

CHINO BASIN WATERMASTER
FOR
CHINO BASIN MUNICIPAL WATER DISTRICT
VS
CITY OF CHINO, ET. AL.
CASE NO. 164327

SIXTH
ANNUAL REPORT
OF THE
CHINO BASIN WATERMASTER
1982/83

TD
224
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C45
6th

NOVEMBER 30, 1983

November 1983

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

Subject: Sixth Annual Report of Chino Basin Watermaster

This Sixth 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 January 13, 1984.

A brief summary of activities during this reporting period (July 1, 1982 through June 30, 1983) is as follows:

Total production from the Basin during 1982/83 was 122,635 acre feet, with production by pool as follows:

	Appropriative Pool	Overlying (Agricultural) Pool	Overlying (Non-Agricultural) Pool	Totals
1982/83 Production	63,481 AF	56,759 AF	2,395 AF	122,635 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	8,647	-0-	-0-	

As noted above, the 1982/83 production year did not exceed the initial shares of Operating Safe Yield.

A total of 3,152.917 acre feet of rights were leased among the members of the Appropriative Pool, and 150 acre feet of local storage was purchased by the Mutual Water Company of Glen Avon Heights from Fontana Union Water Company for use in FY 1982/83.

To satisfy the 1981/82 production in excess of Operating Safe Yield, 13,188 acre feet of State Project Water was recharged in Fiscal Year 1982/83. Also during Fiscal 82/83, Watermaster took delivery and spread 15,501 acre feet of State Project Water which was applied to the Cyclic Storage Account. The combination of replenishment and cyclic storage deliveries totals 28,689 acre feet of State Project Water recharged into the basin. The Cyclic Storage Account now shows a June 30, 1983 balance of 43,058 acre feet.

As a means of maintaining a record of "In Lieu" surface deliveries received from Metropolitan Water District, Watermaster staff initiated an addition to Appendix "D" referred to as Summary of "Interruptible" Deliveries. During Fiscal Year 1982/83, Interruptible surface deliveries totaled 11,480 acre feet.

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Annual report of the
Chino Basin Watermaster

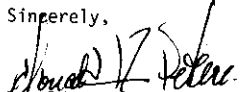
Local Storage Agreements were approved for Ameron for 100 acre feet, Union Carbide - Linde Division for 150 acre feet, and Sunkist Growers for 2,500 acre feet. There are now a total of nine storage agreements which total 40,839 acre feet of potential stored water over the next five to seven years under the Judgment.

Assessments billed by Pool during 1982/83 for 1981/82 production are as follows:

Appropriative Pool	\$989,291.23
Overlying (Agricultural) Pool	7,124.42
Overlying (Non-Agricultural) Pool	<u>92.58</u>
	\$996,508.23

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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SIXTH 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 Sixth Annual Report presents a view of Watermaster, Watermaster Advisory Committee and Pool Committee Activities and an accounting of water production for fiscal year 1982/83.

BACKGROUND OF JUDGMENT AND WATERMASTER

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

S.B. 222, now renumbered as a part of the Municipal Water District Law in the Water Code, Section 74120, was approved by Governor Ronald Reagan and filed with the Secretary of State on June 28, 1975, affecting fiscal year 1974/75 production.

During the early studies and negotiations under S.B. 222, very active participation was taken by three major types of producers from the Chino Basin representing the majority of the producers' interests. Three major 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 CBMWD 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 year. To further stabilize assessments from year to year these assessment

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 Chino Basin Municipal Water District 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:

September 29, 1982

December 29, 1982

March 30, 1983

June 29, 1983

No special meetings were called.

Assessments levied by Watermaster on September 29, 1982 for overproduction during 1981/82 production period and for budgeted administrative and special project costs for 1982/83 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 in 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 through a Local Storage Agreement 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 \$81.46 (\$79.00 for replenishment water plus \$2.46 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 \$2.62784 and \$69.241 per acre foot respectively. Each producer in this Pool was also assessed \$5.00 to cover the budgeted administrative and special project costs.

