

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

SEVENTH
ANNUAL REPORT
OF THE
CHINO BASIN WATERMASTER
FISCAL YEAR 1983/84

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7th

OCTOBER 31, 1984

January 1985

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

Subject: Seventh Annual Report of Chino Basin Watermaster

This Seventh 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 14, 1984.

A brief summary of activities during this reporting period (July 1, 1983 through June 30, 1984) is as follows:

Total production from the Basin during 1983/84 was 132,799 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>
1983/84 Production	70,558 AF	59,033 AF	3,208 AF	132,799 AF
Initial Operating Safe Yield	<u>58,834 AF</u>	<u>82,800 AF</u>	<u>7,355 AF</u>	<u>145,000 AF</u>
Production in Excess of Safe Yield	8,647	-0-	-0-	

As noted above, the 1983/84 production year did not exceed the initial share of Operating Safe Yield.

A total of 1,833.419 acre feet of rights were leased among the members of the Appropriative Pool, and 5,000 acre feet of local storage was purchased by the City of Chino from Fontana Union Water Company for use in FY 1983/84.

To satisfy the 1982/83 production in excess of Operating Safe Yield, 13,777 acre feet of State Project Water was recharged in Fiscal Year 1983/84. Also during Fiscal 83/84, Watermaster took delivery and spread 7,960 acre feet of State Project Water which was applied to the Cyclic Storage Account. The combination of replenishment and cyclic storage deliveries totals 21,737 acre feet of State Project Water recharged into the basin. The Cyclic Storage Account now shows a June 30, 1984 balance of 51,018 acre feet.

Fiscal 83/84 marked the initial year that Unallocated Safe Yield water from the Agricultural Pool was transferred to the Appropriative Pool, pursuant to Exhibit "H", Paragraph 10, Page 73 of the Watermaster Judgment. A total of 26,354.8 acre feet qualified as unpumped transfers with 593.1 acre feet of Unallocated Safe Yield qualifying under the land use conversion priority

as a permanent transfer. The balance was allocated as a one time transfer to offset the 1983/84 production all of which is shown on Appendix "D" of this report.

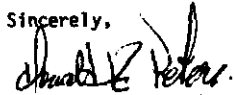
Local Storage Agreements were approved for Cucamonga County Water District for 5,000 acre feet and 15,000 acre feet for Kaiser Steel Corporation. A second five year Local Storage Agreement was executed by Conrock Company in the amount of 1,589 acre feet. There are now a total of twelve storage agreements which total 62,228 acre feet of potential stored water over the next five to ten years under the Judgment.

Assessments billed by Pool during 1983/84 for 1982/83 production are as follows:

Appropriative Pool	\$1,348,689.84
Overlying (Agricultural) Pool	6,466.96
Overlying (Non-Agricultural) Pool	<u>90.65</u>
	\$1,355,247.45

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

Sincerely,



Donald R. Peters, Chief
Watermaster Services

DRP/kjb

TABLE OF CONTENTS

	<u>Page</u>
BACKGROUND OF JUDGMENT AND WATERMASTER	1
ACTIVITIES OF WATERMASTER AND COMMITTEES	5
Watermaster Activities	5
Overlying (Agricultural) Pool.	5
Overlying (Non-Agricultural) Pool.	6
Appropriative Pool	6
Watermaster Insurance.	7
Noticed Public Hearing	7
Renewal Agreement With SBCFCD.	7
Meter Testing Contract	7
Redetermination of Safe Yield.	7
Public Information Display	8
Cyclic Storage Agreement	8
Committee Activities	9
Overlying (Agricultural) Pool	9
Overlying (Non-Agricultural) Pool.	10
Appropriative Pool	10
Watermaster Advisory Committee	11
ADMINISTRATION OF JUDGMENT	12
Water Rights Lease Agreements.	12
Sale of Water in Local Storage	12
Unqualified Audit Opinion and Audit Report	12
Mailing Lists.	13

	<u>Page</u>
Quarterly Accounting of Water Production	13
Computer Programming and File Maintenance	13
New Party Interventions.	13
Special Project Task Orders.	13
78-1 Conjunctive Use/Cyclic Storage Study.	14
78-3 Meter Installation Study.	14
78-4 Meter Testing Program	15
84-1A Water Well Data.	15
84-1B Safe Yield Study	16
Local Storage Agreements	17

APPENDICES

APPENDIX A - Pool Committee Mailing Lists	
Overlying (Agricultural) Pool	A-1
Overlying (Non-Agricultural) Pool	A-2
Appropriative Pool.	A-3
APPENDIX B - Production By Pool.	B
APPENDIX C - Summary of Administrative Budget 1984/85.	C
APPENDIX D - Summary of Unallocated Safe Yield Transfers FY 83/84.	D
APPENDIX E - Summary of MWD "Interruptible" (Including "In Lieu") and "Non-Interruptible Deliveries	E
Groundwater Replenishment Deliveries.	E
APPENDIX F - Summary of Cyclic Storage Deliveries.	F
APPENDIX G - Other Imported Supplies	G
APPENDIX H - Total Water Used Within Chino Basin	H
APPENDIX I - List of Interventions and Assignments	I
APPENDIX J - Watermaster's "Notice of Intent" To Change The Operating Safe Yield Of The Chino Groundwater Basin	J
APPENDIX K - Chino Basin Watermaster Audit Report June 30, 1984	K

SEVENTH 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 Seventh Annual Report presents a view of Watermaster, Watermaster Advisory Committee and Pool Committee Activities and an accounting of water production for Fiscal Year 1983/84.

