

CHINO BASIN WATERMASTER
FOR
CHINO BASIN MUNICIPAL WATER DISTRICT
VS
CITY OF CHINO, ET. AL.

CASE NO. 51010
(FORMERLY CASE NO. 164327)

THIRTEENTH
ANNUAL REPORT
OF THE
CHINO BASIN WATERMASTER
FISCAL YEAR 1989-90.

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MAY 1991

WATERMASTER

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



DONALD R. PETERS, Chief
Watermaster Services

Telephone (714) 987-1712

June 1991

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

Subject: Thirteenth Annual Report of Chino Basin Watermaster

This Thirteenth Annual Report of Watermaster activities is for your information. The Honorable Judge Philip E. Schaefer of San Bernardino West District Superior Court ordered acceptance of this report on July 26, 1991.

A brief summary of activities during this reporting period (July 1, 1989 through June 30, 1990) is as follows:

Total production from the Basin during 1989/90 was 154,620 acre feet, with production by Pool as follows:

	Appropriative Pool	Overlying (Agricultural) Pool	Overlying (Non-Agricultural) Pool	Totals
1989/90 Production	101,344 AF	48,420 AF	4,856 AF	154,620 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 1989/90 production year exceeded the initial shares of Operating Safe Yield. This marks the fifth year this has occurred since the effective date of the Judgment for accounting and operations, i.e., July 1, 1977.

A total of 11,506,947 acre feet of rights were leased among the members of the Appropriative Pool.

To satisfy the 1988/89 production in excess of Operating Safe Yield (ie, 19,324.2 acre feet), 19,324.2 acre feet of water was purchased out of Watermaster's Cyclic Storage Account with Metropolitan Water District of Southern California during Fiscal Year 1989/90. The Cyclic Storage Account reflects an April 30, 1990 balance of 28,462.9 acre feet.

On December 19, 1986, the Court approved forms which set in motion a water exchange agreement program with The Metropolitan Water District of Southern California with Watermaster as trustee. During Fiscal Year 1989-90, Cucamonga County Water District and the City of Ontario exchanged 4,875.9 and 11,501.2 acre feet, respectively. A summary of Trust Storage Agreement is shown on Appendix "I-1" of this report.

Fiscal Year 89/90 marks the seventh 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 811.270 acre feet of Unallocated Safe Yield qualified under the land use conversion priority as a permanent transfer and the balance of 32,226.331 acre feet was transferred to offset the 1989-90 production all of which is shown on Appendix "D" of this report.

A third Local Storage Agreement was approved for Conrock and the City of Pomona for 1,589.22 acre feet and 10,000 acre feet, respectively. A second Local Storage Agreement was approved for Monte Vista Irrigation Company and the City of Upland for 2,500 acre feet and 8,000 acre feet, respectively. There are now a total of 44 storage agreements which total 310,017.66 acre feet of potential storage water over the next five to 10 years under the Judgment. At the close of Fiscal Year 1989/90, 141,990.511 acre feet of water remains in storage pursuant to these local storage agreements.

Assessments billed by Pool during 1989/90 for 1988/89 production are as follows:

Appropriative Pool	\$2,244,895.15
Overlying (Agricultural) Pool	0.00
Overlying (Non-Agricultural) Pool	4,604.80
	\$2,249,499.95

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

Sincerely,

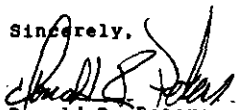

Donald R. Peters, Chief
Watermaster Services

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THIRTEENTH ANNUAL REPORT OF THE 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 Thirteenth Annual Report presents a view of Watermaster, Watermaster Advisory Committee and Pool Committee Activities and an accounting of water production for Fiscal Year 1989/90.

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." The Advisory Committee met regularly and had 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 Senate Bill 222.

Socio-economic, safe yield and other studies were conducted to provide information necessary to reach agreement about the allocation 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 have 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 the prior year's 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. 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 six producers, Chino Basin Municipal Water District, Fontana Water Company, Marygold Mutual Water Company, City of Pomona, 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 Appropriative 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

* Edward Girard resigned his post May 31, 1990. Bill Hill assumed the seat June 27, 1990.

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:

September 6, 1989
September 20, 1989
December 6, 1989
February 7, 1990
June 6, 1990

A special meeting of Watermaster was held April 4, 1990 to address financial participation by Watermaster in the proposed study of Nitrates in the Chino Groundwater Basin by the USGS Water Resources Division.

Assessments levied by Watermaster on December 6, 1989 for overproduction during 1988/89 production period and for budgeted administrative and special project costs for 1989/90 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: \$3.27076

Per Minute action of the Appropriative Pool at their meeting of June 7, 1988, it was agreed that the Appropriative Pool would assume the administrative assessments of the Agricultural Pool members in exchange for unpumped Agricultural water transferred to the Appropriative Pool following

the 1987-88 production year. Therefore, the total Administrative and Special Projects Assessment levied against the Overlying (Agricultural) Pool in the amount of \$81,556.40 was assumed by the Appropriative Pool computed at \$3.27076 per acre foot of water transferred (i.e., 24,934.999 acre feet) to each Appropriative Pool member based on its share of initial share of operating safe yield.

With reported production declining from 96,567 acre feet in 1974/75 to 83,934 acre feet in 1977/78, the Overlying (Agricultural) Pool Committee decided during Fiscal Year 1978/79 to purchase, and place in a local storage account, 2,000 acre feet of replenishment water to provide for a potential increase in production during the balance of the five (5) year period. Because production of the Agricultural pool continues to decline due to urbanization of farm land, it was decided during Fiscal Year 1987-88 to sell the water in storage. Revenue from the sale has been placed in an interest earning account for future use by the Overlying (Agricultural) Pool as may become necessary.

