

TWENTY FOURTH ANNUAL REPORT



Fiscal Year 2000-2001

Case No. RCV 51010

Chino Basin Municipal Water District
v.
City of Chino, ET.AL,

February 28, 2002

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TWENTY-FOURTH ANNUAL REPORT OF THE CHINO BASIN WATERMASTER

The Chino Basin Watermaster (Watermaster) was established under a Judgment entered in the Superior Court of the State of California for the County of San Bernardino, entitled "Chino Basin Municipal Water District v. City of Chino, et al.," (originally Case No. SCV 164327, the file was transferred in August 1989, by order of the Court and assigned new Case No. RCV 51010). The Honorable Judge Howard B. Wiener signed the Judgment on January 27, 1978. The effective date of this Judgment for accounting and operations was July 1, 1977.

The Twenty-Fourth Annual Report (July 1, 2000 – June 30, 2001) presents an overview of the Watermaster process including the Pool Committees, Advisory Committee, and Watermaster activities.

I. INTRODUCTION

Beginning in the early 1970's and continuing for several years, studies and discussions among concerned water producers resulted in the passage of a "Memorandum of Agreement on the Chino Basin Plan in 1974." In January 1975, Senator Ruben S. Ayala introduced Senate Bill 222 (SB 222) in the California Legislature. This bill authorized a production assessment levy of \$2.00 per acre-foot per year, for a period of three years. The funds were utilized to finance the final effort to develop a management plan for the Chino Groundwater Basin. The effort included conducting essential studies and negotiations for implementing the water management program. SB 222 was chaptered as a part of the Municipal Water District Law at Section 72140 of the California Water Code, approved by Governor Ronald Reagan and filed with the Secretary of State on June 28, 1975.

Engineering, legal, and other working subcommittees were formed to analyze and define specific problem areas. Socio economic, safe yield, and other studies were performed to provide the information necessary to reach an agreement regarding the allocation of producer water rights. Cost savings were achieved by terminating many of the studies as soon as the necessary information was compiled in draft form.

Three groups represented the majority of producer interests. These groups became active early in the negotiations under SB 222. The groups formalized into pool committees and became known as the:

- Overlying (Agricultural) Pool - representing dairymen and farmers (including minimal producers) and the State of California;
- Overlying (Non-Agricultural) Pool - representing industries; and
- Appropriative Pool - representing cities, water districts, and water companies.

Representatives of the three pool committees, acting together, became known as the Watermaster "Advisory Committee." The Advisory Committee was established as the policy setting body and charged with the oversight of Watermaster's discretionary activities. Members of each of the three pool committees met regularly to transact the business concerns of their respective pools. Each pool committee acted upon decisions affecting more than one pool and recommendations were then forwarded to the Watermaster Advisory Committee.

On February 19, 1998, the court appointed a new nine-member Watermaster Board at the request of the Advisory Committee and ordered development and implementation of an Optimum Basin Management Program (OBMP). Progress on development and implementation of the OBMP is being reported on in the annual reports and in status reports submitted to the Court and the parties.

As part of implementing the OBMP, a "Peace Agreement" was approved through the Watermaster process on June 29, 2000. Additionally, an Optimum Basin Management Program Final Program Environmental Impact Report (PEIR) was prepared and certified by Inland Empire Utilities Agency as the lead agency on July 12, 2000. These documents were submitted to the Court for hearing on July 13, 2000. The Court approved the Peace Agreement and received and filed the PEIR.

The Peace Agreement is a very important document in the history of Watermaster. For a minimum 30-year period, it establishes the framework under which certain components of the OBMP will be implemented. It was developed to augment the Judgment with regard to the OBMP implementation. It was executed by all major parties to the Judgment and each of the Pools. The Watermaster adopted Resolution No. 2000-05 on June 29, 2000 approving the Peace Agreement as shown in Appendix O. It is established for an initial 30-year period and could be renewed for an additional 30-year period pursuant to the Peace Agreement.

As a result of the Peace Agreement, Watermaster is entering the 21st century with new operating goals and guidelines. The resulting activities will continue to be summarized in the annual reports and in status reports to the Court.

During this fiscal year, Watermaster approved the addition of the position of Chief Executive Officer and a budget revision for related expenditures. The firm of Ralph Anderson & Associates was hired to conduct an executive search. On May 23, 2001, several selected applicants from an initial list of 34 potential candidates were interviewed. On May 30, 2001, the Watermaster announced the appointment of John V. Rossi as its first Chief Executive Officer.

Mr. Rossi has over 20 years of experience in the water industry in the areas of finance, operations, and administration. Mr. Rossi reported to work on July 2, 2001.

The Judgment establishes a method to determine the voting power of each of the producers on the pool committees. The method was based on a formula of assessments paid by the producers in the prior year and their allocated safe yield.

Approximately 5 percent of the Chino Groundwater Basin (Basin) is located in Los Angeles County, which is included in the Three Valleys Municipal Water District (TVMWD) service area. Approximately 15 percent of the Basin is in Riverside County, which is included in the Western Municipal Water District (WMWD) service area. Approximately 80 percent of the Basin is located in the west-end of San Bernardino County, which is included in the Inland Empire Utilities Agency (IEUA) service area. Because of their overlying service areas, these three municipal water districts, and the Chino Basin Water Conservation District (CBWCD), were provided the opportunity to participate in the initial negotiations. They are listed in Exhibit C of the Judgment as Non-Producer Water Districts.

The current and historical annual water production by pools is provided in Appendix B.

II. WATERMASTER

At the annual meeting held January 25, 2001 the Watermaster Board selected officers and installed new members in accordance with the rotation schedule filed in September 2000, with the Court. Members and officers designated to serve on the Watermaster Board during calendar year 2001 are shown below:

Overlying (Agricultural) Pool Representatives

Regular:	Paul Hofer	Crops
Regular:	Geoffrey Vanden Heuvel	Dairy

Non-Overlying (Agricultural) Pool Representative

Regular:	Steve Arbelbide	California Steel Industries, Inc.
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Appropriative Pool Representatives

Regular:	Robert Neufeld, Chairman	Cucamonga County Water District
Alternate:	Jerome Wilson	
Regular:	Michael McGraw	Fontana Water Company
Alternate:	Robert W. Nicholson	
Regular:	Josephine Johnson, Secretary/Treasurer	Monte Vista Water District
Alternate:	Robb Quincey	

Municipal Water District Representatives

Regular:	Terry Catlin, Vice-Chairman	Inland Empire Utilities Agency
Alternate:	John L. Anderson	

Regular: David DeJesus
Alternate: Fred Lantz

Three Valleys Municipal Water District

Regular: Donald Schroeder
Alternate: Donald Harriger

Western Municipal Water District

During fiscal year 2000-01, the Watermaster Board held 15 regular meetings and 2 joint meetings with the Advisory Committee.

III. ADVISORY AND POOL COMMITTEES

During fiscal year 2000-01 action was taken by the Pool Committees and the Advisory Committee to change their annual meeting dates to occur in January. In addition, the terms of office were changed from fiscal year to calendar year.

A. Overlying (Agricultural) Pool

The Annual Meeting was held on January 25, 2001 and resulted in the following members being selected to serve as officers during calendar year 2001:

Chairman:	Robert DeBerard, Crops
Vice-Chairman:	Dana Oldenkamp, Dairy
Secretary:	Traci Stewart, Chief of Watermaster Services
Treasurer:	Karen Williams, Accountant/Office Manager

Note: Alice W. Lichti replaced Karen Williams during the fiscal year.

The members designated to administer the Pool Committee's activities and serve as representatives on the Watermaster Advisory Committee are shown in Appendices A-1 and A-4. It has become the practice of the Pool Committee to designate regular and alternate members as pool representatives to insure a quorum for the Overlying (Agricultural) Pool meetings and adequate participation at Advisory Committee meetings.

During fiscal year 2000-01, 9 regular meetings and 10 Joint Pool and Advisory Committee meetings were held to act on matters affecting the members of this pool and to discuss actions to be forwarded by the Advisory Committee to the Watermaster Board. By an action taken on March 17, 1988, any Overlying (Agricultural) Pool Committee member attending an Appropriative Pool meeting is compensated for attendance.

At their meeting held December 12, 2000, the Overlying (Agricultural) Pool took unanimous action to increase their meeting attendance compensation. In order to avoid impacting the Watermaster budget or the need to change the Judgment, it was determined that the difference between the amount of \$25.00 per meeting with an annual cap of \$300.00 per year to \$125.00 per meeting would be funded from the interest earned on the Overlying (Agricultural) Pool Reserve account.

B. Overlying (Non-Agricultural) Pool

The Annual Meeting was held on January 25, 2001 and resulted in the following members being selected to serve as officers and Advisory Committee representatives during calendar year 2001.

Chairman:	Steve Arbelbide, California Steel Industries, Incorporated
Vice-Chairman:	Victor Barrion, Reliant Energy, Etiwanda, LLC
Secretary:	Traci Stewart, Chief of Watermaster Services
Treasurer:	Karen Williams, Accountant/Office Manager

Note: Alice W. Lichti replaced Karen Williams during the fiscal year.

Representatives as shown below were designated to serve on the Watermaster Advisory Committee during calendar year 2001. A complete list of member entities and their designated representatives on Pool Committees and the Advisory Committee is included in Appendices A-2 and A-4.

Steve Arbelbide	California Steel Industries, Incorporated
Victor Barrion	Reliant Energy, Etiwanda LLC
Mike Del Santo	CCG Ontario, LLC (Catellus)

During fiscal year 2000-01, 9 regular meetings and 10 Joint Pools and Advisory Committee meetings were held to act on matters affecting the members of this pool and to discuss actions to be forwarded by the Advisory Committee to the Watermaster Board. It has been the practice of this pool committee to waive compensation for meeting attendance.

C. Appropriative Pool

The Annual Meeting was held on January 25, 2001 and resulted in the following members being selected to serve as officers during calendar year 2001:

Chairman:	Ken Jeske, City of Ontario
Vice-Chairman:	Dave Crosley, City of Chino
Secretary:	Traci Stewart, Chief of Watermaster Services
Treasurer:	Karen Williams, Accountant/Office Manager

Note: Alice W. Lichti replaced Karen Williams during the fiscal year.

During fiscal year 2000-01, 8 regular meetings and 10 Joint Pools and Advisory Committee meetings were held to act on matters affecting the members of this pool and to discuss actions to be forwarded by the Watermaster Advisory Committee to the Watermaster Board. A complete list of member entities and their designated representatives are included as Appendices A-3 and A-4.

D. Advisory Committee

The Annual Meeting was held jointly with the Pools on January 25, 2001. As a result, the following members were selected to represent their pools on the Advisory Committee for calendar year 2001:

Chairman	Dana Oldenkamp, Overlying (Agricultural) Pool
1st Vice-Chairman	Vic Barrion, Non-Overlying (Agricultural) Pool
2nd Vice-Chairman	Ken Jeske, Appropriative Pool
Secretary	Traci Stewart, Chief of Watermaster Services
Treasurer	Karen Williams, Accountant/Office Manager

Note: Alice W. Lichti replaced Karen Williams during fiscal the year.

A complete list of Advisory Committee members is included in Appendix A-4.

During fiscal year 2000-01, 4 Advisory Committee meetings, 10 Joint Pools and Advisory Committee meetings and 2 Joint Watermaster Board and Advisory Committee meetings were held to act on matters affecting the pools and to discuss actions to be forwarded by the Advisory Committee to the Watermaster Board.

E. Court Hearings

During the fiscal year 2000-01, several hearings were held related to implementation of the Optimum Basin Management Program, the appointment of Watermaster, Judgment revisions and Watermaster Rules and Regulations. Hearings were held as follows with the Honorable Judge J. Michael Gunn presiding:

<u>Hearing Date</u>	<u>Primary Subject Matter</u>
July 13, 2000	Peace Agreement and OBMP Implementation Plan, & Receive & File OBMP Final PEIR
September 28, 2000	Appointment of Nine-Member Watermaster Board for a five-year term & status report regarding Peace Agreement approval
February 1, 2001	Progress Report on OBMP (desalter) implementation
April 19, 2001	OBMP Status Report No. 1, Judgment Amendments, 23 rd Annual Report, Watermaster Rules and Regulations

F. Special Ad Hoc Committees and Workshops

During fiscal year 2000-01, special ad hoc meetings and formal workshops were held as indicated below:

- 1 Budget Workshop
- 2 Rules and Regulations Workshops
- 1 Special Referee Workshop

Many informal meetings were held to facilitate OBMP implementation and develop new Watermaster Rules and Regulations.

Any interested party may review information regarding meetings and workshops, as available, by contacting the Watermaster business office, 8632 Archibald Avenue, Suite 109, Rancho Cucamonga, CA 91730. All requests must be in writing and are accepted via e-mail, regular mail or facsimile.

IV. ADMINISTRATION OF THE JUDGMENT

A. Watermaster Insurance Coverage

Chino Basin Watermaster insurance coverage was obtained from Kemper Insurance through Inland Counties Insurance Services Inc. Coverage includes a Business Liability Package, Auto Liability Package, and Public Officials Liability.

B. Unqualified Audit Opinion, Annual Audit Report, and Expense Reimbursement

For the fiscal year 2000-01, Conrad & Associates submitted an Unqualified Audit Opinion and Audit Report to the Chino Basin Watermaster, which is included in Appendix K. Watermaster Board direct expense reimbursements totaled \$1,030.45 for fiscal year 2000-01. There were no single direct expense reimbursements greater than \$250.16, which was for airfare, related parking and transportation to a meeting in Sacramento.

C. Engineering Services

During Fiscal year 2000-01, Wildermuth Environmental, Inc. continued to assist the Watermaster Board, the Advisory Committee, and the Pool Committees. In addition, the services of the firm of Black & Veatch, Inc, were continued. For a summary of the activities and tasks please refer to the sections entitled OBMP and Special Projects in this annual report.

1. Laboratory Services

Laboratory Services for the Water Quality Monitoring Program were secured through MWH Laboratories (formerly Montgomery Watson Laboratories).

D. Legal Services

The Watermaster Board continued its General Legal Counsel services through the firm of Hatch & Parent. Hatch & Parent also represented Chino Basin Watermaster and IEUA on the Markot case. The Advisory Committee was not represented by specific legal counsel as a collective party, but individual members utilized their own

legal counsel, as they deemed necessary. The firm of Reid & Hellyer continued to serve as Special Counsel to the Overlying (Agricultural) Pool during the fiscal year.

E. Assessments

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 that pool. Costs per acre-foot vary among the pools based upon their respective total budgets for pool administration and total production during the previous production period. Costs to replace any water extracted in excess of each respective pool's share of operating safe yield are recovered by the application of the following replenishment assessment formulas:

1. Overlying (Agricultural) Pool

The Overlying (Agricultural) Pool pays assessments on a gross basis; such that the total cost of the replenishment water plus the estimated associated spreading costs are divided equally on each acre-foot of water produced during the previous production year. One member of this pool, Los Serranos Country Club (Los Serranos), was also assigned to the Appropriative Pool. Under this special arrangement, Los Serranos is assessed as an appropriator on the portion of its production (65%) that serves an area outside the Chino Groundwater Basin's adjudicated boundary. Los Serranos pays a 100% net replenishment assessment on this portion of its production.

By action taken at the Appropriative Pool Committee meeting on June 7, 1988, the Appropriative Pool assumes the administrative and special project costs of the Overlying (Agricultural) Pool. In exchange, it was agreed to accelerate the reallocation or transfer of all un-pumped agricultural water to the Appropriative Pool from once every five years to each fiscal year. The action became effective during fiscal year 1987-88 and has been continued each year thereafter until the Peace Agreement was reached.

Pursuant to the Peace Agreement, Paragraph 5.4 (a) all expenses of the Overlying (Agricultural) Pool, including those of the Overlying (Agricultural) Pool Committee, shall be paid by the Appropriative Pool.

Assessments were levied for fiscal year 2000-01 in two increments, on September 28, 2000 and January 30, 2001. The administrative and special projects assessments levied against the Overlying (Agricultural) Pool for the first six months of fiscal year 2000-01 was \$651,661. The Appropriative Pool members were assessed \$8.8467 (\$3.7355 for general administration and special projects and \$5.112 for the OBMP) per acre-foot for each acre-foot of water reallocated to them. The unit cost of the reallocated water was calculated

as \$651,661 divided by the total number of acre-feet to be reallocated during the fiscal year, which were 73,661.552 acre-feet.

