CHINO BASIN WATERMASTER

NOTICE OF MEETINGS

Thursday, November 19, 2026

9:00 a.m. – Advisory Committee Meeting
11:00 a.m. – Watermaster Board Meeting

Watermaster's function is to administer and enforce provisions of the Judgment and subsequent orders of the Court, and to develop and implement an Optimum Basin Management Program

CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
9:00 a.m. – November 19, 2026
Mr. Scott Burton, Chair
Mr. Jeff Pierson, Vice-Chair
Ms. Hye Jin Lee, Second Vice-Chair
At The Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

(Meeting can also be taken remotely via Zoom at this link)

AGENDA

CALL TO ORDER

ROLL CALL

AGENDA – ADDITIONS/REORDER

SAFETY MINUTE

I. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by one motion in the form listed below. There will be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES

Approve as presented:
Minutes of the Advisory Committee Meeting held on October 15, 2026 *(Page 1)*

B. FINANCIAL REPORTS

Receive and file as presented:
Monthly Financial Reports for the Period Ended September 30, 2026 *(Page 16)*

C. 2025/26 ANNUAL REPORT OF THE GROUND-LEVEL MONITORING PROGRAM

Recommend to the Watermaster Board to approve the 2025/26 Annual Report of the Ground-Level Monitoring Program (GLMP), and direct staff to file a copy with the Court. *(Page 32)*

D. APPLICATION: WATER TRANSACTION – 693.18 AF FROM SAN ANTONIO WATER COMPANY TO CITY OF ONTARIO

Provide advice and assistance to the Watermaster Board on the proposed transaction. *(Page 132)*

E. APPLICATION: WATER TRANSACTION – 300 AF FROM CUCAMONGA VALLEY WATER DISTRICT TO BLUETRITON BRANDS, INC.

Provide advice and assistance to the Watermaster Board on the proposed transaction. *(Page 139)*

II. BUSINESS ITEMS

A. FIRST AMENDMENT TO TASK ORDER NO. 11 UNDER THE MASTER AGREEMENT FOR COLLABORATIVE RECHARGE PROJECTS: MONTCLAIR BASINS *(Page 146)*

Approve and recommend the Watermaster Board to approve the First Amendment to Task Order 11, the Montclair Basin Improvement Project.

B. SECOND AMENDMENT TO TASK ORDER NO. 1 UNDER MASTER AGREEMENT FOR COLLABORATIVE PROJECTS: SALINITY MANAGEMENT *(Page 155)*

Recommend to the Watermaster Board to approve as presented.

C. GOVERNOR'S EMERGENCY DECLARATION AND POTENTIAL GROUNDWATER RECHARGE OPPORTUNITIES *(Page 177)*

Provide advice and assistance.

III. REPORTS/UPDATES

A. WATERMASTER LEGAL COUNSEL

1. December 18, 2026 Hearing (Watermaster Motion for Approval of Corrected and Amended Assessment Packages, Watermaster Safe Yield Motion)
2. April 30, 2027 Hearing (Cucamonga Valley Water District Motion Challenging Fiscal Year 2025/2026 Assessment Package)
3. Inland Empire Utilities Agency, et al. v. LS-Fontana LLC (C.D. Cal Cases Nos.: 5:25-cv-00809, 5:25 cv01159)
4. Court of Appeal Case No. E088249 (City of Ontario appeal re: January 30, 2026 Attorney Fees Ruling)
5. Petition to Santa Ana Regional Water Quality Control Board to Require Stormwater Permits for Commercial, Industrial, and Institutional Facilities in re: Chino Creek

B. ENGINEER

1. Storage Management Plan
2. Chino Creek Monitoring Program

C. GENERAL MANAGER

1. December Meeting Schedule
2. IEUA and CBWM Ribbon-Cutting Ceremony Project 23A held on November 10, 2026
3. Dry Year Yield Program Workshop (Court Of Appeal Questions) held on October 29, 2026
4. Other

D. INLAND EMPIRE UTILITIES AGENCY *(Page 343)*

1. Metropolitan Water District Activities Report (Written)
2. Water Supply Conditions (Written)
3. State and Federal Legislative Reports (Written)
4. Ground Water Recharge update (Written)

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. COMMITTEE MEMBER COMMENTS

V. OTHER BUSINESS

VI. CONFIDENTIAL SESSION - POSSIBLE ACTION

A Confidential Session may be held during the Advisory Committee meeting for the purpose of discussion and possible action.

None

VII. FUTURE MEETINGS AT WATERMASTER

11/17/26	Tue	9:00 a.m.	Groundwater Recharge Coordinating Committee (GRCC)
11/19/26	Thu	9:00 a.m.	Advisory Committee
11/19/26	Thu	11:00 a.m.	Watermaster Board*
12/08/26	Thu	9:00 a.m.	Assessment Package Workshop
12/10/26	Thu	9:00 a.m.	Appropriative Pool Committee
12/10/26	Thu	11:00 a.m.	Non-Agricultural Pool Committee
12/10/26	Thu	1:30 p.m.	Agricultural Pool Committee
12/17/26	Thu	9:00 a.m.	Advisory Committee
12/17/26	Thu	11:00 a.m.	Watermaster Board*

*****The Board meeting is being advanced by a week due to the Thanksgiving and Christmas holidays.

ADJOURNMENT

CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
11:00 a.m. – November 19, 2026
Mr. Marty Zvirbulis, Chair
Mr. Jeff Pierson, Vice-Chair
Mr. Bob Bowcock, Secretary/Treasurer
At The Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

FLAG SALUTE

ROLL CALL

PUBLIC COMMENTS
This is an opportunity for members of the public to address the Board on any short non-agenda items that are within the subject matter jurisdiction of the Chino Basin Watermaster. No discussion or action can be taken on matters not listed on the agenda, per the Brown Act. Each member of the public who wishes to comment shall be allotted three minutes, and no more than three individuals shall address the same subject.

AGENDA – ADDITIONS/REORDER

SAFETY MINUTE

I. CONSENT CALENDAR
All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by one motion in the form listed below. There will be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES
Approve as presented:
1. Minutes of the Watermaster Board Meeting held on October 22, 2026 *(Page 8)*

B. FINANCIAL REPORTS
Receive and file as presented:
Monthly Financial Report for the Period Ended September 30, 2026 *(Page 16)*

C. 2025/26 ANNUAL REPORT OF THE GROUND-LEVEL MONITORING PROGRAM
Approve the 2025/26 Annual Report of the Ground-Level Monitoring Program (GLMP), and direct staff to file a copy with the Court. *(Page 32)*

D. APPLICATION: WATER TRANSACTION – 693.18 AF FROM SAN ANTONIO WATER COMPANY TO CITY OF ONTARIO
Approve the proposed transaction. *(Page 132)*

E. APPLICATION: WATER TRANSACTION – 300 AF FROM CUCAMONGA VALLEY WATER DISTRICT TO BLUETRITON BRANDS, INC.
Approve the proposed transaction. *(Page 139)*

II. BUSINESS ITEMS

A. FIRST AMENDMENT TO TASK ORDER NO. 11 UNDER MASTER AGREEMENT FOR COLLABORATIVE RECHARGE PROJECTS: MONTCLAIR BASINS *(Page 146)*
Approve the First Amendment to Task Order 11 Montclair Basin Improvement Project and authorize the General Manager to execute the agreement on behalf of Watermaster .

B. SECOND AMENDMENT TO TASK ORDER NO. 1 UNDER MASTER AGREEMENT FOR COLLABORATIVE PROJECTS: SALINITY MANAGEMENT *(Page 155)*
Approve and authorize the General Manager to sign.

C. GOVERNOR'S EMERGENCY DECLARATION AND POTENTIAL GROUNDWATER RECHARGE OPPORTUNITIES *(Page 177)*
Provide advice and assistance.

D. WATERMASTER CREDIT CARD POLICY NO. 4.9
Approve and adopt Watermaster Credit Card Policy No. 4.9 as presented.

E. RESOLUTION 2026-05 IN SUPPORT OF ACWA'S VISION FOR OUR WATER FUTURE *(Page 238)*
Adopt Resolution 2026-05 as presented.

F. CHINO BASIN WATERMASTER ANNUAL FINANCIAL REPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2026 AND 2025, THE MANAGEMENT COMMENT LETTER, AND LETTER TO GOVERNANCE *(Page 241)*
Receive and file (1) the Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2026 and 2025, (2) the Management Comment Letter, and (3) the Letter to Governance.

II. REPORTS/UPDATES

A. WATERMASTER LEGAL COUNSEL

1. December 18, 2026 Hearing (Watermaster Motion for Approval of Corrected and Amended Assessment Packages, Watermaster Safe Yield Motion)
2. April 30, 2027 Hearing (Cucamonga Valley Water District Motion Challenging Fiscal Year 2025/2026 Assessment Package)
3. Inland Empire Utilities Agency, et al. v. LS-Fontana LLC (C.D. Cal Cases Nos.: 5:25-cv-00809, 5:25 cv01159)
4. Court of Appeal Case No. E088249 (City of Ontario appeal re: January 30, 2026 Attorney Fees Ruling)
5. Petition to Santa Ana Regional Water Quality Control Board to Require Stormwater Permits for Commercial, Industrial, and Institutional Facilities in re: Chino Creek

B. ENGINEER

1. Storage Management Plan
2. Chino Creek Monitoring Program

C. GENERAL MANAGER

1. December Meeting Schedule
2. IEUA and CBWM Ribbon-Cutting Ceremony Project 23A held on November 10, 2026
3. Dry Year Yield Program Workshop (Court Of Appeal Questions) held on October 29, 2026
4. Other

III. BOARD MEMBER COMMENTS

IV. OTHER BUSINESS

V. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article II, Section 2.6, of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster Board meeting for the purpose of discussion and possible action.

1. Inland Empire Utilities Agency, et al. v. LS-Fontana LLC (C.D. Cal Cases Nos.: 5:25-cv-00809, 5:25 cv01159)

VI. FUTURE MEETINGS AT WATERMASTER

11/17/26	Tue	9:00 a.m.	Groundwater Recharge Coordinating Committee (GRCC)
11/19/26	Thu	9:00 a.m.	Advisory Committee
11/19/26	Thu	11:00 a.m.	Watermaster Board*
12/08/26	Thu	9:00 a.m.	Assessment Package Workshop
12/10/26	Thu	9:00 a.m.	Appropriative Pool Committee
12/10/26	Thu	11:00 a.m.	Non-Agricultural Pool Committee
12/10/26	Thu	1:30 p.m.	Agricultural Pool Committee
12/17/26	Thu	9:00 a.m.	Advisory Committee
12/17/26	Thu	11:00 a.m.	Watermaster Board*

*The Board meeting is being advanced by a week due to the Thanksgiving and Christmas holidays.

ADJOURNMENT

DRAFT MINUTES
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
October 15, 2026

The Advisory Committee meeting was held at the Chino Basin Watermaster offices located at 9641 San Bernardino Road, Rancho Cucamonga, CA, and via Zoom (conference call and web meeting) on October 15, 2026.

ADVISORY COMMITTEE MEMBERS PRESENT

- **NON-AGRICULTURAL POOL COMMITTEE MEMBERS PRESENT AT WATERMASTER**

Scott Burton, **Chair**	City of Ontario

- **NON-AGRICULTURAL POOL COMMITTEE MEMBERS PRESENT ON ZOOM**

Brian Geye	California Speedway Corporation
Bob Bowcock	CalMat Co.

- **AGRICULTURAL POOL COMMITTEE MEMBERS PRESENT AT WATERMASTER**

Jeff Pierson, **Vice-Chair**	Crops
Bob Feenstra	Dairy
Nathan deBoom	Dairy
Tariq Awan	State of California

- **AGRICULTURAL POOL COMMITTEE MEMBERS PRESENT ON ZOOM**

Jimmy Medrano	State of California

- **APPROPRIATIVE POOL COMMITTEE MEMBERS PRESENT AT WATERMASTER**

Chris Diggs	City of Pomona
Eduardo Espinoza for John Bosler	Cucamonga Valley Water District
Eric Tarango for Cris Fealy	Fontana Water Company
Justin Castruita	Fontana Union Water Company
Chris Berch	Jurupa Community Services District

- **APPROPRIATIVE POOL COMMITTEE MEMBERS PRESENT ON ZOOM**

Phillip Hall	City of Chino
Ron Craig	City of Chino Hills
Chad Nishida	City of Ontario
Nicole deMoet	City of Upland
Justin Scott-Coe	Monte Vista Irrigation Company
Justin Scott-Coe	Monte Vista Water District
Brian Lee	San Antonio Water Company

WATERMASTER BOARD MEMBERS PRESENT ON ZOOM

Curtis Burton	City of Chino
Bill Velto	City of Upland
Bob Kuhn	Three Valleys Municipal Water District
Mike Gardner	Western Municipal Water District

WATERMASTER STAFF PRESENT

Todd Corbin	General Manager
Edgar Tellez Foster	Water Resources Mgmt. & Planning Director
Anna Nelson	Director of Administration
Frank Yoo	Data Services and Judgment Reporting Manager
Daniela Uriarte	Senior Accountant

Ruby Favela Quintero	Executive Assistant
Kirk Richard Dolar	Administrative Analyst
Alonso Jurado	Water Resources Senior Associate
Jordan Garcia	Water Resources Associate
Erik Vides	Senior Field Operations Specialist
Noemi Medrano	Administrative Assistant
Alexandria Aviles	Field Operations Specialist
Cameron Rubel	Field Operations Specialist

WATERMASTER CONSULTANTS PRESENT AT WATERMASTER

Brad Herrema	Brownstein Hyatt Farber Schreck, LLP
Andy Malone	West Yost

WATERMASTER CONSULTANTS PRESENT ON ZOOM

Ben Markham	Brownstein Hyatt Farber Schreck, LLP
Carolina Sanchez	West Yost
Garrett Rapp	West Yost

OTHERS PRESENT AT WATERMASTER

Elizabeth Willis	Chino Basin Water Conservation District
Dave Schroeder	Chino Basin Water Conservation District
Robert Sotomayor	Chino Basin Water Conservation District
Amanda Coker	Cucamonga Valley Water District
Jiwon Seung	Cucamonga Valley Water District
Frank Gomez	Fontana Water Company
Andy Campbell	Inland Empire Utilities Agency
Brent Ritzinger	Inland Empire Utilities Agency
Joel Ignacio	Inland Empire Utilities Agency
Moises Santillan	Inland Empire Utilities Agency
Jesse Pompa	Jurupa Community Services District

OTHERS PRESENT ON ZOOM

Gino Filippi	Agricultural Pool – Crops
Lewis Callahan	Agricultural Pool – State of CA
Jessica Singletary	City of Chino
Jonathan Chang	City of Ontario
Norberto Ferreira	City of Upland
Richard Gonzales	City of Upland
Tracy Egoscue	Egoscue Law Group, Inc.
Derek Hoffman	Fennemore Law
Arijanto Istandar	Inland Empire Utilities Agency
Eddie Lin	Inland Empire Utilities Agency
John Russ	Inland Empire Utilities Agency
Steve Smith	Inland Empire Utilities Agency
John Schatz	John J. Schatz, Attorney at Law
Bryan Smith	Jurupa Community Services District
Manny Martinez	Monte Vista Water District
Alyssa Coronado	Santa Ana River Water Company
Tom Harder	Thomas Harder & Co.
David De Jesus	Three Valleys Municipal Water District
Jorge Marquez	Three Valleys Municipal Water District
Jake Loukeh	Western Municipal Water District
Laura Roughton	Western Municipal Water District
Rick Rees	WSP USA

CALL TO ORDER
Chair Burton called the Advisory Committee meeting to order at 9:00 a.m.

ROLL CALL
(00:00:16) Ms. Nelson conducted the roll call and announced that a quorum was present.

AGENDA – ADDITIONS/REORDER
None

SAFETY MINUTE
(00:02:46) Mr. Corbin presented earthquake preparedness measures and the "Drop, Cover, and Hold On" procedure as part of the Great California Shakeout drill that is to be held annually on the third Thursday of October, at 10:15 a.m. if possible. He encouraged participants to assess earthquake hazards and secure movable furniture in their offices and homes. Ms. Nelson led the drill and explained that after an actual earthquake, participants should gather in the guest parking lot, with the area behind the Chino Basin Watermaster parking lot as an alternate meeting location.

I. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by one motion in the form listed below. There will be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES
Approve as presented:
Minutes of the Advisory Committee Meeting held on August 20, 2026

B. FINANCIAL REPORTS
Receive and file as presented:
1. Monthly Financial Report for the Period Ended July 31, 2026
2. Monthly Financial Report for the Period Ended August 31, 2026

C. OBMP SEMI-ANNUAL STATUS REPORT 2026-1
Recommend to the Watermaster Board for the adoption of the Semi-Annual OBMP Status Report 2026-1, and direct staff to file a copy with the Court, subject to any necessary non-substantive changes.

(00:08:46)
Motion by Vice-Chair Jeff Pierson, seconded by Mr. Justin Castruita; there being no dissent, the motion was deemed passed unanimously by voice vote among those present.
Moved to approve the Consent Calendar as presented.

II. BUSINESS ITEMS

A. REVIEW AND DISCUSSION OF WATERMASTER RULES AND REGULATIONS, SECTION 2.10, "CONFLICT OF INTEREST"
To seek a recommendation from the Advisory Committee to the Watermaster Board based on the information provided by the ad hoc Committee of the Advisory Committee on the matter.

(00:09:15) Mr. Corbin gave a report. A discussion ensued.

(00:25:37) Main motion introduced. A discussion ensued.

(01:18:10)
Alternate Motion by Mr. Philip Hall, seconded by Mr. Justin Scott-Coe; the motion failed with 74.35 volume votes in opposition, the results of which are attached to these minutes.

Moved to recommend adding disclosure categories into the Watermaster Rules and Regulations, Section 2.10 and to incorporate a manual and training policies related thereto.

(01:26:23) Vote taken on main motion
Motion by Mr. Chris Diggs, seconded by Mr. Chris Berch; the motion passed with 74.28 volume votes in favor, the results of which are attached to these minutes.

Moved to recommend that the existing conflict of interest policy remain in place and that Watermaster develop a guidance or training document for the full Board and Advisory Committee, to be provided every other year and to newly appointed members.

III. REPORTS/UPDATES

A. WATERMASTER LEGAL COUNSEL

1. November 13, 2026 Hearing (Watermaster Motion for Approval of Corrected and Amended Assessment Packages)
2. April 30, 2027 Hearing (Cucamonga Valley Water District Motion Challenging Fiscal Year 2025/2026 Assessment Package)
3. Inland Empire Utilities Agency, et al. v. LS-Fontana LLC (C.D. Cal Cases Nos.: 5:25-cv-00809, 5:25 cv01159)
4. Court of Appeal Case No. E088249 (City of Ontario appeal re: January 30, 2026 Attorney Fees Ruling)
5. Petition to Santa Ana Regional Water Quality Control Board to Require Stormwater Permits for Commercial, Industrial, and Institutional Facilities in re Chino Creek

(01:28:52) Mr. Herrema gave a report. A discussion ensued.

B. ENGINEER

1. Storage Management Plan
2. Recharge Master Plan Update
3. Annual Report of the Ground-Level Monitoring Program
4. TDS Reach 3 Study

(01:31:44) Mr. Malone gave a report.

C. GENERAL MANAGER

1. Workshop and meetings on outstanding Dry Year Yield program issues
2. SAR Fish Bio Survey 2026
3. October 3, 2026 Chino Basin Water Conservation District Waterwise Garden & Pumpkin Fest
4. Annual Streamflow Monitoring Report for Water Rights Permit 21225
5. Water Professionals Week
6. Other

(01:34:35) For Item 1, Mr. Corbin announced that a Workshop will be held at Watermaster on October 29, 2026, at 10:00 a.m., to begin discussing the four questions identified in the Dry Year Yield Court of Appeal Ruling. For Items 2 and 3, he recognized staff for participating in the Santa Ana River Fish Bio Survey and the Waterwise Garden & Pumpkin Fest. For Item 4, he reported that, according to the Annual Streamflow Monitoring Report, approximately 100,000 acre-feet of water flows through the Chino Basin uncaptured and noted the significance of this information for recharge planning purposes. For Item 5, he concluded by recognizing Water Professionals Week.

D. INLAND EMPIRE UTILITIES AGENCY

1. Metropolitan Water District Activities Report (Written)
2. Water Supply Conditions (Written)
3. State and Federal Legislative Reports (Written)
4. Update to RMPU projects (Oral)
5. GWR update (Oral)

(01:35:31) For Item 4, Mr. Joel Ignacio gave a presentation on the Montclair Basin. For Item 5, Mr. Brent Ritzinger gave a presentation and update on the basin's groundwater recharge projects. A discussion ensued.

E. CHINO BASIN WATER CONSERVATION DISTRICT REPORT (INFORMATION ONLY)

(01:50:35) Mr. Dave Schroeder gave a presentation to update stakeholders on El Nino preparations and how the District is preparing its basins for the anticipated wet winter.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

None

IV. INFORMATION

A. ANNUAL AND SEMI-ANNUAL PLUME STATUS REPORTS (INFORMATION ONLY)

This was an informational item only, and no oral report was provided.

V. COMMITTEE MEMBER COMMENTS

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

A Confidential Session may be held during the Advisory Committee meeting for the purpose of discussion and possible action.

None

ADJOURNMENT

Chair Burton adjourned the Advisory Committee meeting at 11:09 a.m.

Secretary: _____

Approved: _____

Attachments:

1. 20261015 Volume Vote Outcome for Business Item II.A. (Substitute Motion)
2. 20261015 Volume Vote Outcome for Business Item II.A. (Main Motion)

ATTACHMENT 1

2026 ADVISORY COMMITTEE VOLUME VOTE

Assessment Year 2025-2026 (Production Year 2024-2025)

QUORUM MET?

YES

*Enter **Y** or **N** in Each Cell*

Party	Present (Y/N)	Vote (Y/N)	Assigned	Reallocated	Available	Quorum	Total Yes
Minor 1	Y	N	3.198	0.000	3.198	3.198	0.000
Minor 2	Y	N	3.198	0.000	3.198	3.198	0.000
Chino Hills, City Of	Y	N	2.165	0.000	2.165	2.165	0.000
Chino, City Of	Y	Y	4.934	0.000	4.934	4.934	4.934
Cucamonga Valley Water District	Y	N	10.309	0.000	10.309	10.309	0.000
Fontana Union Water Company	Y	N	4.371	0.000	4.371	4.371	0.000
Fontana Water Company	Y	N	4.175	0.000	4.175	4.175	0.000
Jurupa Community Services District	Y	N	6.748	0.000	6.748	6.748	0.000
Monte Vista Water District	Y	Y	6.925	0.000	6.925	6.925	6.925
Ontario, City Of	Y	Y	13.796	0.000	13.796	13.796	13.796
Pomona, City Of	Y	N	12.584	0.000	12.584	12.584	0.000
Upland, City Of	Y	N	2.597	0.000	2.597	2.597	0.000
AGRICULTURAL POOL	Y	N	20.000	0.000	20.000	20.000	0.000
NON-AGRICULTURAL POOL	Y	N	5.000	0.000	5.000	5.000	0.000
			100.000	**0.000**	**100.000**	**100.000**	**25.655**

CALCULATE QUORUM

CALCULATE VOTES

RESET ALL

RESET VOTES

"YES" VOTES
25.655%

"NO" VOTES
74.345%

NOT PASSED

LESS THAN 50 YES VOTES

ATTACHMENT 2

2026 ADVISORY COMMITTEE VOLUME VOTE
Assessment Year 2025-2026 (Production Year 2024-2025)

QUORUM MET?

YES

*Enter **Y** or **N** in Each Cell*

Party	Present (Y/N)	Vote (Y/N)	Assigned	Reallocated	Available	Quorum	Total Yes
Minor 1	Y	Y	3.198	0.000	3.198	3.198	3.198
Minor 2	Y	Y	3.198	0.000	3.198	3.198	3.198
Chino Hills, City Of	Y	Y	2.165	0.000	2.165	2.165	2.165
Chino, City Of	Y	Y	4.934	0.000	4.934	4.934	4.934
Cucamonga Valley Water District	Y	Y	10.309	0.000	10.309	10.309	10.309
Fontana Union Water Company	Y	Y	4.371	0.000	4.371	4.371	4.371
Fontana Water Company	Y	Y	4.175	0.000	4.175	4.175	4.175
Jurupa Community Services District	Y	Y	6.748	0.000	6.748	6.748	6.748
Monte Vista Water District	Y	N	6.925	0.000	6.925	6.925	0.000
Ontario, City Of	Y	N	13.796	0.000	13.796	13.796	0.000
Pomona, City Of	Y	Y	12.584	0.000	12.584	12.584	12.584
Upland, City Of	Y	Y	2.597	0.000	2.597	2.597	2.597
AGRICULTURAL POOL	Y	Y	20.000	0.000	20.000	20.000	20.000
NON-AGRICULTURAL POOL	Y	N	5.000	0.000	5.000	5.000	0.000
			100.000	**0.000**	**100.000**	**100.000**	**74.279**

CALCULATE QUORUM

CALCULATE VOTES

RESET ALL

RESET VOTES

"YES" VOTES
74.279%

"NO" VOTES
25.721%

PASSED

DRAFT MINUTES
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
October 22, 2026

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster located at 9641 San Bernardino Road, Rancho Cucamonga, CA, and via Zoom (conference call and web meeting) on October 22, 2026.

WATERMASTER BOARD MEMBERS PRESENT AT WATERMASTER

Josh Swift for Marty Zvirbulis	Fontana Water Company
Jeff Pierson, Vice-Chair	Agricultural Pool – Crops
Bob Bowcock, Secretary/Treasurer	Non-Agricultural Pool – CalMat Co
Curt Burton	City of Chino
Steve Elie	Inland Empire Utilities Agency
Mike Gardner	Western Municipal Water District
Bob Kuhn	Three Valleys Municipal Water District
Jimmy Medrano	Agricultural Pool – State of CA
Bill Velto	City of Upland

WATERMASTER BOARD MEMBERS ON ZOOM

Marty Zvirbulis, Chair	Fontana Water Company

WATERMASTER STAFF PRESENT

Todd Corbin	General Manager
Anna Nelson	Director of Administration
Frank Yoo	Data Services and Judgment Reporting Manager
Daniela Uriarte	Senior Accountant
Ruby Favela Quintero	Executive Assistant
Alonso Jurado	Water Resources Senior Associate
Kirk Richard Dolar	Administrative Analyst
Jordan Garcia	Water Resources Associate
Erik Vides	Senior Field Operations Specialist
Noemi Medrano	Administrative Assistant
Alexandria Aviles	Field Operations Specialist
Cameron Rubel	Field Operations Specialist

WATERMASTER CONSULTANTS PRESENT AT WATERMASTER

Scott Slater	Brownstein Hyatt Farber Schreck, LLP
Andy Malone	West Yost
Veva Weamer	West Yost

WATERMASTER CONSULTANTS PRESENT ON ZOOM

Brad Herrema	Brownstein Hyatt Farber Schreck, LLP

OTHERS PRESENT AT WATERMASTER

Lewis Callahan	Agricultural Pool – State of CA
Bob Feenstra	Agricultural Pool – Dairy
Ben Orosco	City of Chino
Hye Jin Lee	City of Chino
Debra Porada	City of Ontario
Scott Burton	City of Ontario
Tricia Almiron	City of Ontario
Chris Diggs	City of Pomona

Nichole Horton	City of Pomona
Nicole deMoet	City of Upland
Amanda Coker	Cucamonga Valley Water District
Jiwon Seung	Cucamonga Valley Water District
Eric Tarango	Fontana Water Company
Frank Gomez	Fontana Water Company
Justin Castruita	Fontana Union Water Company
Bryan Smith	Jurupa Community Services District
Jesse Pompa	Jurupa Community Services District
Brian Geye	Non-Agricultural Pool – CA Speedway
Teri Layton	San Antonio Water Company
Laura Roughton	Western Municipal Water District

OTHERS PRESENT ON ZOOM

Gino Filippi	Agricultural Pool – Crops
Michael Maeda	Agricultural Pool – State of CA
Eddie Oros	Brownstein Hyatt Farber Schreck, LLP
Jessica Singletary	City of Chino
Phillip Hall	City of Chino
Ron Craig	City of Chino Hills
Chad Nishida	City of Ontario
Courtney Jones	City of Ontario
Melissa Cansino	City of Pomona
Richard Gonzales	City of Upland
Eduardo Espinoza	Cucamonga Valley Water District
Mark Gibboney	Cucamonga Valley Water District
Peter Dopulos	Egoscue Law Group
Derek Hoffman	Fennemore Law
Toby Moore	Golden State Water Company
Eddie Lin	Inland Empire Utilities Agency
John Schatz	John J. Schatz, Attorney at Law
Clifford Button	Jurupa Community Services District
Manny Martinez	Monte Vista Water District
Alyssa Coronado	Santa Ana River Water Company
Kati Parker	San Antonio Water Company
David De Jesus	Three Valleys Municipal Water District
Matt Litchfield	Three Valleys Municipal Water District
Sylvie Lee	Three Valleys Municipal Water District
Jake Loukeh	Western Municipal Water District
Nilo Hamidzada	Western Municipal Water District
Craig Stewart	WSP USA
Michael Miller	

CALL TO ORDER

Vice-Chair Pierson chaired and called the Watermaster Board meeting to order at 11:00 a.m.

FLAG SALUTE

(00:00:31) Vice-Chair Pierson led the Board in the flag salute.

ROLL CALL

(00:01:08) Ms. Nelson conducted the roll call and announced that a quorum was present.

PUBLIC COMMENTS

This is an opportunity for members of the public to address the Board on any short non-agenda items that are within the subject matter jurisdiction of the Chino Basin Watermaster. No discussion or action can be taken on matters not listed on the agenda, per the Brown Act. Each member of the public who wishes to comment shall be allotted three minutes, and no more than three individuals shall address the same subject.

None

AGENDA – ADDITIONS/REORDER

None

SAFETY MINUTE

(00:02:48) Mr. Corbin addressed a spam email purportedly from Watermaster directing parties to open a linked PDF and file a response by October 23. He advised recipients to delete the message and not open links as the communication was not sent by Watermaster. He also reviewed earthquake preparedness and evacuation procedures following the Great California Shakeout drill, including exit routes, assembly areas, and the importance of signing in so that an accurate headcount may be taken during emergencies while on Watermaster premises.

I. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by one motion in the form listed below. There will be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES

Approve as presented:

1. Minutes of the Watermaster Board Meeting held August 27, 2026

B. FINANCIAL REPORTS

Receive and file as presented:

1. Monthly Financial Report for the Period Ended July 31, 2026
2. Monthly Financial Report for the Period Ended August 31, 2026

C. OBMP SEMI-ANNUAL STATUS REPORT 2026-1

Adopt the Semi-Annual OBMP Status Report 2026-1, and direct staff to file a copy with the Court, subject to any necessary non-substantive changes.

D. EQUAL EMPLOYMENT OPPORTUNITY AND HARASSMENT PREVENTION POLICIES, SECTIONS 2.5 AND 4.18 OF THE CBWM EMPLOYEE MANUAL (2026 UPDATE)

Adopt the updated policies as presented.

(00:04:55)

Motion by Mr. Bob Kuhn, seconded by Mr. Bill Velto, there being no dissent, the item passed unanimously by voice vote among those present.

Moved to approve the Consent Calendar as presented.

II. BUSINESS ITEMS

A. REVIEW AND DISCUSSION OF WATERMASTER RULES AND REGULATIONS, SECTION 2.10, "CONFLICT OF INTEREST"

To receive a report on the matter and consider the Advisory Committee request to direct staff to develop a guidelines manual for training of new Board and Advisory Committee members including a biannual training for members of each body.

(00:05:28) Mr. Corbin gave a report. A discussion ensued.

(00:14:37) Ms. Debra Porada from the City of Ontario addressed the Board.

(00:32:43)
Motion by Mr. Mike Gardner, seconded by Mr. Bob Kuhn, the item passed by majority voice vote with a "no" vote by Mr. Curt Burton.

Moved to approve Business Item II.A. to accept and adopt the Advisory Committee's recommendation.

B. WATERMASTER DISPOSAL OF SURPLUS PROPERTY, POLICY NO. 4.14

1) Adopt Watermaster Disposal of Surplus Property Policy No. 4.14 including procedures and forms.
2) Declare the items presented as surplus and authorize their appropriate disposal as presented.

(00:45:56) Mr. Corbin prefaced the item and asked Ms. Nelson to give a report. A discussion ensued.

(00:48:18)
Motion by Mr. Steve Elie, seconded by Mr. Curt Burton, there being no dissent, the item passed unanimously by voice vote among those present.

Moved to approve Business Item II.B. as presented.

C. RESOLUTION 2026-04 OF THE CHINO BASIN WATERMASTER RECOGNIZING WATER PROFESSIONALS' APPRECIATION WEEK

Adopt Resolution 2026-04 as presented.

(00:48:40) Mr. Corbin prefaced the item and asked Ms. Nelson to give a report.

(00:49:46)
Motion by Mr. Bill Velto, seconded by Mr. Mike Gardner, there being no dissent, the item passed unanimously by voice vote among those present.

Moved to approve Business Item II.C. as presented.

D. AMENDMENT NO. 2 TO EMPLOYMENT AGREEMENT, GENERAL MANAGER

No recommendation. Watermaster Board is asked to discuss and consider the proposed employment agreement amendment.

(00:50:12) Mr. Slater gave a report.

(00:50:59)
Motion by Mr. Curt Burton, seconded by Mr. Jimmy Medrano, there being no dissent, the item passed unanimously by voice vote among those present.

Moved to approve Business Item II.D. as presented.

III. REPORTS/UPDATES

A. WATERMASTER LEGAL COUNSEL

1. November 13, 2026 Hearing (Watermaster Motion for Approval of Corrected and Amended Assessment Packages, Watermaster Safe Yield Motion)
2. April 30, 2027 Hearing (Cucamonga Valley Water District Motion Challenging Fiscal Year 2025/2026 Assessment Package)
3. Inland Empire Utilities Agency, et al. v. LS-Fontana LLC (C.D. Cal Cases Nos.: 5:25-cv-00809, 5:25 cv01159)
4. Court of Appeal Case No. E088249 (City of Ontario appeal re: January 30, 2026 Attorney Fees Ruling)
5. Petition to Santa Ana Regional Water Quality Control Board to Require Stormwater Permits for Commercial, Industrial, and Institutional Facilities in re Chino Creek

(00:52:26) Mr. Slater gave a report. A discussion ensued.

B. ENGINEER

1. Storage Management Plan
2. Recharge Master Plan Update
3. Annual Report of the Ground-Level Monitoring Program
4. TDS Reach 3 Study

(00:56:23) Mr. Malone reported on Items 1 through 3. For Item 4, Mr. Malone prefaced the item and asked Ms. Weamer to give a presentation. A discussion ensued.

C. GENERAL MANAGER

1. October 29, 2026 Dry Year Yield Workshop to discuss outstanding issues (4 Questions)
2. SAR Fish Bio Survey 2026
3. October 3, 2026 Chino Basin Water Conservation District Waterwise Garden & Pumpkin Fest
4. Annual Streamflow Monitoring Report for Water Rights Permit 21225
5. Water Professionals Week
6. Other

(01:06:17) For Item 1, Mr. Corbin announced that a Workshop will be held at Watermaster on October 29, 2026 at 10:00 a.m., to begin discussing the four questions identified in the Dry Year Yield Court of Appeal Ruling. For Items 2 and 3, he recognized staff for participating in the Santa Ana River Fish Bio Survey and the Waterwise Garden & Pumpkin Fest. For Item 4, he reported that, according to the Annual Streamflow Monitoring Report, approximately 100,000 acre-feet of water flows through the Chino Basin uncaptured and noted the significance of this information for recharge planning purposes. For Item 5, he concluded by recognizing Water Professionals Week.

IV. INFORMATION

A. ANNUAL AND SEMI-ANNUAL PLUME STATUS REPORTS (INFORMATION ONLY)

This was an informational item only, and no oral report was provided.

B. CHINO BASIN WATER CONSERVATION DISTRICT REPORT (INFORMATION ONLY)

This was an informational item only, and no oral report was provided.

C. GROUND WATER RECHARGE UPDATE (INFORMATION ONLY)

This was an informational item only, and no oral report was provided.

V. BOARD MEMBER COMMENTS

(01:13:28) Mr. Bowcock encouraged Board members and stakeholders to identify potential recharge sites, including fallow land and public utility or transportation rights-of-way near storm drains, and to forward ideas to Watermaster staff.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article II, Section 2.6, of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster Board meeting for the purpose of discussion and possible action.

The Board convened into Confidential Session at 12:15 p.m. to discuss the following:

1. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION: a) Chino Basin Municipal Water District v. City of Ontario et al., 4th District Court of Appeal Case No. E080457 and E082127

Confidential session concluded at 12:43 p.m. with no reportable action.

ADJOURNMENT

Vice-Chair Pierson adjourned the Watermaster Board meeting at 12:44 p.m.

Secretary: _____

Approved:_____

Attachments:
1. 20261022 Roll Call Vote Outcome for Business Item II.A
2. 20261022 Roll Call Vote Outcome for Business Item II.D.

ATTACHMENT 1

October 22, 2026 Watermaster Board Roll Call Vote Outcome

Member	Alternate	Business Item II.A.
Medrano, Jimmy		Yes
Pierson, Jeff, Vice-Chair		Yes
Velto, Bill		Yes
Bowcock, Bob		Yes
Burton, Curt		No
Elie, Steve		Yes
Gardner, Mike		Yes
Kuhn, Bob		Yes
Zvirbulis, Marty, Chair*	Swift, Josh	Yes
*Attended on Zoom	**OUTCOME:**	**Passed by Majority**

ATTACHMENT 2

October 22, 2026 Watermaster Board Roll Call Vote Outcome

Member	Alternate	Business Item II.D.
Pierson, Jeff, Vice-Chair		Yes
Velto, Bill		Yes
Bowcock, Bob		Yes
Burton, Curt		Yes
Elie, Steve		Yes
Gardner, Mike		Yes
Kuhn, Bob		Yes
Medrano, Jimmy		Yes
Zvirbulis, Marty, Chair*	Swift, Josh	Yes
*Attended on Zoom	**OUTCOME:**	**Passed Unanimously**

CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730
909.484.3888 www.cbwm.org

STAFF REPORT

DATE: November 2026

TO: Watermaster Committees & Board

SUBJECT: Monthly Financial Reports (For the Reporting Period Ended September 30, 2026) (Consent Calendar Item I.B.)

Issue: Record of Monthly Financial Reports for the reporting period ended September 30, 2026 [Normal Course of Business]

Recommendation: Receive and file Monthly Financial Reports for the reporting period ended September 30, 2026 as presented.

Financial Impact: Unless otherwise noted, all expenditures were included in the Fiscal Year 2026/27 budget as approved by the Advisory Committee and adopted by the Watermaster Board in May 2026.

ACTIONS:
Appropriative Pool – November 12, 2026 [Final]: Received and filed.
Non-Agricultural Pool – November 12, 2026 [Final]: Received and filed without approval.
Agricultural Pool – November 12, 2026 [Final]: Received and filed.
Advisory Committee – November 19, 2026 [Recommended]: Receive and file.
Watermaster Board – November 19, 2026 [Recommended]: Receive and file.

BACKGROUND

A monthly financial reporting packet is provided to keep all members apprised of Watermaster revenues, expenditures, and other financial activities. Monthly reports include the following:

1. Cash Disbursements – Summarized report of all payments made during the reporting month.
2. Credit Card Expense Detail – Detail report of all credit card activity during the reporting month.
3. Combining Schedule of Revenues, Expenses & Changes in Net Assets – Detail report of all revenue and expense activity for the fiscal year to date (YTD), summarized by pool category.
4. Treasurer's Report – Summary of Watermaster investment holdings and anticipated earnings as of month end.
5. Budget to Actual Report – Detail report of actual revenue and expense activity, shown for reporting month and YTD, comparatively to the amended budget and carryover budget.
6. Monthly Variance Report & Supplemental Schedules – Supporting schedule providing explanation for major budget variances, additional tables detailing pool fund balances, salaries expense, legal expense, engineering expense, and carryover budget.

DISCUSSION

Detailed explanations of major variances and other additional information can be found on the "Monthly Variance Report & Supplemental Schedules."

Watermaster staff is available to provide additional explanations or respond to any questions on these reports during the monthly meetings as requested.

ATTACHMENT

1. Monthly Financial Reports (Period Ended September 30, 2026)

Chino Basin Watermaster
Cash Disbursements
September 2026

Date	Number	Vendor Name	Description	Amount
09/01/2026	ACH 9.1.26	JOHN J. SCHATZ	AP legal services - August 2026	$ (880.00)
09/02/2026	ACH 9.2.26	JOHN J. SCHATZ	AP legal services - May 2026	(770.00)
09/03/2026	26227	BURRTEC WASTE INDUSTRIES, INC.	Utilities: Waste	(175.07)
09/03/2026	26228	BURTON, CURTIS		(375.00)
09/03/2026	26229	ESRI	Annual configuration engineer services retainer	(8,075.00)
09/03/2026	26230	FEENSTRA, BOB		(2,500.00)
09/03/2026	26231	FRONTIER COMMUNICATIONS	Office alarm lines, teams phones, and DIA - September 2026	(1,308.96)
09/03/2026	26232	IN-SITU, INC.	Pressure transducer data collection equipment	(11,658.56)
09/03/2026	26233	SAN BERNARDINO COUNTY CLERK	Data access one-time fee - GovPIMS account	(55.00)
09/03/2026	26234	SOUTHERN CALIFORNIA EDISON	Utilities: Electric - Annex - August 2026	(226.04)
09/03/2026	26235	UNION 76	Fuel purchases - August 2026	(174.53)
09/03/2026	26236	WEST YOST	Engineering services - July 2026	(191,608.58)
09/10/2026	26237	ACWA JOINT POWERS INSURANCE AUTHORITY	Life insurance - October 2026	(311.52)
09/10/2026	26238	BAY ALARM COMPANY	Burglar and fire alarm systems - October 2026	(262.74)
09/10/2026	26239	CLARK PEST CONTROL	Pest control service - September 2026	(109.00)
09/10/2026	26240	CORELOGIC INFORMATION SOLUTIONS	Geographic package services - July and August 2026	(250.00)
09/10/2026	26241	CUCAMONGA VALLEY WATER DISTRICT	Building lease - October 2026	(12,713.73)
09/10/2026	26242	DE BOOM, NATHAN		(125.00)
09/10/2026	26243	ELIE, STEVEN		(125.00)
09/10/2026	26244	FILIPPI, GINO		(500.00)
09/10/2026	26245	GREAT AMERICA LEASING CORP.	Copy machine lease - August 2026	(1,044.10)
09/10/2026	26246	KUHN, BOB		(500.00)
09/10/2026	26247	VANGUARD CLEANING SYSTEMS	Monthly cleaning service - September 2026	(1,000.00)
09/10/2026	26248	VC3, INC.	IT services - September 2026	(3,880.05)
09/10/2026	26249	VELTO, BILL		(750.00)
09/10/2026	26250	ZVIRBULIS, MARTIN		(500.00)
09/16/2026	26251	CALIFORNIA BANK & TRUST	Account ending 6198 - See detail attached	(9,605.20)
09/16/2026	26253	INLAND EMPIRE UTILITIES AGENCY	FY 27 RTS charges	(80,444.07)
09/16/2026	26254	ROGERS, ANDERSON, MALODY & SCOTT, LLP	Audit services - August 2026	(6,500.00)
09/16/2026	26256	STATE COMPENSATION INSURANCE FUND	Worker's compensation insurance - September 2026	(2,511.69)
09/21/2026	ACH 9.21.26	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Annual unfunded accrued liability plan 27239 - September 2026	(16,623.75)
09/21/2026	ACH 9.21.26	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	GASB 68 reporting services fee	(350.00)
09/24/2026	26257	BROWNSTEIN HYATT FARBER SCHRECK	Legal services - July and August 2026	(251,222.99)
09/24/2026	26258	LEGAL SHIELD	Employee paid legal insurance - September 2026	(103.60)
09/24/2026	26259	PIERSON, JEFFREY		(2,625.00)
09/24/2026	26260	SOCALGAS	Utilities: Gas - September 2026	(75.07)
09/24/2026	26261	UNITED HEALTHCARE	Dental insurance coverage - October 2026	(1,452.09)
09/24/2026	26262	VISION SERVICE PLAN	Vision insurance coverage - October 2026	(139.36)
09/29/2026	26263	WEST YOST	Engineering services - August 2026	(203,553.42)
			Total for Month	**$ (815,084.12)**

Chino Basin Watermaster
Credit Card Expense Detail
September 2026

Date	Number	Description	Expense Account	Amount
09/16/2026	26251	**CALIFORNIA BANK & TRUST**		
		Sam's Club - Meeting supplies	6141.1 Meeting Supplies	(106.42)
		Subway - CPR training - Staff lunch	6141.1 Meeting Supplies	(209.94)
		Monterey Bay Inn - CalPELRA Annual Conference 2026 - Lodging - A. Nelson	6191 Conferences - General	(2,791.03)
		CALPELRA - 2026 HR membership renewal - A. Nelson	6111 Membership Dues	(390.00)
		CalPELRA Annual Conference 2026 - Registration - A. Nelson	6191 Conferences - General	(975.00)
		CalPELRA Annual Conference 2026 - Registration fee - A. Nelson	6191 Conferences - General	(17.99)
		Verizon Business - Extensometer - 05/13/26 - 06/12/26	7405 PE4-Other Expense	(38.01)
		Amazon - Office cleaning supplies	6031.7 General Office Supplies	(6.18)
		Subway - Court filings - Staff lunch	6141.1 Meeting Supplies	(173.03)
		CalPERS Pathways for Women 2026 - Registration - A. Nelson	6191 Conferences - General	(169.00)
		Amazon - Field operations supplies	7104.6 Grdwtr Level-Supplies	(57.80)
		Intuit - QuickBooks Online Advanced - Subscription - August 2026	6112 Subscriptions/Publications	(340.00)
		BambooHR - HR and payroll system - August 2026	6061.2 HRIS System	(336.81)
		Heron Instruments - Pressure transducer replacement equipment	7104.7 Grdwtr Level-WM Staff-Cap Equip	(1,182.44)
		Staples - Copy paper	6031.1 Copy Paper	(135.31)
		Staples - Office air purifier filters	6031.7 General Office Supplies	(57.09)
		Amazon - Board clerk desk monitor	6141.1 Meeting Supplies	(146.66)
		Amazon - First aid kit supplies	6031.7 General Office Supplies	(24.06)
		Amazon - Office supplies	6031.7 General Office Supplies	(195.00)
		Primo Brands - Office Water Bottle - 07/09/26 - 08/08/26 Rent and Deliveries	6031.7 General Office Supplies	(74.02)
		Sam's Club - Meeting snacks and drinks	6312 Board Meeting Expenses	(313.97)
		Sam's Club - Office supplies	6031.7 General Office Supplies	(88.08)
		Bluehost - August 2026 Software Renewal - Standard VPN Server with cPanel	6056 Website Services	(94.99)
		Panera - Lunch meeting - B. Bowcock, A, Malone, Ops team	6141.1 Meeting Supplies	(140.68)
		The Award Group - SHRM-SCP HR certification - A. Nelson	6193 Employee Training	(32.58)
		Panda Express - 2026 CalPERS Pathways Conference - Dinner - A. Nelson	6191 Conferences - General	(16.49)
		Hilton Anaheim - 2026 CalPERS Pathways Conference - Lodging - A. Nelson	6191 Conferences - General	(255.90)
		Subway - Harassment prevention training - Staff lunch	6141.1 Meeting Supplies	(174.03)
		Vallarta - Condiments for office kitchen	6031.7 General Office Supplies	(24.80)
		Verizon Business - Internet service for Field Ops tablets - Jul 5 - Aug 4, 2026	6022 Telephone	(335.97)
		FedEx - August Board meeting package - J. Pierson, S. Elie	6042 Postage - General	(21.90)
		Albertsons - August 2026 WM Academy - Meeting supplies	6141.1 Meeting Supplies	(48.03)
		Mongolian BBQ - Admin team meeting	6141.1 Meeting Supplies	(121.30)
		Verizon Business - Extensometer - 07/13/26 - 08/12/26	7405 PE4-Other Expense	(38.01)
		Amazon Web Services - July 2026	6056 Website Services	(239.87)
		Microsoft Software - Mapping and visualization software subscription	6054 Computer Software	(15.00)
		REV - Speech to text transcription services	6112 Subscriptions/Publications	(29.99)
		Rapid Radios - Office and field radios SIM renewal - 08/24/26 - 08/24/27	6112 Subscriptions/Publications	(187.82)
			Total for Month	**$ (9,605.20)**

Chino Basin Watermaster

Combining Schedule of Revenues, Expenses & Changes in Net Assets

For the Period of July 1, 2026 through September 30, 2026

(Unaudited)

	JUDGMENT ADMIN.	OPTIMUM BASIN MGMT.	TOTAL JUDGMENT ADMIN & OBMP	POOL ADMINISTRATION & SPECIAL PROJECTS			GROUND WATER REPLENISH.	GRAND TOTALS	ADOPTED BUDGET 2026-2027 WITH CARRYOVER
				AP POOL	OAP POOL	ONAP POOL			
Administrative Revenues:									
Administrative Assessments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,971,531
Interest Revenue	-	74,932	74,932	3,798	8,702	993	-	88,425	199,280
Groundwater Replenishment	-	-	-	-	-	-	-	-	-
Mutual Agency Project Revenue	200,746	-	200,746	-	-	-	-	200,746	200,750
Miscellaneous Income	-	-	-	-	-	-	-	-	-
Total Administrative Revenues	**200,746**	**74,932**	**275,678**	**3,798**	**8,702**	**993**	**-**	**289,171**	**13,371,561**
Administrative & Project Expenditures:									
Watermaster Administration	781,435	-	781,435	-	-	-	-	781,435	2,973,213
Watermaster Board-Advisory Committee	81,414	-	81,414	-	-	-	-	81,414	453,047
Optimum Basin Mgmt Administration	-	159,040	159,040	-	-	-	-	159,040	1,294,976
OBMP Project Costs	-	776,700	776,700	-	-	-	-	776,700	5,002,841
Pool Legal Services	-	-	-	2,750	50,225	-	-	52,975	-
Pool Meeting Compensation	-	-	-	-	10,875	1,125	-	12,000	-
Pool Special Projects	-	-	-	-	-	-	-	-	-
Pool Administration	-	-	-	-	-	-	-	-	436,832
Debt Service	-	-	-	-	-	-	-	-	3,210,652
Agricultural Expense Transfer [1]	-	-	-	61,100	(61,100)	-	-	-	-
Replenishment Water Assessments	-	-	-	-	-	-	80,444	80,444	-
Total Administrative Expenses	**862,849**	**935,740**	**1,798,589**	**63,850**	**-**	**1,125**	**80,444**	**1,944,008**	**13,371,561**
Net Ordinary Income	**(662,103)**	**(860,808)**	**(1,522,911)**	**(60,052)**	**8,702**	**(132)**	**(80,444)**	**(1,654,837)**	**-**
Other Income/(Expense)									
Refund-Recharge Debt Service	-	-	-	-	-	-	-	-	-
Carryover Budget	-	-	-	-	-	-	-	-	2,148,764
Net Other Income/(Expense)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,148,764**
Net Transfers To/(From) Reserves	**$ (662,103)**	**$ (860,808)**	**$ (1,522,911)**	**$ (60,052)**	**$ 8,702**	**$ (132)**	**$ (80,444)**	**$ (1,654,837)**	**$ 2,148,764**
Net Assets, July 1, 2026			9,139,181	431,395	1,054,251	106,512	87,021	10,818,361	
Refund-Excess Operating Reserves			-	-	-	-	-	-	
Net Assets, End of Period			**7,616,270**	**371,343**	**1,062,954**	**106,380**	**6,577**	**9,163,524**	
Pool Assessments Outstanding				(4,422)	(121,504)	-			
Pool Fund Balance				**$ 366,921**	**$ 941,450**	**$ 106,380**			

[1] Fund balance transfer pursuant to Peace Agreement § 5.4(a)

Chino Basin Watermaster

Treasurer's Report

September 2026

	Type	Monthly Yield	Cost	Market	% Total
Cash & Investments					
Local Agency Investment Fund (LAIF) *	Investment	3.91%	$ 701,193	$ 697,325	5.5%
CA CLASS Prime Fund **	Investment	3.82%	9,662,553	9,661,005	76.5%
CA CLASS Pool Restricted Funds **	Investment	3.82%	1,414,750	1,414,524	11.2%
Bank of America	Checking		861,706	861,706	6.8%
Bank of America	Payroll		-	-	0.0%
Total Cash & Investments			**$ 12,640,202**	**$ 12,634,559**	**100.0%**

* The LAIF Market Value factor is updated quarterly in September, December, March, and June.

