

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

*CASE NO. RCV 51010*  
*(FORMERLY CASE NO. SCV 164327)*

*SIXTEENTH*  
*ANNUAL REPORT*  
*OF THE*  
*CHINO BASIN WATERMASTER*  
*FISCAL YEAR 1992-1993*

*November 17, 1995*

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1992/93**

February 1997

TO: ALL ACTIVE AND CONCERNED PARTIES IN CHINO BASIN CASE NO. RCV 51010

Subject: Sixteenth Annual Report of Chino Basin Watermaster

This Sixteenth Annual Report of Watermaster activities is for your information. The Honorable Judge Kayashima of San Bernardino West District Superior Court ordered acceptance of this report on November 17, 1995. Prior to printing, an error was found on Appendix "D". The error was corrected and subsequently approved by the Court at a hearing held on January 23, 1997.

A brief summary of activities during this reporting period (July 1, 1992 through June 30, 1993) is as follows:

Total production from the Basin during 1992-93 was 135,923 acre-feet, with production by Pool as follows:

Production	Appropriative Pool	Overlying (Agricultural) Pool	Overlying (Non-Agricultural) Pool	Totals
1992/93 Production AF	86,367	44,092	5,464	135,923
Initial Operating Safe Yield AF	54,834	*82,800	7,366	145,000

\* The Allocated safe yield right 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.

A total of 11,999.108 acre feet of rights were leased among the members of the Appropriative Pool.

In order to offset the July 1, 1993 price increase from Metropolitan Water District of Southern California, an additional 19,446.764 acre-feet of replenishment water was purchased by City of Chino, Fontana Union Water Company, Jurupa Community Services District, City of Norco and the City of Ontario. Net savings on the pre-purchase was \$777,870.56.

The cities of Ontario, Pomona, Upland, Chino and Chino-Hills as well as Monte Vista Water District and Cucamonga County Water District exchanged 4,806.1 acre-feet into a "Mini-Conjunctive Use Account during fiscal year 1992-93.

The Cucamonga County Water District and the cities of Upland and Pomona exchanged 8,794.7 acre-feet to be used for replenishment. Groundwater replenishment deliveries for fiscal year 1992-93 totalled 12,534.8 acre-feet. Watermaster purchased this water in fiscal year 1992-93 to satisfy the 23,870.408 acre-feet 1991-92 replenishment obligation. The surplus of water purchased was placed in a storage account for Watermaster.

The Cyclic Storage Account balance of 21,883.500 acre-feet was produced during fiscal year 1992-93. The balance on June 30, 1993 was zero.

Fiscal Year 92-93 marks the tenth 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).

Local Storage Agreements were approved for 12,000 acre-feet. There are now a total of 56 storage agreements which total 380,017,660 acre-feet of potential storage water over the next five to ten years under the Judgment. At the close of Fiscal Year 1992-93, 220,580.894 acre-feet of water remains in storage pursuant to the local storage agreements.

Assessments billed by Pool during 1992-93 for 1991-92 production are as follows:

Appropriative Pool	\$4,424,363.61
Overlying (Agricultural) Pool	0.00
Overlying (Non-Agricultural) Pool	21, 443.44
	\$4,445,807.05

Many changes occurred during the past two years. With the realignment of the Watermaster Services and the Water Resources Department and with the change in executive management at Chino Basin Municipal Water District, it has been a challenge. However, your continued cooperation and input has been greatly appreciated.

Sincerely,

Traci Stewart  
Chief of Watermaster Services

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## SIXTEENTH 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. SCV 164327 (now known as Case No. RCV 51010) 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 Sixteenth Annual Report presents a view of Watermaster, Watermaster Advisory Committee and Pool Committee activities and an accounting of water production for Fiscal year 1992/93.

### 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) Overlaying (Agricultural) Pool including the State of California and minimal producers; (2) Overlaying (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 is provided in the Judgment as Exhibit "A".

Mailing lists 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. One member of this pool, Los Serranos Country Club, pays a net replenishment assessment on that portion of its production (65%) that serves an area outside the groundwater basin boundaries.

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 five producers, Marygold Mutual Water Company, City of Pomona, City of Norco (exceeding export right) Pyrite Canyon Group and Los Serranos, 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:

Bill Hill	Chairman*
George Borba	Vice-Chairman
John L. Anderson	Secretary/Treasurer
Anne W. Durnihue	Member
Wyatt L. Troxel	Member

\*Elected January 1993.

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 9400 Cherry Avenue, Building A, at 8:30 a.m. Special meetings are noticed as required.

During this reporting period, regular meetings were held on:

August 5, 1992  
November 4, 1992  
January 20, 1993  
April 7, 1993

A special meeting of Watermaster was held March 17, 1993, to address the agreement entered into between Kaiser Steel Resources, Inc. and the California Regional Water Quality Control Board.

Assessments levied by Watermaster on October 6, 1993, for overproduction during the 1991/92 production period, and for budgeted administrative and special project costs for 1992/93, 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 fee:

Administration and Special Projects: \$3.40520

Through Minute action of the Appropriative Pool at its 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 for Fiscal Year 1992-93, levied against the Overlying (Agricultural) Pool in the amount of \$244,038.00, assumed by the Appropriative Pool was computed to be \$7.02980 per acre-foot of water transferred (i.e. 34,714.700 acre-feet) to each Appropriative Pool member based on its share of the initial operating safe yield. With reported production declining from 96,567 acre-feet in 1974/5 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, primarily due to urbanization or fallowing of farm land, it was decided during Fiscal year 1987-88 to sell the 2,000 acre-feet of 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 \$169.89 (\$168.00 for replenishment water plus \$1.89 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 \$6.05624 and \$144.40650 per acre-foot respectively. Each producer

in this Pool was also assessed \$3.4052 per acre foot to cover the budgeted administrative and special project costs.

The City of Norco produced 1,778.850 acre-feet in excess of their export right of 1,567 acre-feet. This excess was subject to the current cost of replenishment plus spreading costs.

D. Agreements and policy matters negotiated and approved by Watermaster and Watermaster Advisory Committee covering Fiscal year 1992-93 were as follows:

*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.

E. A *Noticed Public Hearing* was conducted by Watermaster on April 7, 1992 to approve the 1993/94 Administrative Budget and a summary of this budget is attached as Appendix "C".

F. *Spreading and monitoring of replenishment and cyclic storage water* under the agreement with the *San Bernardino County Flood Control District* continued during the period July 1, 1992 through June 30, 1993. Appendices "E" and "F" summarize these activities. A copy of the fully executed *Spreading Agreement* is on file at the Watermaster office.