The City of Norco produced 1,806.2 acre feet in excess of their export right of 1,567 acre feet. This excess was subject to the current net 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, 1983 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 30, 1983 to approve the 1983-84 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 the period commencing July 1, 1982 through June 30, 1985 for the spreading and monitoring of replenishment and Cyclic Storage Water. Appendix "D" and "E" summarize these activities.

D) 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.

E) Redetermination of Safe Yield - On June 30, 1983, the Watermaster program marked its sixth year of operation under the jurisdiction of the Judgment. June 30, 1982 marked the date in which work could commence on redetermination of the Chino Groundwater Basin's safe yield. However, Watermaster has recommended no changes during this past fiscal year and therefore, pursuant to Exhibit I, Paragraph 2b, Page 80 of the Judgment, changes in the safe yield shall not be made upon less than five (5) year notice of intent by Watermaster, Watermaster hereby posts its second "Notice of Intent" and is shown as Appendix "I".

F) Watermaster Reappointment - Chino Basin Municipal Water District, acting by and through a majority of its Board of Directors, was appointed Watermaster. The term of appointment was for five (5) years commencing on January 27, 1978. Pursuant to Paragraph 16 of the Judgment and upon recommendation by the Watermaster Advisory Committee, the Court did, by subsequent order, provide for a successive five year term reappointment of Chino Basin Municipal Water District as Watermaster. This Order of Reappointment is attached as Appendix "J".

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:	Paula Martinez
Vice-Chairman	Tom Carnesi
Secretary	Don Peters Chief, Watermaster Services
Treasurer	John Anderson, CBMWD

Through June 30, 1983, 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 1982/83 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	Ed Ryan
Secretary	Don Peters Chief, Watermaster Services
Treasurer	John Anderson, CBMWD

Watermaster Advisory Committee representatives for this pool are as follows:

Hooite Rugge	Kaiser
Ed Ryan	Edison
Michael Thies	Space Center Mira Loma

Through June 30, 1983, two (2) meetings were conducted to act on matters affecting members of this pool and to review actions to be taken by Watermaster.

C. Appropriative Pool

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

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

Through June 30, 1983, 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	Lloyd Michael
1st Vice Chairman	Ed Ryan
2nd Vice Chairman	Paula Martinez
Secretary	Don Peters Chief, Watermaster Services
Treasurer	Treasurer of CBMWD, John Anderson

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 17, 1983 at 12:00 noon. The Advisory Committee conducted four (4) regular meetings whereby all actions recommended to Watermaster were reviewed and discussed.

Minutes of all meetings are available at the Watermaster Office at 8555 Archibald Avenue, 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 1982/83 totaled 3,152.885 acre feet. Individual lease agreements on forms approved by the Watermaster were as follows:

(a) From: Etiwanda Water Company	
To: Cucamonga County Water District	534.668
(b) From: Monte Vista Irrigation Co.	
To: Monte Vista Water District	350.000
(c) From: West San Bernardino County Water District	
To: City of Chino	644.317
(d) From: Southern California Water Co.	
To: Park Water Company	823.900
(e) From: Pomona Valley Water Company	
To: City of Chino	500.000
(f) From: Pomona Valley Water Co.	
To: Monte Vista Water District	<u>300.000</u>
	3,152.885

(2) Sale of Water in Local Storage was initiated on forms approved by Watermaster between Fontana Union Water Company as seller and the Mutual Water Company of Glen Avon Heights as buyer. A total of 150 acre feet of water in storage was sold for use by Mutual Water Company of Glen Avon Heights in Fiscal 1982/83.

(3) Unqualified Audit Opinion and Audit Report to the Chino Basin Watermaster from Reardon & McCallum, Certified Public Accountants, for the period ending June 30, 1983, is attached as Appendix "K".

(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 1982/83. 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, 1983 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 1983/84.