The administrative and special projects assessments levied against the Overlying (Agricultural) Pool for the second six months of fiscal year 2000-01 was \$685,212. The Appropriative Pool members were assessed \$9.3022 (\$4.0783 for general administration and special projects and \$5.2239 for the OBMP) per acre-foot for each acre-foot of water reallocated to them. The unit cost of the reallocated water was calculated as \$685,212 divided by the total number of acre-feet to be reallocated during the fiscal year in the amount of 73,661.552 acre-feet. Therefore, the total amount of administrative and special projects assessments levied against the Overlying (Agricultural) Pool for fiscal year 2000-01 was \$1,336,873.

The Overlying (Agricultural) Pool interest earning account balance totaled \$467,193 as of June 30, 2001.

2. The Overlying (Non-Agricultural) Pool

Assessments for this pool are based on a net replenishment formula. This formula applies the current cost of replenishment water plus the estimated spreading costs to each acre-foot of water produced in excess of a producer's share of safe yield.

The fiscal year 2000-01 budgeted administrative and special projects assessment for the Overlying (Non-Agricultural) Pool totaled \$310,924. The assessments were levied in two increments on September 28, 2000 and January 30, 2001. The first six months assessment totaled \$86,598. It was calculated at \$11.1018 per acre-foot (\$2.6248 for general administration and special projects and \$8.47 for the OBMP) per acre-foot. The second six months assessment totaled \$114,183. It was calculated at \$14.6876 per acre-foot (\$6.0240 for general administration and special projects and \$8.6636 for the OBMP). Replenishment costs totaled \$110,143 and were assessed at \$242 per acre-foot of water overproduced (\$233 plus \$5 per acre foot for IEUA's administrative fee and \$4 per acre-foot of projected water spreading cost).

3. The Appropriative Pool

The fiscal year 2000-01 Appropriative Pool replenishment costs were assessed at \$242 per acre-foot of water overproduced (\$233 plus \$5 per acre foot for IEUA's administrative fee and \$4 per acre-foot of projected water spreading cost). The following members, if they overproduce, pay replenishment assessments on a 100% net basis (\$242 per acre-foot).

- Arrowhead Mountain Spring Water Company;

- Los Serranos Country Club;
- Marygold Mutual Water Company;
- Metropolitan Water District of Southern California (MWDSC); and
- City of Pomona

The total replenishment assessments for the appropriators listed above was \$27,813.

The City of Norco pays replenishment on a net basis for any replenishment obligation in excess of 1,567,000 acre-feet. Any replenishment necessary by the City of Norco up to the 1,567,000 acre-feet is assessed under the 85/15 formula as set forth in the following paragraphs. If the City of Norco overproduces less than 1,567 acre-feet per year they are assessed under the 85/15 formula. The City of Norco did not overproduce during the fiscal year and did not incur a replenishment obligation.

The remaining Appropriative Pool members are assessed under the 85/15 formula. This formula assesses the total cost of replenishment water in two ways:

- Eighty-five percent (85%) on a net basis, on each acre-foot of production over a producer's share of the operating safe yield; and
- Fifteen percent (15%) on a gross basis, uniformly among all producers on each acre-foot produced.

In fiscal year 2000-01, the Appropriative Pool members who participated in the 85/15 formula were assessed \$0.0033 per acre-foot for the gross 15% assessment and \$205.70 per acre-foot for the 85% net assessment, respectively. The total replenishment assessments levied for the 85/15 producers was \$2,363. This amount does not include the assessment adjustments made according to the 85/15 formula for the pre-purchase of replenishment water to offset production during the fiscal year.

The Appropriative Pool fiscal year 2000-01 budgeted administrative and special projects assessments totaled \$3,142,154 not including the assessments paid on behalf of the Agricultural Pool totaling \$1,336,873. The assessments were levied in two increments on September 28, 2000 and January 30, 2001, as follows:

	<u>Gen & Admin</u>	<u>OBMP</u>	<u>Total</u>	<u>Ag Reallocation</u>	<u>Total</u>
1 st 6 mos.	305,586	1,080,622	1,386,208	651,661	2,037,869
2 nd 6 mos.	658,361	1,097,585	1,755,946	685,212	2,441,158
Total	963,947	2,178,207	3,142,154	1,336,873	4,479,027

The first six months assessments were calculated at \$10.877 per acre-foot (\$2.3980 for general administration and special projects and \$8.4797 for the OBMP). The second six months assessments were calculated at \$13.87 per acre-foot (\$5.1985 for general administration and special projects and \$8.6666 for the OBMP).

Other imported supplies utilized by the Appropriative Pool in fiscal year 2000-01 are summarized in Appendices E-1, E-2, and F. Current historic total water consumption is shown in Appendix G of this annual report.

F. Fiscal Year 2001-02 Watermaster Budget

A summary of the fiscal year 2001-02 Revised Watermaster Budget as shown on page one of the Watermaster Assessments for fiscal year 2001-02 is included as Appendix C. The Watermaster Board approved the Watermaster budget May 24, 2001. A revised budget was approved on December 13, 2001.

G. Special Projects

New special projects are initiated by separate task orders (either verbal or written, as a result of committee actions) and approved by the Pool Committees, the Advisory Committee, and the Watermaster Board. Special projects as stated in the Judgment shall consist of special engineering, economic or other studies, litigation expense, meter testing, or other major operating expenses. Additional special project funds are designated and budgeted as required to carry out the OBMP. The following new or ongoing special projects described below were approved for fiscal year 2001-02.

1. The Optimum Basin Management Program - Administration of Program

This task includes general engineering services requested by Watermaster to support implementation of the OBMP; legal services of the Special Referee; and Watermaster's legal services. The services requested by Watermaster under this special project are generally ad hoc requests. The current budget request includes completion of the Hydraulic Control Study requested by the Santa Ana Regional Water Quality Control Board (SARWQCB) and participation in the TIN/TDS process.

2. Program Element 1 – Monitoring

Program Element 1 – Monitoring is comprised of several sub-elements or tasks as follows:

a. Program Element 1 – Production Monitoring

This task includes time and resources necessary to collect and process production information on agricultural wells in the Chino Basin; processing of water use and disposal forms; and the entry of data into Watermaster's production monitoring database.

b. Program Element 1 - In-line Meter Installation

This task includes either the installation of new totalizing meters on un-metered agricultural wells or the testing, calibration and repair, if feasible, of existing totalizing meters on agricultural wells.

During fiscal year 2000-01, Watermaster contracted with two vendors (Pump Check and Wheeler Meter Maintenance) to test, calibrate, and repair or replace existing meters and to install meters on un-metered agricultural wells in the Chino Basin. The project is scheduled for completion by the end of fiscal year 2002-03.

c. Program Element 1 - Groundwater Quality Monitoring Program

Program Element 1 includes a comprehensive groundwater quality monitoring program that began in July 1999. The program included collecting a minimum of one sample from every operating agricultural well, collecting all groundwater quality data that is available from municipal and industrial supply wells and from monitoring wells used in special studies and regulatory actions. The initial groundwater quality-monitoring program was scheduled for completion at the end of June 2002, but was accelerated and was completed by the close of fiscal year 2000-01, one year early.

In March 1998 it was determined that OBMP Program Element 1 - Chino Basin Water Quality Monitoring Program was eligible for partial funding through the California SWRCB under Section 205(j) of the Federal Clean Water Act. All 205(j) project contracts require a minimum 25% match with non-federal funds. On April 17, 1998 the grant application for 205(j) funds was submitted to the SWRCB for this program. On March 5, 1999 Watermaster received notification that funding in the amount of \$84,375 for this project would be awarded. Watermaster approved a Resolution on April 19, 2001 (see Appendix Y) authorizing execution of a contract with the SWRCB for a 205(j) Water Quality Planning Grant for the Chino Basin Water Quality Monitoring Program and Scope of Work. Funding from the 205(j) grant program will be used to partially offset the cost for the necessary water quality and water level monitoring at approximately 200 wells located in the agricultural area of Chino Basin within the capture zone of Chino Desalters 1 and 2. The 205(j) program will occur during fiscal year 2001-02.

d. Program Element 1 - Groundwater Level Monitoring Program

Program Element 1 includes a comprehensive groundwater level monitoring program. Watermaster began this program prior to approval of the Peace Agreement. The groundwater level monitoring program consists of two complementary efforts – a semiannual comprehensive groundwater level

program generally covering the area of the Chino Basin south of the 60 freeway, and more frequent groundwater level program focused in the areas of the existing and proposed desalter well fields. Watermaster staff conducted the Spring 2001 comprehensive groundwater level program and completed the data collection portion of the program in May 2001. This portion of the program is being revised to provide additional information based on the initial information collected and the programs being implemented.

The desalter groundwater level monitoring program was developed to provide baseline and with-desalter groundwater level information to determine desalter impacts on nearby wells and to develop information on the aquifer properties in these areas. This program is ongoing and will continue into the future. IEUA reimbursed Watermaster for a portion of the costs associated with collection of this information.

e. Program Element 1 – SAR Surface Water Quality Monitoring

Program Element 1 includes a surface water quality-monitoring program. This task includes continuation of the current program of measuring water quality at recharge and flood retention basins and the development of a monitoring program for the Santa Ana River and its Chino Basin tributaries.

Since fiscal year 1997-98 Watermaster staff has been obtaining water quality samples through the late fall, winter, and spring, of storm and nuisance water in recharge basins. The data will be reviewed and the sampling and analysis plan revised for the fiscal year 2001-02 program.

f. Program Element 1 - Surface Water Discharge and Recharge Monitoring

Program Element 1 includes a surface water discharge and recharge-monitoring program. As part of the implementation of the Recharge Master Plan water level sensors will be installed in all recharge and retention basins that contribute significant recharge to the Chino Basin. Up to sixteen new water level sensors may be required. The task for this fiscal year originally included selecting up to three basins to install water level sensors, preparation of plans and specifications, bidding on installation, and the installation of the sensors. With the completion of the Recharge Master Plan and its planned implementation, these activities were moved forward to fiscal year 2001-02.

g. Program Element 1 – Ground Level Monitoring Program

Program Element 1 includes a ground level monitoring program. Watermaster is interested in determining if, and how much, subsidence has occurred in the Basin and in monitoring the effectiveness of the OBMP in managing subsidence.

Synthetic aperture radar (SAR) covering a portion of Chino Basin for the years 1992, 1994, 1996, 1998 and 2000 was used by Watermaster to research changes in benchmark data for the Chino Basin. The initial analysis was completed in May 2001 and a ground level survey plan has been developed for implementation during fiscal year 2001-02 primarily covering the southern end of Management Zone 1 (MZ1).

Watermaster staff has been working on siting up to two extensometers in the southwest Chino Basin. Potential locations are being reviewed and plans and specifications are being developed for the extensometers based on existing information and research. Siting(s) should be completed and the plans and specifications prepared early in the next fiscal year. It is anticipated the extensometer(s) will be installed and operating by the end of fiscal year 2001-02.

3. Program Element 2 – Comprehensive Recharge Program – Phase 2

Watermaster completed a draft of the Recharge Master Plan Phase 2 Report prior to the end of the fiscal year. This task was accelerated in order to utilize funds from Proposition 13.

A coordinated effort to develop and implement high priority recharge projects that were identified in the Recharge Master Plan was begun among the Watermaster, IEUA, San Bernardino County Flood Control District (SBCFCD) and the Chino Basin Water Conservation District (CBWCD) in the latter part of the fiscal year and is continuing into the next fiscal year. The CEQA work was initiated and construction is anticipated to begin prior to the end of fiscal year 2001-02.

Completion dates will vary for each of the projects, but all projects to recharge stormwater and imported water are anticipated to be completed by June 30, 2003.

4. Program Element 3 – Develop and Implement Water Supply Plan for the Impaired Areas of the Basin, and; Program Element 5 – Develop and Implement Regional Supplemental Water Program

Watermaster is cooperating with SAWPA, IEUA, OCWD, WMWD and Basin producers to expand the Chino Desalter I and to construct Chino Desalter 2 as integral parts of the Integrated Chino/Arlington Desalination System (ICADS). The work in this task includes engineering services for technical and financial review of SAWPA consultants work products for consistency with the OBMP and other Watermaster interests.

For the design and construction of the Desalter 1 expansion, the engineering consultants originally retained by SAWPA's Project Committee 14 were tasked with preparing well siting investigations and preparing preliminary designs for raw water.

Work began toward the end of the fiscal year to form a Desalter Authority that continues into the next fiscal year.

5. Program Element 4 - Management Zone Management Strategies

During fiscal year 2000-01 representatives from the cities of Chino and Chino Hills continued discussions regarding the potential for subsidence and ground fissuring within MZ1. The management concepts that were discussed include reducing deep zone production and a cooperative effort to develop replacement supplies. The goal is to develop an interim management strategy in fiscal year 2001-02.

With regard to MZ3 (and IEUA's RP3) a stakeholder group met to discuss initial management strategies during the fiscal year. The OBMP investigations suggest that additional supplemental recharge capacity may be needed to balance recharge and discharge in the area. The group began discussing a long-term recharge program that is mindful of the potential for adverse water quality impacts to wells in the zone that may be exacerbated in the short term by recharge. This work will continue into the next fiscal year.

6. Program Element 6 – Develop and Implement Cooperative Programs with the Regional Board and Other Agencies to Improve Basin Management, and Program Element 7 – Develop and Implement Salt Management Program

Watermaster will continue activities to improve water quality management and analyze the effectiveness of the OBMP in managing water quality. The work in this task includes completion of an initial salt budget for the basin and initiation of periodic meetings with the Regional Water Quality Control Board (RWQCB).

During the fiscal year, Watermaster staff met with the RWQCB staff regarding the MZ3/RP3 management strategy. Additional meetings were held to brief the RWQCB staff on water quality evaluation being prepared by Watermaster staff. Watermaster staff reviews Regional Board files to obtain groundwater level and quality data in fulfillment of the goals of Program Element 1.

With regard to the salt budget, Watermaster staff developed an estimate of the salt budget for the Chino Basin and completed the initial evaluation during the fiscal year.

7. Program Element 8 – Develop and Implement Groundwater Storage Management Program, and Program Element 9 – Develop and Implement Conjunctive Use Programs.

Watermaster completed a draft of the Watermaster Rules and Regulations that provided some specific criteria with regard to local storage. The Rules and Regulations were forwarded to the Court in March 2001 and approved subsequent to the end of the fiscal year. Pursuant to this criteria and the Peace Agreement 93,862.161 acre-feet of water held in local storage was quantified as supplemental water on May 24, 2001.

Additionally, Watermaster developed and distributed an RFP for a large sale Storage and Recovery Program in the Chino Basin. The proposals are to be received in September 2001. Development of a Storage and Recovery Program will be an intensive effort beginning in fiscal year 2001-02, pursuant to the Peace Agreement. It is envisioned that the Storage and Recovery Program will provide broad benefit to Chino Basin parties and help them implement the OBMP.

For additional OBMP information, please contact the Watermaster office or visit the Watermaster website at www.cbwm.org.

H. Mailing Lists

Mailing lists of the active parties are updated on a routine basis through the use of the United States Post Services (USPS) "Address Correction Requested Service," whereby any address change reported to the USPS is provided to Watermaster after each mailing. Databases are updated upon receipt of notice from the USPS and from other sources of address change. A current listing of active parties is available for review upon request.

I. New Party Interventions

New Party Interventions are accumulated on a regular basis as land ownership changes or new parties begin production. Parties who no longer own property with water production facilities are considered inactive and are accounted for as such. New party interventions processed in fiscal year 2000-01 are shown below.

- Overlying (Agricultural) Pool - None
- Overlying (Non-Agricultural) Pool
 - Loving Savior of the Hills Lutheran Church
 - CCG Ontario, LLC. (Catellus)
- Appropriative Pool - None

J. Redetermination of the Chino Groundwater Basin's Operating Safe Yield

The Chino Basin Watermaster ended its Program ended its 24th year of operation under the Judgment on June 30, 2001. June 30, 1982 marked the first date when redetermination of the Chino Groundwater Basin's operating safe yield could be considered. No changes were recommended in fiscal year 2000-01.