G. *Redetermination of Safe Yield* On June 30, 1993, the Watermaster program marked its sixteenth 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. Watermaster has recommended no changes during this past fiscal year. 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) years notice of intent by Watermaster." Therefore, Watermaster hereby posts its eleventh "Notice of Intent" which is shown as Appendix "K".

H. During Fiscal year 1985-86, various mitigation measures were addressed by the 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 1992/93, 35.34 acre-feet of contaminated wastewater was removed and exported from the site. As of June 30, 1993, a total of 188.1 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, 9400 Cherry Avenue, Fontana, California, and may be viewed by any interested party by contacting the Chief of Watermaster Services.

I. *Watermaster Reappointment*. Chino Basin Municipal Water District, acting by and through a majority of its Board of Directors, was appointed Watermaster by the Court. The original term of the appointment was for five (5) years commencing on January 27, 1978. Pursuant to Paragraph 16 of the Judgment and upon recommendation by the Watermaster Advisory Committee, the Court did, by subsequent orders, on July 8, 1983 and January 20, 1989 provide for successive five- year term reappointments of Chino Basin Municipal Water District as Watermaster.

On March 23, 1993, the Watermaster Advisory Committee recommended reappointment of Chino Basin Municipal Water District as Watermaster to serve a fourth five-year term. A court order setting forth the reappointment is being processed.

Minutes of all Pool meetings regarding this subject are available at the Watermaster office 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 1992-93.

<u>Regular</u>	<u>Alternate</u>
Robert DeBerard	Rep. CA Milk Producers Council
Ernie S. Reyes	Fred Hector/Chuck Bearden
Dick Dykstra	Fred Douma
*Jeff Pierson	Carlos Lozano/Richard Matamoros/
*Mariyn Levin	Anthony Kolath
Dirk Johnston	Rep. Dairy Industry
*Gene Koopman	Arian Van Leeuwen
*Rep. Orange Co. W. Dist.	Rep. Orange Co. W. Dist.
*Roger Larkin	Gene Fitzgibbons
	Rep. State Attorney General

\*Newly elected members for two year terms.

The following officers were duly nominated and elected:

Chairman	Robert DeBerard
Vice-Chairman	Gene Koopman
Secretary	Edwin James, Chief of Watermaster Services
Treasurer	John Anderson, Treasurer of CBMWD

Through June 30, 1993, (5) five regular meetings and (1) one special meeting 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 1992/93 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	Rob Hartman, Kaiser Steel Resources, Inc.
Vice-Chairman	John Heiny, Sunkist Growers, Inc.
Secretary	Edwin James, Chief of Watermaster Services
Treasurer	John Anderson, Treas. of CBMWD

Watermaster Advisory Committee representatives for this Pool are as follows:

Kaiser Steel Resources, Inc.  
California Steel Industries  
Sunkist Growers, Inc.

Through June 30, 1993, there were (4) four 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	Ira Pace, West San Bernardino County W. D.
Vice-Chairman	Pat Malloy, City of Chino
Secretary	Edwin James, Chief of Watermaster Services
Treasurer	John Anderson, Treasurer of CBMWD

Through June 30, 1993, (5) five regular meetings and (1) one special meeting 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	Tom Shollenberger, Cucamonga CWD
1st Vice Chairman	Roger Larkin, California Institute for Men
2nd Vice Chairman	Rob Hartman, Kaiser Steel Resources, Inc.
Secretary	Edwin James, Chief of Watermaster Services
Treasurer	John Anderson, Treasurer of CBMWD

Regular meetings were scheduled for 12:00 noon on the third Thursday of each month having (5) five Wednesdays. The annual meeting was held March 25, 1993. The Advisory

Committee conducted (5) five regular meetings and (1) one special meeting whereby all actions recommended to Watermaster were reviewed and discussed.

Minutes of all meetings are available at the Watermaster office at 9400 Cherry Avenue, Fontana, California, and may be viewed by any interested party by contacting the Chief of Watermaster Services.

### iii. 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:

A. *Water Right Lease Agreements* between Appropriative Pool Members for Fiscal year 1992/1993 totaled 21,458.538 acre feet. Individual lease agreements on forms approved by the Watermaster were as follows:

1.	From:	Santa Ana River Water Company	
	To:	Jurupa Community Services District	1600.000 AF
2.	From:	Fontana Union Water Company	
	To:	Cucamonga County Water District	10399.108 AF
3.	From:	Southern California Water Company	
	To:	Chino Basin Watermaster	56.43 AF
4.	From:	Cucamonga County W. D.	
	To:	Chino Basin Watermaster	7818.8 AF
5.	From:	City of Pomona	
	To:	Chino Basin Watermaster	417.8 AF
6.	From:	City of Pomona (FY1991/92)	
	To:	Chino Basin Watermaster	608.2 AF
7.	From:	City of Upland	
	To:	Chino Basin Watermaster	558.2 AF

B. *Recapture of Water in Local Storage* was initiated on forms approved by Watermaster. Southern California Edison recaptured 543,439 acre-feet of water in storage, City of Pomona recaptured 608.2 acre-feet of water in storage

C. *Unqualified Audit Opinion and Audit Report* to the Chino Basin Watermaster from KPMG Peat Marwick, Certified Public Accountants, for the period ending June 30, 1993, is attached as Appendix "L".

D. *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 changes. A current listing of active parties is available for review upon request to Watermaster.

E. *Quarterly Accounting of Water Production* has been received for the Appropriative and Overtying (Non-Agricultural) Pools for Fiscal year 1992/93. The Overtying (Agricultural) Pool's quarterly production was compiled on those wells having water measuring devices installed and calculated based on land use/water duty for those wells currently without active measuring devices.

F. *Computer Programming and File Maintenance* is a considerable effort with more than 1300 parties involved. Computer programs developed in the mid-to-late 1980's began to be 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.

G. *New Party Interventions* are accumulated on a regular basis whereby land ownership changes and new producers are accounted for as they occur. Changes of ownership are more frequently learned during the production reporting process. 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.

H. *Special Projects* have been initiated by separate work orders approved by the Watermaster Advisory Committee and Watermaster for projects other than general administration duties. There were a total of ten (10) new or existing special projects designated for Fiscal year 1992/1993 described as follows:



1. *Conjunctive Use/Cyclic Storage Study* (WM93004K) was implemented to negotiate an agreement which will allow Metropolitan Water District to store up to 50,000 acre-feet of water in the Chino Basin. The agreement includes extraction limitations, development of new replenishment spreading basins, an injection well pilot program and enhancement of the Cyclic Storage Program.