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 have 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 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 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:

August 31, 1983
November 30, 1983
February 29, 1984
May 30, 1984

Also during this reporting period, special meetings were held on:

October 26, 1983
June 20, 1984

Assessments levied by Watermaster on August 31, 1983 for overproduction during 1982/83 production period and for budgeted administrative and special project costs for 1983/84 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 \$102.18 (\$100.00 for replenishment water plus \$2.18 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 \$3.601 and \$86.853 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 "G" and "H" 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, 1984 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 CBMMD'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 February 29, 1984 to approve the 1984/85 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 "E" and "F" summarize these activities.

D) Meter Testing Contract - Aqua Backflow and Chlorination Service entered into a two year contract with Watermaster on June 30, 1984 to perform the meter testing for the period July 1, 1984 through June 30, 1986.

E) Redetermination of Safe Yield - On June 30, 1984, the Watermaster program marked its seventh 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 third "Notice of Intent" and is shown as Appendix "J".

F) Public Information Display as prepared by Robert A. Rauch Business Communication was approved by Watermaster on November 30, 1983 in conjunction with the Chino Basin Water Association funds transferred to Watermaster for educational purposes. The objective of the display is to provide information and education to the general public on the history, purposes and activities of Watermaster. The display is to be on exhibit at the local water agencies and displayed at public events when applicable.

G) Cyclic Storage Agreement entered into with The Metropolitan Water District of Southern California on December 4, 1978, was a five (5) year agreement for the purpose of storing up to 100,000 acre feet of State Project Water in the basin which can be used to meet Watermaster's groundwater replenishment demands. As shown on Appendix "F", just over half of the agreed to amount of Cyclic Water has been delivered and stored. Therefore, in order to complete the program, an Amending Agreement was executed by Watermaster on May 30, 1984 extending this agreement an additional five (5) years.

II. COMMITTEE ACTIVITIES

A. Overlying (Agricultural) Pool

At the annual meeting of this pool the following individuals were selected to administer the pool activities and to serve as representatives on the Watermaster Advisory Committee during Fiscal Year 1984/85.

<u>Regular</u>	<u>Alternate</u>
*Phillip Lock	Louis Aukeman
*Gus Wybenga	John Vander Schaaf
*Tom Carnesi	Fred Douma
*Robert DeBerard	C.E. Seufferling
*Ray Albers	Floris Ykema
Paula Martinez	Jim Fairchild
Gene Koopman	R.A. "Bud" Wathen
Herbert C. Hall	Paul A. Enders
Edwin Dubiel	State Attorney General

*Newly elected members for two year terms.

The following officers were duly nominated and elected:

Chairman	Tom Carnesi
Vice-Chairman	Robert DeBerard
Secretary	Don Peters Chief, Watermaster Services
Treasurer	John Anderson, CBMND

Through June 30, 1984, 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 the Overlying (Agricultural) Pool during 1983/84 are indicated in Appendix "I".

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, 1984, three (3) 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, 1984, 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	Ed Ryan
1st Vice Chairman	Tom Carnesi
2nd Vice Chairman	Lloyd Michael
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 February 9, 1984 at 12:00 noon. The Advisory Committee conducted four (4) regular meetings and two special 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, and may be viewed by any interested party by contacting the Chief of Watermaster Services.

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 1983/84 totaled 1,833.419 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	400.000
(c) From: West San Bernardino County Water District	
To: City of Chino	644.317
(d) From: San Bernardino County Water Works District No. 8	
To: Pomona Valley Water Co.	<u>254.434</u>
	1,833.419

(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. A total of 5,000 acre feet of water in storage was sold for use by City of Chino in Fiscal 1983/84.

(3) Unqualified Audit Opinion and Audit Report to the Chino Basin Watermaster from Reardon & McCallum, Certified Public Accountants, for the period ending June 30, 1984, is attached an 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 1983/84. 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, 1984 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 storage 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 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 1984/85.