B) Overlying (Non-Agricultural) Pool members were assessed \$5.00 for budgeted administrative and special project costs and \$115.00 (\$115.00 for replenishment water plus \$0.00 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 \$3.49854 and \$97.75 per acre foot respectively. Each producer in this Pool was also assessed \$0.48390 per acre foot to cover the budgeted administrative and special project costs.

The City of Norco produced 2,345.3 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 "B", "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 covering Fiscal Year 1989-90 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 June 6, 1990 to approve the 1990/91 Administrative Budget and a summary of this budget is attached as Appendix "C".
- C) Renewal Agreement With San Bernardino County Flood Control District was approved for the period commencing July 1, 1988 through June 30, 1991 for the spreading and monitoring of replenishment and Cyclic Storage Water. Appendix "E" and "F" summarize these activities.
- D) Redetermination of Safe Yield - On June 30, 1990, the Watermaster program marked its thirteenth 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 eighth "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 1989/90, 19.0 acre feet of contaminated wastewater was removed and exported from the site. As of June 30, 1990, 107.7 acre feet of contaminated water has been exported from the Stringfellow Acid Pits.

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 1990-91.

Regular	Alternate
*Ron Browning	Louis Aukeman
*Ralph Te Velde	John Vander Schaaf
*Tom Carnesi	Fred Douma
*Robert DeBerard	Tim Ochoa, Fred Hector CIW
*Paul Hofer	Eugene Jackson, YTS
Gene Koopman	Richard Matamoros, YTS
Nereus Richardson	Rep. Orange co. Water Dist.
Roger Larkin	Gene Fitzgibbons CIM
Harilyn Levin	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, CBMWD
Treasurer	John Anderson, Treas. of CBMWD

Through June 30, 1990, two 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 1989/90 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 Rugge
Vice-Chairman	Dwayne Lehman
Secretary	Don Peters, Chief, WM Services
Treasurer	John Anderson, Treas. of CBMWD

Watermaster Advisory Committee representatives for this Pool are as follows:

Dwayne Lehman, Sunkist
Southern California Edison Representative
Michael Thies, Space Center Mira Loma

Through June 30, 1990 there were no meetings 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	John Schatz, Jurupa CSD
Vice-Chairman	City of Pomona representative
Secretary	Don Peters, Chief, WM Services
Treasurer	John Anderson, Treas. of CBMWD

Through June 30, 1990, four (4) meetings were conducted to act on matters affecting members of this Pool and to review actions to be taken by Watermaster.

In March 1989, the Appropriative Pool took action to form an Appropriative Pool Ad Hoc Committee to address the socio-economic conditions of the Basin as mandated in the Judgment (Exhibit H, Paragraph 8, Page 70). Preliminary investigation and review of the socio-economic conditions of the Basin included dissemination and review of the original socio-economic study done in 1977. Results of this preliminary review dictated that a more definitive study is required. Input from each member of the Appropriative Pool was solicited from which a detailed Request for Proposal will be generated.

D. Watermaster Advisory Committee

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

Chairman	Ira Pace
1st Vice Chairman	Ralph TeVelde
2nd Vice Chairman	So. Calif. Edison Representative
Secretary	Don Peters, Chief, WM Services
Treasurer	John Anderson, Treas. of CBHWD

Regular meetings were scheduled for the third Thursday of each month having five (5) Wednesdays at 12:00 noon. The annual meeting was held January 18, 1990 at 12:00 noon. The Advisory Committee conducted four (4) 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 Right Lease Agreements between Appropriative Pool Members for Fiscal Year 1989/90 totaled 7,350.211 acre feet. Individual lease agreements on forms approved by the Watermaster were as follows:

- (a) From: S.B. Co. Waterworks District No. 8
To: City of Chino 257.145 AF
- (b) From: S.B. Co. Waterworks District No. 8
To: Monte Vista Water District 477.555 AF
- (c) From: Fontana Union Water Company
To: Cucamonga County Water District 3,815.511 AF
- (d) From: Marygold Mutual Water Company
To: Monte Vista Water District 800.000 AF
- (e) From: Monte Vista Irrigation Company
To: Cucamonga County Water District 500.000 AF
- (f) From: Santa Ana River Water Company
To: Mutual Water Co. of Glen Avon Hts. 200.000 AF
- (g) From: Santa Ana River Water Company
To: Jurupa Community Services District 1,300.000 AF

(2) Recapture of Water in Local Storage was initiated on forms approved by Watermaster. Cucamonga County Water District recaptured 10,574.719 acre feet of water in storage to offset its 1989/90 production in excess of safe yield.

(3) Unqualified Audit Opinion and Audit Report to the Chino Basin Watermaster from Reardon & McCallum, Certified Public Accountants, for the period ending June 30, 1990, is attached as Appendix "L".

(4) 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.

(5) Quarterly Accounting of Water Production has been received for the Appropriative and Overlying (Non-Agricultural) Pools for Fiscal Year 1989/90. The Overlying (Agricultural) Pool's quarterly production was compiled on those wells having water measuring devices installed.

(6) 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.

(7) 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.

(8) 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, 1990 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. A draft environmental assessment was prepared and hearings were held resulting in the need for additional mitigation measures be defined regarding possible groundwater degradation from rising water table.

(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, 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. A two year contract with Hydro Meter was approved for meter testing services during Fiscal Years 1990-91 and 1991-92.

(d) (Task Order 84-1A) Groundwater Monitoring Program 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. This work has established the ground rules and criteria for a long term groundwater monitoring program and began 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 includes 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.

(9) A second Local Storage Agreement was entered into by City of Upland for 8,000 acre feet, Monte Vista Irrigation Company for 2,500 acre feet. A Third Local Storage Agreement was entered into by City of Pomona for 10,000 acre feet, and Calmat (Conrock) for 1,589.22 acre feet.