2. The *Meter Installation Study* (WM92001K) The study was initiated to be a service to those parties in the Overlying (Agricultural) Pool 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 purpose of this service is to meter all wells having annual production over ten (10) acre-feet. On July 7, 1993, the Watermaster approved the procedure for implementation of Watermaster Agricultural Pool Special Project concerning Meter Installation and Repairs. Additionally, in an effort to establish responsibility for the special project cost, an agreement was reached by the Agricultural Pool and the Appropriative Pool that if the agricultural pool production for Fiscal year 1995/1996 is greater than Fiscal year 1991/1992 Agricultural Pool production plus 10%, then the Agricultural Pool will reimburse the Appropriative Pool in the amount of \$150,000. If Agricultural Pool production for Fiscal year 1995/1996 is less than Fiscal year 1991/1992 Agricultural Pool production plus 10% there will be no reimbursement.

3. The *Meter Testing Program* (WM93003K) is designed to test every meter in the basin at least once every two years as an ongoing program of the Watermaster. Also, non-metered wells must undergo an Edison well test every two years pursuant to the Judgment.

4. *Develop PC Billing* (WM93002) is designed to transfer all the billing and production reports from the current IBM System 36 computer to a micro-computer system due to the elimination of the System 36. During FY1992/93 it was determined that in order to accomplish this task, a micro-computer specialist should be retained and that this project would be combined with the PC Database Project and carried over to FY1993/94.

5. *Develop PC Database (WM93001)* to assist Watermaster in keeping track of well production information and administering the judgment. The data base will also assist in future water management planning. During the initial stages of the project, a micro-computer specialist was retained to determine what applications should be computerized. During the course of this work, it was determined that existing System 36 files could be downloaded to a new Foxpro data base by developing a reformatting program. Watermaster saved a considerable amount of money and time by having this reformatting program developed rather than utilizing staff time to re-input the information manually. Another benefit of downloading the information from the System 36, is that it contained necessary, prior year billing information. The project was then combined with the PC Billing and budgeted to begin in fiscal year 1993/1994.

6. *Water Quality Study (Desalters) (WM93005)* The Advisory Committee directed Watermaster staff to begin developing alternatives regarding replenishment obligations of the desalters.

J. Pursuant to the Judgment (page 80, Paragraph 2b), Watermaster has posted its 5 year "*Notice of Intent*" to re-evaluate the level of safe yield of the Chino Groundwater 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.

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.

K. Due to greater than normal precipitation that occurred in the Chino Basin and surrounding areas during the winter of 1993 and due to the special efforts performed by the Chino Basin Watermaster staff, *supplemental* or "new" water was introduced into the basin during the

third and fourth quarters of fiscal year 1992/1993. The water sources were San Antonio Creek/Dam via San Antonio Flood Control Channel and the Claremont Heights Hydrologic Basin overflow via Holliday Rock Quarry. After discussing these findings, it was determined that the source water was not included in the Chino Basin safe yield analysis. Following presentation of the findings it was determined that the water entering the Montclair spreading basins from San Antonio Dam and Holliday Rock Quarry should be distributed in accordance with safe yield allocations of the Appropriative Pool. Water entering the College Heights basins from the Holliday Rock Quarry was added to the Watermaster storage account, thereby allowing a source to be used towards future clean up projects in Chino Basin.

L. At the June 23, 1993 Advisory Committee meeting a *request to enlarge In-lieu Area 1* was approved thereby expanding In Lieu Area Number 1 to include the entire area within the Chino groundwater basin boundaries.

APPENDIX "A-1"

OVERLYING (AGRICULTURAL POOL COMMITTEE)

Regular members and alternates for Fiscal Year 1992-1993. \*Newly elected members for two year term, beginning FY1993-1994.

Regular

Ernie Reyes/CIW  
P O Box 6000  
Corona CA 91718

Roger Larkin/CIM  
4395 Roosevelt Street  
Chino CA 91710

Dick Dykstra  
10129 Schaefer Avenue  
Ontario CA 91761-7973

Marilyn Levin  
Attorney General's Office  
300 S Spring Street  
11 North Tower  
LA CA 90013

Robert DeBerard  
P O Box 1223  
Upland CA 91786

Jeffrey L. Pierson  
Unitex Management Corporation  
6101 Cherry Avenue  
Fontana CA 92336

Gene Koopman  
13898 S Archibald Avenue  
Ontario CA 91761

Dirk Johnston  
Corona Farmss  
6100 Cherry Avenue  
Fontana CA 92336

Jim Van Haun/OCWD  
P O Box 8300  
Fountain Valley CA 92728

Alternate

Jack Hagerman  
CIM

Keith Gomes  
California Milk Producers

Fred Douma  
Dairy

George Borba Jr.  
Dairy

Fred Hector  
CIW

Richard Matamoros  
YTS

Arian Van Leeuwen  
Dairy

OCWD Representative

Gene Fitzgibbons  
CIM

APPENDIX "A-2"

OVERLYING (NON-AGRICULTURAL) POOL COMMITTEE

Mark Ward  
Ameron  
13032 Slover  
Fontana CA 92335

Rob Hartman  
Kaiser Resources Inc.  
8300 Utica Avenue, Suite 301  
Rancho Cucamonga CA 91730

David Starnes  
Mobile Community Management  
2081 Business Center Drive #182  
Irvine CA 92715

Michael Thies  
Space Center Mira Loma  
3401 Etiwanda Avenue, Bldg 503  
Mira Loma CA 91752

Gene Block  
CALMAT (Conrock)  
P O Box 2950  
LA CA 90065

Tom Campbell  
Quaker Chemical Company  
10735 Kadota Avenue  
Pomona CA 91766-3960

Glen Porter  
San Bernardino Cty Aviation Division  
7000 Merrill Avenue Box 1  
Chino CA 91710-9016

Nam Le/SCE  
Etiwanda Generating Station  
8996 Etiwanda Avenue  
Etiwanda CA 91739

Howard Dickson  
Angelica Rental service  
300 Ranger  
Brea CA 92621

David Cooper  
Sunkist Growers  
616 East Sunkist Street  
Ontario CA 91764

Harvey Carter  
Praxair  
10829 Etiwanda Avenue  
Fontana CA 92335

Dennis Poulsen  
California Steel Industries  
P O Box 5080  
Fontana CA 92335

APPENDIX "A - 3"

APPROPRIATIVE POOL COMMITTEE

Michael Teal  
City of Ontario  
1425 S. Bon View Ave  
Ontario CA 91761-4406

Pat Malloy  
City of Chino - PWSC  
5050 Schaefer Avenue  
Chino CA 91710

Tom Shollenberger  
Cucamonga CWD  
P O Box 638  
Rancho Cucamonga CA 91730

Robert DeLoach  
City of Pomona  
P O Box 660  
Pomona CA 91768

Gerald J Black  
Fontana Union Water Company  
11142 Garvey Avenue  
El Monte CA 91733