Pursuant to the Judgment, Exhibit I, Page 80, Paragraph 2b, the operating safe yield of the Basin shall not be changed upon less than five years notice by Watermaster. Pursuant to this provision of the Judgment, Watermaster hereby posts its seventeenth "Notice of Intent to Change the Safe Yield in the Chino Groundwater Basin" as shown in Appendix J.

V. RESOURCES MANAGEMENT

A. Quarterly Accounting of Water Production

Quarterly production reporting forms are mailed to users of active wells in the Chino Groundwater Basin. The Overlying (Agricultural) Pool's quarterly production is compiled from meter readings taken on wells equipped with water measuring devices or by a water duty method if the well currently has no meter. The water duty method relates the number of acres of crops grown or the number of animals maintained, to water use in acre-feet.

B. San Bernardino County Flood Control District (SBCFCD)

During fiscal year 2000-01 the cooperative relationship between the SBCFCD and the Watermaster continued. The SBCFCD continued to participate in Watermaster activities through an assigned representative who regularly attended and participated at the Pool, Advisory Committee, Watermaster Board, and OBMP related meeting and workshops.

Supplemental water deliveries and spreading activities that resulted from the cooperative efforts of the SBCFCD, CBWCD and Watermaster to spread the 6500.000 acre-feet of water in MZ1 pursuant to the Peace Agreement are summarized in Appendices E1 and E2.

C. Cyclic Storage Agreement

Please refer to Appendix E-1 for a summary of the MWDSC deliveries to the Basin and Appendix E-2 for a summary of the cyclic storage account activity during fiscal year 2000-01.

D. Stringfellow Acid Pits

In November 1985, Watermaster petitioned the Court and was granted an exemption to allow a maximum of 300.000 acre-feet of water per year to be exported from the Stringfellow Acid Pits without incurring a replenishment obligation. In fiscal year 2000-01, 99.880 acre-feet of contaminated groundwater was exported from the Chino Basin, bringing the total to 760.057 acre-feet as of June 30, 2001. The State of California, Department of Toxic Substances Control assumes direct responsibility for the Stringfellow program.

E. Local Water in Storage for Recapture/Sales/Transfers

Water transactions among the Appropriative and Overlying (Non-Agricultural) Pool members during fiscal year 2000-01 are summarized in Appendix I. Recaptures from storage included in the Appropriative Pool totaled 20,453.85 acre-feet including 7,989.000 acre-feet for the Desalter from the Watermaster Desalter account and 1,039.731 acre-feet in the Overlying (Non-Agricultural) Pool. A summary is shown in Appendix I.

F. Assignment

Pursuant to the Peace Agreement, Paragraphs 4.4 (a) and (b) and 5.3 (i) assignments totaling 3,676.096 occurred during fiscal year 2000-01 as shown in Appendix I)."

G. Storage Agreements

Pursuant to the Peace Agreement and the Rules and Regulations, 93,862.143 acre-feet of water in storage was quantified as supplemental water in local storage accounts. In addition, 6,500 acre-feet of imported water is being purchased annually for five years by the Appropriators based on their percentage of safe yield. The water is being recharged at the CBWCD's Montclair Basins. A summary of individual storage accounts is shown in Appendix H-1 and H-2.

H. AB970 Peak Load Reduction Grant Award

In April 2001 the California Energy Commission awarded Watermaster a Peak Load Reduction Grant Award in the amount of \$606,483 for projects that were identified under the OBMP that will help to reduce demand for electricity during peak times of the day. These projects qualify because they either include new motors or pumps that run more efficiently "on peak" or they shift the demand to "off" peak times.

Watermaster subsequently took action to dedicate the grant funding for those specific entities that had submitted projects for funding (IEUA, City of Ontario, and MVWD).

I. Desalter Operation

The Chino 1 Desalter became operational during the fiscal year and produced 7,989 acre-feet of water. Based on analysis by Wildermuth Environmental, new yield of approximately 50% of the desalter production (3,994.5 acre-feet) was developed by the capture of rising water and induced recharge.

J. New Yield

See above regarding new yield developed by desalter operations. No new yield was developed from management activities to capture storm water runoff during the fiscal year.

K. Santa Ana River Accord and Watermaster State Water Resources Control Board (SWRCB) Application and Petition

In October 2000, several of the Chino Basin parties entered into an agreement with the Orange County Water District (OCWD), commonly known as the Santa Ana River Accord, that allows for the resolution of protests filed by the Chino Basin

parties to a water rights application filed by OCWD with the SWRCB. Pursuant to this agreement, the Chino Basin Watermaster, on behalf of the parties to the Chino Basin Judgment, filed its own application with the SWRCB regarding the use of surface flows in the Chino Basin as a component of the OBMP. This application was filed in September 2000. As a part of the processing of this application, Watermaster was subsequently required to file a petition for a limited revision of the declaration of fully appropriated stream status of the Santa Ana River. This petition was filed with the SWRCB in December 2000. As of June 30, 2001 the SWRCB had not taken formal action on the Watermaster petition. Under the Santa Ana River Accord Watermaster is committed to provide certain technical information concerning conditions in the Chino Basin to OCWD. This information was provided to OCWD in the latter part of calendar year 2001.

L. Initial State of the Basin Report

The Initial State of the Basin Report was prepared by Wildermuth Environmental, Inc. and is being submitted concurrently with the 24th Annual Report. It is on file at the Watermaster office and is posted on the Watermaster website.

APPENDIX A-1

**OVERLYING (AGRICULTURAL) POOL COMMITTEE
CALENDAR YEAR 2001**

<u>Regular Members</u>	<u>Representing</u>
Robert DeBerard, Chairman	Crops
Robert Feenstra	Dairy
Jack Hagerman	State of California
Gene Koopman	Dairy
Ron La Brucherie	Dairy
Marilyn Levin	State of California
Carlos Lozano	State of California
Dana Oldenkamp, Vice-Chair	Dairy
Stan Owens	State of California
Jeff Pierson	Crops
<u>Alternates</u>	<u>Representing</u>
Jenny DeBoer	Dairy
Nathan deBoom	Dairy
Dick Dykstra	Dairy
Glen Durrington	Crops
Patsy Hamilton	State of California
Rob Kettle	State of California
Peter Van Haam	State of California
Mary Parente	Dairy
Robb Quincey	Dairy
Frank Warren	State of California

APPENDIX A-2

OVERLYING (NON-AGRICULTURAL) POOL COMMITTEE CALENDAR YEAR 2001

<u>Member Entity</u>	<u>Representative</u>
Ameron	Mark Ward
Angelica Rental Service	Eric Vaughn
California Steel Industries (CSI)	Steve Arbelbide, Chairman
Vulcan Materials Company (Calmat Division)	George Cosby
CCG Ontario, LLC (Catellus)	Mike Del Santo
General Electric Company	Mark Gage/David Thompson
Mobile Community Management (Swan Lake Mobile Home Park)	David Starnes
Praxair	Robert Thrash III
San Bernardino County Department of Airports	James Jenkins
Sunkist Growers Incorporated	David Cooper
Reliant Energy, Etiwanda LLC	Vic Barrion, Vice-Chair
Space Center Mira Loma	Michael Thies
California Speedway	Les Richter

APPENDIX A-3

APPROPRIATIVE POOL COMMITTEE CALENDAR YEAR 2001

<u>Member Entity</u>	<u>Representative</u>
Arrowhead Mountain Springs Water Company	Laura Coombs
Chino, City of	Dave Crosley, Vice-Chair
Chino Hills, City of	Mike Maestas
Cucamonga County Water District	Robert DeLoach
Fontana, City of	Curtis Aaron
Fontana Union Water Company	Gerald Black
Fontana Water Company	Jim Bryson
Inland Empire Utilities Agency	Rich Atwater
Jurupa Community Services District	Carole McGreevy
Los Serranos Country Club	Kevin Sullivan
Marygold Mutual Water Company	Bill Stafford
Monte Vista Irrigation Company	Mark Kinsey
Monte Vista Water District	Mark Kinsey
Norco, City of	Joe Schenk
Ontario, City of	Ken Jeske, Chairman
Pomona, City of	Henry Pepper
Department of Toxic Substances Control	Tej Pahwa
San Antonio Water Company	Ray Wellington
Santa Ana River Water Company	Arnold Rodriguez
San Bernardino, County of	Phil Krause
Southern California Water Company	Kyle Snay
Upland, City of	Jim Moody
West End Consolidated Water Company	Jim Moody
West San Bernardino County Water District	Anthony Araiza

APPENDIX A-4

WATERMASTER ADVISORY COMMITTEE CALENDAR YEAR 2001

Overlying (Agricultural) Pool

<u>Regular Member</u>	<u>Alternate Member</u>	<u>Affiliation</u>
Robert DeBerard	Glen Durrington	Crops
Robert Feenstra	Nathan deBoom	Dairy
Jack Hagerman	Patsy Hamilton	State
Gene Koopman	Jenny DeBoer	Dairy
Ron La Brucherie	Dick Dykstra	Dairy
Marilyn Levin	Peter Van Haam	State
Carlos Lozano	Rob Kettle	State
Dana Oldenkamp, Chair	Robb Quincey	Dairy
Stan Owens	Frank Warren	State
Jeff Pierson	Mary Parente	Crops

Overlying (Non-Agricultural) Pool

<u>Member Entity</u>	<u>Representative</u>
California Steel Industries	Steve Arbelbide
Reliant Energy, Etiwanda	Vic Barrion, 1 st Vice-Chair
CCG Ontario, LLC (Catellus)	Mike Del Santo

Appropriative Pool

<u>Member Entity</u>	<u>Representative</u>
City of Chino	Dave Crosley
City of Chino Hills	Mike Maestas
City of Ontario	Ken Jeske, 2 nd Vice-Chair
City of Pomona	Henry Pepper
City of Upland	Jim Moody
Cucamonga County Water District	Robert DeLoach
Fontana Union Water Company	Gerald Black
Fontana Water Company	Jim Bryson
Monte Vista Water District	Mark Kinsey
Jurupa Community Services District	Carole McGreevy
San Antonio Water Company	Ray Wellington
Santa Ana River Water Company	J. Arnold Rodriguez

APPENDIX B¹

GROUNDWATER 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 ²	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	55,543	2,415	134,870
85-86	80,859	52,061	3,193	136,113
86-87	84,662	59,847	2,559	147,068
87-88	91,579 ³	57,865	2,958	152,042
88-89	93,617 ⁴	46,762	3,619	143,998
89-90	101,344 ⁵	48,420	4,856	154,620
90-91	86,658 ⁶	48,085	5,407	140,150
91-92	91,982 ⁷	44,682	5,240	141,904
92-93	86,367 ⁸	44,092	5,464	135,923
93-94	80,798 ⁹	44,298	4,586	129,682
94-95	93,419 ¹⁰	55,022	4,327	152,768
95-96	101,606 ¹¹	43,639	5,424	150,669
96-97	110,163 ¹²	44,809	6,309	161,281
97-98	97,435 ¹³	43,345	4,955 ¹⁴	145,735
98-99	107,723	47,538	7,006	162,267
99-00	126,645	44,401	7,774	178,820
00-01	113,437 ¹⁵	39,954 ¹⁶	8,084	161,475

APPENDIX B (continued)
GROUNDWATER PRODUCTION BY POOL
NOTES

1. Assessed production or production reported in Annual Reports.
2. Includes 3,945 AF of mined water pumped by Edison as agent for IEUA.
3. Does not include 7,674.3 AF exchanged with MWDSC.
4. Does not include 6,423.6 AF exchanged with MWDSC.
5. Does not include 16,377.1 AF exchanged with MWDSC.
6. Does not include 14,929.1 AF exchanged with MWDSC.
7. Does not include 12,202.4 AF exchanged with MWDSC.
8. Does not include 13,657.3 AF exchanged with MWDSC.
9. Does not include 20,194.7 AF exchanged with MWDSC.
10. Does not include 4,221.9 AF exchanged with MWDSC.
11. Does not include 6,167.2 AF exchanged with MWDSC and reflects corrected production after accounting for reporting errors.
12. There were no MWDSC exchanges in FY 96-97 and reflects corrected production after accounting for reporting errors.
13. Does not include 4,275.4 AF exchanged with MWDSC.
14. Does not include 216.5 AF exchanged with MWDSC.
15. Reflects corrected production after accounting for reporting errors.
16. Does not include 7,989 AF desalter production or 99.8 AF Dept. of Toxic Substances Control (DTSC) production.

APPENDIX C
SUMMARY OF ADMINISTRATIVE AND REPLENISHMENT ASSESSMENT BUDGETS
FISCAL YEAR 2001-02

Final FY 01-02 Assessment
Based on Oct Revised Budget - FY 01/02
Adopted 12-13-01

		MEMO ONLY 2001/2002 BUDGET TOTALS	ASSESSMENT TOTALS (Acre-Feet)	APPROPRIATIVE POOL Amount (Acre-Feet)	Ratios & Rates (\$/Acre-Feet)	AGRICULTURAL POOL Amount (Acre-Feet)	Ratios & Rates (\$/Acre-Feet)	NON-AGRICULTURAL POOL Amount (Acre-Feet)	Ratios & Rates (\$/Acre-Feet)
PRODUCTION BASIS									
1999-00	Production & Exchanges in Acre-Feet		178,820,363	126,645,389	70.823%	44,400,900	24.830%	7,774,074	3.442%
2000-01	Production & Exchanges in Acre-Feet		161,475,520	113,437,270	70.251%	39,954,460	24.743%	8,083,790	5.006%
BUDGET									
				General Administration	OBMP	General Administration	OBMP	General Administration	OBMP
Administration, Advisory Committee & Watermaster Board (1)		\$1,065,600	\$1,065,600	\$748,595		\$263,661		\$53,344	
OBMP #6900 & #7000 series		3,595,579	3,595,579		\$2,525,931		\$889,654		\$179,995
Pool Administration #8300, #8400, #8500		128,858	128,858	24,138		92,735		11,985	
AG Pool Special Compensation #8470		14,200	14,200			14,200			
Expenses funded by General Admin & OBMP Assessments		4,804,237	4,804,237	772,733	2,525,931	370,596	889,654	65,329	179,995
Set-Aside for Reserves - General Admin		33%	398,858	255,002		122,297		21,559	
Set-Aside for Reserves - OBMP		15%	539,337		378,890		133,448		26,999
TOTAL 01/02 BUDGET & OPERATING RESERVE			5,742,432	1,027,735	2,904,821	492,893	1,023,102	86,888	206,994
Plus or (Minus)									
Contributions from Outside Agencies #4030 series		(146,437)	(146,437)		(102,873)		(36,233)		(7,331)
00/01 Appropriative Pool Interest Revenue		(114,514)	(114,514)	(27,972)	(86,542)				
CASH DEMAND for FY 2001/2002		4,543,286	5,481,481	999,763	2,715,406	492,893	986,869	86,888	199,663
Less: Funds on hand		(883,474)	(883,474)	(157,366)	(674,418)	(7,100)		(19,140)	(25,450)
FUNDS ASSESSED FY 2001/2002 OVER PRODUCTION		(\$4,598,007)	\$4,598,007	\$842,397	\$2,040,988	\$485,793	\$986,869	\$67,748	\$174,213
MEMO: Net increase due to Set-Asides for Reserves		(\$938,195)							
2001-02 Proposed Assessments									
General Administration Assessments			Per Acre-Foot	\$7.4261	\$17.9922			\$8.3807	\$21.5509
Minimum Assessments			Per Producer	5.0000				5.0000	
Water Reallocation Costs (Revenues) (3) 42,845,540 Acre-Feet			Per Acre-Foot			\$11.3382	\$23.0332		
2000/2001 Assessments (For Information Only)			Per Acre-Foot	\$7.5965	\$17.1463	\$7.8138	\$10.3351	\$8.6488	\$17.1406

Footnotes:

- (1) Total Costs have been allocated to Pools by actual production percentages.
- (2) Cash on Hand for Appropriative Pool is prior year June 30 Working Capital less interest revenue and less funds shown as Cash on Hand for the Appropriative Pool and Ag Pool for Carryover Projects.
Cash on Hand for Agricultural Pool is the balance of funds assessed in 99/00 for Special Projects carried over to 00/01.
Cash on Hand for Non-Ag Pool is June 30, 2001 Working Capital.
- (3) Appropriative Pool members have agreed to assume the Ag Pool's 2000-2001 administrative assessments in exchange for unpumped Ag water reallocated to the Appropriative Pool following the 98/99 production year.
(Per Minute action by the Appropriative Pool at their meeting of June 7, 1988.)
Costs have been allocated to each Appropriative Pool member based on its assigned share (percent) of Operating Safe Yield.

