

*CHINO BASIN WATERMASTER*  
*FOR*  
*CHINO BASIN MUNICIPAL WATER DISTRICT*  
*VS*  
*CITY OF CHINO, ET.AL.*  
*CASE NO. RCV 51010*  
*(FORMERLY CASE NO. SCV 164327)*

*SEVENTEENTH*  
*ANNUAL REPORT*  
*OF THE*  
*CHINO BASIN WATERMASTER*  
*FISCAL YEAR 1993-1994*

April 1996

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17th  
1993/94

March 1996

TO: ALL ACTIVE AND CONCERNED PARTIES IN CHINO BASIN CASE NO. RCV 51010  
(Formerly CASE NO. SCV 164327)

Subject: Seventeenth Annual Report of Chino Basin Watermaster

This Seventeenth Annual Report of Watermaster activities is for your information. The Honorable Judge J. Michael Gunn of the Superior Court in the County of San Bernardino West District ordered acceptance of this report on April 25, 1996.

A brief summary of activities during this reporting period (July 1, 1993 through June 30, 1994) is as follows:

Total production from the Basin during 1993-94 was 129,664 acre-feet, with production by Pool as follows:

Production	Appropriative Pool	Overlying (Agricultural) Pool	Overlying (Non-Agricultural) Pool	Totals
1993-94 Production in A/F	80,798	44,298	4,586	129,664
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 33,704.761 acre feet of rights were leased among the members of the Appropriative Pool.

A total of 20,000 acre-feet of stored water was purchased by Watermaster and sold to offset overproduction.

The Cucamonga County Water District and the cities of Upland and Pomona exchanged 8,984.4 acre-feet to be used for replenishment. Groundwater replenishment deliveries for fiscal year 1993-94 totalled 8,729.1 acre-feet.

Direct deliveries in the amount of 7,634.2 acre-feet and deliveries by exchange in the amount of 11,210.3 were placed in the MWD Cyclic Storage Account for a total delivery of 18,844.5 for Fiscal Year 1993-94.

Fiscal Year 1993-94 marks the eleventh year that the Overlying (Agricultural) Pool has not produced its total five year allocation of safe yield which allows such water to be available for reallocation or transfer to members of the Appropriative Pool. (Exhibit "H", Paragraph 10, Page 73 of the Watermaster Judgment).

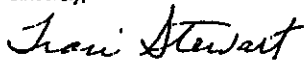
Local Storage Agreements were approved in the amount of 12,000 acre-feet. There are now a total of 58 storage agreements which total 382,017.660 acre-feet of potential storage water over the next five to ten years under the Judgment. At the close of Fiscal Year 1993-94, 216,413.161 acre-feet of water remains in storage pursuant to the local storage agreements.

Assessments billed by Pool during 1993-94 for 1992-93 production are as follows:

Appropriative Pool	\$2,200,373.92
Overlying (Agricultural) Pool	.00
Overlying (Non-Agricultural) Pool	36, 522.82
	<hr/>
	\$2,236,896.74

Your continued cooperation and involvement has been greatly appreciated.

Sincerely,



Traci Stewart  
Chief of Watermaster Services

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## SEVENTEENTH ANNUAL REPORT OF THE CHINO BASIN WATERMASTER

The Chino Basin Watermaster was established under a Judgment entered in Superior Court of the State of California for the County of San Bernardino as a result of Case No. SCV 164327 (now known as Case No. RCV 51010) entitled "Chino Basin Municipal Water District v. City of Chino, et al," and 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 Seventeenth Annual Report presents an overview of Chino Basin Watermaster, the Watermaster Advisory Committee and Pool Committee Activities, and an accounting of water production for Fiscal Year (FY) 1993-94.

### I. BACKGROUND OF JUDGMENT AND WATERMASTER

After many years of studies 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 Groundwater Basin was designated Senate Bill (S.B.) 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 Section 74120 of the Water Code, was approved by Governor Ronald Reagan and filed with the Secretary of State on June 28, 1975, affecting FY 1974-75 production. Three major types of producers representing the majority of the producer's interests in the Chino Groundwater Basin were very active during the early studies and negotiations under S.B.222. As a result, three major negotiating committees were formed and utilized to protect those interests during the three year study. The three committees became known as: (1) Overlying (Agricultural) Pool, including the State of California and minimal producers; (2) Overlying (Non-Agricultural) Pool representing Industries; and (3) Appropriative Pool, representing cities, water districts and water companies. Other working sub-committees were formed for the purpose of analyzing and defining specific problem areas. Acting together, the representatives of the three pools were called the "Watermaster Advisory Committee." The Watermaster Advisory Committee effectively made recommendations for formal action to the Chino Basin Municipal Water District (CBMWD) Board of Directors who, in its capacity as Chino Basin Watermaster, had the responsibility for administering S.B. 222.

Socio-economic, safe yield and other studies were conducted to provide the information necessary to reach an agreement regarding the allocation of rights between and within the pool committees. Cost savings were achieved by terminating many of the studies as soon as the necessary information was compiled in draft form.

The Watermaster Advisory Committee was charged with oversight of Chino Basin Watermaster's discretionary activities. Each of the three pool committees met regularly to transact the business concerns of their respective producers. Decisions affecting more than one pool committee were made at the Watermaster, Advisory Committee level. Voting power was determined by the producer's water assessments paid in the prior year and their allocated safe yield, as provided in the Judgment.

Approximately five percent (5%) of the Chino Groundwater Basin is located in Los Angeles County, fifteen percent (15%) in Riverside County and the remaining portion is in the West End of San Bernardino County.

A mailing list showing members of each pool committee and the Watermaster Advisory Committee is attached hereto as Appendix "A."

Production information for each pool committee 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. Costs per acre-foot vary among the pools in accordance with their respective total budgeted amounts for pool administration and total production during the previous production period.

Cost to replace any water extracted in excess of each respective pool's share of safe yield and operating safe yield amounts is recovered by the application of the following replenishment assessment formulas:

1. The Overlying (Agricultural) Pool pays on a gross basis, such that the total cost of the replenishment water plus the estimated spreading costs are divided equally on each acre-foot of water produced during the previous production year. To further stabilize assessments from year to year, the assessments are based on a five year moving average with a maximum right of 414,000 acre-feet in any one five year period. One member of this pool, Los Serranos Country Club, pays a 100% net replenishment assessment on that portion of its production (65%) provided to its land located outside the Chino Groundwater Basin adjudicated boundary.
2. The Overlying (Non-Agricultural) Pool pays on a net basis, such that 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 each producer's respective share of the safe yield.



3. The Appropriative Pool has several producers (the City of Pomona, Arrowhead Mountain Spring Water Company, Los Serranos Country Club, Marygold Mutual Water Company and Pyrite Canyon Group) that pay replenishment assessments on a net basis, such that each pays the current cost of replenishment water plus the estimated costs of spreading.

The remaining Appropriative Pool members (except Norco) are subject to the 15/85 formula which spreads the total cost of replenishment water in two ways: 1) fifteen percent (15%) on a gross basis (uniformly among all producers on each acre-foot produced), and 2) eighty-five percent (85%) on a net basis (on each acre-foot of production over a producer's share of the operating safe yield). Norco pays replenishment on a net basis for any replenishment obligation in excess of 1567 acre-feet. Any replenishment necessary up to 1567 acre-feet comes under the 15/85 formula.

## II. WATERMASTER ACTIVITIES

FY 1993-94 Chino Basin Watermaster members were:

Bill Hill	Chairman
George Burba	Vice-Chairman
John L. Anderson	Secretary/Treasurer
Anne W. Dunihue	Member
Wyatt L. Troxel	Member

Chino Basin Watermaster meetings are normally scheduled on the first Wednesday following each month that contains five Wednesdays, in the CBMWD Board Room located at 9400 Cherry Avenue, Building A, Fontana, at 8:30 a.m. Special meetings are noticed as required.

During this reporting period, regular meetings were held on:

JULY 7, 1993

OCTOBER 6, 1993

JANUARY 5, 1994

APRIL 6, 1994

Assessments levied by Chino Basin Watermaster for overproduction from the FY 1992-93 production period, and for budgeted administrative and special project costs for FY 1993-94, were as follows:

- A Overlying (Agricultural) Pool: For administrative and special project costs the Overlying (Agricultural) Pool was assessed \$12,36760 on each acre-foot of water that was produced. Minimal producers paid a \$5.00 administrative filing fee.