John Schatz  
Jurupa Community Services District  
8621 Jurupa Road  
Riverside CA 92509

Bill Stafford  
Marygold Mutual Water Company  
9715 Alder Avenue  
Bloomington CA 92316

Robert W. Thompson  
Monte Vista Water District  
P O Box 71  
Montclair CA 91763

H K Anderson  
Monte Vista Irrigation Company  
2529 West Temple  
LA CA 90026

Terri Horn  
Mutual Water Co of Glen Avon Heights  
9643 Mission Blvd,  
Riverside CA 92409

Joe Schenk  
City of Norco  
P O Box 428  
Norco CA 91760

Ray Wellington  
San Antonio Water Company  
139 N Euclid Avenue  
Upland CA 91786

Terry Kimbro  
City of Chino Hills  
14575 Pipeline Avenue  
Chino Hills CA 91709

Arnold Rodriguez  
Santa Ana River Water Company  
10530 54th Street  
Mira Loma CA 91752

Leroy Barker/Mike Gutierrez  
Southern California Water Company  
1212 N San Dimas Canyon Road  
San Dimas CA 91773

Jim Moody  
City of Upland  
P O Box 460  
Upland CA 91785

Ira Pace  
West San Bernardino City Water District  
P O Box 920  
Rialto Ca 92376

Mike McGraw  
Fontana Water Company  
P O Box 987  
Fontana CA 92334

Cito Salapave  
Arrowhead Mtn Spring Water Company  
5772 Jurupa Road  
Ontario CA 91761

APPENDIX "A - 4"  
ADVISORY COMMITTEE

OVERLYING (AGRICULTURAL) POOL	OVERLYING (NON-AGRICULTURAL) POOL	APPROPRIATIVE POOL
Robert DeBerard Grapes, Chairman	Rob Hartman* Kaiser Resources Inc.	Mike Teal* City of Ontario
Jeff Pierson Unitex Management Corp	David Cooper Sunkist Growers	Pat Malloy* City of Chino
Roger Larkin* CIW	Dennis Poulsen California Steel Ind.	Tom Shollenberger* Cucamonga County Water District
Dirk Johnston Corona Farms		Robert DeLoach* City of Pomona
Ernie Reyes CIW		Gerald Black Fontana Union Water Company
Marilyn Levin State Attorney General's Office		John Schatz* Jurupa Community Services District
Gene Koopman Milk Producers Council		Robert Thompson Monte Vista Water District
Jim VanHaun OCWD		Terry Kimbro City of Chino Hills
Dick Dykstra Dairy		Jim Moody City of Upland
		Ira Pace West San Bernardino County Water District

\*Represents Steering Committee Members

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 <sup>(1)</sup>	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 <sup>(1)</sup>	59,847	2,559	147,068
87/88	91,579 <sup>(2)</sup>	57,865	2,958	152,042
88/89	93,617 <sup>(3)</sup>	46,762	3,619	143,998
89/90	101,344 <sup>(4)</sup>	48,420	4,856	154,620
90/91	86,658 <sup>(5)</sup>	48,085	5,407	140,150
91/92	91,982 <sup>(6)</sup>	44,682	5,240	141,904
92/93	86,367 <sup>(7)</sup>	44,092	5,464	135,923

- (1) Includes 3,945 acre-feet of mined water pumped by Edison as agent for CBMWD  
 (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.  
 (5) Does not include 14,929.1 acre-feet exchanged with MWD.  
 (6) Does not include 12,202.4 acre-feet exchanged with MWD.  
 (7) Does not include 13,657.3 acre-feet exchanged with MWD



APPENDIX "C"  
CHINO BASIN WATERMASTER

ADOPTED BUDGET  
FISCAL YEAR  
1993 - 1994

SUMMARY OF ADMINISTRATIVE BUDGETS

	APPROPRIATIVE POOL AMOUNT PER ACRE FOOT	AGRICULTURAL POOL AMOUNT PER ACRE FOOT	OVERLYING AGRICULTURAL POOL AMOUNT PER ACRE FOOT	NON-AGRICULTURAL POOL AMOUNT PER ACRE FOOT	OVERLYING NON-AGRICULTURAL POOL AMOUNT PER ACRE FOOT	88222 FUNDS		
<b>TOTALS</b>	150,200.0	108,000.0	66.87%	45,000.0	23.860%	5,204.9	3.482%	N/A
Estimated 9293 Production								
<b>GENERAL ADMINISTRATION:</b>								
Watermaster Administration*	\$147,881	\$231,578		\$194,236		\$12,947		
Joint Watermaster-Advisory Committee*	23,446	15,677		7,654		816		
Pool Administration	43,866	24,487		11,888		7,773		
Total Administration Budgets	415,482	271,881	62.72	122,998	62.73	20,636	63.97	
<b>SPECIAL PROJECTS:</b>								
Water Infiltration* WMS4001	5,485	4,317		1,843		226		
Water Testing Program - Governor WMS4008	26,453	24,288		19,521		1,263		
Water Testing Program - Pool Specific WMS4002,3,4	218,864	18,688		184,617		6,297		
Chino Basin Water Resources Study* WMS4006 (1)	2,439	1,824		231		84		
Develop PC Data Base* WMS4007	71,868	62,362		23,336		2,720		
Total Special Projects	342,998	98,463	8.986	251,646	6.167	12,588	2.627	
<b>TOTAL ADMIN. AND SPECIAL PROJECTS</b>	758,380	370,313	32.961	394,445	7.8809	33,223	6.591	
25% Operating Reserve	189,886	92,628	8.9283	84,851	1.9782	9,306	1.8973	
<b>ADMINISTRATIVE COSTS TO BE ASSESSED</b>	\$947,375	463,143	4.8314	443,303	9.8312	41,628	7.5864	
Special Assessment CBWRS - Ag Pool				3,790	6.842			
Projected Carry Forward From 8293		(18,000)	(0.1800)	0	0.0000	0	0.0000	
(Revenue) or Expense From Water Transfers		447,094	4.4709	(447,094)	(9.8354)			
<b>ESTIMATED 9293 ADMINISTRATIVE ASSESSMENTS OR (CARRY OVER)</b>	\$181,238	\$8,323	(4.6)	\$19,600	\$11,529	\$7,984		

\* Total costs will be allocated to the Pools by the 9293 actual production percentages.  
NOTE: All allocations have been rounded. This may have an insignificant impact on the estimations of the per acre foot costs.