** The CLASS Prime Fund Net Asset Value factor is updated monthly.

Certification

I certify that (1) all investment actions executed since the last report have been made in full compliance with Chino Basin Watermaster's Investment Policy, and (2) Funds on hand are sufficient to meet all foreseen and planned administrative and project expenditures for the next six months.

Anna Nelson, Director of Administration

Prepared By:
Daniela Uriarte, Senior Accountant

Chino Basin Watermaster

Budget to Actual

For the Period July 1, 2026 to September 30, 2026

(Unaudited)

		September 2026	YTD Actual	FY 26 Carryover Budget	FY 27 Adopted Budget	$ Over / (Under) Budget	% of Budget
1	**Administration Revenue**						
2	Local Agency Subsidies	$ -	$ 200,746	$ -	$ 200,750	$ (4)	100%
3	Admin Assessments-Appropriative Pool	-	-	-	12,622,647	(12,622,647)	0%
4	Admin Assessments-Non-Ag Pool	-	-	-	348,884	(348,884)	0%
5	**Total Administration Revenue**	**-**	**200,746**	**-**	**13,172,281**	**(12,971,535)**	**2%**
6	**Other Revenue**						
7	Appropriative Pool-Replenishment	-	-	-	-	-	N/A
8	Non-Ag Pool-Replenishment	-	-	-	-	-	N/A
9	Interest Income	30,931	74,932	-	199,280	(124,348)	38%
10	Miscellaneous Income	-	-	-	-	-	N/A
11	**Total Other Revenue**	**30,931**	**74,932**	**-**	**199,280**	**(124,348)**	**38%**
12	**Total Revenue**	**30,931**	**275,678**	**-**	**13,371,561**	**(13,095,883)**	**2%**
13	**Judgment Administration Expense**						
14	Judgment Administration	46,356	137,642	-	901,119	(763,477)	15%
15	Admin. Salary/Benefit Costs	74,928	278,973	-	1,245,626	(966,653)	22%
16	Office Building Expense	16,463	57,114	-	258,100	(200,986)	22%
17	Office Supplies & Equip.	2,955	10,055	-	28,500	(18,445)	35%
18	Postage & Printing Costs	1,573	4,160	-	20,000	(15,840)	21%
19	Information Services	5,378	26,558	-	216,500	(189,942)	12%
20	Contract Services	4,607	24,210	-	87,800	(63,590)	28%
21	Watermaster Legal Services	39,342	230,663	-	373,325	(142,662)	62%
22	Insurance	-	65,084	-	72,000	(6,916)	90%
23	Dues and Subscriptions	13,721	14,699	-	41,100	(26,401)	36%
24	Watermaster Administrative Expenses	476	2,023	-	10,800	(8,777)	19%
25	Field Supplies	-	1,231	-	4,300	(3,069)	29%
26	Travel & Transportation	1,798	5,305	-	33,300	(27,995)	16%
27	Training, Conferences, Seminars	499	9,289	-	42,000	(32,711)	22%
28	Advisory Committee Expenses	3,176	15,457	-	136,710	(121,253)	11%
29	Watermaster Board Expenses	8,583	65,957	-	316,337	(250,380)	21%
30	ONAP - WM & Administration	2,043	10,537	-	135,750	(125,213)	8%
31	OAP - WM & Administration	2,042	14,530	-	142,400	(127,870)	10%
32	Appropriative Pool- WM & Administration	4,572	24,284	-	158,682	(134,398)	15%
33	Allocated G&A Expenditures	(51,090)	(134,921)	-	(361,257)	226,336	37%
34	**Total Judgment Administration Expense**	**177,423**	**862,849**	**-**	**3,863,092**	**(3,000,243)**	**22%**
35	**Optimum Basin Management Plan (OBMP)**						
36	Optimum Basin Management Plan	60,930	159,040	16,850	1,294,976	(1,152,786)	12%
37	Groundwater Quality Monitoring	100	385	-	4,500	(4,115)	9%
38	Groundwater Level Monitoring	43,751	147,200	-	532,351	(385,151)	28%
39	Program Element (PE)2- Comp Recharge	16,236	37,299	-	2,178,394	(2,141,095)	2%
40	PE3&5-Water Supply/Desalte	-	11,053	-	135,529	(124,476)	8%
41	PE4- Management Plan	57,845	144,122	42,551	481,299	(379,728)	28%
42	PE6&7-CoopEfforts/SaltMgmt	80,872	230,405	132,077	872,334	(774,006)	23%
43	PE8&9-StorageMgmt/Conj Use	29,745	71,313	84,000	437,177	(449,864)	14%
44	Recharge Improvements	-	-	1,873,286	3,210,652	(5,083,938)	0%
45	Administration Expenses Allocated-OBMP	22,008	53,630	-	105,765	(52,135)	51%
46	Administration Expenses Allocated-PE 1-9	29,082	81,291	-	255,492	(174,201)	32%
47	**Total OBMP Expense**	**340,570**	**935,740**	**2,148,764**	**9,508,469**	**(10,721,493)**	**8%**
48	**Other Expense**						
49	Groundwater Replenishment	80,444	80,444	-	87,021	(6,577)	92%
50	Other Expenses	-	-	-	-	-	N/A
51	**Total Other Expense**	**80,444**	**80,444**	**-**	**87,021**	**(6,577)**	**92%**
52	**Total Expenses**	**598,437**	**1,879,033**	**2,148,764**	**13,458,582**	**(13,728,313)**	**12%**
53	**Increase / (Decrease) to Reserves**	**$ (567,506)**	**$ (1,603,355)**		**$ (87,021)**	**$ (1,516,334)**	

Chino Basin Watermaster
Monthly Variance Report & Supplemental Schedules
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(Unaudited)

Budget to Actual

The Budget to Actual report summarizes the operating and non-operating revenues and expenses of Chino Basin Watermaster for the fiscal year-to-date (YTD). Columns are included for current monthly and YTD activity shown comparatively to the FY 27 adopted budget and FY 26 carryover budget. The final two columns indicate the amount over or under budget, and the YTD percentage of total budget used. As of September 30th, the target budget percentage is 25%.

Revenues

Lines 1-5 Administration Revenue – Includes local agency subsidies and administrative assessment for the Appropriative, Agricultural and Non-Agricultural Pools.

Lines 6-12 Other Revenue – Includes Pool replenishment assessments, interest income, miscellaneous income, and carryover budget from prior years.

Expenses

Lines 13-34 Judgment Administration Expense – Includes Watermaster general administrative expenses, contract services, insurance, office and other administrative expenses. Below is a summary of notable account variances at month end:

- Line 17 Office Supplies and Equipment include office supplies, minor office furniture, and other miscellaneous office items including banking fees. The account is at 35% of budget due to the timing of office safety and earthquake supplies at the onset of the new fiscal year.
- Line 20 Contract Services include outside services for the audit report, annual report, accounting consulting, and HRIS system fees. The account is at 28% of budget due to the timing of audit services for FY 26.
- Line 21 Watermaster Legal Services include outside legal counsel expenses. The account is at 62% of budget due to increased court coordination and personnel matters.
- Line 22 Insurance includes general liability insurance, directors' and officers' liability, umbrella coverage, environmental pollution liability and other various insurance policies. The account is at 90% of budget due to the timing of insurance renewals.
- Line 23 Dues and Subscriptions include annual dues for ACWA, SHRM, CA Groundwater Coalition, and other miscellaneous subscriptions. The account is at 36% of budget due to the timing of subscription renewals.
- Line 25 Field Supplies and Equipment include expenses for small tools and equipment, safety shoes, and uniforms. The account is at 29% of budget due to the timing of field supplies purchases.

Lines 35-47 Optimum Basin Management Plan (OBMP) Expense – Includes legal, engineering, groundwater level monitoring, allocated administrative expenses, and other expenses.

Lines 48-51 Other Expense – Includes groundwater replenishment, settlement expenses, and various refunds as appropriate.

The budget includes the balance for Groundwater Replenishment as of June 30, 2026.

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Pool Services Fund Accounting

Each Pool has a fund account created to pay their own legal service invoices. The legal services invoices are funded and paid using the fund accounts (8467 for the Overlying Agricultural Pool (OAP), 8567 for the Overlying Non-Agricultural Pool (ONAP), and 8367 for the Appropriate Pool (AP)). Along with the legal services fund account for the OAP (8467), the OAP also has two other fund accounts for Ag Pool Meeting Attendance expenses (8470), and Special Projects expenses (8471). The ONAP also has a meeting compensation fund account (8511). Additionally, the OAP has a reserve fund that is held by Watermaster and spent at the direction of the OAP. The AP also has account 8368 relating to the Thomas Harder & Company contract. These fund accounts are replenished at the direction of each Pool, and the legal service invoices are approved by the Pool leadership and when paid by Watermaster, are deducted from the existing fund account balances. If the fund account for any pool reaches zero, no further payments can be paid from the fund, and a replenishment action must be initiated by the Pool.

The following tables detail the fund balance accounts as of September 30, 2026 (continued next page):

Fund Balance For Non-Agricultural Pool Account 8567 - Legal Services		
Beginning Balance July 1, 2026:	$	104,637.11
Additions:		
Interest Earnings		992.95
Subtotal Additions:		992.95
Reductions:		
Invoices paid July 2025 - September 2026		-
Subtotal Reductions:		-
Available Fund Balance as of September 30, 2026	**$**	**105,630.06**

Fund Balance For Appropriative Pool Account 8367 - Legal Services		
Beginning Balance July 1, 2026:	$	126,664.12
Additions:		
Interest Earnings		3,797.67
Subtotal Additions:		3,797.67
Reductions:		
Invoices paid July 2025 - September 2026		(2,750.00)
Subtotal Reductions:		(2,750.00)
Available Fund Balance as of September 30, 2026	**$**	**127,711.79**

Fund Balance For Non-Agricultural Pool Account 8511 - Meeting Compensation		
Beginning Balance July 1, 2026:	$	1,875.00
Reductions:		
Compensation paid July 2025 - September 2026		(1,125.00)
Subtotal Reductions:		(1,125.00)
Available Fund Balance as of September 30, 2026	**$**	**750.00**

Fund Balance For Appropriative Pool Account 8368 - Tom Harder Contract		
Beginning Balance July 1, 2026:	$	20,577.61
Reductions:		
Invoices paid July 2025 - September 2026		-
Subtotal Reductions:		-
Available Fund Balance as of September 30, 2026	**$**	**20,577.61**

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Pool Services Fund Accounting – Cont.

Fund Balance for Agricultural Pool Account 8467 - Legal Services (Held by AP)		
Beginning Balance July 1, 2026:	$	226,567.72
Reductions:		
Invoices paid July 2025 - September 2026		(50,225.00)
Subtotal Reductions:		(50,225.00)
Available Fund Balance as of September 30, 2026	**$**	**176,342.72**

Agricultural Pool Reserve Funds As shown on the Combining Schedules		
Beginning Balance July 1, 2026:	$	932,747.24
Additions:		
YTD Interest earned on Ag Pool Funds FY 26		8,702.45
Transfer of Funds from AP to Special Fund for Legal Service Invoices		50,225.00
Total Additions:		58,927.45
Reductions:		
Legal service invoices paid July 2025 - September 2026		(50,225.00)
Subtotal Reductions:		(50,225.00)
Agricultural Pool Reserve Funds Balance as of September 30, 2026:	**$**	**941,449.69**

Fund Balance For Agricultural Pool Account 8470 - Meeting Compensation (Held by AP)		
Beginning Balance July 1, 2026:	$	18,289.17
Reductions:		
Compensation paid July 2025 - September 2026		(10,875.00)
Subtotal Reductions:		(10,875.00)
Available Fund Balance as of September 30, 2026	**$**	**7,414.17**

Fund Balance For Agricultural Pool Account 8471 - Special Projects (Held by AP)		
Beginning Balance July 1, 2026:	$	34,874.31
Reductions:		
Invoices paid July 2025 - September 2026		-
Subtotal Reductions:		-
Available Fund Balance as of September 30, 2026	**$**	**34,874.31**

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Watermaster Salary Expenses

The following table details the Year-To-Date (YTD) Actual Watermaster burdened salary costs compared to the FY 26 adopted budget. The "$ Over Budget" and the "% of Budget" columns are a comparison of the YTD actual to the annual budget. As of September 30th, the target budget percentage is 25%.

	Year to Date Actual	FY 26-27 Budget	$ Over / (Under) Budget	% of Budget
WM Salary Expense				
5901.1 · Judgment Admin - Doc. Review	13,887	105,131	(91,244)	13.2%
5901.3 · Judgment Admin - Field Work	1,262	9,672	(8,410)	13.0%
5901.5 · Judgment Admin - General	11,143	64,423	(53,280)	17.3%
5901.7 · Judgment Admin - Meeting	11,358	58,626	(47,268)	19.4%
5901.9 · Judgment Admin - Reporting	1,419	22,253	(20,834)	6.4%
5910 · Judgment Admin - Court Coord./Attendance	3,410	8,775	(5,365)	38.9%
5911 · Judgment Admin - Exhibit G	-	6,330	(6,330)	0.0%
5921 · Judgment Admin - Production Monitoring	-	8,011	(8,011)	0.0%
5931 · Judgment Admin - Recharge Applications	110	54,181	(54,071)	0.2%
5941 · Judgment Admin - Reporting	-	52,315	(52,315)	0.0%
5951 · Judgment Admin - Rules & Regs	1,580	1,650	(70)	95.7%
5961 · Judgment Admin - Safe Yield	26,332	79,210	(52,878)	33.2%
5971 · Judgment Admin - Storage Agreements	2,916	7,991	(5,075)	36.5%
5981 · Judgment Admin - Water Accounting/Database	39,181	115,133	(75,952)	34.0%
5991 · Judgment Admin - Water Transactions	2,476	14,231	(11,755)	17.4%
6011.11 · WM Staff - Overtime	2,397	18,000	(15,603)	13.3%
6011.10 · Admin - Accounting	66,972	329,915	(262,943)	20.3%
6011.15 · Admin - Building Admin	8,486	41,290	(32,804)	20.6%
6011.20 · Admin - Conference/Seminars	2,645	48,320	(45,675)	5.5%
6011.25 · Admin - Document Review	32,329	80,580	(48,251)	40.1%
6011.50 · Admin - General	71,417	269,320	(197,903)	26.5%
6011.60 · Admin - HR	24,449	142,720	(118,271)	17.1%
6011.70 · Admin - IT	15,066	73,150	(58,084)	20.6%
6011.80 · Admin - Meeting	45,562	115,570	(70,008)	39.4%
6011.90 · Admin - Team Building	2,106	33,480	(31,374)	6.3%
6011.95 · Admin - Training (Give/Receive)	21,100	72,280	(51,180)	29.2%
6017· Temporary Services	-	15,000	(15,000)	0.0%
6201 · Advisory Committee	8,900	83,643	(74,743)	10.6%
6301 · Watermaster Board	28,364	114,655	(86,291)	24.7%
8301 · Appropriative Pool	15,088	98,190	(83,102)	15.4%
8401 · Agricultural Pool	7,743	81,908	(74,165)	9.5%
8501 · Non-Agricultural Pool	4,848	75,258	(70,410)	6.4%
6901.1 · OBMP - Document Review	12,606	61,961	(49,355)	20.3%
6901.3 · OBMP - Field Work	10,864	9,672	1,192	112.3%
6901.5 · OBMP - General	35,094	41,748	(6,654)	84.1%
6901.7 · OBMP - Meeting	6,290	20,692	(14,402)	30.4%
6901.9 · OBMP - Reporting	3,502	19,000	(15,498)	18.4%
7104.1 · PE1 - Monitoring Program	81,400	160,502	(79,102)	50.7%
7201 · PE2 - Comprehensive Recharge	11,131	92,004	(80,873)	12.1%
7301 · PE3&5 - Water Supply/Desalter	-	13,796	(13,796)	0.0%
7301.1 · PE5 - Reg. Supply Water Prgm.	-	9,672	(9,672)	0.0%
7401 · PE4 - MZ1 Subsidence Mgmt. Plan	-	15,467	(15,467)	0.0%
7501 · PE6 - Coop. Programs/Salt Mgmt.	3,697	29,309	(25,612)	12.6%
7501.1 · PE 7 - Salt Nutrient Mgmt. Plan	-	14,665	(14,665)	0.0%
7601 · PE8&9 - Storage Mgmt./Recovery	7,459	34,358	(26,899)	21.7%
Subtotal WM Staff Costs	**644,808**	**2,824,057**	**(2,179,249)**	**23%**
60184.1 · Administrative Leave	3,183	-	3,183	100.0%
60185 · Vacation	16,619	120,821	(104,202)	13.8%
60185.1 · Comp Time	2,684	-	2,684	100.0%
60186 · Sick Leave	9,481	86,669	(77,188)	10.9%
60187 · Holidays	10,479	108,341	(97,862)	9.7%
Subtotal WM Paid Leaves	**42,445**	**315,831**	**(273,386)**	**13%**
Total WM Salary Costs	**687,253**	**3,139,888**	**(2,452,635)**	**21.9%**

Chino Basin Watermaster
Monthly Variance Report & Supplemental Schedules
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Engineering

The following table details the Year-To-Date (YTD) Actual Engineering costs compared to the FY 26 adopted budget. The "$ Over Budget" and the "% of Budget" columns are a comparison of the YTD actual to the annual budget. As of September 30th, the target budget percentage is 25%.

	Year to Date Actual	FY 26-27 Budget	$ Over / (Under) Budget	% of Budget
Engineering Services Costs				
5901.8 · Judgment Admin - Meetings-Engineering Services	$ -	$ 40,163	$ (40,163)	0.0%
5906.71 · Judgment Admin - Data Requests-CBWM Staff	11,433	112,652	(101,220)	10.1%
5906.72 · Judgment Admin - Data Requests-Non-CBWM Staff	4,006	58,316	(54,310)	6.9%
5925 · Judgment Admin - Ag Production & Estimation	-	-	-	0.0%
5935 · Judgment Admin - Mat'l Physical Injury Requests	-	36,096	(36,096)	0.0%
5945 · Judgment Admin - WM Annual Report Preparation	7,129	18,334	(11,205)	38.9%
5965 · Judgment Admin - Support Data Collection & Mgmt Process	-	27,626	(27,626)	0.0%
6206 · Advisory Committee Meetings-WY Staff	3,219	23,367	(20,148)	13.8%
6306 · Watermaster Board Meetings-WY Staff	4,121	23,367	(19,246)	17.6%
8306 · Appropriative Pool Meetings-WY Staff	4,729	23,367	(18,638)	20.2%
8406 · Agricultural Pool Meetings-WY Staff	3,173	23,367	(20,194)	13.6%
8506 · Non-Agricultural Pool Meetings-WY Staff	2,075	23,367	(21,293)	8.9%
6901.8 · OBMP - Meetings-WY Staff	10,301	40,163	(29,862)	25.6%
6901.95 · OBMP - Reporting-WY Staff	25,362	67,310	(41,948)	37.7%
6906 · OBMP Engineering Services - Other	10,219	67,966	(57,747)	15.0%
6906.1 · OBMP Watermaster Model Update	6,774	88,388	(81,614)	7.7%
6906.21 · State of the Basin Report	1,381	169,740	(168,359)	0.8%
7104.3 · Grdwtr Level-Engineering	46,073	299,381	(253,308)	15.4%
7104.8 · Grdwtr Level-Contracted Services	4,537	41,168	(36,631)	11.0%
7104.9 · Grdwtr Level-Capital Equipment	6,600	19,000	(12,400)	34.7%
7202 · PE2-Comp Recharge-Engineering Services	2,555	24,090	(21,536)	10.6%
7202.2 · PE2-Comp Recharge-Engineering Services	23,614	516,550	(492,936)	4.6%
7302 · PE3&5-PBHSP Monitoring Program	3,118	76,551	(73,433)	4.1%
7303 · PE3&5-Engineering - Other	899	21,760	(20,861)	4.1%
7306 · PE3&5-Engineering - Outside Professionals	-	6,750	(6,750)	0.0%
7402 · PE4-Engineering	53,716	285,874	(232,158)	18.8%
7402.10 · PE4-Northwest MZ1 Area Project	82,847	107,696	(24,849)	76.9%
7403 · PE4-Eng. Services-Contracted Services-InSar	6,600	17,600	(11,000)	37.5%
7406 · PE4-Engineering Services-Outside Professionals	-	31,140	(31,140)	0.0%
7408 · PE4-Engineering Services-Network Equipment	837	19,722	(18,885)	4.2%
7502 · PE6&7-Engineering	115,357	363,996	(248,639)	31.7%
7502.2 · PE7-Groundwtr Quality Model	24,043	75,130	(51,087)	32.0%
7505 · PE6&7-Laboratory Services	27,830	42,100	(14,270)	66.1%
7510 · PE6&7-IEUA Salinity Mgmt. Plan	17,445	9,562	7,883	182.4%
7511 · PE6&7-SAWBMP Task Force-50% IEUA	16,083	33,590	(17,508)	47.9%
7517 · Surface Water Monitoring Plan-Chino Creek - 50% IEUA	25,951	33,982	(8,031)	76.4%
7614 · PE8&9-Support Imp. Safe Yield Court Order	24,373	236,739	(212,366)	10.3%
7615 · PE8&9-Develop 2025 Storage Plan	39,482	166,080	(126,598)	23.8%
Total Engineering Services Costs	**$ 576,396**	**$ 3,272,047**	**$ (2,656,172)**	**17.6%**

* West Yost and Subcontractor Engineering Budget of $3,272,047 plus Carryover Funds from FY 2025/26 of $239,727

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Legal

The following table details the YTD Brownstein Hyatt Farber Schreck (BHFS) expenses and costs compared to the FY 26 adopted budget. The "$ Over Budget" and the "% of Budget" columns are a comparison of the YTD actual to the annual budget. As of September 30th, the target budget percentage is 25%.

	Year to Date Actual	FY 26-27 Budget	$ Over / (Under) Budget	% of Budget
6070 · Watermaster Legal Services				
6071 · BHFS Legal - Court Coordination	$ 154,487	$ 80,400	$ 74,087	192.1%
6072 · BHFS Legal - Rules & Regulations	-	11,075	(11,075)	0.0%
6073 · BHFS Legal - Personnel Matters	34,318	30,500	3,818	112.5%
6074 · BHFS Legal - Interagency Issues	-	48,600	(48,600)	0.0%
6077 · BHFS Legal - Party Status Maintenance	-	14,950	(14,950)	0.0%
6078 · BHFS Legal - Miscellaneous (Note 1)	41,858	187,800	(145,942)	22.3%
Total 6070 · Watermaster Legal Services	**230,663**	**373,325**	**(142,662)**	**61.8%**
6275 · BHFS Legal - Advisory Committee	3,339	29,700	(26,362)	11.2%
6375 · BHFS Legal - Board Meeting	24,901	95,040	(70,139)	26.2%
6375.1 · BHFS Legal - Board Workshop(s)	-	31,275	(31,275)	0.0%
8375 · BHFS Legal - Appropriative Pool	4,467	37,125	(32,658)	12.0%
8475 · BHFS Legal - Agricultural Pool	3,614	37,125	(33,511)	9.7%
8575 · BHFS Legal - Non-Ag Pool	3,614	37,125	(33,511)	9.7%
Total BHFS Legal Services	**39,935**	**267,390**	**(227,456)**	**14.9%**
6907.3 · WM Legal Counsel				
6907.31 · Archibald South Plume	-	13,400	(13,400)	0.0%
6907.32 · Chino Airport Plume	-	13,400	(13,400)	0.0%
6907.33 · Desalter/Hydraulic Control	-	41,400	(41,400)	0.0%
6907.34 · Santa Ana River Water Rights	348	22,425	(22,078)	1.6%
6907.38 · Reg. Water Quality Cntrl Board	973	69,600	(68,627)	1.4%
6907.39 · Recharge Master Plan	2,328	29,900	(27,573)	7.8%
6907.40 · Storage Agreements	139	-	139	100.0%
6907.41 · Prado Basin Habitat Sustainability	-	10,850	(10,850)	0.0%
6907.44 · SGMA Compliance	-	10,850	(10,850)	0.0%
6907.45 · OBMP Update	2,863	187,800	(184,937)	1.5%
6907.47 · 2020 Safe Yield Reset	9,828	159,900	(150,072)	6.1%
6907.51 · San Sevaine Basin Discharge CWA Litigatio	20,170	-	20,170	100.0%
6907.90 · WM Legal Counsel - Unanticipated	-	41,625	(41,625)	0.0%
Total 6907 · WM Legal Counsel	**36,648**	**601,150**	**(564,502)**	**6.1%**
Total Brownstein, Hyatt, Farber, Schreck Costs	**$ 307,245**	**$ 1,241,865**	**$ (934,620)**	**24.7%**

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Optimum Basin Management Plan (OBMP)

The following table details the Year-To-Date (YTD) Actual OBMP costs compared to the FY 26 adopted budget. The "$ Over Budget" and the "% of Budget" columns are a comparison of the YTD actual to the annual budget. As of September 30th, the target budget percentage is 25%.

	Year to Date Actual	FY 26-27 Budget	$ Over / (Under) Budget	% of Budget
6900 · Optimum Basin Mgmt Plan				
6901.1 · OBMP - Document Review-WM Staff	$ 12,606	$ 61,961	$ (49,355)	20.3%
6901.3 · OBMP - Field Work-WM Staff	10,864	9,672	1,192	112.3%
6901.5 · OBMP - General-WM Staff	35,094	41,748	(6,654)	84.1%
6901.7 · OBMP - Meeting-WM Staff	6,290	20,692	(14,402)	30.4%
6901.8 · OBMP - Meeting-West Yost	10,301	40,163	(29,862)	25.6%
6901.9 · OBMP - Reporting-WM Staff	3,502	19,000	(15,498)	18.4%
6901.95 · OBMP - Reporting-West Yost	25,362	67,310	(41,948)	37.7%
Total 6901 · OBMP WM and West Yost Staff	**104,019**	**260,546**	**(156,527)**	**39.9%**
6903 · OBMP - SAWPA				
6903 · OBMP - SAWPA Group	-	8,986	(8,986)	0.0%
Total 6903 · OBMP - SAWPA	**-**	**8,986**	**(8,986)**	**0.0%**
6906 · OBMP Engineering Services				
6906.1 · OBMP - Watermaster Model Update	6,774	88,388	(81,614)	7.7%
6906.21 · State of the Basin Report	1,381	169,740	(168,359)	0.8%
6906 · OBMP Engineering Services - Other	10,219	67,966	(57,747)	15.0%
Total 6906 · OBMP Engineering Services	**18,373**	**326,094**	**(307,721)**	**5.6%**
6907 · OBMP Legal Fees				
6907.31 · Archibald South Plume	-	13,400	(13,400)	0.0%
6907.32 · Chino Airport Plume	-	13,400	(13,400)	0.0%
6907.33 · Desalter/Hydraulic Control	-	41,400	(41,400)	0.0%
6907.34 · Santa Ana River Water Rights	348	22,425	(22,078)	1.6%
6907.38 · Reg. Water Quality Cntrl Board	973	69,600	(68,627)	1.4%
6907.39 · Recharge Master Plan	2,328	29,900	(27,573)	7.8%
6907.41 · Prado Basin Habitat Sustainability	-	10,850	(10,850)	0.0%
6907.44 · SGMA Compliance	-	10,850	(10,850)	0.0%
6907.45 · OBMP Update	2,863	187,800	(184,937)	1.5%
6907.47 · 2020 Safe Yield Reset	9,828	159,900	(150,072)	6.1%
6907.90 · WM Legal Counsel - Unanticipated	-	41,625	(41,625)	0.0%
Total 6907 · OBMP Legal Fees	**36,648**	**601,150**	**(564,502)**	**6.1%**
6909 · OBMP Other Expenses				
6909.3 · Other OBMP Expenses	-	2,200	(2,200)	0.0%
6909.6 · OBMP Expenses - Miscellaneous	-	96,000	(96,000)	0.0%
Total 6909 · OBMP Other Expenses	**-**	**98,200**	**(98,200)**	**0.0%**
Total 6900 · Optimum Basin Mgmt Plan	**$ 159,040**	**$ 1,294,976**	**$ (1,135,936)**	**12.3%**

Chino Basin Watermaster
Monthly Variance Report & Supplemental Schedules
For the period July 1, 2026 to September 30, 2026
(Unaudited)

Judgment Administration

The following table details the Year-To-Date (YTD) Actual Judgment Administration costs compared to the FY 26 adopted budget. The "$ Over Budget" and the "% of Budget" columns are a comparison of the YTD actual to the annual budget. As of September 30th, the target budget percentage is 25%.

	Year to Date Actual	FY 26-27 Budget	$ Over / (Under) Budget	% of Budget
5901 · Admin-WM Staff				
5901.1 · Admin-Doc. Review-WM Staff	$ 13,887	$ 105,131	$ (91,244)	13.2%
5901.3 · Admin-Field Work-WM Staff	1,262	9,672	(8,410)	13.0%
5901.5 · Admin-General-WM Staff	11,143	64,423	(53,280)	17.3%
5901.7 · Admin-Meeting-WM Staff	11,358	58,626	(47,268)	19.4%
5901.8 · Admin-Meeting - West Yost	-	40,163	(40,163)	0.0%
5901.9 · Admin-Reporting-WM Staff	1,419	22,253	(20,834)	6.4%
Total 5901 · Admin-WM Staff	**39,069**	**300,268**	**(261,199)**	**13.0%**
5900 · Judgment Admin Other Expenses				
5906.71 · Admin-Data Req-CBWM Staff	11,433	112,652	(101,220)	10.1%
5906.72 · Admin-Data Req-Non CBWM Staff	4,006	58,316	(54,310)	6.9%
5910 · Court Coordination/Attend-WM	3,410	8,775	(5,365)	38.9%
5911 · Exhibit G-WM Staff	-	6,330	(6,330)	0.0%
5921 · Production Monitoring-WM Staff	-	8,011	(8,011)	0.0%
5925 · Ag Prod & Estimation-West Yost	-	-	-	0.0%
5931 · Recharge Applications-WM Staff	110	54,181	(54,071)	0.2%
5935 · Admin-Mat'l Phy Inj Requests	-	36,096	(36,096)	0.0%
5941 · Reporting-WM Staff	-	52,315	(52,315)	0.0%
5945 · WM Annual Report Prep-West Yost	7,129	18,334	(11,205)	38.9%
5951 · Rules & Regs-WM Staff	1,580	1,650	(70)	95.7%
5961 · Safe Yield-WM Staff	26,332	79,210	(52,878)	33.2%
5965 · Support Data Collect-West Yost	-	27,626	(27,626)	0.0%
5971 · Storage Agreements-WM Staff	2,916	7,991	(5,075)	36.5%
5981 · Water Acct/Database-WM Staff	39,181	115,133	(75,952)	34.0%
5991 · Water Transactions-WM Staff	2,476	14,231	(11,755)	17.4%
Total 5900 · Judgment Admin Other Expenses	**98,573**	**600,851**	**(502,278)**	**16.4%**
Total 5900 · Judgment Administration	**$ 137,642**	**$ 901,119**	**$ (763,477)**	**15.3%**

"Carry Over" Funding:

The "Carry Over" funding was calculated at the start of FY 27. The Total "Carry Over" funding amount of $2,148,764 has been posted to the general ledger accounts. The total amount consisted of $1,873,286 from Recharge Improvement Projects, $239,727 from Engineering Services, and $35,751 from OBMP Activities. More detailed information is provided on the table below.

Carry Over Budget Detail FY 2026/27

Account	Description	Amount	Fiscal Year	Type
7540	Meter Installation - New Meter Installation	$ 35,751	FY 2025/26	OBMP
6906.1	Watermaster Model Application and Required Demonstrations	16,850	FY 2025/26	ENG
7402	Ground Level Monitoring and Reporting Program	15,000	FY 2025/26	ENG
7402.1	PE4/MZ-1: Subsidence Management Plan for Northwest MZ-1	27,551	FY 2025/26	ENG
7502	Finalize the Updated Chino Basin Maximum Benefit Monitoring Work Plan	24,744	FY 2025/26	ENG
7502.2	Finalize Water Quality Model Improvement Work Plan	32,332	FY 2025/26	ENG
7520	Water Quality Management Program	39,250	FY 2025/26	ENG
7615	Develop 2027 Storage Management Plan	84,000	FY 2025/26	ENG
7690.1	Recharge Improvement Debt Payments	122,146	FY 2025/26	PROJ
7691.1	Project 23A	1,317,040	FY 2025/26	PROJ
7691.2	GWR-RW OIT Upgrades	25,000	FY 2025/26	PROJ
7691.3	Ground Water Recharge Condition Assessments	25,000	FY 2025/26	PROJ
7691.4	GWR Basin PLC Upgrades	250,000	FY 2025/26	PROJ
7691.5	College Heights Basin Well Sensor Installation	75,000	FY 2025/26	PROJ
7691.6	GWR/Recycled Water Valve Actuator Rplcmnt	37,500	FY 2025/26	PROJ
7691.7	RW / GWR SCADA Infrastructure Replacement	21,600	FY 2025/26	PROJ
Total Carryover Budget		**$ 2,148,764**		

CHINO BASIN WATERMASTER

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STAFF REPORT

DATE: November 19, 2026

TO: Advisory Committee and Board Members

SUBJECT: 2025/26 Annual Report of the Ground-Level Monitoring Program
(Consent Calendar Item I.C.)

Issue: Pursuant to the Court's November 15, 2007, Order, Watermaster is required annually to file a Ground-Level Monitoring report with the Court. The 2025/26 Annual Report has been drafted and reviewed by the Ground-Level Monitoring Committee at its October 1, 2026, meeting. [Discretionary Function]

Recommendation:

Advisory Committee: Recommend to the Watermaster Board to approve the 2025/26 Annual Report of the Ground-Level Monitoring Program (GLMP), and direct staff to file a copy with the Court.

Board Members: Approve and direct staff to file a copy with the Court.

Financial Impact: Approval of the report does not result in additional expenses. All the recommendations in the 2025/26 Annual Report for the ongoing monitoring program are included in the approved FY 2026/27 budget.

ACTIONS:
Appropriative Pool – November 12, 2026 [Recommended]: Advice and assistance.
Non-Agricultural Pool – November 12, 2026 [Recommended]: Advice and assistance.
Agricultural Pool – November 12, 2026 [Recommended]: Advice and assistance.
Advisory Committee – November 19, 2026 [Recommended]: Advice and assistance.
Watermaster Board – November 19, 2026 [Recommended]: Approval.

BACKGROUND

In 1999, the OBMP Phase I Report identified pumping-induced drawdown and resultant aquifer-system compaction as the most likely cause of land subsidence and ground fissuring that had been observed in Management Zone 1 (MZ-1). Program Element 4 of the OBMP, "Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1," called for the development and implementation of a long-term Subsidence Management Plan to minimize or abate the occurrence of subsidence and ground fissuring.

From 2001 to 2005, Watermaster developed, coordinated, and conducted a comprehensive investigation under the guidance of the MZ-1 Technical Committee (now called the Ground-Level Monitoring Committee or GLMC) to understand the causes of the subsidence and fissuring in the southwestern portion of MZ-1. The investigation provided enough information for Watermaster to develop Guidance Criteria for the producers in the investigation area that, if followed, would minimize the potential for subsidence and fissuring as conceived in the Subsidence Management Plan. The Guidance Criteria formed the basis for the Subsidence Management Plan, which was developed by the GLMC and approved by Watermaster in October 2007. The Court Order on November 15, 2007 approved the Subsidence Management Plan and ordered its implementation. The Subsidence Management Plan was updated in 2015 to include a recommendation to develop a Subsidence Management Plan specific to the northwestern portion of the Chino Basin where gradual and persistent subsidence is an ongoing concern.

The Subsidence Management Plan states that Watermaster will produce an annual report, which includes the results of ongoing monitoring efforts, interpretations of the data, recommendations for future monitoring efforts, and recommendations for adjustments to the Subsidence Management Plan, if any. The Court's 2007 Order directed Watermaster to file the annual reports with the Court.

DISCUSSION

The final 2025/26 Annual Report of the GLMP (Attachment 1) includes results and interpretations for data that were collected during FY 2025/26 and includes recommendations for Watermaster's Ground-Level Monitoring Program for FY 2026/27.

The GLMC met on March 5, 2026 to review and discuss the recent monitoring results and to develop a scope of work and budget for FY 2026/27. Subsequently, an overview of the monitoring results and the proposed scope of work and budget for FY 2026/27 were presented to the Pool Committees in May 2026 and at Watermaster's budget workshops and ultimately approved.

The GLMC was provided with the draft annual report on September 22, 2026 for review and comment and met on October 1, 2026 to review and discuss the draft annual report with Watermaster staff and Engineer. The GLMC submitted comments during the comment window which were addressed in the final report attached.

The item was presented to the three Pool Committees on November 12, 2026 where it was unanimously recommended for the Advisory Committee to recommend Board approval and filling with the court.

ATTACHMENTS
1. 2025/26 Annual Report of the Ground-Level Monitoring Program

2025/26 Annual Report for the Ground-Level Monitoring Program

PREPARED FOR

Ground-Level Monitoring Committee

PREPARED BY

2025/26 Annual Report for the Ground-Level Monitoring Program

Prepared for

Ground-Level Monitoring Committee

Project No. 941-80-26-22

Prepared By: Andrea Arevalo	November 4, 2026 Date
Prepared By: Clay Kelty	November 4, 2026 Date
QA/QC Review: Andy Malone, PG #8700	November 4, 2026 Date

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Appendix A. Recommended Scope of Work and Budget of the Ground-Level Monitoring Committee for Fiscal Year 2026/27
Appendix B. Response to GLMC Comments

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LIST OF ACRONYMS, ABBREVIATIONS, AND INITIALISMS

af	Acre-Feet
Ayala Park	Rubin S. Ayala Park
Ayala Park Extensometer	Extensometer at Ayala Park
BMA	Baseline Management Alternative
CCX	Chino Creek Extensometer Facility
DHX	Daniels Horizontal Extensometer
EDM	Electronic Distance Measurement
ft	Feet
ft-amsl	Feet Above Mean Sea Level
ft-btoc	Feet Below Top of Casing
ft-bgs	Feet Below Ground Surface
ft/yr	Feet Per Year
FY	Fiscal Year
GLMC	Ground-Level Monitoring Committee
GLMP	Ground-Level Monitoring Program
IMP	Management Zone 1 Interim Monitoring Program
InSAR	Interferometric Synthetic Aperture Radar
ISMA	Initial Subsidence Management Alternative
MVWD	Monte Vista Water District
MZ-1	Chino Basin Optimum Basin Management Plan Management Zone 1
MZ-1 Plan	Management Zone 1 Subsidence Management Plan
OBMP	Optimum Basin Management Plan
PA	Piezometer A (Ayala Park Extensometer Facility)
PC	Piezometer C (Ayala Park Extensometer Facility)
PFAS	Per – and Polyfluoroalkyl Substances
PX	Pomona Extensometer Facility
SAR	Synthetic Aperture Radar
SCADA	Supervisory Control and Data Acquisition
SMA-2	Second Subsidence-Management Alternative
Subsidence Management Plan	2015 Chino Basin Subsidence Management Plan
TCP	1,2,3-trichloropropane
USGS	United States Geological Survey
Watermaster	Chino Basin Watermaster
WEI	Wildermuth Environmental, Inc.
Work Plan	Work Plan to Develop a Subsidence Management Plan for the Northwest MZ-1

1.0 INTRODUCTION

This section describes:

- Background information on the history of land subsidence and ground fissuring in the Chino Basin.
- Information on the formation of the Ground-Level Monitoring Committee (GLMC) and its responsibilities.
- A description of the development and implementation of the Chino Basin Subsidence Management Plan (Subsidence Management Plan).
- The organization of this annual report.

1.1 Background

In general, land subsidence is the sinking or settlement of the Earth's surface due to the rearrangement of subsurface materials. In the United States, over 17,000 square miles in 45 states have experienced land subsidence (United States Geologic Survey [USGS], 1999). In many instances, land subsidence is accompanied by adverse impacts at the ground surface, such as sinkholes, earth fissures, encroachment of adjacent water bodies, modified drainage patterns, and others. In populated regions, these subsidence-related impacts can result in severe damage to man-made infrastructure and costly remediation measures. Over 80 percent of the documented cases of land subsidence in the United States have been caused by groundwater extractions from the underlying aquifer-system (USGS, 1999).

For purposes of clarification in this document, subsidence refers to the inelastic deformation (i.e., sinking) of the land surface. The term inelastic typically refers to the permanent, non-recoverable deformation of the land surface or the aquifer-system. The term elastic typically refers to fully reversible deformation of the land surface or the aquifer-system. A glossary of terms and definitions discussed in this report, as well as other terms related to basic hydrogeology and land subsidence is included in Section 5.0.

