

CHINO BASIN WATERMASTER
FOR
CHINO BASIN MUNICIPAL WATER DISTRICT

VS
CITY OF CHINO, ET AL
CASE NO. 164327

FIFTH
ANNUAL REPORT
OF THE
CHINO BASIN WATERMASTER
1981/82

WEST SAN BERNARDINO COUNTY WATER DISTRICT

SEPTEMBER 29, 1982

December 1982

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

Subject: Fifth Annual Report of Chino Basin Watermaster

This Fifth Annual Report of Watermaster activities is for your information. The Honorable Judge Don A. Turner of San Bernardino Superior Court ordered acceptance of this report on December 3, 1982.

A brief summary of activities during this reporting period (July 1, 1981 through June 30, 1982) is as follows:

Total production from the Basin during 1981/82 was 137,532 acre feet, with production by pool as follows:

	<u>Appropriative Pool</u>	<u>Overlying (Agricultural) Pool</u>	<u>Overlying (Non-Agricultural) Pool</u>	<u>Totals</u>
1981/82 Production	66,731 AF	65,117 AF	5,684 AF	137,532 AF
Initial Operating Safe Yield	<u>54,834 AF</u>	<u>82,800 AF</u>	<u>7,355 AF</u>	145,000 AF
Production in Excess of Safe Yield	13,188 AF	-0-	-0-	

As noted above, the 1981/82 production year did not exceed the initial shares of Operating Safe Yield.

A total of 2,387 acre feet of rights were leased among the members of the Appropriative Pool, and 3,000 acre feet of local storage was purchased by the City of Chino from Fontana Union Water Company for use in FY 82/83.

Replenishment water purchased for the 1980/81 well production in excess of safe yield totaled 19,042 acre feet. In order to complete the 1981-82 replenishment requirement, 2,454 acre feet of water in cyclic storage was purchased due to a required Metropolitan Water District shut down of the State aqueduct because of repairs to the San Luis Rey Reservoir in Tracy, California. However, we were able to deliver a net gain of 2,593 acre feet into the Cyclic Storage Account totaling 27,557 acre feet as of June 30, 1982. Metropolitan Water District abolished the old In Lieu Surface Delivery program which had been utilized by a few of the Appropriative and Non-Agricultural Pool members. A similar program was adopted by Metropolitan Water District in Fiscal 1981/82 referred to as Interruptible and Non-Interruptible Water Service Deliveries. All surface deliveries taken under the Interruptible program are subject to interruption and therefore considered water purchased in lieu of pumping. Heretofore, the "Summary of In Lieu Deliveries" was

shown in Appendix "D". Henceforth, Appendix "D" will record all water deliveries as "Summary of Interruptible Deliveries". Therefore, Interruptible Surface Deliveries for Fiscal Year 1981/82 totaled 8,874 acre feet.

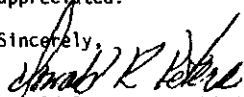
A Local Storage Agreement was initiated by the Agricultural Pool to preserve the 2,000 acre feet purchased during Fiscal Year 78/79 to offset potential overproduction in subsequent years which, to date, has not occurred. Other local storage agreements were approved for the County of San Bernardino for 400 acre feet, and Space Center Mira Loma for 100 acre feet. There are now a total of six storage agreements which total 38,089 acre feet of potential stored water over the next five to seven years under the Judgment.

Assessments billed by Pool during 1981/82 for 1980/81 production are as follows:

Appropriative Pool	\$1,224,316.65
Overlying (Agricultural) Pool	7,450.93
Overlying (Non-Agricultural) Pool	<u>72.76</u>
TOTAL	\$1,298,840.34

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

Sincerely,


Donald R. Peters, Chief
Watermaster Services

/kjb

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FIFTH ANNUAL REPORT OF CHINO BASIN WATERMASTER

The Chino Basin Watermaster was established under the Judgment entered in Superior Court of the State of California for the County of San Bernardino, as a result of Case No. 164327 entitled, "Chino Basin Municipal Water District v. City of Chino et al," signed by the Honorable Judge Howard B. Wiener on January 27, 1978. The effective date of this Judgment for accounting and operations was July 1, 1977. This Fifth Annual Report presents a view of Watermaster, Watermaster Advisory Committee and Pool Committee Activities and an accounting of water production for fiscal year 1981/82.

BACKGROUND OF JUDGMENT AND WATERMASTER

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

S.B. 222, now renumbered as a part of the Municipal Water District Law in the Water Code, Section 72140, was approved by Governor Ronald Reagan and filed with the Secretary of State on June 28, 1975, affecting fiscal year 1974/75 production.

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

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

The Judgment entered named the CBMWD five (5) man Board of Directors as "Watermaster" responsible to the Court for implementing its terms. The three pool committees and the Watermaster Advisory Committee were formally structured to assist the Watermaster in making decisions. Each of the three pools has met regularly to transact the business concerns of their respective

producers. Items that affected more than one pool were decided upon at the Watermaster Advisory Committee level, with voting power determined by prior year water assessments paid as provided in the Judgment.

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

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

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

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

- a) Overlying (Agricultural) Pool pays on a gross basis whereby the total cost of replenishment water plus estimated spreading costs are spread equally on each acre foot of water produced during the previous production period. To further stabilize assessments from year to year these assessments

are based on a five (5) year moving average with a maximum right of 414,000 acre feet in any one five (5) year period.

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

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

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

ACTIVITIES OF WATERMASTER AND COMMITTEES

I. WATERMASTER ACTIVITIES

Watermaster members and officers are as follows:

John G. Gilday	Chairman
George A. Borba	Vice-Chairman
John L. Anderson	Secretary/Treasurer
Edward A. Girard	Asst. Secretary/Treasurer
Dwight F. French	Member

Regular Watermaster meetings are scheduled for the fifth Wednesday of each month having five (5) Wednesdays, meeting in the CBMMD Board Room at 8555 Archibald Avenue, Cucamonga, at 9:00 a.m. Special meetings are noticed as required.

During this reporting period, regular meetings were held on:

July 29, 1981

September 30, 1981

December 30, 1981

March 31, 1982

June 30, 1982

No special meetings were called.