(1) Excludes Special Assessment for Chino Basin Water Resource Study

APPENDIX "D"

SUMMARY OF  
UNALLOCATED SAFE YIELD TRANSFERS  
FROM THE OVERLYING (AGRICULTURAL) POOL TO  
THE APPROPRIATIVE POOL  
FISCAL YEAR 1992-1993

Appropriators	Land Use Conversions		Balance Available (Acre-feet)	Total Transfer (Acre-feet)
	First 50%	Remaining 50% (Acre-feet)		
Chino Basin MWD		0.000	0.000	0.000
Chino, City of	196.235	29.840	2,744.480	2,970.555
Chino Hills, City of		15.619	1,436.530	1,452.149
Cucamonga CWD		26.775	2,462.536	2,489.311
Fontana UWC		47.320	4,352.092	4,399.412
Fontana WC		0.00	0.000	0.000
Jurupa CSD		11.7850	1,083.914	1,095.699
Marygold Mut'l Water Co.		4.848	445.852	450.700
Monte Vista WD		35.685	3,282.032	3,317.717
Monte Vista Irr. Co.		5.006	460.441	465.447
Mutual Water Co. Of Glen Avon		3.462	318.391	321.853
Norco, City of		1.491	137.123	138.614
Ontario, City of	209.400	84.138	7,738.304	8,031.842
Pomona, City of		82.969	7,630.832	7,713.801
San Antonio Water Co.		11.147	1,025.226	1,036.375
San Bdo Cnty/Prado Tiro		0.00	0.000	0.000
Santa Ana River Water Co.		9.627	885.404	895.031
So. Cal Water Company		3.044	279.952	282.996
Upland, City of		21.101	1,940.663	1,961.764
West End Cons. Water Co.		7.011	644.788	651.799
West San Bdo Cnty Water Dist.		4.7666	538.368	443.134
<b>TOTALS</b>	<b>405.635</b>	<b>405.634</b>	<b>37,306.930</b>	<b>38,118.199</b>

APPENDIX "E"

SUMMARY OF MWD DELIVERIES  
(Acre-Feet)  
Year Ended June 30, 1993

DATE	UPLAND	CHINO	CHINO HILLS	MVWD	ONTARIO	SCE	POMONA	CCWD	TOTAL
July	458	347	877	427	632	0	508	2145	5393
August	621	195	885	562	414	9	544	2232	5461
September	774	584	860	601	1101	5	607	2407	6939
October	273	429	856	471	1111	225	332	2182	5881
November	0	405	692	297	910	246	150	1869	4568
December	0	317	373	240	885	180	34	832	2860
January	16	398	366	262	708	131	0	928	2809
February	0	375	460	276	759	310	15	0	2196
March	0	399	489	309	847	194	5	135	2379
April	0	385	735	397	1171	171	27	1271	4157
May	292	393	913	473	1430	67	174	1333	5075
June	278	542	919	586	1461	1	482	1346	5613
<b>TOTAL</b>	<b>2713</b>	<b>4768</b>	<b>8424</b>	<b>4902</b>	<b>11430</b>	<b>1537</b>	<b>2878</b>	<b>16679</b>	<b>53331</b>

A breakdown for categories of water are available in the Watermaster's office.  
Figures reflect amount of 37.8% used over the Chino Basin (corrected from prior Annual Reports based on land physically located within the Chino Basin boundary.

Appendix "E-1"  
**SUMMARY OF GROUNDWATER REPLENISHMENT DELIVERIES**  
 (Acre-feet)  
**FISCAL YEAR ENDED**  
**JUNE 30, 1993**

Month	CB-59T Montclair	CB-13T San Sevaine	CB-14T Etwanda	Delivery by Exchange	Total
July '92					
August					
September					
October			496.4		496.4
November	1559.8		422.1	1282.2	3264.1
December	1746.1		283.7	640.4	2650.2
January			54.8	1236.9	1291.7
February	261.8		116.9	587.5	966.2
March			220.5	122.4	342.9
April	189.9	313.2	336.3	1270.9	2110.3
May	1025.0	1432.8	509.1	1606.8	4573.7
June	1661.3	1435.8	489.5	2047.6	5634.0
<b>Total</b>	<b>6443.9</b>	<b>3181.6</b>	<b>2909.3</b>	<b>8794.7</b>	<b>21329.5</b>

**TOTAL REPLENISHMENT DELIVERIES FOR FISCAL YEAR 1992-1993**

Deliveries by Exchange by Entity used for replenishment:

CUCAMONGA COUNTY WATER DISTRICT	UPLAND	POMONA	TOTAL
7818.7	558.2	417.8	8794.7

**APPENDIX "E-2"**

**SUMMARY OF MINI-CONJUNCTIVE USE PROGRAM DELIVERIES**  
**FISCAL YEAR ENDED JUNE 30, 1993**  
 (Acre-feet)

Deliveries by Exchange to be placed in MWD Mini-Conjunctive Use Account:

Ontario	Upland	Chino	CCWD	MVWD	Chino Hills	Pomona	Total
1110.8	377.6	356.1	1309.0	288.6	188.8	1175.2	4806.1

Previous summaries of Cyclic Storage Deliveries are available at the Watermaster office,  
 9400 Cherry Avenue, Fontana, CA

APPENDIX "F"

SUMMARY OF CYCLIC STORAGE ACTIVITIES  
(Acre-feet)  
FISCAL YEAR ENDED JUNE 30, 1993

Month	CB-59T Montclair	CB-14T Etiwanda	Total	Produced from Cyclic
July '92	448.3	194.6	642.9	
August	497.0	523.3	1020.3	
September		13.9	13.9	
October				3000.0
November				
December				2840.2
January				4595.2
February				3821.3
March				3720.0
April				4106.8
May				
June				
<b>TOTAL</b>	<b>945.3</b>	<b>731.8</b>	<b>1677.1</b>	<b>21883.5</b>

BALANCE OF CYCLIC STORAGE ACCOUNT AS OF JUNE 30, 1993

Total Direct Cyclic Storage Deliveries during 1992-1993:

July 1, 1992 Cyclic Balance:	20206.4
Deliveries during 92-93:	+ 1677.1
Produced during 92-93:	- <u>21883.5</u>
June 30, 1993 Balance:	0.0

APPENDIX "G"

SUMMARY OF OTHER IMPORTED SUPPLIES  
(Acre-feet)  
FISCAL YEAR ENDED JUNE 1993

Agency	Other Basins	Surface Diversions	Other Imported Surface Diversions	Reclaimed Water
Cucamonga County Water District <sup>(1)</sup>	6,482.4	6,501.9		
Fontana Water Company	10,441.7	9,117.4		
Marygold Mutual Water Company			1,227.4	
Metropolitan Water District <sup>(4)</sup>			67,542.9	
Ontario, City of <sup>(2a)</sup>				552.8
Pomona, City of <sup>(3)</sup>		3,872.9	7,339.4	7,804.9
San Antonio Water Company	4,901.0	3,605.0		
San Bernardino County <sup>(2)</sup>				652.6
Upland, City of				214.0
West End Cons. Water Company	3,945.0			
Westwind Park				
West San Bernadino Cty Water Dist.	5928.7			
<b>Subtotal</b>	<b>31,598.8</b>	<b>23,097.2</b>	<b>76,109.7</b>	<b>9,224.3</b>
<b>TOTAL</b>	<b>140,030.0</b>			

(1) Includes water used over Cucamonga Basin.