(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 61 meters were tested under this program. Two in the Appropriative Pool, four in the Overlying (Non-Agricultural) Pool and fifty-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. Thirty-five (35) key wells have been located in both upper and lower portions of the basins which will be used to provide information for the Connunctive Use Study and will assist in closing existing data gaps which have previously been experienced by the Santa Ana Regional Water Quality Control Board 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 or 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 Ameron for 100 acre feet; Union Carbide - Linde Division for 150 acre feet; and Sunkist Growers for 2,500 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 term.

<u>Regular</u>	<u>Alternate</u>
Fred Douma 14350 Cleveland Ontario, CA 91761 (714) 947-5192	Louis Aukeman 12391 Schleisman 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	C. E. Seufferling 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 92728 (714) 963-5661	Jim Fairchild Orange Co. Water District P.O. Box 8300 Fountain Valley, CA 92728 (714) 963-5661
*Gene Koopman 13898 S. Archibald Avenue Ontario, CA 91761 (714) 947-4350	R.A. "Bud" Wathen 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 Hamner Avenue
Mira Loma, CA 91752
(714) 685-7044

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

Kaiser Steel Corporation
ATTN: Hooite Ruge
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: Gene Carline
10735 Kadota
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 Stati/n
ATTN: Ed Ryan
8996 Etiwanda Avenue
Etiwanda, California 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, California 92335
(714) 829-4000

APPENDIX "A - 3"
APPROPRIATIVE POOL COMMITTEE

Chino, City of ATTN: Marc Carpenter P.O. Box 667 Chino, CA 91710 (714) 591-9885	Monte Vista Irrigation Co. ATTN: H. R. Anderson 2529 W. Temple Los Angeles, CA 90026 (213) 388-7425
Cucamonga County Water District ATTN: Lloyd Michael P.O. Box 638 Cucamonga, CA 91730 (714) 987-2591	Mutual Water Company of Glen Avon Heights ATTN: Herb Ball 9643 Mission Riverside, CA 92409 (714) 685-6441
Etiwanda Water Company ATTN: Lloyd Michael P.O. Box 726 Cucamonga, CA 91730 (714) 987-2591	Norco, City of ATTN: Albert K. Crisp P.O. Box 428 Norco, CA 91760 (714) 735-3900
Felspar Gardens Mut. Water Co. ATTN: Roy Grace 4453 Avon Street Riverside, CA 92509 (714) 685-2252	Ontario, City of ATTN: Mike Teal 303 East "B" Street Ontario, CA 91764 (714) 986-1151
Fontana Union Water Company ATTN: Robert Beck P. O. Box 309 Fontana, CA 92335 (714) 822-2209	Park Water Company ATTN: Tom Snodgrass P.O. Box "J" Downey, CA 90241 (213) 923-0711
Jurupa Community Services Dist. ATTN: Edward Jakowczyk 8621 Jurupa Road Riverside, CA 92509 (714) 685-7434	Pomona Valley Water Company ATTN: Ted May 14575 Pipeline Avenue Chino, CA 91710 (714) 597-1785
Marygold Mutual Water Company ATTN: M. D. Funk 9715 Alder Bloomington, CA 92316 (714) 877-0516	Pomona, City of ATTN: Jim Lundie P.O. Box 660 Pomona, CA 91768 (714) 620-2231
Monte Vista Water District ATTN: Bob Thompson 10575 Central Avenue Montclair, CA 91763 (714) 624-0035	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) 599-1289

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	73,688	7,127	141,412
1979/80	63,834	69,369	7,363	140,566
1980/81	70,726	68,040	5,650	144,416
1981/82	66,731	65,117	5,684	137,532
1982/83	63,481	56,759	2,395	122,635

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

APPENDIX "B"