APPENDIX D

SUMMARY OF REALLOCATION OF UNPRODUCED OVERLYING (AGRICULTURAL) POOL SAFE YIELD FROM PRODUCTION YEAR 2000-01 FOR USE IN FISCAL YEAR 2001-02 (ACRE-FEET)

2000-01 Production Year

		Acre Feet			Acre Feet
<u>Agricultural Pool Production</u>			<u>Agric. Water Available for Reallocation</u>		
Agricultural Pool Annual Safe Yield		82,800.000			
2000-01	Less Early Transfer:	32,800.000	2000-01	Early Transfer	32,800.000
2000-01	Less Pool Production:	39,954.460	2000-01	Under(Over) Production:	10,045.540
Under(Over) Production:		<u>10,045.540</u>	Total Available for Reallocation		<u>42,845.540</u>
<u>Required Allocation per Peace Agreement:</u>					
2000-01			Early Transfer		32,800.000
			Total Land Use Conversions		<u>13,919.782</u>
			Total Required Allocations		46,719.782
			Less: Acre Feet Available for Transfer		<u>42,845.540</u>
			Difference		<u>3,874.242</u>

<u>Land Use Conversion Summary - Production Yr 00-01</u>							
Producers	Prior	Total Prior to		Post Peace Agreement		Total	
	Converted (AF)	Acres Converted @ 1.3 af/ac	Peace Agrmt	Acres Converted @ 2.0af/ac	Peace Agrmt	Land Use	Conversions (AF)
		(Acres)	(Acre-Feet)	(Acres)	(Acre-Feet)		
Chino	196.235	1,454.750	1,891.175	454.550	909.100		2,996.510
Chino Hills		670.266	871.346	22.760	45.520		916.866
Fontana Water Co		0.000	0.000	417.000	834.000		834.000
Cucamonga County WD		460.280	598.364	0.000	0.000		598.364
Jurupa CSD		3,094.500	4,022.850	1,761.930	3,523.860		7,546.710
Monte Vista WD		28.150	36.595	9.000	18.000		54.595
Ontario	209.400	527.044	685.157	39.090	78.180		972.737
Totals	<u>405.635</u>	<u>6,234.990</u>	<u>8,105.487</u>	<u>2,704.330</u>	<u>5,408.660</u>		<u>13,919.782</u>

APPENDIX D (continued)

SUMMARY OF
REALLOCATION OF UNPRODUCED OVERLYING (AGRICULTURAL) POOL
SAFE YIELD FROM PRODUCTION YEAR 2000-01
FOR USE IN FISCAL YEAR 2001-02
(ACRE-FEET)

Appropriative Pool Party	Share of Operating Safe Yield (Percent)	Assigned Share of Operating Safe Yield (Acre-Feet)	32,800 AF Annual Early Transfer	Total Land Use Conversions	Total Required Reallocation	Diff. Btwn. Total Req. & Total Avail. (Acre-Feet)	Total Available for Reallocation (Acre-Feet)	Administration \$11,3382	Assessments OBMP \$23,0332	Total \$
			(1)	(2)	(3)=(1)+(2)					
Inland Empire Utilities Agency	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	\$0.00	\$0.00	\$0.00
City of Chino	7.357%	4,033.857	2,413.096	2,996.510	5,409.606	-285.028	5,124.578	58,103.49	118,035.43	176,138.92
Cucamonga County Water District	6.601%	3,619.454	2,165.128	598.364	2,763.492	-255.739	2,507.753	28,433.41	57,761.58	86,194.99
Fontana Union Water Company	11.666%	6,396.736	3,826.448	0.000	3,826.448	-451.969	3,374.479	38,260.52	77,725.05	115,985.57
Fontana Water Company	0.000%	0.000	0.000	834.000	834.000	0.000	834.000	9,456.06	19,209.69	28,665.75
Junipra Community Services	3.759%	2,061.118	1,232.952	7,546.710	8,779.662	-145.633	8,634.029	97,894.35	198,869.32	296,763.67
Marygold Mutual Water Co	1.195%	655.317	391.960	0.000	391.960	-46.297	345.663	3,919.19	7,961.72	11,880.91
Monte Vista Water District	8.797%	4,823.954	2,885.416	54.595	2,940.011	-340.817	2,599.194	29,470.18	59,867.75	89,337.93
Monte Vista Irrigation Co	1.234%	676.759	404.752	0.000	404.752	-47.808	356.944	4,047.10	8,221.56	12,268.66
M/W Co./Glen Avon Heights	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00	0.00
City of Norco	0.368%	201.545	120.704	0.000	120.704	-14.257	106.447	1,206.91	2,451.81	3,658.72
City of Ontario	20.742%	11,373.816	6,803.376	972.737	7,776.113	-803.595	6,972.518	79,055.80	160,599.40	239,655.20
City of Pomona	20.454%	11,215.852	6,708.912	0.000	6,708.912	-792.437	5,916.475	67,082.17	136,275.34	203,357.51
San Antonio Water Co	2.748%	1,506.888	901.344	0.000	901.344	-106.464	794.880	9,012.51	18,308.63	27,321.14
S.B. County (Olympic +)	0.000%	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00	0.00
City of Chino Hills	3.851%	2,111.422	1,263.128	916.866	2,179.994	-149.197	2,030.797	23,025.58	46,775.75	69,801.33
Santa Ana River Water Co	2.373%	1,301.374	778.344	0.000	778.344	-91.936	686.408	7,782.63	15,810.18	23,592.81
Southern California Water Co	0.750%	411.476	246.000	0.000	246.000	-29.057	216.943	2,459.75	4,996.90	7,456.65
City of Upland	5.202%	2,852.401	1,706.256	0.000	1,706.256	-201.538	1,504.718	17,060.79	34,658.47	51,719.26
West End Consolidated Water Co	1.728%	947.714	566.784	0.000	566.784	-66.947	499.837	5,667.25	11,512.85	17,180.10
West San Bernardino CWD	1.175%	644.317	385.400	0.000	385.400	-45.522	339.878	3,853.60	7,828.47	11,682.07
TOTALS	100.000%	54,834.000	32,800.000	13,919.782	46,719.782	-3,874.242	42,845.540	\$485,791.29	\$986,869.90	\$1,472,661.19
check figures			32,800.000		46,719.782	-3,874.242				

APPENDIX E-1

SUMMARY OF MWDSC DELIVERIES¹ FISCAL YEAR 2000-01 (ACRE-FEET)

Month	WATER FACILITIES AUTHORITY						CB-01 Reliant	CCWD CB7&16	Pomona ²	Total
	Upland	MVWD ⁴	Ontario ³	Chino	Chino Hills	CB-12 Total				
JUL	1,001.8	1,789.3	1,612.8	581.7	259.3	5,244.9	249.8	3,133.1	547.6	9,175.4
AUG	1,226.8	1,949.2	1,606.3	634.7	163.8	5,580.8	468.2	3,369.6	499.2	9,917.8
SEP	974.6	1,797.3	1,341.7	590.4	0.0	4,704.1	221.6	2,772.8	459.2	8,157.6
OCT	371.8	903.0	604.8	484.5	0.0	2,364.1	35.3	2,040.5	204.6	4,644.5
NOV	0.0	612.4	241.5	415.8	0.0	1,269.7	47.5	2,293.7	95.9	3,706.9
DEC	168.1	431.8	277.7	402.7	0.0	1,280.3	137.4	2,569.3	166.2	4,153.2
JAN	146.2	357.4	289.5	375.6	0.0	1,168.7	337.8	2,155.1	51.9	3,713.6
FEB	96.2	362.5	178.6	347.9	0.0	985.3	12.1	1,587.5	0.0	2,584.9
MAR	64.0	327.3	152.8	339.5	0.0	883.6	0.0	1,517.2	55.6	2,456.4
APR	0.0	348.9	445.4	418.5	0.0	1,212.8	0.0	1,938.9	57.1	3,208.9
MAY	248.9	963.7	1,140.0	454.3	0.0	2,806.9	61.4	2,435.2	142.6	5,446.1
JUN	733.1	884.8	1,205.0	488.4	0.0	3,311.3	119.8	2,987.9	215.6	6,634.6
Total	5,031.5	10,727.6	9,096.2	5,534.2	423.2	30,812.7	1,690.9	28,800.8	2,495.6	63,800.0

Total Metropolitan Water District of Southern California (MWDSC) direct deliveries used in Chino Basin including Pomona equals 61,304 AF + 2496 AF = 63,800 AF

1. A breakdown of categories of water is available upon request. Watermaster replenishment is not included. Includes water exchanged with MWDSC (none in FY 00-01).
2. Figures reflect 37.8% of the total MWDSC water delivered that was used over the Chino Basin (based on estimated land use area physically located within the Chino Basin adjudicated boundary).
3. During FY 2000-01, Ontario did not take any deliveries through the CB-2 connection.
4. MVWD deliveries includes water that was served to Chino Hills.

NOTE: Rounding may have an insignificant impact.

APPENDIX E-2

SUMMARY OF REPLENISHMENT, SUPPLEMENTAL AND CYCLIC ACTIVITIES FISCAL YEAR 2000-01 (ACRE-FEET)

MONTH	Replenishment Water Purchased From Cyclic ¹	6500 AF Supplemental Water Deliveries ²	Total
	CB59T	OC-59	
JUL	0	0	0
AUG	0	0	0
SEP	0	7.7	7.7
OCT	0	441.2	441.2
NOV	0	2,121.1	2,121.1
DEC	0	1,849.7	1,849.7
JAN	0	690.2	690.2
FEB	0	0	0
MAR	579.3	933.2	1,512.5
APR	0	486.6	486.6
MAY	0	0	0
JUN	0	0	0
Total	579.3	6,529.7	7,109.0

1. Balance of MWD Cyclic Storage Account as of June 30, 2001: 35,546.8 AF
2. 29.7 AF of 6,529.7 AF was pre-purchase of replenishment water paid by replenishment funds on hand and accounted for in assessment package covering production for FY 00-01 (FY 01-02 Assessment Package).

APPENDIX F

SUMMARY OF SUPPLEMENTAL SUPPLIES FISCAL YEAR 2000-01 (ACRE-FEET)

Member Agency	Other Basins	Surface Diversions	MWDSC Imported Surface Deliveries	Recycled Water ¹¹	Total
Chino, City of ²				293.4	
Chino Hills, City of ²				568.7	
Cucamonga County Water District ¹	8,200.1	4,770.1			12,970.2
Inland Empire Utilities Agency ²				1,401.6	
Fontana Water Company ³	17,011.7	5,133.1			22,144.8
Marygold Mutual Water Company ⁴	1,554.1				1,554.1
MWDSC ⁵			61,304.4		61,304.4
Ontario, City of ²				1,001.3	
Pomona, City of ⁶	3,263.1	1,918.1	2,495.6		7,676.8
San Antonio Water Company ⁷	7,278.5	1,099.3			8,377.8
San Bernardino, County of ²				667.8	
State of California, CIM ⁸				798.4	
Upland, City of ⁹	2,259.8	1,999.1			4,258.9
West End Consolidated Water Company	3,235.8				3,235.8
West San Bernardino County Water District ¹⁰	7,073.6				7,073.6
Total ¹¹	49,876.7	14,919.7	63,800.0	4,731.2	128,596.4

1. Includes groundwater produced from Cucamonga Basin & surface water runoff captured from Day Creek & Deer Canyon. Do not include water purchased from MWDSC & included in surface delivery total for MWDSC.
2. IEUA provided 3,932.8 AF of recycled water in FY00-01. The breakdown of individual deliveries are shown by entity: San Bernardino County/EI Prado Regional Park (269.5 AF) & Golf Course (398.3 AF), Whispering Lakes Golf Course (888.6 AF) & Westwind Park (73.2 AF) in Ontario, Chino (293.4 AF), Chino Hills (568.7 AF), CCWRF/RP2/RP4 (901.1 AF) & 500.6 AF from the Ely Basin Recharge Project.
3. The imported water includes water produced from other groundwater basins & Lytle Creek surface water production diverted for use in Chino Basin.
4. Imported groundwater produced from wells owned by the City of Rialto, located in the Rialto Basin.
5. Amount of MWDSC deliveries to the IEUA service area, excluding that delivered & used in the City of Pomona (also listed in Appendix E-1).
6. Imported groundwater includes 2,177.9 from Six Basins & 1,085.2 AF from Spadra Basin. The MWDSC delivered 2,495.6 AF to Pomona through Three Valleys MWD that was used in Chino Basin (also listed in Appendix E-1).
7. An amount of 1,099.3 AF was treated local canyon flow used in the overlying Chino Basin. The imported groundwater was 1,350.3 AF from San Antonio Tunnel, 5,151.6 AF from Cucamonga Basin, & 776.6 AF from Six Basins.
8. Recycled wastewater that was applied to fields, including water held in storage ponds.
9. Figure includes 2,265.0 AF from Claremont Heights Basin & 970.8 AF from Cucamonga Basin.
10. Listed amount was delivered to "meter book" service area.
11. Recycled water is not included in the total. It is shown for reporting purposes only.

APPENDIX G

TOTAL WATER CONSUMPTION WITHIN CHINO BASIN¹ (ACRE-FEET)

Fiscal Year	Chino Basin Extractions ²	Other Imported Supplies ³	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	142,412	75,864	217,276
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	134,870	92,952	227,822
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	129,682	136,038	265,720
1994-95	152,768	116,797	269,565
1995-96	150,669	130,494	281,163
1996-97	161,281 ⁴	115,031	276,312
1997-98	145,735	106,360	252,095
1998-99	162,267	113,040	275,307
1999-00	178,820	129,208	308,028
2000-01	161,475	128,596	290,071

APPENDIX G (continued)

**TOTAL WATER CONSUMPTION WITHIN CHINO BASIN
(ACRE-FEET)
NOTES**

1. Total includes water used over Cucamonga Basin.
2. See Appendix B.
3. Total does not include recycled water, cyclic deliveries, water delivered by exchange, or water from direct spreading that was used for replenishment (see Appendices E-1, E-2, and F).
4. Reflects corrected production after reporting errors were accounted for.