(10) (City of Fontana's Protest for Watermaster to Appropriate Water). On December 21, 1987, Chino Basin Watermaster and San Bernardino County Flood Control District filed an application to appropriate waters from the San Sevaine Creek to which the City of Fontana filed a protest contending that certain quantities of flood flows from the San Sevaine Flood Control Channel pass through the Basin; that Fontana's improvement to these flood channels and retention basins will capture waters otherwise lost to the Basin; that consequently Fontana has a right to capture and use such water.

In attempts to settle the disputed rights of the claimants to water collected by the San Sevaine Creek Flood Control Project, the parties met on

several occasions and have diligently sought an amicable resolution outside of State Board or Court review.

It has been determined that if such "new water" is measurable, Fontana's claim is valid. Conversely, however, results of such flow measurements could show a loss of water for basin recharge as a result of urban development of acreage use for basin recharge. The City of Fontana could therefore be held responsible to purchase supplemental State Project Water to replace such lost water. Based on the facts, the Parties appear to be very close to a solution.

(11) On November 9, 1988, the Office of Watermaster received a "Notice of Motion and Motion for Review of Watermaster Actions and Decisions". This action was filed in behalf of the City of Norco, City of Chino, and San Bernardino County Waterworks District No. 8, hereinafter "The Moving Parties", alleging that "Watermaster has failed and continued to fail to abide by its responsibilities and duties under the Judgment.

A hearing was held on March 1, 1989 in Dept. 11, Superior Court of San Bernardino, before the Honorable Don A. Turner, Judge, and on July 31, 1989, Judge Turner issued the Final Statement of Decision and Order regarding the matter.

Although the court found no fault with the Watermaster Program or as its being administered, the Court did recommend that an effort be made to develop an Optimum Basin Management Plan. To this end, Watermaster has assisted with the formation of a five agency basin management task force. Participating members of the task force are Chino Basin Municipal Water District, Western Municipal Water District of Riverside County, Santa Ana Watershed Planning Authority (SANPA), Metropolitan Water District of Southern California (MWD), and the twenty-one members of the Watermaster Advisory Committee. On January 23, 1990, the inaugural meeting of the Chino Basin Management Task Force was held and the following officers were elected.

Chairman: Tom Homan, General Manager, CBMWD
Vice-Chairman: Don Harriger, General Manager, WMWD
Secretary/Treasurer: Neil Cline, General Manager, SAWPA

James M. Montgomery Consulting Engineers was selected to develop a scope of work and at the close of this reporting period, shares of funding were being developed. Additional information and minutes of task force meetings are available at the office of Watermaster.

Interested parties may review all documents in connection with these matters by contacting Don Peters, Chief of Watermaster Services,
(714) 987-1712.

APPENDIX "A - 1"

OVERLYING (AGRICULTURAL) POOL COMMITTEE

Regular members and alternates for Fiscal Year 1989-90. *Newly elected members for two year term.

REGULAR

Mr. Ron Browning
S.B. Co. Dept. of Airports
7000 Merrill Ave., Box 1
Chino, CA 91710

Mr. Gus Wybenga
13950 Haven Avenue
Ontario, CA 91761

Mr. Tom Carnesi
1604 N. Palm Avenue
Chino, CA 91710

Mr. Robert DeBerard
P.O. Box 1223
Upland, CA 91785

Mr. Paul Hofer
11248 S. Turner Avenue
Ontario, CA 91761

*Mr. Gene Koopman
13898 S. Archibald Avenue
Ontario, CA 91761

*Mr. Nereus Richardson
Orange Co. Water District
P.O. Box 8300
Fountain Valley, CA 92728-8300

*Herbert C. Hall
9430 Lomita Drive
Alta Loma, CA 91710

*Mrs. Marilyn Levin
Deputy Attorney General
3580 Wilshire Blvd., Rm 605
Los Angeles, CA 90010

ALTERNATE

Mr. Louis Aukeman
12391 Schleisman
Mira Loma, CA 91752

Mr. John Vander Schaaf
7849 Schaefer Avenue
Ontario, CA 91761

Mr. Fred Douma
14350 Cleveland
Ontario, CA 91761

Mr. Tim Ochoa/Fred Hector, CIW
Post Office Box 6000
Corona, CA 91718-6000

Mr. Eugene Jackson, YTS
P.O. Box 800
Ontario, CA 91761

Gene Fitzgibbons
14901 Central Avenue
Chino, CA 91710

Representative
Orange Co. Water District
P.O. Box 8300
Fountain Valley, CA 92728-8300

Paul A. Enders
Post Office Box 246
Etiwanda, CA 91739

Representative
State Attorney General's Office
3580 Wilshire Boulevard
Los Angeles, CA 90010

APPENDIX "A - 2"
1989-1990 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

West Venture Development
ATTN: Robert Miller
5900 Sepulveda Boulevard
Van Nuys, CA 91411
(818) 908-9505

Swan Lake
ATTN: Barbara Ross
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: Rob Hartman
8300 Utica Avenue, Suite 301
Rancho Cucamonga, CA 91730
(714) 944-4163

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 Bdn. Co. Aviation Div.
ATTN: Barry Fischer
7000 Merrill Ave., Box 1
Chino, CA 91710
(714) 597-3910

So. California Edison Co.
Etiwanda Generating Station
ATTN: Jerry Socia
8996 Etiwanda Avenue
Etiwanda, CA 91739
(714) 899-7291

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: Harvey Carter
10829 Etiwanda Avenue
Fontana, CA 92335
(714) 829-4000

APPENDIX "A - 3"