CHINO BASIN WATERMASTER
1983/84 Administrative Assessments

	TOTALS	Appropriative Pool		Overlying Agricultural Pool		Overlying Non-Agricultural Pool	
		Amount	Ratios And Rates	Amount	Ratios And Rates	Amount	Ratios And Rates
1981/82 Production in Acre Feet	137,532.3	66,731.0 AF	48.52%	65,117.0 AF	47.35%	5,684.3 AF	4.31%
1982/83 Production in Acre Feet	122,638.1	63,481.0 AF	51.77%	56,759.4 AF	46.28%	2,394.7 AF	1.95%
1983/84 ADMINISTRATIVE BUDGET							
WATERMASTER ADMINISTRATION	\$ 43,225.0						
Joint Watermaster Advisory Committee Special Projects:							
Conjunctive/Cyclic Use Study	3,500.0						
Meter Installation	1,325.0						
Well Water Data	3,050.0						
Total Watermaster Administration	<u>51,100.0⁽¹⁾</u>	<u>\$ 26,454.0</u>	<u>\$ 0.42/AF</u>	<u>\$ 23,649.0</u>	<u>\$ 0.42/AF</u>	<u>\$ 997.0</u>	<u>\$ 0.42/AF</u>
POOL COSTS							
Pool Administration	7,300.0	2,275.0		4,000.0		1,025.0	
Meter Testing Program	<u>15,275.0</u>	<u>2,325.0</u>		<u>12,225.0</u>		<u>725.0</u>	
Total Pool Costs	22,575.0	4,600.0	0.07/AF	16,225.0	0.29/AF	1,750.0	0.73/AF
TOTAL 1983/84 ADMINISTRATIVE BUDGET	73,675.0	31,054.0		39,874.0		2,747.0	
Plus 25% Operating Reserve	18,419.0	7,764.0	0.12/AF	9,968.0	0.17/AF	687.0	0.29/AF
Less Interest Earned on Administrative Funds							
SB 222 Funds (2)	(12,850.0)	(5,390.0)		(6,868.0)		(592.0)	
Pool Reserves	<u>(7,175.0)</u>			<u>(6,100.0)</u>		<u>(1,075.0)</u>	
Total Interest Revenues	<u>(20,025.0)</u>	<u>(5,390.0)</u>	<u>(0.12/AF)</u>	<u>(12,968.0)</u>	<u>(0.23/AF)</u>	<u>(1,667.0)</u>	<u>(0.70/AF)</u>
1983/84 CASH DEMAND	72,069.0	33,428.0	0.49/AF	36,874.0	0.65/AF	1,767.0	0.74/AF
FUNDS ON HAND JUNE 30, 1983	128,011.0	(32,479.0)	(0.51/AF)	(81,327.0)	(1.43/AF)	(14,205.0)	(5.93/AF)
ADMINISTRATIVE COSTS TO BE ASSESSED	<u>\$(55,942.0)</u>	<u>\$(949.0)</u>	<u>\$(0.02/AF)</u>	<u>\$(44,453.0)</u>	<u>\$(0.78/AF)</u>	<u>\$(12,438.0)</u>	<u>\$(5.19/AF)</u>
RECOMMENDED 83/84 ASSESSMENTS			\$5.00/producer		\$0.10/AF	\$5.00/Producer	\$5.00/producer
(1) Cost allocation based on 1982/83 production ratios			41.94%		53.45%		4.61%
(2) SB 222 interest allocation based on total SB 222 assessments paid							
(3) Applied to 84/85 Replenishment Assessments							

APPENDIX "C"

APPENDIX "C"

8/5/83
DRP/mw

APPENDIX "D"

SUMMARY OF "INTERRUPTIBLE" DELIVERIES
(ACRE FEET)

YEAR ENDED JUNE 30, 1983

MONTH	CITY OF POMONA	CITY OF CHINO	MONTE VISTA WATER DISTRICT	CITY OF ONTARIO	SO. CAL. EDISON CO.	TOTAL
July	300	100	75	591	349	1,415
August	300	83	35	558	351	1,327
September	300	72	30	320	350	1,072
October	269	17	12	-0-	350	648
November	184	14	22	191	350	761
December	222	-0-	52	707	350	831
January	187	-0-	71	109	350	717
February	129	-0-	19	179	292	619
March	117	-0-	14	233	408	772
April	176	63	30	298	350	917
May	290	92	43	371	327	1,123
June	<u>382</u>	<u>92</u>	<u>94</u>	<u>479</u>	<u>231</u>	<u>1,278</u>
TOTALS	2,856	533	497	3,536	4,058	11,480