APPENDIX H
STORAGE ACTIVITY
FISCAL YEAR 2000-01
(ACRE-FEET)

APPROPRIATIVE POOL

PRODUCER	NOTES*	Restatement of Beginning Storage			Excess Carry Over Water Activity				Local Supplemental Water Activity(B) MZ1 6,500			
		Amount In Storage From June 30, 2000	Local Suppl Water July 1, 2000	Excess Carry Over Water July 1, 2000	Eligible for Storage In 2000-01	Transfer To/(From)	From Suppl Water	Excess CO Yr End 2000-01	Local Suppl Water July 1, 2000	Eligible for Storage In 2000-01	To Excess Carry Over	Local Suppl Yr End 2000-01
Inland Empire Utilities Agency		0.000		0.000	0.000	0.000	0.000	0.000		0.000		0.000
City of Chino		1,306.513	1,306.513	0.000	3,633.215	0.000	0.000	3,633.215	1,306.513	478.205		1,784.718
Cucamonga CWD	17	23,295.503	23,295.503	0.000	0.000	(667.964)	667.964	0.000	23,295.503	1,187.355	(667.964)	23,814.894
Fontana Union Water Company		0.000		0.000	0.000	0.000	0.000	0.000				0.000
Fontana Water Company		0.000		0.000	0.000	0.000	0.000	0.000		0.000		0.000
Jurupa Community Services		6,951.125		6,951.125	1,578.033	0.000	0.000	8,529.158		244.335		244.335
Marygold M/W Co.		1,896.521	1,896.521	0.000	0.000	0.000	0.000	0.000	1,896.521	77.675		1,974.196
Monte Vista WD	17	4,194.367	4,194.367	0.000	0.000	(227.008)	227.008	0.000	4,194.367	571.805	(227.008)	4,539.164
Monte Vista Irrigation Co.		7,015.313	7,015.313	0.000	1,033.703	0.000	0.000	1,033.703	7,015.313	80.210		7,095.523
M/W Co./Glen Avon Heights		0.000		0.000	0.000	0.000	0.000	0.000		0.000		0.000
City of Norco		366.198		366.198	80.884	0.000	0.000	447.082		23.920		23.920
City of Ontario	17	10,000.000	10,000.000	0.000	0.000	(143.007)	143.007	0.000	10,000.000	1,348.230	(143.007)	11,205.223
City of Pomona	17	23,669.235	23,669.235	0.000	0.000	(4,300.794)	4,300.794	0.000	23,669.235	1,329.510	(4,300.794)	20,697.951
San Antonio Water Co.	17	17,422.509		17,422.509	0.000	(4,913.599)	0.000	12,508.910		178.620		178.620
S. B. Co. (Olympic +)		0.000		0.000	0.000	0.000	0.000	0.000		0.000		0.000
City of Chino Hills	17	9,414.078	9,414.078	0.000	0.000	(2,210.685)	2,210.685	0.000	9,414.078	250.315	(2,210.685)	7,453.708
Santa Ana River Water Co.		538.389		538.389	0.000	0.000	0.000	538.389		154.245		154.245
Southern Cal. Water Co.		2,098.825	2,098.825	0.000	256.392	0.000	0.000	256.392	2,098.825	48.750		2,147.575
City of Upland		10,971.788	10,971.788	0.000	1,822.787	0.000	0.000	1,822.787	10,971.788	338.130		11,309.918
West End Consol. Water Co.		10,487.135		10,487.135	1,447.551	0.000	0.000	11,934.686		112.320		112.320
West San Bernardino CWD		4,092.028		4,092.028	484.195	0.000	0.000	4,576.223		76.375		76.375
Arrowhead MTN. Spring Water Co.		0.000		0.000	0.000	0.000	0.000	0.000		0.000		0.000
Los Serranos Country Club		0.000		0.000	0.000	0.000	0.000	0.000		0.000		0.000
Dept of Toxic Substances		0.000		0.000	0.000	0.000	0.000	0.000		0.000		0.000
Desalter Account (A)	13,14,17	36,622.746		36,622.746	3,994.500	(7,990.800)	0.000	32,626.446		0.000		0.000
TOTALS		170,342.273	93,862.143	76,480.130	14,331.260	(20,453.857)	7,549.458	77,906.991	93,862.143	6,500.000	(7,549.458)	92,812.685

* see corresponding notes on Page 6.

(A) Account reduced by 50% of desalter production of 7989 af, and 1.8 af recycled water temporarily placed in the Watermaster Desalter account.

(B) 93,862.143 af quantified as supplemental water on 5/24/01 pursuant to Peace Agreement & Watermaster Rules & Regulations.

6,500 af of supplemental water purchased and recharged in MZ1 pursuant to Peace Agreement & Watermaster Rules & Regulations.

APPENDIX H – Continued

STORAGE ACTIVITY
ACRE-FEET)
Overlying (Non-Agricultural) Pool

PRODUCER	Eligible for Local Storage	Amount In Storage From 1999-00	Storage Transfer	Local Storage At Yr End 2000-01
Ameron Steel	97.330	1,365.091	0.000	1,462.421
Vulcan Materials Co.(Calmat)(1)	310.898	6,944.178	0.000	7,255.076
CCG Ontario LLC	1,155.274	4,547.044	0.000	5,702.318
S. B. County, Chino Airport	0.000	0.000	0.000	0.000
Southern Calif Edison Company	27.959	27.959	0.000	55.918
Reliant Energy, Etiwanda	0.000	6,287.041	-1,039.731	5,247.310
Angelica Rental Service	0.000	0.000	0.000	0.000
Space Center-Mira Loma	0.000	467.240	0.000	467.240
California Speedway	0.000	0.000	0.000	0.000
Sunkist	516.501	6,825.715	0.000	7,342.216
Swan Lake	7.697	1,789.723	0.000	1,797.420
Praxair Inc.	223.700	2,776.566	0.000	3,000.266
California Steel Industries (CSI)	0.000	0.000	0.000	0.000
West Venture Development	0.000	0.000	0.000	0.000
General Electric - Geomatrix	0.000	0.000	0.000	0.000
TOTALS	2,339.359	31,030.557	(1,039.731)	32,330.185

APPENDIX I

SUMMARY OF WATER TRANSACTIONS (ACRE-FEET)

* NOTES: Pages 3,,7:
Regarding FY 00-01 Production

Appropriative Pool Notes & Summary of Water Transactions for

Note Number	To	From	Quantity	\$/AF	Total \$	Financial Impact on 85%/15% Producers		Watermaster Pays 15% To	Date of Watermaster Approved
						85%	15%		
1	Ontario	Pomona	2,000.000	201.00	402,000.00	341,700.00	60,300.00	Pomona	05/24/01
2		Chino Hills	4,500.000	205.00	922,500.00	784,125.00	138,375.00	Chino Hills	04/19/01
3		San Antonio	1,300.000	201.00	261,300.00	222,105.00	39,195.00	SAWCO	05/24/01
4		San Antonio	1,000.000	201.00	201,000.00	170,850.00	30,150.00	SAWCO	12/22/01
5	Fontana Water Co	Pomona	2,000.000	201.00	402,000.00	341,700.00	60,300.00	Pomona	04/19/01
6		CCWD	14,000.000	214.20	2,998,800.00	2,548,980.00	449,820.00	CCWD	04/19/01
7		Marygold	1,200.000	214.20	257,040.00	218,484.00	38,556.00	Marygold	04/19/01
8		San Antonio	3,000.000	201.00	603,000.00	512,550.00	90,450.00	SAWCO	04/19/01
9	Chino	San Antonio	2,700.000	201.00	542,700.00	461,295.00	81,405.00	SAWCO	12/22/01
10	JCSD	San Antonio	650.000	200.00	130,000.00	110,500.00	19,500.00	JCSD	02/15/01
11		Santa Ana	2,000.000	233.00	466,000.00	396,100.00	69,900.00	SARWCO	04/19/01
12	CCWD	West SB Co	500.000		0.00	-	-		
13	Reliant Energy	CSI	1,300.000	N/A	N/A				02/15/01
Total			36,150.000		\$7,186,340.00	\$6,108,389.00	\$1,077,951.00		

ASSIGNMENTS (A)

Norco	JCSD	142.610			\$	-	\$	-	N/A
Santa Ana		766.880				0.00		0.00	JCSD
Space Center		126.190	100.00		\$12,619.00	10,726.15		1,892.85	JCSD
Swan Lake		370.980				0.00		0.00	N/A
Praxair	FWC(B)	203.750	85.00		22,618.35	19,225.60		3,392.75	FWC (2)
California Steel		0.000				0.00		0.00	FWC
Sunkist	Ontario	1,317.730	200.00		263,546.00	224,014.10		39,531.90	Ontario
Agricultural Pool	Ontario	100.620				0.00		0.00	N/A
Chino Airport	Chino	73.800				0.00		0.00	Chino
El Prado Golf	Chino	398.260				0.00		0.00	N/A
Los Serranos	Chino Hills	175.280				0.00		0.00	N/A
Total Assignments		3,676.100			\$298,783.35	\$253,965.85		44,817.503	

(A) Assignment of equivalent production based on metered service in net production show Total Credits
by entity/pool. Reflected here for assessment adjustment page.

\$1,122,768.50

(B) FWC also paid prior year assessments of \$5,299.60 for Praxair

OTHER NOTES

		<u>Acres Feet</u>	
14	Desalter Prod	Desalter Acct	-7,989.000 Desalter Account reduced by 7,989.000 acre feet of production and increased by 3,994.500 acre feet
15	Desalter Acct	Rising Water Cap	3,994.500 of new yield from desalter operations.
16	Stringfellow/DTSC	1/10/86 Crt Order	99.880 Up to 300.000 acre feet per year is exempt from assessment.
17	Some water transferred from storage to eliminate a potential replenishment obligation due to water transactions & supplemental water designations.		

APPENDIX J

CHINO BASIN WATERMASTER'S
"NOTICE OF INTENT"

TO CHANGE THE OPERATING SAFE YIELD
OF THE CHINO GROUNDWATER BASIN
FISCAL YEAR 2000-01

PLEASE TAKE NOTICE that on this 30th day of June 2001, Chino Basin Watermaster hereby files this 'NOTICE OF INTENT' to change the operating safe yield of the Chino Groundwater Basin pursuant to the Judgment entered in Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino Superior Court, Case No. RCV 51010 (formerly Case No. 164327) (Exhibit I, Paragraph 2b, Page 80).

Approved by the
Watermaster Advisory Committee

CHINO BASIN WATERMASTER

By: Dana Eldenkamp
Chairman

By: Robert Neufeld
Robert Neufeld, President

ATTEST:

By: Josephine Johnson
Josephine Johnson, Secretary

APPENDIX K
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR 2000-01

CHINO BASIN WATERMASTER

Financial Statements

Year Ended June 30, 2001
(With Independent Auditor's Report Thereon)

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Board of Directors
Chino Basin Watermaster
Rancho Cucamonga, California

Independent Auditors' Report

We have audited the accompanying financial statements of Chino Basin Watermaster as of and for the year ended June 30, 2001, as listed in the accompanying table of contents. These financial statements are the responsibility of the Chino Basin Watermaster's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 financial statements referred to above present fairly, in all material respects, the financial position of Chino Basin Watermaster as of June 30, 2001 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information listed in the accompanying table of contents 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 financial statements taken as a whole.

Conrad and Associates, L.L.P.

August 8, 2001

CHINO BASIN WATERMASTER
Balance Sheet - All Fund Types and Account Groups
June 30, 2001

<u>Assets</u>	General Fund	General Fixed Assets Account Group	Totals (Memorandum Only)	
			2001	2000
Cash (note 2)	\$ 47,538		\$ 47,538	\$ 39,429
Short-term investments (note 2)	2,931,513		2,931,513	1,442,195
Accounts receivable	49,125		49,125	43,165
Prepaid expenses	26,614		26,614	12,923
Property and equipment, at cost (note 3)		\$ 237,434	237,434	174,644
Total assets	\$ 3,054,790	\$ 237,434	\$ 3,292,224	\$ 1,712,356
 <u>Liabilities and Fund Equity</u>				
Accounts payable and accrued liabilities	\$ 313,435		\$ 313,435	\$ 372,931
Compensated absences payable (Note 4)	72,561		72,561	60,706
Total liabilities	385,996	0	385,996	433,637
 <u>Fund Equity</u>				
Investment in general fixed assets		\$ 237,434	237,434	174,644
Fund balance:				
Reserved for:				
SB222 expenditures (Note 6)	158,251		158,251	158,083
Groundwater replenishment	192,972		192,972	190,461
Appropriative pool	1,778,081		1,778,081	287,368
Overlying agricultural pool (Note 7)	447,193		447,193	445,227
Overlying non-agricultural pool	89,179		89,179	19,636
Educational programs	3,118		3,118	3,300
Total fund equity	2,668,794	237,434	2,906,228	1,278,719
Total liabilities and fund equity	\$ 3,054,790	\$ 237,434	\$ 3,292,224	\$ 1,712,356

CHINO BASIN WATERMASTER
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual - General Fund
Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Assessment revenue:				
Replenishment water assessments	\$ 140,189	\$ 140,193	\$ 4	\$ 159,768
MZ1 supplemental water assessments	1,573,000	1,573,000	0	0
Administrative assessments (Note 8)	4,679,808	4,604,063	(75,745)	2,311,601
Interest	85,720	150,533	64,813	101,546
Miscellaneous revenue	0	23,439	23,439	196
Total revenues	<u>6,478,717</u>	<u>6,491,228</u>	<u>12,511</u>	<u>2,573,111</u>
Expenditures:				
Replenishment water purchases	0	138,041	(138,041)	156,485
Pre-purchased replenishment water	0	7,128	(7,128)	0
MZ1 supplemental water	1,573,000	1,565,345	7,655	0
Watermaster administration	1,287,646	1,055,532	232,114	1,115,888
Pool administration	139,326	136,533	2,793	192,085
Education funds expenditures	0	375	(375)	-
Optimum Basin Management Plan	3,084,983	2,005,221	1,079,762	1,294,919
Mutual agency project costs	0	18,334	(18,334)	-
Total expenditures	<u>6,084,955</u>	<u>4,926,509</u>	<u>1,158,446</u>	<u>2,759,377</u>
Excess(deficiency) of revenues over (under) expenditures	393,762	1,564,719	1,170,957	(186,266)
Fund balance at beginning of year	1,104,075	1,104,075	0	1,290,341
Fund balance at end of year	<u>\$ 1,497,837</u>	<u>\$ 2,668,794</u>	<u>\$ 1,170,957</u>	<u>\$ 1,104,075</u>

**CHINO BASIN WATERMASTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

(1) Reporting Entity and Summary of Significant Accounting Policies

Description of Reporting Entity

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. SCV 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 was initially appointed "Watermaster". Their term of appointment as Watermaster was for five (5) years, and the Court, by subsequent orders, provides for successive terms or for a successor Watermaster. Pursuant to a recommendation of the Advisory Committee, the Honorable J. Michael Gunn appointed a nine-member board as Watermaster on September 28, 2000.

Under the Judgment, 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 or private entities and utilities. The three Pools act together to form the "Advisory Committee".

The Watermaster provides the Chino Groundwater Basin service area with services which primarily include: accounting for water appropriations and components of acre-footage of stored water by agency, purchase of replenishment water, groundwater monitoring and implementation of special projects.

Watermaster expenditures are allocated to the Pools based on the prior year's production volume (or the same percentage used to set the annual assessments). Allocations for fiscal year 2000/01 expenses are based on the 1999/00 production volume, and allocations for fiscal year 1999/00 expenses are based on the 1998/99 production volume:

	1999/00		1998/99	
	<u>Acre Feet</u>	<u>%</u>	<u>Acre Feet</u>	<u>%</u>
Appropriative Pool	126,645	70.823	107,723	66.387
Overlying Agricultural Pool	44,401	24.830	47,537	29.296
Overlying Non-Agricultural Pool	<u>7,774</u>	<u>4.347</u>	<u>7,006</u>	<u>4.317</u>
Total Production	<u>178,820</u>	<u>100.000</u>	<u>162,266</u>	<u>100.000</u>

The Agricultural Pool members ratified an agreement with the Appropriative Pool at their meeting of June 16, 1988, wherein the Appropriative Pool assumes Agricultural Pool administrative expenses and special project cost allocations in exchange for an accelerated transfer of unpumped agricultural water to the Appropriative Pool. In addition the Agricultural Pool transferred all pool administrative reserves at June 30, 1988 to the Appropriative Pool effective July 1, 1988.

In July of 2000, the principal parties in the Basin signed an agreement, known as the Peace Agreement, which among other things formalized the commitment of the Basin parties to implement an Optimum Basin Management Program. The Peace Agreement was signed by all of the parties, and the Court has approved the agreement and ordered the Watermaster to proceed in accordance with the terms of the agreement. The Court has approved revisions to the Chino Basin Watermaster Rules and Regulations.

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.

Description of Fund and Account Group

General Fund

The General Fund is used to account for all revenues and activities financed by the Watermaster except those required to be accounted for in another fund

General Fixed Asset Account Group

The General Fixed Asset Account Group is used to account for the cost of fixed assets required to perform general governmental functions.

Cash and investments

Investments are reported in the accompanying balance sheet at fair value. Changes in fair value that occur during a fiscal year are recognized as interest income reported for that fiscal.

Watermaster pools cash and investments of all fund balance reserves, except for deferred compensation assets and assets held by fiscal agents. Investment income earned by the pooled investments is allocated quarterly to the various reserves based on each reserve's average cash and investments balance.

Basis of Accounting

The Watermaster financial statements are prepared on the modified accrual basis of accounting. Revenues are accrued when they become both measurable and available. "Available" means collected in the current period or soon enough thereafter to pay for the expenditures incurred during the current period. Expenditures are recorded when the related liability for goods or services received is incurred.

General Fixed Assets

General fixed assets are recorded as expenditures of the General Fund at the time of purchase and are subsequently capitalized for memorandum purposes in the General Fixed Assets Account Group. No depreciation is provided on general fixed assets.