1989-1990 APPROPRIATIVE POOL COMMITTEE

Chino, City of
ATTN: Ray Wellington
Post Office Box 667
Chino, CA 91710
(714) 627-7577

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

Fontana Union Water Company
ATTN: Hooite Rugge
Post Office Box 309
Fontana, CA 92335
(714) 822-7970

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
Post Office Box 71
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: Harold Cantrell
9643 Mission
Riverside, CA 92409
(714) 685-6441

Norco, City of
ATTN: Robert Woodings
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: Anthony Skavarek
Post Office Box 660
Pomona, CA 91786
(714) 620-2231

San Antonio Water Company
ATTN: Larry Dilley
139 North Euclid Avenue
Upland, CA 91786
(714) 982-4107

S.B.Co. Waterworks Dist.No.8
ATTN: Tom Rose
14575 Pipeline Avenue
Chino, CA 91710
(714) 597-1785

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

APPENDIX "A - 3"

APPROPRIATIVE POOL COMMITTEE (Continued)

Southern California Water Co.
ATTN: Mr. William Downey
Post Office Box 9016
San Dimas, CA 91773
(714) 394-3600

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

West End Consolidated Water Co.
ATTN: Larry Dilley
139 North Euclid Avenue
Upland, CA 91786
(714) 982-4107

West San Bernardino County
Water District
ATTN: Ira Pace
Post Office Box 920
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 (1)	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
87/88	91,579 (2)	57,865	2,958	152,402
88/89	93,617 (3)	46,762	3,619	143,998
89/90	101,344 (4)	48,420	4,856	154,620

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

(2) Does not include 7,674.3 acre feet exchanged with MWD.

(3) Does not include 6,423.6 acre feet exchanged with MWD.

(4) Does not include 16,377.1 acre feet exchanged with MWD.

CHINO BASIN WATERMASTER

CAMBRIDGEM
DATED 5-29-90

ADOPTED
BUDGET 1990-91
SUMMARY OF ADMINISTRATIVE BUDGETS

	APPROPRIATIVE POOL		OVERLYING AGRICULTURAL POOL		OVERLYING NON-AGRICULTURAL POOL		58222 FUNDS		
	AMOUNT	PER ACRE FOOT	AMOUNT	PER ACRE FOOT	AMOUNT	PER ACRE FOOT			
TOTALS	172,260.0	115.000.0	64,088.3	54,500.0	31,649.2	3,900.0	2,285.2	Not Applicable	
Estimated 89/90 Production				627,433		11,970			
GENERAL ADMINISTRATION:									
Joint Watermaster-Advisory Committee	637,311	657,700		19,345		1,105			
Food Administration	28,000	8,270							
Total Administrative Budgets	116,111	65,970	60,577	46,170	60,860	3,163	60,810		
SPECIAL PROJECTS: (Notes - Pages 18-20)									
Comprehensive User/Cyclic Storage	2,350	1,555		744		33			
Meter Installations	1,900	1,256		601		43			
Groundwater Monitoring Program	28,700	0		0		0		628,200	
Meter Testing Program	26,840	17,737		8,492		648			
Soil Yield Study	550	0		0		0		950	
Socio-Economic Study	19,070	12,603		6,035		422			
Basin Optimum Plans	25,005	16,525		7,311		546			
Total Special Project	104,515	49,674	0,4365	23,891	0,4365	1,702	0,4364	27,150	
TOTAL ADMIN. AND SPECIAL PROJECTS	200,426	115,644	1,0162	70,262	1,2705	4,805	1,2473	27,150	
221 Operating Reserve	47,628	24,911	0,2341	17,492	0,3246	1,216	0,3118		
ADMINISTRATIVE COSTS TO BE ASSESSED	428,274	141,555	1,2743	84,459	1,6231	6,041	1,5571	27,150	
Projected Carry Forward from 89/90	(108,896)	(0,9543)		0	0,0000	(5,8711)	(1,5054)	(58,736)	
89/90 Interest Revenue	0	0,0000		0	0,0000	0	0,0000	0	
(Increase) or Expense from Water Transfer	89,459	0,7773		(28,437)	(1,6231)	0	0,0000	0	
ESTIMATED 89/90 ADMINISTRATIVE ASSESSMENTS or (CARRY-OVER)	\$124,110	1,0907		90	0,0000	9219	0,0537	(473,586)	
ESTIMATED 89/90 WATER REPLENISHMENT ASSESSMENTS	42,249,451	4115,0000				4,545,000	9115,0000	91,150	

* Total Costs will be allocated to Pools by 89/90 actual 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 1989-1990

	Land Use Conversions		Balance	Total
	First 50%	Remain. 50%	Available	Transfer
	(Ac.Ft.)	(Ac.Ft.)	(Ac.Ft.)	(Ac.Ft.)
Chino Basin Municipal Water Dist.		0.000	0.000	0.000
Chino, City of	196.235	27.149	2,357.716	2,581.100
Cucamonga County Water District		26.775	2,325.201	2,351.976
Fontana Union Water Company		47.320	4,109.376	4,156.696
Jurupa Community Services Dist.		11.785	1,023.464	1,035.249
Marygold Mutual Water Company		4.848	420.987	425.835
Monte Vista Water District		30.687	2,664.970	2,695.657
Monte Vista irrigation Co.		5.006	434.762	439.768
Mut. Water Co. of Glen Avon Hts.		3.462	300.635	304.097
Norco, City of		1.491	129.476	130.967
Ontario, City of	209.400	84.138	7,306.740	7,600.278
Pomona, City of		82.969	7,205.262	7,288.231
San Antonio Water Co.		11.147	968.051	979.198
San Bдно. Co. Prado Tiro		0.000	0.000	0.000
San Bдно. Co. Waterworks No. 8		23.308	2,024.144	2,047.452
Santa Ana River Water Co.		9.627	836.026	845.653
Southern California Water Co.		3.044	264.339	267.383
Upland, City of		21.101	1,832.433	1,853.534
West End Consol. Water Co.		7.011	608.828	615.839
West San Bдно. Co. Water Dist.		<u>4.766</u>	<u>413.921</u>	<u>418.687</u>
	405.635	405.635	35,226.331	36,037.600