GROUNDWATER REPLENISHMENT DELIVERIES
(ACRE FEET)

YEAR ENDED JUNE 30, 1983

	San Sevaine	Montclair		Day	Etlwanda	Total
		OC-59	CO-3			
July	0.0	0.0	0	0.0	0.0	0.0
August	0.0	0.0	0	0.0	0.0	0.0
September	0.0	0.0	0	0.0	0.0	0.0
October	600.0	287.7	0	600.0	0.0	1,487.7
November	500.0	280.0	0	500.0	600.0	1,880.0
December	400.0	280.0	0	500.0	600.0	1,780.0
January	300.0	280.0	0	400.0	500.0	1,480.0
February	300.0	280.0	0	283.3	432.0	1,295.3
March	24.8	73.9	0	23.8	0.0	122.5
April	300.0	1,187.8	0	300.0	134.8	1,922.6
May	300.0	0.0	0	300.0	500.0	1,100.0
June	<u>843.9</u>	<u>0.0</u>	<u>0</u>	<u>691.4</u>	<u>584.3</u>	<u>2,119.6</u>
TOTALS	3,568.7	2,669.4	0	3,598.5	3,351.1	13,187.7

APPENDIX "j"

APPENDIX "E"
CHINO BASIN WATERMASTER
Summary of Cyclic Storage Deliveries
January 1979 through June 1983

Fiscal Year	San Sevaine	Montclair Basins	Day Creek Basin	Etiwanda	Total
1979					
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
	171.3	25,363.3	4,465.4	-	-
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
1980/81					
July	886.1	-	-	540.0	1,426.1
August	805.1	-	-	490.6	1,295.7
September	472.5	-	-	290.1	762.6
October 1980 through April 1981 - No Deliveries					
May	-	1,972.0	-	396.0	2,368.0
June	1,240.0	843.6	380.5	345.1	2,809.2
TOTALS 80/81	3,403.7	2,815.6	380.5	2,061.8	8,661.6
					BALANCE ACCOUNT 27,984.0
					PURCHASES 80-81 (3,020.6)
					BALANCE AS OF 6-30-81 24,963.4
1981/82					
July	930.0	-	1,178.0	504.6	2,612.6
August	900.0	-	1,184.6	350.0	2,434.6
September 1981 through June 1982 - No Deliveries					
TOTALS 81/82	1,830.0	-	2,362.6	854.6	5,047.2
					BALANCE ACCOUNT 36,010.6
					PURCHASES 81-82 (2,453.7)
					BALANCE AS OF 6-30-82 27,556.9
1982/83					
July	-	-	-	-	-
August	-	-	-	-	-
September	1,308.5	667.5	858.3	254.7	3,089.0
October	788.8	287.7	282.1	-	2,456.0
November	941.8	929.8	586.9	100.8	2,559.3
December	828.1	1,568.0	265.7	55.2	2,717.0
January	1,050.6	565.6	204.2	174.5	1,994.9
February	341.6	760.6	-	-	1,102.2
March	-	-	-	-	-
April	194.9	-	307.5	-	502.4
May	200.2	-	397.3	269.4	866.9
June	-	-	-	213.5	213.5
TOTALS 82/83	5,654.5	5,876.6	2,902.0	1,068.1	15,501.2
					BALANCE ACCOUNT 43,035.1
					PURCHASES 82-83 -0-
					BALANCE AS OF 6-30-83 43,035.1

APPENDIX "F"
OTHER IMPORTED SUPPLIES
(Acre Feet)