Assessments levied by Watermaster on September 30, 1981 for overproduction during 1980/81 production period and for budgeted administrative and special project costs for 1981/82 were as follows:

A) Overlying (Agricultural) Pool members were assessed the following amounts on each acre foot of water produced with minimal

producers paying a Five Dollar (\$5.00) administrative filing fee:

Administration and Special Projects \$0.10

Replenishment assessments for this pool are established by a five (5) year moving average to stabilize assessments from year to year. With reported production declining from 96,567 acre feet in 1974/75 to 83,934 acre feet on 1977/78, the pool committee decided during Fiscal Year 1978/79 to purchase 2,000 acre feet of replenishment water to provide for a potential increase in production during the balance of the five (5) year period. This replenishment water is still available as safe yield was not exceeded this year.

B) Overlying (Non-Agricultural) Pool members were assessed \$5.00 for budgeted administrative and special project costs and \$63.78 (\$61.00 for replenishment water plus \$2.78 for spreading) for each acre foot of production in excess of each producer's share of operating safe yield.

C) Appropriative Pool members subject to the 15/85 formula, nineteen members total, were assessed \$2.790 and \$54.213 respectively. All producers in this pool were assessed \$5.00 to cover the budgeted administrative and special project costs.

The City of Norco produced 1,487.0 acre feet in excess of their export right of 1,567 acre feet. This excess was subject to the current cost of replenishment plus spreading costs.

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

Agreements and policy matters negotiated and approved by Watermaster and Watermaster Advisory Committee prior to June 30, 1982 were as follows:

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

B) A Noticed Public Hearing was conducted by Watermaster on March 31, 1982 to approve the 1982-83 Administrative Budget and a summary of that budget is attached as Appendix "C".

C) Renewal Agreement with San Bernardino County Flood Control District was approved for an additional three years for the monitoring and spreading of replenishment and Cyclic Storage water. Appendix "D" and "E" summarizes these activities.

D) Reimbursement Agreement for Performing Earthwork in the Chino Groundwater Basin initiated between Watermaster and The Metropolitan Water District of Southern California (MWD) was revised to enable earthwork to be done within the San Bernardino County Flood Control District (SBCFCD) property by outside contractors as well as SBCFCD forces at the cost of MWD. This agreement revision to include private contractors is the result of the County's consolidation of departmental functions and their shift to private construction firms in lieu of their own construction forces, a move which they feel will be more cost effective.

E) MWD Temporary Facilities Use Amendatory Agreement. The original agreement initiated March 12, 1980 is a three party agreement between Watermaster, as potential beneficiary, Chino Basin Municipal Water District

as member agency to MWD, and MWD as the provider of the temporary facilities constructed for the delivery of replenishment water from MWD's Rialto Feeder. This Amending Agreement was initiated to amend paragraph eight which provides measurement of water deliveries by means of temporary metering facilities installed by MWD at each of the three temporary outlet structures. Heretofore, quantities of water deliveries was computed as the difference between Department of Water Resources Devils Canyon meter and the sum of other meters installed on the Rialto Pipeline and MWD's mainline meter at Live Oak Reservoir.

F) Meter Testing Contract - Production Meter Services entered into a two year contract with Watermaster on June 30, 1982 to perform the meter testing for the period July 1, 1982 through June 30, 1984.

G) Redetermination of Safe Yield - On June 30, 1982, the Watermaster program marked its fifth year of operation under the jurisdiction of the Judgment. It also marks the date in which work can commence on redetermination of the Chino Groundwater Basin's safe yield. However, pursuant to Exhibit I, Paragraph 2b, Page 80 of the Judgment, the safe yield shall not be changed upon less than five (5) years notice of intent by Watermaster. This "Notice of Intent" is shown as Appendix "I".

II. COMMITTEE ACTIVITIES

A. Overlying (Agricultural) Pool

At the annual meeting of this pool the following individuals were selected to administer the pool activities and to serve as representatives

on the Watermaster Advisory Committee:

<u>Regular</u>	<u>Alternate</u>
*Fred Douma	Louis Aukeman
*Gus Wybenga	John Vander Schaaf
*Tom Carnesi	Phillip Lock
*Robert DeBerard	Michael Bunnell
*J.N. Albers	Floris Ykema
Paula Martinez	Jim Fairchild
Gene Koopman	R.A. "Bud" Wathen
Herbert C. Hall	Joe D. Lopez
Edwin Dubiel	State Attorney General

*Newly elected members for two year terms.

The following officers were duly nominated and elected:

Chairman	Fred Douma
Vice-Chairman	Paula Martinez
Secretary	Don Peters Chief, Watermaster Services
Treasurer	John Anderson, CBMWD

Through June 30, 1982, a total of four (4) meetings were conducted to act on matters affecting the members of this pool and to review actions to be taken by Watermaster.

Interventions and assignments to this pool during 1981/82 are indicated in Appendix "H".

B. Overlying (Non-Agricultural) Pool

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

Chairman	Hooite Rugge
Vice-Chairman	Daryl Fryer
Secretary	Don Peters Chief, Watermaster Services
Treasurer	John Anderson, CBMWD

Watermaster Advisory Committee representatives for this pool are as follows:

Hooite Rugge	Kaiser
Daryl Fryer	Edison
William Nelson	Ameron

Through June 30, 1982, two (2) meetings were conducted to act on matters affecting members of this pool and to review actions to be taken by Watermaster. Interventions and assignments to this pool during 1981/82 are indicated in Appendix "H".

C. Appropriative Pool

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

Chairman	Lloyd Michael
Vice-Chairman	City of Ontario Representative
Secretary	Don Peters Chief, Watermaster Services
Treasurer	John Anderson, CBMWD

Through June 30, 1982, four (4) meetings were conducted to act on matters affecting members of this pool and to review actions to be taken by Watermaster.

D. Watermaster Advisory Committee

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

Chairman	Paula Martinez
1st Vice Chairman	Lloyd Michael
2nd Vice Chairman	Ed Ryan
Secretary	Don Peters Chief, Watermaster Services
Treasurer	Treas. of CBMWD

Regular meetings were scheduled for the third Thursday of each month having five (5) Wednesdays at 12:00 noon. The annual meeting was held March 18, 1982 at 12:00 noon. The Advisory Committee conducted five (5) regular meetings whereby all actions recommended to Watermaster were reviewed and discussed.