APPENDIX "E"

SUMMARY OF MWD "INTERRUPTIBLE" (INCLUDING "IN LIEU") AND NON INTERRUPTIBLE DELIVERIES (ACRE FEET) YEAR ENDED JUNE 30, 1990

MONTH	City of Pomona		City of Chino		Monte Vista Water Dist.		City of Ontario		Waterworks Dist. No. 8		So. Calif. Edison Co.		City of Upland		Camonga Co. Water Dist.		Total
	Non Int.	(1) Int.	Non Int.	Int.	Non Int.	Int.	Non Int.	Int.	Non Int.	Int.	Non Int.	Int.	Non Int.	Int.	Non Int.	Int.	
July 1989	888	108	0	379	0	357	0	1,588	1,223	0	255	0	1678	0			6,476
August	920	108	0	360	0	433	0	1,193	1,343	0	250	0	1561	0			6,168
September	860	97	0	344	0	509	0	1,352	1,167	0	261	0	1489	0			6,079
October	539	54	0	386	0	201	0	1,242	753	0	278	0	1303	0			4,756
November	426	49	0	362	0	76	0	1,066	676	0	231	0	1468	0			4,354
December	229	10	0	13	0	75	0	892	617	0	157	0	187	0			2,180
January '90	245	10	0	0	0	65	0	917	463	0	135	0	0	0			1,835
February	66	10	0	355	0	1	0	857	79	0	15	0	1042	0			2,425
March	119	44	0	395	0	0	47	1,279	574	0	95	261	1800	0			4,614
April	552	54	0	393	0	0	535	853	576	0	36	499	2077	0			5,575
May	720	64	0	412	0	0	0	1,237	763	0	96	863	2167	0			6,322
June	<u>1096</u>	<u>108</u>	<u>0</u>	<u>388</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,274</u>	<u>783</u>	<u>0</u>	<u>127</u>	<u>1,030</u>	<u>2324</u>	<u>0</u>			<u>7,130</u>
	6,660	716	0	3,787	0	1,717	582	13,750	9,017	0	1,936	2,653	17,096	0			57,914

1

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

APPENDIX "E-1"

GROUNDWATER REPLENISHMENT DELIVERIES
 (ACRE FEET)
 YEAR ENDED JUNE 30, 1990

<u>MONTH</u>	<u>SAN SEVAINE</u>	<u>OC-59</u>	<u>CB-3</u>	<u>DAY</u>	<u>ETIWANDA</u>	<u>TOTAL</u>
July 1988	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	0	0	0	0	0
January 1989	0	0	0	0	0	0
February	0	0	0	0	0	0
March	0	0	0	0	0	0
April	0	0	0	0	0	0
May	0	0	0	0	0	0
June	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	0	0	0	0	0	0

APPENDIX "G"
SUMMARY OF
OTHER IMPORTED SUPPLIES
(ACRE FEET)

YEAR ENDED JUNE 1990

	<u>OTHER BASINS</u>	<u>SURFACE DIVERSIONS</u>	<u>OTHER IMPORTED SURFACE DIVERSIONS</u>	<u>RECLAIMED WATER</u>
(1) Cucamonga County Water District	19,643	3,900		
Fontana Union Water Company	10,220	6,126		
Marygold Mutual Water Company			1,159	
MWD of Southern California			77,540	
(2) Ontario, City of				568
Pomona, City of		2,796		7,732
San Antonio Water Company	7,002	2,166		
(2) San Bernardino County				1,368
Upland, City of				219
West End Consolidated Water Company	2,272			
West San Bernardino Co. Water District	<u>6,180</u>	-----	-----	-----
Sub-Total	45,317	14,988	78,699	9,887
TOTAL		----- 139,004		

- (1) Includes water used over Cucamonga Basin
- (2) Reclaimed Water - For the record only, not a part of Other Imported Suppl
Amounts shown are from sales records of Chino Basin Municipal Water Distr

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
87/88	152,402	116,175	268,577
88/89	143,998	128,167	272,165
89/90	154,620	139,004	293,624

*Includes water used over Cucamonga Basin

APPENDIX "I"

