses	39	582	591	23,580	2,310,314	31,742	24,160	1,656	0	2,367,162			2,367,162
EXCESS DEFICIT REVENUE OVER EXPENSES	0	0	0	123,903	1,735	5,160	(4,064)	(451)	87	12,167			12,167
Facilities at beginning of year	0	6	0	55,566	26,008	53,562	63,845	16,837	1,460	231,598			231,598
Facilities at End of Year	5	5	0	69,663	11,763	63,562	58,235	14,312	1,467	5,219,616			5,219,616

See accompanying notes to financial statements