By action taken at the Appropriative Pool Committee meeting on June 7, 1988, the Appropriative Pool agreed to assume the administrative assessments of the Overlying (Agricultural) Pool, in exchange for the transfer of all unpumped agricultural water to the Appropriative Pool following the FY 1987-88 production year and for each fiscal year thereafter. Therefore, the total administrative and special projects assessment levied against the Overlying (Agricultural) Pool, in the amount of \$471,431, was assumed by the Appropriative Pool computed at \$12.36780 per acre-foot of water transferred (i.e., 38,118,200 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 FY 1974-75, to 83,934 acre-feet in FY 1977-78, during FY 1978-79 the Overlying (Agricultural) Pool Committee decided 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 year period. Because production of the Overlying (Agricultural) Pool continued to decline, primarily due to urbanization of farm land, the members decided during FY 1987-88 to sell the water in storage. Revenue from the sale was placed in an interest earning account for future use by the Overlying (Agricultural) Pool as became necessary. Through June 30, 1994, proceeds from the sale, with interest earned, totaled \$344,498.

B. **Overlying (Non-Agricultural) Pool:** The Overlying (Non-Agricultural) Pool was assessed \$6,6724 for budgeted administrative and special project costs and \$210.69 (\$205.16 for replenishment water plus \$5.53 for spreading) on each acre-foot of production in excess of each producer's share of the operating safe yield.

C. **Appropriative Pool:** The Appropriative Pool, subject to the 15/85 formula (nineteen members total), was assessed \$2.55884 and \$179.0868 per acre-foot. In addition, each producer was assessed \$2.5129 per acre-foot to cover the budgeted administrative and special project costs.

D. **Agreements and Policy Matters:** Agreements and policy matters negotiated and approved by the Chino Basin Watermaster and the Watermaster Advisory Committee covering FY 1993-94 were as follows:

1. **Watermaster Insurance Coverage:** Chino Basin Watermaster Insurance Coverage was secured in August 1978, and continues with Chino Basin Watermaster as an additional insured under CBMWD's policy in the amount of one million dollars.

2. **Engineering Services Request For Qualifications:** An Engineering Services Request For Qualifications was approved and interviews were conducted in FY93-94. This process allows qualified

engineering firms to be utilized for Chino Basin Watermaster projects or tasks requiring specialized service.

3. **Specialized Legal Services:** The firm of Nossaman, Guthner, Knox and Elliott was retained in FY 1993-94 as Special Counsel to the Advisory Committee relating to conjunctive use negotiations with Metropolitan Water District (MWD) of Southern California.

4. **Fiscal Year 1994-95 Administrative Budget Hearing:** A Noticed Public Hearing was conducted by Chino Basin Watermaster on April 6, 1994 to approve the FY 1994-95 Administrative Budget. A summary of this budget is attached hereto as Appendix "C."

5. **San Bernardino County Flood Control District Agreement:** Spreading and monitoring of replenishment and cyclic storage water under an agreement with the San Bernardino County Flood Control District continued during the period of July 1, 1993 through June 30, 1994. Appendices "E-1" and "F" summarize those activities.

6. **Stringfellow Acid Pits:** During FY 1985-86, various mitigation measures were addressed by each pool committee regarding the Stringfellow Acid Pits. The Committees determined the need for a cooperative effort throughout the water industry in dealing with contamination problems in the Chino Groundwater Basin. Pursuant to the Watermaster Advisory Committee's recommendation, Chino Basin Watermaster moved to petition the Court to allow the export of a maximum of 300 acre-feet of water annually. The petition was approved by the Court in November 1985. During FY 1993-94, 45.1 acre-feet of contaminated wastewater was removed and exported from the site. As of June 30, 1994, a total of 233.2 acre-feet of contaminated water has been exported from the Stringfellow Acid Pits.

7. **Desalters:** During FY 1993-94 the need for a desalter again came to the attention of Watermaster. The California Regional Water Quality Control Board (RWQCB), Santa Ana Region, requested that dairymen and farmers in the Overlying (Agricultural) Pool pursue more timely mitigation of the salt loading in the Chino Groundwater Basin. The Overlying (Agricultural) Pool Committee retained the services of special legal counsel to work with the RWQCB to develop an acceptable mitigation.

Simultaneously, Chino Basin Watermaster staff was pursuing a method to offset the replenishment obligation of a desalter. Several special meetings were held which ultimately resulted in the adoption of Resolution 93-10-1, a resolution of the Chino Basin Watermaster establishing an alternative water supply source for the replenishment obligation of the Chino Basin Desalters (Appendix "K").

Further mitigation efforts required by the RWQCB resulted in the adoption of Resolution 93-10-2, a resolution by the Chino Basin Watermaster Overlaying (Agricultural) Pool establishing support for an alternative method to mitigate the existing practice of spreading manure in the Chino Groundwater Basin (Appendix "L").

### III. COMMITTEE ACTIVITIES

#### A. Overlaying (Agricultural) Pool

At their Annual Meeting, the following individuals were duly nominated and elected to serve as officers:

Chairman	Robert DeBerard
Vice-Chairman	Roger Larkin/Jack Hagerman*
Secretary	Chief of Watermaster Services
Treasurer	Larry Rudder, Financial Services Officer

\*Jack Hagerman replaced Roger Larkin.

The following members were selected to administer the pool's activities and to serve as representatives on the Watermaster Advisory Committee during FY 1993-94:

#### Regular Representatives

Robert DeBerard  
Dick Dykstra  
Jeff Pierson\*  
Marilyn Levin\*  
Dirk Johnston  
Gene Koopman\*  
Orange Co. Water District  
Roger Larkin/Jack Hagerman\*  
Arian Van Leeuwen

#### Alternate Representative

California Milk Producers Council  
George Borba, Jr.  
Fred Hector  
Richard Matamoros  
Robert Bridges  
Orange Co. Water District  
Carlos Lozano  
Sheila Andersen

\*Newly elected members for a two year term. It should be noted that alternate members have been selected in order to serve in place of regular members in order to ensure a quorum for the agricultural pool.

Through June 30, 1994, three regular meetings were conducted to act on matters affecting the members of this pool and to review actions to be forwarded to the Advisory Committee and the Chino Basin Watermaster.

**B. Overlaying (Non-Agricultural) Pool**

At their Annual Meeting, the following individuals were duly nominated and elected to serve as officers:

Chairman	Rob Hartman, Kaiser Resources, Inc.
Vice-Chairman	David Cooper, Sunkist Growers, Inc.
Secretary	Chief of Watermaster Services
Treasurer	Larry Rudder, Financial Services Officer

Representatives from the following were selected to administer the pool's activities and serve on the Watermaster Advisory Committee during FY 1993-94.

Rob Hartman	Kaiser Resources, Inc.
Steve Arbevide	California Steel Industries
David Cooper	Sunkist Growers, Inc.

Through June 30, 1994, one meeting was held and four letters were mailed to the pool committee members notifying them of actions that were necessary to be taken by the Watermaster Advisory Committee and the Chino Basin Watermaster. Pool committee members were asked to approve the actions prior to the scheduled meeting date, or to request a meeting if a quorum could be obtained.

**C. Appropriative Pool**

At their Annual Meeting, the following individuals were duly nominated and elected to serve as officers:

Chairman	Pat Malloy, City of Chino
Vice-Chairman	Gerald Black, Fontana Union Water Company
Secretary	Chief of Watermaster Services
Treasurer	Larry Rudder, Financial Services Officer

NOTE: As a result of Pat Malloy accepting a new position and being unable to complete his term as Chairman, Gerald Black assumed the Chairmanship and Edwin Janes assumed the Vice-chairmanship positions on June 14, 1994.

Through June 30, 1994, four regular meetings and four special meetings were conducted to act on matters affecting the members of this pool and to review actions to be forwarded to the Watermaster Advisory Committee and the Chino Basin Watermaster.

**D. Watermaster Advisory Committee**

At their Annual Meeting, the following individuals were duly nominated and elected to serve as officers:

Chairman	Robert DeBerard
1st Vice Chairman	Rob Hartman, Kaiser Resources, Inc.
2nd Vice Chairman	Pat Malloy, City of Chino*
Secretary	Chief of Watermaster Services
Treasurer	Larry Rudder, Financial Services Officer

\*See NOTE under Item "C" above.