(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 meter 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 188 meters were tested under this program. Eight in the Appropriative Pool, one in the Overlying (Non-Agricultural) Pool and one hundred seventy-nine 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 84-1A) Water Well Data has been initiated to collect and analyze existing and new data to assist in the determination of key wells, to provide Watermaster with information make future groundwater management decisions. It will coordinate with other existing monitoring agencies' programs and Department of Water Resources

well monitoring program proposed as part of the Conjunctive Use Study. This work will also prevent any duplication of work utilizing other existing sources of information to the maximum extent possible. It will establish the ground rules and criteria for a long term groundwater monitoring program and start developing a program that will eventually eliminate the data gaps which currently exist. Pursuant to the Judgment (page 80, Paragraph 2b) Watermaster has posted its 5 year "Notice of Intent" to reevaluate the level of safe yield of the basin. Upon the order of Watermaster, this Task Order will include a well measurement program which is a necessary step in the development of data for this reevaluation. This program will also determine the effects of the replenishment program currently underway, providing benefits to all producers within the basin. (This new Task Order replaces Task Order 79-1).

(e) (Task Order 84-1B) Safe Yield Study has been initiated to collect and analyze existing and new data to redetermine the safe yield of the Chino Hydrologic Basin. Pursuant to the Judgment, Page 80, Section 20, the Watermaster has posted its Notice of Intent to reevaluate the safe yield of the Basin. This project will utilize original data gathered under Task Order 79-1 and the new Task Order 84-1A (Water Well Data) as well as compiling rainfall data to prepare a water level contour map and a computer model utilizing consulting engineers to develop and complete the safe yield determination.

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.

(1) Local Storage Agreements were entered into by Kaiser Steel Corporation for 15,000 acre feet and Cucamonga County Water District for 5,000 acre feet. Also, a second Local Storage Agreement was executed by Conrock Company in the amount of 1,589 acre feet. The amounts represent water anticipated to be unpumped during the next five to ten years under the Judgment.

APPENDIX "A - 1"

OVERLYING (AGRICULTURAL) POOL COMMITTEE

Regular members and alternates for Fiscal 1983/84. *Newly elected members for two year term

Regular

Fred Douma
14350 Cleveland
Ontario, CA 91761
(714) 947-5192

Gus Wybenga
13950 Haven Avenue
Ontario, CA 91761
(714) 947-5540

Tom Carnesi
1604 N. Palm Avenue
Upland, CA 91786
(714) 982-5008

Robert DeBerard
1294 East 13th Street
Upland, CA 91786
(714) 946-3653

J.N. Albers
P.O. Box 235
Upland, CA 91786
(714) 982-5891

*Paula Martinez
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

*Herbert C. Hall
9430 Lomita Drive
Alta Loma, CA 91701
(714) 987-9365

*Edwin Dubiel
Deputy Attorney General
3580 Wilshire Blvd.
Los Angeles, CA 90010
(213) 736-2116

Alternate

Louis Aukeman
12391 Schleisman
Mira Loma, CA 91752
(714) 986-6580

John Vander Schaaf
7849 Schaefer Avenue
Ontario, CA 91761
(714) 628-0381

Phillip Lock
825 East Third Street
San Bernardino, CA 92415
(714) 383-2437

C. E. Seufferling
14901 Central Avenue
Chino, CA 91710
(714) 597-1821

Floris Ykema
6882 Chino Avenue
Chino, CA 91710
(714) 628-2411

Jim Fairchild
Orange Co. Water District
P.O. Box 8300
Fountain Valley, CA 92728
(714) 963-5661

R.A. "Bud" Wathen
P.O. Box 800
Ontario, CA 91761
(714) 597-1861

Joe D. Lopez
P.O. Box 246
Etiwanda, CA 91739
(714) 987-2164

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 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: Gene Carlino
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 Station
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: Ray Wellington
P.O. Box 667
Chino, CA 91710
(714) 591-9885

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
ATTN: Robert Beck
P. O. Box 309
Fontana, CA 92335
(714) 822-2209

Jurupa Community Services Dist.
ATTN: Edward Jakowczyk
8621 Jurupa Road
Riverside, CA 92509
(714) 685-7434

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. K. Andersen
2529 W. Temple
Los Angeles, CA 90026
(213) 388-7425

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

Norco, City of
ATTN: Jim Fairchild
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

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
Unland, CA 91786
(714) 982-4107

San Bernardino County
Water Works District No. 8
ATTN: Tom Rose
14575 Pipeline Avenue
Chino, CA 91710
(714) 597-1785

APPENDIX "A - 3"

APPROPRIATIVE POOL COMMITTEE (Continued)

Santa Ana River Water Company
ATTN: Arnold Rodriguez
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
1983/84	70,558	59,033	3,208	132,799

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

D:ASSESSMENTS

CHINO BASIN WATERMASTER
1984/85 ADMINISTRATIVE ASSESSMENTS

APPENDIX "C"