Minutes of all meetings are available at the Watermaster Office at 8555 Archibald Avenue, Cucamonga, California.

ADMINISTRATION OF JUDGMENT

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

(1) Water Rights Lease Agreements between Appropriative Pool Members for Fiscal Year 1981/82 totaled 2,387.1 acre feet. Individual lease agreements on forms approved by the Watermaster were as follows:

(a) From: Etiwanda Water Company	
To: Cucamonga County Water District	534.7
(b) From: Monte Vista Irrigation Co.	
To: City of Chino	350.0
(c) From: West San Bernardino County Water District	
To: City of Chino	598.5
(d) From: Southern California Water Co.	
To: Park Water Company	823.9
(e) From: Pomona Valley Water Company	
To: Park Water Company	<u>80.0</u>
	2,387.1

(2) Sale of Water in Local Storage was initiated on forms approved by Watermaster between Fontana Union Water Company as seller and the City of Chino as buyer. A total of 3,000 acre feet of water in storage was sold for use by Chino in Fiscal 1982/83. Fontana Union Water Company's concerns regarding possible taxation of leased water rights prompted this sale in lieu of their annual lease of water rights to Chino.

(3) Unqualified Audit Opinion and Audit Report to the Chino Basin Watermaster from Reardon & McCallum, Certified Public Accountants, for the period ending June 30, 1982, is attached as Appendix "F".

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

(5) Quarterly Accounting of Water Production has been received for the Appropriative and Overlying (Non-Agricultural) Pools for fiscal year 1981/82. The Overlying (Agricultural) Pool's quarterly production was compiled on those wells having water measuring devices installed.

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

(7) New Party Interventions are accumulated on a regular basis whereby land ownership changes and new producers are accounted for as they occur. Change of ownership is more frequently learned during production reporting periods. With all production reported on a quarterly basis, this has become a routine task. Parties having

surrendered all property with water producing facilities are considered inactive parties and are accounted for as such.

(8) Special Project Task Orders have been initiated by separate work orders approved by the Watermaster Advisory Committee and Watermaster for projects other than general administration duties. Special projects designated by number for the budget period ending June 30, 1982 were as follows:

(a) (Task Order 78-1) Conjunctive Use/Cyclic Storage Study was set up to assure that all aspects of the Chino Groundwater Basin are explored relating to the desirability and feasibility of conjunctively using this basin for storing approximately one million acre feet of State Project Water. Having additional water in storage in the Basin should increase groundwater levels and decrease the amount of energy required to pump water to the surface. This could monetarily benefit all producers in the basin. The California Department of Water Resources (DWR) and the Metropolitan Water District of Southern California (MWD) have completed three (3) of the four (4) phases of this study and have met with Watermaster and the Watermaster Advisory Committee to present their results and recommendations. Watermaster and the pool committees have expressed institutional and water quality concerns to the DWR which has resulted in the formation of a Watermaster Advisory Ad Hoc Committee to meet with the DWR and their consultants to identify these concerns and to assure that the requirements mandated by the Judgment are addressed. This task is expected to continue through fiscal 1982/83.

(b) (Task Order 78-3) Meter Installation Study was initiated to be a service to those parties required to purchase and install meters. Under the contract, a recommendation regarding the type, size, and placement of a meter is made on an individual basis for each producer. This service is provided to orderly complete the installation of meters in the least amount of time, expense and inconvenience to each producer. Certain information considered necessary for the Watermaster's files will also be accumulated through this effort. Although the contract has been terminated, necessary follow-up work will continue until all qualified wells are fitted with a water measuring device as mandated by the Judgment.

(c) (Task Order 78-4) Meter Testing Program is designed to test every meter in the basin at least once every two years as an ongoing program of the Watermaster. During this reporting period a total of 133 meters were tested under this program. Seven in the Appropriative Pool, one in the Overlying (Non-Agricultural) Pool and one hundred twenty-five in the Overlying (Agricultural) Pool. Five agricultural producers who are grape growers maintain certain wells in outlying areas and are subject to constant vandalism and therefore the Edison Company's well test procedure will provide an acceptable record as to production based on their Edison billings submitted bi-monthly. However, these non-metered wells must undergo an Edison well test every two years pursuant to the Judgment. Two producers in the Appropriative Pool have established monthly meter testing programs and report results of those tests to Watermaster for review and approval, eliminating a duplication of effort.

(d) (Task Order 79-1) Water Well Data has been initiated to collect and analyze existing and new data to assist in the determination of key wells, to provide the Watermaster and Watermaster Advisory Committee with information to make future groundwater management decisions. This task is coordinated with other existing monitoring agencies' programs to prevent any duplication of work, and will establish the ground rules and criteria for a long term groundwater monitoring program. Several key wells were located in both upper and lower portions of the basins which will be used to provide information for the Conjunctive Use Study and will assist in closing existing data gaps which have previously been experienced by the SARWQCB in their efforts to establish "Basin Plans". Monitoring these key wells will also determine the effects of the replenishment program currently underway making the data an effective tool which will benefit many producers in the future.

Subject to approval and recommendation of the Watermaster Advisory Committee of any affected Pool Committee, additional special project task orders may be designated and budgeted for as required to carry out the management plan.

(9) Local Storage Agreements were entered into by the Agricultural Pool for 2,000 acre feet; the County of San Bernardino for 400 acre feet; and Space Center Mira Loma for 100 acre feet. The amounts represent water anticipated to be unpumped during the next five years under the Judgment.

APPENDIX "A - 1"

OVERLYING (AGRICULTURAL) POOL COMMITTEE

Regular members and alternates for 1982. *Newly elected members for two year terms.