Through June 30, 1994, four regular meetings and one special meeting, were conducted. All items that were acted upon were forwarded to Chino Basin Watermaster for ratification or adoption.

*Minutes of all committee meetings and special ad-hoc meetings are available and may be reviewed by any interested party by contacting the Chief of Watermaster Services, at 9400 Cherry Avenue, Building A, Fontana, California.*

**IV. ADMINISTRATION OF JUDGMENT**

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

**A. Relocation:** During FY 1993-94, CBMWD relocated its headquarters to 9400 Cherry Avenue, Building A, Fontana, California. Chino Basin Watermaster relocated its principle office to the same address and directed that the Chino Basin Watermaster Rules and Regulations be amended to reflect that change

**B. Water Right Lease Agreements:** The following Water Right Lease Agreements negotiated among the Appropriative Pool members during FY 1993-94 totaled 33,704.761 acre-feet.

1.	From:	Santa Ana River Water Company	
	To:	Jurupa Community Services District	1,600.000 AF
2.	From:	Fontana Union Water Company	
	To:	Cucamonga County Water District	10,796.148 AF

3.	From:	West San Bernardino County Water District	
	To:	Jurupa Community Services District	1,094,363 AF
4.	From:	Cucamonga County Water District	
	To:	Chino Basin Watermaster	10,137,900 AF
5.	From:	City of Upland	
	To:	Chino Basin Watermaster	3,698,100 AF
6.	From:	City of Pomona	
	To:	Chino Basin Watermaster	6,360,700 AF
7.	From:	Southern California Water Company	
	To:	Chino Basin Watermaster	19,550 AF

C. **Recapture of Water in Local Storage:** The City of Pomona recaptured 20,000,600 acre-feet of water in local storage which was used by other producers to offset FY 1993-94 overproduction.

D. **Unqualified Audit Opinion and Audit Report:** For the period ended June 30, 1994, KPMG Peat Marwick LLP submitted the Unqualified Audit Opinion and Audit Report to the Chino Basin Watermaster (Appendix "M").

E. **Mailing Lists:** Mailing lists of the 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 them is forwarded to the Chino Basin Watermaster after each mailing. File changes are made upon receipt of notice and other sources of address change. A current listing of active parties is available for review upon request.

F. **Quarterly Accounting of Water Production:** Quarterly Accounting of Water Production forms were received from the Appropriative and Overlying (Non-Agricultural) Pool members for FY 1993-94. The Overlying (Agricultural) Pool's quarterly production was compiled on those wells equipped with water measuring devices. On wells without measuring devices, a water duty method was employed. A factor relating the crops grown and number of animals was used to convert the data to water use in acre-feet.

G. **New Party Interventions:** New Party Interventions are accumulated on a regular basis as land ownership changes or new parties begin production. Changes in ownership are most frequently discovered during the production reporting and well inspection processes. New party production is normally discovered when new wells are located by field personnel during routine inspections. Parties who no longer own property with water production facilities are considered inactive and are accounted for as such.

H. **Special Projects:** Special projects were initiated by separate work orders and approved by the Watermaster Advisory Committee and Chino Basin Watermaster for projects other than general administration of the Judgment. Subject to approval and recommendation by the Watermaster Advisory Committee of any affected Pool Committee, additional special project task orders may be designated and budgeted as required to carry out the management plan. A total of six new or continuing special projects were designated for FY 1993-94 and are described below:

1. The Meter Installation Study and Repair Project was initiated to provide a service to those parties under the Judgment who are required to purchase and install meters. Under the contract, a recommendation regarding the type, size, and placement of each meter is made by Watermaster staff on an individual basis for each producer. The purpose of this service is to meter all wells with annual production over ten acre-feet.

During FY 1993-94, staff was directed to develop procedures to administer the Meter Installation Study and Repair Project and to establish responsibility for the associated costs.

Chino Basin Watermaster staff's role in the ongoing project is to inspect the current well head and to make recommendations as previously described. The burden of accomplishing the meter installation/repair was placed on the producer. A procedure was approved providing for hour meter installation, plumbing modifications to achieve increased meter accuracy, and repair of previously installed non-functioning in-line flow meters.

2. The Meter Testing Program was designed to test every meter in the Chino Groundwater Basin a minimum of once every two years, to test those meters determined to be out of calibration as required in order to attain accurate production records on each producer, and to encourage water conservation on those wells not previously metered.

3. The Enhance PC Database Project was continued for the acquisition and processing of magnetic data from Southern California Edison; to allow the development of additional custom reports and billing invoices; and to develop a more automated method of administering the Judgment.

4. The Chino Basin Water Resources Management Study was to produce a water resources management plan that would enable all water agencies within the Chino Groundwater Basin boundary to meet their future water demands, with an appropriate level of reliability and for a predictable cost.



5. The Well Inspection Project was designed to locate all active wells within the Chino Groundwater Basin and affix a permanent tag that indicates the well identification number.

6. The Association of Groundwater Agencies (AGWA) Conjunctive Use Study was designed to identify conjunctive use programs that provide both regional and local benefits. The project funding provided for hiring a consultant to conduct the study, with costs shared among MWD and AGWA members. Members of the Watermaster Advisory Committee assisted with the formation of AGWA and participate in its activities on an ongoing basis.

- I. Redetermination of the Chino Groundwater Basin's Safe Yield: On June 30, 1994, the Chino Basin Watermaster program marked its seventeenth year of operation under the Judgment. June 30, 1982 marked the date in which work could commence on redetermination of the Chino Groundwater Basin's Safe Yield. Chino Basin Watermaster recommended no changes during the past fiscal year. Pursuant to Exhibit I, Page 80, Paragraph 2b of the Judgment, Quantitative Limits. In no event shall Operating Safe Yield in any year be less than the Appropriative Pool's share of Safe Yield, nor shall it exceed such share of Safe Yield by more than 10,000 acre-feet. The initial Operating Safe Yield is hereby set at 54,834 acre-feet per year. Operating Safe Yield shall not be changed upon less than five (5) years' notice by Watermaster.

Therefore, Chino Basin Watermaster hereby posts its twelfth "Notice of Intent" as Appendix "J."

- J. Local Storage Agreements: Local Storage Agreements were entered into by the following:
1. Storage Agreement No. 15.2, Marygold Mutual Water Company, in the amount of 2,000,000 acre-feet.
  2. Storage Agreement No. 15.3, City of Pomona, in the amount of 10,000,000 acre-feet.
- K. Supplemental Water: As a result of greater-than-normal precipitation occurring over the Chino Groundwater Basin and the surrounding areas during the winter, 1992/93, 1,003,600 acre-feet of supplemental (or "new") water was introduced into the Chino Groundwater Basin during the first quarter of FY 1993-94. This water was allocated to the Appropriators, 50% based on their percentage of allocated safe yield and 50% based on their production.

- L. **Chino Basin Short-Term Conjunctive-Use Project Agreement:** During FY 1993-94, Chino Basin Watermaster approved a request by MWD to extend Agreement Number 3734 entitled "Chino Basin Short-Term Conjunctive-Use Project Agreement" between MWD, CBMWD, Three Valleys Municipal Water District, and the Chino Basin Watermaster. The Agreement was originally entered into in 1992 to permit in-lieu storage of a limited quantity of imported water in, and extraction of a like amount of groundwater from, the Chino Groundwater Basin. In-lieu storage is an exchange of imported MWD water for Chino Basin groundwater.
  
- M. **Demonstration Project:** During FY 1992-93 a Memorandum of Understanding (MOU) between CBMWD, MWD of Southern California, Western Municipal Water District, Three Valleys Municipal Water District, and Chino Basin Watermaster was entered into for the purpose of establishing the principles of a Demonstration Project for the storage of water by MWD in the Chino Groundwater Basin. (For a copy of the Agreement, contact Watermaster Services staff.) Notification regarding this activity was inadvertently left out of the FY 1992/93 Sixteenth Annual Report.
  