	TOTALS	APPROPRIATIVE POOL		OVERLYING AGRICULTURAL POOL		OVERLYING NON-AGRICULTURAL POOL		SB222 FUNDS
		AMOUNT	RATIOS & RATES	AMOUNT	RATIOS & RATES	AMOUNT	RATIOS & RATES	
1982/83 Production in Acre Feet	122,435.1	63,481.0	51.76%	56,759.4	46.28%	2,394.7	1.95%	Not Applicable
1983/84 Production in Acre Feet	132,798.9	70,358.1	53.13%	59,033.2	44.45%	3,207.6	2.41%	Not Applicable
1984/85 ADMINISTRATIVE BUDGET								
GENERAL ADMINISTRATION:								
Joint Watermaster-Advisory Comm. (1)	\$41,475	\$22,036		\$18,437		\$1,002		
Pool Administration	8,650	2,975		4,675		1,000		
Total Administrative Budgets	50,125	25,011	0.3545	23,112	0.3915	2,002	0.6241	
SPECIAL PROJECTS:								
Conjunctive Use/Cyclic Storage(1)	2,125	1,129		945		51		
Meter Installation(1)	1,900	1,009		845		46		
Well Water Data	45,700	0		0		0		\$45,700
Meter Testing Program	17,685	405		16,875		405		
Safe Yield Study	11,225	0		0		0		11,225
Total Special Projects	78,635	2,544	0.0360	18,664	0.3162	502	0.1566	56,925
TOTAL 84/85 ADMINISTRATIVE BUDGET	128,760	27,555	0.3905	41,776	0.7077	2,504	0.7806	56,925
25% Operating Reserve	17,959	6,889	0.0976	10,444	0.1769	626	0.1952	0
Less: Interest Earned SB222 Funds (2)	(11,100)	(4,653)	(0.0660)	(5,933)	(0.1005)	(512)	(0.1595)	
Pool Reserves	(8,400)	(3)	0.0000	(6,900)	(0.1169)	(1,500)	(0.4676)	
1984/85 CASH DEMAND	127,219	29,788	0.4222	39,387	0.6672	1,118	0.3486	56,925
Projected Carry Forward from 83/84		(26,596)	(0.3769)	(69,027)	(1.1693)	(14,932)	(4.6552)	(154,257)
PROJECTED 84/85 GENERAL ADMINISTRATION ASSESSMENTS		\$3,192	\$0.0452	(\$29,640)	(\$0.5021)	(\$13,614)	(\$4.3066)	(\$67,332)
RECOMMENDED 84/85 ASSESSMENTS								
General Administration Assessments		\$0.045/Acre Foot		\$0.10/Acre Foot		\$5.00/producer		
Miniue Assessments		\$5.00/producer		\$5.00/producer		\$5.00/producer		
Water Transfer Costs(Revenues)(4)	\$13,177	(4)		(\$13,177)	(4)			

(1) Total Costs have been allocated to Pools by actual 83/84 production percentages.

(2) SB222 Interest allocation based on total SB222 assessments paid 41.94%

(3) Applied to 85/86 Replenishment Assessments.

(4) The Appropriative Pool has agreed to support the Agricultural Pool 84/85 Administrative Costs by a payment of \$0.50/acre foot for water transferred with costs spread to the Appropriative Pool members based upon benefits received. Support decisions will be made each year water is available for transfer.

**SUMMARY OF
UNALLOCATED SAFE YIELD TRANSFERS
FOR FISCAL YEAR 1983/84**

	----- Agricultural Pool Water Transfers -----			
	Land Use Conversions		Balance Avail. (Ac.Ft.)	Total Trans. (Ac.Ft.)
	First 50% (Ac.Ft.)	Remain. 50% (Ac.Ft.)		
City of Chino	87.150	19.848	1,724.243	1,831.242
Cucamonga Co. Water Dist.		16.683	1,449.271	1,465.954
Etiwanda Water Co.		2.892	251.194	254.085
Felspar Gardens Mut. Water Co.		0.257	22.339	22.596
Fontana Union Water Co.		34.594	3,005.267	3,039.861
Jurupa Comm. Services (1)		8.359	726.140	734.499
Marygold Mut. Water Co.		3.544	307.876	311.420
Monte Vista Water Dist.		22.435	1,948.944	1,971.379
Monte Vista Irrigation Co.		3.660	317.950	321.610
Mutual Water Co. of Glen Avon Heights		2.531	219.860	222.391
City of Norco		1.090	94.688	95.778
City of Ontario	209.400	61.511	5,343.561	5,614.472
Pomona Valley Water Co.		See S.B. Co. W.W. #8		
City of Pomona		60.657	5,269.348	5,330.005
San Antonio Water Co.		8.149	707.955	716.104
San Bernardino Co. Water Works #8 (2)		17.040	1,480.296	1,497.336
Santa Ana River Water Co.		7.038	611.402	618.440
So. Calif. Water Co.		2.225	193.317	195.542
City of Upland		15.426	1,340.094	1,355.520
West End Consol. Water Co.		5.125	445.248	450.373
West San Bernardino Co. Water Dist.		3.485	302.708	306.193
TOTALS	296.550	296.550	25,761.700	26,354.800

(1) Includes pumping rights purchased from Mira Loma Water Co.