<u>Regular</u>	<u>Alternate</u>
*Fred Douma 14350 Cleveland Ontario, CA 91761 (714) 947-5192	Louis Aukeman 12391 Schliesman Mira Loma, CA 91752 (714) 986-6580
*Gus Wybenga 13950 Haven Avenue Ontario, CA 91761 (714) 947-5540	John Vander Schaaf 7849 Schaefer Avenue Ontario, CA 91761 (714) 628-0381
*Tom Carnesi 1604 N. Palm Avenue Upland, CA 91786 (714) 982-5008	Phillip Lock 825 East Third Street San Bernardino, CA 92415 (714) 383-2437
*Robert DeBerard 1294 East 13th Street Upland, CA 91786 (714) 946-3653	Michael D. Bunnell C.I.M. 14901 Central Avenue Chino, CA 91710 (714) 597-1821
*J.N. Albers P.O. Box 235 Upland, CA 91786 (714) 982-5891	Floris Ykema 6882 Chino Avenue Chino, CA 91710 (714) 628-2411
Paula Martinez Orange Co. Water District P.O. Box 8300 Fountain Valley, CA 92708 (714) 963-5661	Jim Fairchild P.O. Box 8300 Fountain Valley, CA 92708 (714) 963-5661
Gene Koopman 13898 S. Archibald Avenue Ontario, CA 91761 (714) 947-4350	R. A. "Bud" Wathen Y.T.S. P.O. Box 800 Ontario, CA 91761 (714) 597-1861
Herbert C. Hall 9430 Lomita Drive Alta Loma, CA 91701 (714) 987-9365	Joe D. Lopez P.O. Box 246 Etiwanda, CA 91739 (714) 987-2164
Edwin Dubiel Deputy Attorney General 3580 Wilshire Blvd. Los Angeles, CA 90010 (213) 736-2116	State Attorney General 3580 Wilshire Blvd. Los Angeles, CA 90010 (213) 736-2116

APPENDIX "A - 2"

OVERLYING (NON-AGRICULTURAL) POOL COMMITTEE

Ameron Steel & Wire Division
ATTN: Bill Nelson
12459 Arrow Highway
P.O. Drawer 8
Etiwanda, CA 91739
(714) 987-2521

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

Swan Lake
ATTN: Denny Southern
5800 Hammer Avenue
Mira Loma, CA 91752
(714) 685-7044

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

Kaiser Steel Corporation
ATTN: Hooite Rugge
P.O. Box 217
Fontana, CA 92335
(714) 350-5448

Space Center Mira Loma, Inc.
ATTN: Michael Thies
3401 Etiwanda Ave., Bldg. 504
Mira Loma, CA 91752
(714) 685-5221

Quaker Chemical
ATTN: Russell Collins
P.O. Box 973
Pomona, CA 91769
(714) 629-9776

San Bernardino Co. Aviation Div.
ATTN: Phil Lock
825 East Third Street
San Bernardino, CA 92415
(714) 383-2437

Southern California Edison Co.
Etiwanda Generating Station
ATTN: Ed Ryan
8996 Etiwanda Avenue
Etiwanda, CA 91739
(714) 987-2561

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

Sunkist Growers
ATTN: Vern Renaud
616 East Sunkist Street
Ontario, CA 91761
(714) 983-9811

Union Carbide Corporation
Linde Division
ATTN: Guy Nolan
Etiwanda Avenue & I-10
Fontana, CA 92335
(714) 829-4000

APPENDIX "A - 3"

APPROPRIATIVE POOL COMMITTEE

Chino, City of
 ATTN: Marc Carpenter
 P.O. Box 667
 Chino, CA 91710
 (714) 627-7577

Cucamonga County Water District
 ATTN: Lloyd Michael
 P.O. Box 638
 Cucamonga, CA 91730
 (714) 987-2591

Etiwanda Water Company
 ATTN: Lloyd Michael
 P.O. Box 726
 Cucamonga, CA 91730
 (714) 987-2591

Felspar Gardens Mut. Water Co.
 ATTN: Roy Grace
 4453 Avon Street
 Riverside, CA 92509
 (714) 685-2252

Fontana Union Water Company
 P.O. Box 309
 Fontana, CA 92335
 (714) 822-2209

Jurupa Community Services Dist.
 ATTN: Bill Huckle
 8621 Jurupa Road
 Riverside, CA 92509
 (714) 685-7435

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

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

Monte Vista Irrigation Co.
 ATTN: H. R. Anderson
 2529 W. Temple
 Los Angeles, CA 90026
 (213)

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

Norco, City of
 ATTN: Richard L. Polen
 P.O. Box 428
 Norco, CA 91760
 (714) 735-3900

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

Park Water Company
 ATTN: Tom Snodgrass
 P.O. Box "J"
 Downey, CA 90241
 (213) 923-0711

Pomona Valley Water Company
 ATTN: Ted May
 14575 Pipeline Avenue
 Chino, CA 91710
 (714) 597-1785

Pomona, City of
 ATTN: Jim Lundie
 P.O. Box 660
 Pomona, CA 91768
 (714) 620-2231

San Antonio Water Company
 ATTN: Charlie Thomas
 P.O. Box 877
 Upland, CA 91786
 (714) 982-4107

APPENDIX "A - 3"

APPROPRIATIVE POOL COMMITTEE (Continued)

Santa Ana River Water Company
P.O. Box 61
Mira Loma, CA 91752
(714) 685-6503

Southern California Water Company
ATTN: Mr. William Downey
P.O. Box 188
San Dimas, CA 91773
(714) 599-1389

Upland, City of
ATTN: Lee Travers
P.O. Box 460
Upland, CA 91786
(714) 982-1352

West End Consolidated Water Co.
ATTN: Charlie Thomas
P.O. Box 877
Upland, CA 91786
(714) 982-4107

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

APPENDIX "B"
PRODUCTION BY POOL
 (ACRE FEET)

<u>FISCAL YEAR</u>	<u>APPROPRIATIVE POOL</u>	<u>OVERLYING (AGRICULTURAL) POOL</u>	<u>OVERLYING (NON-AGRICULTURAL) POOL</u>	<u>TOTAL</u>
1974/75	70,312	96,567	8,878	175,757
1975/76	79,312	95,349	6,356	181,017
1976/77	72,707	91,450	9,198	173,355
1977/78	60,659	83,934	*10,082	154,675
1978/79	60,597	74,026	7,127	141,750
1979/80	63,834	70,377	7,363	140,566
1980/81	70,726	68,040	5,650	144,416
1981/82	66,731	65,117	5,684	137,532