1.1.1 Subsidence and Fissuring in the Chino Basin

One of the earliest indications of land subsidence in the Chino Basin was the appearance of ground fissures within the City of Chino. These fissures appeared as early as 1973, but an accelerated occurrence of ground fissuring ensued after 1991 and resulted in damage to existing infrastructure. Figure 1-1 shows the locations of these fissures and the land subsidence that contemporaneously occurred in this area. Several scientific studies of the area attributed the fissuring phenomenon to differential land subsidence caused by pumping of the underlying aquifer-system and the consequent drainage and compaction of aquitard sediments (Fife et al., 1976; Kleinfelder, 1993, 1996; Geomatrix, 1994; GEOSCIENCE, 2002).

1.1.2 The Optimum Basin Management Program

In 1999, the Optimum Basin Management Program Phase I Report (OBMP Phase I Report) identified the pumping-induced decline of hydraulic heads and subsequent aquifer-system compaction as the most likely cause of the land subsidence and ground fissuring observed in the Chino Basin OBMP Management Zone 1 (MZ-1; Wildermuth Environmental Inc. [WEI], 1999). Program Element 4 of the OBMP

Implementation Plan, *Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1*, called for the development and implementation of an interim management plan for MZ-1 that would:

- Minimize subsidence and fissuring in the short-term
- Collect the information necessary to understand the extent, rate, and mechanisms of subsidence and fissuring
- Abate future subsidence and fissuring or reduce it to tolerable levels

The OBMP called for an aquifer-system and land subsidence investigation in the southwestern region of MZ-1 to support the development of a management plan for MZ-1 (items 2 and 3 above). This investigation was titled the *MZ-1 Interim Monitoring Program* (WEI, 2003) and is described below.

The OBMP Phase I Report also identified that land subsidence was occurring in other parts of the basin besides in the City of Chino. Program Element 1 of the OBMP Implementation Plan, *Develop and Implement a Comprehensive Monitoring Program*, called for the collection of basin-wide data to characterize land subsidence, including ground-level surveys and remote-sensing (specifically, interferometric synthetic aperture radar [InSAR]), and for the development of an ongoing monitoring program based on the analysis of the collected data.

1.1.3 Interim Management Plan and the MZ-1 Summary Report

From 2001 to 2005, the Chino Basin Watermaster (Watermaster) developed, coordinated, and conducted the Interim Management Plan (IMP) under the guidance of the MZ-1 Technical Committee. The MZ-1 Technical Committee was comprised of representatives from all major MZ-1 producers and their technical consultants, including the Agricultural Pool; the Cities of Chino, Chino Hills, Ontario, Pomona, and Upland; the Monte Vista Water District (MVWD); the Golden State Water Company; and the California Institution for Men.

The IMP consisted of three main monitoring elements to analyze land subsidence: ground-level surveys, InSAR, and aquifer-system monitoring. The ground-level surveys and InSAR analyses were used to characterize vertical ground motion. Aquifer-system monitoring of hydraulic and mechanical changes within the aquifer-system was used to characterize the causes of the ground motion.

The monitoring program was implemented in two phases: the Reconnaissance Phase and the Comprehensive Phase. The Reconnaissance Phase consisted of constructing 11 piezometers screened at various depths at Rubin S. Ayala Park (Ayala Park) in the City of Chino and installing pressure-transducers with integrated data loggers (transducers) in nearby pumping and monitoring wells to measure hydraulic head. Following installation of the monitoring network, several months of aquifer-system monitoring and testing were conducted. Testing included aquifer-system stress tests conducted at pumping wells in the area.

The Comprehensive Phase consisted of constructing a dual-borehole pipe extensometer at Ayala Park (Ayala Park Extensometer) near the area of historical fissuring. Figure 1-2 shows the location of the Ayala Park Extensometer. Following installation of the Ayala Park Extensometer, two aquifer-system stress tests were conducted followed by passive aquifer-system monitoring.

During implementation of the IMP, Watermaster's Engineer made the data available to the MZ-1 Technical Committee and prepared quarterly progress reports for the MZ-1 Technical Committee, the Watermaster Pools and Board, and the Court.[1] The progress reports contained data and analyses from the IMP and summarized the MZ-1 Technical Committee meetings.

The main conclusions derived from the IMP were:

- Groundwater pumping from the deep and confined aquifer-system in the southwestern region of MZ-1 causes the greatest stress to the aquifer-system. In other words, pumping of the deep aquifer-system causes a hydraulic head decline that is much greater in magnitude and lateral extent than the hydraulic head decline caused by pumping of the shallow aquifer-system.
- Hydraulic head decline due to pumping from the deep aquifer-system can cause inelastic compaction of the aquifer-system sediments, which results in land subsidence. The initiation of inelastic compaction within the aquifer-system was identified during the investigation when hydraulic heads in the deep aquifer-system at the Ayala Park PA-7 piezometer fell below a depth of about 250 feet (ft).
- The state of aquifer-system deformation in southern MZ-1 was essentially elastic during the Reconnaissance Phase of the IMP. Very little inelastic compaction was occurring in this area, which contrasted with the recent past when about 2.2 ft of land subsidence occurred from about 1987 to 1995 and resulted in ground fissuring.
- During the development of the IMP, a previously unknown barrier to groundwater flow was identified, shown on Figure 1-1. The barrier was named the "Riley Barrier" after Francis S. Riley, a retired USGS geologist who first detected the barrier during the IMP. This barrier is located within the deep aquifer-system and is aligned with the historical zone of ground fissuring. Pumping from the deep aquifer-system was limited to the area west of the barrier, and the resulting hydraulic head decline did not propagate eastward across the barrier. Thus, compaction occurred within the deep aquifer-system on the west side of the barrier but not on the east side, which caused concentrated differential subsidence across the barrier and created the potential for ground fissuring.
- The InSAR and ground-level surveys indicated that subsidence in Central MZ-1 had occurred in the past and was continuing to occur. InSAR also suggested that the groundwater barrier (Riley Barrier) extends northward into Central MZ-1 as shown on Figure 1-1. These observations suggested that the conditions that very likely caused ground fissuring near Ayala Park in the 1990s were also present in Central MZ-1. However, there was not enough historical hydraulic head data in this area to confirm this relationship. The IMP recommended that, if subsidence continued or increased in Central MZ-1, the mechanisms causing land subsidence should be studied in more detail.

The IMP provided enough information for Watermaster to develop Guidance Criteria for the Parties that pump from the southwestern region of MZ-1, that if followed, would minimize the potential for subsidence and fissuring in the investigation area. The methods, results, and conclusions of the IMP, including the Guidance Criteria, were described in detail in the *MZ-1 Summary Report* (WEI, 2006).

[1] San Bernardino County Superior Court, which retains continuing jurisdiction over the Chino Basin Judgment.

The Guidance Criteria consisted of:

- A list of "Managed Wells" subject to the Guidance Criteria. Table 1-1 is a list of the Managed Wells that are subject to the Guidance Criteria. Figure 1-2 is a map that shows the locations of the Managed Wells. These wells have well screens that penetrate the deep aquifer-system.

Table 1-1. Managed Wells Screened in the Deep Aquifer and Subject to the Guidance Criteria[a]

Well Name	CBWM ID	Owner	2025 Status	Well Screen Depth Interval(s) ft-bgs
CIM-11A[b]	3602461	California Institution for Men	Active[c]	174-187; 240-283; 405-465
C-7	3600461	City of Chino	Abandoned[d]	180-780
C-15	600670		Abandoned	270-400; 626-820
CH-1B	600487	City of Chino Hills	Inactive[e]	440-470; 490-610; 720-900; 940-1,180
CH-7C	600687		Abandoned	550-950
CH-7D	600498		Destroyed	320-400; 410-450; 490-810; 850-930
CH-15B	600488		Active	360-440; 480-900
CH-16	600489		Inactive	430-940
CH-17	600499		Inactive	300-460; 500-680
CH-19	600500		Inactive	300-460; 460-760; 800-1,000

(a) The MZ-1 Subsidence Management Plan identified the Managed Wells that are subject to the Guidance Criteria for the Managed Area that, if followed, would minimize the potential for subsidence and fissuring.

(b) The original casing was perforated from 135-148, 174-187, 240-283, 405-465, 484-512, and 518-540 feet below ground surface (ft-bgs). This casing collapsed below 471 ft-bgs in 2011. A liner was installed to 470 ft-bgs with a screen interval from 155 to 470 ft-bgs.

(c) Active = Well is currently being used for water supply.

(d) Abandoned = Unable to pump the well without major modifications.

(e) Inactive = Well can pump groundwater with little or no modifications.

- The spatial extent of the "Managed Area." Figures 1-1 and 1-2 show the boundary of the Managed Area where the Guidance Criteria apply. Within the boundaries of the Managed Area, both existing (Table 1-1) and newly constructed wells are subject to being classified as Managed Wells. This area was delineated based on the observed and/or predicted effects of pumping on hydraulic heads and aquifer-system deformation. The Managed Well designations were based on the effects measured at the Ayala Park Extensometer during the IMP or well construction and borehole lithology.
- A piezometric "Guidance Level." The Guidance Level is a specified depth to water, as measured in feet below the top of casing (ft-btoc) at the Ayala Park PA-7 piezometer. The initial Guidance Level was established as 245 ft-btoc. It was defined as the threshold hydraulic head at the onset of inelastic compaction of the aquifer-system as recorded by the extensometer minus five feet. The five-foot reduction was meant to be a safety factor to ensure that inelastic compaction does not occur. The Guidance Level can be updated by Watermaster based on the periodic review of monitoring data.
- Criteria for recommending pumping curtailment. If the hydraulic head in PA-7 falls below the Guidance Level, Watermaster recommends that the MZ-1 Parties curtail their pumping from designated Managed Wells as required to maintain hydraulic heads above the Guidance Level.

- Monitoring/reporting of hydraulic heads at PA-7. Watermaster was to provide the MZ-1 Parties with real-time hydraulic head data from PA-7.
- Reporting of pumping operations at Managed Wells. The MZ-1 Parties were requested to maintain and provide Watermaster with accurate records of operations at the Managed Wells, including pumping rates and on-off dates and times. The MZ-1 Parties were requested to promptly notify Watermaster of all operational changes made to maintain the hydraulic head at PA-7 above the Guidance Level.
- Request for ongoing monitoring at other monitoring wells. Watermaster recommended that the MZ-1 Parties allow it to continue to monitor hydraulic heads at the Managed Wells.
- Process for adapting the Guidance Criteria. Watermaster and Watermaster's Engineer were to evaluate the data collected as part of the MZ-1 Monitoring Program (now called the Ground-Level Monitoring Program or GLMP) after each fiscal year and determine if modifications, additions, and/or deletions to the Guidance Criteria were necessary. Changes to the Guidance Criteria could include additions or deletions to the list of Managed Wells, re-delineation of the Managed Area, raising or lowering of the Guidance Level, or additions and/or deletions to the Guidance Criteria, including the need to have periods of hydraulic head recovery.
- Acknowledgement of uncertainty. Watermaster cautioned that some subsidence and fissuring could occur in the future, even if the Guidance Criteria were followed. Watermaster made no warranties that faithful adherence to the Guidance Criteria would eliminate subsidence or fissuring.

1.1.4 MZ-1 Subsidence Management Plan

The Guidance Criteria formed the basis for the *MZ-1 Subsidence Management Plan* ([MZ-1 Plan]; WEI, 2007), which was developed by the MZ-1 Technical Committee and approved by the Watermaster Board in October 2007. In November 2007, the Court approved the MZ-1 Plan and ordered its implementation.

To minimize the potential for future subsidence and fissuring in the Managed Area, the MZ-1 Plan codified the Guidance Level and recommended that the MZ-1 Parties manage their groundwater pumping such that the hydraulic heads at PA-7 remain above the Guidance Level.

The MZ-1 Plan called for ongoing monitoring, data analysis, annual reporting, and adjustments to the MZ-1 Plan as warranted by the data. Implementation of the MZ-1 Plan began in 2008. The MZ-1 Plan called for the continued scope and frequency of monitoring implemented during the IMP within the Managed Area and expanded monitoring of the aquifer-system and land subsidence in other areas of the Chino Basin where the IMP indicated concern for future subsidence and ground fissuring. Figure 1-1 shows the location of these so-called Areas of Subsidence Concern: Central MZ-1, Northwest MZ-1, Northeast Area, and Southeast Area. The expanded monitoring efforts outside the Managed Area are consistent with the requirements of the OBMP Program Element 1 and its implementation plan contained in the Peace Agreement.[2]

Potential future efforts listed in the MZ-1 Plan included: (i) more intensive monitoring of horizontal strain across the zone of historical ground fissuring to assist in developing management strategies related to fissuring, (ii) injection feasibility studies within the Managed Area, (iii) additional pumping tests to refine the Guidance Criteria, (iv) computer-simulation modeling of groundwater flow and subsidence, and (v) the development of alternative pumping plans for the MZ-1 Parties affected by the MZ-1 Plan. The MZ-1

[2] Source: http://www.cbwm.org/docs/legaldocs/Peace_Agreement.pdf.

Technical Committee (now called the Ground-Level Monitoring Committee or GLMC) discusses these potential future efforts, and if deemed prudent and necessary, they are recommended to Watermaster for implementation in future fiscal years.

In addition to the MZ-1 Plan, the Peace Agreement required the Watermaster to recharge a minimum of 6,500 afy of supplemental water in Management Zone 1. This requirement was continued under the Peace II Agreement as a long-term obligation to maintain hydrologic balance and control land subsidence in MZ1. The Watermaster is also required to evaluate this requirement and potentially increase the minimum recharge quantity above 6,500 afy after review of basin performance and subsidence studies. This evaluation will be performed in FY 2026/27 under a separate Watermaster task, Model Update and Required Demonstrations.

1.1.5 2015 Chino Basin Subsidence Management Plan

The MZ-1 Plan stated that if data from existing monitoring efforts in the Areas of Subsidence Concern indicate the potential for adverse impacts due to subsidence, Watermaster would revise it to avoid those adverse impacts. The 2014 Annual Report of the GLMC recommended that the MZ-1 Plan be updated to better describe Watermaster's land subsidence efforts and obligations, including areas outside of MZ-1. As such, the update included a name change to the 2015 Chino Basin Subsidence Management Plan ([Subsidence Management Plan]; WEI 2015a) and a recommendation to develop a subsidence management plan for Northwest MZ-1.

Watermaster had been monitoring vertical ground motion in Northwest MZ-1 via InSAR during the development of the MZ-1 Plan. Land subsidence in Northwest MZ-1 was first identified as a concern in 2006 in the MZ-1 Summary Report and again in 2007 in the MZ-1 Plan. Of particular concern was the occurrence of concentrated differential subsidence across the San Jose Fault in Northwest MZ-1—a similar spatial pattern of differential subsidence occurred in the Managed Area during the time of ground fissuring. Ground fissuring is the main subsidence-related threat to infrastructure. The issue of differential subsidence, and the potential for ground fissuring in Northwest MZ-1, has been discussed at prior GLMC meetings, and the subsidence has been documented and described as a concern in Watermaster's State of the Basin Reports, the annual reports of the GLMC, and in the *Initial Hydrologic Conceptual Model and Monitoring and Testing Program for the Northwest MZ-1 Area* (WEI, 2017a). Watermaster increased monitoring efforts in Northwest MZ-1 beginning in Fiscal Year (FY) 2012/13 to include ground elevation surveys and electronic distance measurements (EDM) to monitor ground motion and the potential for fissuring.

In 2015, Watermaster's Engineer developed the *Work Plan to Develop a Subsidence Management Plan for the Northwest MZ-1 Area* ([Work Plan]; WEI 2015b). The Work Plan is characterized as an ongoing Watermaster effort and includes a description of a multi-year scope-of-work, a cost estimate, and an implementation schedule. The Work Plan was included in the Subsidence Management Plan as Appendix B. Implementation of the Work Plan began in July 2015.

The updated Subsidence Management Plan also addressed the need for hydraulic head "recovery periods" in the Managed Area by recommending that all deep aquifer-system pumping cease for a continuous six-month period between October 1 and March 31 of each year within the Managed Area. And, the Subsidence Management Plan recommends that every fifth year, all deep aquifer-system pumping cease for a continuous period until the hydraulic head at PA-7 reaches "full recovery" of 90 ft-btoc. These periodic cessations of pumping are intended to allow for sufficient hydraulic head recovery at PA-7 to recognize inelastic compaction, if any, at the Ayala Park Extensometer.

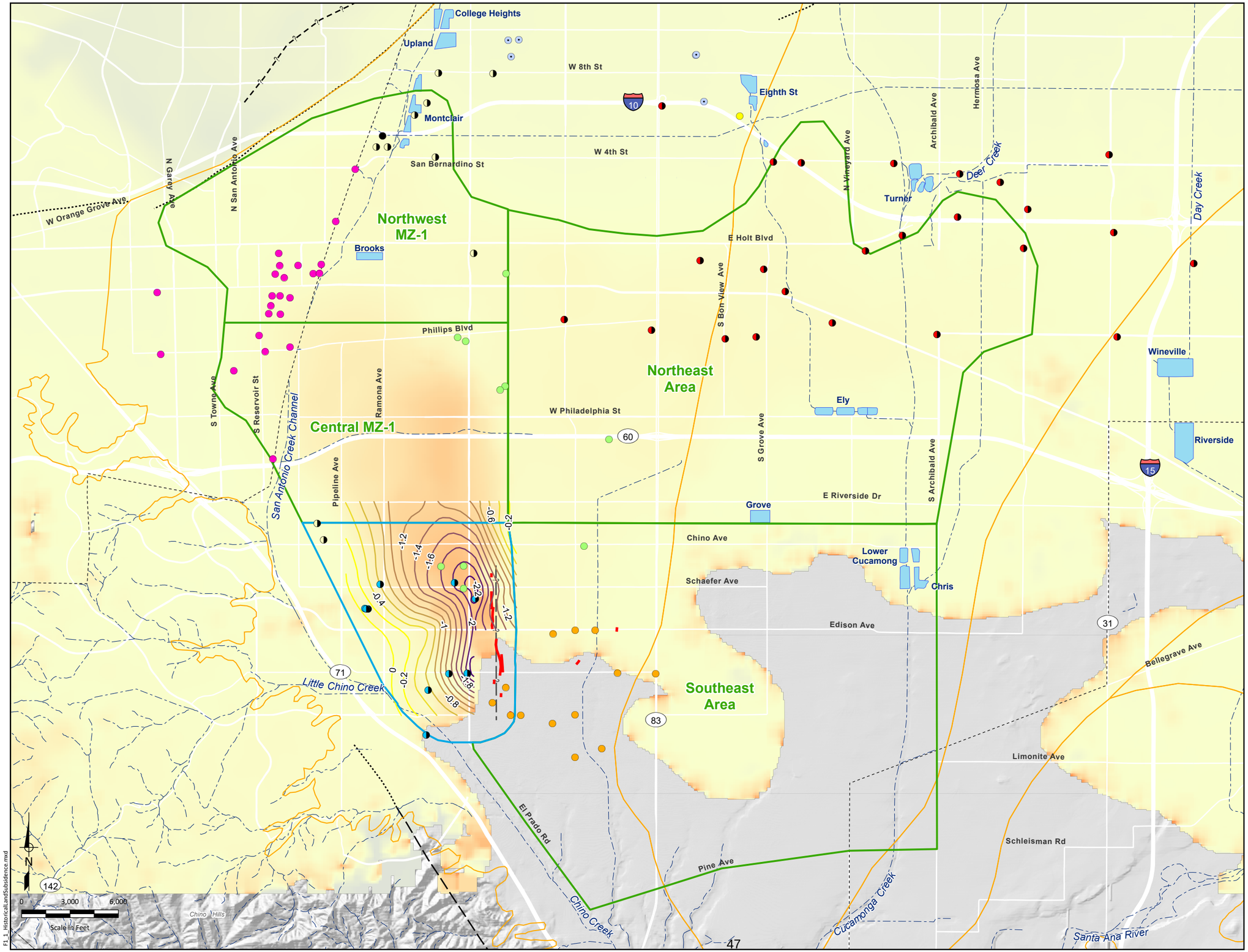
1.1.6 Annual Report for the Ground-Level Monitoring Program

Pursuant to the Subsidence Management Plan, Watermaster prepares an annual report containing the results of ongoing monitoring efforts, interpretations of the data, and recommended adjustments to the Subsidence Management Plan, if any. This Annual Report for the GLMP includes the results and interpretations for the data collected between March 2025 through March 2026, as well as recommendations for Watermaster's GLMP for FY 2026/27.

1.2 Report Organization

This report is organized into the following six sections:

- **Section 1.0 – Introduction**. This section provides background information on the history of land subsidence and ground fissuring in Chino Basin, information on the formation of the GLMC and its responsibilities, and a description of the development and implementation of the Subsidence Management Plan, which calls for annual reporting.
- **Section 2.0 – Ground-Level Monitoring Program.** This section describes the monitoring and testing activities performed by Watermaster for its GLMP between March 2025 and March 2026.
- **Section 3.0 – Results and Interpretations.** This section discusses and interprets the monitoring data collected between March 2025 and March 2026, including basin stresses (groundwater pumping and recharge) and responses (changes in hydraulic heads, aquifer-system deformation, and ground motion).
- **Section 4.0 – Conclusions and Recommendations.** This section summarizes the main conclusions derived from the monitoring program between March 2025 and March 2026 and describes recommended activities for the GLMP for FY 2026/27.
- **Section 5.0 – Glossary.** This section is a glossary of the terms and definitions utilized within this report and in discussions at GLMC meetings.
- **Section 6.0 – References.** This section lists the publications and reports cited in this report.



Contours of Relative Change
in Land Surface Elevation
as Estimated by Leveling Surveys
1987 to 1999

0.0 ft

-2.2 ft

Relative Change in Land Surface Elevation
as Measured by InSAR
Oct-1993 to Dec-1995

High : 1 ft

0 ft

Low : -1 ft

InSAR absent or incoherent

Active Pumping Wells by Owner: 1987 to 1999

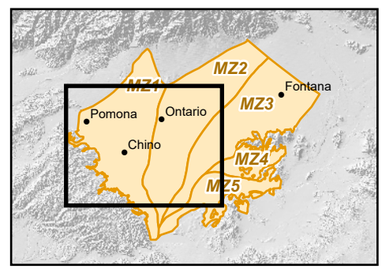
- CA Institution for Men
- City of Chino
- City of Chino Hills
- City of Ontario
- City of Pomona
- City of Upland
- Golden State WC
- Monte Vista WD
- San Antonia WC

Managed Areas

- Managed Area
- Areas of Subsidence Concern

Other Features

- Flood Control and Conservation Basins
- Fault (solid where accurately located; dashed where approximately located or inferred; dotted where concealed)

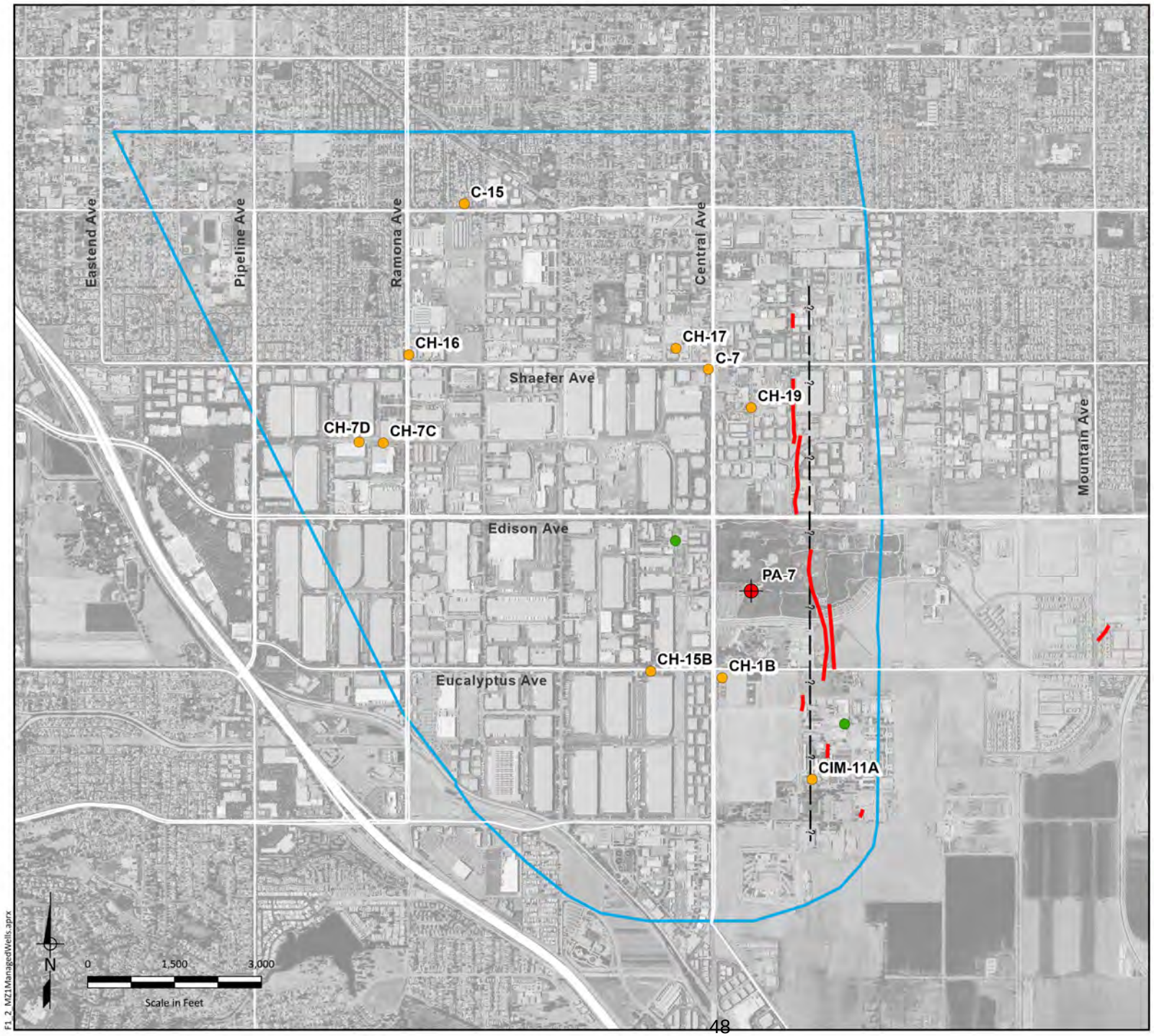


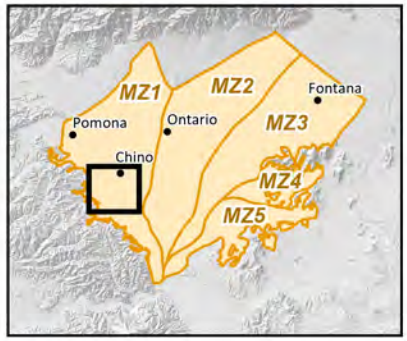
Chino Basin Watermaster

2025/26 Annual Report for the
Ground-Level Monitoring Program

Figure 1-1

Historical Land Surface Deformation in Management Zone 1: 1987-1999





Chino Basin Watermaster
2025/26 Annual Report for the Ground-Level Monitoring Program

Figure 1-2

MZ-1 Managed Area and the Managed Wells

2.0 GROUND-LEVEL MONITORING PROGRAM

This section describes the activities performed by Watermaster for the GLMP between March 2025 and March 2026.

Figure 2-1 shows the groundwater pumping and recharge facilities in the western Chino Basin that impart pumping and recharge stresses to the aquifer-system. Figure 2-2 shows the locations of the monitoring facilities in Watermaster's ground-level monitoring network, including: wells equipped with a transducer; extensometers that measure vertical aquifer-system deformation; benchmark monuments that are used to perform periodic ground elevation and EDM surveys to measure vertical and horizontal deformation of the ground surface; and four benchmark monuments that will serve as control points for annual GPS surveys beginning in FY 2026/27.

2.1 Ground-Level Monitoring Program

Watermaster conducts its GLMP in the Managed Area and other Areas of Subsidence Concern pursuant to the Subsidence Management Plan and the recommendations of the GLMC. The GLMP activities performed between March 2025 and March 2026 are described below.

2.1.1 Setup and Maintenance of the Monitoring Network

The Ayala Park, Chino Creek, and Pomona extensometer (PX) facilities are key monitoring facilities for the GLMP. They require monthly or as needed visits for maintenance and calibration to remain in good working order and to ensure the recording of accurate measurements.

2.1.1.1 Pomona Extensometer

During 2025/26, rehabilitation activities, equipment replacement, and calibration efforts were conducted at the PX facility to improve the accuracy and reliability of the extensometer measurements. The background, methods, results, and ongoing calibration efforts at PX are described herein.

The PX is a multi-purpose monitoring facility located within the City of Pomona. The PX facility was completed August 2019 and monitoring commenced in December 2020. It is designed to monitor depth-specific hydraulic heads and the vertical deformation of the aquifer-system sediments caused by head changes that can result in permanent land subsidence. The PX included:

- Four piezometers with well screens at progressively greater depths. Each piezometer is equipped with instrumentation to measure hydraulic head at 15-minute intervals within the aquifer-system. Originally, hydraulic heads were measured using pressure transducers installed on direct read cables.
- A cable extensometer is installed within each piezometer to measure the vertical deformation of the overlying sediments caused by the head changes. Each extensometer cable is attached to a steel anchor-weight that rests on the bottom of the piezometer. The cable is maintained under tension by a counterweight and pulley system at the well head to reduce friction between the cable extensometer and the piezometer casing. Vertical deformation of the aquifer-system is measured at 15-minute intervals using a linear potentiometer that records vertical displacement between the cable and the conductor casing, which is anchored to the ground surface. Figure 2-3 is a schematic diagram of a cable extensometer.

Typical data collected at a properly functioning extensometer facility display a correlated relationship between head changes and extensometer displacement. For example, as heads decrease, the aquifer-system skeleton (and pore spaces) will contract, causing the land surface (and conductor casing) to sink relative to the extensometer cable. Since installation in 2020, the PX recorded logical head changes that are consistent with measurements at nearby wells but did not record logically correlated extensometer displacement. This indicated that the extensometers, monitoring and recording equipment, or both were not functioning as intended.

During 2025/26, the Watermaster Engineer retained a well subcontractor to remove the existing downhole equipment and anchor-weights from each of the four piezometers. During removal, the pressure-transducer cables were found tangled around the steel extensometer cables. This entanglement could have interfered with the extensometer readings and may have contributed to the poor correlation between hydraulic head changes and extensometer displacements.

With the downhole equipment removed, video inspections were performed on all four piezometers to evaluate the condition of the casings and screen intervals. The video inspection of PX-1 identified buildup on portions of the well screen, and the well was subsequently brushed to remove the accumulated material. All four piezometers were also bailed to remove sediment accumulated at the bottom of the wells and provide a clean, stable surface for the extensometer anchor-weights.

Following well rehabilitation activities, the Watermaster Engineer replaced and upgraded several components of the monitoring equipment, including:

- New steel extensometer cables were installed to replace the existing cables.
- Four new linear potentiometers replaced the existing potentiometers, and the data acquisition software code was improved to support more accurate measurement and recording of extensometer displacement. The new potentiometers and updated software were calibrated and tested in the office and field.
- Four sonic water-level sensors were installed to eliminate the potential for the transducers to interfere with the extensometer cables. New enclosed well covers were fabricated to accommodate the sonic sensors.

Following reinstallation of the equipment, monitoring of hydraulic heads and extensometer displacement resumed.

Although rehabilitation of the PX facility and replacement of the monitoring equipment have been completed, the reliability of the extensometer measurements has not yet been confirmed. Calibration and evaluation of the PX extensometer measurements over time is ongoing in an attempt to improve the accuracy and reliability of the measurements. During FY 2026/27, the Watermaster Engineer will continue to collect and evaluate hydraulic head and extensometer data to determine whether the extensometers are producing reasonable responses to hydraulic head changes. Additional adjustments or modifications to the monitoring equipment will be made as warranted by the data, followed by periodic data collection and evaluation. The results of these evaluations, including the status of the extensometer calibration and any remaining data quality issues, will be documented in future GLMP reporting once sufficient data have been collected and evaluated.

2.1.2 Monitoring Activities

Changes in hydraulic heads are caused by the stresses of groundwater pumping and recharge. Changes in hydraulic head are the mechanism behind aquifer-system deformation, which in turn causes vertical and horizontal ground motion. Because of this cause-and-effect relationship, the Watermaster monitors groundwater pumping, recharge, hydraulic heads, aquifer-system deformation, and vertical and horizontal ground motion across the western portion of the Chino Basin. All data collected for the GLMP are compiled, checked, and stored in Watermaster databases.

This subsection describes Watermaster's monitoring activities, that are called for in the Subsidence Management Plan and informed by GLMC recommendations, between March 2025 and March 2026.

2.1.2.1 Monitoring of Pumping, Recharge, and Piezometric Levels

Watermaster staff collects and compiles groundwater pumping data on a quarterly basis from well owners in the Managed Area and Areas of Subsidence Concern. Figure 2-1 shows the well locations where groundwater was pumped between March 2025 and March 2026.

The Watermaster collects data from the Inland Empire Utilities Agency on the volumes of imported water, stormwater, and recycled water that are artificially recharged at spreading basins, and the volumes of recycled water for direct use within the Chino Basin.

Hydraulic heads were measured and recorded once every 15 minutes using transducers maintained by the Watermaster at 85 wells across the Managed Area and Areas of Subsidence Concern. Figure 2-2 shows the locations of these wells. Watermaster staff and well owners also measure hydraulic heads monthly at other wells in the western Chino Basin.

2.1.2.2 Monitoring Vertical Aquifer-System Deformation

The Watermaster measured and recorded the vertical component of aquifer-system deformation at the Ayala Park and Chino Creek Extensometer Facilities once every 15 minutes. Limited vertical displacement data were recorded at the Pomona Extensometer Facility during 2025/26 due to rehabilitation and calibration activities.

2.1.2.3 Monitoring Vertical Ground Motion

The Watermaster monitored vertical ground motion via InSAR and traditional ground-level surveys.

For InSAR, the Watermaster obtained six TerraSAR-X collections through Airbus DS Geo, Inc., covering the western half[3] of the Chino Basin from March 2025 to March 2026. The SAR image collection area is shown in Photo 2-1, with the area of interest highlighted in white with a red outline. While motion estimates are created over the entirety of the image area as a processing by-product, only the highlighted area of interest is analyzed and delivered by the Watermaster, shown in Photo 2-2.

[3] The SAR image footprint is fixed in longitude by the satellite orbit and sensor collection parameters. Coverage of the eastern Basin requires separate collection, processing, and analysis. InSAR from 1993 to 2010 indicates minimal vertical motion in the eastern Basin, the GLMC decided in 2012 to acquire and analyze InSAR only in the western Basin as a cost-saving strategy.

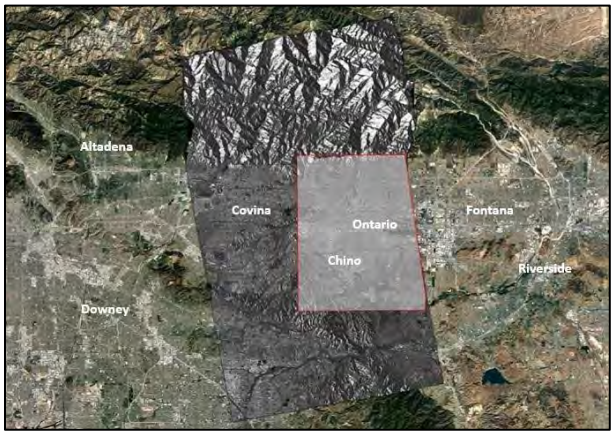


Photo 2-1: Full SAR Collection Area
Google Earth, Landsat/Copernicus 2020



Photo 2-2: Delivered Area of Interest
Google Earth, Airbus 2024

Including the final collection from the 2025-2026 monitoring period as a reference, six SAR images were processed to create 15 short- and long-term vertical ground motion estimates over the periods listed in Table 2-1.

Table 2-1. 2025 to 2026 Vertical Displacement Estimates

Short-Term (2025-2026) Vertical Ground Motion Estimates	
March 2025 to May 2025	March 2025 to July 2025
May 2025 to July 2025	March 2025 to September 2025
July 2025 to September 2025	March 2025 to November 2025
September 2025 to November 2025	March 2025 to January 2026
November 2025 to January 2026	March 2025 to March 2026
January 2026 to March 2026	-
Long-Term (5+ year) Vertical Ground Motion Estimates	
March 2011 to March 2016	June 2011 to March 2025
March 2016 to March 2021	February 2017 to March 2026
March 2021 to March 2026	March 2011 to March 2026

With a transition away from the previous processing arrangement with General Atomics (formerly Neva Ridge Technologies, Inc.), all interferometry beginning March 2011 was reprocessed in-house by the Watermaster,[4] creating a vertical motion estimate independent of previously delivered results.[5] The new estimate was compared frame-by-frame with historic deliveries through March 2026 to verify accuracy, and

[4] The basic SAR processing suite (GAMMA) and SAR collection footprint are identical to previous monitoring seasons.

[5] The past processing agreement with General Atomics (previously Neva Ridge Technologies, Inc.) allowed for transferal of the original Airbus data products, but not the scripts used to drive the GAMMA processing software. Since 2022, the Watermaster developed a new processing framework around the GAMMA software.

showed improvements in vertical fidelity in the primary subsidence feature in Northwest MZ-1,[6] decreased overall spatial noise, decreased time series noise at monitored points,[7] improved feature visibility near the Ontario and Chino airports,[8] and improvements in spatial quadratic phase trend correction.[9]

For the ground-level surveys, Watermaster retained Guida Surveying, Inc. to conduct traditional leveling surveys at selected benchmark monuments in the western part of the Chino Basin. In April 2026, benchmark monuments in the Northwest and San Jose Fault Zone Areas were surveyed. Watermaster also established a new benchmark monument in the Northeast Area near De Anza Park in the City of Ontario and well ONT-33 to serve as a control point for future GPS surveys. Table 2-2 below shows the date of the most recent benchmark monument survey by ground-level survey area. The locations of the ground-level survey areas are shown on Figure 2-2.

Table 2-2. Benchmark Monuments Surveyed in Ground-Level Survey Areas

Ground-Level Survey Area	Date of Most Recent Survey
Managed Area[(a)]	May 2024
Central Area[(a)]	January 2018
Northwest Area	April 2026
San Jose Fault Zone Area	April 2026
Southeast Area[(a)]	May 2022
Northeast Area[(a)]	April 2020

(a) The entire benchmark monument survey network for the ground-level survey area was not surveyed in 2025/26 based on the GLMC scope and budget recommendations for FY 2025/26.

[6] InSAR results are subject to the Coastline Paradox. Small spatial filters preserve vertical estimate magnitude and fine spatial detail but may generate artifacts over less-coherent areas. Broad spatial filters obscure displacement estimates and reduce spatial detail but must be used to provide temporal continuity over areas with intermittent and spatially variant data quality. The current processing method balances the accuracy of small spatial filters with the necessity of broad spatial filters.

[7] The residual noise level in previous deliveries forced an overly complex workflow when converting InSAR displacement rasters to ArcGIS contours. The new processing method reduces the standard deviation over small areas while maintaining depth estimates. Though more complex than a spatially variant smoothing operation, it may be described as such.

[8] This improvement, particularly south of ONT around the Whispering Lakes golf course and extending southward toward Ontario Ranch, was made possible by the improvements noted above.

[9] Satellite ephemeris inaccuracies create quadratic phase trends in the processed interferometry. These trends may be thought of as "tilts" or "bends" across the complex data and are a source of displacement error if left uncorrected. Inaccuracies in the underlying elevation model may also contribute to overall phase trends. Correction requires careful selection of high-quality control points via manual masking and automatic data quality estimation. The improvements were made possible by updates to the GAMMA software, improved computing resources within the Watermaster, detailed analysis of the processed interferometry and displacement results with respect to previous deliveries and ground truth, and substantial analyst time invested by the Watermaster.

2.1.2.4 Monitoring of Horizontal Ground Motion

Watermaster periodically measures horizontal ground motion between benchmarks across areas that are susceptible to ground fissuring via EDMs. The dates of the most recent horizontal benchmark survey within the ground-level survey area are shown in Table 2-3. Horizontal benchmark surveys were not performed in 2025/26 and are not planned for 2026/27.

Table 2-3. Horizontal Benchmark Survey

Ground-Level Survey Area	Date of Most Recent Survey
Fissure Zone Area[(a)]	February 2018
San Jose Fault Zone Area[(a)]	May 2021

(a) EDMs across the Fissure Zone Area and San Jose Fault Zone Area were not conducted in 2025/26 based on GLMC scope and budget recommendations for FY 2025/26.

2.2 Land-Subsidence Investigations

The Watermaster performs land subsidence investigations pursuant to the Subsidence Management Plan and/or recommendations from the GLMC that are approved in the annual Watermaster budget. The goals of these investigations are to refine the Guidance Criteria (described in Section 1.1.3) or assist in the development of subsidence management plans to minimize or abate land subsidence and maximize the prudent extraction of groundwater.

This section describes the land subsidence investigations conducted between March 2025 and March 2026.

2.2.1 Subsidence Management Plan for Northwest MZ-1

In 2015, the GLMC developed the final Work Plan to develop a subsidence-management plan for Northwest MZ-1, which describes a multi-year effort with cost estimates to execute the Work Plan. The Work Plan was included in the Subsidence Management Plan as Appendix B.[10] The background and objectives of the Work Plan are described in Section 1.1.5. The Watermaster began implementation of the Work Plan in July 2015. The Work Plan has evolved over time as new data and information has been collected and evaluated by the GLMC. The following describes the Work Plan tasks and status of each task:

- **Task 1. Describe Initial Hydrogeologic Conceptual Model and Monitoring and Testing Program** – A final report was submitted to the GLMC and Watermaster in December 2017 that summarized the current state of knowledge of the hydrogeology of Northwest MZ-1, the data gaps needed to be filled to fully describe the occurrence and mechanisms of aquifer-system deformation and the pre-consolidation stress, and a strategy to fill the data gaps.
- **Task 2. Implement the Initial Monitoring and Testing Program** – The Watermaster's Engineer worked with the Watermaster, MVWD, City of Pomona, and SCADA Integrations, Inc. to identify and equip a set of wells with supervisory control and data acquisition (SCADA) monitoring capabilities and/or transducers. Through several field visits and technical meetings with the well owners, a protocol was developed to install monitoring equipment and collect pumping and piezometric data. For the City of Pomona, nine wells were equipped with transducers. For MVWD, seven wells were equipped with transducers,

[10] Source: http://www.cbwm.org/pages/reports/engineering/

two wells with sonar units, and two wells with air-line units. Hydraulic heads are recorded once every 15 minutes. Nine of the 11 MVWD wells were connected to the MVWD's existing SCADA system. The hydraulic head data from these wells are currently being collected and analyzed as part of the Northwest MZ-1 monitoring and testing program. These data will be used in future efforts to recalibrate the Chino Valley Model (MODFLOW model of Chino Basin) and the 1D Models at PX and MVWD-28.

- **Task 3. Develop and Evaluate the Baseline Management Alternative (BMA) and Task 4.** Develop and Evaluate the Initial Subsidence-Management Alternative – A final technical memorandum was submitted to the GLMC and Watermaster in December 2017 that described the construction, calibration, and use of a numerical one-dimensional aquifer-system compaction model (1D compaction model) at MVWD-28. The objective of this memo was also to explore the future occurrence of subsidence in Northwest MZ-1 under various basin-operation scenarios of groundwater pumping and artificial recharge and to identify potential subsidence mitigation strategies.
- **Task 5. Design and Install the Pomona Extensometer (PX) Facility** – The Watermaster's Engineer completed construction of two dual-nested piezometers located in Montvue Park, Pomona, CA in August 2019. Each PX piezometer was equipped with transducers and cable extensometers in June and July 2020 and has been collecting preliminary depth-specific hydraulic head and aquifer-system deformation since December 2020.

  The piezometers at the PX facility provide accurate, depth-specific head data. These data will be used in future efforts to verify or recalibrate the 1D Models at PX. However, the extensometers have not recorded aquifer-system deformation that is logically correlated with hydraulic head changes. During 2025/26, Watermaster rehabilitated the four piezometers and replaced or upgraded the extensometer cables, linear potentiometers, data acquisition software, and water-level monitoring equipment. During removal of the existing equipment, pressure-transducer cables were found tangled around the extensometer cables, which may have contributed to the poor data quality. Pressure transducers were subsequently replaced with sonic water-level sensors to eliminate downhole cable interference.

  Following reinstallation, monitoring resumed and the Watermaster Engineer continues to make incremental adjustments to the extensometers and evaluate the resulting data. Calibration and evaluation remain ongoing to improve the accuracy and reliability of the aquifer-system deformation measurements (see Section 2.1.1.1).
- **Task 6. Design and Conduct Aquifer-System Stress Tests (if necessary)** – The objective of this task is to perform controlled aquifer-system stress tests at pumping wells in Northwest MZ-1 and to monitor the depth-specific hydraulic head and aquifer-system deformation response at PX. This information, along with hydraulic head data collected as part of Task 2 will be used to help identify the subsidence mechanisms and the pre-consolidation stress(es) in Northwest MZ-1. The Watermaster Engineer has not yet identified specific questions that need to be answered with the controlled aquifer-system stress tests. It is recommended that a period of "passive" data collection and assessment of the data over time to determine if a controlled aquifer-system stress test is recommended in the future.
- **Task 7/8. Update the Hydrogeologic Conceptual Model/Construct and Calibrate Subsidence Modeling Tools** – The objectives of these tasks are: (i) to update the hydrogeologic conceptual model of Northwest MZ-1 based on new lithologic information from PX and an improved understanding of hydraulic head data across Northwest MZ-1; (ii)

describe the subsidence mechanisms and the pre-consolidation head by aquifer-system layer in Northwest MZ-1; and (iii) develop modeling tools that can be used to explore the future occurrence of subsidence in Northwest MZ-1 under various basin-operation scenarios of groundwater production and artificial recharge and to identify potential subsidence mitigation strategies.

A new 1D compaction model was constructed and calibrated using the hydrogeologic information collected at the PX. The 1D model at MVWD-28 was also updated and recalibrated using current information. This work was reviewed by the GLMC, and additional 1D model calibration refinements and sensitivity analyses were performed based on GLMC recommendations. In December 2022, the Watermaster Engineer, with review and input from the GLMC, deemed 1D model calibrations sufficient for simulation of future land subsidence under prospective plans for pumping and recharge (see Task 9 below).