(2) Reclaimed water totals are not included in summary total.

(2a) Figures represent water used at Whispering Lakes (formerly Ontario Nat'l) Golf Course.

(3) Total represents imported water delivered for Pomona to be used in the Chino Basin.

(4) Includes total MWD water delivered to CBMWD service area.

APPENDIX "H"

TOTAL WATER USED WITHIN CHINO BASIN <sup>(1)</sup>  
(Acre-feet)

FISCAL YEAR	CHINO BASIN EXTRACTIONS	OTHER <sup>(2)</sup> IMPORTED SUPPLIES	TOTAL
1974-75	175,757	49,383	225,140
1975-76	181,017	57,686	238,703
1976-77	173,355	55,765	229,120
1977-78	154,675	61,567	216,242
1978-79	141,314	75,864	217,178
1979-80	140,566	70,727	211,293
1980-81	144,416	77,765	222,181
1981-82	137,532	67,491	205,023
1982-83	122,635	76,000	198,635
1983-84	132,799	99,257	232,056
1984-85	134,563	92,952	227,515
1985-86	136,113	114,624	250,737
1986-87	147,068	126,493	273,561
1987-88	152,402	116,175	268,577
1988-89	143,998	128,167	272,165
1989-90	154,620	139,004	293,624
1990-91	140,151	116,493	256,644
1991-92	141,904	104,480	246,384
1992-93	135,923	117,205	253,128

- (1) Total includes water used over Cucamonga Basin.  
 (2) Total does not include reclaimed water, water exchanged under the Mini-Conjunctive Use Program, or water delivered by exchange and used for replenishment (See Appendix E-1 & E-2).

Appendix "I"  
**LOCAL STORAGE ACCOUNT STATUS**  
**FISCAL YEAR ENDED JUNE 30, 1993**

Agency	No. #	Date of Agreement	Amount of Agreement	Amount In Storage	Agency Total
Ameron	6	03/30/83	100,000	100,000	
	6.1	04/06/88	500,000	500,000	
	6.2	08/05/92	500,000	100,938	700,938
Chino, City of	12	01/23/85	15,000,000	1,075,327	1,075,327
Calmat	1	08/30/79	1,589,220	1,589,220	
	1.1	05/30/84	1,589,220	1,589,220	
	1.2	02/07/90	1,589,220	1,589,220	4,767,660
CCWD	10	05/30/84	5,000,000	5,000,000	
	10.1	05/08/87	5,000,000	5,000,000	
	10.2	04/06/88	20,000,000	20,000,000	
	10.3	06/07/89	50,000,000	6,248,440	38,248,440
FUWC	2	07/30/80	31,500,000	0,000	
	2.1	04/06/88	31,500,000	0,000	0,000
Fontana WC	28	08/05/92	5,000,000	0,000	0,000
Kaiser Steel Resources	9	05/30/84	15,000,000	15,000,000	
	9.1	10/07/87	15,000,000	5,462,138	20,462,138
Marygold MWC	18.1	04/06/88	500,000	500,000	
	18.2	06/07/89	2,000,000	2,000,000	
	18.3	07/07/93	2,000,000	1,584,774	4,084,774
Monte Vista Irrigation Co.	17	05/07/89	500,000	500,000	
	17.1	06/06/90	2,500,000	2,324,911	2,824,911
Monte Vista WD	27	08/05/92	2,500,000	2,027,918	2,027,918
Mutual Water Co. of Glen Avon	28	06/05/91	500,000	108,204	108,204
Ontario, City of	11	06/07/89	10,000,000	10,000,000	10,000,000
Pomona, City of	15	01/29/88	7,000,000	7,000,000	
	15.1	04/06/88	13,000,000	13,000,000	
	15.2	06/06/90	10,000,000	10,000,000	
	15.3	08/05/92	10,000,000	10,000,000	
	15.4	07/07/93	10,000,000	16,704,932	56,704,932
San Antonio Water Co.	3	08/15/80	2,500,000	2,500,000	
	3.1	11/05/86	2,500,000	2,500,000	
	3.2	04/06/88	10,000,000	10,145,812	15,145,812



**LOCAL STORAGE ACCOUNT STATUS  
FISCAL YEAR ENDED JUNE 30, 1993**

San Bern. Cnty Aviation Div.	5	03/31/82	400.000	116.554	118.554
Chino Hills, City of	18 18.1	05/07/86	2,400.000 15,000.000	2,400.000 14,323.679	16,723.679
Santa Ana River Water Co.	20	05/06/87	1,500.000	271.977	271.977

Agency	No. #	Date of Agreement	Amount of Agreement	Amount in Storage	Agency Total
SCE	14	06/05/85	500.000		
	14.1	04/06/88	5,000.000	180.186	180.186
Southern Calif. Water Co.	23	12/07/88	500.000	639.295	639.295
Angelica Rental Service	22	04/06/88	100.000	1.724	1.724
Space Center Mira Loma	4	03/31/82	100.000	100.000	
	4.1	11/05/88	200.000	170.915	270.915
Sunkist	7	03/31/83	2,500.000	2,500.000	
	7.1	11/05/88	6,000.000	5,095.127	7,595.127
Swan Lake	21	05/06/87	300.000	300.000	
	21.1	05/06/91	500.000	544.940	844.940
Praxair	8	03/30/83	150.000	150.000	
	8.1	11/05/88	2,000.000	2,000.000	
	8.2	04/06/88	3,000.000	2,192.998	4,342.998
Upland	24	04/05/89	1,000.000	1,000.000	
	24.1	06/06/90	8,000.000	8,516.551	9,516.551
Watermaster	29	08/05/92	10,000.000	9,767.746	9,767.746
West End Cons. W.C.	13	06/05/85	2,500.000	2,500.000	
	13.1	04/06/88	6,000.000	6,000.000	
	13.2	08/05/92	6,000.000	3,952.728	12,452.728
WSBCWD	25	01/10/91	3,000.000	3,684.422	3,684.422
<b>Total Amount of Agreements</b>			<b>380,017.000</b>		
<b>Total Amount in Storage</b>				<b>220,560.894</b>	<b>220,560.894</b>

APPENDIX "J"

LIST OF INTERVENTIONS AND ASSIGNMENTS  
FISCAL YEAR ENDED JUNE 30, 1993

No interventions were filed in fiscal year 1992-1993

APPENDIX "K"

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

PLEASE TAKE NOTICE that on the 30th day of June 1993, Chino Basin Watermaster authorized 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. SCV164327 (now known as Case No. RCV51010) (Exhibit I, Paragraph 2b, Page 80).