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

NO BAS MASTER
 APPROVED
 BUDGET 1982-1983

SUMMARY OF ADMINISTRATIVE BUDGETS

	Totals	---APPROPRIATIVE POOL---		OVERLYING ---AGRICULTURAL POOL---		OVERLYING ---NON-AGRICULTURAL POOL---	
		Amount	Per Acre Foot	Amount	Per Acre Foot	Amount	Per Acre Foot
Estimated 81/82 Production	<u>143,150</u>		<u>56,000</u> (46.10%)		<u>71,000</u> (49.60%)		<u>6,150</u> (4.30%)
GENERAL ADMINISTRATION:							
*Joint Watermaster- Advisory Committee	\$44,725	\$20,621		\$22,183		\$1,921	
Pool Administration	7,400	1,950		4,200		1,250	
TOTAL ADMINISTRATIVE ASSESSMENT	<u>52,125</u>	<u>22,571</u>	<u>\$0.3420</u>	<u>26,383</u>	<u>\$0.3716</u>	<u>\$3,171</u>	<u>\$0.5156</u>
SPECIAL PROJECTS:							
*Conjunctive Use/Cyclic Storage	4,950	2,282		2,455		213	
*Meter Installation	3,375	1,556		1,674		145	
*Well Water Data	3,550	1,637		1,761		152	
Meter Testing Program	27,675	7,975		17,925		1,775	
TOTAL SPECIAL PROJECTS	<u>39,550</u>	<u>13,450</u>	<u>0.2038</u>	<u>23,815</u>	<u>0.3354</u>	<u>2,285</u>	<u>0.3716</u>
TOTAL ADMINISTRATIVE BUDGETS	<u>91,675</u>	<u>36,021</u>	<u>0.5458</u>	<u>50,198</u>	<u>0.7070</u>	<u>5,456</u>	<u>0.8872</u>
25% Operating Reserve:	22,919	9,005	0.1364	12,550	0.1768	1,364	0.2218
Projected Carry Forward from 81/82	<u>(62,821)</u>	<u>(15,442)</u>	<u>(0.2340)</u>	<u>(42,037)</u>	<u>(0.5921)</u>	<u>(5,342)</u>	<u>(0.8687)</u>
PROJECTED ASSESSMENTS:	<u>\$51,773</u>	<u>\$29,584</u>	<u>\$0.4482</u>	<u>\$20,711</u>	<u>\$0.2917</u>	<u>\$1,478</u>	<u>\$0.2403</u>

*Items spread from Total to Pools by production percentages.

NOTE: All amounts have been rounded. This may affect extensions of the per acre foot rates.

APPENDIX "C"

APPENDIX "C"

APPENDIX "D"

SUMMARY OF "INTERRUPTIBLE" DELIVERIES

(ACRE FEET)

JUNE 30, 1982

MONTH	CITY OF POMONA	CITY OF CHINO	MONTE VISTA WATER DISTRICT	CITY OF ONTARIO	SO. CAL. EDISON CO.	TOTAL
July	300	100	164	600	250	1,414
August	300	100	105	581	250	1,336
September	300	64	36	528	250	1,178
October	610		8	506	250	1,374
November	454		16	414	250	1,134
December	478		17	309	250	1,054
January	454		10	311	250	1,025
February	314		21	288	250	873
March	317		32	323	248	920
April	384	86	38	385	250	1,143
May	409	97	30	446	250	1,232
June	<u>476</u>	<u>96</u>	<u>31</u>	<u>192</u>	<u>192</u>	<u>987</u>
	4,796	543	508	4,883	2,940	13,670

GROUNDWATER REPLENISHMENT DELIVERIES
(Acre Feet)

	San Sevaine	Montclair		Day	Etiwanda	Total
		OC 59	CB 3			
July	0.0	*20.5	0	0.0	0.0	20.5
August	0.0	0.0	0	0.0	0.0	0.0
September	400.0	0.0	0	540.0	301.1	1,241.1
October	520.0	0.0	0	1,116.0	399.8	2,035.8
November	0.0	477.0	0	900.0	191.9	1,568.9
December	0.0	2,285.8	0	979.8	0.0	3,265.6
January	0.0	2,176.8	0	142.8	0.0	2,319.6
February	0.0	2,566.5	0	0.0	0.0	2,566.5
March	0.0	1,799.3	0	751.1	390.7	2,941.1
April	0.0	0.0	0	389.6	260.5	650.1
May	0.0	0.0	0	0.0	0.0	0.0
June	<u>0.0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>0.0</u>	<u>2,453.7**</u>
TOTALS	920.0	9,325.9	0	4,819.3	1,544.0	19,062.9

* Replenishment carry-over from Fiscal 80/81

** Water purchased from Cyclic Storage

APPENDIX "E"

CHINO BASIN WATERMASTER

Summary of Cyclic Storage Deliveries
January 1979 through June 1982

	<u>San Sevaine</u>	<u>Montclair Basins</u>	<u>Day Creek Basin</u>	<u>Etowanda</u>	<u>Total</u>
<u>9</u>					
January	-	2,697.2	205.9	-	2,903.1
February	-	2,245.7	201.5	-	2,447.2
March	-	2,514.3	267.7	-	2,782.0
April	-	2,234.9	74.4	-	2,309.3
May	-	2,319.6	233.9	-	2,553.5
June	-	2,463.7	297.8	-	2,761.5
July	-	3,127.1	318.9	-	3,446.0
August	21.3	3,088.1	772.0	-	3,881.4
September	-	2,444.7	908.8	-	3,353.5
October	150.0	2,228.0	646.1	-	3,024.1
November	-	-	538.4	-	538.4
	<u>171.3</u>	<u>25,363.3</u>	<u>4,665.4</u>		
December 1979 through June 1980 - No Deliveries					
				BALANCE ACCOUNT	30,000.0
				PURCHASES 79-80	(10,677.6)
				BALANCE AS OF 6-30-80	19,322.4
<u>1980</u>					
July	886.1	-	-	540.0	1,426.1
August	805.1	-	-	490.6	1,295.7
September	422.5	-	-	290.1	712.6
October 1980 through April 1981 - No Deliveries					
<u>11</u>					
May	-	1,972.0	-	396.0	2,368.0
June	<u>1,240.0</u>	<u>843.6</u>	<u>380.5</u>	<u>745.1</u>	<u>2,809.2</u>
TOTALS 80-81	<u>1,403.7</u>	<u>2,815.6</u>	<u>380.5</u>	<u>2,061.8</u>	<u>8,661.6</u>
				BALANCE ACCOUNT	27,984.0
				PURCHASES 80-81	(3,020.6)
				BALANCE AS OF 6-30-81	24,963.4
July 1981	930.0	-	1,178.0	504.6	2,612.6
August 1981	900.0	-	1,184.6	350.0	2,434.6
No additional deliveries for balance of 81-82	-	-	-	-	-
TOTALS 81-82	<u>1,830.0</u>	<u>-</u>	<u>2,362.6</u>	<u>854.6</u>	<u>5,047.2</u>
				BALANCE ACCOUNT	30,010.6
				PURCHASES 81-82	(2,453.7)
				BALANCE AS OF 6-30-82	<u>27,556.9</u>