- **Task 9. Refine and Evaluate Subsidence-Management Alternatives** – This task began in FY 2023-24 and helps answer the question: *What are potential methods to manage the land subsidence in Northwest MZ-1?*

The 1D compaction models at MVWD-28 and PX were used to characterize the mechanical response of the aquifer-system to an initial Subsidence Management Alternative (SMA-1). In 2023, the Watermaster Engineer, with review and input from the GLMC, developed an SMA-1, which is equivalent to the planning scenario that was simulated with the 2020 Chino Valley Model (CVM) to support the 2020 Safe Yield Recalculation (2020 SYR). The 2020 SYR was intended to represent and simulate the Parties' projected pumping, recharge, and use of storage through 2050. The results of the 2020 SYR (*i.e.,* projected hydraulic heads by CVM layer) were used as input data for the 1D Model simulations to predict the potential future occurrence of subsidence through 2050. In February 2024, the Watermaster Engineer published a final TM titled *1D Model Simulation of Subsidence in Northwest MZ-1—Subsidence Management Alternative #1*. The Watermaster Engineer's recommendations from this work were the following:

- Establish a preliminary "Northwest MZ-1 Guidance Level" of 630 ft-amsl for hydraulic heads in Layers 3 and 5 at the PX location. The *preliminary* Guidance Level is an aspirational Watermaster recommendation that, if achieved, would likely slow or stop aquitard compaction and land subsidence in Northwest MZ-1.
- Compliance with the Guidance Level should be measured at the PX-2/3 piezometer, which is generally representative of heads in Layers 3 and 5.
- The methods to achieve the Guidance Level could include but are not limited to: voluntary modification of pumping patterns; in-lieu recharge; wet-water recharge via spreading and/or injection; or a combination of methods. These methods might necessitate voluntary modification of water-supply plans of the purveyors in the Chino Basin; modification of Watermaster practices for recharge and replenishment; and/or the implementation of regional-scale storage or conjunctive-use programs.
- Additional SMAs should be developed and evaluated with the 1D Models to generate the necessary information to finalize the Guidance Level and the *Subsidence Management Plan for Northwest MZ-1*. The additional SMAs could be developed during Watermaster's groundwater modeling efforts associated with the 2025 Safe Yield Reevaluation and the update to the Storage Management Plan. The GLMC should participate in the scenario building exercises associated with these Watermaster efforts to develop the SMAs, so that the scenarios include various methods to achieve the Guidance Level. Then, the 1D Models should be used to evaluate the potential future subsidence in Northwest MZ-1 under the

SMAs. These model results and evaluations will support the recommendation for a Guidance Level(s) in the *Subsidence Management Plan for Northwest MZ-1*. It should be noted that future monitoring and analyses always hold the potential for revisions to the Guidance Level, consistent with the adaptive management approach called for in the Chino Basin Subsidence Management Plan.

During FY 2025/26, the Watermaster Engineer advanced this recommendation by simulating subsidence at the PX using the results from the 2025 Safe Yield Reevaluation and the 1D compaction model; developing zone-budget projections with the CVM to evaluate future recharge and pumping in Northwest MZ-1 to achieve the Guidance Level(s); and developing preliminary subsidence-management guidance criteria based on the modeling results. The methods, results, and findings from this work will be documented in a separate technical memorandum in FY 2026/27.

Task 10. Update the Chino Basin Subsidence Management Plan – The objective of this task is to incorporate the recommended Guidance Criteria for Northwest MZ-1 into the Chino Basin Subsidence Management Plan.

During FY 2026/27, the Watermaster Engineer plans to complete Task 9 and use the results to support the update of the Chino Basin Subsidence Management Plan. The updated Subsidence Management Plan will require review and input by the GLMC and the Watermaster Pools, Advisory Committee, and Board. The Watermaster will apprise the Court of revisions to the Subsidence Management Plan as part of its OBMP implementation status reporting. The updated Chino Basin Subsidence Management Plan is anticipated to be completed by the end of FY 2026/27.

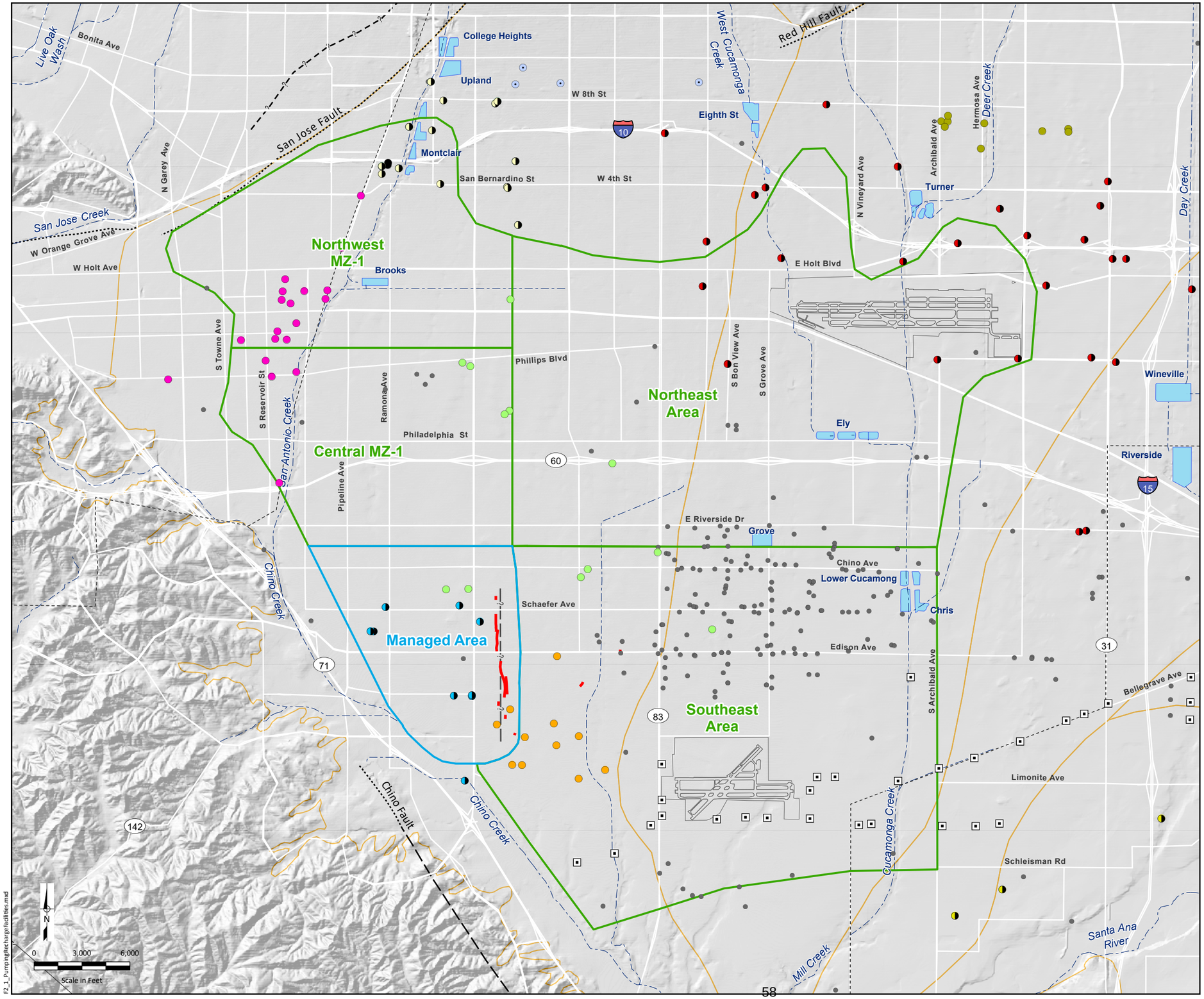
It should be noted that future monitoring and analyses always hold the potential for revisions to the Guidance Criteria, consistent with the adaptive management approach called for in the Chino Basin Subsidence Management Plan.

2.2.2 Northeast Area Subsidence Investigation

In the Northeast Area, the long- and short-term InSAR estimates indicate that persistent downward ground motion has occurred in a concentrated area in the vicinity of Whispering Lakes Golf Course, south of the Ontario Airport between Vineyard Avenue and Archibald Avenue. The western and eastern edges of this subsiding area exhibit steep subsidence gradients (i.e., differential subsidence).

In FY 2021/22, the Watermaster conducted a reconnaissance-level subsidence investigation of the Northeast Area focusing on the Whispering Lakes Subsidence Feature. This investigation included collection, review, and analysis of available borehole and lithologic data, pumping and recharge data, hydraulic head measurements, and InSAR estimates of vertical ground motion. Figures and charts were prepared for the *2021-22 Annual Report of the GLMC* to support the data analysis, interpretations, and recommendations for future investigations and monitoring.

For this annual report, additional monitoring and analysis of groundwater pumping, land use, and land subsidence as measured by InSAR were conducted for the period 2025-26. The results, conclusions, and recommendations of the analysis are reported in Section 3.5.



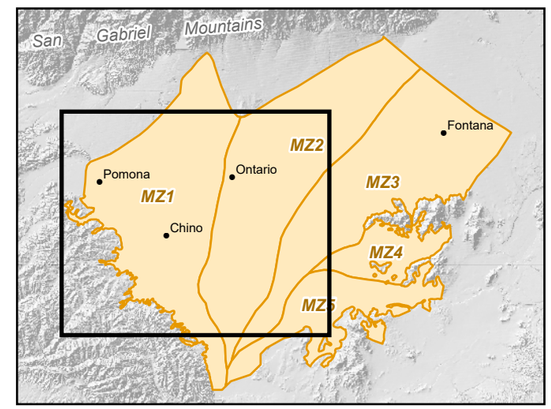
F2_1_PumpingRechargeFacilities.mxd

Active Groundwater Pumping Wells
April 1, 2025 to March 31, 2026

- Private
- California Institution for Men
- Chino Basin Desalter Authority
- City of Chino
- City of Chino Hills
- City of Ontario
- City of Pomona
- City of Upland
- Cucamonga Valley Water District
- Golden State Water Company
- Jurupa Community Services District
- Monte Vista Water District

Other Features

- Managed Area
- Areas of Subsidence Concern
- Flood Control and Conservation Basins

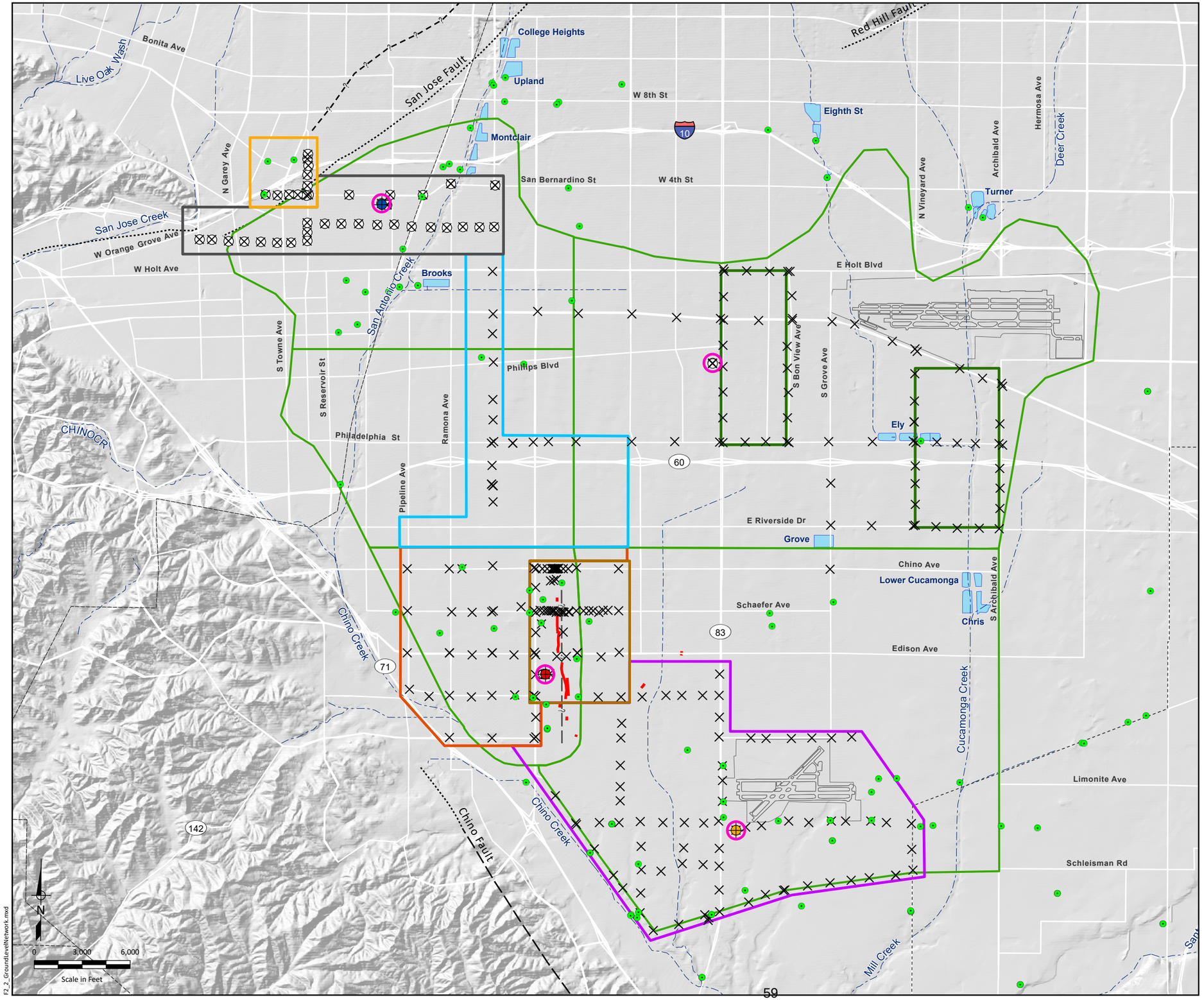


Chino Basin Watermaster

2025/26 Annual Report for the
Ground-Level Monitoring Program

Figure 2-1

Pumping and Recharge Facilities
Western Chino Basin: 2025/26



Ground-Level Monitoring Network Facilities

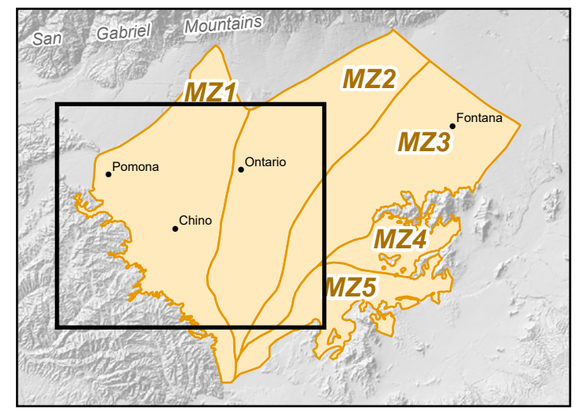
- Pomona Extensometer
- Ayala Park Extensometer
- Chino Creek Extensometer
- All Program Transducer Wells
- GPS Control Points
- Ground-Level Survey Benchmark
- Ground-Level Benchmark (Measured April 15, 2026)

Ground-Level Survey Areas

- Managed Area
- Fissure Zone Area
- Central Area
- Northwest Area
- San Jose Fault Zone Area
- Northeast Area
- Southeast Area

Other Features

- Areas of Subsidence Concern
- Flood Control and Conservation Basins

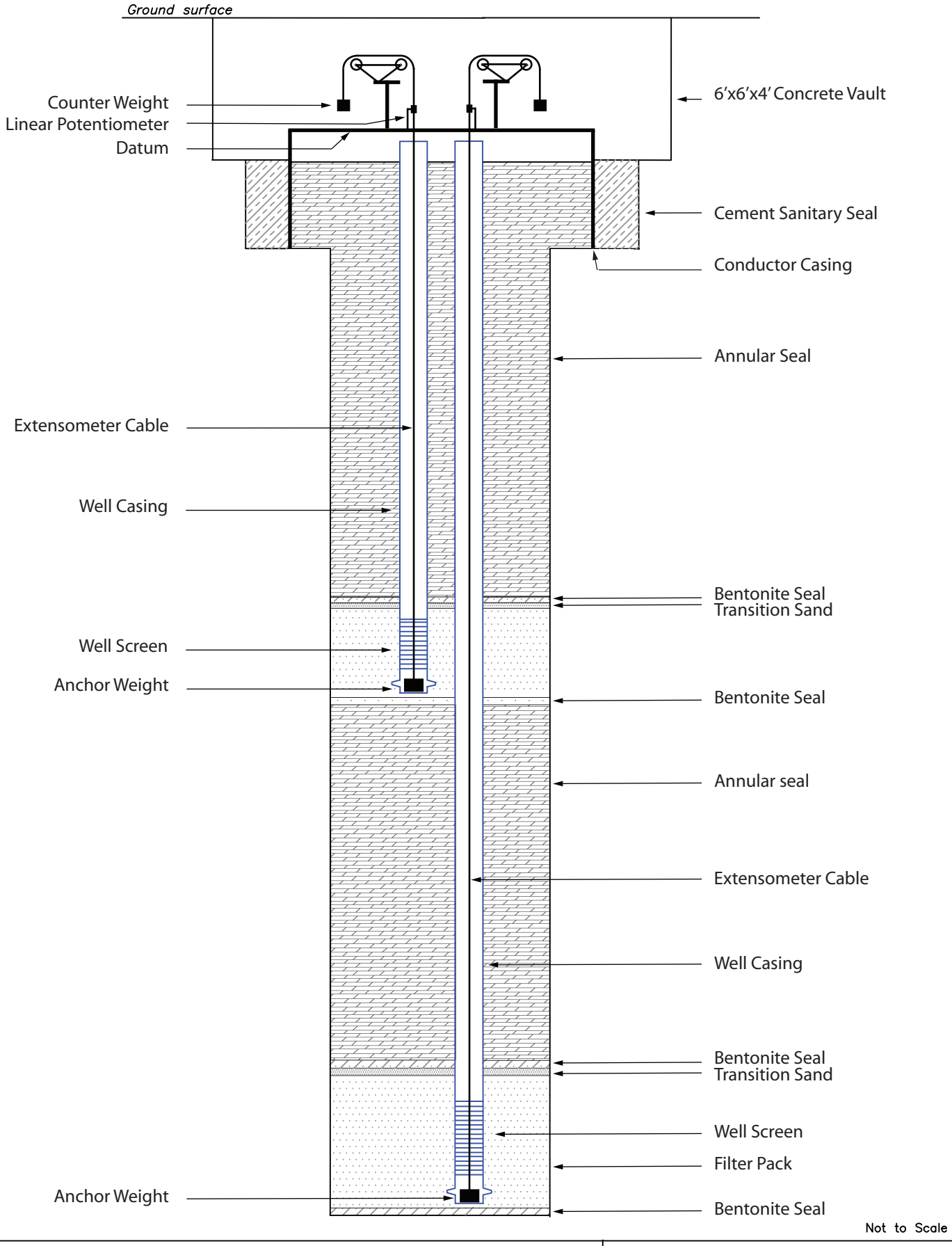


Chino Basin Watermaster

2025/26 Annual Report for the Ground-Level Monitoring Program

Figure 2-2

Ground-Level Monitoring Network Western Chino Basin



Prepared by:

WEST YOST

Prepared for:

Chino Basin Watermaster
2025/26 Annual Report for the
Ground-Level Monitoring Program

Dual-Nested Cable Extensometer
Conceptual Schematic

Figure 2-3

3.0 RESULTS AND INTERPRETATIONS

This section describes the results and interpretations derived from the GLMP for the Managed Area and Areas of Subsidence Concern in the Chino Basin for the March 2025 to March 2026 reporting period. Figures 3-1a, 3-1b, 3-1c, 3-1d, and 3-1e are maps that display vertical ground motion as measured by InSAR across the western portion of the Chino Basin between the periods of March 2011 and March 2026, March 2025 and March 2026, March 2011 and March 2016, March 2016 and March 2021, and March 2021 and March 2026, respectively. The maps also show the locations and magnitude of pumping and artificial recharge, which represent the stresses to the aquifer-system that can cause ground motion. Data shown on these and other figures are described and interpreted in this section to describe the historical and current state of land subsidence across the five Areas of Subsidence Concern in the Chino Basin. In general, the rates of subsidence have been slowing and there have been no documented reports of ground fissuring or damage to overlying infrastructure during the reporting period.

3.1 Managed Area

The Managed Area is the primary focus of the Subsidence Management Plan. The discussion below describes the results and interpretations of the monitoring program in the Managed Area and, where appropriate, relative to the Guidance Criteria in the Subsidence Management Plan.

3.1.1 History of Stress and Strain in the Aquifer-System

Figure 3-2 illustrates the long-term history of groundwater pumping, hydraulic heads, and vertical ground motion in the Managed Area. Also shown is the volume of the direct use of recycled water in the Managed Area, which is an alternative water supply that can result in decreased groundwater pumping from the area. Recycled water is often used for irrigation purposes and can contribute to groundwater recharge to the shallow aquifer-system as well. General observations and interpretations from this chart are:

- Pumping from the shallow aquifer-system between the 1930s and about 1977 caused hydraulic heads to decline by about 150 ft. From 1978 to 1990, hydraulic heads recovered by about 50 ft.
- Pumping from the confined, deep aquifer-system during the 1990s caused hydraulic heads to decline, coinciding with high rates of land subsidence. About 2.5 ft of subsidence occurred from 1987 to 1999, and ground fissures opened within the City of Chino in the early 1990s.
- Since the early 2000s, groundwater pumping decreased, hydraulic heads in the deep aquifer-system recovered, and the rate of land subsidence declined significantly across the Managed Area.
- The direct use of recycled water, which began in 1997, may have contributed to decreased groundwater pumping from the area, which in turn, may have contributed to the observed increases in hydraulic heads in the Managed Area.
- Since 2005, hydraulic heads at PA-7 have not declined below the Guidance Level, and very little inelastic compaction was recorded in the Managed Area. These observations demonstrate the effectiveness of the Subsidence Management Plan in the management of land subsidence in the Managed Area.

3.1.2 Recent Stress and Strain in the Aquifer-System

This subsection discusses the last 15 years of groundwater pumping, changes in hydraulic heads, and vertical ground motion in the Managed Area under the Subsidence Management Plan.

3.1.2.1 Groundwater Pumping and Hydraulic Heads

Table 3-1 summarizes groundwater pumping by well within the Managed Area for Fiscal Year 2012 through March 2026. Groundwater pumping in the Managed Area has declined from about 5,772 acre-feet (af) in 2012 to almost negligible volumes since 2019 through 2026. A total of about 205 af of groundwater pumping occurred in the Managed Area from April 1, 2025, to March 31, 2026, and 100 percent of the groundwater pumping was from wells screened across the shallow aquifer-system.

Figure 3-3 displays the hydraulic stresses and mechanical strains that have occurred within the shallow and deep aquifer-systems in the Managed Area over the period January 2011 through March 2026. The figure includes three time-series charts: quarterly groundwater pumping (hydraulic stress to the aquifer-systems); the resultant head changes (hydraulic responses to pumping); and aquifer-system deformation as measured at the Ayala Park Extensometers (mechanical strain that occurred within the aquifer-system sediments in response to the head changes). The following are observations and interpretations regarding pumping and head changes:

- From 2011 to 2018, there was a seasonal pattern of pumping in the Managed Area – increased pumping during the spring to fall and decreased pumping during the winter. Since 2018, very little pumping has occurred in the Managed Area.
- Hydraulic heads respond differently to the pumping stresses in the shallow and deep aquifer-systems. Pumping from the deep confined aquifer-system causes a hydraulic head decline that is much greater in magnitude than the hydraulic head decline caused by pumping from the shallow aquifer-system despite that more groundwater pumping has occurred from the shallow aquifer-system.
- The hydraulic head at PA-7 (deep aquifer-system) has fluctuated from a low of approximately 190 ft-btoc in August 2013 to a high of about 48 ft-btoc in April 2026 and has not declined below the Guidance Level of 245 ft-btoc.
- The recovery of hydraulic heads in the deep aquifer-system to above 90 ft-btoc in May 2025 represented “full recovery” of hydraulic head at PA-7 as defined in the Subsidence Management Plan.
- Since the first instance of full recovery in 2012, the hydraulic head at PA-7 recovered to 90 ft-btoc or greater in 2016, 2018, 2019, 2022, 2023, and 2025 which complies with the recommendation in the Subsidence Management Plan for full recovery within the deep aquifer-system at least once every five years.[11]

[11] Page 2-2 in the Subsidence Management Plan, Section 2.1.1.3—Recovery Periods: “Every fifth year, Watermaster recommends that all deep aquifer-system pumping cease for a continuous period until water-level recovery reaches 90 ft-btoc at PA-7. The cessation of pumping is intended to allow for sufficient water-level recovery at PA-7 to recognize inelastic compaction, if any, at the Ayala Park Extensometer and at other locations where groundwater-level and ground-level data are being collected.”

- Since 2018, hydraulic heads at PA-10 and PA-7 have increased to relatively high levels because of very little pumping from the shallow and deep aquifer-systems in the Managed Area. On April 1, 2026, heads were at or near their highest recorded levels, at about 48 ft-btoc in both PA-10 and PA-7.

3.1.2.2 Aquifer-System Deformation

Figure 3-3 also includes a time-series chart of vertical deformation of the aquifer-system as measured at the Ayala Park Extensometers for the period January 2011 through March 2026. The following are observations and interpretations regarding aquifer-system deformation in response to the pumping and head changes:

- There has been seasonal compression and expansion of the aquifer-system in response to the seasonal decline and recovery of hydraulic heads, which indicates that the vertical deformation of the aquifer-system was mainly elastic during this period.
- However, between April 6, 2011 and May 3, 2018 (dates of full recovery at PA-7 to 90 ft-btoc), the Ayala Park Deep Extensometer recorded about 0.03 ft of aquifer-system compression, which indicates that this compression was permanent compaction that occurred within the depth interval of 30-1,400 ft-bgs.[12]
- From May 3, 2018 to May 22, 2025 (dates of full recovery at PA-7), the Deep Extensometer recorded multiple cycles of aquifer-system compression and expansion in response to multiple cycles of decline and recovery of hydraulic heads at PA-7. For much of this period, hydraulic heads at PA-7 remained above 90 ft-btoc (i.e., the full recovery threshold) and the Deep Extensometer recorded about 0.05 ft of expansion, indicating that the vertical deformation of the aquifer-system was mainly elastic.
- Since May 2025, hydraulic heads at PA 7 have remained above the full recovery threshold and increased to their highest recorded levels, and concurrently, the Deep Extensometer recorded its highest level of expansion. These trends indicate that vertical deformation of the deep aquifer-system sediments was mainly elastic from May 2025 to April 2026.

Figure 3-4 is a stress-strain diagram of hydraulic heads measured at PA-7 (stress) versus vertical deformation of the aquifer-system sediments as measured at the Deep Extensometer (strain). This diagram provides additional information on the nature of the aquifer-system deformation (i.e., elastic versus inelastic deformation). The hysteresis loops on this figure represent cycles of hydraulic head decline-recovery and the resultant compression-expansion of the aquifer-system sediments. The diagram can be interpreted to understand the timing and magnitude of the occurrence of inelastic compaction within the depth interval of the aquifer-system that is penetrated by the Deep Extensometer. Hydraulic head decline (drawdown) is shown as increasing from bottom to top on the y-axis, and aquifer-system compression (compaction) is shown as increasing from left to right on the x-axis. The following are observations and interpretations regarding aquifer-system deformation in response to the head changes:

- From May 2006 to May 2018, the hysteresis loops progressively shifted to the right on this chart, indicating that about 0.065 ft of inelastic compaction occurred during this time-period. However, the rate of inelastic compaction appeared to gradually decline over this 12-year period.

[12] The analysis of full recovery and inelastic compaction at Ayala Park was included in the 2016 Annual Report (WEI, 2016).

- From May 2018 to May 2025, the hydraulic heads at PA-7 fluctuated between about 60-120 ft-btoc, with hydraulic heads remaining about 90 ft-btoc (i.e., the full recovery threshold) for much of this time. During this period, the hysteresis loops started to overlap one another and then shifted to the left, indicating that the vertical deformation of the aquifer-system was mainly elastic expansion of the aquifer-system sediments.
- Since May 2025, hydraulic heads at PA-7 have increased and returned to about 48 ft-btoc. The hysteresis loops continued to overlap loops from prior time periods—indicating that the vertical deformation of the aquifer-system has remained elastic.

3.1.2.3 Vertical Ground Motion

Vertical ground motion is measured across the Managed Area via InSAR, traditional ground-level surveys, and the Deep Extensometer. Figures 3-1a, 3-1b, 3-1c, 3-1d, and 3-1e illustrate vertical ground motion[13] as estimated by InSAR for the periods of March 2011 and March 2026, March 2025 and March 2026, March 2011 and March 2016, March 2016 and March 2021, and March 2021 and March 2026, respectively.

Where coherent, the InSAR estimates of vertical ground motion from 2011 to 2026 shown on Figure 3-1a range from about +0.12 ft to -0.08 ft across the Managed Area. The greatest downward ground motion occurred in the southeastern portion of the Managed Area. The InSAR estimates of vertical ground motion from 2025 to 2026 shown on Figures 3-1b indicate minor upward vertical ground motion across the Managed Area.

The City of Chino Well 15 (C-15) is in the northern portion of the Managed Area, is screened across both the shallow and deep aquifers, and has been equipped with a transducer that measures and records hydraulic heads once every 15 minutes. These InSAR and hydraulic head data at the C-15 location provide information on the nature of the aquifer-system deformation that occurred in this area (i.e. elastic versus inelastic deformation). Figure 3-5 is a time-series chart that compares the hydraulic heads at C-15 to vertical ground motion as measured by InSAR at the same location between 2005 and 2026. The main observations from this chart are:

1. The InSAR record at C-15 is measuring seasonal elastic vertical ground motion which is caused by seasonal fluctuations in hydraulic head and the resultant seasonal elastic deformation in the aquifer-system(s). The seasonal fluctuations of hydraulic head at C-15 are coincident with the seasonal fluctuations of vertical ground motion measured by InSAR at the same location.
2. From 2007 to 2018, InSAR indicates a long-term trend of downward ground motion at C-15. However, hydraulic heads at C-15 during this same time-period increased, indicating that at least 0.28 ft of subsidence was caused by inelastic compaction of the aquifer-system. The inelastic compaction that occurred during this period of increasing hydraulic head most likely represents the delayed drainage and compaction of aquitards due to historical head declines that occurred prior to 2007.

[13] Upward vertical ground motion is indicated by positive values; downward vertical ground motion is indicated by negative values.

3. Since 2018, the long-term subsidence trend appears to have stopped, indicating that inelastic compaction of the aquitards has also stopped. This observation is supported by the Deep Extensometer record, which indicates mostly elastic deformation of the aquifer-system since 2018 (see Figure 3-4). The recent cessation of subsidence observed at C-15 is likely a result of increasing hydraulic heads in the aquifers, which has led to equilibration with hydraulic heads in the aquitards and the cessation of aquitard drainage and compaction.
4. The California Department of Water Resources (DWR) has recently provided guidance for using monitoring data (i.e., ground motion and head data) to estimate critical head "thresholds" as management criteria to protect against the future occurrence of land subsidence.[14] Using the DWR's "Empirical Analysis" method, when groundwater elevations at C-15 remain above about 588 ft-above mean sea level (ft-amsl), no permanent land subsidence occurs at this location.

3.2 Southeast Area

Vertical ground motion is measured across the Southeast Area via InSAR, traditional ground-level surveys, and the Chino Creek Extensometer Facility (CCX). The InSAR results (Figures 3-1a through 3-1e) are somewhat incoherent across much of this area because the overlying agricultural land uses are not hard, consistent reflectors of radar waves. In addition, recent construction activities have altered land cover and surface reflectivity, further reducing InSAR reliability in some locations. Where InSAR results are incoherent, the history of subsidence is best characterized by ground-level surveys and the CCX.

Figure 3-6 is a time-series chart that displays and describes the history of groundwater pumping, the direct reuse of recycled water, hydraulic heads, and vertical ground motion in the Southeast Area from 1930 to 2026. Vertical ground motion is estimated by InSAR, extensometer data, and ground-level surveys across the Southeast Area from 1987 to 2026; however, ground-level survey data were not acquired in this area since 2024. The main observations and interpretations from Figure 3-6 are:

- From the 1940s to about 1968, hydraulic heads declined by up to about 75 ft. There is a data gap from about 1968 to 1988; however, it is likely that hydraulic heads continued to decline from 1968 to 1978, as was the case in most portions of the Chino Basin during this period. In the western portion of the Southeast Area, hydraulic heads remained relatively stable from 1988 to 2010 and then gradually increased by about 10 to 30 ft from 2010 to 2026 (see wells CH-18A, C-13, CCPA-1, and CCPA-2). In the eastern portion of the Southeast Area, hydraulic heads have been gradually declining by about 5 to 15 ft between 2005 and March 2026 (see wells HCMP-1/1 and HCMP-1/2) likely in response to pumping at the Chino Basin Desalter Authority (CDA) wells.
- Figure 3-6 also displays vertical ground motion as estimated by InSAR, periodic ground-level surveys, and deep aquifer extensometer data located at CCX-2. All three methods indicate relatively minor ground motion over the period and similar, but not exact, spatial patterns and magnitudes of ground motion across the Southeast Area. These differences are likely related to the relative incoherence of the InSAR results, differences in the timing of the ground-level surveys and the SAR acquisition, and/or the relative errors associated with each monitoring technique. From 1987-2024, maximum downward ground motion of about 0.6 ft was

[14] https://water.ca.gov/Programs/Groundwater-Management/SGMA-Groundwater-Management/Best-Management-Practices-and-Guidance-Documents

estimated by ground-level surveys in the northwestern portion of the area (BM-137/61). From 2011-2026, maximum downward ground motion of about 0.36 ft was estimated by InSAR in the northeastern portion of the area (north of Chino Avenue). From 2012-2026, about 0.02 ft of upward ground motion was estimated by the deep aquifer extensometer data recorded at CCX-2. This gradual downward ground motion measured by the ground-level surveys and InSAR most likely represents the delayed drainage and compaction of aquitards due to the historical head declines that occurred prior to the Judgment.

- For the current period March 2025 and March 2026, hydraulic heads remained relatively stable or increased across most of the area, and Figures 3-1b and 3-6 indicate minor ground motion across most of the Southeast Area.

Figure 3-7 displays the time series of hydraulic heads and vertical aquifer-system deformation recorded at the CCX, which began collecting data in July 2012. In general, hydraulic heads at the CCX vary seasonally and remained relatively stable or increased since 2012, and a small amount of elastic expansion of the aquifer-system has been measured by the CCX extensometers. Groundwater pumping began at the Chino Creek Well Field in 2014, but appears to have had little, if any, effect on hydraulic heads or aquifer-system deformation at the CCX through March 2026. However, pumping from the deep aquifer-system at CDA Wells 1 through 4 restarted in 2023 and caused about 10 ft of decline in hydraulic heads at the CCPA-2 well and about 0.024 ft of compression of the aquifer-system as recorded at the CCX-2 extensometer. In general, the aquifer-system deformation recorded at the CCX is minor and likely elastic, which is consistent with the estimates of vertical ground motion as measured by InSAR and ground-level surveys (as shown on Figures 3-1a through 3-1e and 3-6).

3.3 Central MZ-1

Vertical ground motion is measured across Central MZ-1 via InSAR and traditional ground-level surveys. Figures 3-1a through 3-1e are maps that display vertical ground motion as measured by InSAR across Central MZ-1 over various periods during March 2011 to March 2026. The InSAR results are generally coherent across this area because the overlying land uses are urban and serve as hard and consistent reflectors of radar waves. Ground-level surveys are performed periodically along the eastern portion of the area. Figure 3-8 is a time-series chart that displays and describes the long-term history of pumping, recharge, hydraulic heads, and vertical ground motion in Central MZ-1. The following observations and interpretations are derived from these figures:

- Hydraulic head data are absent in the southern portion of Central MZ-1. In the northern portion of Central MZ-1, hydraulic heads declined by about 200 ft from 1930 to about 1978. From 1978 to 1986, hydraulic heads increased by about 80 ft and remained relatively stable or slightly increased from 1986 to 2026. Recent hydraulic heads (1986 to 2026) in the northern portion of Central MZ-1 are about 120 ft lower than the hydraulic heads in the 1930s.
- About 1.8 ft of subsidence occurred near Walnut and Monte Vista Avenue from 1988 to 2000, as measured by ground-level surveys at BM 125/49. Since 2000, the rate of subsidence has slowed significantly, with about 0.34 ft of additional subsidence occurring at a declining rate from 2000 to 2021, the most recent year this benchmark was surveyed. The timing and magnitude of vertical ground motion along the eastern side of Central MZ 1 are similar to those observed in the Managed Area, suggesting that similar aquifer mechanics may be contributing to land subsidence in both areas. However, there is insufficient historical head data in this area to confirm this relationship.

- Figure 3-1a shows that the areas that experienced the greatest magnitude of subsidence from March 2011 to March 2026 are in the eastern portion of Central MZ-1, where up to about 0.32 ft of downward ground motion has occurred—an average rate of about 0.02 ft/yr. Hydraulic heads remained relatively stable in this area from 2011 to 2026, which indicates that the downward vertical ground motion was, at least in part, permanent subsidence due to delayed aquitard drainage in response to the historical declines in hydraulic heads that occurred from 1930 to 1978.
- The ground motion measured by InSAR on Figure 3-1a also shows that the groundwater barrier (Riley Barrier) in the Managed Area may extend northward into Central MZ-1 to at least Mission Boulevard. This observation is evidenced by a steep subsidence gradient located just east of Central Avenue.
- Figure 3-1b shows that between March 2025 and March 2026 minor upward vertical ground motion occurred across most of Central MZ-1 while heads remained relatively stable or increased—indicating that delayed aquitard drainage has ceased in this area.

3.4 Northwest MZ-1

Vertical ground motion is measured across Northwest MZ-1 via InSAR and ground-level surveys. The InSAR results are generally coherent across this area because the overlying land uses are urban and serve as hard, consistent reflectors of radar waves. Ground-level surveys have been performed annually in the early spring across the area to supplement and check the InSAR estimates of vertical ground motion.

Figures 3-1a through 3-1e are maps that display vertical ground motion as measured by InSAR across Northwest MZ-1 over various periods during March 2011 to March 2026. Figure 3-9a is a time series chart that displays the long-term history of pumping, recharge, hydraulic heads, and vertical ground motion in Northwest MZ-1. Figure 3-9b displays the most recent estimates of vertical ground motion from InSAR and ground-level surveys across Northwest MZ-1 from March 2017 to April 2026. The following observations and interpretations are derived from these figures:

- From about 1930 to 1978, hydraulic heads in Northwest MZ-1 declined by about 200 ft. From 1978 to 1985, hydraulic heads increased by about 100 ft. From 1985 to 2026 hydraulic heads fluctuated but remained relatively stable at elevations well below the levels of 1930.
- A maximum of about 1.46 ft of subsidence occurred in this area from 1992 through March 2026—an average rate of about 0.04 ft/yr—while hydraulic heads remained relatively stable. The persistent subsidence that occurred from 1992 to 2026 cannot be entirely explained by the concurrent changes in hydraulic heads. A plausible explanation for this subsidence is that thick, slow-draining aquitards have been permanently compacting in response to the historical declines in hydraulic heads that occurred between 1930 and 1978.
- From March 2011 to March 2026, the InSAR results indicate that the maximum rate of downward ground motion in Northwest MZ-1 slowed to about 0.033 ft/yr. This resulted in a maximum of about 0.48 ft of downward ground motion near the intersection of Indian Hill Boulevard and San Bernardino Street.

- Figure 3-9b shows that the ground-level survey results from 2017 to 2026 indicate a similar spatial pattern of downward ground motion as estimated by InSAR, although the InSAR results generally indicate greater magnitudes of downward ground motion near the PX facility. These differences may be related to the different timing of the ground-level surveys and the SAR acquisition, differences in reference elevations, and/or relative errors associated with each monitoring technique.
- Figure 3-1b shows that InSAR data from March 2025 to March 2026 indicate minor downward ground motion of approximately 0.02 feet in the Northwest MZ-1 Area. In contrast, ground-level survey results (Figure 3-9a) show downward ground motion of about 0.05 ft during the same period. These differences are most likely related to the different timing of the ground-level surveys and the SAR acquisition and/or relative errors associated with each monitoring technique.
- Figures 3-1c through 3-1e are InSAR maps that illustrate the slowing rate of subsidence in Northwest MZ-1 from 2011-2026: about 0.28 ft of subsidence from 2011 to 2016; 0.12 ft of subsidence from 2016 to 2021; and 0.08 ft of subsidence from 2021 to 2026. This slowing rate of subsidence is likely due to a combination of increasing heads associated with reduced groundwater pumping and increased recharge, as shown on Figure 3-9a, and the gradual equilibration of hydraulic heads between aquifers and aquitards, which reduces the rate of delayed aquitard drainage and compaction associated with the historical groundwater level declines.

As described above, Figure 3-1a shows that maximum downward ground motion during 2011-2026 occurred near the intersection of Indian Hill Boulevard and San Bernardino Street. City of Pomona Well 30 (P-30) is a non-pumping well located just south of this area and is screened across the shallow aquifer and upper portion of the deep aquifer. P-30 was equipped with a transducer that measured and recorded hydraulic heads at 15-minute intervals from September 2006 to September 2024. The transducer was temporarily removed to accommodate ongoing well improvements and will be reinstalled upon completion of the work. In the meantime, water levels are being measured manually on a monthly basis. These data can provide information on the nature of the aquifer-system deformation that occurred in this area (i.e., elastic versus inelastic deformation). Figure 3-10 is a time-series chart that compares the hydraulic heads at P-30 to vertical ground motion as estimated by InSAR between 2006 and 2026. The main observations from this chart are:

- The InSAR record at P-30 shows seasonal elastic vertical ground motion that generally coincides with fluctuations in hydraulic head, indicating elastic deformation of the aquifer-system. However, the long-term trend of subsidence persisted at a decreasing rate between 2005 and 2026 despite periods of hydraulic head recovery.
- InSAR indicates a long-term trend of downward ground motion at P-30 from 2005 to 2017. However, hydraulic heads at P-30 during this same period increased, indicating that at least about 0.37 ft of subsidence was caused by inelastic compaction of the aquifer-system. The inelastic compaction that occurred during this period of increasing hydraulic heads most likely represents the delayed drainage and compaction of aquitards due to historical head declines.
- Between 2018 and 2026, the long-term subsidence trend appeared to have slowed, indicating that inelastic compaction of the aquitards had also slowed. The recent slowing of subsidence observed at P-30 was likely a result of increasing hydraulic heads in the aquifers, which has led to equilibration with hydraulic heads in the aquitards and the slowing of aquitard drainage and compaction.

- Between 2018 and early 2026, the hydraulic head at P-30 experienced seven cycles of head decline and recovery. The head decline and recovery at P-30 appears to be contemporaneous with the downward and upward vertical ground motion measured by InSAR at P-30 during this same period. These observations suggest that in Northwest MZ-1 changes in hydraulic heads, which are controlled by the pumping and recharge stresses in the area, control the pattern and rate of subsidence.
- The DWR has recently provided guidance for using monitoring data (i.e., ground motion and head data) to estimate critical head "thresholds" as management criteria to protect against the future occurrence of land subsidence.[14] Using the DWR's "Empirical Analysis" method, which is based on its Subsidence Best Management Practices, when groundwater elevations at P-30 remain above about 568 ft-amsl, very little permanent land subsidence occurs at this location.

3.5 Northeast Area

Vertical ground motion is measured across the Northeast Area via InSAR and ground-level surveys. In December 2017, a new network of benchmarks was installed across the Northeast Area (see Figure 2-2) and surveyed for initial elevations in January 2018. The Northeast Area benchmark network was last surveyed April 2020. In April 2026, Watermaster established a new benchmark monument in the Northeast Area near well ONT-33 and De Anza Park in the City of Ontario to serve as a control point for future GPS surveys. Beginning in 2026/27, the Watermaster Engineer recommends using this control point for annual GPS surveys of vertical ground motion in the Northeast Area.

Figures 3-1a through 3-1e are maps that display vertical ground motion as measured by InSAR across Northeast Area over various periods during March 2011 to March 2026. Figure 3-11 is a time-series chart that displays and describes the long-term history of pumping, recharge, hydraulic heads, and vertical ground motion in the Northeast Area. The following observations and interpretations are derived from these figures:

- From 1930 to 1978, hydraulic heads in the Northeast Area declined by about 125 ft. From 1978 to 1985, hydraulic heads increased by about 25 ft. From 1985 to 2026, hydraulic heads fluctuated but have generally remained relatively stable.
- From 1992 to 2026, about 1.18 ft of subsidence occurred in the Northeast Area near the intersection of Euclid Avenue and Phillips Street (Point D on the inset map on Figure 3-11). From 1992 to 2011, the subsidence occurred at a gradual and persistent rate of about 0.04 ft/yr. From 2011 to 2026, the subsidence rate declined to about 0.02 ft/yr. Hydraulic heads have remained relatively stable in this area from 1992-2026, which indicates that the downward ground motion was, at least in part, permanent subsidence due to delayed aquitard drainage in response to the historical declines in hydraulic heads that occurred from 1930 to 1978. The recent slowing of subsidence rates are likely due to decreases in pumping, increases in recharge, and equilibration of heads within the aquifers and aquitards.

3.5.1 Whispering Lakes Subsidence Feature

Figures 3-1a through 3-1e also show that downward ground motion has occurred in a concentrated area between Vineyard Avenue and Archibald Avenue, south of the Ontario International Airport in the vicinity of Whispering Lakes Golf Course in the City of Ontario (referred to herein as the Whispering Lakes Subsidence Feature). The Whispering Lakes Subsidence Feature was identified through enhanced processing and interpolation techniques used by General Atomics in post-processing the InSAR data and

preparing interferograms (see Section 2). Figure 3-1a indicates that a maximum of about 0.64 ft of downward ground motion occurred in this area from March 2011 to March 2026.

At the time of the recognition of the Whispering Lakes Subsidence Feature, there was not enough information to describe the history of the subsidence feature or its causes. As an initial step, the Watermaster Engineer performed a desktop investigation utilizing readily available data and information (the "Whispering Lakes Subsidence Investigation"). The specific objectives of the desktop investigation were to:

- Describe the history of the Whispering Lakes Subsidence Feature, including the extent and rate of subsidence.
- Attempt to identify the most plausible mechanism(s) causing the differential subsidence.
- Identify data gaps, if any, that need to be filled to characterize the extent, rate, and mechanisms of the differential subsidence.

The main potential mechanisms for the Whispering Lakes Subsidence Feature that were investigated included:

- Aquitard drainage and compaction
- Shallow soil consolidation due to historical land use and/or land use changes
- Differential tectonic movements

The results, conclusions, and recommendations of the Whispering Lakes Subsidence Investigation were published in the 2021/22 Annual Report of the GLMC.[15]

Since 2022, additional monitoring was conducted. Figure 3-12 is a series of air photo maps overlain with the annual subsidence contours from 2022-26 and cumulative subsidence contours from 2011-2026. Figure 3-12 demonstrates that: (i) land subsidence has continued to occur in this area at rates between 0.04 - 0.06 ft/yr during 2022-25, although the most recent InSAR data in 2026 indicate a decrease in the rate of subsidence; and (ii) the subsidence is spatially coincident with the Whispering Lakes Golf Course.