(2) Cash, Deposits, Short-term and Pooled Investments

State statutes and the Watermaster's investment policy authorize the Watermaster to invest in certificates of deposit with financial institutions having an operating branch within the Watermaster geographic area and the State of California Treasurer's Investment pool (L A I F).

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 by the Watermaster or its agent 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 and deposits collateralized by an interest in an undivided collateral pool held by an authorized Agent or Depository and subject to certain regulatory requirements under State law.

- 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 pledging financial institution or by its trust department or 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.

In accordance with Government Accounting Standards Board Statement Number 3 ("GASB 3") criteria, the Watermaster's deposits and investments are categorized as follows for the year ended June 30, 2001:

	Categories			Bank Balance	Carrying Amount
	1	2	3		
DEPOSITS					
Demand deposits	\$ 86,085	\$0	\$0	\$ 86,085	\$47,538
INVESTMENTS					
Pooled funds:					
Local Agency Investment Funds (LAIF)*	0	0	0	2,931,513	2,931,513
Total deposits and investments	<u>\$ 86,085</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,017,598</u>	<u>\$2,979,051</u>

*Monies pooled with the State Treasurer in the Local Agency Investment Fund (LAIF) are not subject to risk categorization.

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, 2001.

The Watermaster is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of Watermaster's investment in this pool is reported in the accompanying financial statements at amounts based upon Watermaster's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the investment accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises and corporations.

(3) Changes in General Fixed Assets

A summary of changes in general fixed assets for the year ended June 30, 2001 is as follows:

General fixed assets at June 30, 2000, as previously reported	\$174,644
Additions	110,835
Deletions	<u>(48,045)</u>
General fixed assets at June 30, 2001	<u>\$237,434</u>

(4) Compensated Absences Payable

Permanent Watermaster employees earn from 10 to 20 days vacation days a year, depending upon their length of employment, and 12 sick days a year. Employees may carry vacation days forward up to the equivalent number of days earned in the immediately preceding twenty-four (24) month period. There is no maximum accumulation of sick leave; and upon retirement or resignation at age 55 or greater, employees with continuous employment for a minimum of twenty (20) years are compensated for all accumulated sick leave at their rate of pay at termination. Younger employees are paid based upon length of employment and age at time of retirement or resignation.

(5) Deferred Compensation Plan

The Watermaster has established deferred compensation plans for all employees of Watermaster in accordance with Internal Revenue Code Section 457, whereby employees authorize the Watermaster to defer a portion of their salary to be deposited in individual investment accounts. Participation in the plans is voluntary and may be revoked at any time upon advance written notice. Generally, the amount of compensation subject to deferral until retirement, disability, or other termination by a participant may not exceed the lesser of \$8,500 or 33.33% of includible compensation, or 25% of gross compensation. Amounts withheld by Watermaster under this plan are deposited regularly with Lincoln National Life Insurance Company or ICMA Retirement Corp. The Watermaster makes no contribution under the plan. As of June 30, 2001 the deferred compensation plan assets were held in trust accounts for the sole benefit of the employees and their beneficiaries, and accordingly have been excluded from the Watermaster's reported assets.

(6) SB 222 Funds

On November 21, 1978, the Chino Basin Watermaster unanimously approved that remaining SB222 funds be utilized primarily to deliver and spread cyclic water and secondarily to purchase and spread replenishment water.

(7) Agricultural Pool Sale of Water

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 for future use as determined by the Agricultural Pool members. At June 30, 2001, the proceeds from the sale and related interest earned thereon totaled \$467,193.

(8) Appropriative Pool Interest Revenue Allocation

On August 30, 1979, the Appropriative Pool unanimously approved assessment procedures whereby any interest earned from the Watermaster assessments paid by Appropriative Pool members would reduce the total current assessment due from those members. Fiscal year 1999/2000 interest revenue was allocated to the Appropriative Pool members based on the funds received in payment of the 1999/2000 assessments, resulting in a reduction of the 2000/2001 assessments.

(9) Operating Lease

The Watermaster currently has a lease agreement for office space expiring March 31, 2004. The amount paid under this lease was \$42,895 for the year ended June 30, 2001. The future minimum lease payments for this lease are as follows:

<u>Year Ending June, 30</u>	<u>Amount</u>
2002	\$ 50,661
2003	52,767
2004	<u>40,365</u>
Total	<u>\$143,793</u>

(10) Defined Benefit Pension Plan (PERS)

Plan Description

The Watermaster contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

Annual Pension Cost

The Watermaster's annual pension cost (employer contribution) for the year ended June 30, 2001 was equal to the Watermaster's required and actual contributions. The required contribution was determined as part of an actuarial valuation performed as of June 30, 1996 using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.5% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 4.5%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smoothed market value). PERS' unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

(11) Legal Matters

The Watermaster is involved in other pending litigation for which a final outcome is not known at this time.

CHINO BASIN WATERMASTER
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
FOR THE
PERIOD JULY 1, 2000 THROUGH JUNE 30, 2001

D:\CombiningSchedule2000-2001 SPLIT Adm/OBMP

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET FY 2001-02
Administrative Revenues										
General Administrative Assessments			\$1,465,061.51		\$67,432.84				\$1,532,494.35	\$0
OBMP Assessments			2,938,092.59		133,475.58				3,071,568.17	
Interest Revenue	\$1,638.00		114,513.63	\$27,915.72	6,271.99			\$193.25	150,532.59	120,115
Mutual Agency Project Revenue	23,439.31								23,439.31	0
Total Revenues	25,077.31	\$0.00	4,517,667.73	27,915.72	207,180.41	\$0.00	\$0.00	193.25	4,778,034.42	120,115
Administrative & Project Expenditures										
Watermaster Administration	1,055,531.74								1,055,531.74	995,053
Watermaster Board-Advisory Committee									-	75,332
Pool Administration			5,795.56	125,857.10	4,879.84				136,532.50	113,516
Optimum Basin Mgmt Administration		2,005,221.10							2,005,221.10	1,198,127
OBMP Project Costs									-	1,754,835
Education Funds Use								375.00	375.00	0
Mutual Agency Project Costs	18,334.00								18,334.00	5,000
Total Administrative/OBMP Expenses	1,073,865.74	2,005,221.10	5,795.56	125,857.10	4,879.84			375.00	3,215,994.34	4,141,863
Net Administrative/OBMP Income	(1,048,788.43)	(2,005,221.10)								
Allocate Net Admin Income To Pools	1,048,788.43		742,783.43	260,414.17	45,590.83				0.00	
Allocate Net OBMP Income To Pools		2,005,221.10	1,420,157.74	497,896.40	87,166.96				0.00	
Agricultural Expense Transfer			858,217.67	(858,217.67)					0.00	
Total Expenses	3,054,009.53	758,310.57	3,026,954.40	25,950.00	137,637.63	-	0.00	375.00	3,215,994.34	4,141,863
Net Administrative Income			1,490,713.33	1,965.72	69,542.78			(181.75)	1,562,040.08	(4,021,748)

99/00 Production Percentages 70.823% 24.830% 4.347% 100.000%

Interest Distribution Genl/OBMP	Appropriative Pool				NON-AG POOL			
	Revenue	Expense	Net Income	Interest	Revenue	Expense	Net Income	Interest
General Admin	\$1,465,061.51	1,128,900.26	336,161.25	27,971.99	\$67,432.84	50,470.67	16,962.17	1,681.45
OBMP	2,938,092.59	1,898,054.14	1,040,038.45	86,541.64	133,475.58	87,166.96	46,308.62	4,590.54
	4,403,154.10	3,026,954.40	1,376,199.70	114,513.63	200,908.42	137,637.63	63,270.79	6,271.99
Total Interest				114,513.63				6,271.99
	General	OBMP	Totals		General	OBMP	Totals	
Revenue x Int	\$1,465,061.51	2,938,092.59	4,403,154.10		\$67,432.84	133,475.58	200,908.42	
Interest	27,971.99	86,541.64	114,513.63		1,681.45	4,590.54	6,271.99	
Total Revenue	1,493,033.50	3,024,634.23	4,517,667.73		69,114.29	138,066.12	207,180.41	
Expense - Appr. Pool	748,578.99	1,420,157.74	2,168,736.73		50,470.67	87,166.96	137,637.63	
Expense - Ag Pool	380,321.27	477,896.40	858,217.67					
Total Expenses	1,128,900.26	1,898,054.14	3,026,954.40		50,470.67	87,166.96	137,637.63	
Net Administrative Income	\$ 364,133.24	\$ 1,126,580.09	\$ 1,490,713.33		\$ 18,643.62	\$ 50,899.16	\$ 69,542.78	
Working Capital beginning 07/01/00	(21,429.59)	308,797.47	287,367.88		12,940.32	6,695.20	19,635.52	
Working Capital beginning 06/30/01	342,703.65	1,435,377.56	1,778,081.21		31,583.94	57,594.36	89,178.30	

APPENDIX L

RESOLUTION No. 2000-02 RESOLUTION OF THE OVERLYING (AGRICULTURAL) POOL OF THE CHINO BASIN WATERMASTER TO APPROVE THE PEACE AGREEMENT CHINO BASIN (PEACE AGREEMENT)

WHEREAS, the Judgment in the Chino Basin Adjudication, Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino Superior Court No. RCV 51010 (formerly No. 164327), created the Watermaster and directed it to perform the duties as provided in the Judgment or as ordered or authorized by the Court in the exercise of the Court's continuing jurisdiction; and

WHEREAS, the Judgment directs Watermaster to develop an Optimum Basin Management Program (OBMP), subject to the limitations contained in the Judgment; and

WHEREAS, the Court ordered the Inland Empire Utilities Agency (IEUA) to act as "lead agency" for the purposes of preparing any applicable environmental review for the OBMP in the form of a Program Environmental Impact Report (PEIR), with the Court exercising continuing jurisdiction over the matter; and

WHEREAS, the parties to the Judgment have developed a Memorandum of Principles which articulated the framework of an agreement which the Watermaster Board of Directors approved unanimously on May 25, 2000; and

WHEREAS, the parties to the Judgment have rendered the Memorandum of Principles into a more definitive agreement known as the Peace Agreement and into an OBMP Implementation Plan; and

WHEREAS, the IEUA, in its capacity as court-appointed lead agency, prepared the PEIR and, on July 12, 2000, certified said PEIR and approved the OBMP; and

WHEREAS, approval of the Peace Agreement by affected parties is consistent with the Judgment and in furtherance of the OBMP.

NOW, THEREFORE, the Overlying (Agricultural) Pool of the Chino Basin Watermaster does hereby **RESOLVE, DETERMINE AND ORDER** as follows:

Section 1: The OBMP is in furtherance of the physical solution set forth in the Judgment and consistent with Article X, Section 2 of the California Constitution.

Section 2: Subject to the satisfaction of all conditions precedent set forth in the Peace Agreement by the Parties thereto, the Overlying (Agricultural) Pool supports and approves the Peace Agreement negotiated by the parties thereto, including, but not limited to, Article VII thereof.

Section 3: The Overlying (Agricultural) Pool authorizes the Chairman to execute the Peace Agreement on behalf of the Overlying (Agricultural) Pool.

Section 4: The Overlying (Agricultural) Pool supports Watermaster's proceeding in accordance with the OBMP Implementation Plan and the Peace Agreement.

Section 5: The Overlying (Agricultural) Pool supports Watermaster's compliance with the conditions described in Article V of the Peace Agreement labeled, "Watermaster Performance" in order to implement the provisions of the OBMP Implementation Plan and the Peace Agreement.

Section 6: In approving this Resolution, the Overlying (Agricultural) Pool is not committing to carry out, consistent with the OBMP, any project within the meaning of CEQA unless and until environmental review and assessment, as required by CEQA for that defined "project," has been completed utilizing the OBMP PEIR as appropriate.

Section 7: The Overlying (Agricultural) Pool does not approve any amendments to the Judgment other than those identified in Section 4.4 of the Peace Agreement.

ADOPTED, this 20th day of July, 2000.

APPENDIX M

RESOLUTION No. 2000-03 RESOLUTION OF THE APPROPRIATIVE POOL OF THE CHINO BASIN WATERMASTER TO APPROVE THE PEACE AGREEMENT-CHINO BASIN (PEACE AGREEMENT)

WHEREAS, the Judgment in the Chino Basin Adjudication, Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino Superior Court No. RCV 51010 (formerly No. 164327), created the Watermaster and directed it to perform the duties as provided in the Judgment or as ordered or authorized by the Court in the exercise of the Court's continuing jurisdiction; and

WHEREAS, the Judgment directs Watermaster to develop an Optimum Basin Management Program (OBMP), subject to the limitations contained in the Judgment; and

WHEREAS, the Court ordered the Inland Empire Utilities Agency (IEUA) to act as "lead agency" for the purposes of preparing any applicable environmental review for the OBMP in the form of a Program Environmental Impact Report (PEIR), with the Court exercising continuing jurisdiction over the matter; and

WHEREAS, the parties to the Judgment have developed a Memorandum of Principles which articulated the framework of an agreement which the Watermaster Board of Directors approved unanimously on May 25, 2000; and

WHEREAS, the parties to the Judgment have rendered the Memorandum of Principles into a more definitive agreement known as the Peace Agreement and into an OBMP Implementation Plan; and

WHEREAS, the IEUA, in its capacity as court-appointed lead agency, prepared the PEIR and, on July 12, 2000, certified said PEIR and approved the OBMP; and

WHEREAS, approval of the Peace Agreement by affected parties is consistent with the Judgment and in furtherance of the OBMP.

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

Section 1: The OBMP is in furtherance of the physical solution set forth in the Judgment and consistent with Article X, Section 2 of the California Constitution.

Section 2: Subject to the satisfaction of all conditions precedent set forth in the Peace Agreement by the Parties thereto, the Appropriative Pool supports and approves the Peace Agreement negotiated by the parties thereto, including, but not limited to, Article VII thereof.

Section 3: The Appropriative Pool authorizes the Chairman to execute the Peace Agreement on behalf of the Appropriative Pool.

Section 4: The Appropriative Pool supports Watermaster's proceeding in accordance with the OBMP Implementation Plan and the Peace Agreement.

Section 5: The Appropriative Pool supports Watermaster's compliance with the conditions described in Article V of the Peace Agreement labeled, "Watermaster Performance" in order to implement the provisions of the OBMP Implementation Plan and the Peace Agreement.

Section 6: In approving this Resolution, the Appropriative Pool is not committing to carry out, consistent with the OBMP, any project within the meaning of CEQA unless and until environmental review and assessment, as required by CEQA for that defined "project," has been completed utilizing the OBMP PEIR as appropriate.

Section 7: The Appropriative Pool does not approve any amendments to the Judgment other than those identified in Section 4.4 of the Peace Agreement.

ADOPTED, this 20th day of July, 2000.

APPENDIX N

RESOLUTION No. 2000-04 RESOLUTION OF THE OVERLYING (NON-AGRICULTURAL) POOL OF THE CHINO BASIN WATERMASTER TO APPROVE THE PEACE AGREEMENT- CHINO BASIN (PEACE AGREEMENT)

WHEREAS, the Judgment in the Chino Basin Adjudication, Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino Superior Court No. RCV 51010 (formerly No. 164327), created the Watermaster and directed it to perform the duties as provided in the Judgment or as ordered or authorized by the Court in the exercise of the Court's continuing jurisdiction; and

WHEREAS, the Judgment directs Watermaster to develop an Optimum Basin Management Program (OBMP), subject to the limitations contained in the Judgment; and

WHEREAS, the Court ordered the Inland Empire Utilities Agency (IEUA) to act as "lead agency" for the purposes of preparing any applicable environmental review for the OBMP in the form of a Program Environmental Impact Report (PEIR), with the Court exercising continuing jurisdiction over the matter; and

WHEREAS, the parties to the Judgment have developed a Memorandum of Principles which articulated the framework of an agreement which the Watermaster Board of Directors approved unanimously on May 25, 2000; and

WHEREAS, the parties to the Judgment have rendered the Memorandum of Principles into a more definitive agreement known as the Peace Agreement and into an OBMP Implementation Plan; and

WHEREAS, the IEUA, in its capacity as court-appointed lead agency, prepared the PEIR and, on July 12, 2000, certified said PEIR and approved the OBMP; and

WHEREAS, approval of the Peace Agreement by affected parties is consistent with the Judgment and in furtherance of the OBMP.