APPENDIX "F"
OTHER IMPORTED SUPPLIES
(Acre Feet)

Fiscal Year	Fontana Union Water Co.	City of Ontario	Cuca. Co. Water District	San Bdo. County	West End Consolidated Water Co.	San Antonio Water Company	West San Bdo. Co. Water Dist.	Marygold Mutual Water Co.	MWD of So. Cal.	Total
1974/75										
Other Basins	6,446		6,323		1,635	5,478	2,103			23,985
Surface Diversions	10,335		1,051			7,193				18,579
Other Imported Surface Deliveries									6,819	<u>6,819</u>
Reclaimed Water		468		-0-						49,383
1975/76										
Other Basins	10,488		11,168		2,113	7,839	1,535			33,143
Surface Diversions	9,219		646			5,850				15,715
Other Imported Surface Deliveries									8,828	<u>8,828</u>
Reclaimed Water		402		364						<u>57,686</u>
1976/77										
Other Basins	7,925		9,950		1,960	8,440	1,966			30,241
Surface Diversions	7,110		1,109		6,436					14,655
Other Imported Surface Deliveries									10,869	<u>10,869</u>
Reclaimed Water		270		475						<u>55,765</u>
1977/78										
Other Basins	8,553		9,507		1,384	7,736	1,948			29,128
Surface Diversions	6,397		2,042			9,756				18,195
Other Imported Surface Deliveries									14,244	<u>14,244</u>
Reclaimed Water		299		765						<u>61,567</u>
1978/79										
Other Basins	4,456		12,704		514	6,153	1,914			25,741
Surface Diversions	17,595		1,496		533	13,144				32,768
Other Imported Surface Deliveries									17,355	<u>17,355</u>
Reclaimed Water		248		420						<u>75,864</u>
1979/80										
Other Basins	5,519		12,009		1,298	6,991	1,177			26,994
Surface Diversions	15,195		4,301		0	6,292				25,793
Other Imported Surface Deliveries									17,940	<u>17,940</u>
Reclaimed Water		431		1,728						<u>70,727</u>
1980/81										
Other Basins	5,620		11,840		521	6,672	1,826			31,779
Surface Diversions	9,659		8,418			5,910				23,987
Other Imported Surface Deliveries								665	21,334	<u>21,999</u>
Reclaimed Water		548		909						<u>77,765</u>
1981/82										
Other Basins	3,760		10,528		1,367	775	1,932			18,362
Surface Diversions	12,800		4,463			7,298				24,569
Other Imported Surface Deliveries								722	42,880	<u>43,602</u>
Reclaimed Water		503		993						<u>86,533</u>

(**) Includes deliveries to City of Pomona and Interruptible Deliveries

APPENDIX "G"

TOTAL WATER USED WITHIN CHINO BASIN*
(Acre Feet)

<u>Fiscal Year</u>	<u>Chino Basin Extractions</u>	<u>Other Imported Supplies</u>	<u>Total</u>
1974/75	175,757	49,383	225,140
1975/76	181,017	57,686	238,703
1976/77	173,355	55,765	229,120
1977/78	154,675	61,567	216,242
1978/79	141,412	75,864	217,276
1979/80	141,574	70,727	212,301
1980/81	144,416	77,765	222,181
1981/82	137,532	86,533	224,065

* Includes water used over Cucamonga Basin

APPENDIX "H"
LIST OF INTERVENTIONS AND ASSIGNMENTS

OVERLYING (AGRICULTURAL) POOL

INTERVENOR

Joe Heim
Louis Struikman
George Noble
Everett/Charles, Inc.
Abel Villalpando
Ontario Planned Residential
Joint Venture

INACTIVE PARTY

Alta Dena Dairy
Jim Carroll
James E. Smith
None
Louis Sytsma
Barratt Homes

OVERLYING (NON-AGRICULTURAL) POOL

Anaheim Citrus Products

Red Star Fertilizer

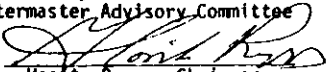
APPENDIX "I"

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

PLEASE TAKE NOTICE that on this 30th day of June, 1982, Chino Basin Watermaster hereby files this "NOTICE OF INTENT" to change the operating safe yield of the Chino Groundwater Basin pursuant to the Judgment entered in Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino Superior Court, Case No. 164327 (Exhibit I, Paragraph 2b, Page 80).

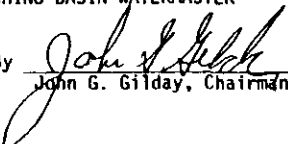
Approved by the
Watermaster Advisory Committee

By


Hootte Rugge, Chairman

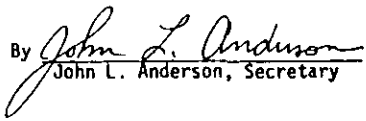
CHINO BASIN WATERMASTER

By


John G. Gilday, Chairman

Attest

By


John L. Anderson, Secretary

APPENDIX "I"

CHINO BASIN WATERMASTER

AUDIT REPORT

JUNE 30, 1982

APPENDIX "J"

REARDON & McCALLUM
CERTIFIED PUBLIC ACCOUNTANTS
848 WEST FOOTHILL BOULEVARD, SUITE C
UPLAND, CALIFORNIA 91788
TELEPHONE (714) 988-7288

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

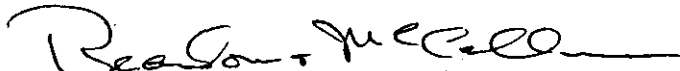
WALTER F. REARDON, C.P.A.
JOHN L. McCALLUM, C.P.A.*
HELENE W. BLUMNER, C.P.A.
RITA C. HANSEN, C.P.A.*
SACHINO W. STAPES, C.P.A.*
LEE H. GARDNER, C.P.A.
*ACCOUNTANCY CORPORATION

Chino Basin Watermaster
8555 Archibald Avenue
Cucamonga, CA 91730

Gentlemen:

We have examined the financial statements of the Chino Basin Watermaster for the year ended June 30, 1982. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the Chino Basin Watermaster at June 30, 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles for governmental agencies.