(2) Includes 823.9 acre feet of permanent transfer from So. Calif. Water Co.

APPENDIX "D"

APPENDIX "E"

SUMMARY OF PWD "INTERRUPTIBLE" (INCLUDING "IN LIEU") AND
NON INTERRUPTIBLE DELIVERIES
(ACRE FEET)
YEAR ENDED JUNE 30, 1984

Month	City of Pomona		City of Chino		Monte Vista Water Dist.		City of Ontario		Water Works #8	So. Cal. Edison Co.		TOTAL
	Non Int.	(1) Int.	Non Int.	Int.	Non Int.	Int.	Non Int.	Int.	Non Int.	Int.		
July	289	300	-0-	94	69	100	221	370	843	76	350	2,712
August	303	300	-0-	106	-0-	96	219	360	619	-0-	349	2,352
September	336	300	-0-	90	62	54	330	260	558	-0-	298	2,288
October	53	500	-0-	-0-	-0-	11	-0-	344	195	-0-	158	1,261
November	-0-	395	-0-	-0-	-0-	4	-0-	295	130	-0-	181	1,005
December	-0-	347	-0-	-0-	-0-	-0-	-0-	422	26	-0-	169	964
January	-0-	357	-0-	-0-	-0-	5	-0-	46	89	-0-	89	586
February	-0-	380	-0-	-0-	-0-	-0-	-0-	-0-	184	-0-	50	614
March	-0-	590	-0-	1	-0-	5	-0-	157	368	-0-	97	1,218
April	350	662	-0-	61	-0-	12	-0-	496	339	-0-	150	2,070
May	400	255	-0-	67	-0-	33	-0-	699	606	-0-	294	2,354
June	400	312	-0-	72	-0-	31	-0-	648	666	-0-	266	2,395
TOTALS	2,131	4,698	-0-	491	131	351	770	4,097	4,623	76	2,451	19,819

GROUNDWATER REPLENISHMENT DELIVERIES
(ACRE FEET)
YEAR ENDED JUNE 30, 1984

Month	San Sevaine	Montclair		Day	Etiwanda	Total
		OC-59	CH-3			
July	-0-	-0-	-0-	-0-	-0-	-0-
August	937.5	429.2	-0-	1,262.2	1,033.5	3,662.4
September	933.4	-0-	-0-	1,000.0	1,066.6	3,000.0
October	1,099.7	-0-	-0-	1,375.1	1,105.8	3,580.6
November	715.5	1,110.5	-0-	800.0	884.5	3,510.5
December	-0-	-0-	-0-	23.4	-0-	23.4
January	-0-	-0-	-0-	-0-	-0-	-0-
February	-0-	-0-	-0-	-0-	-0-	-0-
March	-0-	-0-	-0-	-0-	-0-	-0-
April	-0-	-0-	-0-	-0-	-0-	-0-
May	-0-	-0-	-0-	-0-	-0-	-0-
June	-0-	-0-	-0-	-0-	-0-	-0-
TOTALS	3,686.1	1,539.7	-0-	4,460.7	4,090.4	13,776.9

(1) Approximately 37.8% of amounts shown are used over the Chino Basin

APPENDIX "E"

APPENDIX "F"

CHINO BASIN WATERMASTER

Summary of Cyclic Storage Deliveries
January 1979 through June 1984

<u>Fiscal Year</u>	<u>San Sevaine</u>	<u>Montclair Basins</u>	<u>Day Creek Basin</u>	<u>Etowanda</u>	<u>Total</u>
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	3,086.1	772.0	-	3,881.4
September	-	2,444.7	906.8	-	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	27,964.0
				PURCHASES 80-81	(3,020.6)
				BALANCE AS OF 6-30-81	24,943.4
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	30,010.6
				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	56.2	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	43,056.1
				PURCHASES 82-83	-0-
				BALANCE AS OF 6-30-83	43,056.1

APPENDIX "F"

Summary of Cyclic Storage Deliveries
January 1979 Through June 1984
(Continued)

<u>Fiscal Year</u>	<u>San Sevaine</u>	<u>Montclair Basins</u>	<u>Boy Creek Basin</u>	<u>Edwards</u>	<u>Total</u>
1983/84					
July	889.6	-	904.9	654.7	2,449.2
August	-	-	-	-	-
September	-	-	331.1	11.9	343.0
October	-	-	-	-	-
November	-	418.9	506.1	189.3	1,114.3
December	962.7	1,763.8	787.2	673.1	3,686.8
January	-	-	182.1	184.5	366.6
February	-	-	-	-	-
March	-	-	-	-	-
April	-	-	-	-	-
May	-	-	-	-	-
June	-	-	-	-	-
	<u>1,352.3</u>	<u>2,182.7</u>	<u>2,711.4</u>	<u>1,713.5</u>	<u>7,959.9</u>
				BALANCE ACCOUNT	51,018.0
				PURCHASES 83-84	-0-
				BALANCE AS OF 6-30-84	<u>51,018.0</u>