- N. **Third Amendment to the Chino Basin Cyclic Storage Agreement:** During FY 1993-94, the Third Amendment to the Chino Basin Cyclic Storage Agreement was approved. The purpose of this Agreement is to preserve the water that MWD currently has stored in the cyclic account. The two-year renewal of the Cyclic Storage Agreement is between the CBMWD, acting on its own behalf and as Chino Basin Watermaster, and the MWD of Southern California, to cover the period January 5, 1994 through January 4, 1996.
  
- O. **Retirement:** On November 17, 1994, special recognition was given to Ira Pace, General Manager of West San Bernardino County Water District, upon his retirement. Mr. Pace's accomplishments were recognized by his peers who expressed deep gratitude for his experience and insight regarding the areas of water issues and Watermaster issues.

APPENDIX "A - 1"

OVERLYING (AGRICULTURAL) POOL COMMITTEE

Regular members and alternates for Fiscal Year 1993-1994.

Regular

Robert DeBerard  
P O Box 1223  
Upland CA 91786

Dick Dykstra  
10129 Schaefer Avenue  
Ontario CA 91761-7973

Gene Koopman  
13898 S Archibald Avenue  
Ontario CA 91761

Jim VanHaun/OCWD  
P O Box 8300  
Fountain Valley CA 92728

Jack Hagerman, CIM  
5332 Trail Street  
Norco CA 91760-2465

Marilyn Levin  
Deputy Attorney General  
300 S Spring Street  
11 North Tower  
LA CA 90013

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

Dirk Johnston  
Corona Farms  
6101 Cherry Avenue  
Fontana CA 92336

Arian Van Leeuwen  
6829 Pine Avenue  
Chino CA 91710-9165

Alternate

Keith Gomes  
California Milk Producers

George Borba, Jr.  
Dairy

Fred Hector  
State of California, CIW

Richard Malamoros  
State of California, YTS

Robert Bridges  
State of California

OCWD Representative

Carlos Lozano  
State of California, YTS

Sheila Andersen  
State of California, CIM

APPENDIX "A - 2"

OVERLYING (NON-AGRICULTURAL) POOL COMMITTEE

Mark Ward  
Ameron  
13032 Slover  
Fontana CA 92335

David Starnes  
Mobile Community Management  
Swan Lake Mobile Home Park  
2081 Business Center Drive #182  
Irvine CA 92715

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

Rob Hartman  
Kaiser Resources Inc.  
3633 East Inland Empire Blvd., Ste 850  
Ontario, CA 91764

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

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

Steve Arbelbide  
California Steel Industries  
P O Box 5080  
Fontana CA 92335

Harvey Carter  
Praxair  
10829 Etiwanda Avenue  
Fontana CA 92335

David Cooper  
Sunkist Growers  
616 East Sunkist Street  
Ontario CA 91764

Robert Wilde  
Angelica Rental Service  
300 Ranger  
Brea CA 92621

Rick Darnell  
Southern California Edison  
Etiwanda Generating Station  
8996 Etiwanda Avenue., Bldg 503  
Etiwanda CA 91739

APPENDIX "A - 3"

APPROPRIATIVE POOL COMMITTEE

Arrowhead Mountain Spring Water Company  
Randy Chodola  
5772 Jurupa Road  
Ontario CA 91761

Chino, City of  
Public Works Service Center  
Dave Crosley  
5050 Schaefer Avenue  
Chino CA 91710-5549

Chino Hills, City of  
Terry Kimbro  
14575 Pipeline Avenue  
Chino Hills, CA 91709-5633

Cucamonga County Water District  
Tom Shollenberger  
P O Box 638  
Rancho Cucamonga, CA 91729-0638

Fontana Union Water Company  
Gerald Black c/o  
CCWD  
P O Box 638  
Rancho Cucamonga, CA 91729-0638

Fontana Water Company  
Mike McGraw  
P O Box 987  
Fontana, CA 92334-0987

Jurupa Community Services District  
Edwin James  
8621 Jurupa Road  
Riverside, CA 92509-3229

Marygold Mutual Water Company  
Bill Stafford  
9715 Alder Avenue  
Bloomington, CA 92316-1637

Monte Vista Water District  
Joe Grindstaff  
P O Box 71  
Montclair, CA 91763-0071

Monte Vista Irrigation Company  
Harold Andersen  
2529 W. Temple Street  
Los Angeles, CA 90026-4819

Mutual Water Company of Glen Avon  
Heights  
Terri Horn  
9643 Mission Blvd.  
Riverside, CA 92508-2691

Norco, City of  
Joe Schenk  
P O Box 428  
Norco, CA 91760-0428

Ontario, City of  
Mike Teel  
1425 South Bon View Avenue  
Ontario, CA 91761-4408

Pomona, City of  
Robert DeLoach  
P O Box 680  
Pomona CA 91768-0680

San Antonio Water Company  
Ray Wellington  
139 N. Euclid Avenue  
Upland, CA 91786-6038

Santa Ana River Water Company  
Arnold Rodriguez  
10530 54th Street  
Mira Loma, CA 91752-2331

Southern California Water Company  
Chet Anderson  
P O Box 188  
San Dimas, CA 91773-1223

Upland, City of  
Jim Moody  
P O Box 480  
Upland, CA 91785-0480

West End Consolidated Water Company  
Ray Wellington  
139 N. Euclid Avenue  
Upland, CA 91786-6038

West San Bernardino County Water District  
Ira Pace/Anthony Aralza  
P O Box 920  
Rialto, CA 92377-0920

APPENDIX "A - 4"

ADVISORY COMMITTEE MEMBERS

APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRICULTURAL POOL
Chino, City of Dave Crosley*	Robert DeBerard*	Kaiser Resources, Inc. Rob Hartman*
Ontario, City of Mike Teal*	Dick Dykstra Jack Hagerman*	Southern California Edison Rick Darnell
Chino Hills, City of Terry Kimbro	Dirk Johnston Gene Koopman	California Steel Industries Steve Arbelbide
Pomona, City of Robert DeLoach*	Marilyn Levin	
Upland, City of Jim Moody	Jeffrey Pierson*	
Monte Vista Water District Joe Grindstaff	Arian Van Leeuwen Orange County Water District Representative	
Cucamonga County Water District Tom Shollenberger*		
Fontana Union Water Company Gerald Black		
Jurupa Community Services District Edwin James*		
West San Bernardino County Water District Ira Pace*		

\* Represents Steering Committee Members On June 23, 1994, action was taken by the Advisory Committee designating Steering Committee and other Ad Hoc Committee members as those identified by asterisk. This action became necessary because several committee members vacated their positions.

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	152,042
88/89	93,617 (3)	46,782	3,619	143,998
89/90	101,344 (4)	48,420	4,856	154,620
90/91	86,658 (5)	48,085	5,407	140,150
91/92	91,982 (6)	44,682	5,240	141,904
92/93	86,367 (7)	44,092	5,464	135,923
93/94	80,798 (8)	44,298	4,586	129,684

(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.

(8) Does not include 20,194.7 acre-feet exchanged with MWD.

Appendix "C"

Summary of Administrative Budgets  
Fiscal Year 1994/95

TOTALS	APPROPRIATIVE POOL		OVERLYING AGRICULTURAL POOL		OVERLYING NON-AGRICULTURAL POOL		SB222 FUNDS	
	AMOUNT	PER ACRE-FOOT	AMOUNT	PER ACRE-FOOT	AMOUNT	PER ACRE-FOOT		
Actual FY 93/94 Production	149,886.4	101,012.1	67.388%	44,286.0	29.552%	4,586.3	3.060%	N/A
<b>GENERAL &amp; ADMINISTRATION:</b>								
Watermaster Administration*	\$535,848	\$361,097		\$158,354		\$16,397		
Joint Watermaster-Advisory Committee*	38,448	24,562		10,771		1,115		
Pool Administration	65,939	21,701		38,559				
Total Administration Budgets	638,235	407,360	\$4.03	207,684	\$4.69	23,191	\$5.06	0
<b>SPECIAL PROJECTS</b>								
Meter Testing & Calibration - General*WM94006	16,413	11,060		4,851		502		
Meter Testing & Calibration - Pool Specific*WM94002,3,4	204,211	17,879		180,654		5,678		
Chino Basin Water Resource Study*WM94005	6,654	4,485		1,966		204		
Enhance PC Data Base*WM94007	43,385	29,236		12,821		1,328		
Well Inspection*WM95002	60,442	40,731		17,861		1,850		
AGWA Conjunctive Use Study*WM95003	12,120	8,167		3,582		371		
Total Special Projects	343,225	111,557	1.1044	221,735	5.0055	9,933	2.1657	0
Project Budget Carryover from FY93/94	(142,500)	0	0.0000	(142,500)	(3.2168)	0	0.0000	
TOTAL ADMIN. AND SPECIAL PROJECTS	838,960	518,917	5.1344	288,919	6.4787	33,124	7.2223	0
33% Operating Reserve	276,857	171,243	1.6944	94,683	2.1380	10,931	2.3834	0
ADMINISTRATIVE COSTS TO BE ASSESSED	\$1,115,817	\$690,160	6.8288	\$381,602	8.6168	\$44,055	9.6056	\$0
(Revenue) or Expense From Water Transfers		381,602	3.7778	(381,602)	(8.6144)	0	0.0000	0
ESTIMATED FY 94/95 ADMIN. ASSESSMENTS		\$1,071,762	10.6066	\$0	0.0022	\$44,055	9.6056	\$167,253

\*Total costs will be allocated to the Pools by the 93/94 actual production percentages.