NOW, THEREFORE, the Overlying (Non-Agricultural) Pool of the Chino Basin Watermaster does hereby **RESOLVE, DETERMINE AND ORDER** as follows:

Section 1: The OBMP is in furtherance of the physical solution set forth in the Judgment and consistent with Article X, Section 2 of the California Constitution.

Section 2: Subject to the satisfaction of all conditions precedent set forth in the Peace Agreement by the Parties thereto, the Overlying (Non-Agricultural) Pool supports and approves the Peace Agreement negotiated by the parties thereto, including, but not limited to, Article VII thereof.

Section 3: The Overlying (Non-Agricultural) Pool authorizes the Chairman to execute the Peace Agreement on behalf of the Overlying (Non-Agricultural) Pool.

Section 4: The Overlying (Non-Agricultural) Pool supports Watermaster's proceeding in accordance with the OBMP Implementation Plan and the Peace Agreement.

Section 5: The Overlying (Non-Agricultural) Pool supports Watermaster's compliance with the conditions described in Article V of the Peace Agreement labeled, "Watermaster Performance" in order to implement the provisions of the OBMP Implementation Plan and the Peace Agreement.

Section 6: In approving this Resolution, the Overlying (Non-Agricultural) Pool is not committing to carry out, consistent with the OBMP, any project within the meaning of CEQA unless and until environmental review and assessment, as required by CEQA for that defined "project," has been completed utilizing the OBMP PEIR as appropriate.

Section 7: The Overlying (Non-Agricultural) Pool does not approve any amendments to the Judgment other than those identified in Section 4.4 of the Peace Agreement.

ADOPTED, this 27th day of July, 2000.

APPENDIX O

RESOLUTION No. 2000-05

RESOLUTION OF THE CHINO BASIN WATERMASTER TO APPROVE THE "PEACE AGREEMENT", TO ADOPT THE GOALS AND PLANS OF THE PHASE I REPORT FOR THE OPTIMUM BASIN MANAGEMENT PROGRAM ("OBMP") CONSISTENT WITH THE PEACE AGREEMENT AS ITS OBMP, AND TO ADOPT THE REQUISITE POLICIES AND PROCEDURES TO IMPLEMENT THE PROVISIONS SET FORTH IN ARTICLE V OF THE PEACE AGREEMENT ON OR BEFORE DECEMBER 31, 2000.

WHEREAS, the Judgment in the Chino Basin Adjudication, *Chino Basin Municipal Water District v. City of Chino, et al.*, San Bernardino Superior Court No. 164327, created the Watermaster and directed it to perform the duties as provided in the Judgment or ordered or authorized by the Court in the exercise of the Court's continuing jurisdiction; and

WHEREAS, the Judgment directs Watermaster to develop an OBMP subject to the limitations contained in the Judgment; and

WHEREAS, Watermaster prepared and submitted a Phase I Report regarding the OBMP to the Court; and

WHEREAS, the Court ordered the Inland Empire Utilities Agency (IEUA) to act as "lead agency" for the purposes of preparing any applicable environmental review for the OBMP in the form of a Programmatic Environmental Impact Report (PEIR); and

WHEREAS, the parties have developed a Memorandum of Principles which was signed on May 2, 2000, and which articulates a framework of an agreement that will allow for the adoption and implementation of the OBMP; and

WHEREAS, the Watermaster Board approved the Memorandum of Principles on May 26, 2000; and

WHEREAS, the parties have developed a Peace Agreement and OBMP Implementation Plan, which together with the goals and plans in the Phase I Report constitute the OBMP; and

WHEREAS, the IEUA has prepared and circulated a draft PEIR and held a public meeting to take public comment on June 28, 2000; and

WHEREAS, an OBMP Implementation Plan has been formulated which describes specific actions that will be taken or facilitated by Watermaster that are consistent with the Peace Agreement and the Judgment; and

WHEREAS, the parties to the Peace Agreement and the parties to the Judgment have requested Watermaster to approve the Peace Agreement and the OBMP Implementation Plan and to implement the goals and plans contained in the OBMP Phase I Report in a manner consistent with the Peace Agreement and the OBMP Implementation Plan.

NOW, THEREFORE, IT IS HEREBY RESOLVED AND DETERMINED BY THE CHINO BASIN WATERMASTER, SUBJECT TO THE UNANIMOUS APPROVAL OF THE PEACE AGREEMENT BY THE PARTIES THERETO BY AUGUST 1, 2000, THAT:

1. The Peace Agreement and the implementation of the OBMP as provided in the Implementation Plan is in furtherance of the physical solution set forth in the Judgment and Article X, Section 2 of the California Constitution.
2. Although not a signatory, the Chino Basin Watermaster Board supports and approves the Peace Agreement negotiated by the parties thereto.
3. Following the satisfaction of all conditions precedent set forth in the Peace Agreement and the unanimous approval of the Peace Agreement by the Parties thereto no later than August 1, 2000:
 - a. Watermaster adopts the goals and plans of the Phase I Report consistent with the Peace Agreement and OBMP Implementation Plan as its OBMP.
 - b. The Watermaster will proceed in accordance with the Peace Agreement and the OBMP Implementation Plan.
 - c. Watermaster will comply with the conditions described in Article V of the Peace Agreement labeled, "Watermaster Performance" and Watermaster shall adopt all necessary policies and procedures in order to implement the provisions set forth in Article V on or before December 31, 2000, unless an earlier date is specified in the Peace Agreement or the OBMP Implementation Plan.
4. The Watermaster Board will transmit a request to the Court to issue an Order authorizing and directing Watermaster to proceed in accordance with this Resolution.

RESOLUTION NO. 2000-05, APPROVED AND ADOPTED by the Chino Basin Watermaster Board on this 29th day of June 2000.

APPENDIX P

RESOLUTION No.00-06 A RESOLUTION OF THE CHINO BASIN WATERMASTER LEVYING REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS FOR THE FIRST SIX MONTHS OF FISCAL YEAR 2000-2001

WHEREAS, the Chino Basin Watermaster was appointed on January 27, 1978, under Case No. RCV 51010 (formerly case No. SCV 164327) 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 administering the Chino Basin Judgment; and

WHEREAS, the Chino Basin Watermaster adopted an Interim Budget for the first six months of Fiscal Year 2000-2001 on September 28, 2000, which was approved by the Watermaster Advisory Committee on September 19, 2000, in the amount of \$2,206,122 to carry out the necessary Watermaster functions under the Judgment; and

WHEREAS, the parties named in this Judgment have pumped 579.294acre-feet of water in excess of the operating safe yield, which is required to be replaced at the expense of the parties in accordance with the assessment formulas for the respective pools.

NOW, THEREFORE, BE IT RESOLVED that the Chino Basin Watermaster levies the respective assessments for each pool effective September 29, 2000 as shown on Exhibit "A" attached hereto.

BE IT FURTHER RESOLVED, that pursuant to the Judgment, each party has thirty (30) days from the date of invoice to remit the amount of payment for assessments due. After that date, interest will accrue on that portion which was due as provided for in Section 55 (c) of the Judgment. Following a mid-year budget review by January 1, 2001 and subsequent adoption of a final FY 2000-2001 Watermaster Budget, each party will have thirty (30) days from the date of invoice to remit the remaining amount of payment for assessments due. After that date, interest will accrue on that portion which was due as provided for in Section 55 (c) of the Judgment.

THE FOREGOING RESOLUTION was approved, as amended, by the Advisory Committee on the 19th day of September 2000 and adopted by the Watermaster Board on the 28th day of September 2000.

Exhibit "A"
Resolution 00-06

Summary
of
Assessments per Acre-foot
Fiscal Year 2000-2001
Production Year 1999-2000

(Based on First Six Month Interim Budget)

1. OVERLYING (NON-AGRICULTURAL) POOL

- | | | | |
|----|---------------------------------|--------------------|--------------------------|
| a. | 2000-2001 Administrative Budget | \$ <u>2.6248</u> | Per AF/Production Admin. |
| | | \$ <u>8.4770</u> | Per AF/Production OBMP |
| | | \$ <u>5.0000</u> | Minimum |
| b. | Replenishment | \$ <u>242.0000</u> | Per AF |

2. APPROPRIATIVE POOL

- | | | | |
|----|-------------------------------|--------------------|--------------------------|
| a. | Administration | | |
| 1. | 2000-01 Administrative Budget | \$ <u>2.3980</u> | Per AF/Production Admin |
| | | \$ <u>8.4797</u> | Per AF/Production OBMP |
| 2. | 1999-00 Ag Pool Unallocated | | |
| | Safe Yield Water Transfers | \$ <u>3.7355</u> | Per AF Reallocated Admin |
| | | \$ <u>5.1112</u> | Per AF Reallocated OBMP |
| b. | 100% Net Replenishment | | |
| | MWD | \$ <u>242.0000</u> | Per AF |
| c. | 15/85 | | |
| | Gross - 15% | \$ <u>0.0033</u> | Per AF |
| | Net - 85% | \$ <u>205.7000</u> | Per AF |

APPENDIX Q

RESOLUTION No. 00-07 A RESOLUTION OF THE CHINO BASIN WATERMASTER ESTABLISHING TIME AND PLACE OF MEETINGS

WHEREAS, the Chino Basin Watermaster is required to hold meetings in accordance with adopted Rules and Regulations, which can be amended from time to time by Resolution, Article 2, Paragraph 2.03 Regular Meetings, pursuant to the Chino Basin Judgment (Judgment), entered on January 27, 1978, Chino Basin Municipal Water District v. City of Chino, et al, Case No RCV 51010, and

WHEREAS, resolutions amending said Rules and Regulations have been adopted and rescinded from time to time, and

WHEREAS, Resolution 98-7 adopted on March 5, 1998 set the time and place of regular meetings on an as-needed basis due to the pending appointment of a nine-member Watermaster Board and approval of an Optimum Basin Management Program (OBMP), and

WHEREAS, rescheduling the annual meetings to occur at the first meeting of each "calendar year" will allow Committee appointments to be made that coincide with appointments of Watermaster Board Members by their individual agencies based on the new rotation schedule, and

WHEREAS, rescheduling the annual meetings to occur at the first meeting of each "calendar year" will allow the completion of fiscal year assessments and volume votes, and

WHEREAS, it is anticipated that regular meetings will continue to be held on an as-needed basis to facilitate initial implementation of the OBMP.

NOW, THEREFORE, BE IT RESOLVED, that effective January 2001, Annual Meetings will be held at the first meeting of each "calendar year".

BE IT FURTHER RESOLVED that upon the effective date of this Resolution, Resolution No. 98-07 adopted March 5, 1998 is hereby rescinded in its entirety.

THE FOREGOING RESOLUTION was approved by the Advisory Committee on the 12th day of October 2000 and adopted by the Watermaster Board on the 26th day of October 2000.

APPENDIX R

RESOLUTION No.00-09 RESOLUTION OF THE CHINO BASIN WATERMASTER, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING A WATERMASTER INVESTMENT POLICY

WHEREAS, the normal and prudent operation of the Watermaster's daily business generates cash balances, operating and fund reserves; and

WHEREAS, the cash management system is designed to accurately monitor and forecast expenditures and revenues on behalf of Watermaster, thus enabling the Watermaster to invest funds to the fullest extent possible; and

WHEREAS, the cash funds are to be placed in investments authorized for public agencies of the State of California (Judgment Paragraph 23); and

WHEREAS, Watermaster deems it to be in the best interests of the parties to the Judgment to delegate the authority to invest and reinvest the funds of Watermaster to the Watermaster Office Manager/Accountant subject to the provisions of its Investment Policy and the ongoing review and control of Watermaster and the Watermaster Advisory Committee.

WHEREAS, it is the Watermaster's policy to periodically review, update, and adopt an investment policy;

NOW, THEREFORE, BE IT RESOLVED, by the Chino Basin Watermaster that:

- Section 1. That the Chino Basin Watermaster Investment Policy dated the 28th of October, 1999, revising "Controller" to "Office Manager/Accountant", remains in effect.
- Section 2. The authority to invest and reinvest funds of Watermaster is hereby delegated to the Watermaster Office Manager/Accountant subject to the provisions of said Investment Policy and the ongoing review and control of Watermaster and the Watermaster Advisory Committee.
- Section 3. This resolution shall take effect from and after its date of adoption and Resolution 99-11 is rescinded in its entirety.

****Watermaster's Investment Policy originally approved by the Advisory Committee on February 13, 1997 and the Watermaster Board on March 5, 1998.**

APPROVED by the Advisory Committee this 22nd day of December 2000.

ADOPTED by the Watermaster Board on this 22nd day of December 2000.

APPENDIX S

RESOLUTION No.01-01 A RESOLUTION OF THE CHINO BASIN WATERMASTER LEVYING REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS FOR THE SECOND SIX MONTHS OF FISCAL YEAR 2000- 2001

WHEREAS, the Chino Basin Watermaster was appointed on January 27, 1978, under Case No. RCV 51010 (formerly case No. SCV 164327) 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 administering the Chino Basin Judgment; and

WHEREAS, the Chino Basin Watermaster adopted an Interim Budget for the first six months of Fiscal Year 2000-2001 on September 28, 2000, which was approved by the Watermaster Advisory Committee on September 19, 2000, in the amount of \$2,206,122 to carry out the necessary Watermaster functions under the Judgment; and

WHEREAS, the Chino Basin Watermaster adopted a Budget for the second six months of Fiscal Year 2000-01 on January 25, 2001, in the amount of 2,305,830 to carry out the necessary Watermaster functions under the Judgment; and

WHEREAS, the parties named in this Judgment have pumped 579.294acre-feet of water in excess of the operating safe yield, which is required to be replaced at the expense of the parties in accordance with the assessment formulas for the respective pools.

NOW, THEREFORE, BE IT RESOLVED that the Chino Basin Watermaster levies the respective assessments for each pool effective January 26, 2001 as shown on Exhibit "A" attached hereto.

BE IT FURTHER RESOLVED, that pursuant to the Judgment, each party has thirty (30) days from the date of invoice to remit the amount of payment for assessments due. After that date, interest will accrue on that portion which was due as provided for in Section 55 (c) of the Judgment. Following adoption of the final FY 2000-2001 Watermaster Budget, each party will have thirty (30) days from the date of invoice to remit the remaining amount of payment for assessments due. After that date, interest will accrue on that portion which was due as provided for in Section 55 (c) of the Judgment.

THE FOREGOING RESOLUTION was approved by the Advisory Committee on the 25th day of January 2001 and adopted by the Watermaster Board on the 25th day of January 2001.