August 26, 1982
Upland, California

CHINO BASIN WATERMASTER
STATEMENT OF FINANCIAL POSITION

June 30, 1982

ASSETS

CURRENT ASSETS

Cash in bank - checking	\$ 1,987	
Cash in bank - savings	<u>34,659</u>	\$ 36,646
Time certificates of deposit		550,000
Assessments receivable - Appropriative Pool		45,346
Interest receivable		3,901
Prepaid office supplies		<u>61</u>
Total Current Assets		635,954

NONCURRENT ASSETS

Contract receivable from Marygold Mutual (Note 3)		<u>5,052</u>
---	--	--------------

TOTAL ASSETS

\$641,006

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Accounts payable	\$175,969	
Prepaid assessments - Appropriative Pool	<u>21,297</u>	
Total Current Liabilities		\$197,266

DEFERRED CREDITS (Note 3)

14,714

FUND BALANCE

429,026

TOTAL LIABILITIES AND FUND BALANCE

\$641,006

See Accompanying Notes
Reardon & McCallum, Certified Public Accountants

APPENDIX "J-2"

CHINO BASIN WATERMASTER

STATEMENT OF REVENUE AND EXPENSES AND FUND BALANCE

For the Fiscal Year Ended June 30, 1982

	<u>WATERMASTER ADMINISTRATION</u>		
	<u>Adminis- tration</u>	<u>Special Projects</u>	<u>Total</u>
<u>REVENUES</u>			
Assessment revenue			
Replenishment water billings			
Transfer of prior year interest to replenishment assessments (Note 4)			
Administration			
Prepurchased water deliveries			
Interest revenues			
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	\$ -0-	\$ -0-	\$ -0-
<u>EXPENSES</u>			
CBMWD services contract			
Salaries, payroll burden and overheads	31,872	2,499	34,371
Materials and supplies	197		197
Printing and mailing	357		357
Other expenses	263	30	293
General and administrative	<u>2,694</u>	<u>208</u>	<u>2,902</u>
TOTAL CBMWD SERVICES CONTRACT	35,383	2,737	38,120
Replenishment water purchases			
Materials and supplies	43		43
Printing and mailing	1,128		1,128
Contract labor and materials			
Audit fees	1,721		1,721
Engineering consultants			
Legal fees	3,206	1,988	5,194
Meeting compensation	1,725		1,725
Other direct expenses			
	<hr/>	<hr/>	<hr/>
TOTAL ADMINISTRATIVE EXPENSES	<u>\$43,206</u>	<u>\$4,725</u>	47,931
Allocation of administrative expenses to the pools			<u>(47,931)</u>
TOTAL EXPENSES			<u>-0-</u>
EXCESS (DEFICIT) REVENUE OVER EXPENSES			
FUND BALANCES July 1, 1981			84,724
PRIOR YEAR ADJUSTMENT (Note 5)			<u>(84,724)</u>
FUND BALANCES June 30, 1982			<u>\$ -0-</u>

GROUNDWATER REPLENISHMENT		POOL ADMINISTRATION AND SPECIAL PROJECTS			GRAND TOTAL	(MEMO) 1981/82 BUDGET
SB 222 Funds	Watermaster Assessments	Approp. Pool	Agric. Pool	Non-Agric. Pool		
	\$1,161,787				\$1,161,787	\$1,158,407
	54,069	\$(54,069)			-0-	
\$ 1,259		105	\$ 7,447	\$ 60	7,612	6,970
	1,426	90,420	33,283	3,262	1,259	
					128,391	21,000
<u>1,259</u>	<u>1,217,282</u>	<u>36,456</u>	<u>40,730</u>	<u>3,322</u>	<u>1,299,049</u>	<u>1,186,377</u>
19	141	1,429	2,558	397	38,915	45,600
5	42				244	150
		5	221	3	586	1,300
		200			493	525
10	74	135	229	33	3,383	4,750
34	257	1,769	3,008	433	43,621	52,325
	1,162,845				1,162,845	1,162,835
		20	412	10	1,570	975
7,438	54,671	385	6,660	55	69,209	119,000
					1,721	1,750
		720			5,914	1,500
			450		2,175	7,500
						3,000
						525
		23,477	22,580	1,874	-0-	
7,472	1,217,773	26,371	33,110	2,372	1,287,098	1,349,410
(6,213)	(491)	10,085	7,620	950	11,951	(163,031)
209,560	21,009	63,238	33,365	5,179	417,075	417,075
		35,172	41,398	8,154	-0-	
<u>\$203,347</u>	<u>\$ 20,518</u>	<u>\$108,495</u>	<u>\$62,383</u>	<u>\$14,201</u>	<u>\$ 429,026</u>	<u>\$ 254,041</u>

See Accompanying Notes
Reardon & McCallum, Certified Public Accountants

APPENDIX "J-3"

CHINO BASIN WATERMASTER

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Fiscal Year Ended June 30, 1982

SOURCES OF WORKING CAPITAL

Operations

Excess of revenue over expenses

\$ 11,951

USES OF WORKING CAPITAL

Decreases in deferred credits

\$ 14,645

Reclassification to noncurrent receivable

5,052

19,697

DECREASE IN WORKING CAPITAL

\$ (7,746)