NOTE: All allocations have been rounded, which may have an insignificant impact on the extensions of the per acre-foot costs.



APPENDIX "D"

SUMMARY OF  
UNALLOCATED SAFE YIELD TRANSFERS  
FROM THE OVERLYING (AGRICULTURAL) POOL  
TO THE APPROPRIATIVE POOL  
Fiscal Year 1993-1994

Appropriators	Land Use Conversions		Balance Available (Acre-feet)	Total Transfer (Acre-feet)
	First 50%	Remaining 50% (Acre-feet)		
Chino Basin MWD		0	0	0
Chino, City of	196.235	29.840	2,787.832	3,013.907
Chino Hills, City of		15.819	1,459.221	1,474.840
Cucamonga CWD		26.775	2,501.435	2,528.210
Fontana UWC		47.320	4,420.837	4,468.157
Fontana WC		0	0	0
Jurupa CSD		11.785	1,101.035	1,112.820
Marygold Mut'l Water Co.		4.848	452.895	472.720
Monte Vista WD		35.885	3,333.875	3,369.590
Monte Vista Irri. Co.		5.006	467.714	472.720
Mutual Water Co. Of Glen Avon		3.462	323.421	326.883
Norco, City of		1.491	139.289	140.780
Ontario, City of	209.400	84.138	7,860.538	8,154.078
Pomona, City of		82.969	7,751.368	7,834.337
San Antonio Water Co.		11.147	1,041.423	1,052.570
San Bdo Cnty/Prado Tiro		0	0	0
Santa Ana River Water Co.		9.627	899.390	909.017
So. Cal Water Company		3.044	284.374	287.418
Upland, City of		21.101	1,971.318	1,992.419
West End Cons. Water Co.		7.011	854.973	661.984
West San Bdo Cnty Water Dist.		4.768	445.293	450.059
<b>TOTALS</b>	<b>405.635</b>	<b>405.634</b>	<b>37,896.231</b>	<b>38,707.50</b>

APPENDIX "E-1"

SUMMARY OF MWD DELIVERIES <sup>(1)</sup>  
 (Acre-Feet)  
 Year Ended June 30, 1994

DATE	UPLAND	CHINO	CHINO HILLS	MVWD	ONTARIO	SCE	CCWD	TOTAL	POMONA <sup>(2)</sup>
July	189	564	1043	684	1614	0	1461	5555	500
August	192	535	936	678	1583	0	1611	5535	509
September	222	544	954	639	1454	174	1701	5688	563
October	188	565	950	682	1351	404	1516	5656	192
November	685	538	851	483	1218	285	1297	5357	329
December	16	324	395	221	874	295	99	2224	305
January	2	549	693	321	1069	228	0	2862	280
February	431	497	271	294	898	181	0	2572	251
March	541	548	372	297	777	171	0	2706	261
April	536	526	586	332	429	297	1483	4189	0
May	556	546	662	448	135	74	1631	4062	61
June	703	532	913	471	247	4	2006	4876	180
<b>TOTAL</b>	<b>4261</b>	<b>6268</b>	<b>8626</b>	<b>5551</b>	<b>11648</b>	<b>2113</b>	<b>12805</b>	<b>51272</b>	<b>3431</b>

(1) A breakdown for categories of water is available at the Watermaster office. Does not include water exchanged with MWD.

(2) Figures reflect 37.8% used over the Chino Basin ( based on land area physically located within the Chino Basin adjudicated boundary). The amounts of 3431 aff are not included in the summary totals, however that amount is reflected in the MWD total deliveries on Exhibit "F".

*Rounding may have an insignificant effect.*

APPENDIX "E - 2"

SUMMARY OF GROUNDWATER REPLENISHMENT DELIVERIES  
(Acre-feet)

JUNE 30, 1994

MONTH	CB-59t Montclair	CB-13t San Sevaline	CB-14t Etlwanda	Delivery by Exchange	TOTAL
July	645.8			1,567.0	2,212.8
August				1,233.5	1,233.5
September				1,740.2	1,740.2
October				1,211.7	1,211.7
November				1,163.2	1,163.2
December	460.9		161.2		622.1
January					
February					
March					
April				1,269.7	1,269.7
May	1,717.7	1,388.8	568.1	773.1	4,447.7
June	2,061.5	1,299.2	555.6	26.1	3,942.4
<b>Total</b>	<b>4,885.9</b>	<b>2,688.0</b>	<b>1,284.9</b>	<b>8,984.5</b>	<b>17,843.3</b>

Total Direct Deliveries: 8,858.8 ←

TOTAL REPLENISHMENT DELIVERIES FOR FISCAL YEAR 1993-1994

Deliveries By Exchange Used For Replenishment:

CCWD:	6,440.1	(4,371.1 used to offset F.Y. 1992/93 replenishment, 2,069.0 used to offset F.Y. 1993/94 replenishment)
UPLAND:	558.7	
POMONA:	1,985.7	
<b>TOTAL:</b>	<b>8,984.5</b>	

APPENDIX "E-3"

SUMMARY OF CYCLIC STORAGE DELIVERIES

FISCAL YEAR ENDED JUNE 30, 1994  
(Acre-feet)

MONTH	CB-59T MONTCLAIR	CB-13T SAN SEVAINE	CB-14T ETIWANDA	EXCHANGE	TOTAL
July					
August					
September					
October	864.1		245.6		1,109.7
November	1,048.8		242.6	1,389.7	2,680.9
December				1,457.2	1,457.2
January			142.6	2,186.7	2,329.3
February	577.2		149.2	2,088.2	2,814.6
March	1,356.1		395.3	1,820.3	3,571.7
April	1,620.8	516.8	475.5	538.3	3,149.2
May				728.9	728.9
June				1,003.0	1,003.0
<b>TOTAL</b>	<b>5,466.8</b>	<b>516.8</b>	<b>1,650.8</b>	<b>11,210.2</b>	<b>18,844.5</b>

BALANCE OF CYCLIC STORAGE ACCOUNT AS OF JUNE 30, 1994

Direct deliveries:	7,634.2
Deliveries by exchange:	11,210.3
Produced during FY 93-94:	0.0
<b>BALANCE:</b>	<b>18,844.5</b>

SUMMARY OF CYCLIC STORAGE BY DIRECT DELIVERY AND EXCHANGE

Pomona	4,375.0	CB59T	5,466.8
CCWD	3,697.8	CB13T	516.8
Upland	3,137.4	CB14T	1,650.8
	<hr/>		<hr/>
	11,210.2		7,634.2

APPENDIX "F"