APPENDIX "G"
OTHER IMPORTED SUPPLIES
(Acre Feet)

Fiscal Year	Fontana Union Water Co.	City of(3) Ontario	CoCa. Co. (1) Water District	San Bdo(2) 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		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	10,468		11,168		2,113	7,839	1,535			33,143
Surface Diversions	9,219		646			6,850				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									10,869	<u>10,869</u>
Reclaimed Water		270		675						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									665	<u>21,999</u>
Reclaimed Water		548		909					21,334	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									722	<u>24,560</u>
Reclaimed Water		503		993					23,838	67,491

APPENDIX "G-1"

APPENDIX "G"

OTHER IMPORTED SUPPLIES (CONTINUED)
(Acre Feet)

Fiscal Year	Fontana Union Water Co.	City of⁽³⁾ Ontario	Cuca.Co. (1) Water District	San Bdno.⁽³⁾ County	West End Consolidated Water Co.	San Antonio Water Company	West San Bdno.Co. Water Dist.	Marygold Mutual Water Co.	MWD of So. Cal.	Total
1982/83										
Other Basins	10,685		8,602		1,042	8,257	2,982			31,568
Surface Diversions	10,607		3,070			12,404				26,081
Other Imported Surface Deliveries								725	17,625	<u>18,351</u>
Reclaimed Water		469		1,080						76,000
1983/84										
Other Basins	3,363		10,476		1,612	19,278	3,596			38,425
Surface Diversions	18,505		9,163			12,551				40,219
Other Imported Surface Deliveries								794	19,819 ⁽²⁾	<u>20,613</u>
Reclaimed Water		548		532						99,257

(1) Includes water used over Cucamonga Basin

(2) Appendix "E", MWD Total - previous reports do not reflect total MWD deliveries to Pomona

(3) 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 "H"

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
1983/84	132,799	91,750	224,549

*Includes water used over Cucamonga Basin

APPENDIX "H"

LIST OF INTERVENTIONS AND ASSIGNMENTS

OVERLYING (AGRICULTURAL) POOL

<u>INTERVENOR</u>	<u>INACTIVE PARTY</u>
Marvin H. Belville	None
Los Serranos Golf Club, Inc.	None
Rick and Debbie Mow	Steve Ter Maaten
Geoffrey Vanden Heuvel	None

APPENDIX "J"

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, 1984, 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: Ed Ryan
Ed Ryan, Chairman

CHINO BASIN WATERMASTER

by: George Borda
George Borda, Vice-Chairman

ATTEST

by: John L. Anderson
John L. Anderson, Secretary

CHINO BASIN WATERMASTER

Annual Financial Report

JUNE 30, 1984

REARDON McCALLUM & Co.
CERTIFIED PUBLIC ACCOUNTANTS
848 WEST FOOTHILL BOULEVARD, SUITE C
UPLAND, CALIFORNIA 91786
TELEPHONE (714) 998-7288

APPENDIX "K"

CHINO BASIN WATERMASTER

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 1984

TABLE OF CONTENTS

	<u>EXHIBIT</u>
Auditor's Opinion	
Comparative Balance Sheet	1
Statement of Revenue, Expenses and Retained Earnings.	2
Statement of Changes in Financial Position.	3
Notes to Financial Statements	
	<u>SCHEDULE</u>
Combining Statement of Revenue, Expenses and Retained Earnings of the Various Funds of the Watermaster.	1

REARDON McCALLUM & Co.

CERTIFIED PUBLIC ACCOUNTANTS
848 WEST FOOTHILL BOULEVARD, SUITE C
UPLAND, CALIFORNIA 91786
TELEPHONE (714) 998-7888

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. SLUMNER, C.P.A.
SACHIKO M. STARKS, C.P.A.
WINSTON D. VILLOGINO, C.P.A.

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, 1984. 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, 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles for governmental agencies.

Reardon McCallum & Co.

September 10, 1984
Upland, California

**CHINO BASIN WATERMASTER
COMPARATIVE BALANCE SHEET**

Exhibit 1

June 30, 1984 and 1983

	1984	1983
ASSETS		
CURRENT ASSETS:		
Cash in bank - checking	9417	6390
Cash in bank - savings	7,682	17,114
	8,699	17,512
Time certificates of deposit	340,000	585,000
Assessments receivable - Overlying Agricultural Pool	---	50
Accounts Receivable	438	---
Interest Receivable	1,837	200
Prepaid office supplies	253	71
TOTAL CURRENT ASSETS	6350,727	9402,833
LIABILITIES AND RETAINED EARNINGS		
CURRENT LIABILITIES:		
Accounts payable (Note 3)	646,357	6262,378
Prepaid assessments - Appropriative Pool	12,017	8,332
Overlying Agricultural Pool	---	5
Total Current Liabilities	58,374	210,715
DEFERRED CREDITS (Note 3)	---	18,025
RETAINED EARNINGS		
Reserved for Watermaster activities	292,353	382,093
TOTAL LIABILITIES AND RETAINED EARNINGS	6350,727	9402,833