INCREASE (DECREASE) IN WORKING CAPITAL ITEMS

	<u>7/1/81</u>	<u>6/30/82</u>	
Current Assets			
Cash	\$ 30,499	\$ 36,646	\$ 6,147
Short term investment	565,000	550,000	(15,000)
Receivables	25,978	49,247	23,269
Prepaid expenses	<u>-0-</u>	<u>61</u>	61
	<u>621,477</u>	<u>635,954</u>	
Current Liabilities			
Accounts payable	145,893	175,969	(30,076)
Prepaid assessments	<u>29,150</u>	<u>21,297</u>	<u>7,853</u>
	<u>175,043</u>	<u>197,266</u>	
Working Capital	<u>\$446,434</u>	<u>\$438,688</u>	
DECREASE IN WORKING CAPITAL			<u>\$ (7,746)</u>

See Accompanying Notes
Reardon & McCallum, Certified Public Accountants

APPENDIX "J-4"

CHINO BASIN WATERMASTER

NOTES TO FINANCIAL STATEMENTS

June 30, 1982

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

- A. Books and records are kept on the accrual basis.
- B. Fund accounting is used to segregate the Watermaster's different activities.
- C. Short-term investments are recorded at cost.

NOTE 2

The Chino Basin Watermaster was formally appointed on January 27, 1978 in the Superior Court of the State of California for the County of San Bernardino. The Board of Directors of Chino Basin Municipal Water District was named as the Watermaster. In general, the Judgement provided for levying assessments to cover the cost of Watermaster administration and of replenishment water to maintain current water levels in the Chino Hydrological Basin. The Watermaster organizational meeting was held on February 15, 1978, at which time rules and regulations were discussed, meeting dates were established, and the Services and Facilities contract was signed with Chino Basin Municipal Water District.

NOTE 3 - ASSESSMENTS RECEIVABLE - APPROPRIATIVE POOL AND DEFERRED CREDITS

Section 7 (c) of Exhibit H of the Judgement provides for purchase of replenishment water required of appropriators within San Bernardino Valley Municipal Water District to be from San Bernardino Valley Municipal Water District or Metropolitan Water District of Southern California. To deliver replenishment water to this area, it would be necessary to lease lines from MWD. In order to avoid these "wheeling costs", an arrangement has been made to use surface deliveries in this area and to replace the over-production which has occurred by leaving water in place (i.e., unpumped). An agreement implementing this procedure was approved by the Watermaster on July 30, 1980. As the over-production is replaced, the replenishment assessments will be written off and the assessments paid in 78/79 and interest earned thereon totaling \$9,661.89 will be returned to the appropriator involved. Of the amount carried as assessments receivable at June 30, 1982, \$5,051.90, will be recovered in this manner and the corresponding deferred credits will be eliminated.

NOTE 4 - APPROPRIATIVE POOL INTEREST REVENUE

On August 30, 1979, the Appropriative Pool unanimously approved assessment procedures whereby any interest earned by Watermaster on replenishment assessments paid by Appropriative Pool members would be subtracted from the total current assessment due from those members. Fiscal 80/81 interest revenue was allocated to the Appropriative Pool members based on the funds received in payment of the 80/81 assessments, resulting in a lower 81/82 assessment, and a subsequent transfer of funds from the Appropriative Pool to Groundwater Replenishment.

Rcardon & McCallum, Certified Public Accountants

APPENDIX "J-5"

CHINO BASIN WATERMASTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1982

NOTE 5 - SENATE BILL 222 FUNDS

On June 28, 1975, California State Senate Bill SB 222 was enacted. This provided for the imposing of an assessment on groundwater extractions for the purpose of developing water management programs with the District collecting \$2 per acre foot of water extracted. This assessment ended with the fiscal year 1976-77. The funds collected were used to finance the necessary investigation and to establish water rights through adjudication. The adjudication was signed January 27, 1978 and the remaining SB 222 funds (\$405,612) were transferred to the Chino Basin Watermaster (\$400,000) to be used to purchase replenishment water and (\$5,612) for administrative expenses.

Reserve for Cyclic Water

The Watermaster has entered into a cyclic storage contract with Metropolitan Water District (MWD) which provides for the delivery of up to 100,000 acre feet of water into the basin to be stored until needed. As the water is needed, either for extraction or for ground water replenishment, MWD bills the Watermaster. The only immediate cost to the Watermaster for placing the water in storage is the payment of any delivery costs involved. The \$400,000 set aside from the SB 222 funds is used for this purpose. Through June 30, 1982, 27,556.9 acre feet of water have been placed in storage under this contract. When water is taken out of storage, the user is charged MWD's rate plus the current year's average cost per acre foot for delivery. Any excess revenues from these extractions will be set aside in a Reserve for Cyclic Water Fund to be used for future cyclic water replacements. No excess revenues have been generated to date.

Prior Year Adjustment

During fiscal 81-82, Staff was directed to evaluate the continued feasibility of using the remaining SB 222 water funds for the cyclic storage program. One of the outcomes of the study was a directive to allocate all interest revenues earned on these funds to the three pools based on their production during the three year SB 222 assessment period. These interest revenues had previously been used to offset Watermaster general administrative assessments. The fund balances have been adjusted as appropriate.

Reardon & McCallum, Certified Public Accountants

APPENDIX "J-6"

CRINO BASIN WATERMASTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1982

NOTE 6 - IMPACT OF PROPOSITION 4: APPROPRIATIONS LIMITATIONS

On November 6, 1979, the State of California voters approved Article XIII B of the State Constitution whereby governmental agencies are limited in the amount of tax revenues which can be appropriated to the amount which was appropriated in the base year, 1978/79, adjusted for increases in population served and consumer price indices. User charge rates are to be set to cover only the costs of operations, administration and reasonable reserves required to provide each specific service. Any excess revenue received is to be returned to the user within two (2) years either through rate adjustments or direct rebates.

On June 30, 1982, the Watermaster adopted Resolution No. 82-3 which set forth findings that all Watermaster revenues are the result of benefit assessments and interest earned thereon. Based on these findings, the Watermaster determined that there were no proceeds of taxes during the 1978/79 base year and that the appropriations limit for fiscal year 1982-83 was zero.

In this regard, the rates of each year's assessments are computed based on the budgeted needs of the coming fiscal year less the balance of funds on hand at the end of the prior fiscal year.

Reardon & McCallum, Certified Public Accountants