The Whispering Lakes Subsidence Investigation documented the history of overlying land uses in the vicinity of the Whispering Lakes Subsidence Feature, which included: agricultural, sewage disposal, and recreational (golf courses and parks). These overlying land uses could have involved disturbance, modifications, and additions to the shallow soils, which could have resulted in gradual consolidation of the shallow soils and the downward ground motion. These observations strongly suggest that the golf course and/or its prior land uses are related to the subsidence feature, and that shallow soil consolidation is responsible for the land subsidence. If true, groundwater management will have no effect on the Whispering Lakes Subsidence Feature.

Figure 3-13 is a map that displays the location and magnitude of earthquake epicenters relative to vertical ground motion as estimated by InSAR from March 2011 to March 2026 (see Section 3.6 below). A concentrated occurrence of earthquake epicenters is located just east of the Whispering Lakes Subsidence Feature, which may indicate an alternative mechanism for the subsidence.

[15] 2021/22 Annual Report of the GLMC

Based on the relatively minor subsidence observed since 2022 and lack of additional groundwater level data, the Watermaster Engineer does not recommend continuing the limited monitoring program in FY 2026/27. Vertical ground motion at the Whispering Lakes Subsidence Feature will continue to be monitored and evaluated using the high-resolution InSAR analyses prepared for the GLMC Annual Report.

The limited monitoring program should be reconsidered in future years if InSAR patterns change substantially at the Whispering Lakes Subsidence Feature or if Watermaster obtains access to nearby wells for groundwater level monitoring. Such monitoring could help determine whether aquitard drainage and groundwater utilization are contributing to the observed subsidence.

3.6 Seismicity

Tectonic displacement of the land surface on either side of geologic faults can be horizontal, vertical, or a combination of both. During a large earthquake, the land surface can deform suddenly (Weischet, 1963; Myers and Hamilton, 1964; Plafker, 1965). Aseismic creep is a process where smaller, more frequent earthquakes cause the land surface to deform more gradually (Harris, 2017).

Figure 3-13 is a map that displays the location and magnitude of earthquake epicenters relative to vertical ground motion as estimated by InSAR from March 2011 to March 2026. The main observations and interpretations derived from this figure are:

- The earthquake epicenters on Figure 3-13 do not show a spatial relationship to the differential subsidence that has occurred in Northwest MZ-1. Therefore, tectonic movement along the San Jose Fault Zone, including aseismic creep, is not the likely mechanism for the differential land subsidence that has occurred in Northwest MZ-1.
- Very little seismicity has occurred across the Areas of Subsidence Concern between March 2011 and March 2026. This observation indicates that the vertical ground motion that occurred in these areas is not related to tectonics (with the possible exception being the Whispering Lakes Subsidence Feature [see Section 3.5.1 above]).
- Most of the seismicity observed between March 2011 and March 2026 occurred in the eastern portion of the Chino Basin. The observed seismicity may reflect deep-seated convergence between the Perris Block that underlies the Chino Basin and the San Gabriel Mountains south of the Cucamonga Fault Zone (Morton and Yerkes, 1974; Morton et al., 1982; Morton and Matti, 1987).

3.7 Evaluation of Sentinel-1A and TerraSAR-X InSAR Data

As part of the approved FY 2025/26 scope and budget of the GLMC, the Watermaster Engineer evaluated Sentinel-1A InSAR data published by the DWR and compared the results with the TerraSAR-X InSAR data currently used for the GLMP. The purpose of this evaluation was to: (i) assess vertical ground motion across the eastern portion of the Chino Basin, where TerraSAR-X data are not currently purchased and used in the GLMP; and (ii) compare the Sentinel-1A and TerraSAR-X estimates across the western portion of the Basin where the datasets overlap. Figures 3-14 through 3-18 present the results of this comparison for June 2015 through March 2025.

Figures 3-14 and 3-15 compare cumulative vertical ground motion estimated by Sentinel-1A and TerraSAR-X across the western Chino Basin. The two datasets show generally similar spatial patterns of uplift and subsidence; however, there are significant differences in the magnitude and spatial detail of the vertical ground motion. TerraSAR-X is a higher-resolution dataset and more clearly delineates localized

areas of differential subsidence and their known boundaries. The TerraSAR-X results are averaged to approximately 15-meter grid cells, compared to approximately 100-meter grid cells for the DWR-provided Sentinel-1A data. The coarser spatial resolution of the Sentinel-1A data tends to smooth localized ground motion features and reduce the apparent magnitude of differential subsidence. This is particularly evident in Northwest MZ-1 along the San Jose Fault and in the Northeast Area at the Whispering Lakes Subsidence Feature. In these areas, the TerraSAR-X contours more closely align with the known boundaries of the subsidence features and show sharper subsidence gradients, whereas the Sentinel-1A contours extend beyond these boundaries and depict the subsidence as more regional in extent. TerraSAR-X also generally estimates greater magnitudes of downward ground motion.

An advantage of the Sentinel-1A dataset is its spatial coverage. Figure 3-16 indicates that relatively little vertical ground motion occurred across much of the eastern portion of Chino Basin from June 2015 through March 2025. The more pronounced areas of vertical ground motion remain concentrated primarily in the western portion of the Basin, where Watermaster currently conducts focused subsidence monitoring.

Figures 3-17 and 3-18 compare cumulative vertical ground motion estimated by Sentinel-1A and TerraSAR-X with groundwater elevations at wells C-15 and P-30, respectively. Both datasets show similar long-term patterns of vertical ground motion; however, from 2015 through 2024, the TerraSAR-X estimates generally show a closer correspondence with fluctuations in heads than Sentinel-1A. This relationship is particularly evident at C-15, where the timing and direction of TerraSAR-X ground motion more closely follow changes in hydraulic head. The final TerraSAR-X measurements in 2025 are an exception to this general relationship and may have been influenced by atmospheric effects associated with the final acquisition.

Based on these results and observations, Watermaster recommends continued use of TerraSAR-X InSAR data as the primary dataset for ongoing subsidence monitoring under the GLMP. TerraSAR-X provides higher spatial resolution, better delineates localized areas of differential subsidence and their boundaries, and generally shows a stronger correlation with measured hydraulic head changes.

Sentinel-1A provides a useful supplemental dataset because of its broader spatial coverage and public availability. The Sentinel-1A data indicate that little to no subsidence is currently occurring across most of the eastern Chino Basin; therefore, the Watermaster Engineer does not recommend expanding TerraSAR-X monitoring to this area. Instead, the Watermaster Engineer recommends reviewing the publicly available Sentinel-1A data approximately every five years to evaluate vertical ground motion in eastern Chino Basin.

Table 3-1. Groundwater Pumping in the Managed Area -- *2012 through 2026*

Well Name	Aquifer Layer	Annual Pumping, af														2026 Pumping, af [a]					
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025 Qtr 4	2026 Qtr 1	2026 Qtr 2	2026 Qtr 3	2026 Qtr 4	By Layer
C-4		752	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	
C-6		1018	961	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	
CH-1A		1194	872	679	873	770	607	584	0	0	0	0	0	0	0	0	0	0	0	-	
CH-7A	Shallow	531	375	166	315	258	58	8	0	0	0	0	0	0	0	0	0	0	0	-	
CH-7B		690	410	22	643	435	84	498	0	0	0	0	0	0	0	0	0	0	0	-	
CIM-1		463	1,106	1,088	994	890	853	847	0	0	0	0	0	2	189	37	103	41	34	-	
XRef 8730[b]		1	5	5	5	3	3	55	29	29	30	17	29	22	29	7.35	7.35	9.80	9.80	-	
Sub-Totals		**4,649**	**3,728**	**1,960**	**2,830**	**2,355**	**1,604**	**1,993**	**29**	**29**	**30**	**17**	**29**	**24**	**218**	**44**	**110**	**51**	**44**	**-**	**205**
CH-17		894	1,304	900	1,159	968	285	911	0	0	0	0	0	0	0	0	0	0	0	-	
CH-15B	Deep[c]	0	0	133	0	0	0	0	0	0	0	0	25	0	0	0	0	0	0	-	
CIM-11A		229	441	140	150	81	220	27	0	1	5	41	2	1	0	0	0	0	0	-	
Sub-Totals		**1,123**	**1,745**	**1,173**	**1,308**	**1,049**	**505**	**938**	**0**	**1**	**5**	**41**	**27**	**1**	**0**	**0**	**0**	**0**	**0**	**-**	**0**
Totals		**5,772**	**5,473**	**3,133**	**4,138**	**3,404**	**2,110**	**2,930**	**29**	**31**	**34**	**58**	**55**	**24**	**218**	**44**	**110**	**51**	**44**	**-**	**205**

"C" = City of Chino

"CH" = City of Chino Hills

"CIM" = California Institution for Men

"XRef" = Private

(a) Annual pumping is reported on an April–March basis. Therefore, 2026 annual pumping consists of FY 2025 Q4 and FY 2026 Q1 through Q3. FY 2026 Q4 will be included in the 2027 annual pumping total.

(b) Well screen interval is unknown but assumed to be shallow based on typical well construction for other private wells in the vicinity.

(c) These wells have screen intervals that extend into the shallow-aquifer system, so a portion of the production comes from the shallow aquifer-system.

Relative Change in Land Surface Elevation
as Estimated by InSAR
(March 2011 to March 2026)

High : 0.65 ft

0 ft

Low : -0.65 ft

InSAR absent or incoherent

Managed Area

Areas of Subsidence Concern

Average Annual Groundwater Pumping
April 1, 2011 to March 31, 2026
(afy)

0 - 100

101 - 500

501 - 1,000

1,001 - 2,000

> 2,000

Historical Ground Fissures

Approximate Location of the Riley Barrier

Fault (solid where accurately located; dashed where approximately located or inferred; dotted where concealed)

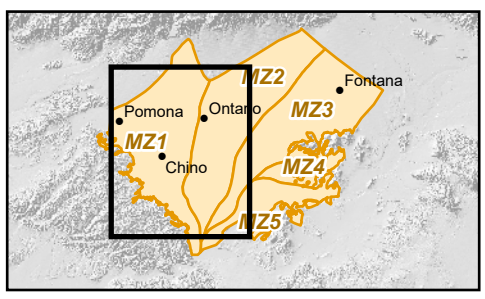
Average Annual Basin Recharge
April 1, 2011 to March 31, 2026
(afy)

0

1- 1500

1500 - 2500

>2500

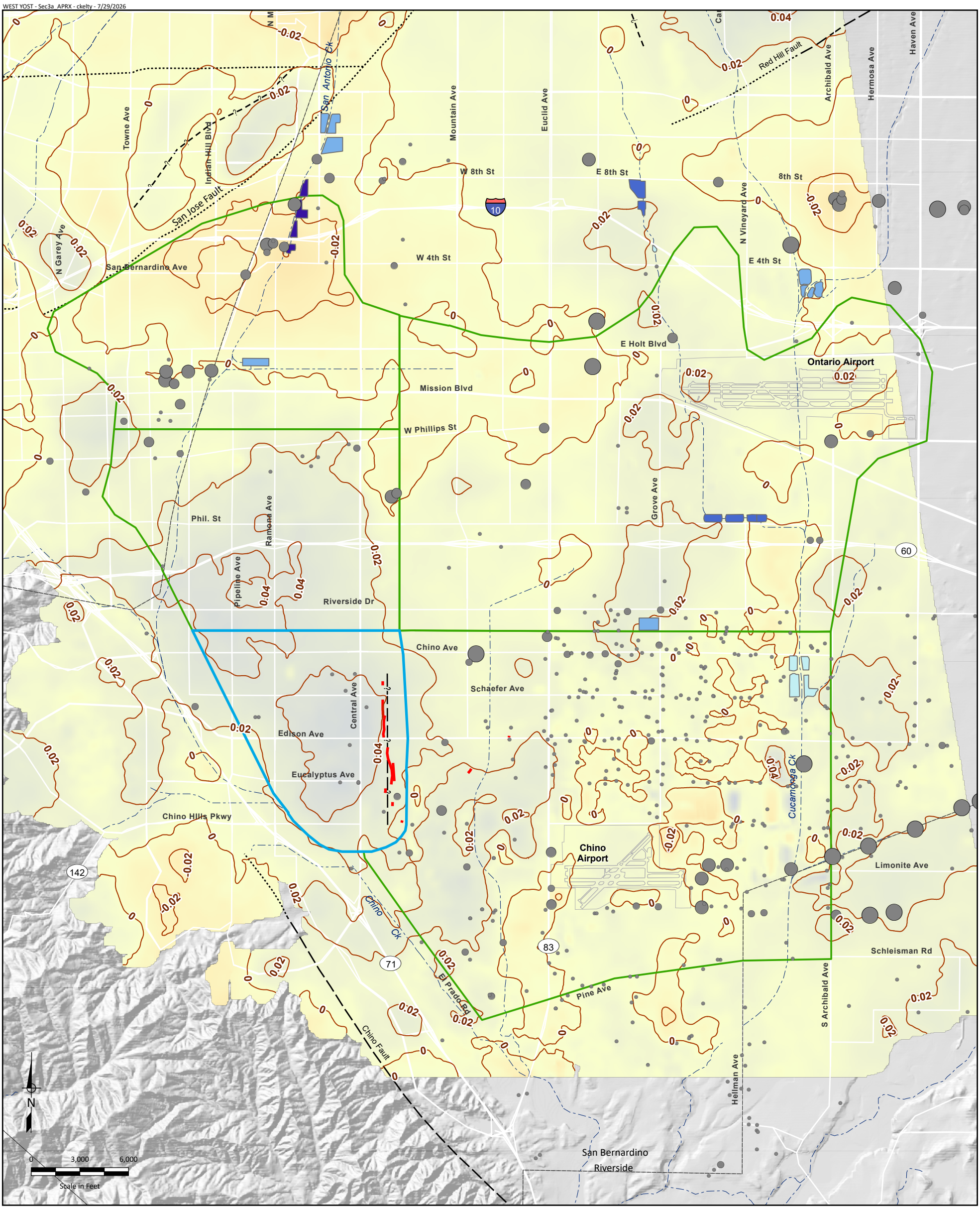


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Figure 3-1a

Vertical Ground Motion across the Western Chino Basin: 2011-2026



Relative Change in Land Surface Elevation
as Estimated by InSAR
(March 2025 to March 2026)

High : 0.2 ft

0 ft

Low : -0.2 ft

InSAR absent or incoherent

Managed Area

Areas of Subsidence Concern

Average Annual Groundwater Pumping
April 1, 2025 to March 31, 2026
(afy)

0 - 100

101 - 500

501 - 1,000

1,001 - 2,000

> 2,000

Historical Ground Fissures

Approximate Location of the Riley Barrier

Fault (solid where accurately located; dashed where approximately located or inferred; dotted where concealed)

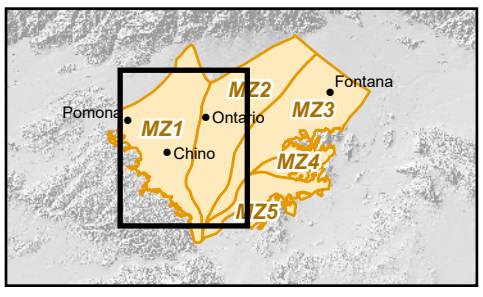
Average Annual Basin Recharge
April 1, 2025 to March 31, 2026
(afy)

0

1- 1500

1500 - 2500

>2500

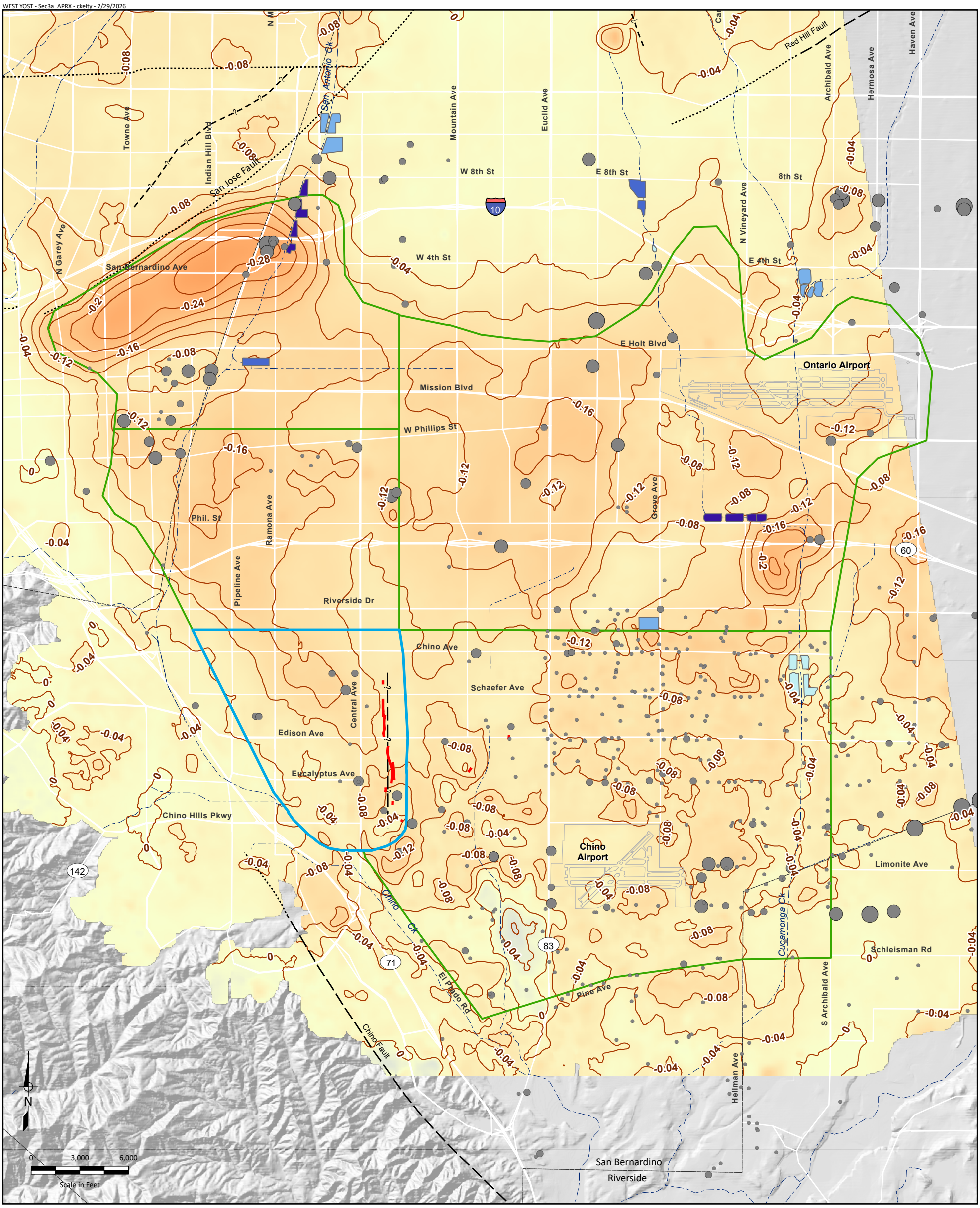


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Figure 3-1b

Vertical Ground Motion across the Western Chino Basin: 2025-2026



Relative Change in Land Surface Elevation
as Estimated by InSAR
(March 2011 to March 2016)

High : 0.4 ft

0 ft

Low : -0.4 ft

InSAR absent or incoherent

Managed Area

Areas of Subsidence Concern

Average Annual Groundwater Pumping
April 1, 2011 to March 31, 2016
(afy)

0 - 100

101 - 500

501 - 1,000

1,001 - 2,000

> 2,000

Historical Ground Fissures

Approximate Location of the Riley Barrier

Fault (solid where accurately located; dashed where approximately located or inferred; dotted where concealed)

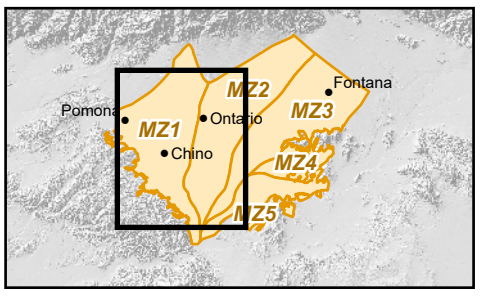
Average Annual Basin Recharge
April 1, 2011 to March 31, 2016
(afy)

0

1- 1500

1500 - 2500

>2500

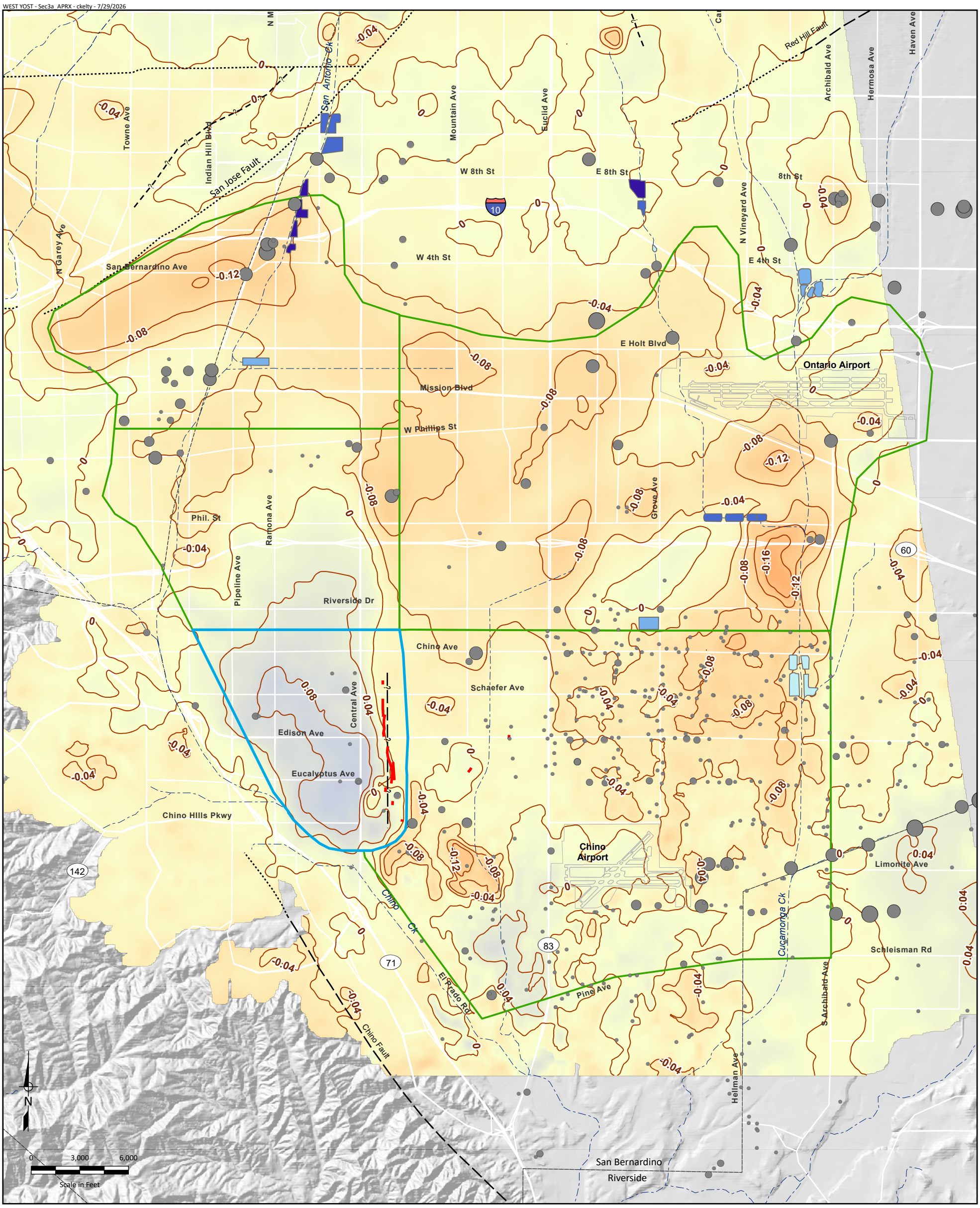


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Figure 3-1c

Vertical Ground Motion across the Western Chino Basin: 2011-2016



Relative Change in Land Surface Elevation
as Estimated by InSAR
(March 2016 to March 2021)

- High : 0.3 ft
- 0 ft
- Low : -0.3 ft
- InSAR absent or incoherent

- Managed Area
- Areas of Subsidence Concern

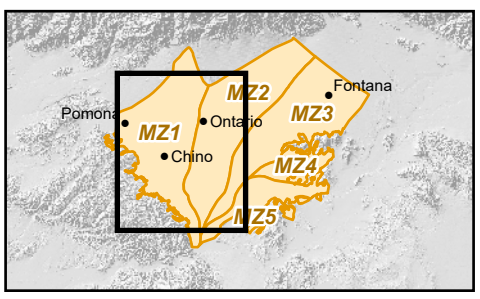
Average Annual Groundwater Pumping
April 1, 2016 to March 31, 2021
(afy)

- 0 - 100
- 101 - 500
- 501 - 1,000
- 1,001 - 2,000
- > 2,000

- Historical Ground Fissures
- Approximate Location of the Riley Barrier
- Fault (solid where accurately located; dashed where approximately located or inferred; dotted where concealed)

Average Annual Basin Recharge
April 1, 2016 to March 31, 2021
(afy)

- 0
- 1- 1500
- 1500 - 2500
- >2500



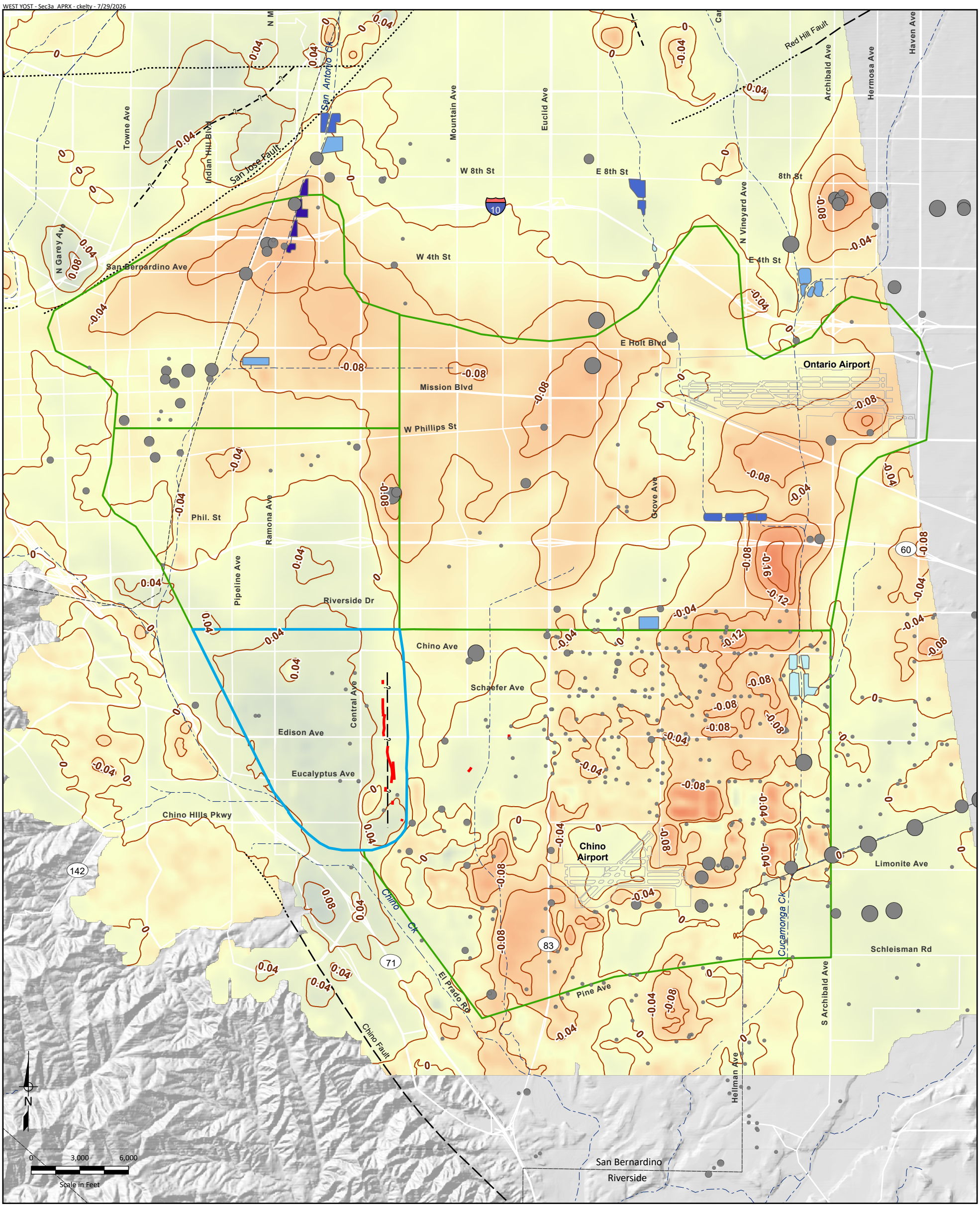
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Figure 3-1d

Vertical Ground Motion across the Western Chino Basin: 2016-2021

WEST YOST - Sec3a_APRX - ckelty - 7/29/2026



Relative Change in Land Surface Elevation
as Estimated by InSAR
(March 2021 to March 2026)

High : 0.3 ft

0 ft

Low : -0.3 ft

InSAR absent or incoherent

Managed Area

Areas of Subsidence Concern

Average Annual Groundwater Pumping
April 1, 2021 to March 31, 2026
(afy)

0 - 100

101 - 500

501 - 1,000

1,001 - 2,000

> 2,000

Historical Ground Fissures

Approximate Location of the Riley Barrier

Fault (solid where accurately located; dashed where approximately located or inferred; dotted where concealed)

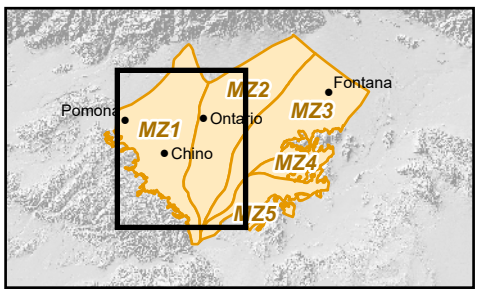
Average Annual Basin Recharge
April 1, 2021 to March 31, 2026
(afy)

0

1- 1500

1500 - 2500

>2500

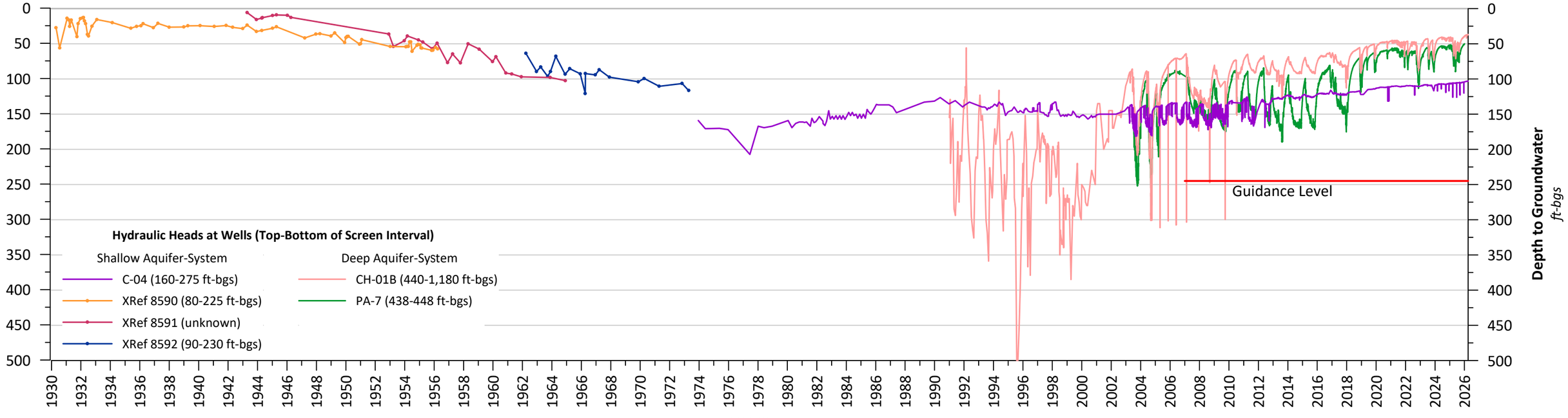


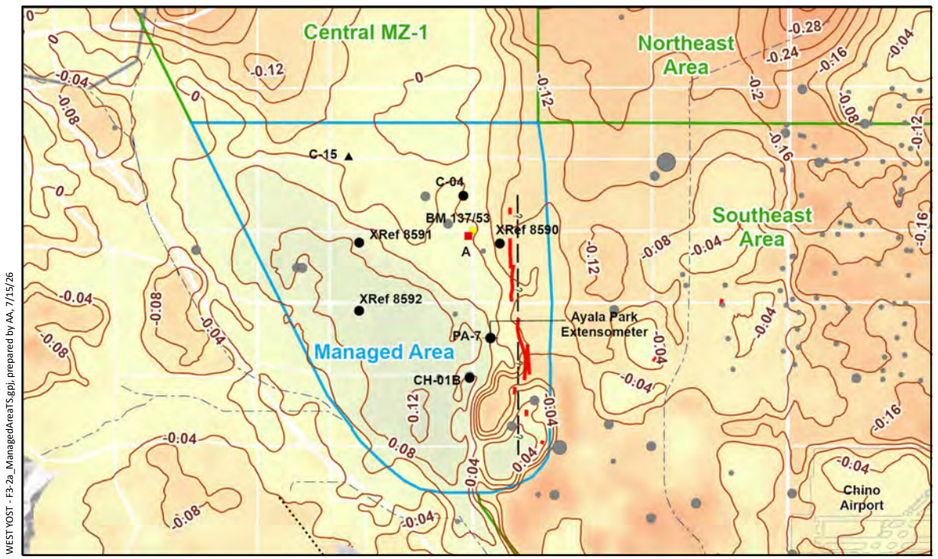
Chino Basin Watermaster

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Figure 3-1e

Vertical Ground Motion across the Western Chino Basin: 2021-2026





InSAR from March 2011 to March 2026 (see Figure 3-1a)

Relative Change in Land Surface Elevation
as Estimated by InSAR
(March 2011 to March 2026)

High : 0.65 ft

0 ft

Low : -0.65 ft

InSAR absent or incoherent

Average Annual Groundwater Pumping
April 1, 2011 to March 31, 2026
(afy)

- 0 - 100
- 101 - 500
- 501 - 1,000
- 1,001 - 2,000
- >2,000

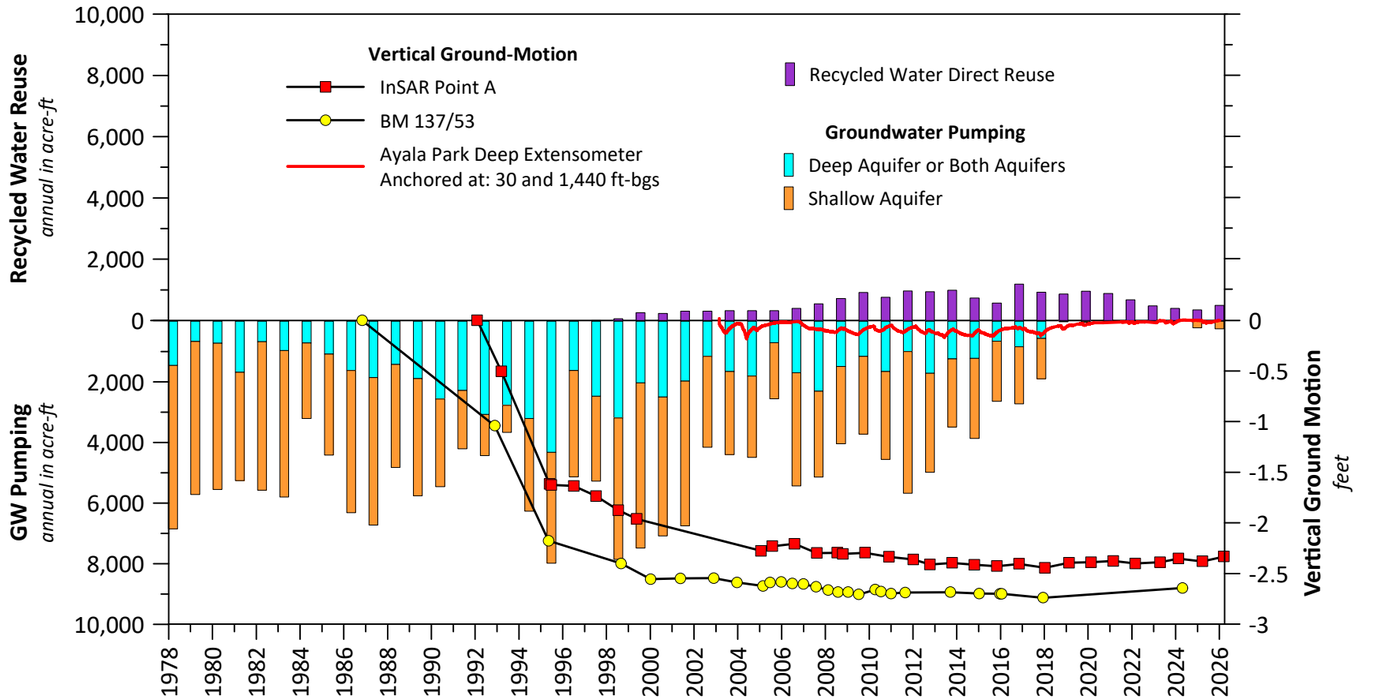
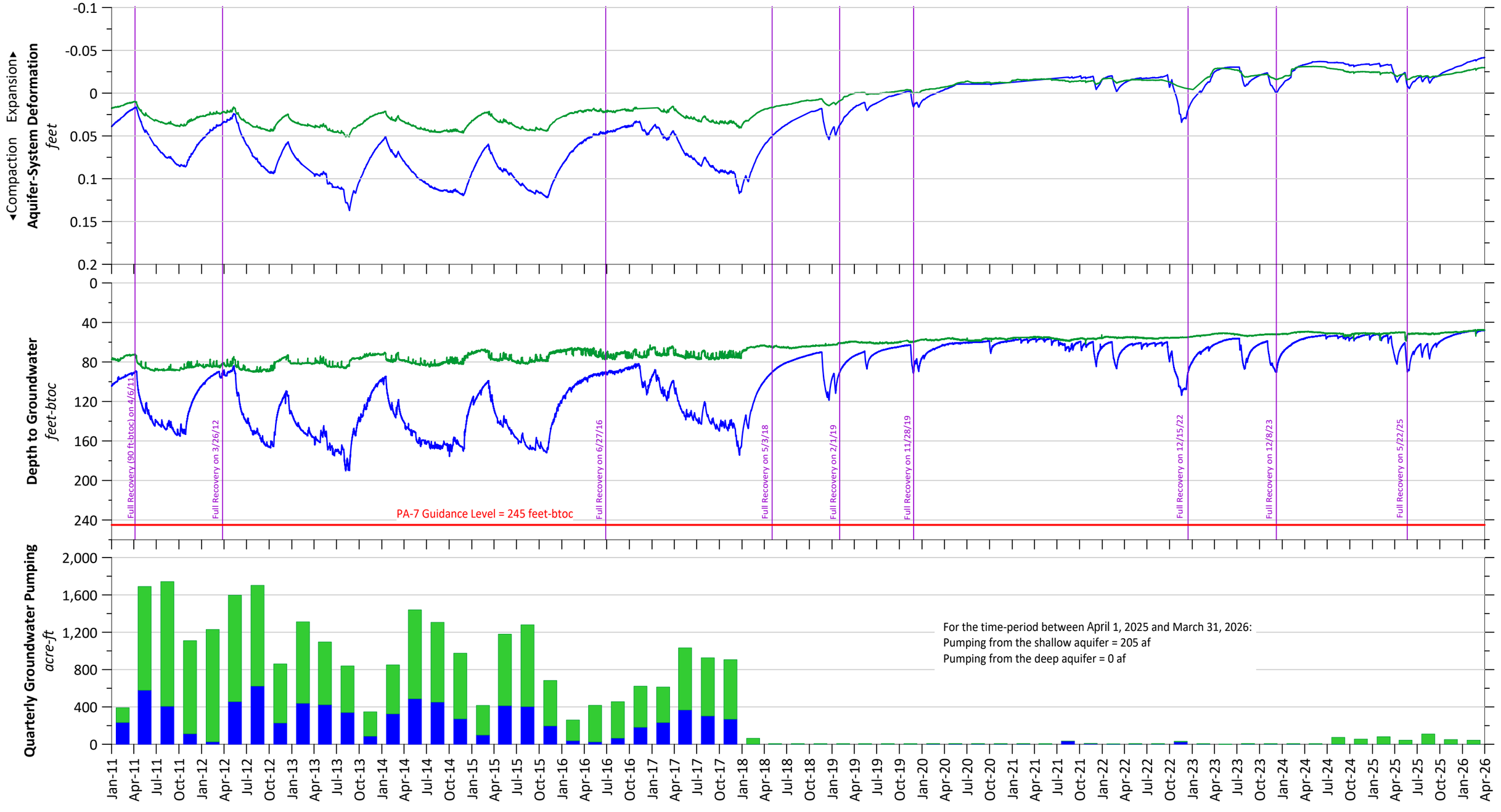


Figure 3-2

History of Land Subsidence in the Managed Area



Aquifer-System Deformation at Ayala Park (Extensometer Depth Interval)

- Shallow Extensometer (30-550 ft-bgs)
- Deep Extensometer

Hydraulic Heads at Ayala Park (Screened Interval)

- Shallow Piezometer PA-10 (213-233 ft-bgs)
- Deep Piezometer PA-7 (438-448 ft-bgs)

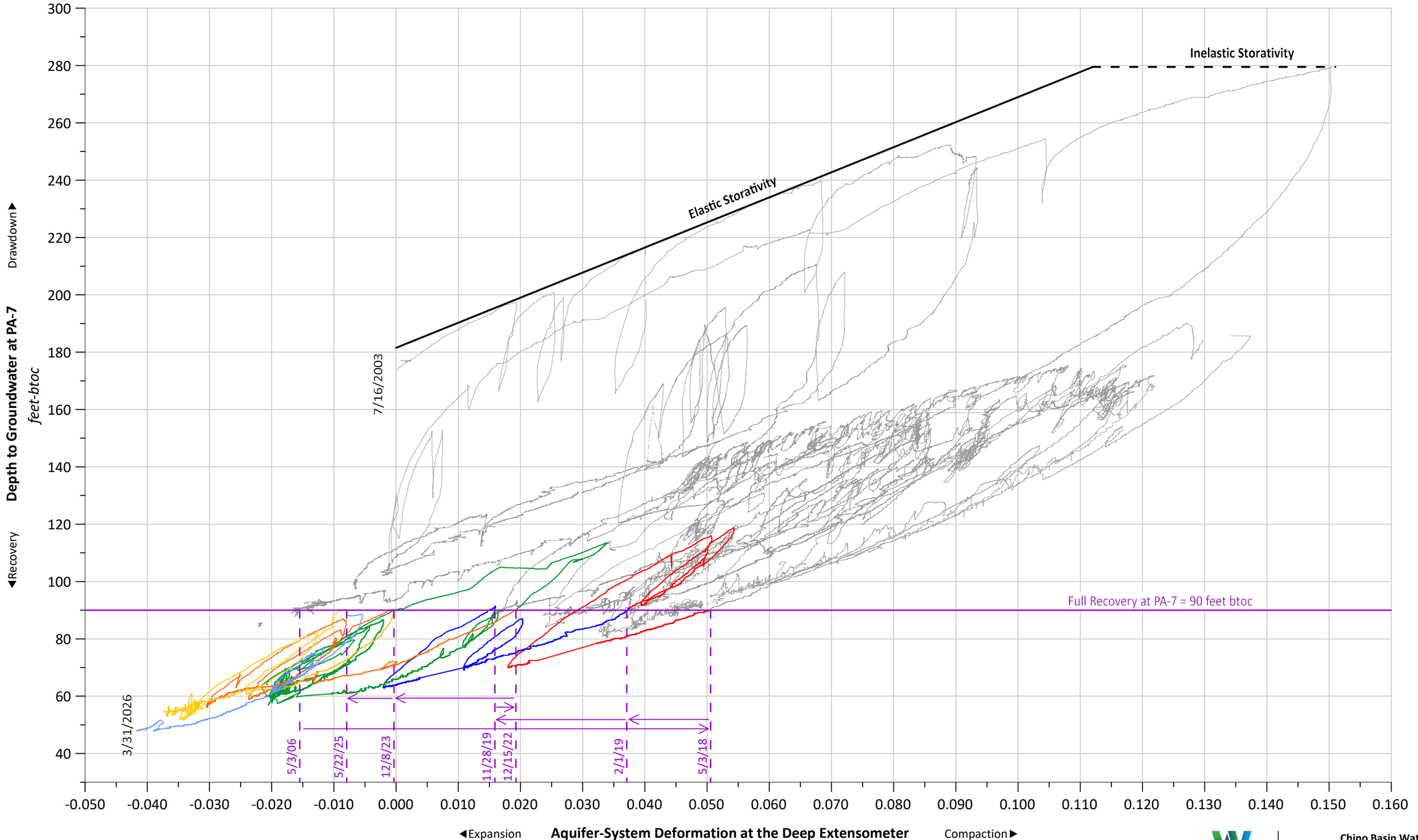
Quarterly Groundwater Pumping (see Table 3-1 for groundwater pumping by well)