SUMMARY OF OTHER IMPORTED SUPPLIES

(Acre-feet)  
FISCAL YEAR ENDED JUNE 1994

Agency	Other Basins	Surface Diversions	Other Imported Surface Diversions	Reclaimed Water
Cucamonga County Water District <sup>(1)</sup>	8,205.3	8,703.8		
Fontana Water Company	10,060.2	11,422.9		
Marygold Mutual Water Company			1,209.8	
Metropolitan Water District <sup>(6)</sup>			71,196.0	
Ontario, City of <sup>(2)</sup>				810.6
Pomona, City of <sup>(4)</sup>		3,431.0	13,025.0	7,150.0
San Antonio Water Company	2,484.0	2,201.0		
San Bernardino County <sup>(2)</sup>				217.6
Upland, City of				210.2
West End Cons. Water Company	2,333.0			
Westwind Park				
West San Bernardino Cty Water Dist.	6,047.6			
Supplemental Water <sup>(5)</sup>			1,003.6	
<b>Subtotal</b>	<b>29,130.1</b>	<b>25,758.7</b>	<b>86434.4</b>	<b>8,388.1</b>

**TOTAL 149,711.3**

- (1) Includes water used over Cucamonga Basin.
- (2) Reclaimed water totals are not included in summary total.
- (3) Figures represent water used at Whispering Lakes (formerly Ontario Nat'l) Golf Course.
- (4) Total represents imported water delivered for Pomona to be used in the Chino Basin.
- (5) Additional water captured in the Basin.
- (6) Includes total MWD water delivered to CBMWD service area (Cyclic and Spreading)

"E-1" Total MWD	54,703.0
"E-2" Direct (Only) GW Replenishment	8,858.8
"F" Direct Cyclic	7,634.2
	<hr/>
	71,196.0

Appendix "G"  
**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
1993-94	129,864	136,038	265,702

- (1) Total includes water used over Cucamonga Basin.  
 (2) Total does not include reclaimed water or water delivered by exchange and used for replenishment (See Appendix E-2 & F).

Appendix "H"  
**LOCAL STORAGE ACCOUNT STATUS**  
**FISCAL YEAR ENDED JUNE 30, 1994**  
**Appropriative Pool**

Agency	No. #	Date of Agreement	Amount of Agreement	Amount in Storage	Agency Total
Chino, City of	12	01/23/85	15,000.000	2,075.327	2,075.327
Chino Hills, City of	18	05/07/88	2,400.000	2,400.000	17,084.241
	18.1	04/06/88	15,000.000	14,684.241	
Cucamonga CWD	10	05/30/84	5,000.000	5,000.000	36,249.440
	10.1	05/06/87	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	6,249.440	
Fontana UWC	2	07/30/80	31,500.000	0.000	0.000
	2.1	04/08/88	31,500.000	0.000	
Fontana WC	28	08/05/82	5,000.000	0.000	0.000
Jurupa CSD*	30	07/08/94	20,000.000	2,694.363	2,694.363
Marygold MWC	16.1	04/06/88	500.000	0.000	2,197.834
	16.2	06/07/89	2,000.000	0.000	
	16.3	07/07/93	2,000.000	2,197.834	
Monte Vista Irr. Co.	17	05/07/89	500.000	500.000	3,879.290
	17.1	06/08/90	2,500.000	3,179.290	
Monte Vista WD	27	08/05/92	2,500.000	4,433.532	4,433.532
Mutual Water Co/ Glen Avon	28	06/05/91	500.000	108.204	108.204
Ontario, City of	11	08/07/89	10,000.000	10,000.000	10,000.000
Norco, City of*	31.0	11/02/94	2,000.000	106.980	106.980
Pomona, City of	15	01/29/88	7,000.000	0.000	39,342.121
	15.1	04/06/88	13,000.000	2,637.000	
	15.2	06/08/90	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	11,937.170	
San Antonio Water Co.	3	08/15/80	2,500.000	2,500.000	16,937.170
	3.1	11/05/88	2,500.000	2,500.000	
	3.2	04/06/88	10,000.000	11,937.170	
Santa Ana River W. Co.	20	05/06/87	1,500.000	271.977	271.977
Southern CA. Water Co.	23	12/07/88	500.000	1,119.239	1,119.239
Upland, City of	24	04/05/89	1,000.000	1,000.000	9,518.551
	24.1	06/06/90	8,000.000	8,518.551	
West End Const. W.Co.	13	06/05/85	2,500.000	2,500.000	14,062.426
	13.1	04/06/88	6,000.000	6,000.000	
	13.2	08/05/92	8,000.000	5,562.426	

\* As Invoiced in FY 93/94

Appropriative Pool....continued

Agency	No. #	Date of Agreement	Amount of Agreement	Amount in Storage	Agency Total
WSBCWD	25	01/10/91	3,000.000	3,684.435	3,684.435
Watermaster	29	08/05/92	10,000.000	10,948.948	10,948.948
<b>Approp. Total Agreements</b>			<b>328,400.000</b>		
<b>Approp. Amount in Storage</b>				<b>174,512.076</b>	<b>174,512.076</b>

**Overlying (Non-Agricultural) Pool**

Agency	No. #	Date of Agreement	Amount of Agreement	Amount in Storage	Agency Total
Ameron	6	03/30/83	100.000	100.000	798.596
	6.1	04/06/88	500.000	500.000	
	6.2	08/05/92	500.000	198.596	
Angelica Rental Service	22	04/06/88	100.000	0.000	0.000
Calmat	1	08/30/79	1,589.220	1,589.220	5,085.504
	1.1	05/30/84	1,589.220	1,589.220	
	1.2	02/07/90	1,589.220	1,907.064	
Kaiser Steel Resources	9	05/30/84	15,000.000	15,000.000	21,046.810
	9.1	10/07/87	15,000.000	6,046.810	
Praxair	8	03/30/83	150.000	150.000	4,770.444
	8.1	11/05/86	2,000.000	2,000.000	
	8.2	04/06/88	3,000.000	2,620.444	
San Bern. Cnty Aviation Div.	5	03/31/82	400.000	168.200	168.200
SCE	14	06/05/85	500.000		180.186
	14.1	04/06/88	5,000.000	180.186	
Space Center Mira Loma	4	03/31/82	100.000	100.000	296.336
	4.1	11/05/86	200.000	196.336	
Sunkist	7	03/31/83	2,500.000	2,500.000	8,572.929
	7.1	11/05/86	5,000.000	6072.929	
Swan Lake	21	05/06/87	300.000	300.000	956.080
	21.1	05/06/91	500.000	656.080	
<b>Non-Ag Total Agreements</b>			<b>55,617.660</b>		
<b>Non-Ag Amount in Storage</b>				<b>41,874.885</b>	<b>41,874.885</b>
<b>Total Amount of Agreements</b>			<b>382,017.660</b>		
<b>Total Amount in Storage</b>				<b>216,413.161</b>	<b>216,413.161</b>



APPENDIX "A - 1"

OVERLYING (AGRICULTURAL) POOL COMMITTEE

Regular members and alternates for Fiscal Year 1993-1994.

Regular

Robert DeBerard  
P O Box 1223  
Upland CA 91736

Dick Dykstra  
10129 Schaefer Avenue  
Ontario CA 91761-7973

Gene Koopman  
13898 S Archibald Avenue  
Ontario CA 91761

Jim VanHaun/OCWD  
P O Box 8300  
Fountain Valley CA 92728

Jack Hagerman, CIM  
5332 Trail Street  
Norco CA 91760-2465

Marilyn Levin  
Deputy Attorney General  
300 S Spring Street  
11 North Tower  
LA CA 90013

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

Dirk Johnston  
Corona Farms  
6101 Cherry Avenue  
Fontana CA 92336

Arian Van Leeuwen  
6829 Pine Avenue  
Chino CA 91710-9165

Alternate

Keith Gomes  
California Milk Producers

George Borba, Jr.  
Dairy

Fred Hector  
State of California, CIW

Richard Matamoras  
State of California, YTS

Robert Bridges  
State of California

OCWD Representative

Carlos Lozano  
State of California, YTS

Sheila Andersen  
State of California, CIM

**APPENDIX "K"**

**RESOLUTION 93-10-1  
RESOLUTION OF THE CHINO BASIN WATERMASTER  
ESTABLISHING AN ALTERNATIVE WATER SUPPLY  
SOURCE FOR THE REPLENISHMENT OBLIGATION  
OF THE CHINO BASIN DESALTER(S)**

WHEREAS, the Chino Basin Watermaster was appointed on January 27, 1978, under Case No. RCV 51010 (formerly Case No. SCV 154327) entitled Chino Basin Municipal Water District v. City of Chino, et al, with powers to levy and collect administrative and replenishment assessments necessary to maintain water levels and to cover the cost of administration of the Chino Basin Groundwater Basin Management Plan; and

WHEREAS, the Santa Ana Watershed Project Authority (SAWPA), is endeavoring to build two desalters for the purpose of removing high-salinity/nitrate groundwater to stabilize and eventually improve water quality in the Chino Basin; and

WHEREAS, the two desalter plants have no safe yield allocations in Chino Basin and all water produced by the desalters must be replenished; and

WHEREAS, due to the replenishment obligation the project will not be economically feasible unless alternatives are found to offset said obligation; and

WHEREAS, Watermaster staff has developed a list of various water replenishment sources to meet the replenishment obligation for the desalters as shown on Exhibit "A" attached hereto; and

WHEREAS, it is the intention of the Watermaster that any costs associated with the development of replenishment sources as stated in Exhibit "A" will be offset by selling a portion of the replenishment water identified in Exhibit "A".