Fiscal Year	Fontana Union Water Co.	City of Ontario (2)	Cuca.Co. Water District	San Bdn. County (2)	West End Consolidated Water Co.	San Antonio Water Company	West San.Bdno.Co. Water Dist.	Marygold Mutual Water Co.	MWD (1) of So. Cal.	Total
1974/75										
Other Basins	6,446		8,323		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										
Reclaimed Water		402		364					8,828	<u>8,828</u>
										57,686
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										
Reclaimed Water		270		675					10,869	<u>10,869</u>
										55,765
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						61,567
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						75,864
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						70,727
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										
Reclaimed Water		548		909				665	21,334	<u>21,999</u>
										77,765
1981/82										
Other Basins	3,760		10,528		1,367	775	1,932			18,362
Surface Diversions	12,808		4,463			7,298				24,569
Other Imported Surface Deliveries										
Reclaimed Water		503		993				722	23,638	<u>24,560</u>
										67,491

(1) Includes deliveries to City of Pomona

(2) Reclaimed Water: For the record only - not a part of Other Imported Supplies. Amounts shown are from sales records of Chino Basin Municipal Water District.

APPENDIX "F"
OTHER IMPORTED SUPPLIES (CONTINUED)
(Acre Feet)

Fiscal Year	Fontana Union Water Co.	City of Ontario	Cuca. Co. Water District	San Bdn. County	West End Consolidated Water Co.	San Antonio Water Company	West San Bdn. Co. Water Dist.	Marygold Mutual Water Co.	MWD ⁽¹⁾ of So. Cal.	Total
1962/63										
Other Basins	10,685		8,602		1,042	8,257				28,586
Surface Diversions	10,607		3,070			12,404	2,982			29,063
Other Imported Surface Deliveries								725	17,626	18,351
Reclaimed Water		469		1,080						76,000

(1) Includes deliveries to City of Pomona

(2) Reclaimed Water: For the record only - not a part of Other Imported Supplies. Amounts shown are from sales records of Chino Basin Municipal Water District.

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	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

*Includes water used over Cucamonga Basin

APPENDIX "H"

LIST OF INTERVENTIONS AND ASSIGNMENTS

OVERLYING (AGRICULTURAL) POOL

INTERVENOR

Manual Moreno
Ronald C. and Kristine Pietersma
Francisco Islas
Gene and Geneva Burbridge
Dick Bosma
Richard Lorenz

INACTIVE PARTY

None
Gerrit Visser
Jack Lass
Henry Vanderlaan
Wesley Verhoeven
Frank Lorenz

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, 1983, 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 *Paula Martinez*
Paula Martinez, Chairman

CHINO BASIN WATERMASTER

By *George Borba*
George Borba, Vice-Chairman

Attest

By *John L. Anderson*
John L. Anderson, Secretary

APPENDIX "I"

APPENDIX "J"

ORIGINAL FILED

JUL 8 1993

COUNTY CLERK
COUNTY OF SAN BERNARDINO

1 GUIDO R. SMITH, ESQ.
2 695 Town Center Drive
3 Tenth Floor
4 Costa Mesa, CA 92626
5 (714) 556-7803

6 Attorney for Watermaster

7
8 SUPERIOR COURT OF CALIFORNIA FOR SAN BERNARDINO COUNTY

9 CHINO BASIN MUNICIPAL WATER
10 DISTRICT,

11 Plaintiff,

12 vs.

13 CITY OF CHINO, et al.,

14 Defendants.

No. 164327

ORDER RE-APPOINTING
CHINO BASIN MUNICIPAL
WATER DISTRICT AS
CHINO BASIN WATERMASTER

15
16 The motion for an Order re-appointing Chino Basin Municipal
17 Water District as Chino Basin Watermaster having duly come before
18 this Court, said motion having the unanimous support of the Water-
19 master Advisory Committee and having no opposition thereto, and
20 the Court being fully apprised of the premises therefor,

21 IT IS HEREBY ORDERED that Chino Basin Municipal Water District
22 is hereby re-appointed to serve another five-year term as Chino
23 Basin Watermaster, subject to the Court, pursuant to Paragraph 16
24 of the Judgment, to appoint a new Watermaster prior to the expira-
25 tion of the term for good cause shown.