- Shallow Aquifer
- Deep Aquifer

F3-3_ManagedAreaStnStrn.gpj

Figure 3-3

Stress and Strain within the Managed Area



*PA-7 well-screen interval: 438-448 ft-bgs

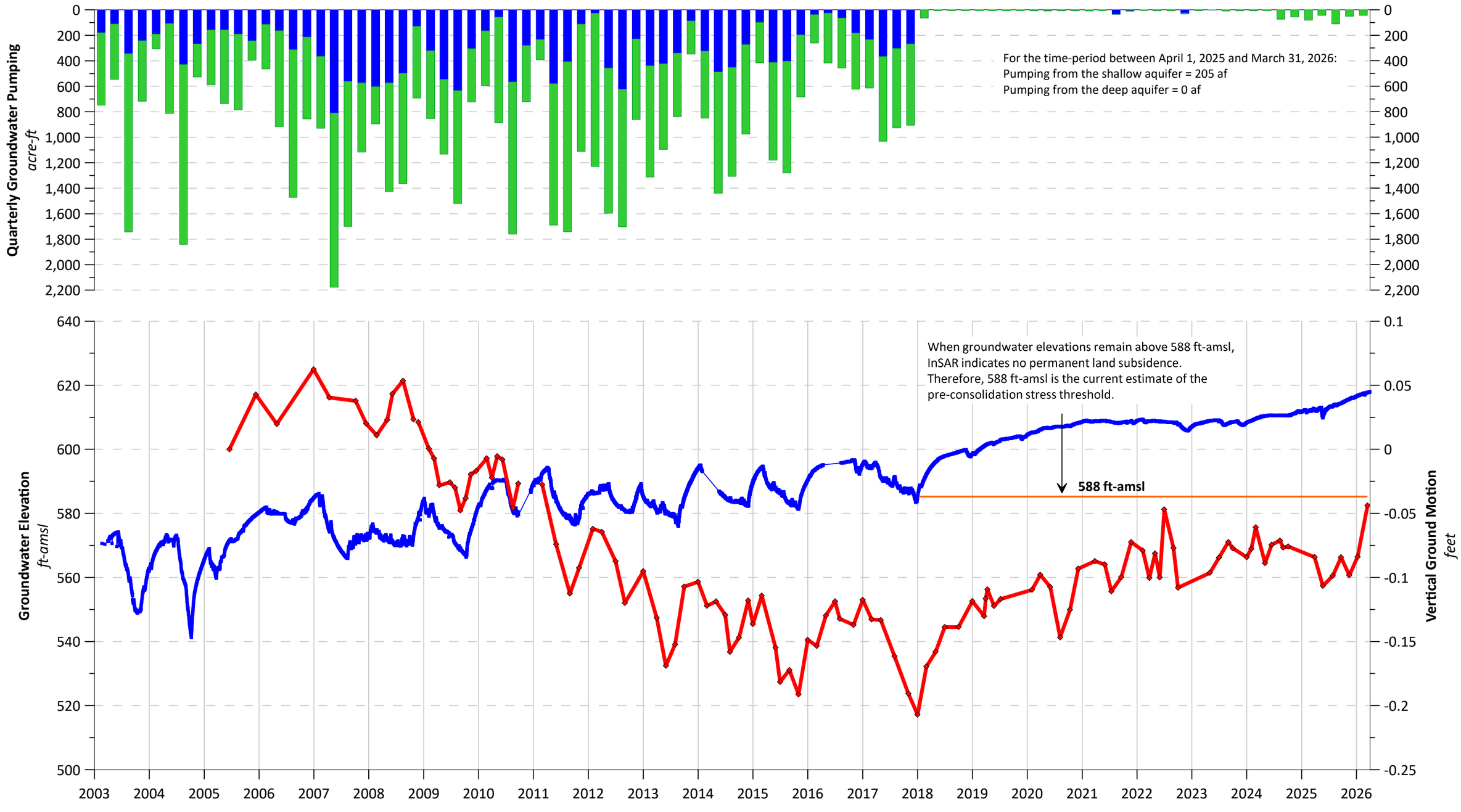
Depth interval of the Deep Extensometer: 30-1,400 feet-bgs

WEST YOST - F3-4_ManagedAreaHysteresis.gpj

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Figure 3-4

Stress-Strain Diagram
Ayala Park Extensometer

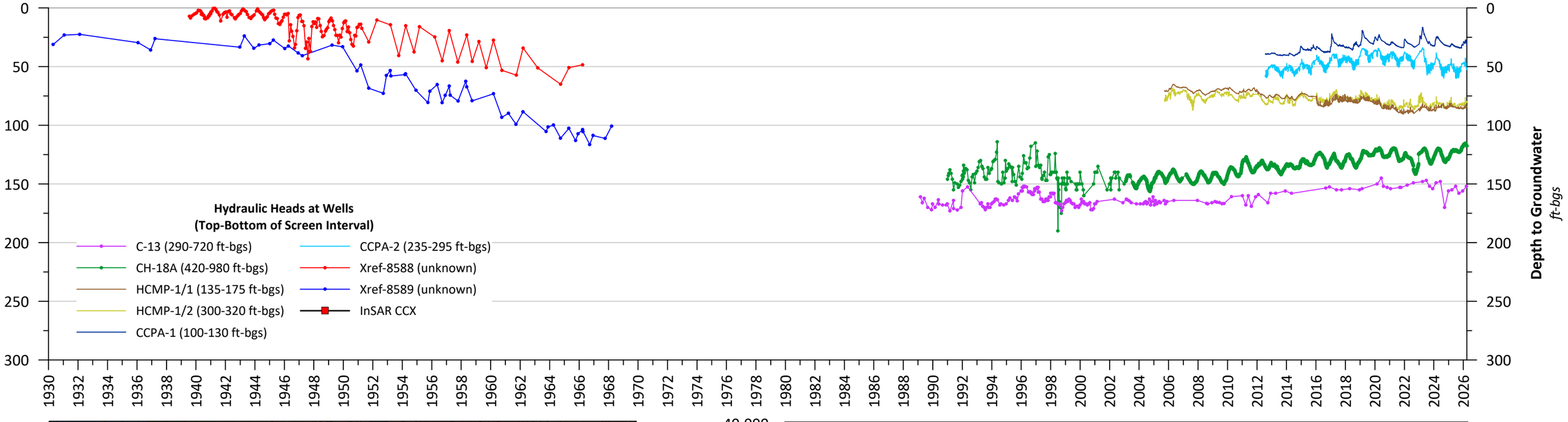


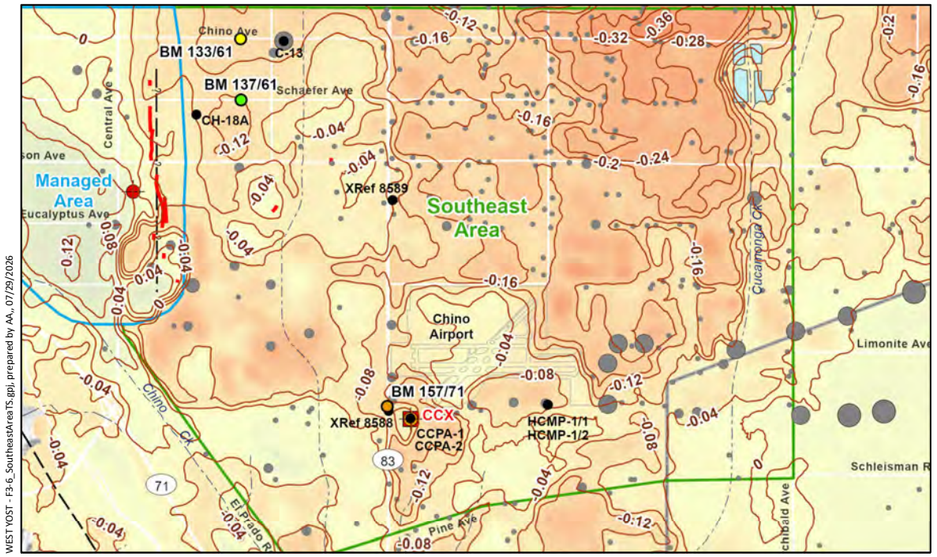
WEST YOST - F3-5C15_InSAR_PumpRecharge.gpj

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Figure 3-5

Hydraulic Heads at C-15 Versus Groundwater Pumping and Vertical Ground Motion





InSAR from March 2011 to March 2026 (see Figure 3-1a)

Relative Change in Land Surface Elevation
as Estimated by InSAR
(March 2011 to March 2026)

High : 0.65 ft

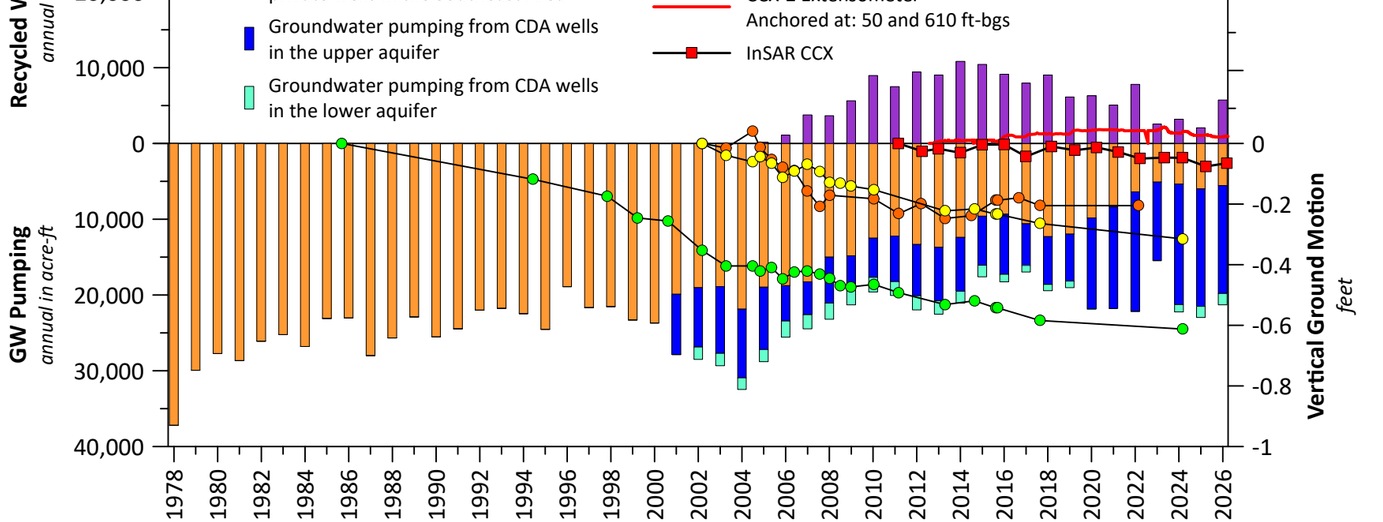
0 ft

Low : -0.65 ft

InSAR absent or incoherent

Average Annual Groundwater Pumping
April 1, 2011 to March 31, 2026
(afy)

0 - 100
101 - 500
501 - 1,000
1,001 - 2,000
>2,000

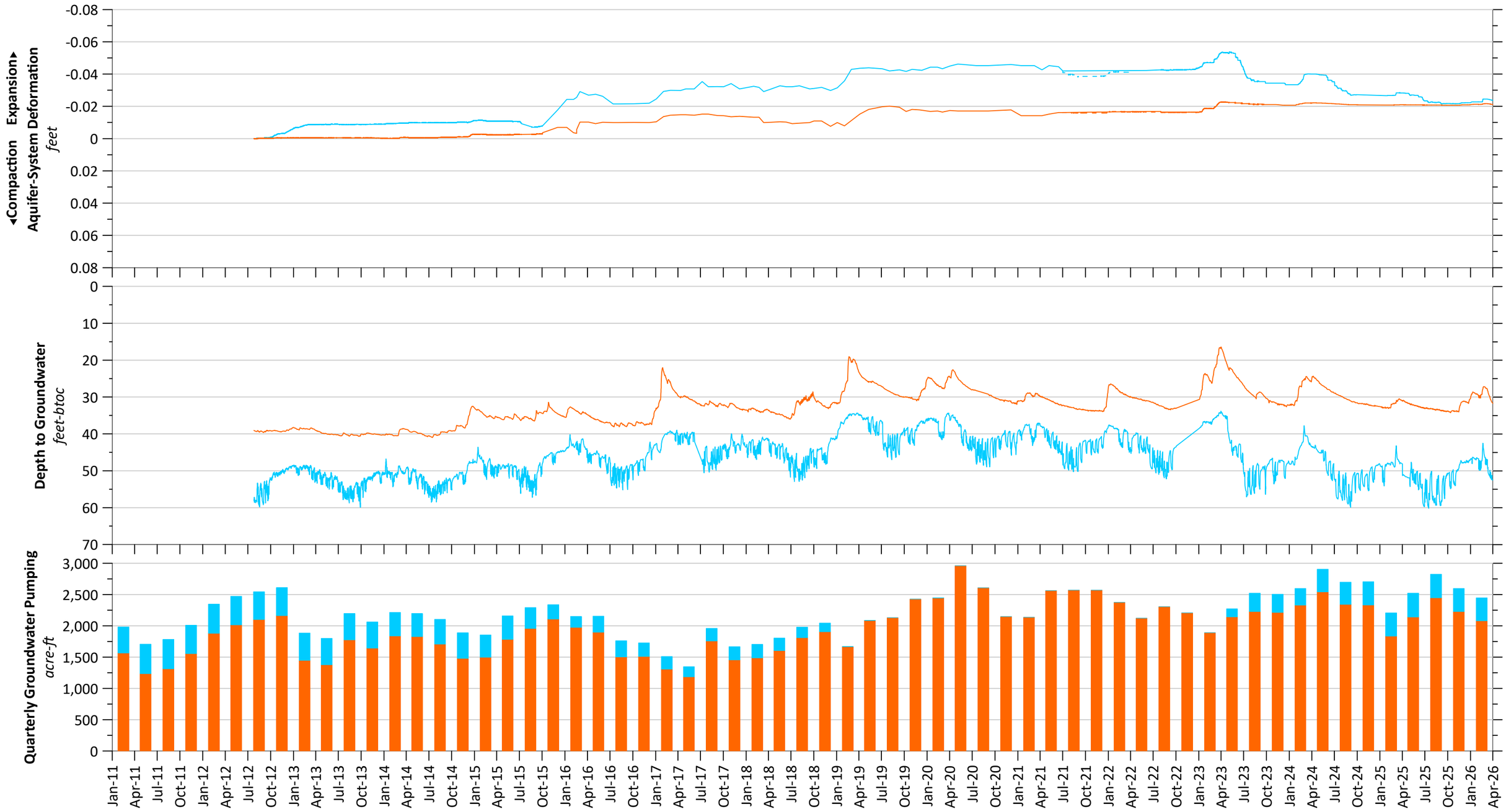


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Figure 3-6

History of Land Subsidence in the Southeast Area



Aquifer-System Deformation (Extensometer Depth Interval)

- CCX-1 (0-140 ft-bgs)
- CCX-2 (50-610 ft-bgs)

Hydraulic Heads (Screened Interval)

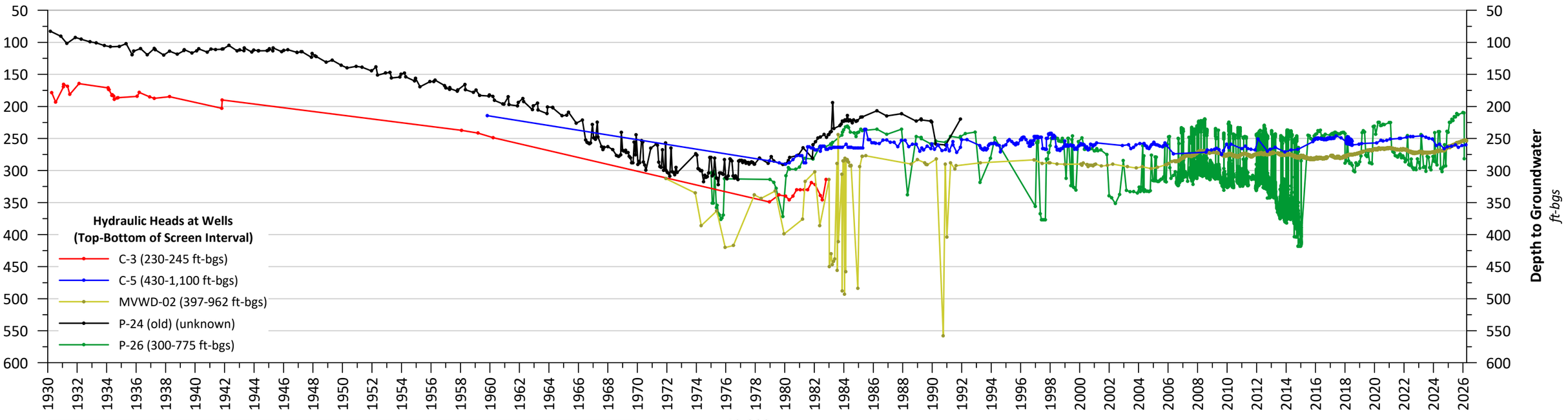
- CCPA-1 (100-130 ft-bgs)
- CCPA-2 (235-295 ft-bgs)

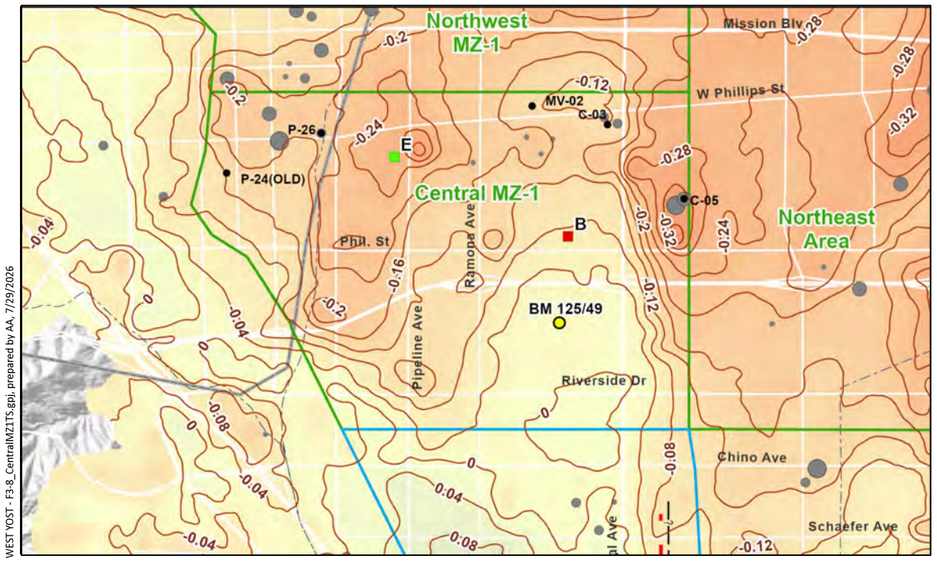
Quarterly Groundwater Pumping

- Shallow Aquifer (CDA-5 to 11; 16, 17, 20 and 21)
- Deep Aquifer (CDA-1 to 4)

Figure 3-7

Stress and Strain within the Southeast Area





InSAR from March 2011 to March 2026 (see Figure 3-1a)

Relative Change in Land Surface Elevation
as Estimated by InSAR
(March 2011 to March 2026)

High : 0.65 ft

0 ft

Low : -0.65 ft

InSAR absent or incoherent

Average Annual Groundwater Pumping
April 1, 2011 to March 31, 2026
(afy)

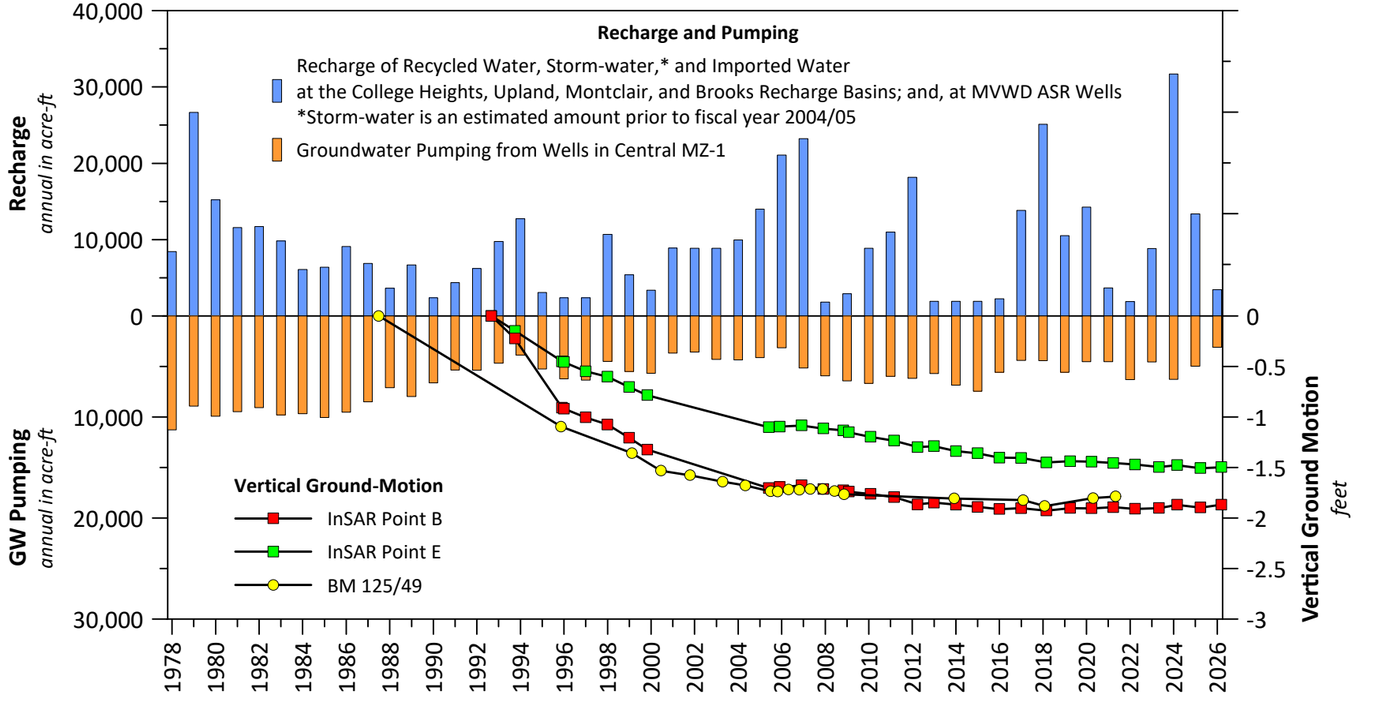
0 - 100

101 - 500

501 - 1,000

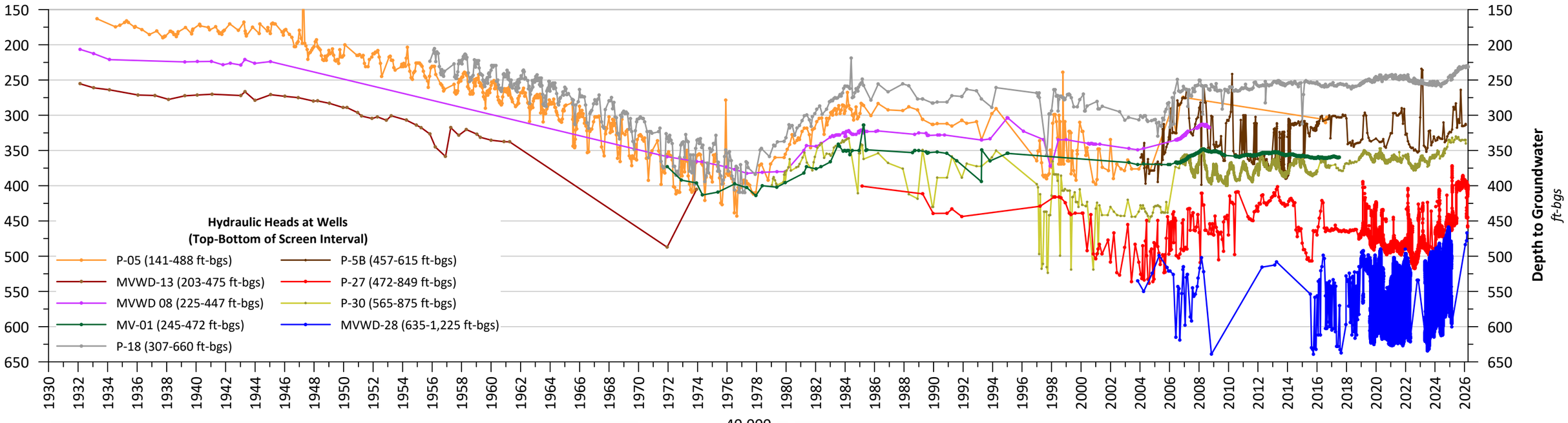
1,001 - 2,000

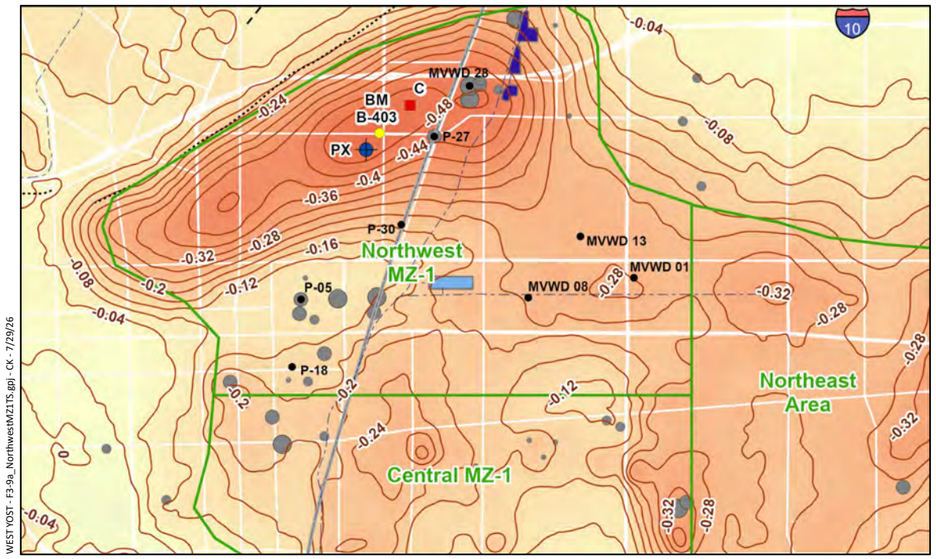
>2,000



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Figure 3-8
History of Land Subsidence in Central MZ-1





InSAR from March 2011 to March 2026 (see Figure 3-1a)

Relative Change in Land Surface Elevation
as Estimated by InSAR
(March 2011 to March 2026)

High : 0.65 ft

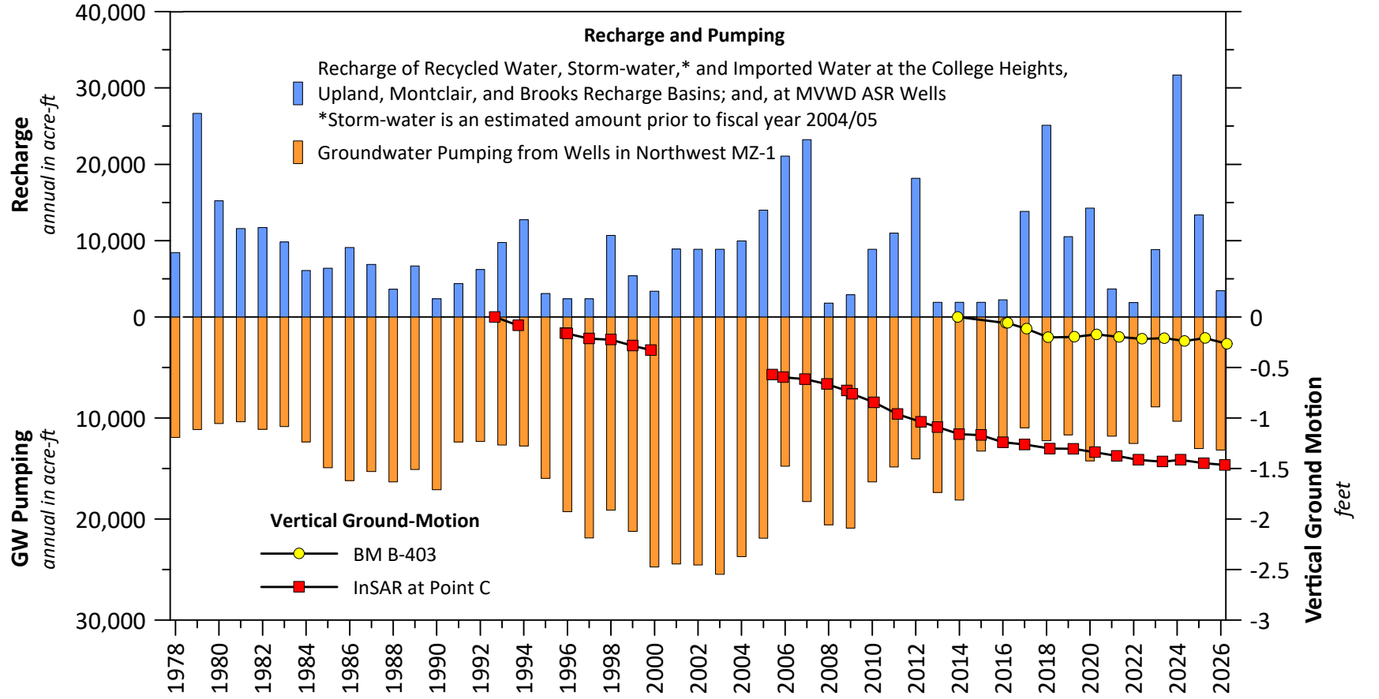
0 ft

Low : -0.65 ft

InSAR absent or incoherent

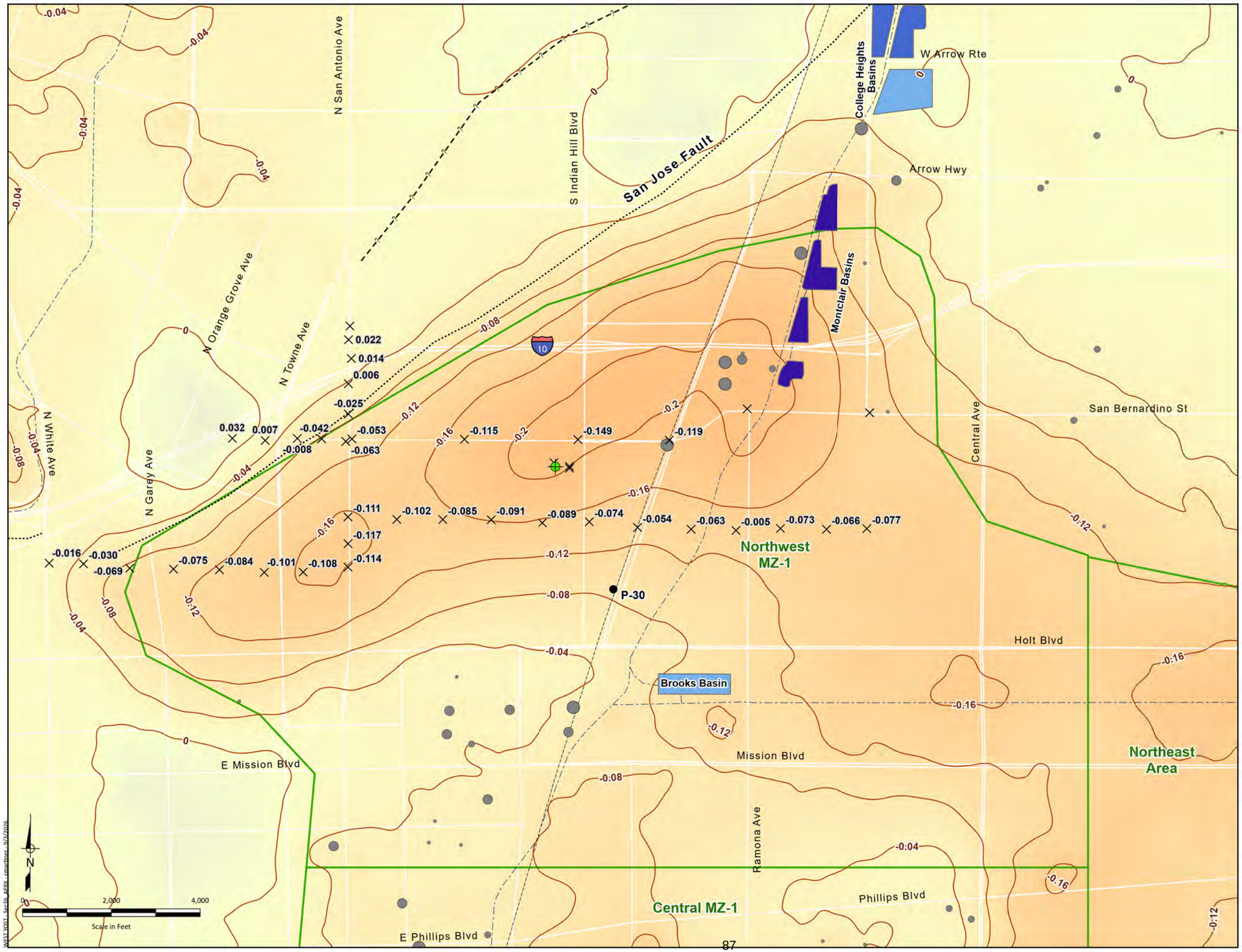
Average Annual Groundwater Pumping
April 1, 2011 to March 31, 2026
(afy)

- 0 - 100
- 101 - 500
- 501 - 1,000
- 1,001 - 2,000
- >2,000



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Figure 3-9a
History of Land Subsidence in Northwest MZ-1



Relative Change in Land Surface Elevation
as Estimated by InSAR
(March 2017 to March 2026)

High : 0.4 ft

0 ft

Low : -0.4 ft

InSAR absent or incoherent

Ground-Level Survey Benchmark
(Measured April 15, 2026) Labeled by Vertical Ground Motion (in feet from February 2017 to April 2026)

Average Annual Groundwater Pumping
April 1, 2017 to March 31, 2026
(afy)

- 0 - 100
- 101 - 500
- 501 - 1,000
- 1,000 - 2,000
- > 2,000

Average Annual Basin Recharge
April 1, 2017 to March 31, 2026
(afy)

- 0 - 500
- 500 - 1,000
- 1,000 - 1,500
- 1,500 - 2,000
- 2,000 - 2,500
- > 2,500

Pomona Extensometer Facility

Groundwater Well (P-30)

Areas of Subsidence Concern

Fault (solid where accurately located; dashed where approximately located or inferred; dotted where concealed)

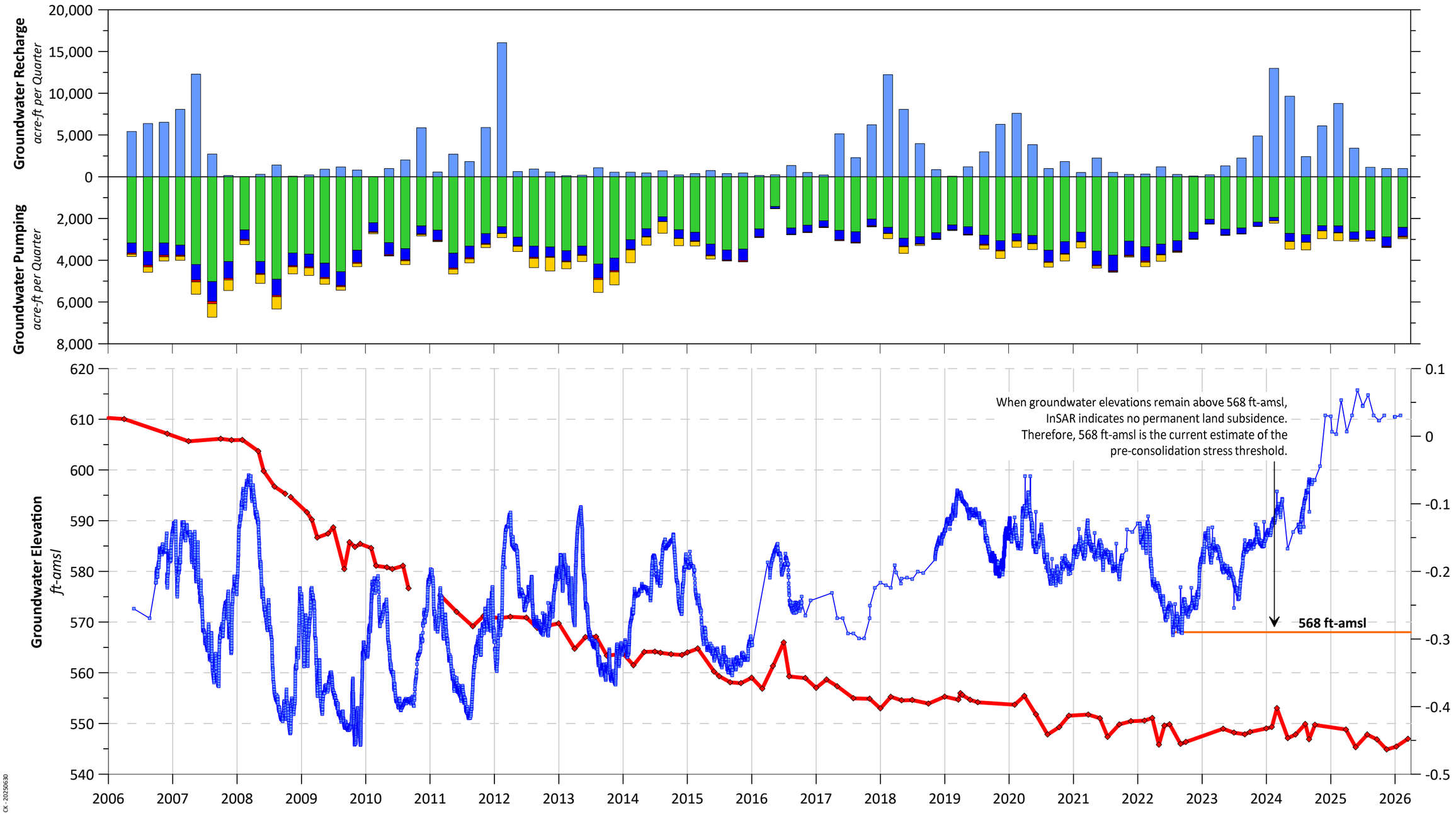


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WEST YOST

Figure 3-9b

Vertical Ground Motion across Northwest MZ-1: 2017-2026

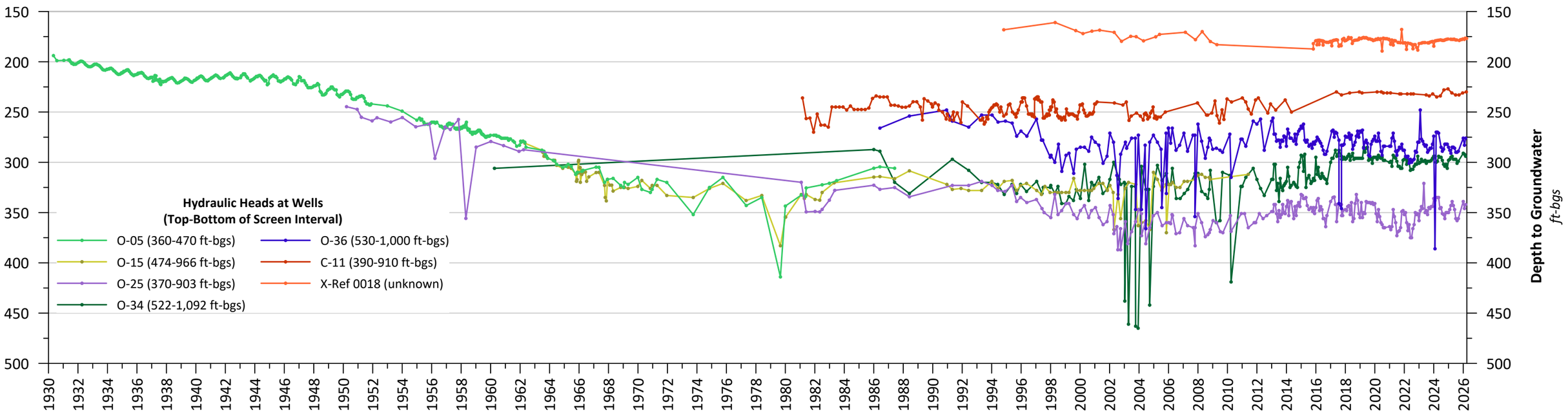


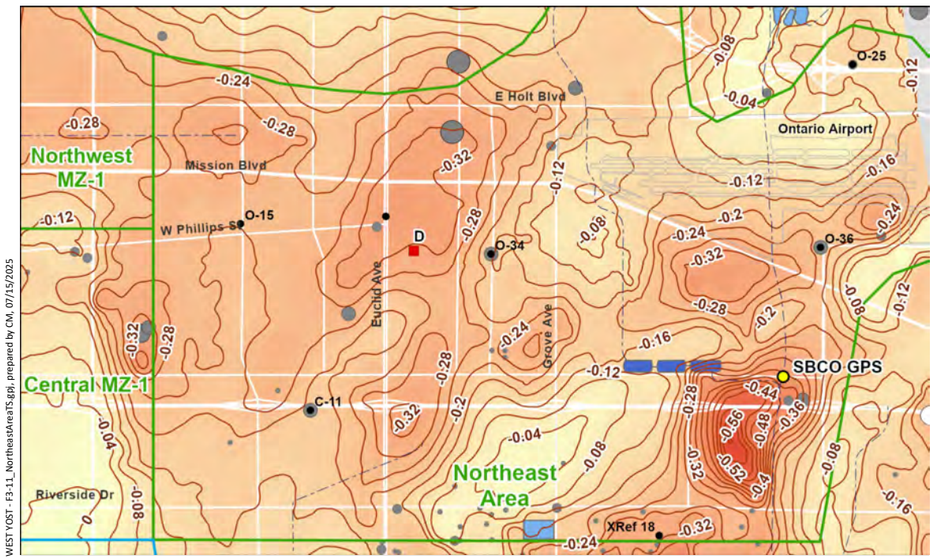
WEST YOST - F3-10_P30_InSAR_PumpRecharge.grp - CK - 20250630

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Figure 3-10

Hydraulic Heads at P-30 Versus Groundwater Pumping and Vertical Ground Motion





InSAR from March 2011 to March 2026 (see Figure 3-1a)

Relative Change in Land Surface Elevation
as Estimated by InSAR
(March 2011 to March 2026)

High : 0.65 ft

0 ft

Low : -0.65 ft

InSAR absent or incoherent

Average Annual Groundwater Pumping
April 1, 2011 to March 31, 2026
(afy)

- 0 - 100
- 101 - 500
- 501 - 1,000
- 1,001 - 2,000
- >2,000

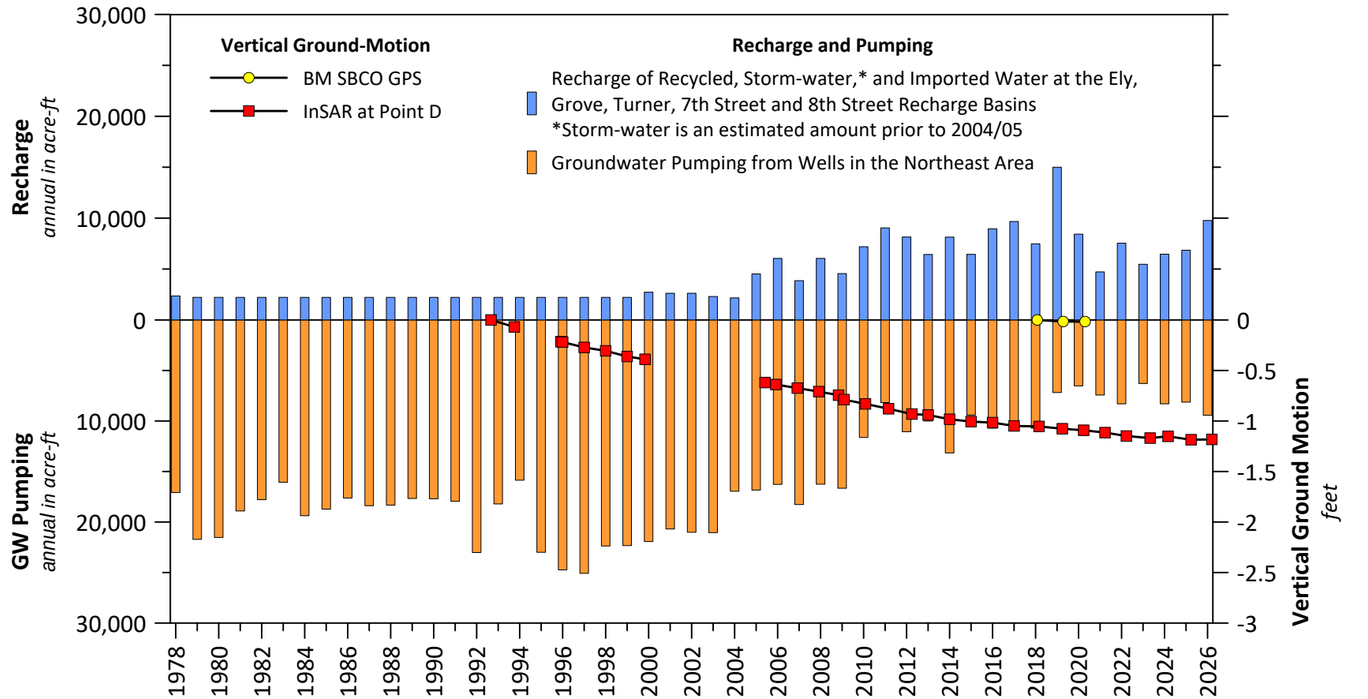
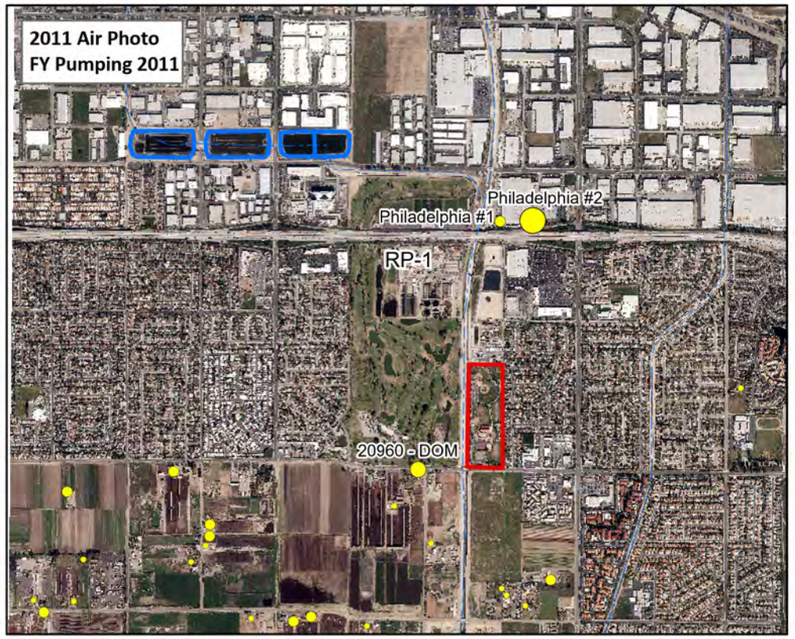
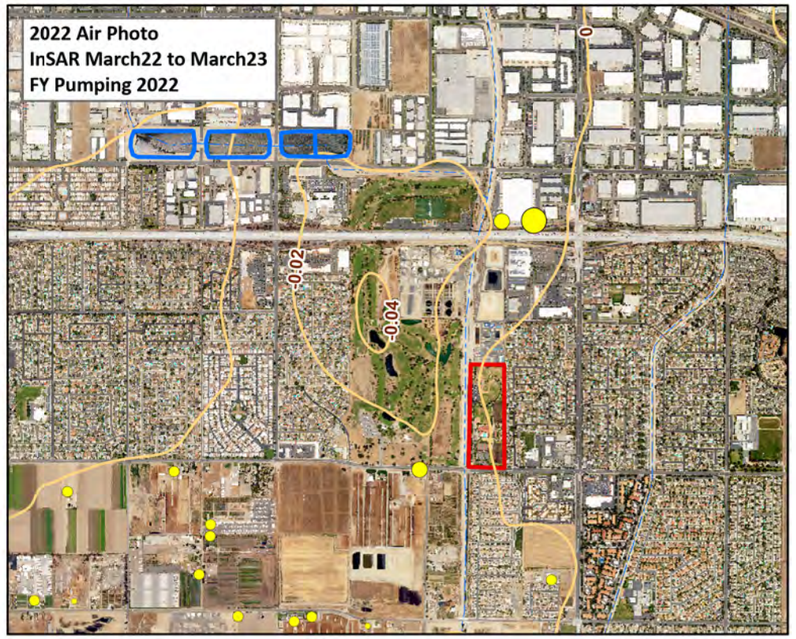
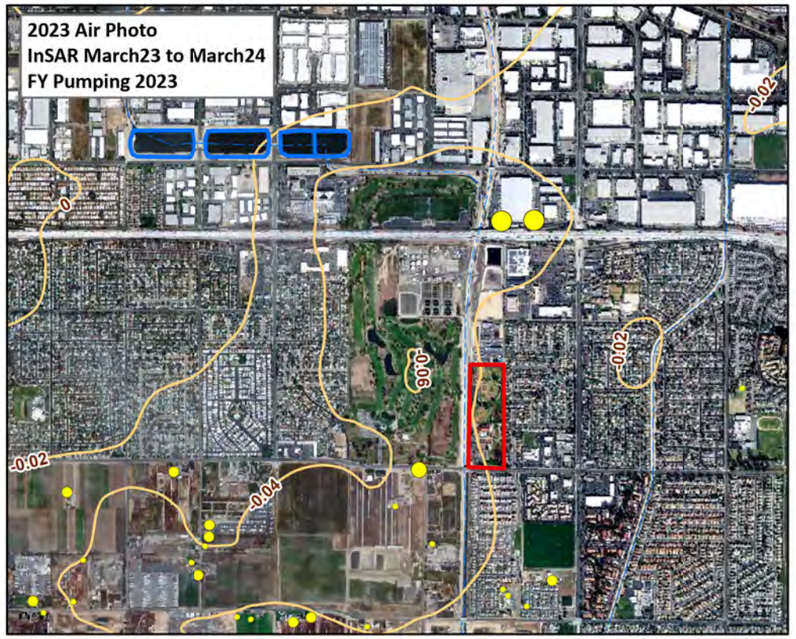