**NOW, THEREFORE, the Chino Basin Watermaster does hereby DETERMINE, RESOLVE AND ORDER as follows:**

**Section One:** That the replenishment sources stated on Exhibit "A" be used to meet the replenishment obligations resulting from the desalters.

**Section Two:** During the first ten years after construction, if the replenishment obligations are greater than the replenishment sources stated on Exhibit "A", and/or other replenishment sources which may be identified during the ten year period, the replenishment obligation will be carried over. If a replenishment obligation still exists in the eleventh year, a special assessment will be levied to purchase additional water to meet the shortfall. The assessment shall be based on the entire two prior years of Appropriative Pool production and may be allocated as then determined by the members of the Appropriative Pool, over the next two years. In the twelfth year and thereafter, if the replenishment obligation is greater than the replenishment sources as identified in Exhibit "A", a special assessment will be levied to purchase additional water, and will be based on the entire Appropriative Pool production in the prior year.

**Section Three:** In consideration of the accelerated transfer of unproduced Safe Yield from the Overlying (Agricultural) Pool to the Appropriative Pool as provided in Resolution No. 88-3, (providing for the accelerated transfer), the desalters' replenishment obligation offset provided by this Resolution shall be considered a contribution by the Overlying (Agricultural) Pool to the



APPENDIX "L"

RESOLUTION 93-10-2  
RESOLUTION OF THE CHINO BASIN WATERMASTER  
AGRICULTURAL POOL  
ESTABLISHING SUPPORT FOR A ALTERNATIVE METHOD TO MITIGATE THE EXISTING  
PRACTICE OF SPREADING MANURE IN THE CHINO GROUNDWATER BASIN

WHEREAS, there is an urgent need to prevent the further degradation of the Chino Groundwater Basin, as a result of the existing practice of manure spreading; and

WHEREAS, there is a need for a reliable method of disposing of said manure; and

WHEREAS, the Agricultural Pool members desire to declare support for a method to dispose of existing manure; and

WHEREAS, the Agricultural Pool members declare that they support mitigation through a Co-composting facility to handle manure or hauling of manure from the Chino Basin or a combination of both.

NOW, THEREFORE, the Chino Basin Watermaster Agricultural Pool members do hereby DETERMINE, RESOLVE AND ORDER as follows:

Section One: That it will support mitigation efforts that reduce the existing practice of spreading manure in the Chino Groundwater Basin including a Co-composting facility or hauling of manure from the Chino Groundwater Basin, or a combination of both.

Section Two: That the Secretary is hereby authorized and directed to transmit certified copies of this resolution to the appropriate agencies.

THE FOREGOING RESOLUTION was approved and signed on this seventh day of October 1993.

ATTEST:

s/s Bill Hill

\_\_\_\_\_  
Bill Hill, Chairman

s/s John L. Anderson

\_\_\_\_\_  
John L. Anderson, Secretary

STATE OF CALIFORNIA )  
                                  ) SS  
COUNTY OF SAN BERNARDINO )

I, John L. Anderson, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 93-10-2, was adopted at a regular meeting of Watermaster by the following vote:

AYES: Dunihue, Troxel, Hill  
NOES: None  
ABSENT: Borba, Anderson

**Comprehensive  
Annual Financial Report  
for the  
Fiscal Year Ended  
June 30, 1994**

**CHINO BASIN WATERMASTER**

*Bill Hill, Chairman*

*George Borba, Vice Chairman*

*John Anderson, Secretary/Treasurer*

*Anne Dunihue, Member*

*Wyatt Troxel, Member*

**EXECUTIVE STAFF**

*Traci Stewart, Chief Watermaster Services*

**AUDITORS**

KPMG Peat Marwick LLP

**LEGAL COUNSEL**

*Guido R. Smith, Attorney at Law*

*Nossaman, Guthner, Knox & Elliott*

*Fred Fudacz, Attorney at Law*

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**Combining Schedule of Revenue, Expenses, and Changes in Retained Earnings-  
Schedule I**

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 general purpose financial statements of Chino Basin Watermaster as of and for the year ended June 30, 1994, 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.

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 1994 financial statements referred to above present fairly, in all material respects, the financial position of Chino Basin Watermaster as of June 30, 1994 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 LLP*

October 7, 1994



**CHINO BASIN WATERMASTER  
BALANCE SHEET  
June 30, 1994  
(With Comparative 1993 Amounts)**

	<b>ASSETS</b>	
<b>Assets</b>	<u>1994</u>	<u>1993</u>
Cash	\$14,221	\$525,190
Short term investments	1,133,791	1,564,876
Accounts receivable	2,264,338	1,250,092
Prepaid expenses	3,695	264
<b>Total assets</b>	<b>\$3,416,045</b>	<b>\$3,340,422</b>

**LIABILITIES AND RETAINED EARNINGS**

<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$2,134,706	\$2,247,755
<b>Retained earnings -unreserved</b>	<b>1,281,339</b>	<b>1,092,667</b>
<b>Total liabilities and retained earnings</b>	<b>\$3,416,045</b>	<b>\$3,340,422</b>
<i>See accompanying notes to general purpose financial statements</i>		



**CHINO BASIN WATERMASTER**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN RETAINED EARNINGS**  
**For the Fiscal Year Ended June 30, 1994**  
**(With Comparative 1993 Amounts)**

	1994	1993
Operating revenues		
Assessment revenues		
Replenishment water assessments	\$4,305,638	\$4,034,257
Administrative assessments	737,176	390,465
Special assessments	82,750	183,392
Water sales		
Stored water	0	1,558,485
Direct water	<u>1,283,443</u>	<u>1,770,850</u>
Total operating revenues	6,409,007	7,835,149
Operating expenses		
CBMWD service contract		
Salaries, payroll burden & overhead	210,830	190,059
Materials and supplies	1,398	596
Printing & mailing	332	480
Contract labor & materials	0	1,148
Legal expenses	4,180	0
Other expenses	8,943	6,050
Insurance expenses	0	15,000
General and administrative	2,291	2,080
Total CBMWD service contract	<u>227,974</u>	<u>215,413</u>
Replenishment water deliveries	3,285,239	7,259,800
Water purchases - other	2,302,331	79,068
Printing & mailing	1,178	3,612
Contract labor & materials	264,567	341,675
Audit fees	3,800	3,500
Legal fees	111,530	50,997
Insurance expenses	9,585	0
Engineering fees	4,198	154
Meeting compensation	1,600	2,350
Other expenses	<u>7,539</u>	<u>0</u>
Total operating expenses	<u>6,219,541</u>	<u>7,950,667</u>
Operating income (loss)	189,466	(21,418)
Non-operating revenues (expenses)		
Miscellaneous revenues	0	406
Interest revenue	69,507	89,248
Other non-operating expenses	<u>(70,301)</u>	<u>(2,704)</u>
Total non-operating revenues, net	<u>(794)</u>	<u>88,949</u>
Net income	188,672	65,530
Retained earnings, at beginning of year	<u>1,092,667</u>	<u>1,027,137</u>
Retained earnings, at end of year	<u>\$1,281,339</u>	<u>\$1,092,667</u>

*See accompanying notes to general purpose financial statements*

**CHINO BASIN WATERMASTER  
STATEMENT OF CASH FLOWS**  
For the Fiscal Year Ended June 30, 1994  
(With Comparative 1993 Amounts)