26 Dated: JUL 8 1993

27
28 DON A TURNER
JUDGE

APPENDIX "J"

CHINO BASIN WATERMASTER

AUDIT REPORT

JUNE 30, 1983

APPENDIX "K"

WALTER F. REARDON, C.P.A.
JOHN L. MCCALLUM, C.P.A.*
HELENE W. BLUNNER, C.P.A.
SACHKO M. STARKS, C.P.A.*
WINSTON D. VILLOCIANO, C.P.A.
*ACCOUNTANCY CORPORATION

REARDON & MCCALLUM
CERTIFIED PUBLIC ACCOUNTANTS
648 WEST FOOTHILL BOULEVARD, SUITE C
UPLAND, CALIFORNIA 91786
TELEPHONE (714) 985-7288

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

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, 1983. 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, 1983 and the results of its operations for the year then ended in accordance with generally accepted accounting principles for governmental agencies.

Reardon & McCallum

September 6, 1983
Upland, California

CHINO BASIN WATERMASTER
STATEMENT OF FINANCIAL POSITION
 June 30, 1983

ASSETS

<u>CURRENT ASSETS</u>		
Cash in bank - checking	\$ 398	
Cash in bank - savings	<u>17,114</u>	\$ 17,512
Time certificates of deposit		585,000
Assessments receivable - Overlying Agricultural Pool		50
Interest receivable		200
Prepaid office supplies		<u>71</u>
Total Current Assets		<u>\$602,833</u>

LIABILITIES AND FUND BALANCE

<u>CURRENT LIABILITIES</u>		
Accounts payable		\$202,378
Prepaid assessments - Appropriative Pool	\$ 8,332	
Overlying Agricultural Pool	<u>5</u>	<u>8,337</u>
Total Current Liabilities		210,715
DEFERRED CREDITS (Note 3)		10,025
FUND BALANCE		<u>382,093</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>\$602,833</u>

See Accompanying Notes
 Reardon & McCallum, Certified Public Accountants

APPENDIX "K - 2"

CHINO BASIN WATERMASTER

STATEMENT OF REVENUE AND EXPENSES AND FUND BALANCES

For the Fiscal Year Ended June 30, 1981

	<u>WATERMASTER ADMINISTRATION</u>		
	<u>Adminis-</u>	<u>Special</u>	<u>Total</u>
<u>REVENUES</u>	<u>tration</u>	<u>Projects</u>	
Assessment revenue			
Replenishment water			
Application of prior year			
balance to assessments			
Administration			
Prepurchased water sales			
Interest revenue	\$38,033		\$38,033
TOTAL REVENUES	38,033	-0-	38,033
<u>EXPENSES</u>			
CBMWD services contract			
Salaries, payroll burden & overheads	\$28,279	5,028	33,307
Materials & supplies	319		319
Printing & mailing	521		521
Other expenses	197		197
General & administrative	1,852	318	2,170
TOTAL CBMWD SERVICES CONTRACT	31,168	5,346	36,514
Replenishment water purchases			
Materials & supplies			
Printing & mailing	317		317
Contract labor & materials			
Audit fees	1,515		1,515
Legal fees	160		160
Meeting compensation	1,500		1,500
Over & short expense	23		23
TOTAL EXPENSES	34,683	\$ 5,346	40,029
EXCESS (DEFICIT) REVENUE OVER EXPENSES	\$ 3,350	\$(5,346)	(1,996)
FUND BALANCE July 1, 1980			86,720
FUND BALANCE June 30, 1981			<u>\$84,724</u>