See accompanying notes to financial statements

STATEMENT OF REVENUE, EXPENSES AND RETAINED EARNINGS

For the Fiscal Year Ended June 30, 1984

	-----FISCAL 1983/1984-----			FISCAL 1982/1983 (Memorandum Only)
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)	
REVENUES:				
Assessment Revenue				
Replenishment Water Assessments	\$1,356,665	\$1,356,664	(61)	\$1,010,516
Administrative assessments	6,573	6,573	0	7,279
Assessment delinquency fees	---	46	46	1,132
Miscellaneous revenue	---	588	588	5,610
Interest revenue	20,025	43,092	23,067	81,246
Total Revenues	1,383,263	1,407,763	24,500	1,105,783
EXPENSES:				
CONWD Services Contract				
Salaries, payroll burden & overheads	42,325	38,054	4,471	33,049
Materials and supplies	100	150	(50)	221
Printing and mailing	1,475	841	634	1,206
Other expenses	500	455	45	350
General and administrative	4,625	2,963	1,662	2,740
Total CONWD Services Contract	49,225	42,463	6,762	37,566
Replenishment Water Deliveries	1,377,690	1,377,690	0	1,041,860
Printing and mailing	900	796	104	765
Contract labor and materials	111,425	63,609	47,816	63,241
Audit fees	1,775	1,708	67	1,600
Legal fees	8,750	6,815	1,935	5,858
Engineering fees	2,350	2,322	28	---
Meeting compensation	2,775	2,100	675	1,825
Other direct expenses	500	---	500	1
Total Expenses	1,535,390	1,497,503	57,887	1,152,716
EXCESS (DEFICIT) REVENUE OVER EXPENSES	(172,127)	(89,740)	82,387	(46,933)
RETAINED EARNINGS July 1, 1983	382,093	382,093	0	429,026
RETAINED EARNINGS June 30, 1984	\$209,966	\$292,353	\$82,387	\$382,093

See accompanying notes to financial statements

CHINA DRUGS INTERNATIONAL

Exhibit 3

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Fiscal Year Ended June 30, 1984

SOURCES OF WORKING CAPITAL			
Operations			
Excess of expenses over revenues			(899,745)
USES OF WORKING CAPITAL			
Decreases in deferred credits			(10,025)
			<hr/>
NET INCREASE (DECREASE) IN WORKING CAPITAL			(909,770)
<hr/>			
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL ITEMS			
	7/1/83	6/30/84	
	<hr/>	<hr/>	
Current Assets			
Cash	617,512	68,099	(549,413)
Short term investments	585,000	340,000	(245,000)
Receivables	250	2,376	2,126
Prepaid expenses	71	252	181
	<hr/>	<hr/>	
	1,463,833	1,350,727	
Current Liabilities			
Accounts payable	202,378	46,357	156,021
Prepaid assessments	8,337	12,017	(3,680)
	<hr/>	<hr/>	
	210,715	58,374	
	<hr/>	<hr/>	
Working Capital	1,253,118	1,292,353	
	<hr/>	<hr/>	
NET INCREASE (DECREASE) IN WORKING CAPITAL			(909,770)
<hr/>			

See accompanying notes to financial statements

APPENDIX "K - 5"

**CHINO BASIN WATERMASTER
NOTES TO FINANCIAL STATEMENTS**

June 30, 1984

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

- A. Books and records are kept on the accrual basis.
- B. Separate cost centers have been established to segregate the Watermaster's different activities as required under the judgement and rules and regulations adopted by the Watermaster and each pool (See Schedule 1).
- C. Short-term investments are recorded at cost.

NOTE 2 - CHINO BASIN WATERMASTER FORMATION

The Chino Basin Watermaster was 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; and shortly thereafter, rules and regulations were adopted, meeting dates were established and the Services and Facilities Contract was signed with Chino Basin Municipal Water District for the provision of staff and office facilities necessary to administer the program.

NOTE 3 - ACCOUNTS PAYABLE - 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 Metropolitan. In order to avoid these lease costs, an arrangement was made to use surface deliveries in this for a period of time in order to replace prior years' over-production by leaving groundwater in place (i.e., unpumped). An agreement implementing this procedure was approved by the Watermaster on July 30, 1980. At June 30, 1984 all over-production had been replaced, the replenishment assessments due were written off, and the replenishment assessments paid in 78/79 and interest earned thereon totaling \$11,119.19 to be returned to the appropriator involved was transferred to the Accounts Payable category.

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 82/83 interest revenue was allocated to the Appropriative Pool members based on the funds received in payment of the 82/83 assessments, resulting in a lower 83/84 assessment and a subsequent transfer of funds from the Appropriative Pool to Groundwater Replenishment.