LOCAL STORAGE STATUS
JULY 1, 1990

AGENCY	DATE OF AGREEMENT	AMOUNT OF AGREEMENT	AMOUNT IN STORAGE
AMERON #6	3/30/83	100.00 AF	100.000 AF
AMERON #6.1	4/06/88	500.00 AF	414.064 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	1,589.220 AF
CONROCK #1.2	2/07/90	1,589.22 AF	635.688 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	5,000.000 AF
CUCAMONGA CO. W.D. #10.2	4/06/88	20,000.00 AF	17,633.692 AF
CUCAMONGA CO. W.D. #10.3	6/07/89	50,000.00 AF	5,706.737 AF
FONTANA UNION W.C. #2	7/30/80	31,500.00 AF	
FONTANA UNION W.C. #2.1	4/06/88	31,500.00 AF	
KAISER STEEL #9	5/30/84	15,000.00 AF	14,548.466 AF
KAISER STEEL #9.1	10/07/87	15,000.00 AF	2,962.714 AF
MARYGOLD MUT. W.C. #16.1	4/06/88	500.00 AF	500.000 AF
MARYGOLD MUT. W.D. #16.2	6/07/89	2,000.00 AF	679.867 AF
MONTE VISTA IRRIG. CO. #17	5/07/89	500.00 AF	500.000 AF
MONTE VISTA IRRIG. CO. #17.1	6/06/90	2,500.00 AF	818.760 AF
MUTUAL WATER DISTRICT OF GLEN AVON HIGHTS #26	5/09/91	500.00 AF	56.777 AF
ONTARIO, CITY OF #11.1	6/07/89	10,000.00 AF	10,000.000 AF
POMONA, CITY OF #15	1/29/86	7,000.00 AF	7,000.000 AF
POMONA, CITY OF #15.1	4/06/88	13,000.00 AF	13,000.000 AF
POMONA, CITY OF #15.2	6/06/90	10,000.00 AF	6,359.208 AF
SAN ANTONIO W.C. #3	8/15/80	2,500.00 AF	2,500.000 AF
SAN ANTONIO W.C. #3.1	11/05/86	2,500.00 AF	2,500.000 AF
SAN ANTONIO W.C. #3.2	4/06/88	10,000.00 AF	5,044.469 AF
S.B.CO. AVIATION DIV #5	3/31/82	400.00 AF	118.120 AF
S.B.CO.W.W. DIST. NO. 8 #18	5/07/86	2,400.00 AF	2,400.000 AF
S.B.CO.W.W. DIST. NO. 8 #18.1	4/06/88	15,000.00 AF	12,410.633 AF
SANTA ANA RIVER W.C. #20	5/06/87	1,500.00 AF	271.977 AF
SO. CAL. EDISON #14	6/05/85	500.00 AF	500.000 AF
SO. CAL. EDISON #14.1	4/06/88	5,000.00 AF	1,363.792 AF
SO. CAL. WATER #23	12/07/88	500.00 AF	168.927 AF
SOUTHERN SVC. CO. #22	4/06/88	100.00 AF	9.190 AF

APPENDIX "I"

APPENDIX "I" (continued)

SPACE CENTER MIRA LOMA #4	3/31/82	100.00 AF	100.000 AF
SPACE CENTER MIRA LOMA #4.1	11/05/86	200.00 AF	95.210 AF
SUNKIST GROWERS INC. #7	3/30/83	2,500.00 AF	2,500.000 AF
SUNKIST GROWERS INC. #7.1	11/05/86	5,000.00 AF	2,255.522 AF
SWAN LAKE #21	5/06/87	300.00 AF	393.620 AF
SWAN LAKE #21.1	5/18/91	500.00 AF	93.140 AF
UNION CARBIDE-LINDE #8	3/30/83	150.00 AF	150.000 AF
UNION CARBIDE-LINDE #8.1	11/05/86	2,000.00 AF	2,000.000 AF
UNION CARBIDE-LINDE #8.2	4/06/89	3,000.00 AF	910.660 AF
UPLAND, CITY OF #24	4/05/89	1,000.00 AF	885.129 AF
UPLAND, CITY OF #24.1	6/06/90	8,000.00 AF	3,600.925 AF
WEST END CONSOL. W.C. #13	6/05/85	2,500.00 AF	2,500.000 AF
WEST END CONSOL. W.C. #13.1	4/06/88	<u>6,000.00 AF</u>	<u>5,199.374 AF</u>
		310,017.66 AF	141,990.511 AF

APPENDIX "I"

APPENDIX "I - 1"

SUMMARY OF
TRUST STORAGE AGREEMENTS
IN TRUST FOR
THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA
WITH
WATERMASTER AS TRUSTEE
FOR FISCAL YEAR 1989-1990
(ACRE FEET)

<u>ASSIGNOR</u>	<u>YEAR OF EXCHANGE</u>	<u>AMOUNT OF EXCHANGE</u>	<u>TOTAL AMOUNT YEAR TO DATE</u>
Cucamonga County Water District	1987/88	3,033.9	3,033.9
City of Ontario	1987/88	4,640.4	4,640.4
Cucamonga County Water District	1988/89	5,064.9	8,098.8
City of Ontario	1988/89	1,359.6	6,000.0
Cucamonga County Water District	1989/90	11,501.2	19,600.0
City of Ontario	1989/90	4,875.9	10,875.9

TOTAL AMOUNT HELD IN TRUST BY WATERMASTER
FOR METROPOLITAN WATER DISTRICT _____ 30,475.9 ACRE FEET

APPENDIX "I - 1"
APPENDIX "J"

LIST OF INTERVENTIONS AND ASSIGNMENTS

INTERVENOR

INACTIVE PARTY

OVERLYING (AGRICULTURAL) POOL

Gary Teed

None

APPROPRIATIVE POOL

Fontana Water Company,
a Division of San Gabriel
Valley Water Company,
a California Corporation

None


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, 1990, 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


Ira Pace, Chairman

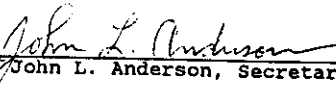
CHINO BASIN WATERMASTER

By


Dwight French, Chairman

ATTEST:

By


John L. Anderson, Secretar

APPENDIX "L"

CHINO BASIN WATERMASTER
Annual Financial Report
JUNE 30, 1990

APPENDIX "L - 1"

CHINO BASIN WATERMASTER
BOARD OF DIRECTORS, EXECUTIVE STAFF, AND CONSULTANTS
JUNE 30, 1990

WATERMASTER MEMBERS

MEMBER	OFFICE
Dwight F. French	Chairman
George A. Borba	Vice-Chairman
John L. Anderson	Secretary/Treasurer
Anne W. Dunihue	Member
Bill M. Hill	Member

STAFF

Don Peters	Chief of Watermaster Services
Richard A. Teichert	Controller

CONSULTANTS

Reardon McCallum & Company, Certified Public Accountants	Auditors
Guido R. Smith, Attorney At Law	Legal Counsel

APPENDIX "L - 2"

CHINO BASIN WATERMASTER
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 1990

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APPENDIX "L - 3"

WALTER F. REARDON, C.P.A.
HELENÉ W. BLUMNER, C.P.A.
SACHIKO M. STARKS, C.P.A.