<u>GROUNDWATER REPLENISHMENT</u>		<u>POOL ADMINISTRATION AND SPECIAL PROJECTS</u>			<u>GRAND TOTAL</u>
<u>SB 222 Funds</u>	<u>Watermaster Assessments</u>	<u>Approp. Pool</u>	<u>Agri. Pool</u>	<u>Non-Agric. Pool</u>	
	\$996,612				\$ 996,612
		\$(71,368)			(71,368)
\$ 39,492		105	\$22,559	\$ 60	22,724
	1,022	54,552	5,045	2,669	39,492
<u>39,492</u>	<u>997,634</u>	<u>(16,711)</u>	<u>27,604</u>	<u>2,729</u>	<u>1,088,781</u>
56	149	807	1,361	331	36,011
		3	142		319
		130	6		666
7	20	59	96	21	333
<u>63</u>	<u>169</u>	<u>999</u>	<u>1,605</u>	<u>352</u>	<u>2,373</u>
					39,702
1,200	953,163				954,363
305	821				1,126
		75	414	25	831
16,312	43,878		6,355		66,545
					1,515
			450	50	160
					2,000
					23
<u>17,880</u>	<u>998,031</u>	<u>1,074</u>	<u>8,824</u>	<u>427</u>	<u>1,066,265</u>
21,612	(397)	(17,785)	18,780	2,302	22,516
<u>187,948</u>	<u>21,406</u>	<u>81,023</u>	<u>14,585</u>	<u>2,877</u>	<u>394,559</u>
<u>\$209,560</u>	<u>\$ 21,009</u>	<u>\$ 63,238</u>	<u>\$33,365</u>	<u>\$5,179</u>	<u>\$ 417,075</u>

See Accompanying Notes
Reardon & McCallum, Certified Public Accountants

APPENDIX "K - 3"

CHINO BASIN WATERMASTER

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Fiscal Year Ended June 30, 1983

<u>SOURCES OF WORKING CAPITAL</u>			
Operations			
Excess of expenses over revenues			\$(46,933)
<u>USES OF WORKING CAPITAL</u>			
Decreases in deferred credits		\$ (4,689)	
Decreases in noncurrent receivables		<u>5,052</u>	<u>363</u>
DECREASE IN WORKING CAPITAL			<u>\$(46,570)</u>
<u>INCREASE (DECREASE) IN WORKING CAPITAL ITEMS</u>			
	<u>7/1/82</u>	<u>6/30/83</u>	
Current Assets			
Cash	\$ 36,646	\$ 17,512	\$(19,134)
Short Term Investment	550,000	585,000	35,000
Receivables	49,247	250	(48,997)
Prepaid expenses	<u>61</u>	<u>71</u>	10
	<u>635,954</u>	<u>602,833</u>	
Current Liabilities			
Accounts payable	175,969	202,378	(26,409)
Prepaid assessments	<u>21,297</u>	<u>8,337</u>	<u>12,960</u>
	<u>197,266</u>	<u>210,715</u>	
Working Capital	<u>\$438,688</u>	<u>\$392,118</u>	
DECREASE IN WORKING CAPITAL			<u>\$(46,570)</u>

See Accompanying Notes
Reardon & McCallum, Certified Public Accountants

APPENDIX "K - 4"

CHINO BASIN WATERMASTER

NOTES TO FINANCIAL STATEMENTS

June 30, 1983

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 - CHINO BASIN WATERMASTER FORMATION

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 \$10,025.07 will be returned to the appropriator involved.

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 81/82 interest revenue was allocated to the Appropriative Pool members based on the funds received in payment of the 81/82 assessments, resulting in a lower 82/83 assessment, and a subsequent transfer of funds from the Appropriative Pool to Groundwater Replenishment.

Reardon & McCallum, Certified Public Accountants

CHINO BASIN WATERMASTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1983

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 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, 1983, 43,057.7 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.

NOTE 6 - CHINO BASIN WATER ASSOCIATION CONTRIBUTION FOR EDUCATIONAL PROGRAMS

In the 1960's an organization known as the Chino Basin Water Users Association (CBWA) was formed to study groundwater management of the Chino Hydrological Basin. On August 4, 1982, the CBWA met and unanimously voted to dissolve and to offer their remaining funds (\$5,609.39) to the Watermaster to be used under the direction of the Advisory Committee for informational and educational purposes. On September 29, 1982, the Watermaster accepted the funds and established a separate reserve to provide accountability thereof.

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APPENDIX "K - 6"

CHINO BASIN WATERMASTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1983

NOTE 7 - 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 29, 1983, the Watermaster adopted Resolution No. 83-1 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 1983/84 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.

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APPENDIX "K - 7"

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