	<u>1994</u>	<u>1993</u>
<i>Cash flows from operating activities:</i>		
<i>Operating income (loss)</i>	\$189,466	(\$21,418)
<i>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</i>		
<i>Other non-operating expenses/revenues, net</i>	(70,301)	(2,298)
<i>Change in assets and liabilities:</i>		
<i>(Increase) in accounts receivable</i>	(1,014,246)	(1,250,092)
<i>(Increase) decrease in prepaid expenses</i>	(3,431)	181
<i>Decrease in deferred charges</i>	0	33,002
<i>Increase (decrease) in accounts payable and accrued liabilities</i>	<u>(113,049)</u>	<u>2,099,467</u>
<i>Total adjustments to operating income (loss)</i>	<u>(1,201,027)</u>	<u>880,260</u>
<i>Net cash provided (used) by operating activities</i>	(1,011,561)	858,842
<i>Cash flows from investing activities:</i>		
<i>Interest income from investments</i>	<u>69,507</u>	<u>89,248</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	(942,054)	948,088
<i>Cash and cash equivalents at beginning of year</i>	<u>2,090,066</u>	<u>1,141,978</u>
<i>Cash and cash equivalents at end of year</i>	<u>\$1,148,012</u>	<u>\$2,090,066</u>
	=====	=====

*See accompanying notes to general purpose financial statements*

**CHINO BASIN WATERMASTER  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1994**

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

The Chino Basin Watermaster ("Watermaster"), was established under a judgment entered in Superior Court of the State of California for the County of San Bernardino as a result of Case No. RCV 51010 (formerly Case No. SCV164327) 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" to administer and enforce the provisions of the judgment. Their term of appointment of Watermaster is for five (5) years, and the Court, by subsequent orders, provides for successive terms or for a successor Watermaster. Three (3) Pool committees were formed: (1) Overlying (Agricultural) Pool which includes the State of California and all producers of water for overlying uses other than industrial or commercial purposes, (2) Overlying (Non-Agricultural) Pool which represents producers of water for overlying industrial or commercial (non-agricultural) purposes; and (3) Appropriative Pool which represents cities, districts, other public entities and public utilities. The three Pools act together to form the "Advisory Committee" which serves to make recommendations for formal action to the Chino Basin Watermaster.

The Watermaster provides the Chino Groundwater Basin service area management services which primarily include: water appropriations, storage accounts maintenance, purchase of replenishment water, groundwater monitoring and development of special projects.

Watermaster 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 year 1993/94 expenses are based on the 1992/93 production volume, and allocations for fiscal year 1992/93 expenses are based on the 1991/92 production volume:

	1992/93		1991/92	
	Acra Feet	%	Acra Feet	%
Appropriative Pool	100,024	66.8	104,184	67.6
Overlying Agricultural Pool	44,093	29.5	44,682	29.0
Overlying Non-Agricultural Pool	5,464	3.7	5,240	3.4
Total Production	149,581	100.0	154,106	100.0

The Agricultural Pool members ratified an agreement with the Appropriative Pool at their meeting of June 16, 1988. The agreement required the Appropriative Pool to assume Agricultural Pool administrative expenses in exchange for an accelerated transfer of unpumped agricultural water to the Appropriative Pool including special project allocations. In addition, the Agricultural Pool transferred all pool administrative reserves at June 30, 1988 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 well as to track cash and investment amounts for each individual funds use, as required under the Judgment and the rules and regulations of the Watermaster and each Pool. Investments are stated at cost, which approximates market.

**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			Not Required to be Categorized	Bank Balance	Carrying Amount
	1	2	3			
Demand Cash Account	\$100,000	\$1,787,719	\$0	\$0	\$1,887,719	\$14,221
Local Agency Investment	0	0	0	1,133,791	1,133,791	1,133,791
Funds (LAIF)						
<b>Total deposits</b>	<b>\$100,000</b>	<b>\$1,787,719</b>	<b>\$0</b>	<b>\$1,133,791</b>	<b>\$3,021,510</b>	<b>\$1,148,012</b>

The bank balance reflects the amount credited by a financial institution to the Watermaster's account as opposed to the Watermaster's own ledger balance for the account. The carrying value reflects the ledger value, which includes checks written by the Watermaster which have not cleared the bank as of June 30, 1994.

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

**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 1992/93 interest revenue earned from funds received in payment of the 1992-93 assessments was allocated to the Appropriative Pool members resulting in a reduction of the 1993/94 assessment.

**4. *Agricultural Pool Sale***

In 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, 1994 the proceeds from the sale and interest earned totaled \$344,498.

**5. *Replenishment Water Deliveries***

The Watermaster assessed water producers for 7,501.5 acre-feet of replenishment water during fiscal year 1993-94, based on fiscal year 1992-93 production. During fiscal year 1993-94, an additional 10,772.1 acre feet was purchased to take advantage of Metropolitan Water District's (MWD) price difference between fiscal year 1993/94 and fiscal year 1994-95.

APPENDIX "M-9"

CHINO BASIN WATERMASTER

COMBINED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - SCHEDULE 1  
For Fiscal Year Ended June 30, 1994

	WATERMASTER ADMINISTRATION		GROUNDWATER OPERATIONS		POOL ADMINISTRATION AND SPECIAL PROJECTS				GRAND TOTAL
	SPECIAL PROJECTS	TOTAL	8822 FUNDS	GROUNDWATER REPLENISHMENT	APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRICULT. POOL	EDUCATIONAL FUNDS	
<b>Revenues</b>									
Assessment revenue	0	0	0	64,306,696	0	0	0	0	64,306,696
Replenishment water assessments	0	0	0	0	702,088	0	0	0	702,088
Administrative assessments	0	0	0	0	73,854	0	0	0	73,854
Special assessments	0	0	0	0	0	0	0	0	0
Water sales	0	0	0	0	0	0	0	0	0
Shared water	0	0	0	1,263,743	0	0	0	0	1,263,743
Direct water	0	0	0	0	0	0	0	0	0
Interest revenue	0	0	0	0	48,076	18,431	1,804	128	68,339
Miscellaneous revenues	0	0	0	0	0	0	0	0	0
<b>Total revenues</b>	0	0	0	65,570,439	702,088	18,431	1,804	128	66,272,680
<b>Expenses</b>									
Replenishment water deliveries	0	0	0	3,394,239	0	0	0	0	3,394,239
Other water purchases	0	0	0	2,382,331	0	0	0	0	2,382,331
CEMEXO mt., payroll burden & overhead	178,877	178,877	0	0	17,787	6,187	4,022	0	196,673
CEMEXO general and administrative	1,881	1,881	0	0	153	144	35	0	2,063
Other & administration	1,880	1,880	0	0	0	3,182	88	0	2,150
Contract labor and material	3,000	3,000	0	0	114,681	36,488	23,127	0	174,296
Engineering fees	4,188	4,188	0	16,832	0	0	0	0	21,020
Audit fees	3,888	3,888	0	0	0	788	2,888	0	6,564
Legal fees	78,188	78,188	0	0	1,113	28,688	6,782	0	106,589
Meeting compensation	1,880	1,880	0	0	0	878	0	0	2,758
Insurance expenses	8,585	8,585	0	0	0	0	0	0	17,170
Vehicle fees	8,338	8,338	0	0	0	0	0	0	16,676
Interest Expenses	0	0	0	0	70,281	0	0	0	70,281
Other expenses	7,338	7,338	0	0	487	0	0	0	7,825
<b>Total Watermaster admin. expenses</b>	298,227	298,227	0	0	118,888	48,177	6,888	0	353,292
Administration expense transfer	0	0	0	0	0	0	0	0	0
Allocation of admin. expenses	(298,227)	(298,227)	0	0	388,325	(48,177)	0	0	240,148
<b>Total expenses</b>	0	0	0	65,570,439	664,327	9	38,888	0	66,613,663
<b>Net income (loss)</b>									
Retained earnings July 1, 1993				10,882	274,878	18,888	4,884	144	304,676
Transfer 88 222 reserves				(18,882)	284,884	338,878	4,881	2,113	630,627
Retained earnings June 30, 1994				\$178,188	\$277,184	\$511,788	\$0	\$1,888	\$968,868
	80	80	80	1,487,283	538,884	1,881,228	57,788	82,228	3,153,403

See accompanying independent auditor's report