NOTE 5 - SENATE BILL 222 FUNDS

On June 26, 1975, California State Senate Bill SB 222 was enacted. This provided for the imposition of an assessment on groundwater extractions for the purpose of developing water management programs with the District collection \$2 per acre foot of water extracted. This assessment ended with fiscal year 1976/77. The funds collected were used to finance necessary investigations and to establish water rights through adjudication. The adjudication was signed January 27, 1978, and the remaining SB 222 funds were transferred to the Chino Basin Watermaster who has used some of the funds to deliver groundwater to the Basin which will be available for local producers at a future date and for 77/78 administrative expenses. On May 30, 1984, the Watermaster approved (as part of the 84/85 budget process) the use of some of these funds to cover the cost of evaluating the need to redetermine the "safe yield" of the basin.

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 groundwater replenishment, MWD will bill the Watermaster. The only immediate cost to the Watermaster for replacing the water in storage is the payment of any delivery costs involved. Through June 30, 1984, 31,017.6 acre feet of water have been placed in storage under this contract. When water is taken out of storage, the user will be charged MWD's replenishment water 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 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. During fiscal 83/84, \$5,250.00 was used to purchase a public information display depicting the history, purposes and activities of the Chino Basin Watermaster. The display is available for use by producers throughout the basin.

NOTE 7 - ALLOCATION OF WATERMASTER ADMINISTRATION EXPENSES TO POOLS

Watermaster Administration Expenses are allocated to the pools based upon the prior year's production figures (for the same percentages used to set the annual assessments).

Allocations for fiscal 83/84 have been made based upon 82/83 productions of:

Total produced	Appropriative Pool	Agricultural Pool	Non-Agricultural Pool
122,435.10 acre feet	63,481.00 or 51.77%	56,759.40 or 46.28%	2,394.70 or 1.95%

NOTE B - IMPACT OF PROPOSITION 4: APPROPRIATION LIMITATIONS

On November 4, 1979, the State of California voters approved Article IIIID 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 May 30, 1984, the Watermaster adopted Resolution No. 84-1 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 1984/85 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.

CHINO BASIN WATERMASTER
COMBINED STATEMENT OF REVENUE, EXPENSES AND RETAINED EARNINGS
For the Fiscal Year Ended June 30, 1964

Schedule 1

	WATERMASTER ADMINISTRATION			GROUNDWATER REPLENISHMENT		POOL ADMINISTRATION AND SPECIAL PROJECTS			CHINA EDUCATIONAL FUNDS	GRAND TOTAL
	ADMINISTRATION	SPECIAL PROJECTS	TOTAL	53222 FUNDS	WATERMASTER REPLENISHMENT	APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRICULTURAL POOL		
REVENUES:										
Assessment Revenue										
Replenishment Water Assessments					81,336,644					81,336,644
Transfer of prior year interest to replenishment assessments (Note 6)					51,876	(951,876)				0
Administrative assessments						199	96,413	960		6,573
Assessment delinquency fees						41	5			46
Miscellaneous revenue		6438	6438				156			588
Interest revenue					2,767	20,433	18,297	2,383	6470	43,892
Total Revenues	0	6438	6438	00	1,410,447	(39,999)	24,865	2,443	6470	1,407,763
EXPENSES:										
CHINA Services Contract										
Salaries, payroll burden & overheads	27,964	3,729	31,693	15	25	2,121	3,340	660		30,954
Materials and supplies	150		150							150
Printing and mailing	5		5			23	793	20		861
Other expenses	270		270			185				455
General and administrative	2,177	263	2,440	1	2	176	273	91		2,963
Total CHINA Services Contract	30,566	4,012	34,578	16	27	2,305	4,406	731		62,463
Replenishment Water Deliveries					1,377,390					1,377,390
Printing and mailing	140		140			25	618	13		776
Contract labor and materials		111	111	17,261	29,877	440	16,615	35	5,230	63,409
Audit fees	1,700		1,700							1,700
Legal fees	4,762		4,762			360	1,300	145		6,815
Engineering fees	2,322		2,322							2,322
Meeting compensation	1,725		1,725				375			2,100
Other direct expenses	0		0							0
Total Watermaster Administration Expenses	41,223	4,123	45,346							
Allocation of Adm. Expenses to Pools (Note 7)	(41,223)	(3,685)	(44,908)			23,209	26,783	876		100
Total Expenses	0	438	438	17,277	1,407,394	26,579	30,583	1,700	5,230	1,497,383
EXCESS (DEFICIT) REVENUE OVER EXPENSES	0	0	0	(17,277)	2,053	(57,479)	(13,720)	643	(4,760)	(69,780)
RETAINED EARNINGS July 1, 1963	0	0	0	171,798	26,739	82,356	81,327	14,205	9,968	382,933
RETAINED EARNINGS June 30, 1964	00	00	00	6154,621	629,592	625,677	647,667	914,868	91,188	272,353

APPENDIX "K" - 9"

See accompanying notes to financial statements