**REARDON
McCALLUM
& COMPANY**

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

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Chino Basin Watermaster
8555 Archibald Avenue
Rancho Cucamonga, California 91730

We have audited the accompanying general purpose financial statements of Chino Basin Watermaster as of June 30, 1990 and 1989 and for the years then ended. These general purpose financial statements are the responsibility of Chino Basin Watermaster management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Chino Basin Watermaster as of June 30, 1990 and 1989 and the results of its operations and changes in financial position for the years then ended in conformity with generally accepted accounting principles.

Reardon McCallum & Co

Upland, California
September 19, 1990

APPENDIX "L - 4"

CHINO BASIN WATERMASTER
COMPARATIVE BALANCE SHEET
June 30, 1990 and 1989

Exhibit 1

	1990	1989
ASSETS -----		
CURRENT ASSETS:		
Cash in bank - checking	\$5,976	\$2,592
Cash in bank - savings	112,885	336,677
	-----	-----
Time certificates of deposit	118,861	339,269
	821,000	886,000
Assessments receivable	0	463,576
Interest receivable	0	4,827
Prepaid office supplies	358	93
	-----	-----
TOTAL CURRENT ASSETS	\$940,219	\$1,693,765
	-----	-----
LIABILITIES AND RETAINED EARNINGS -----		
CURRENT LIABILITIES:		
Accounts payable	\$18,546	\$52,492
RETAINED EARNINGS		
Reserved for Watermaster activities	921,673	1,641,273
	-----	-----
TOTAL LIABILITIES AND RETAINED EARNINGS	\$940,219	\$1,693,765
	-----	-----

See accompanying notes to Financial Statements

APPENDIX "L - 5"

CHINO BASIN WATERMASTER

Exhibit 2

STATEMENT OF REVENUE, EXPENSES AND RETAINED EARNINGS

For the Fiscal Years Ended June 30, 1990 and June 30, 1989

	-----FISCAL 1989/1990-----		VARIANCE-	FISCAL
	BUDGET	ACTUAL	(UNFAVORABLE)	1988/1989
REVENUES:				
Assessment revenue				
Replenishment water assessments	\$1,960,372	\$2,119,454	\$159,082	\$2,182,286
Administrative assessments	137,503	130,046	(7,457)	71,903
Miscellaneous revenues	850	0	(850)	77
Interest revenue	37,750	210,430	172,680	123,672
Total Revenues	2,136,475	2,459,930	323,455	2,377,938
EXPENSES:				
CBMWD Services Contract				
Salaries, payroll burden & overheads	97,750	55,769	41,981	\$4,000
Materials and supplies	250	27	223	70
Printing and mailing	700	236	464	6,245
Other expenses	3,450	2,333	1,117	879
General and administrative	3,975	2,001	1,974	2,411
Total CBMWD Services Contract	106,125	60,366	45,759	63,605
Replenishment water deliveries	1,960,325	3,060,898	(1,100,573)	1,133,302
Printing and mailing	2,405	2,083	322	2,387
Contract labor and materials	26,550	6,800	19,750	20,028
Audit fees	2,100	2,275	(175)	1,279
Legal fees	6,100	14,506	(8,406)	32,940
Engineering fees	28,000	30,261	(4,261)	16,874
Meeting compensation	2,550	2,025	525	1,975
Other direct expenses	1,100	316	784	481
Total Expenses	2,133,255	3,179,530	(1,046,275)	1,272,871
EXCESS (DEFICIT) REVENUE OVER EXPENSES	3,220	(719,600)	(722,820)	1,105,067
RETAINED EARNINGS AT BEGINNING OF YEAR	1,641,273	1,641,273	0	536,206
RETAINED EARNINGS AT END OF YEAR	\$1,644,493	\$921,673	(\$722,820)	\$1,641,273

See accompanying notes to Financial Statements

APPENDIX "L - 6"

CHINO BASIN WATERMASTER

Exhibit 3

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Fiscal Years Ended June 30, 1990 and June 30, 1989

	1990	1989
SOURCES OF WORKING CAPITAL		
Operations		
Revenues over (under) expenses	(\$719,600)	\$1,105,067
NET INCREASE (DECREASE) IN WORKING CAPITAL	(\$719,600)	\$1,105,067
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL ITEMS		
Current Assets		
Cash	(\$220,408)	\$296,803
Short term investments	(65,000)	(1,630,000)
Receivables	(468,403)	461,859
Prepaid expenses	265	44
Current Liabilities		
Accounts payable	33,946	1,976,361
NET INCREASE (DECREASE) IN WORKING CAPITAL	(\$719,600)	\$1,105,067

See accompanying notes to Financial Statements

APPENDIX "L - 7"

CHINO BASIN WATERMASTER
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1990

1. Organization and Significant Accounting Policies

Organization:

The Chino Basin Watermaster was established under the Judgement 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 Judgement for accounting and operations was July 1, 1977.

Pursuant to the Judgement, the Chino Basin Municipal Water District (CBMWD) five (5) member Board of Directors is appointed "Watermaster", responsible for implementing the terms of the judgement. Three (3) committees were formed: (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. The three pools acting together form the "Advisory Committee", which serves to make recommendations for formal action to the Chino Basin Watermaster.