Approved by the  
Watermaster Advisory Committee

CHINO BASIN WATERMASTER

By s/s Tom Shollenberger  
Tom Shollenberger, Chairman

By s/s Bill Hill  
Bill Hill, Chairman

Attest:  
By s/s John L. Anderson  
John L. Anderson, Secretary

APPENDIX "L"

Comprehensive  
Annual Financial Report  
For the  
Fiscal Year Ended  
June 30, 1993

CHINO BASIN WATERMASTER

Bill Hill, *Chairman*  
George Borba, *Vice-Chair*  
John L. Anderson, *Secretary/Treasurer*  
Anne W. Dunihue, *Member*  
Wyatt Troxel, *Member*

EXECUTIVE STAFF

Edwin D. James, *Chief of Watermaster Services*

AUDITORS

KPMG Peat Marwick

LEGAL COUNSEL

Guido R. Smith, *Attorney At Law*

APPENDIX "L" -1

CHINO BASIN WATERMASTER  
ANNUAL FINANCIAL REPORT

JUNE 30, 1993

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Peat Marwick LLP

APPENDIX "L-2"

Orange County Office  
Center Tower  
650 Town Center Drive  
Costa Mesa, CA 92626

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

The Board of Directors  
Chino Basin Watermaster:

We have audited the accompanying financial statements of Chino Basin Watermaster as of and for the year ended June 30, 1993, as listed in the accompanying table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Chino Basin Watermaster as of June 30, 1992, were audited by other auditors whose report dated September 28, 1992, expressed an unqualified opinion on those statements.

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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 1993 financial statements referred to above present fairly, in all material respects, the financial position of Chino Basin Watermaster as of June 30, 1993 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included 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.

*KPMG Peat Marwick*

September 17, 1993



Member Firm of  
Ernst & Young Peat Marwick Goetters

APPENDIX "L-3"

CHINO BASIN WATERMASTER  
BALANCE SHEET  
JUNE 30, 1993  
(With Comparative 1992 Amounts)

**ASSETS**

Current Assets	<u>1993</u>	<u>1992</u>
Cash	\$ 525,190	\$ 95,978
Short term investments	1,564,876	1,046,000
Accounts receivable	1,250,092	0
Prepaid office supplies	264	445
Total current assets	<u>\$ 3,340,422</u>	<u>\$1,175,425</u>

**LIABILITIES AND RETAINED EARNINGS**

Liabilities		
Accounts payable and accrued liabilities	\$2,247,755	\$ 148,288
Retained earnings		
Unreserved	<u>1,092,667</u>	<u>1,027,137</u>
Total liabilities and retained earnings	<u>\$3,340,422</u>	<u>\$1,175,425</u>

*See accompanying notes to general purpose financial statements*

## APPENDIX "L-4"

## CHINO BASIN WATERMASTER

## Statement of Revenue, Expenses and Changes in Retained Earnings

For the Fiscal Year Ended June 30, 1993  
(With Comparative 1992 Amounts)

	1993	1992
Operating Revenues		
Assessment revenues		
Replenishment water assessments	\$4,034,257	\$4,058,525
Administrative assessments	390,465	132,649
Special assessments	183,392	382,480
Water sales		
Stored water	1,556,485	1,084,520
Direct water	1,770,550	28,900
Total operating revenues	7,935,149	5,687,074
Operating expenses		
CBMWD services contract		
Salaries, payroll burden & overheads	190,059	101,475
Materials and supplies	596	112
Printing and mailing	480	182
Other expenses	8,050	1,851
Contract labor & material	1,148	0
Insurance expenses	15,000	13,879
General and administrative	2,080	11,813
Total CBMWD services contract	215,413	129,112
Replenishment water deliveries	7,259,801	7,184,992
Replenishment from storage	0	1,118,000
Stored water purchases	0	1,092,000
Water purchases-other	79,068	0
Printing and mailing	3,812	2,569
Contract labor and materials	341,875	463,988
Audit fees	3,500	3,815
Legal fees	50,997	75,542
Engineering fees	154	43,643
Meeting compensation	2,350	2,200
Bad debts	0	34,899
Total operating expenses	7,958,587	10,150,560
Operating loss	(21,418)	(4,463,486)
Non-operating revenues (expenses)	406	0
Miscellaneous revenues	89,246	247,146
Interest revenue	(2,704)	(1,644)
Other non-operating expenses	88,948	245,502
Total non-operating revenues, net	65,530	(4,217,984)
Net income (loss)		
Retained earnings at beginning of year	1,027,137	5,245,121
Retained earnings at end of year	\$1,092,667	\$1,027,137

See accompanying notes to general purpose financial statements

APPENDIX "L-5"

CHINO BASIN WATERMASTER  
STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 1993  
(With Comparative 1992 Amounts)

<i>Cash flows from operating activities:</i>	<u>1993</u>	<u>1992</u>
Operating income (loss)	\$(21,418)	(\$4,463,486)
<i>Adjustments to reconcile operating loss to net cash provided (used) by operating activities:</i>		
Other non-operating expenses/revenues	(2,298)	(1,644)
<i>Change in assets and liabilities:</i>		
(Increase) decrease in accounts receivable	(1,250,092)	1,143,921
decrease in prepaid office supplies	(181)	34
(Increase) decrease in deferred charges	33,002	(16,548)
Increase in accounts payable and accrued liabilities	<u>2,099,467</u>	<u>100,135</u>
Total adjustments to operating income	<u>880,260</u>	<u>1,225,898</u>
Net cash provided (used) by operating activities	858,842	(3,237,588)
<i>Cash flows from investing activities:</i>		
Interest income from investments	<u>89,246</u>	<u>281,969</u>
Net increase (decrease) in cash and cash equivalents	948,088	(2,955,619)
Cash and cash equivalents at beginning of year	<u>1,141,978</u>	<u>4,097,597</u>
Cash and cash equivalents at end of year	<u>\$2,090,066</u>	<u>\$1,141,978</u>
	=====	=====

See accompanying notes to general purpose financial statements



APPENDIX "L-6"

**CHINO BASIN WATERMASTER  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1993**

**1. Organization and Summary of Significant Accounting Policies:**

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.

Pursuant to the Judgment, the Chino Basin Municipal Water District (CBMWD) five (5) member Board of Directors is appointed "Watermaster", responsible for implementing the terms of the Judgment. 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.