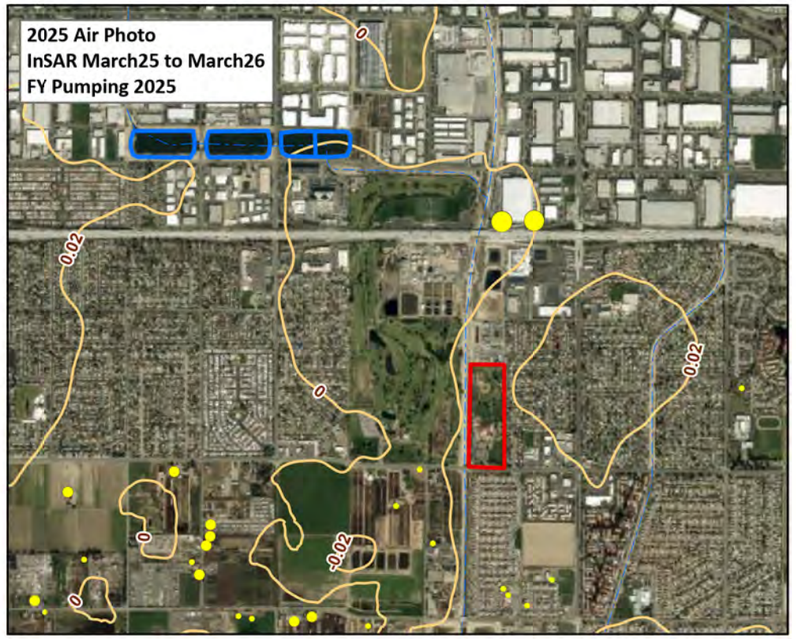
Figure 3-11
History of Land Subsidence in the Northeast Area

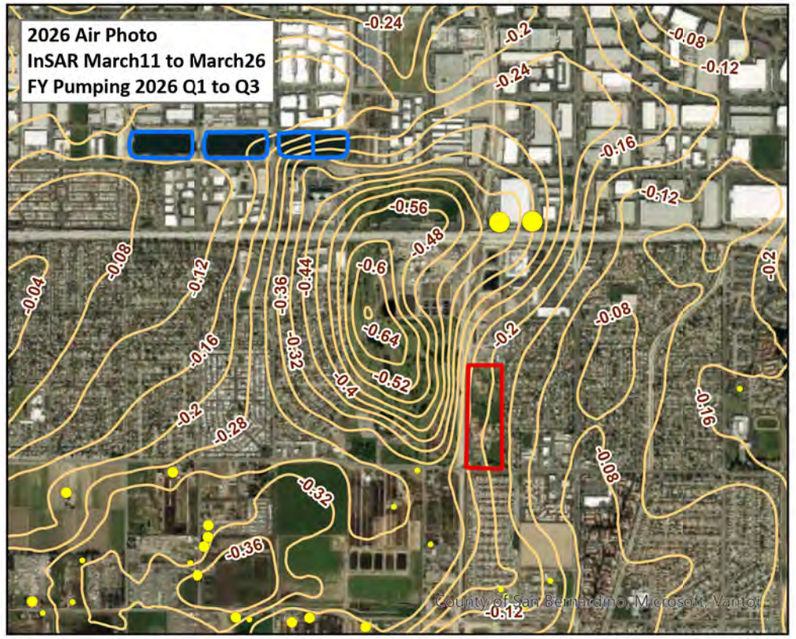












F3-12_LandUseHistory_WhisperingLakes.mxd, prepared by CM, 08/29/2024



Annual Groundwater Production (af)

(reported by fiscal year)

- < 10
- 10 - 100
- 101 - 250
- 250 - 500
- 500 - 730

0 0.5 1

Miles

Contours of the Relative Change in Land Surface Elevation as Estimated by InSAR (ft)

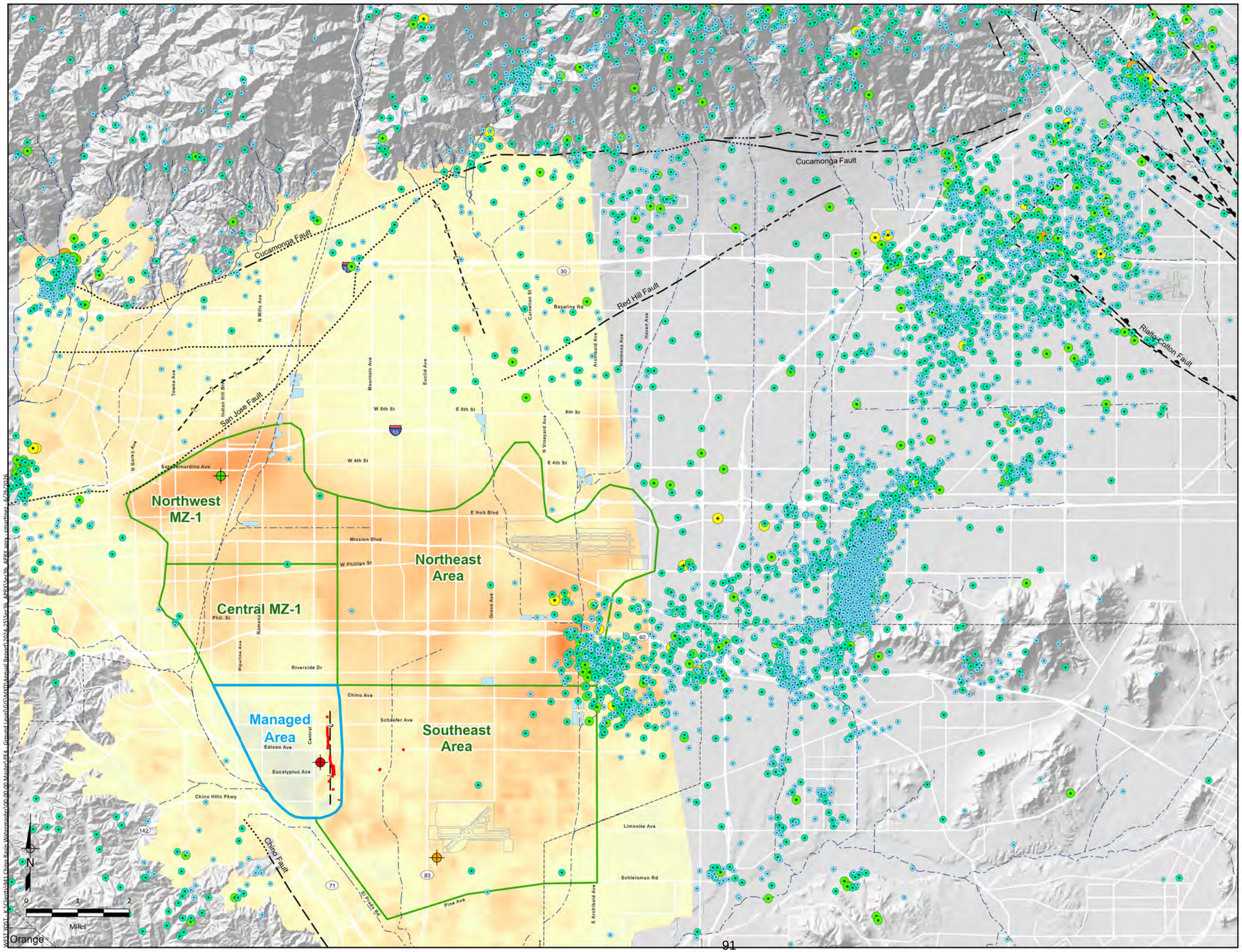
N

- Location of Historic Sewage Disposal Ponds
- Ely Recharge Basins

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Figure 3-12

Land Use, Pumping, and Vertical Ground Motion at the Whispering Lakes Subsidence Feature



Seismicity in the Chino Basin
March 1, 2011 to March 31, 2026
(Magnitude)

- 0 - 1
- 1 - 2
- 2 - 3
- 3 - 4
- 4 - 5
- 5 - 6

Relative Change in Land Surface Elevation
as Estimated by InSAR
(March 2011 to March 2026)

- High : 0.65 ft
- 0 ft
- Low : -0.65 ft
- InSAR absent or incoherent

- Pomona Extensometer
- Ayala Park Extensometer
- Chino Creek Extensometer
- Managed Area
- Areas of Subsidence Concern
- Recharge Conservation Basins
- Historical Ground Fissures
- Approximate Location of the Riley Barrier
- Fault (solid where accurately located; dashed where approximately located or inferred; dotted where concealed)



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Figure 3-13

Seismicity across the Chino Basin: 2011-2026

Sentinel-1A

TerraSAR-X

Relative Change in Land Surface Elevation
as Estimated by InSAR
(June 2015 to March 2025)

High : 0.6 ft

0 ft

Low : -0.6 ft

InSAR absent or incoherent

Managed Area

Areas of Subsidence Concern

Historical Ground Fissures

Approximate Location of the Riley Barrier

Fault (solid where accurately located; dashed where approximately located or inferred; dotted where concealed)

Flood Control and Conservation Basins

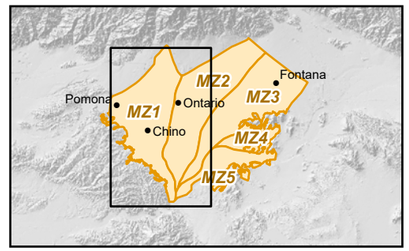
Pomona Extensometer

Ayala Park Extensometer

Chino Creek Extensometer

City of Pomona Production Well (P-30)

City of Chino Production Well (C-15)

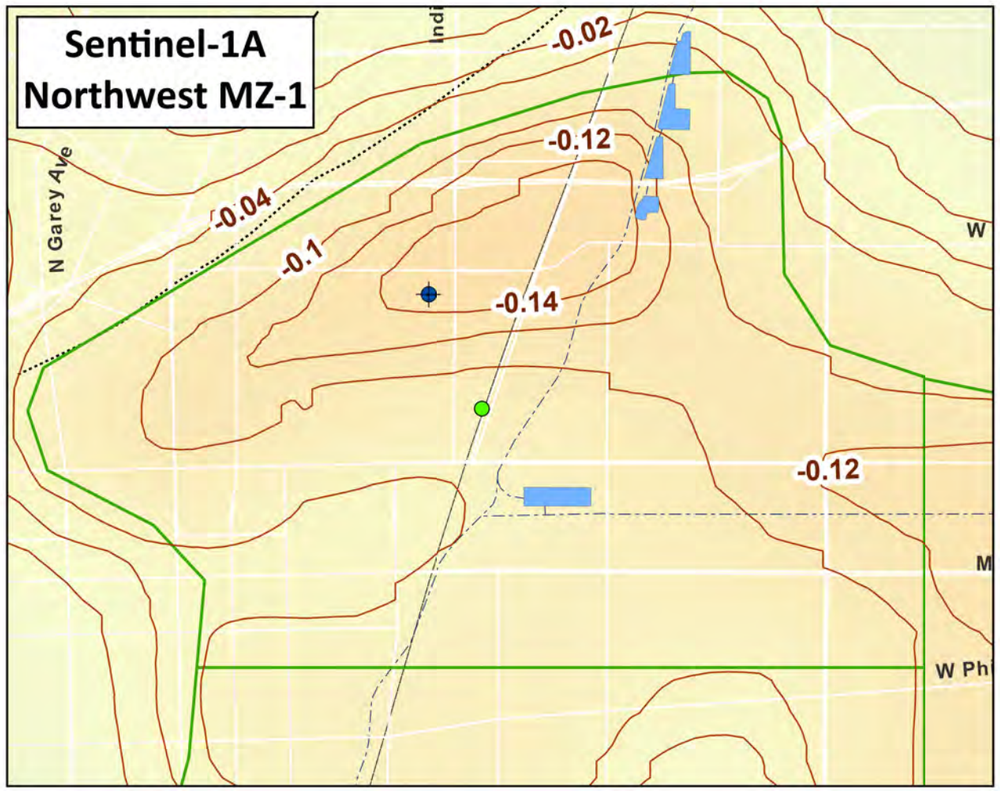


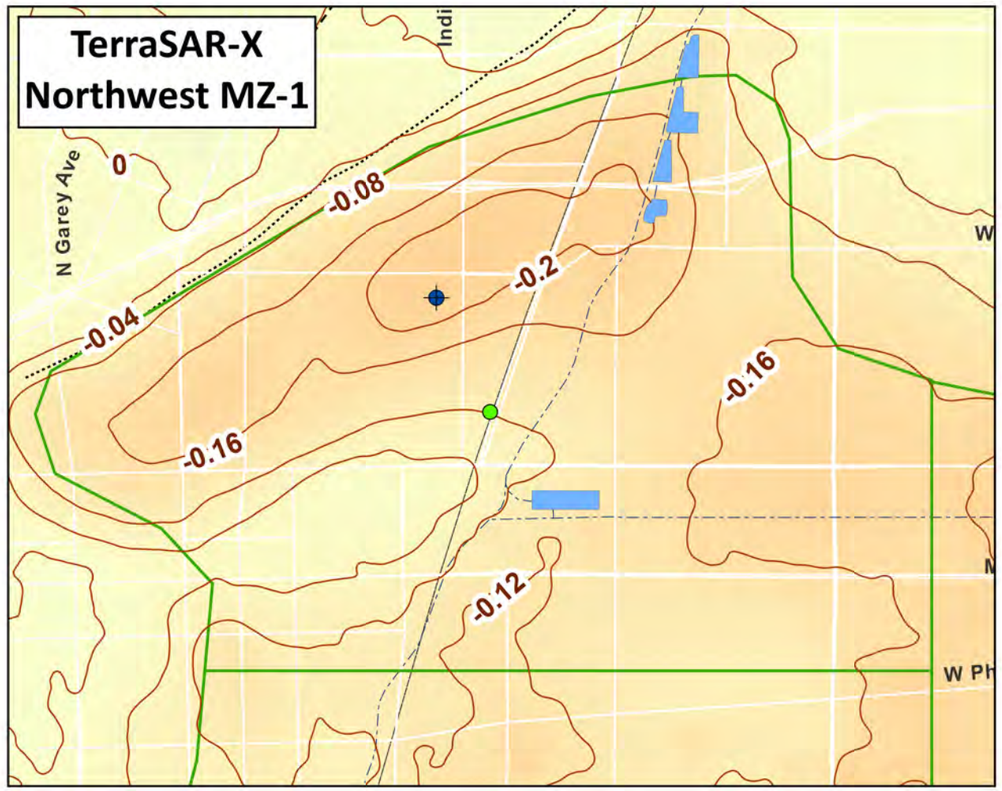
WEST YOST

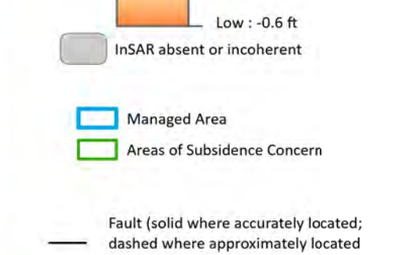
Chino Basin Watermaster
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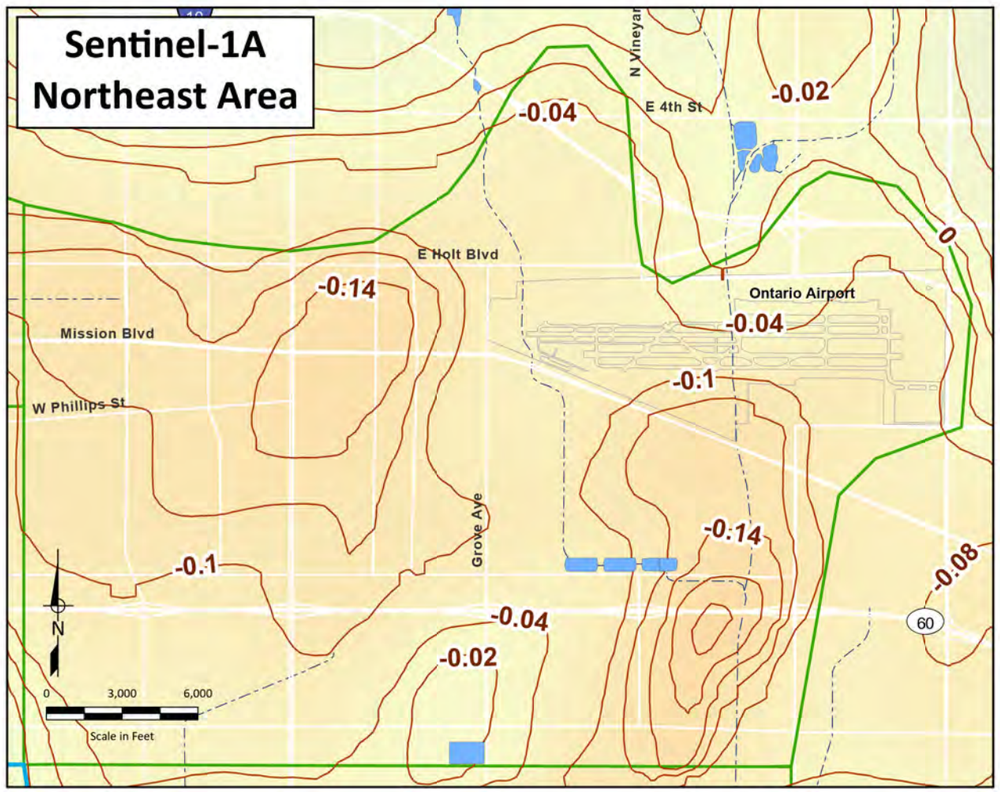
Figure 3-14

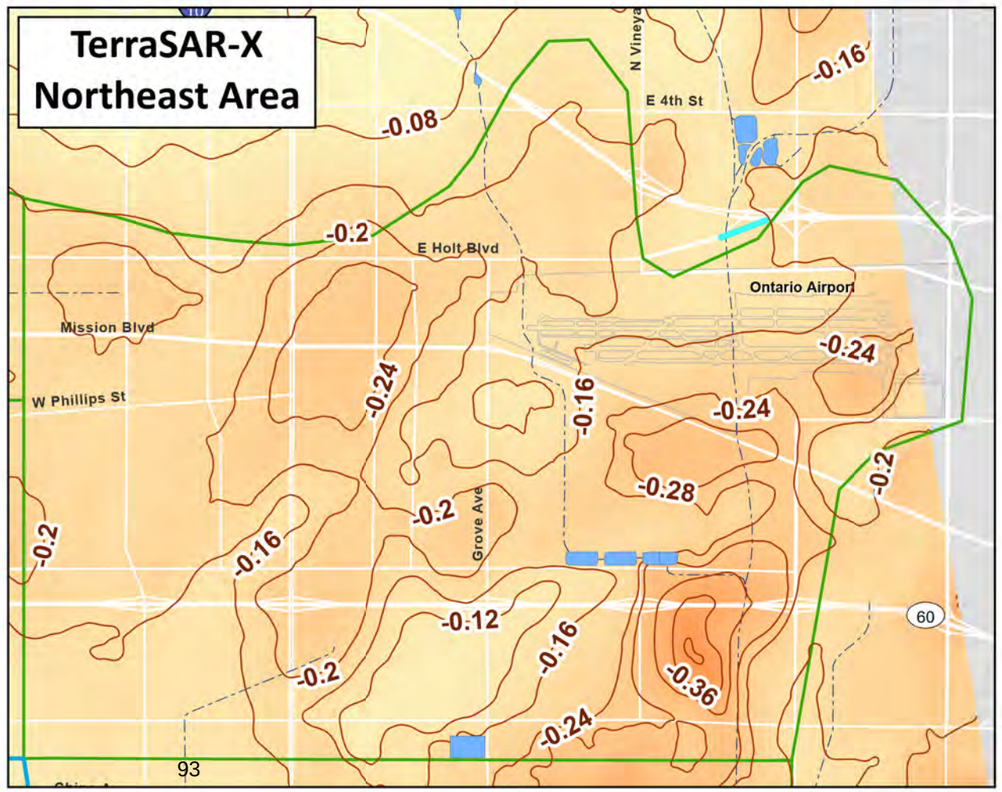
Sentinel-1A and TerraSAR-X
Estimates of Vertical Ground Motion
Across the Western Chino Basin
June 2015 - March 2025









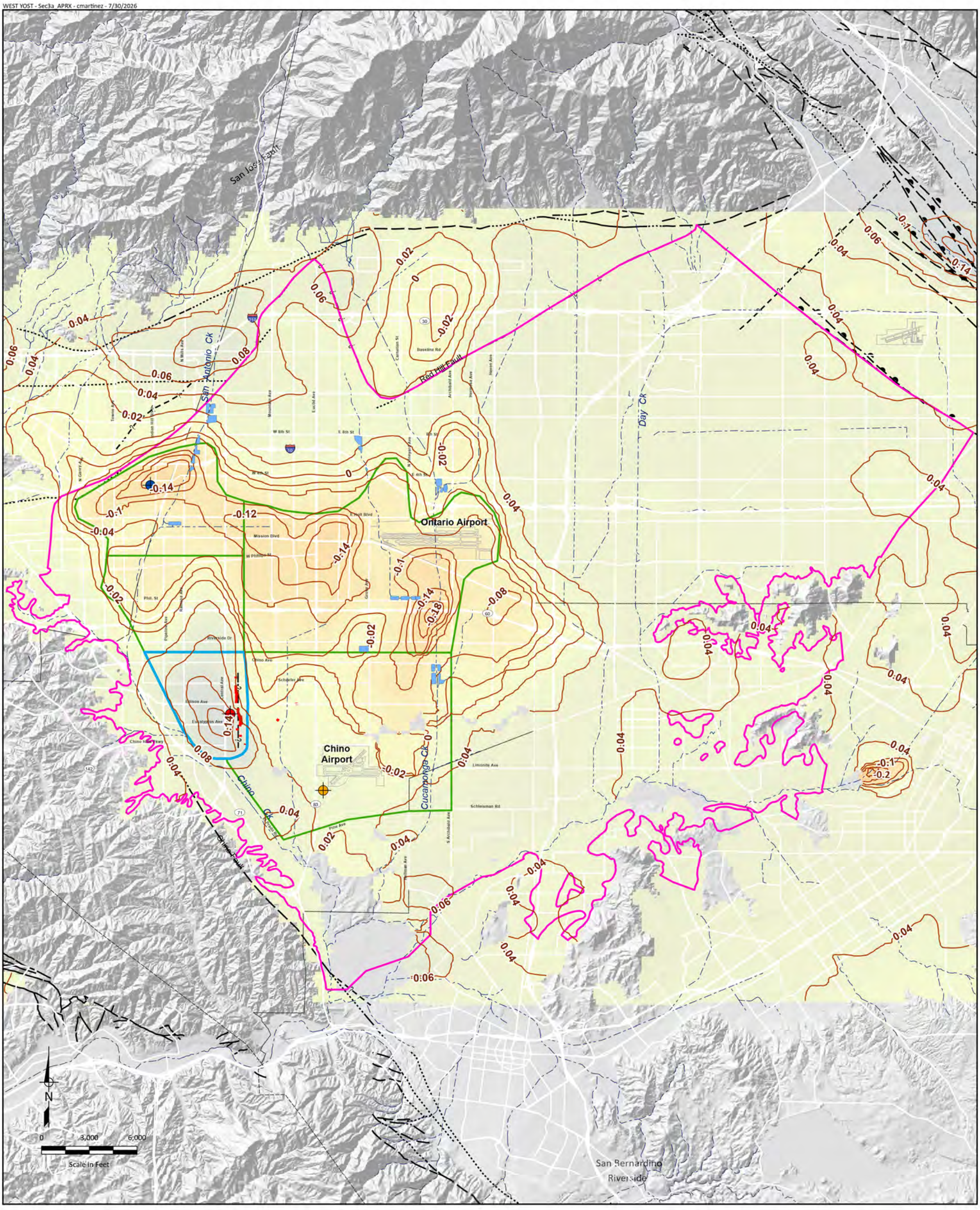




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Figure 3-15

Sentinel-1A TerraSAR-X Estimates of Vertical Ground Motion in Northwest MZ-1 and the Northeast Area
June 2015 - March 2025



Relative Change in Land Surface Elevation
as Estimated by InSAR
(June 2015 to March 2025)

High : 0.6 ft

0 ft

Low : -0.6 ft

InSAR absent or incoherent

Managed Area

Areas of Subsidence Concern

Chino Basin Hydrologic Boundary

Historical Ground Fissures

Approximate Location of the Riley Barrier

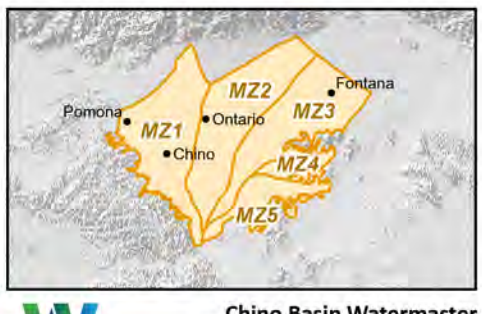
Fault (solid where accurately located; dashed where approximately located or inferred; dotted where concealed)

Flood Control and Conservation Basins

Pomona Extensometer

Ayala Park Extensometer

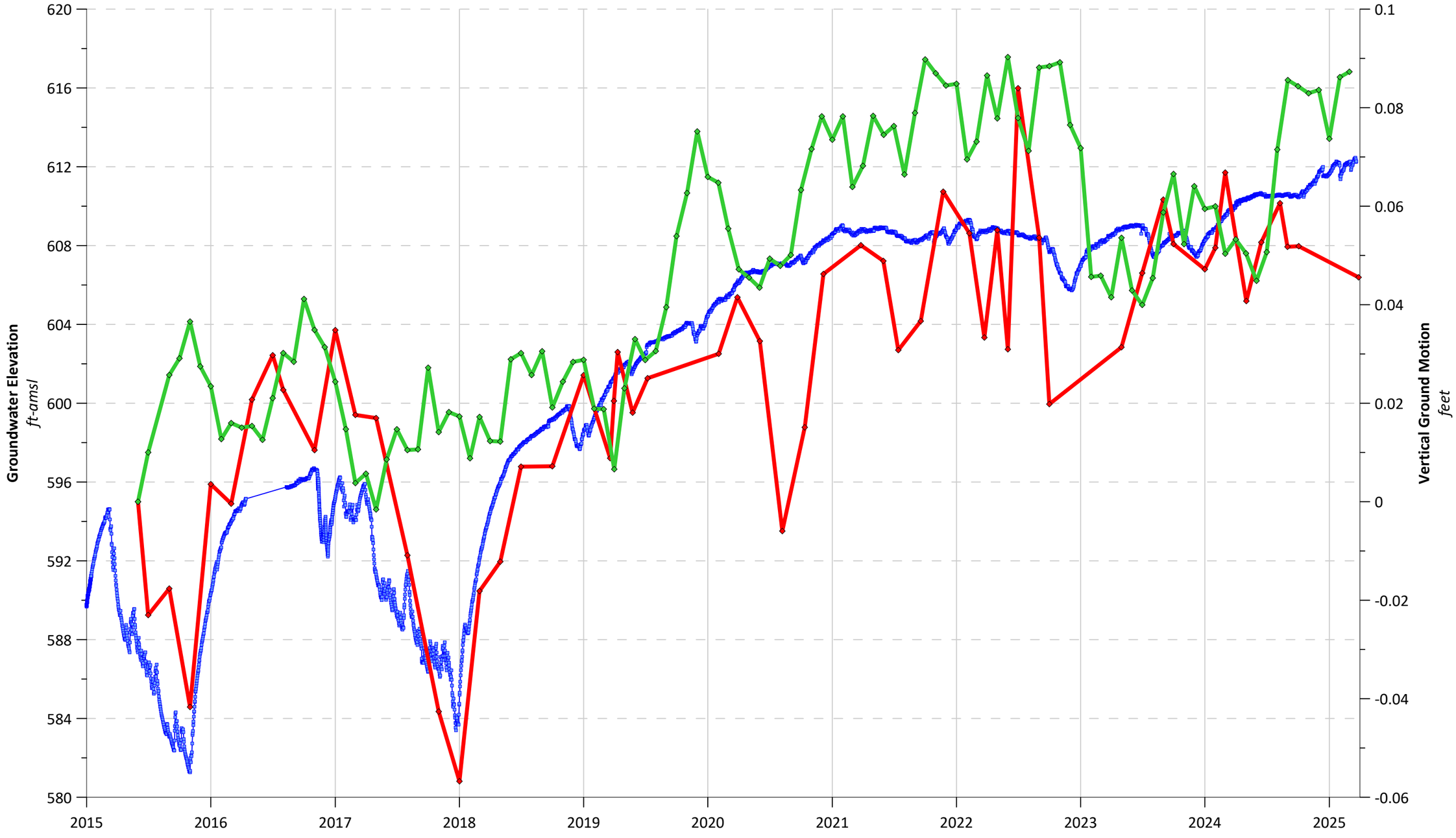
Chino Creek Extensometer



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Figure 3-16

Vertical Ground Motion Across Chino Basin Estimated from Sentinel-1A
June 2015 - March 2025



WEST YOST - F3-SC15_InSAR_PumpRecharge.gpj

Figure 3-17

Cumulative Vertical Ground Motion Measured by Sentinel-1A and TerraSAR-X at C-15

June 2015 - March 2025

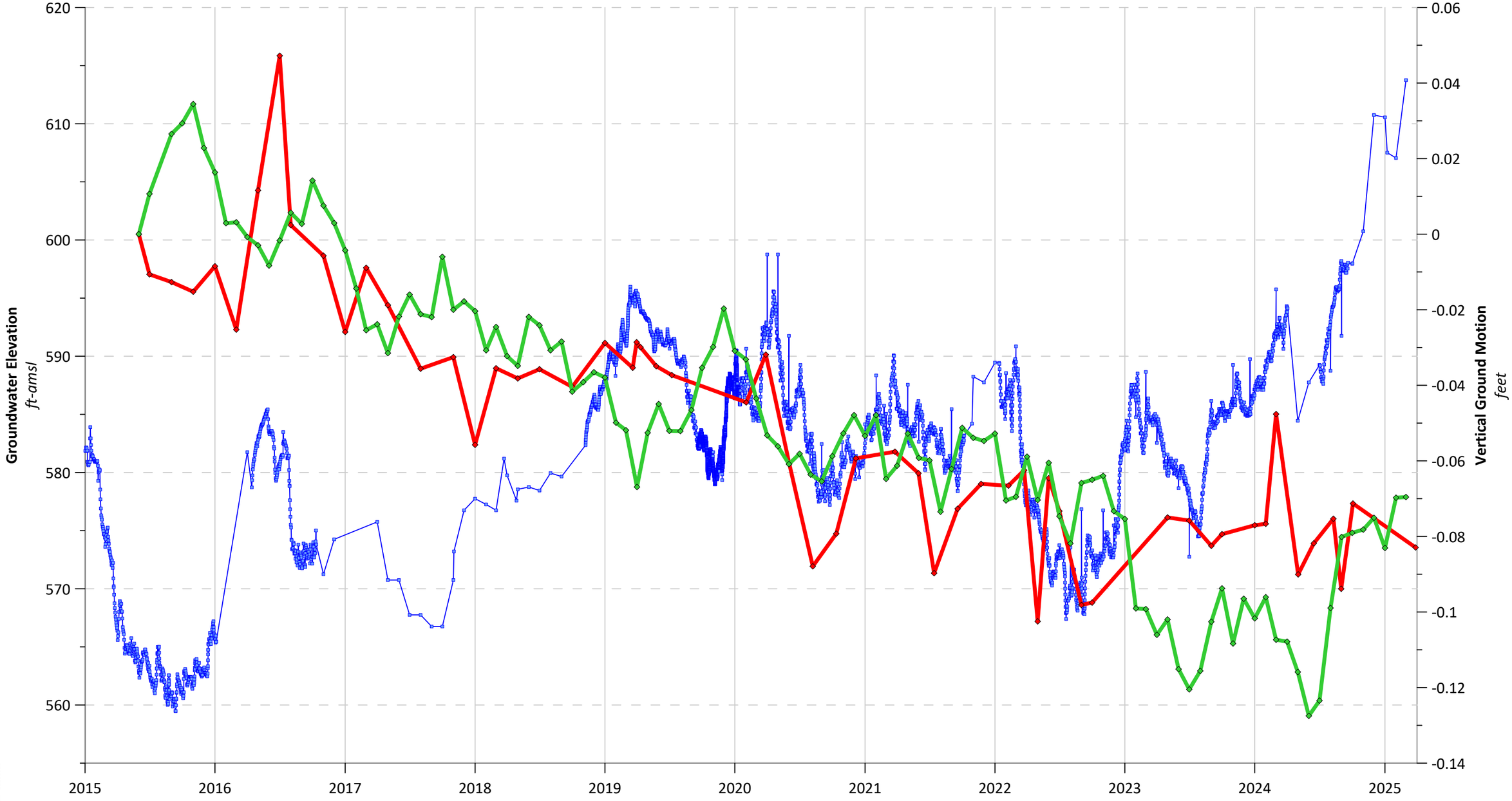


Figure 3-18

Cumulative Vertical Ground Motion Measured by Sentinel-1A and TerraSAR-X at P-30
(June 2015-March 2025)

WEST YOST - F3-10_P30_InSAR_PumpRecharge.gpj - CK - 20250630

4.0 CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions and Recommendations

The major conclusions and recommendations of this 2025/26 Annual Report for the GLMP are:

- At the Ayala Park Extensometer in the Managed Area, hydraulic heads within the shallow and deep aquifer-systems are at or near their highest levels since the inception of the GLMP in 2003, and the Ayala Park Extensometers recorded elastic compression and expansion of the aquifer-system during the current reporting period of March 2025 to March 2026. The elevated hydraulic heads were due to the small volumes of pumping in the Managed Area, which was largely due to the presence of water-quality contaminants in groundwater that constrain its use as drinking water. Hydraulic heads in the deep aquifer-system remain well above the Guidance Level, and the Ayala Park Extensometers recorded no inelastic compaction of the aquifer-system during the current reporting period. In other locations of the Managed Area, the long-term subsidence trend at C-15 also appears to have stopped since 2018, which is consistent with the predominantly elastic deformation measured at the Ayala Park Extensometers and the recovery of hydraulic heads in the Managed Area. There have been no documented reports of additional ground fissuring or damage to overlying infrastructure.

  RECOMMENDATION: Watermaster should continue the existing monitoring program in the Managed Area at its current scope and frequency.

- Across most of the other Areas of Subsidence Concern, prior annual reports have noted long-term trends of gradual land subsidence since 1992, even during periods of stable or increasing heads. The long-term trends in downward vertical ground motion have been of particular concern in Northwest MZ-1, where subsidence occurs differentially across the San Jose Fault. Differential subsidence may pose a threat for ground fissuring. The long-term trends of land subsidence have been attributed to the delayed drainage and compaction of aquitards as they slowly equilibrate with lower heads in the aquifers that were caused by historical pumping. Over the past several years, pumping has decreased across much of the western Chino Basin, partly due to the presence of contaminants in groundwater that constrain its use as drinking water. Also, artificial recharge of imported and storm waters in Northwest MZ-1 (Upland, College Heights, Montclair, and Brooks basins) has increased mainly due to “put” cycles in the Dry-Year Yield Program and relative wet years that resulted in increased storm water recharge. The decreases in pumping and increases in recharge have caused heads to stabilize or increase, and InSAR estimates of ground motion across most of the Areas of Subsidence Concern have shown that the long-term trends of land subsidence have slowed. There have been no documented reports of ground fissuring or damage to overlying infrastructure. These observations suggest:
  - The reductions in pumping, increases in recharge, and increases in hydraulic head may be causing equilibration of hydraulic heads in the aquitards and aquifers, which is slowing the drainage and compaction of the aquitards.

- Hydraulic heads may be near "threshold levels" that, if achieved and maintained, could abate the future occurrence of permanent land subsidence. These hydraulic head thresholds, and various pumping and recharge strategies to maintain heads above these thresholds, were explored in 2023-24 using numerical, one-dimensional aquifer-system compaction models in Northwest MZ-1. The past few years of reduced pumping and increased recharge in Northwest MZ-1 functioned as an empirical test of the model simulations and generally confirmed the model results that elevated hydraulic heads can minimize or abate ongoing subsidence.

- The recent reduction in the rates of land subsidence across the Areas of Subsidence Concern does not mean that the future occurrence of subsidence and ground fissuring is no longer a threat. Future declines in hydraulic heads, which may be caused by increases in pumping or decreases in recharge, may cause aquitard compaction and rates of land subsidence to increase. For example, the pumpers in Northwest MZ-1 could increase pumping in the future, or there could be reduced or infrequent "put" cycles for the Dry-Year Yield Program. The future occurrence of subsidence remains possible in the event of future head declines.

  RECOMMENDATION: Watermaster, with input from the GLMC, should continue implementation of the *Work Plan to Develop a Subsidence-Management Plan for the Northwest MZ-1 Area* to develop management strategies to avoid future occurrences of subsidence. This will include:

  - Continuing aquifer-system monitoring and data analysis in Northwest MZ-1, including continued calibration and evaluation of hydraulic head and aquifer-system deformation data from the PX, as well as collection of hydraulic head data from Pomona and MVWD wells equipped with transducers.
  - Continuing the development and evaluation of subsidence-management alternatives using the PX 1D compaction model and results from the 2025 Safe Yield Reevaluation. The methods, results, and findings from this work will be documented in a separate technical memorandum in FY 2026/27. The modeling results, together with recent monitoring data, should be used to finalize the Guidance Level(s) at PX and the *Subsidence Management Plan for Northwest MZ-1*. Any decision to incorporate the recommended Guidance Levels into the Subsidence Management Plan for Northwest MZ-1 will be subject to recommendations from the GLMC, advice from the Watermaster Pools and Advisory Committee, and approval by the Watermaster Board.

  These recommendations support the objectives of OBMP Program Elements 1 and 4, including the monitoring of land subsidence and the development and implementation of management strategies to minimize the potential for future subsidence and ground fissuring in MZ-1. It should be noted that future monitoring and analyses always hold the potential for revisions to the Guidance Level(s), consistent with the adaptive management approach called for in the Chino Basin Subsidence Management Plan.

- Since the inception of the GLMP, Watermaster has employed various methods to monitor ground motion via extensometers, InSAR, and traditional ground-level surveys. Analysis of these data over time has shown that InSAR (using data from the TerraSAR-X satellite) has become an increasingly reliable and accurate method for monitoring of vertical ground motion across most of the Areas of Subsidence Concern for the following reasons:

  - Improvements in satellite technology over time have increased the spatial resolution, temporal resolution, and accuracy of InSAR. InSAR provides higher spatial and temporal resolution compared to traditional leveling surveys.

- Sean Yarborough (formerly Neva Ridge Technologies, Inc.), a long-time subconsultant to the Watermaster, has been able to stay abreast of the newest InSAR products and processing techniques which in turn provides InSAR deliverables to the GLMC with high accuracy, resolution, and coherence.
- Where and when the extensometer, InSAR, and traditional ground-leveling datasets overlap, InSAR shows a similar spatial pattern and magnitude of ground motion. Research conducted for the GLMC has shown that the errors inherent in InSAR and traditional ground-level methods are similar.
- Land-use changes from agricultural to urban uses have added hard, consistent radar wave reflectors to the ground surface over time. InSAR results are now coherent and useful across most of the Areas of Subsidence Concern.
- During FY 2025/26, Watermaster evaluated Sentinel-1A InSAR data published by DWR across the Chino Basin and compared the results with TerraSAR-X. Both datasets show generally similar regional patterns of vertical ground motion; however, TerraSAR-X provides greater spatial detail and better delineates localized areas of differential subsidence. The Sentinel-1A data also indicate relatively little vertical ground motion across much of the eastern Chino Basin.

RECOMMENDATION: Watermaster should continue to prepare annual high-quality, high-resolution InSAR estimates of vertical ground motion using TerraSAR-X as the primary dataset for monitoring in the Areas of Subsidence Concern.

RECOMMENDATION: Sentinel-1A provides a useful supplemental dataset for evaluating vertical ground motion across the entire Chino Basin. Watermaster should review the publicly available Sentinel-1A data approximately every five years to evaluate vertical ground motion in the eastern Chino Basin and determine whether expansion of routine TerraSAR-X monitoring is warranted.

RECOMMENDATION: Watermaster should consider reducing the traditional ground-level surveying and transition to annual GPS surveys at four control points located in the Managed Area, Northwest MZ-1, Northeast Area, and Southeast Area. This change is recommended because InSAR now provides reliable, high-resolution estimates of vertical ground motion across most of the Areas of Subsidence Concern, reducing the need for extensive traditional leveling surveys. The four GPS control points will provide independent ground-based measurements to verify the InSAR results and support future calibration of the 1D Models.

- Section 3.5 described the results and conclusions of the Whispering Lakes Subsidence Investigation and concluded that shallow soil consolidation associated with the golf course and/or prior land uses is the most plausible cause of the ongoing subsidence in this area. Although deeper aquifer-system compaction cannot be ruled out as a contributing mechanism, Watermaster was unsuccessful in obtaining access to nearby wells to install additional groundwater level monitoring equipment. The most recent InSAR data in 2026 also indicate a decrease in the rate of subsidence.

RECOMMENDATION: Discontinue outreach efforts to obtain access to additional monitoring wells in the vicinity of the Whispering Lakes Subsidence Feature in FY 2026/27. The Watermaster should continue to monitor and evaluate vertical ground motion at the Whispering Lakes Subsidence Feature using the high-resolution InSAR analyses performed for the GLMP. Additional groundwater level monitoring should be reconsidered if future InSAR results indicate a substantial change in the magnitude or spatial pattern of vertical ground motion or if Watermaster obtains access to nearby wells suitable for groundwater level monitoring.

4.2 Recommended Scope and Budget for Fiscal Year 2026/27

The scope-of-work for the GLMP for FY 2026/27 was recommended by the GLMC in April 2026 and approved by Watermaster in May 2026. Appendix A is the technical memorandum prepared by the GLMC, titled *Recommended Scope and Budget for the Ground-Level Monitoring Program for FY 2026/27*.

In March 2027, Watermaster staff and the Watermaster Engineer will present the preliminary results of the GLMP through 2026 and a recommended FY 2027/28 scope and budget to the GLMC for consideration. As is typically done, the GLMC members can recommend changes to the proposed scope of work for the GLMP.

4.3 Changes to the Subsidence Management Plan

The Subsidence Management Plan calls for ongoing monitoring, data analysis, and annual reporting, and if the monitoring data in the Areas of Subsidence Concern indicate the potential for adverse impacts due to subsidence, Watermaster will revise the Subsidence Management Plan pursuant to the process outlined in Section 4 of the Subsidence Management Plan.

Although there are no recommended changes to the Subsidence Management Plan in this report, Watermaster is continuing implementation of the *Work Plan to Develop a Subsidence-Management Plan for the Northwest MZ-1 Area*. During FY 2026/27, the Watermaster Engineer plans to complete the evaluation of subsidence-management alternatives and use the results to finalize the Guidance Criteria and the *Subsidence Management Plan for Northwest MZ-1*. The Guidance Criteria for Northwest MZ-1 will then be added to the Chino Basin Subsidence Management Plan. This update will require review and input by the GLMC and the Watermaster Pools, Advisory Committee, and Board. Watermaster will apprise the Court of revisions to the Subsidence Management Plan as part of its OBMP implementation status reporting. The updated Chino Basin Subsidence Management Plan is anticipated to be completed by the end of FY 2026/27.

5.0 GLOSSARY

The following glossary contains the terms and definitions used in this report and generally in the discussions at GLMC meetings.

Aquifer – A saturated, permeable, geologic unit that can transmit significant quantities of groundwater under ordinary hydraulic gradients and is permeable enough to yield economic quantities of water to wells.

Aquifer-system – A heterogeneous body of interbedded permeable and poorly permeable geologic units that function as a water-yielding hydraulic unit at a regional scale. The aquifer-system may comprise one or more aquifers within which aquitards are interspersed. Confining units may separate the aquifers and impede the vertical exchange of groundwater between aquifers within the aquifer-system.