Basis of Accounting:

The accounts of the Chino Basin Watermaster are maintained on the accrual basis and are reported as a single enterprise. Separate accounting records are maintained to segregate the Watermaster activities, as required under the Judgement and the rules and regulations of the Watermaster and each Pool (see Schedule 1). Investments are stated at cost, which approximates market.

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 reduce the total current assessment due from those members. Fiscal 1989/90 interest revenue was allocated to the Appropriative Pool members based on the funds received in payment of the 1989/90 assessments, resulting in a reduction of the 1990/91 assessment and a subsequent transfer of funds from the Appropriative Pool to Groundwater Replenishment.

APPENDIX "L - 8"

3. Allocation of Watermaster Administration Expenses to Pools

Except for the cost of administering conjunctive/cyclic use agreements, Watermaster administration expenses are allocated to the pools based on the prior year production volume (or the same percentage used to set the annual assessments). Allocations for Fiscal 1989/90 expenses are based on the 1988/89 production volume:

Appropriative Pool	100,041.5	66.507%
Overlying Agricultural Pool	46,762.6	31.087%
Overlying Non-Agricultural Pool	<u>3,619.1</u>	<u>2.406%</u>
TOTAL PRODUCTION	150,423.2	100.000%

4. AGRICULTURAL POOL ASSESSMENTS

The Agricultural Pool members ratified an agreement with the Appropriative Pool at the meeting of June 16, 1988. The agreement required the Appropriative Pool to assume all future Agricultural Pool administrative expenses, including special project allocations. In return, the Agricultural Pool transferred all pool administrative reserves at June 30, 1988 (\$59,851) to the Appropriative Pool effective July 1, 1988.

During June, 1988, the Agricultural Pool sold 2,000 acre feet of water in storage to Cucamonga County Water District. Funds from this sale are held and invested by the Watermaster Treasurer for future use as determined by the Agricultural Pool members. At June 30, 1990, the proceeds from the sale and interest earned totaled \$296,142.

5. CYCLIC STORAGE DELIVERY COSTS

The cost of spreading surface water into groundwater for cyclic storage is paid using SB222 funds. The funds must be reimbursed by the Appropriative Pool when cyclic storage water is sold for groundwater replenishment. This transfer of funds from the Appropriative Pool to SB222 did not occur for Fiscal Year 1988/89. The following information details the transactions recorded in Fiscal Year 1989/90:

<u>YEAR</u>	<u>ACRE-FEET PURCHASED</u>	<u>SPREADING COSTS</u>
1988/89	7,292.3	\$ 16,285
1989/90	<u>19,234.0</u>	<u>43,154</u>
TOTAL	26,616.3	\$ 59,439

APPENDIX "L - 9"

WALTER F. REARDON, C.P.A.
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**INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION**

To the Board of Directors
Chino Basin Watermaster
8555 Archibald Avenue
Rancho Cucamonga, California 91730

Our report on our audit of the basic financial statements of Chino Basin Watermaster for the year ended June 30, 1990 appears earlier. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Revenue, Expenses and Retained Earnings is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Reardon McCallum & Co

Upland, California
September 19, 1990

CHINO BASIN WATERMASTER
 SCHEDULE OF REVENUE, EXPENSES AND RETAINED EARNINGS
 For the Fiscal Year Ended June 30, 1990

Schedule 1

APPENDIX "L" 10"

	WATERMASTER ADMINISTRATION		GROWMWATER OPERATIONS		POOL, ADMINISTRATION AND SPECIAL PROJECTS			GRAND TOTAL
	ADMINISTRATION PROJECTS	TOTAL	SEWER FUND	REPLACEMENT	AGRICULTURAL POOL	MEMBERSHIP POOL	EDUCATIONAL FUNDS	
REVENUES:								
Assessment Revenue	0	0	62,665	69,697	68,999	27,255	1,641	173,298
Replenishment water assessments	0	0	0	0	0	0	0	0
Replenishment water assessments to CHINA	0	0	0	0	0	0	0	0
Administrative assessments (Note 2)	0	0	0	0	0	0	0	0
Sale of water in storage (Note 4)	0	0	0	0	0	0	0	0
Miscellaneous revenue	0	0	0	0	0	0	0	0
Total Revenues	0	0	62,665	69,697	68,999	27,255	1,641	173,298
EXPENSES:								
Replenishment water deliveries (Note 5)	66,954	805	(59,439)	3,120,337	2,750	3,090	119	3,660
Materials, physical waste & overheads	1,676	1,703	1,413	46	110	139	5	2,087
Administrative	1,924	27	46	46	123	1,755	51	3,063
Materials and supplies	25	11,861	23,376	0	1,080	540	180	37,062
Contract labor and materials	2,275	2,275	0	0	866	235	0	2,775
Audit fees	13,660	13,660	0	0	0	0	0	14,506
Legal fees	2,379	2,379	0	0	206	0	0	2,970
Heating compensation	0	0	0	0	0	0	0	0
Other expenses	0	0	0	0	0	0	0	0
Total Watermaster Administration Expenses	69,159	12,693	(61,852)	3,120,337	6,559	(6,559)	1,969	0
Allocation of Admin. Expenses to Pools (Note 3)	(69,159)	(12,693)	(81,852)	0	79,883	0	2,343	0
Total Expenses	0	0	(21,770)	3,120,337	91,448	0	0	3,179,510
EXCESS (DEFICIT) REVENUE OVER EXPENSES	0	0	77,441	(828,353)	4,506	27,255	(6,822)	173
Retained Earnings at Beginning of Year	0	0	64,310	1,167,825	165,881	268,887	12,766	1,706
Retained Earnings at End of Year	0	0	\$ 141,751	\$ 319,472	\$ 190,307	\$ 296,142	\$ 12,122	\$ 1,839

See accompanying notes to Financial Statements

APPENDIX "L" 10"