Operations of the Watermaster consist of providing management services for the Chino Groundwater Basin service area, which primarily include: water appropriations, storage accounts maintenance, purchase of replenishment water, groundwater monitoring and development of projects pertaining to groundwater study and water reclamation.

Watermaster administration expenses except for the cost of administering conjunctiv/cyclic use agreements 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 year 1992/93 expenses are based on the 1992/92 production volume, and allocations for fiscal year 1991/92 expenses are based on the 1990/91 production volume:

	1991/92 Acre-Feet	%	1990/91 Acre-Feet	%
Appropriative Pool	104,184	67.6	101,588	65.5
Overlying Agricultural Pool	44,682	29.0	48,085	31.0
Overlying Non-Agricultural Pool	5,240	3.4	5,407	3.5
Total Production	154,106	100.0	155,080	100.0

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.

The accounting policies of the Watermaster conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies.

**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 Judgment and the rules and regulations of the Watermaster and each Pool (see Schedule I). Investments are stated at cost, which approximates at market.

## APPENDIX "L-6"

### Reclassifications

Certain prior year amounts have been reclassified to conform to the current year's presentation.

#### 2. Cash, Deposits, Short-Term and Pooled Investments

State statutes and the Watermaster's investment policy authorize the Watermaster to invest in obligations of the U.S. Treasury and other U.S. agencies, banker's acceptances, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Records, certificates of deposit with financial institutions having an operating branch within the Watermaster geographic area, repurchase agreements, and the state treasurer's investment pool.

The Watermaster's deposits and investments are categorized to give an indication of the level of risk assumed at year end by the following three categories:

##### *Category 1*

- Includes deposits insured or collateralized with securities held in the Watermaster's name.
- Includes investments that are insured or registered or for which the securities are held by the Watermaster or its agent in the Watermaster's name.

##### *Category 2*

- Includes deposits with collateralized securities held by the pledging financial institution's trust department or agent in the Watermaster's name.
- Includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Watermaster's name.

##### *Category 3*

- Includes uncollateralized deposits or deposits with collateralized securities held by the financial institution or its agent, but not in the Watermaster's name.
- Includes uninsured and unregistered investments for which securities are held by the broker or dealer or by its trust department or agent but not in the Watermaster's name.

	Categories			Bank Balance	Carrying Amount
	1	2	3		
Demand cash account	100,000	170,189	-	\$270,189	\$525,190
Local Agency Investment Funds (LAIF)				1,564,876	1,564,876
<b>Total deposits</b>	<b>100,000</b>	<b>170,189</b>	<b>-</b>	<b>\$1,835,065</b>	<b>\$2,090,066</b>

For the purposes of the statement of cash flows, the Chino Basin Watermaster considers cash and cash equivalents to be defined as demand deposits, savings accounts and all securities with original maturities of

## APPENDIX "L-6"

three months or less from date of purchase. For financial presentation purposes, cash and cash equivalent are shown as cash, short term investments, and restricted assets.

### 3. Appropriative Pool Interest Revenue Allocation

On August 30, 1979, the Appropriative Pool unanimously approved assessment procedures whereby any interest earned by the Watermaster on replenishment assessments paid by Appropriative Pool members would reduce the total current assessment due from those members. Fiscal year 1991/92 interest revenue was allocated to the Appropriative Pool members based on the funds received in payment of the 1991/92 assessments, resulting in a reduction of the 1992/93 assessment.

### 4. Agricultural Pool Sale

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, 1993, the proceeds from the sale and interest earned totaled \$353,121.

### 5. Replenishment Water Deliveries

The Watermaster assessed water producers to replenish 23,810.4 acre feet during fiscal year 1992/93, based on fiscal year 1991/92 production. During fiscal year 1992/93, an additional 20,067.3 acre feet was purchased to take advantage of MWD's price difference between fiscal year 1992/93 and fiscal year 1993/94.

APPENDIX 'L-7'  
**CHINO BASIN WATERMASTER**  
 Schedule I  
 Combined Schedule of Revenues, Expenses and Changes in Retained Earnings,  
 For the Fiscal Year Ended June 30, 1993

	WATERMASTER ADMINISTRATION		GROUNDWATER OPERATIONS		POOL, ADMINISTRATION AND SPECIAL PROJECTS		EDUCATIONAL FUNDS	GRAND TOTAL
	ADMINISTRATION	SPECIAL PROJECTS	TOTAL	REVENUE	EXPENSE	NET CHANGE		
<b>Revenues</b>								
Assessment/fees	0	0	0	54,014,237				54,014,237
Retainment water management	0	0	0	308,123				308,123
Administrative assessments	0	0	0	162,190				162,190
Special assessments	0	0	0					0
Water sales	0	0	32,825	1,521,660				1,554,485
Shared water	0	0	0	1,776,560				1,776,560
Direct water	0	0	0	78,201		18,000		96,201
Interest revenue	0	0	0	400				400
Manufacturing products	0	0	0	2,338,487		18,000		2,356,487
<b>Total revenues</b>	0	0	32,825	57,738,467		36,000	184	57,804,696
<b>Expenses</b>								
Replenishment water deliveries	0	0	0	7,258,091				7,258,091
Other water purchases	0	0	0	78,006				78,006
CLAIMED int. project water & roughage	172,140	172,140	344,280		7,798	8,107		190,077
CHAND general and administrative	1,811	1,811	3,622		72	144		3,766
Chgo & administration	1,303	1,303	2,606		478	3,102		5,708
Contract labor and material	3,385	3,385	6,770		200,764	35,498		342,032
Audit fees	3,009	3,009	6,018					6,018
Legal fees	48,341	48,341	96,682		2,298	788		99,668
Engineering fees	164	164	328					328
Accounting computer	1,775	1,775	3,550			975		4,525
Insurance expenses	15,000	15,000	30,000					30,000
Vehicle lease	2,775	2,775	5,550					5,550
Other expenses	8,818	8,818	17,636					17,636
<b>Total Watermaster admin. expenses</b>	252,862	252,862	505,724		48,177	(48,177)		457,547
Administrative expenses transfer	0	0	0		244,884			244,884
Acquisition of admin. expenses	(751,067)	(751,067)	(1,502,134)					(1,502,134)
<b>Total expenses</b>	0	0	0	7,118,053	507,528	0	38,118	7,663,711
<b>Net income (loss)</b>	0	0	32,825	50,620,414	(481,503)	18,000	184	49,339,914
Retained earnings - July 1, 1992	0	0	0	33,306	347,000	333,690	2,143	3,012,839
Transfer 58 222 reserves	0	0	0	(108,000)		0		(108,000)
Retained earnings June 30, 1993	0	0	32,825	50,345,414	(144,503)	18,000	184	49,239,914

See schedule for independent auditor's report