Exhibit "A"
Resolution 01-01

Summary
of
Assessments per Acre-foot
Fiscal Year 2000-2001
Production Year 1999-2000

(Based on Adopted Second Six Month Interim Budget)

1. OVERLYING (NON-AGRICULTURAL) POOL

- | | | | |
|----|---------------------------------|--------------------|--------------------------|
| a. | 2000-2001 Administrative Budget | \$ <u>6.0240</u> | Per AF/Production Admin. |
| | | \$ <u>8.6636</u> | Per AF/Production OBMP |
| | | \$ <u>5.0000</u> | Minimum |
| b. | Replenishment | \$ <u>242.0000</u> | Per AF |

2. APPROPRIATIVE POOL

- | | | | |
|----|-------------------------------|--------------------|--------------------------|
| a. | Administration | | |
| 1. | 2000-01 Administrative Budget | \$ <u>5.1985</u> | Per AF/Production Admin |
| | | \$ <u>8.6636</u> | Per AF/Production OBMP |
| 2. | 1999-00 Ag Pool Unallocated | | |
| | Safe Yield Water Transfers | \$ <u>4.0783</u> | Per AF Reallocated Admin |
| | | \$ <u>5.2239</u> | Per AF Reallocated OBMP |
| b. | 100% Net Replenishment | | |
| | MWD | \$ <u>242.0000</u> | Per AF |
| c. | 15/85 | | |
| | Gross - 15% | \$ <u>0.0000</u> | Per AF |
| | Net - 85% | \$ <u>0.0000</u> | Per AF |

APPENDIX T

RESOLUTION No. 01-02

A RESOLUTION OF THE CHINO BASIN WATERMASTER DESIGNATING AN AUTHORIZED REPRESENTATIVE TO FILE AN APPLICATION TO THE DEPARTMENT OF WATER RESOURCES TO OBTAIN A FEASIBILITY STUDY OR PILOT PROJECT GRANT FOR GROUNDWATER STORAGE FACILITIES

WHEREAS, the Chino Basin Watermaster supports a better understanding of groundwater storage characteristics and the completion of an application for a Groundwater Storage Program Construction Grant; and

WHEREAS, the Chino Basin is one of the largest groundwater basins in Southern California, containing about 5,000,000 acre-feet of water in storage, with an additional unused storage capacity of approximately 1,000,000 acre-feet; and

WHEREAS, the rights to the storage of groundwater are subject to the Judgment entered in Case No. RCV 51010, Chino Basin Municipal Water District vs. the City of Chino; and

WHEREAS, the Chino Basin Watermaster adopted a Peace Agreement on June 29, 2000 which further defines the rights and responsibilities of the parties to the Judgment regarding the recharge, storage, and transfer of water; and

WHEREAS, the Chino Basin Watermaster adopted the Final Program Environmental Impact Report for the Optimum Basin Management Program (OBMP) on July 13, 2000; and

WHEREAS, the Final Program Environmental Impact Report for the OBMP will be available for use as the base environmental document by any Responsible Agency proceeding to implement future site-specific projects under the OBMP in accordance with programmatic procedures outlined in the State CEQA Guidelines Section 15162 and 15168; and

WHEREAS, Program Elements 8 and 9 of the OBMP relate to the development of a Groundwater Management Storage Program to manage the Chino Basin for the long-term benefit of all producers in the area; and

NOW THEREFORE, BE IT RESOLVED BY THE CHINO BASIN WATERMASTER that pursuant and subject to all of the terms and provisions of the Safe Drinking Water, Clean Water, Watershed Protection Act, and amendments thereto, application by the Chino Basin Watermaster be made to the California Department of Water Resources to obtain a feasibility study or pilot project grant for groundwater storage facilities (Chapter 9, Article 2).

BE IT FURTHER RESOLVED that the Chief of Watermaster Services is hereby authorized and directed to prepare the necessary data, make investigations, sign, and file such application with the California Department of Water Resources.

Resolution 01-02 shall become effective upon adoption by the Chino Basin Watermaster Board.

RESOLUTION NO. 01-02 ADOPTED this 25th day of January 2001.

APPENDIX U

RESOLUTION No.01-03 A RESOLUTION OF THE CHINO BASIN WATERMASTER ADOPTING PROCEDURES, GUIDELINES AND FEE SCHEDULE FOR RELEASE OF INFORMATION AND DOCUMENTS

WHEREAS, Chino Basin Watermaster is appointed by the Court to administer the terms of the Judgment; and

WHEREAS, it is appropriate for Watermaster to make Watermaster records available for public review, consistent with proper and efficient functioning of the Watermaster office and with protection of sensitive, personnel and privileged information; and

WHEREAS, it is necessary and proper for Watermaster to adopt standardized procedures for the release of information and documents and establish a fee schedule.

NOW THEREFORE, BE IT RESOLVED BY THE CHINO BASIN WATERMASTER as follows:

Resolution 01-03 and the attached Procedures, Guidelines and Fee Schedule of the Chino Basin Watermaster for the Release of Information and Documents shall become effective upon adoption by the Chino Basin Watermaster Board and Resolution No. 99-01 will be rescinded in its entirety.

THE FOREGOING RESOLUTION was adopted this 15th day of February 2001.

**CHINO BASIN WATERMASTER
PROCEDURE, GUIDELINES AND FEE SCHEDULE FOR
RELEASE OF INFORMATION AND DOCUMENTS**

I. PURPOSE

The purpose of this procedure is to delineate the procedure to be used, the guidelines to follow and the fees to be charged for costs associated with the release of information and documents. This procedure is effective upon adoption of Resolution 01-01.

II. PROCEDURE

A. GENERAL

Watermaster staff will attempt to respond to written requests for copies of documents within 10 working days following receipt of the request.

B. FORMS

A Request for Information Form will be completed and appropriately approved prior to responding to a request for information. Certain information and documents described in III.C below will require the Requestor to provide a "signed release" from an individual, company or agency.

III. GUIDELINES

Watermaster staff will consider requests for information and documents on a case-by-case basis, subject to the following guidelines:

A. The Requestor must provide Watermaster staff with the reason or purpose for their request for information.

B. The following records will be generally made available:
These records reflect actions taken by Watermaster. Reproduction of these records will be subject to the limitations set forth in the following paragraph.

1. Agendas
2. Minutes
3. Resolutions
4. Published Committee Reports
5. Annual Reports

C. The following records will generally not be available:

1. Discussions of or references to pending, threatened or on-going matters of litigation;
2. Discussions of or references to pending contract negotiations (including internal drafts of contracts);
3. Attorney or engineer records concerning the topics identified in subparagraphs B.1 or B.2;
4. Attorney work papers;
5. Recommendations of attorney or engineer prior to public Watermaster discussion or action;
6. Personnel, or personal information regarding Watermaster members, staff and/or employees; and
7. Unpublished drafts and working copies of committee reports; and
8. Materials received by Watermaster stamped "Confidential" by the sender.

- D. **Signed Release**
If a request is made specifically relating to a particular individual, company or agency that would require a release for information which has not previously been made public or which contains the status or operations of a particular individual, company or agency, the Requestor must provide a "signed release" form from the individual, the company or the agency allowing Watermaster to release the information being requested. Any such release shall be subject to the limitations stated in these guidelines.
- E. **Confidential Pool Information**
In the event information is given to Watermaster and must be returned or has been authorized by the Agricultural Pool representatives to be released to consultants or other public agencies, such information shall be provided with a stamped endorsement on each page that such information is confidential and shall be maintained confidential by the recipient.
- F. **Inspection of Watermaster Records**
Due to limited space and limited staff, inspection of Watermaster records may be allowed only through prior arrangement and will be subject to the guidelines outlined above.
- G. **Waiver of Required Fees**
Fees will be waived for parties of the Watermaster and public agencies who reciprocate with a similar waiver of fees.

IV FEE SCHEDULE

- A. Copies will be made available subject to the procedures and guidelines outlined and upon payment of reasonable fees to cover the costs associated with copying and handling.

An additional fee will be charged, as necessary, for actual costs associated with any request for information requiring special research or input.

- B. Watermaster shall charge the following reasonable fees:

1. Photocopies (8 1/2" x 11" or 8 1/2" x 14)	\$ 0.15	per page
	\$ 5.00	minimum
2. Facsimiles	\$ 0.30	per page
3. Board or Committee agendas only	\$ 40.00	annually
4. Board or Committee full agenda packages	\$500.00	annually
5. Electronic data/text equal to one (1) printed page	\$ 0.15	per page
6. Computer diskette	\$ 0.60	each
7. CD Rom	\$ 2.00	each
8. Mailing	Applicable First-Class Postal Rate	
9. Information requiring special research or input	Direct Costs	

APPENDIX V

RESOLUTION No. 01-04 RESOLUTION OF THE CHINO BASIN WATERMASTER APPROPRIATIVE POOL WAIVING COMPENSATION AS A GROUP FOR ATTENDANCE AT ALL MEETINGS RELATED TO CHINO BASIN WATERMASTER ACTIVITIES

WHEREAS, pursuant to Judgment entered on January 27, 1978, Chino Basin Municipal Water District v. City of Chino, et al, Case No RCV 51010 (formerly 164327), Pool and Advisory Committee members may receive compensation for service on any committee during any one year (based on Paragraph 36. Compensation); and

WHEREAS, compensation paid to Appropriative Pool members for attending meetings or conferences related to approved activities of Watermaster, must be returned to their respective member agencies; and

WHEREAS, any individual Appropriative Pool member may waive his or her right to receive compensation for attendance at any or all meetings or conferences by maintaining a Waiver of Compensation Form on file at the business office of the Chino Basin Watermaster; and

WHEREAS, a determination was made in the past that it would not be appropriate for some of the Appropriative Pool members to receive compensation and others to waive compensation for attending meetings of the Watermaster; and

WHEREAS, in 1996 the members of the Appropriative Pool took unanimous action as a group to waive compensation for meeting attendance at Appropriative Pool and Advisory Committee meetings; and

WHEREAS, it is appropriate that action related to Watermaster funds be adopted in the form of a Resolution for accounting and financial record keeping; and

WHEREAS, the Watermaster Appropriative Pool members may from time to time review this resolution and may determine to amend or rescind it in part or in its entirety.

NOW, THEREFORE, BE IT RESOLVED that by action of the Watermaster Appropriative Pool, compensation for attendance at any or all regular, adjourned regular, special, emergency or authorized meetings or conferences related to approved activities of the Watermaster shall be waived as a group until further notice.

Resolution No. 01-04 shall become effective upon adoption and remain effective until rescinded by action of the Appropriative Pool.

THE FOREGOING RESOLUTION was adopted by the Appropriative Pool this 15th day of February 2001.

APPENDIX W

RESOLUTION No. 01-05

A RESOLUTION OF THE CHINO BASIN WATERMASTER AMENDING THE OVERLYING (NON-AGRICULTURAL) POOL RULES & REGULATIONS IN REGARD TO WHAT CONSTITUTES A QUORUM FOR THE TRANSACTION OF ITS AFFAIRS

WHEREAS, pursuant to Judgment entered on January 27, 1978, Chino Basin Municipal Water District v. City of Chino, et al, Case No RCV 51010 (formerly 164326), Exhibit "G", Overlying (Non-Agricultural) Pool Pooling Plan, "The Pool Committee shall adopt rules for administering its program"; and

WHEREAS, pursuant to adopted Rules and Regulations, Article 2, Paragraph 2.03, "The Pool Committee shall meet...for purpose of conducting the business of the pool and to make such recommendations as may be necessary to properly advise Watermaster"; and

WHEREAS, pursuant to adopted Rules and Regulations, Article 2, Paragraph 2.08, "A majority of the voting power of the Pool Committee shall constitute a quorum for the transaction of its affairs"; and

WHEREAS, an annual meeting of the Overlying (Non-Agricultural) Pool was noticed to occur on January 25, 2001 for the purpose of electing a pool committee chairperson and a vice chairperson from its membership in accordance with Judgment Paragraph 37(a), and

WHEREAS, the annual meeting was cancelled due to less than a quorum (a majority of the voting power) being present, and

WHEREAS, it has become increasingly difficult for a majority of the voting power of the Overlying (Non-Agricultural) Pool to attend meetings and the current escalated meeting schedule is anticipated to continue in order to facilitate implementation of the Optimum Basin Management Program.

NOW, THEREFORE, BE IT RESOLVED that in order to assure the regular business of the Overlying (Non-Agricultural) Pool is conducted and its collective interests are represented at Advisory Committee and Board meetings, Paragraph 2.08 of the Overlying (Non-Agricultural) Pool Rules and Regulations is amended to "The members of the Overlying (Non-Agricultural) Pool in attendance at meetings shall constitute a quorum for the transaction of its affairs and will represent the collective interest of the entire Pool membership." On February 2, 2001, the members of the Overlying (Non-Agricultural) Pool were sent a copy of this Resolution via facsimile and provided an opportunity to approve or oppose its adoption in writing.

BE IT FURTHER RESOLVED that upon execution of Resolution 01-05 amended Paragraph 2.08 shall become effective and remain in effect until amended or rescinded by subsequent resolution.

THE FOREGOING RESOLUTION NO. 01-05 was approved by a majority of the Overlying (Non-Agricultural) Pool voting power on this 21st day of March 2001.

APPENDIX X

**RESOLUTION No.01-06
A RESOLUTION OF THE CHINO BASIN WATERMASTER
DESIGNATING AN AUTHORIZED REPRESENTATIVE TO FILE
AN APPLICATION(S) TO THE DEPARTMENT OF WATER RESOURCES
TO OBTAIN AB303 LOCAL GROUNDWATER ASSISTANCE FUNDING
TO COMPLETE SPECIFIC TASKS UNDER THE OBMP**

WHEREAS, the Chino Basin Watermaster has adopted and is implementing an Optimum Basin Management Program (OBMP) in the Chino Basin, and

WHEREAS, the Chino Basin Watermaster desires to gain a better understanding of how to manage the local groundwater resources of the Chino Basin under the OBMP; and

WHEREAS, the OBMP and Peace Agreement demonstrate collaboration with other local public agencies regarding management of the Chino Basin, and

WHEREAS, the Chino Basin is one of the largest groundwater basins in Southern California, containing about 5,000,000 acre-feet of water in storage, with an additional unused storage capacity of approximately 1,000,000 acre-feet; and

WHEREAS, the Chino Basin Watermaster adopted a Peace Agreement on June 29, 2000 which further defines the commitments of the parties to the Judgment regarding the recharge, storage, and transfer of water; and

WHEREAS, the Chino Basin Watermaster adopted the Final Program Environmental Impact Report for the Optimum Basin Management Program (OBMP) on July 13, 2000; and

WHEREAS, the Final Program Environmental Impact Report for the OBMP will be available for use as the base environmental document by any Responsible Agency proceeding to implement future site-specific projects under the OBMP in accordance with programmatic procedures outlined in the State CEQA Guidelines Section 15162 and 15168; and

WHEREAS, it is anticipated in the OBMP that parties to the Judgment (specifically Inland Empire Utilities Agency, Chino Basin Water Conservation District and the City of Ontario) will undertake specific studies, investigations and projects currently included in the Watermaster task schedule and budget to implement the OBMP; and

WHEREAS, said studies and projects undertaken by parties to the Judgment will be funded through the Watermaster to the extent they do not receive AB 303 grant funding, and

NOW THEREFORE, BE IT RESOLVED BY THE CHINO BASIN WATERMASTER that pursuant and subject to all of the terms and provisions of the Local Groundwater Management Assistance Act of 2000 (AB 303, Stats. Of 2000, Ch. 708), and amendments thereto, application by the Chino Basin Watermaster be made to the California Department of Water Resources Conjunctive Management Branch to obtain study or project grant funding.

BE IT FURTHER RESOLVED that the Chief of Watermaster Services is hereby authorized and directed to prepare or cause preparation of the necessary data, make investigations, sign, and file such application or support the filing of such specific applications by the Chino Basin Water Conservation District, the Inland Empire Utilities Agency, or the City of Ontario for implementing projects under the OBMP with the California Department of Water Resources.

Resolution 01-06 shall become effective upon adoption by the Chino Basin Watermaster Board.

RESOLUTION NO. 01-06 ADOPTED this 19th day of April 2001.

APPENDIX Y

**RESOLUTION No.01-07
A RESOLUTION OF THE CHINO BASIN WATERMASTER
APPROVING AND AUTHORIZING EXECUTION OF A CONTRACT
WITH THE STATE WATER RESOURCE CONTROL BOARD
FOR A 205(j) WATER QUALITY PLANNING GRANT FOR
THE CHINO BASIN WATER QUALITY MONITORING PROGRAM**

WHEREAS, the Chino Basin Watermaster has been awarded a 205(j) Grant to implement a portion of the Chino Basin Water Quality Monitoring Program of the Optimum Basin Management Program (OBMP); and

WHEREAS, the Chino Basin Watermaster must enter into a contract with the State Water Resources Control Board; and

WHEREAS, approval of this resolution is required to start this portion of the Chino Basin Water Quality Monitoring Program; and

WHEREAS, Program Element 1 of the OBMP relates to the development and implementation of a Water Quality Monitoring Program to manage the Chino Basin for the long-term benefit of all producers in the area;

NOW THEREFORE, BE IT RESOLVED BY THE CHINO BASIN WATERMASTER that the Chief of Watermaster Services is hereby authorized and directed to execute the said Standard Agreement between the Chino Basin Watermaster and the STATE WATER RESOURCES CONTROL BOARD for the Chino Basin Water Quality Monitoring Program in the amount of \$84,375 for Phase XIII of Grant # C6-989293, Task # 420-07.

Resolution 01-07 shall become effective upon adoption by the Chino Basin Watermaster Board.

RESOLUTION NO. 01-07 ADOPTED this 19th day of April 2001.