Aquitard – A saturated, but poorly permeable geologic unit that impedes groundwater movement and does not yield water freely to wells but may transmit appreciable water to and from adjacent aquifers and, where sufficiently thick, may constitute an important groundwater storage unit. A really, extensive aquitards may function regionally as confining units within aquifer-systems.

Artesian – An adjective referring to confined aquifers. Sometimes the term artesian is used to denote a portion of a confined aquifer where the altitudes of the potentiometric surface are above land surface (flowing wells and artesian wells are synonymous in this usage). But, more generally, the term indicates that the altitudes of the potentiometric surface are above the altitude of the base of the confining unit (artesian wells and flowing wells are not synonymous in this case).

Compaction – Compaction of the aquifer-system reflects the rearrangement of the mineral grain pore structure and largely non-recoverable reduction of the porosity under stresses greater than the pre-consolidation stress. Compaction, as used here, is synonymous with the term “virgin consolidation” used by soils engineers. The term refers to both the process and the measured change in thickness. As a practical matter, a very small amount (1 to 5 percent) of compaction is recoverable as a slight elastic rebound of the compacted material if stresses are reduced.

Compression – A reversible compression of sediments under increasing effective stress; it is recovered by an equal expansion when aquifer-system heads recover to their initial higher values.

Consolidation – In soil mechanics, consolidation is the adjustment of a saturated soil in response to increased load, involving the squeezing of water from the pores and a decrease in the void ratio or porosity of the soil. For the purposes of this report, the term “compaction” is used in preference to consolidation when referring to subsidence due to groundwater extraction.

Confined Aquifer-system – A system capped by a regional aquitard that strongly inhibits the vertical propagation of head changes to or from an overlying aquifer. The heads in a confined aquifer-system may be intermittently or consistently different than in the overlying aquifer.

Deformation, Elastic – A fully reversible deformation of a material. In this report, the term “elastic” typically refers to the reversible (recoverable) deformation of the aquifer-system sediments or the land surface.

Deformation, Inelastic – A non-reversible deformation of a material. In this report, the term “inelastic” typically refers to the permanent (non-recoverable) deformation of the aquifer-system sediments or the land surface.

Differential Land Subsidence – Markedly different magnitudes of subsidence over a short horizontal distance, which can be the cause of ground fissuring.

Drawdown – Decline in aquifer-system head typically due to pumping by a well.

Expansion – In this report, expansion refers to the expansion of sediments. A reversible expansion of sediments under decreasing effective stress.

Extensometer – A monitoring well housing a free-standing pipe or cable that can measure vertical deformation of the aquifer-system sediments between the bottom of the pipe and the land surface datum.

Ground Fissures – Elongated vertical cracks in the ground surface that can extend several tens of feet in depth.

Hydraulic Conductivity – A measure of the medium's capacity to transmit a particular fluid. The volume of water at the existing kinematic viscosity that will move in a porous medium in unit time under a unit hydraulic gradient through a unit area. In contrast to permeability, it is a function of the properties of the liquid, as well as the porous medium.

Hydraulic Gradient – Change in head over a distance along a flow line within an aquifer-system.

Hydraulic Head – A measure of the potential for fluid flow. The height of the free surface of a body of water above a given subsurface point.

InSAR (Synthetic Aperture Radar Interferometry) – A remote-sensing method (radar data collected from satellites) that measures ground-surface displacement over time.

Linear Potentiometer – A highly sensitive electronic device that can generate continuous measurements of displacement between two objects. Used to measure movement of the land-surface datum with respect to the top of the extensometer measuring point.

Nested Piezometer – A single borehole containing more than one piezometer.

Overburden – The weight of overlying sediments, including their contained water.

Piezometer – A monitoring well that measures groundwater levels, or piezometric level, at a point, or in a very limited depth interval, within an aquifer-system.

Piezometric (Potentiometric) Surface – An imaginary surface representing the total head of groundwater within a confined aquifer-system, defined by the level to which the water will rise in wells or piezometers that are screened within the confined aquifer-system.

Pore pressure – Water pressure within the pore space of a saturated sediment.

Rebound – Elastic rising of the land surface.

Stress, Effective – The difference between the geostatic stress and fluid pressure at a given depth in a saturated deposit, representing the portion of the applied stress that becomes effective as intergranular stress.

Stress, Pre-consolidation – The maximum antecedent effective stress to which a deposit has been subjected and can withstand without undergoing additional permanent deformation. Stress changes in the range less than the pre-consolidation stress produce elastic deformations of small magnitude. In fine-grained materials, stress increases beyond the pre-consolidation stress produce much larger deformations that are principally inelastic (non-recoverable). Synonymous with "virgin stress."

Stress – Stress (pressure) that is borne by and transmitted through the grain-to-grain contacts of a deposit, thus affecting its porosity and other physical properties. In one-dimensional compression, effective stress is the average grain-to-grain load per unit area in a plane normal to the applied stress. At any given depth, the effective stress is the weight (per unit area) of sediments and moisture above the water table plus the submerged weight (per unit area) of sediments between the water table and a specified depth plus or minus the seepage stress (hydrodynamic drag) produced by downward or upward components, respectively, of water movement through the saturated sediments above the specified depth. Effective stress may also be defined as the difference between the geostatic stress and fluid pressure at a given depth in a saturated deposit and represents the portion of the applied stress that becomes effective as intergranular stress.

Subsidence – Permanent or non-recoverable sinking or settlement of the land surface due to any of several processes.

Transducer – An electronic device that can measure piezometric levels by converting water pressure to a recordable electrical signal. Typically, the transducer is connected to a data logger, which records the measurements.

Water Table – The surface of a body of unconfined groundwater at which the pressure is equal to atmospheric pressure and is defined by the level to which the water will rise in wells or piezometers that are screened within the unconfined aquifer-system.

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Appendix A

Recommended Scope and Budget of the Ground-Level Monitoring Committee for FY 2026/27

TECHNICAL MEMORANDUM

DATE: May 1, 2026 Project No.: 941-80-25-21

TO: Ground-Level Monitoring Committee

FROM: West Yost Associates

REVIEWED BY: Andy Malone, PG

SUBJECT: Recommended Scope-of-Work and Budget for the Ground-Level Monitoring Program for Fiscal Year 2026/27 **(FINAL)**

BACKGROUND AND PURPOSE

Pursuant to the Optimum Basin Management Program Implementation Plan and the Peace Agreement, the Chino Basin Watermaster (Watermaster) implements a Subsidence Management Plan (SMP) for the Chino Basin to minimize or stop the occurrence of land subsidence and ground fissuring. The Court approved the SMP and ordered its implementation in November 2007 (2007 SMP). The 2007 SMP was updated in 2015 (2015 SMP) and can be downloaded from the Watermaster website. The SMP outlines a program of monitoring, data analysis, and annual reporting. A key element of the SMP is its adaptive nature—Watermaster can adjust the SMP as warranted by the monitoring/testing data.

The Watermaster Engineer, with the guidance of the Ground-Level Monitoring Committee (GLMC), prepares annual reports which include: the results of the Ground-Level Monitoring Program (GLMP); interpretations of the data; recommendations for the GLMP for the following fiscal year (FY); and recommendations for adjustments to the SMP, if any.

This Technical Memorandum (TM) describes the Watermaster Engineer's recommended activities for the GLMP for FY 2026/27 in the form of a proposed scope-of-work and budget.

Members of the GLMC are asked to:

- Review this draft TM prior to March 5, 2026.
- Attend a meeting of the GLMC at 10:00 am on March 5, 2026 to discuss the proposed scope-of-work and budget for FY 2026/27.
- Submit comments and suggested revisions on the proposed scope-of-work and budget for FY 2026/27 to the Watermaster by April 2, 2026.

Table 1. Work Breakdown Structure and Cost Estimates for the Ground-Level Monitoring Program: FY 2026/27

Task Description			Notes	Labor (days)		Other Direct Costs						Totals			
				Person Days	Total	Travel	New Equip.	Equip. Rental	Outside Pro	Misc.	Total	Totals by Task	Recommended Budget *2026/27*	Approved Budget *2025/26*	Net Change *from 2025/26*
													a	*b*	*a - b*
Task 1. Setup and Maintenance of the Monitoring Network					**$43,706**						**$10,916**	**$54,622**	**$54,622**	**$51,357**	**$3,264**
1.1	Maintain Extensometer Facilities														
	1.1.1	Routine maintenance of Ayala Park, Chino Creek, and Pomona extensometer facilities		21	$32,010	$1,720	$250	$920			$2,890	$34,900	$34,900	$32,250	$2,649
	1.1.2	Replacement/repair of equipment at extensometer facilities		6	$11,696	$430	$6,000				$6,430	$18,126	$18,126	$17,511	$615
1.2	Annual Lease Fees for the Chino Creek extensometer facility			0	$0					$1,596	$1,596	$1,596	$1,596	$1,596	$0
Task 2. MZ-1: Aquifer-System Monitoring and Testing					**$35,556**						**$1,740**	**$37,296**	**$37,296**	**$35,230**	**$2,066**
2.1	Conduct Quarterly Monitoring at Extensometers Facilities														
	2.1.1	Download data from the Ayala Park Extensometer facility		4	$5,916	$430		$150			$580	$6,496	$6,496	$6,111	$385
	2.1.2	Download data from the Chino Creek Extensometer facility		4	$5,916	$430		$150			$580	$6,496	$6,496	$5,760	$736
	2.1.3	Download data from Pomona Extensometer facility		4	$5,916	$430		$150			$580	$6,496	$6,496	$6,111	$385
	2.1.4	Process, check, and upload data to database		10	$17,808						$0	$17,808	$17,808	$17,248	$560
Task 3. Basin Wide Ground-Level Monitoring Program (InSAR)					**$73,304**						**$17,600**	**$90,904**	**$90,904**	**$111,216**	**-$20,312**
3.1	Satellite tasking and data selection with AirBus for 2026/27			0.5	$1,240					$1,000	$1,000	$2,240	$2,240	$2,200	$40
3.2	Assess SAR baselines for 2026/27 and select/purchase TerraSAR-X frames from Airbus			0.5	$1,240					$10,000	$10,000	$11,240	$11,240	$11,200	$40
3.3	Prepare and check interferograms for 2026/27			28	$68,344						$0	$68,344	$68,344	$66,144	$2,200
3.4	GAMMA software maintenance for InSAR processing			1	$2,480					$6,600	$6,600	$9,080	$9,080	$17,600	-$8,520
3.5	Compile and prepare DWR InSAR estimates for Chino Basin; Compare to TerraSAR-X			0	$0						$0	$0	$0	$14,072	-$14,072
Task 4. Perform Ground-Level Surveys					**$14,152**						**$31,140**	**$45,292**	**$45,292**	**$64,031**	**-$18,739**
4.1	Conduct Spring-2027 Elevation surveys in Northwest MZ-1			0	$0				$64,270		$0	$0	$0	$42,887	-$42,887
4.2	Conduct Spring-2027 Elevation Survey in the Northeast Area			0	$0				$122,480		$0	$0	$0	$0	$0
4.3	Conduct Spring-2027 Elevation Survey in the Southeast Area			0	$0				$78,695		$0	$0	$0	$0	$0
4.4	Conduct Spring-2027 Elevation and EDM Surveys in the Managed Area/Fissure Zone			0	$0				$75,890		$0	$0	$0	$0	$0
4.5	Conduct GPS Surveys at Four Control Points in the Northwest, Northeast, Southeast, and Managed Areas			0	$7,808				$26,140		$26,140	$33,948	$33,948	$5,000	$28,948
4.6	Replace Destroyed Benchmarks (if needed)			0	$0				$5,000		$5,000	$5,000	$5,000	$10,000	-$5,000
4.7	Process, Check, and Update Database			3	$6,344						$0	$6,344	$6,344	$6,144	$200
Task 5. Data Analysis and Reporting					**$72,012**						**$0**	**$72,012**	**$72,012**	**$81,668**	**-$9,656**
5.1	Prepare Draft 2025/26 Annual Report of the Ground-Level Monitoring Committee			18	$33,992						$0	$33,992	$33,992	$34,896	-$904
5.2	Prepare Final 2025/26 Annual Report of the Ground-Level Monitoring Committee			5.5	$12,612						$0	$12,612	$12,612	$14,432	-$1,820
5.3	Compile and Analyze Data from the 2026/27 Ground-Level Monitoring Program			13	$25,408						$0	$25,408	$25,408	$22,704	$2,704
5.4	Continue Whispering Lakes Subsidence Investigation			0	$0						$0	$0	$0	$9,636	-$9,636
Task 6. Develop a Subsidence-Management Plan for Northwest MZ-1					**$107,696**						**$0**	**$107,696**	**$107,696**	**$169,378**	**-$61,682**
6.1	Aquifer-System Monitoring														
	6.1.1	Collect pumping and piezometric data from agencies every three months; check and upload data to HDX		0	$0						$0	$0	$0	$0	$0
	6.1.2	Prepare and analyze charts and data graphics of pumping and recharge (Northwest MZ-1), piezometric levels, and aquifer-system deformation from PX		4	$7,104						$0	$7,104	$7,104	$4,792	$2,312
	6.1.3	PX Refurbishment - Continue to periodically check and adjust extensometers		0	$0						$0	$0	$0	$46,250	-$46,250
6.2	Refine and Evaluate Subsidence-Management Alternatives														
	6.2.1	Recalibrate PX 1D Model (if necessary) and update the CVM at the PX Site		0	$0						$0	$0	$0		
	6.2.2	Run PX 1D Model using the 2025 SYR results		0	$0						$0	$0	$0		
	6.2.3	Prepare draft TM summarizing model results and up to two SMAs, and meet with the GLMC for feedback		0	$0						$0	$0	$0		
	6.2.4	Run the SMAs with the CVM and 1D Models		23	$52,392						$0	$52,392	$52,392	$118,336	-$17,744
	6.2.5	Prepare draft TM to describe SMA results, interpretations and recommendations		12.5	$26,556						$0	$26,556	$26,556		
	6.2.6	Prepare for and meet with the GLMC to receive feedback on the draft TM		5	$11,512						$0	$11,512	$11,512		
	6.2.7	Prepare final TM to describe SMA results, interpretations and recommendations		4.5	$10,132						$0	$10,132	$10,132		
Task 7. Meetings and Administration					**$53,846**						**$364**	**$54,210**	**$54,210**	**$60,891**	**-$6,681**
7.1	Prepare for and Conduct Two Meetings of the Ground-Level Monitoring Committee		a	10	$22,712	$243					$243	$22,955	$22,955	$33,619	-$10,664
7.2	Prepare for and Conduct One As-Requested Ad-Hoc Meeting		a	4	$9,136	$121					$121	$9,257	$9,257	$7,216	$2,041
7.3	Perform Monthly Project Management			4.5	$9,516						$0	$9,516	$9,516	$8,112	$1,404
7.4	Prepare a Recommended Scope and Budget for the GLMC for FY 2027/28			5.75	$12,482						$0	$12,482	$12,482	$11,944	$538
Totals					**$400,272**						**$61,760**		**$462,032**	**$573,772**	**-$111,740**

Notes:

a Assumes in-person meetings.

A final recommended scope-of-work and budget that addresses the comments and suggested revisions of the GLMC will be included in the Watermaster staff's proposed budget for FY 2026/27. The final scope-of-work and budget for FY 2026/27 approved by the Watermaster will be included in Section 4 of the *2025/26 Annual Report for the GLMP*.

RECOMMENDED SCOPE-OF-WORK AND BUDGET – FY 2026/27

A proposed scope-of-work and budget for the GLMP for FY 2026/27 is shown in Table 1 as a line-item cost estimate. The proposed scope-of-work is summarized below.

Task 1. Setup and Maintenance of the Monitoring Network

The Chino Basin extensometer facilities are key monitoring facilities for the GLMP. They require regular and as-needed maintenance and calibration to remain in working order and to ensure the recording of accurate measurements.

Task 1.1. Maintain Extensometer Facilities

This subtask includes performing monthly visits to the extensometer facilities at Ayala Park (APX), Chino Creek (CCX), and Pomona (PX) to ensure functionality and calibration of the monitoring equipment and data loggers. Two staff members are required for these visits due to safety concerns.

Non-routine efforts to be performed under this subtask during FY 2026/27 may include:

- As-needed adjustments to the extensometers to ensure the accuracy of the measurements of aquifer-system deformation.
- As-needed repair or replacement of linear potentiometers, transducers, and/or the CR1000X data loggers.

Task 1.2. Annual Lease Fees for the Chino Creek Extensometer Site

The County of San Bernardino (County) owns the land the Chino Creek extensometer facility is located on. As such, the Watermaster entered into a lease agreement with the County in 2012 and pays the County and annual rental payment of $1,596.

Task 2. Aquifer-System Monitoring and Testing

This task involves the collection, compilation, and checking of hydraulic head and aquifer-system deformation data from the Ayala Park, Chino Creek, and PX extensometer facilities.

Task 2.1. Conduct Quarterly Monitoring at Extensometer Facilities

This subtask involves quarterly data collection, processing, and checking from the three extensometer facilities. This frequency of data collection/checking is needed to ensure that the monitoring equipment is in good working order and to minimize the risk of losing data because of equipment malfunction. For this subtask, the complete extensometer and piezometer

records from the APX, CCX, and PX facilities are loaded to HydroDaVE℠ (Hydrologic Database and Visual Explanations), the annual report figures are updated, and all the new data are checked for accuracy. If the data indicate malfunctioning equipment or inaccurate measurements, then any necessary adjustments to the monitoring equipment are made. Two staff members are required for these visits due to safety concerns.

Task 3. Basin-Wide Ground-Level Monitoring Program (InSAR)

This task involves the annual collection and analysis of Synthetic Aperture Radar (SAR) scenes to estimate the vertical ground motion across the western portion of Chino Basin from March 2026 to March 2027.[1]

In this subtask, five SAR scenes that are acquired by the TerraSAR-X satellite from March 2026 to March 2027 are purchased from the German Aerospace Center. West Yost will use the SAR scenes to prepare 12 interferograms (InSAR) that describe the incremental and cumulative vertical ground motion that occurred from March 2026 to March 2027, and since 2011. The associated costs to task, acquire, purchase, and process the InSAR data is as follows:

- Task TerraSAR-X for five SAR acquisitions for the western Chino Basin ($1,000)
- Purchase TerraSAR-X data ($10,000)
- Prepare and check InSAR results, including the interferograms and GIS-generated rasters ($76,448)

In addition, West Yost purchased and maintains the GAMMA software that is necessary to process the SAR data and prepare the InSAR estimates of vertical ground motion. The annual maintenance cost for the GAMMA software is $6,600.

Task 4. Perform Ground-Level Surveys

This task involves conducting traditional leveling and GPS elevation surveys at benchmark monuments across defined areas of western Chino Basin to estimate the vertical ground motion that occurred since the prior survey. Figure 1 shows the location of the benchmark monuments surveyed across the western Chino Basin. Electronic distance measurements (EDM surveys) are also performed periodically between monuments to estimate horizontal ground motion in areas where ground fissuring due to differential land subsidence is a concern. Table 2 documents the traditional leveling and GPS surveys conducted since 2018 as part of the GLMP.

[1] West Yost is performing this task internally instead of subcontracting the work. This was made possible by West Yost hiring the InSAR subconsultant directly and purchasing/maintaining the necessary hardware and software.

Relative Change in Land Surface Elevation
as Estimated by InSAR
(March 2011 to March 2025)

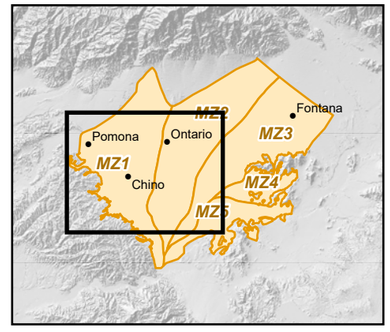
High : 0.75 ft

0 ft

Low : -0.75 ft

InSAR absent or incoherent

- Areas of Subsidence Concern
- Pomona Extensometer Facility
- Chino Creek Extensometer Facility
- Ayala Park Extensometer Facility
- Ground-Level Survey Benchmark
- Ground-Level GPS Station
- Chino Desalter Authority Well
- SB County Extraction Well
- Ground Fissures
- Approximate Location of the Riley Barrier
- Santa Ana Watershed Rivers



WEST YOST

Chino Basin Watermaster
Ground-Level Monitoring Program

Figure 1

Ground-Level Monitoring Program
Fiscal Year 2026/27

Table 2. History of Ground-Level Surveys

Ground-Level Survey Area	Ground-Level Survey Completed (Y/N)?									
	2018	2019	2020	2021	2022	2023	2024	2025	2026[c]	2027[d]
Managed Area	Y	N	N	N	N	N	Y	N	N	N
Fissure Zone Area[a]	Y	N	N	N	N	N	N	N	N	N
Central Area	N	N	N	N	N	N	N	N	N	N
Northwest Area	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
San Jose Fault Zone Area[a]	Y	Y	Y	Y	Y	N	N	N	N	N
Southeast Area	Y	N	N	N	Y	N	N	N	N	N
Northeast Area	Y	Y	Y	N	N	N	N	N	N	N
GPS points in key areas[b]	-	-	-	-	-	-	-	-	-	Y

(a) Denotes EDM survey area (measurements of horizontal strain).

(b) As an alternative to traditional ground-level surveys, a new recommendation for Spring 2027 is to conduct GPS surveys at four key control points in the Managed, Northwest, Northeast, and Southeast areas.

(c) The 2026 surveys are scheduled to begin in March 2026.

(d) The 2027 surveys are scheduled to begin in March 2027.

The surveys recommended for FY 2026/27 include the following:

Task 4.5. Conduct GPS Surveys at Four Control Points in the Northwest, Northeast, Southeast, and Managed Areas

As an alternative to traditional ground-level surveys, a new recommendation for Spring 2027 is to conduct GPS surveys at four key control points in the Managed, Northwest, Southeast, and Northeast areas:

- APEXO-1 at the Ayala Park Extensometer (Managed Area)
- MPEXO-1 at the Pomona Extensometer (Northwest Area)
- B-290 at the Chino Creek Extensometer (Southeast Area)
- A new control point near the 1D modeling location at Ontario Well 33 (Northeast Area)

These control points will be referenced to the Ayala Park elevation datum at the APX.

This strategy offers a more cost-effective approach, since the results of the GLMP indicate that InSAR monitoring is providing accurate estimates of vertical ground motion at high spatial resolution and across all Areas of Subsidence Concern. The GPS survey results will be used to verify InSAR estimates of vertical ground motion, support calibration of the 1D subsidence models, and provide reference elevations for any future differential leveling surveys in these four Areas of Subsidence Concern. This subtask also includes labor by field staff to escort the contractor to each GPS control point.

Task 4.6. Replace Destroyed Benchmarks (if needed)

In this subtask, the surveyor replaces benchmark monuments that have been destroyed since the last survey, if any. If additional benchmarks are required, the surveyor will provide a cost estimate to complete the task.

Task 4.7. Process, Check, and Update Database

In this subtask, the Watermaster Engineer receives and catalogs the survey results provided by the surveyor, prepares the data for display as a GIS layer, and performs checks against InSAR and extensometer data for reasonableness and accuracy.

Ground-Level Surveys Not Recommended for Spring 2027

Ground-level surveys are **not** recommended for Spring 2027 in the Managed, Central, Northwest, Northeast and Southeast Areas. This recommendation is justified because:

- InSAR is proving to be an accurate, more efficient, higher-resolution method to monitor vertical ground motion across the western Chino Basin.
- Hydraulic heads and vertical ground motion in some of these areas are stable or increasing.
- The cost of conducting traditional leveling surveys has increased significantly in recent years.

Task 5. Data Analysis and Reporting

Task 5.1. Prepare Draft 2025/26 Annual Report for the Ground-Level Monitoring Program

Prepare the text, tables, and figures for a draft *2025/26 Annual Report for the GLMP* and submit the report to the GLMC by September 17, 2026, for review and comment.

Task 5.2. Prepare Final 2025/26 Annual Report for the Ground-Level Monitoring Program

Update the text, tables, and figures based on the comments received from the GLMC and prepare a final *2025/26 Annual Report for the GLMP* by November 2, 2026. Responses to GLMC comments will be included as an appendix to the final report. The report will be included in the agenda packet for the November 2026 Watermaster meetings for approval.

Task 5.3. Compile and Analyze Data from the 2026/27 Ground-Level Monitoring Program

During the winter and spring of 2027, the monitoring data generated from the GLMP during 2026/27 is checked, mapped, charted, and analyzed as the first step in the preparation of the subsequent annual report. Some of the maps, charts, and tables are shared with the GLMC at its meetings in early 2027 during the development of a recommended scope of services and budget for FY 2027/28.

Future Reporting Frequency and Format

Following completion of the 2025/26 Annual Report, the Watermaster Engineer recommends evaluating opportunities to improve reporting efficiency, including the potential to reduce the reporting frequency to bi-annual, which could be coordinated with the bi-annual State of the Basin Report, subject to Court approval.

Under this approach, the Watermaster Engineer would continue to provide annual data summaries and updates to the GLMC during a special meeting each spring. A written report would be prepared every two years and/or presented in coordination with the State of the Basin Report.

Any modification to the reporting frequency or format would be implemented only upon recommendation by the GLMC, the Watermaster Pools, Advisory Committee, and Board, and Court approval. This approach has the potential to reduce long-term administrative and reporting costs while maintaining annual oversight and GLMC collaboration.

Task 5.4. Conduct Whispering Lakes Subsidence Investigation of the Northeast Area

In the Northeast Area, the long-term and short-term InSAR estimates indicate that persistent downward ground motion has occurred in a concentrated area south of the Ontario International Airport between Vineyard Avenue and Archibald Avenue in the vicinity of Whispering Lakes Golf Course. This concentrated area of subsidence is herein referred to as the Whispering Lakes Subsidence Feature.

In FY 2021/22, the Watermaster Engineer conducted a Reconnaissance-Level Investigation that included the review and analysis of readily-available borehole and lithologic data, historical air photos, pumping and recharge data, hydraulic head data, and InSAR estimates of vertical ground motion. Figures and charts were prepared and analyzed to derive interpretations and recommendations for future investigations and monitoring. The investigation and recommendations were included in the *FY 2021/22 Annual Report for the GLMP*.

The investigation and subsequent monitoring show that the subsidence feature directly overlies the Whispering Lakes Golf Course, and hence, suggest that the most plausible mechanism for this subsidence feature is shallow soil consolidation associated with the golf course and/or the prior overlying land uses. If true, groundwater management will have no effect on the Whispering Lakes Subsidence Feature. However, the possibility remains that deeper aquifer-system compaction is at least a contributing mechanism for the land subsidence.

Based on these findings, the Watermaster Engineer does **not** recommend continuing the limited monitoring program in FY 2026/27 for the following reasons:

- Vertical ground motion in this area will continue to be evaluated using high-resolution InSAR analyses developed for the GLMP Annual Report.

- The Watermaster Engineer has been unsuccessful in outreach efforts to install transducers in nearby deep groundwater pumping wells at the Niagara Bottling Facility. However, pumping data reported for these wells will continue to be provided to Watermaster and summarized in the GLMP Annual Report.

Although the limited monitoring program is **not** recommended for FY 2026/27, it should be reconsidered in future fiscal years if InSAR patterns change substantially at the Whispering Lakes Subsidence Feature or if the Watermaster Engineer is granted permission to install and download transducer data at the nearby Niagara Bottling Facility. Such reassessment would help determine whether aquitard drainage and groundwater utilization are contributing factors to the observed subsidence.

Task 6. Develop a Subsidence-Management Plan for Northwest MZ-1

The 2007 SMP called for ongoing monitoring and data analysis of the Managed Area; including annual reporting and adjustments to the SMP, as warranted by the data. The 2007 SMP also called for expanded monitoring of the aquifer-system and land subsidence in other areas of subsidence and ground fissuring concern. Figure 1 shows the location of these so-called Areas of Subsidence Concern: Central MZ-1, Northwest MZ-1, Northeast Area, and Southeast Area. The expanded monitoring efforts outside of the Managed Area are consistent with the requirements of OBMP Program Element 1 and its implementation plan contained in the Peace Agreement.[2]

The 2007 SMP stated that if data from existing monitoring efforts in the Areas of Subsidence Concern indicate the potential for adverse impacts due to subsidence, the Watermaster would revise the SMP to avoid those adverse impacts. The 2014 Annual Report of the GLMP recommended that the 2007 SMP be updated to better describe the Watermaster's land subsidence efforts and obligations, including areas outside of MZ-1. As such, the update included a name change to the 2015 Chino Basin Subsidence Management Plan (2015 SMP) and a recommendation to develop a subsidence management plan for Northwest MZ 1.

The Watermaster had been monitoring vertical ground motion in Northwest MZ-1 via InSAR during the development of the 2007 SMP. Land subsidence in Northwest MZ-1 was first identified as a concern in 2006 in the MZ-1 Summary Report and again in 2007 in the 2007 SMP. Of particular concern was the occurrence of concentrated differential subsidence across the San Jose Fault in Northwest MZ-1—the same spatial pattern of differential subsidence that occurred in the Managed Area during the time of ground fissuring. Ground fissuring is the main subsidence-related threat to infrastructure. The issue of differential subsidence, and the potential for ground fissuring in Northwest MZ-1, has been discussed at prior GLMC meetings, and the subsidence has been documented and described as a concern in the Watermaster's

[2] http://www.cbwm.org/docs/legaldocs/Peace_Agreement.pdf.

State of the Basin Reports, the annual reports of the GLMP, and in the *Initial Hydrologic Conceptual Model and Monitoring and Testing Program for the Northwest MZ-1 Area* (WEI, 2017). The Watermaster increased monitoring efforts in Northwest MZ-1 beginning in FY 2012/13 to include ground elevation surveys and electronic distance measurements (EDM) to monitor ground motion and the potential for fissuring.

In 2015, the Watermaster's Engineer developed the *Work Plan to Develop a Subsidence Management Plan for the Northwest MZ-1 Area* (Work Plan; WEI 2015b).[3] The Work Plan is characterized as an ongoing Watermaster effort and includes a description of a multi-year scope-of-work, a cost estimate, and an implementation schedule. The Work Plan was included in the 2015 SMP as Appendix B. Implementation of the Work Plan began in July 2015. On an annual basis, the GLMP analyzes the data and information generated by the implementation of the Work Plan. The results and interpretations generated from the analysis are documented in the annual report for the GLMP and used to prepare recommendations for future activities.

Progress to Implement Work Plan through FY 2025/26

The progress that has been made to implement the Work Plan through FY 2025/26 is described below:

- An initial hydrogeologic conceptual model of the Northwest MZ-1 Area was developed, and a report was published in 2017.[4] This report described the hydrogeology of the area, speculated on the causes of the observed land subsidence, and included a recommended monitoring program.

- A preliminary one-dimensional (1D) compaction model, based on hydrogeologic information from the MVWD-28 well site, was constructed, calibrated and used to explore the future occurrence of subsidence in Northwest MZ-1 under various basin-operation scenarios of groundwater production and artificial recharge and to identify potential subsidence mitigation strategies. A report[5] was published to document the results and interpretations of the modeling, which were: ***the deep aquifer system is most susceptible to future compaction and associated land subsidence, and hence, heads will need to increase in the deep aquifer system to minimize or abate future subsidence in Northwest MZ-1***. The report also included a recommendation to construct the Pomona Extensometer.

- The initial monitoring program was implemented to closely track groundwater-levels, groundwater production, recharge, and ground motion across Northwest MZ-1. This

[3] Work Plan to Develop a Subsidence-Management Plan for Northwest MZ-1

[4] https://www.cbwm.org/docs/engdocs/GLMC/nwmz1/Final_NWMZ1_Task1_Report.pdf

[5] https://www.cbwm.org/docs/engdocs/GLMC/nwmz1/20171220%20Final%20NWMZ1%20Task3-4%20Tech%20Memo.pdf

monitoring program included the construction of the Pomona Extensometer to measure and record depth-specific heads and aquifer-system deformation. Implementation of the monitoring program is ongoing.

- A new 1D model was constructed and calibrated using the hydrogeologic information collected at the Pomona Extensometer. The 1D model at MVWD-28 was also updated and recalibrated using current information. The objectives of this exercise were to: (i) describe the subsidence mechanisms and the pre-consolidation head by aquifer-system layer in Northwest MZ-1 and (ii) develop modeling tools that can be used to explore the future occurrence of subsidence in Northwest MZ-1 under various basin-operation scenarios of groundwater production and artificial recharge and to identify potential subsidence mitigation strategies. This work was reviewed by the GLMC, and additional model calibration refinements and sensitivity analyses were performed based on GLMC input. In November 2022, the Watermaster Engineer published a final report[6] on the 1D Model calibrations and sensitivity analyses (with review by the GLMC) and deemed the 1D Models sufficient to simulation future land subsidence under prospective plans for pumping and recharge.

- In 2023, the Watermaster Engineer, with review and input from the GLMC, developed an initial "Subsidence Management Alternative" for Northwest MZ-1 called SMA-1. SMA-1 is equivalent to the planning scenario that was simulated with the 2020 Chino Valley Model (CVM) to support the 2020 Safe Yield Recalculation (2020 SYR). The 2020 SYR was intended to represent and simulate the Parties' projected pumping, recharge, and use of storage through 2050. The results of the 2020 SYR (*i.e.,* projected hydraulic heads by CVM layer) were used as input data for the 1D Model simulations to predict the potential future occurrence of subsidence through 2050. In September 2023, the Watermaster Engineer published a draft TM titled *1D Model Simulation of Subsidence in Northwest MZ-1—Subsidence Management Alternative #1*. The Watermaster's recommendations from this work were the following:

    a. Establish a *preliminary* "Northwest MZ-1 Guidance Level" of 630 ft-amsl for hydraulic heads in Layers 3 and 5 at the PX location. The *preliminary* Guidance Level is based on the physics of aquitard drainage and an aspirational Watermaster recommendation that, if achieved, would likely slow or stop aquitard compaction and land subsidence in Northwest MZ-1. While it is true that the rate of subsidence has slowed in Northwest MZ-1, the threat of future groundwater level declines and associated subsidence (and ground fissuring) remains, which is a reason why the Watermaster conducts the subsidence

[6] https://www.cbwm.org/docs/engdocs/GLMC/nwmz1/TM%20-%20941%20-%201D%20Model%20-%20Final.pdf

monitoring program and is developing a Subsidence Management Plan for Northwest MZ-1.

b. Compliance with the Guidance Level should be measured at the PX-2/3 piezometer, which is generally representative of heads in Layers 3 and 5.

c. The methods to achieve the Guidance Level could include but are not limited to: voluntary modification of pumping patterns; in-lieu recharge; wet-water recharge via spreading and/or injection; or a combination of methods. These methods might necessitate: voluntary modification of water-supply plans of the purveyors in the Chino Basin; modification of Watermaster practices for recharge and replenishment; and/or the implementation of regional-scale storage or conjunctive-use programs.

d. Additional SMAs should be developed and evaluated with the 1D Models to generate the necessary information to finalize the Guidance Level and the *Subsidence Management Plan for Northwest MZ-1*. The additional SMAs could be developed during Watermaster's groundwater modeling efforts associated with the 2025 Safe Yield Reevaluation and the development of the Storage and Recovery Master Plan. The GLMC should participate in the scenario building exercises associated with these Watermaster efforts to develop the SMAs, so that the scenarios include various methods to achieve the Guidance Level. Then, the 1D Models should be used to evaluate the potential future subsidence in Northwest MZ-1 under the SMAs. These model results and evaluations will support the establishment of a Guidance Level in the *Subsidence Management Plan for Northwest MZ-1*. It should be noted that future monitoring and analyses always hold the potential for revisions to the Guidance Level, consistent with the adaptive management approach called for in the Chino Basin Subsidence Management Plan.

Based on the expected progress through FY 2025/26, the following work is recommended for FY 2026/27 to develop the *Subsidence Management Plan for Northwest MZ-1*:

Task 6.1. Aquifer-System Monitoring

The established monitoring program of piezometric levels and pumping at wells in Northwest MZ-1 will continue through various techniques, including: (i) SCADA-based monitoring by the Monte Vista Water District; (ii) monitoring of piezometric levels via sonar[7]; (iii) monitoring of piezometric levels via pressure transducers at City of Pomona production wells; and (iv) manual measurements of piezometric levels. These data, along with data collected from the PX in Task

[7] The use of sonar technology to measure piezometric levels in wells in currently being used in Monte Vista Water District wells 28 and 31.

2.1, will improve the understanding of the hydrogeology in Northwest MZ-1, will be used to develop the *Subsidence Management Plan for Northwest MZ-1*, and in the future, will be used to adapt the Chino Basin Subsidence Management Plan, as appropriate.

In this subtask, all data is collected, compiled, checked, and analyzed every three months. Charts and data graphics of pumping, piezometric levels, and aquifer-system deformation will be updated to support the data collection and analysis.

The Watermaster Engineer has previously reported that the PX monitoring facility is not recording accurate extensometer data. The primary causes of these inaccuracies include entanglement of the steel extensometer cables with transducer cables within the well casings, as well as malfunctioning linear potentiometers and/or data loggers. In FY 2025/26, the Watermaster Engineer refurbished the facility with assistance from an well rehab subcontractor, with completion expected in April 2026. For FY 2026/27, **no** additional funding is recommended for refurbishment of this facility, as periodic maintenance and repairs are included under Tasks 1 and 2.

Task 6.2. Refine and Evaluate Subsidence-Management Alternatives

During FY 2025/26, the Watermaster is conducting the 2025 SYR, which involves the development and evaluation of multiple projection scenarios of future hydrology, pumping, managed recharge, and use of managed storage in the Chino Basin. These projection scenarios are being simulated with an updated CVM. The CVM results provide basin-scale projections of groundwater levels by model layer and are used to evaluate the Safe Yield and the potential for MPI in the future. The evaluation of MPI in the 2025 SYR is based on groundwater-level criteria (i.e., minimum historical groundwater elevations that, if exceeded, may cause new land subsidence).

The GLMP Task 6.2 is a more detailed, subsidence-focused evaluation of potential future subsidence in Northwest MZ-1, where projected groundwater levels from the 2025 SYR are used as input data for the 1D Model at the PX location to evaluate the potential for future subsidence in Northwest MZ-1. Based on the 1D Model results, the Watermaster Engineer may recommend that additional SMAs be developed and evaluated with the CVM and 1D Model to generate the necessary information to finalize the Guidance Level and the Subsidence Management Plan for Northwest MZ-1.

In this way, the GLMP work augments the 2025 SYR analysis by providing a more detailed evaluation of potential future subsidence in Northwest MZ-1 and will support the development of management criteria aimed at reducing the risk of future subsidence-related MPI.

During FY 2025/26, the Watermaster Engineer plans to complete the following:

- Run the PX 1D Model using the results from the 2025 SYR.
- Develop up to two (2) additional SMAs that would be designed to mitigate any potential future subsidence predicted in Northwest MZ-1. A draft TM will be prepared to describe

the 1D Model results and the proposed SMAs—including groundwater production and replenishment/recharge plans of the Chino Basin parties. The TM is expected to be prepared and distributed to the GLMC in June 2026.

During FY 2026/27, the Watermaster Engineer plans to complete the following:

- Hold a GLMC meeting in June 2026 to review the recommended SMA(s) and to receive feedback on the TM. The verbal and written feedback from the GLMC will be used to finalize the SMA(s) in FY 2026/27 (using carryover budget from FY 2025/26).
- Evaluate the potential future subsidence in Northwest MZ-1 under the SMAs using the CVM and PX 1D Model. Again, the objective of this task is to recommend a final Guidance Level for Northwest MZ-1 and the Subsidence Management Plan for Northwest MZ-1.
- Document model results, interpretations, and recommendations in a draft TM for distribution to the GLMC.
- Hold a GLMC meeting to review the draft TM and receive GLMC feedback. The verbal and written feedback from the GLMC will be used to finalize the TM. The final TM and its recommendations will be shared with all Watermaster Parties through the monthly Pool, Advisory Committee, and Board meetings.

It should be noted that future monitoring and analyses always hold the potential for revisions to the Guidance Level, consistent with the adaptive management approach called for in the Chino Basin Subsidence Management Plan.

Task 7. Meetings and Administration

Task 7.1. Prepare for and Conduct Two Meetings of the Ground-Level Monitoring Committee

This subtask includes preparing for and conducting two meetings of the GLMC:

- October 2026 – Review the draft 2025/26 Annual Report for the GLMP.
- March 2027 – Review the draft recommended scope and budget for FY 2027/28.

Task 7.2. Prepare for and Conduct One As-Requested Ad-Hoc Meeting

This subtask includes preparing for and conducting one ad-hoc meeting of the GLMC, as requested by the GLMC or Watermaster staff.

Task 7.3. Perform Monthly Project Management

This subtask includes monthly project administration and management, including staffing, financial and schedule reporting to Watermaster and subcontractor coordination.

Task 7.4. Prepare a Recommended Scope and Budget for the GLMC for FY 2027/28

This subtask includes preparing a draft and final recommended scope of services and budget for FY 2027/28 for the GLMP to support the Watermaster's budgeting process.

Appendix A Response to Comments

Listed below are:

- Comments received from the GLMC as of April 9, 2026 on the draft *Recommended Scope-of-Work and Budget for the Ground Level Monitoring Program for Fiscal Year 2026/27* (dated March 18, 2026)
- Watermaster staff responses to GLMC comments

Comments from Monte Vista Water District (Justin Scott-Coe) – March 18, 2026

Comment 1 – Overall comment. PX Data Use for Final Guidance Level.

Issuance of a final guidance level is proposed for FY26/27 without some key inputs from monitoring and modeling efforts. The Pomona Extensometer (PX), where tangled datalogger cables have impeded extensometer monitoring for several years, has been rehabbed and may begin to collect data as early as April 2026. Extensometer data should be used to inform whether key hypotheses are correct (e.g. delayed dewatering in the deep aquifer from legacy dewatering, as a mechanism for current InSAR vertical ground motion in Northwest MZ-1.) The preliminary guidance level should be evaluated relative to the recent stabilization of vertical ground motion in Northwest MZ-1 prior to establishing a final guidance level.

Watermaster Response:

The PX facility may begin generating improved data as early as April 2026; however, several months of data collection and evaluation will be needed to assess its accuracy and reliability. If the data prove reliable, they may help inform the FY 2026/27 work, although the period of record will likely be too short to fully support key conclusions. Accordingly, the FY 2026/27 analyses will primarily rely on the 2025 SYR results together with the updated CVM and 1D modeling framework to evaluate future subsidence and support a recommendation for a Guidance Level for Northwest MZ-1.

The intent of the FY 2026/27 scope is not to treat the Guidance Level as fixed irrespective of new information. Rather, the Guidance Level will continue to be evaluated in light of additional monitoring data and model results, with input from the GLMC, consistent with the adaptive management approach outlined in the Subsidence Management Plan.

Comment 2 – Task 6. Develop a Subsidence-Management Plan for Northwest MZ-1

"…the same pattern of differential subsidence that occurred in the Managed Area during the time of ground fissuring."

- As commented previously, the language suggests that conditions in Northwest MZ-1 are the same as the Managed Area during the time of ground fissuring. MVWD recommends

clarifying the language so as not to suggest the two areas are experiencing identical conditions.

Watermaster Response:

The phrase has been revised to read "spatial pattern of differential subsidence" to distinguish it from rates and magnitudes of subsidence.

Comment 3 – Task 6.2. Refine and Evaluate Subsidence-Management Alternatives

"The CVM results are being used to evaluate the 2020 Safe Yield and the potential for MPI in the future. The evaluation for MPI associated with land subsidence in Northwest MZ-1 is being performed using the CVM results. However, the GLMP includes a more detailed evaluation where the CVM results (i.e., future groundwater levels by CVM layer) will be used as input data for the 1D Model at the PX location to predict the potential for future subsidence associated with the 2025 SYR. Based on the results of the 1D Modeling effort, the Watermaster Engineer may recommend that additional SMAs be developed and evaluated with the CVM and 1D Model to generate the necessary information to finalize the Guidance Level and the Subsidence Management Plan for Northwest MZ-1."

In the *Analysis of Material Physical Injury and Undesirable Results for the 2025 Safe Yield Reevaluation*, Watermaster Engineer defined the threshold for Material Physical Injury in Northwest MZ-1 as *"the historical rate of compaction measured by the interferometric synthetic aperture radar (InSAR) data between March 2011 and March 2024 (approximately 0.033 feet per year)."*

- Recommend including some additional discussion on the interrelation/timing between the Safe Yield Reevaluation and the scope of work here-in. How do the Guidance Level (to be established in FY26/27) and the threshold for Material Physical Injury relate/overlap in terms of this subsidence management scope? How will the SMAs proposed to evaluate Northwest MZ-1 inform the Safe Yield Reevaluation, or do they only inform the Guidance Level and Subsidence Management Plan?
- Why was the March 2011 to March 2024 period selected as a threshold for Material Physical Injury in the SYR work? That seems overly conservative given no Material Physical Injury occurred during that or earlier periods.

Watermaster Response:

- Regarding the first bulleted comment above:
    - The 2025 SYR/CVM work provides basin-scale projections of hydraulic heads by model layer and supports evaluation of Safe Yield and the potential for future MPI. The GLMP FY 2026/27 Task 6.2 effort then uses the projected heads as input to the 1D model at the Pomona Extensometer location to evaluate the potential for future subsidence in Northwest MZ-1 under the 2025 SYR scenarios and to

assess the potential need to develop and evaluate additional SMAs. In this way, the GLMP work augments the 2025 SYR analysis by providing a more detailed evaluation of potential future subsidence to support development of a Guidance Level and subsidence-management recommendations aimed at reducing the risk of potential future subsidence-related MPI in Northwest MZ-1 (i.e., finalize the Subsidence Management Plan for Northwest MZ-1). The description of the scope of work herein has been revised in Task 6.2 to provide additional clarification regarding the interrelationship and timing between the 2025 SYR and the GLMP scope of work.

- Regarding the second bulleted comment above:
    - The description of the MPI threshold based on the March 2011 to March 2024 InSAR-derived compaction rate reflects an earlier proposed approach. The 2025 SYR incorporates an updated metric for evaluating subsidence-related MPI that is based on groundwater levels rather than a historical subsidence rate. The revised approach to evaluate subsidence-related MPI using groundwater levels as a proxy for subsidence was made because the additional 1D models across all areas of subsidence concern were not available in time to utilize in the 2025 SYR. The revised approach was described in the first draft report for the 2025 SYR in October 2025.

Comment 4 – Task 6.2. Refine and Evaluate Subsidence-Management Alternatives

Previous scope discussion in FY 2025/26 included the development of SMAs to *"Evaluate the minimum recharge quantity of supplemental water in MZ-1, as required by the Peace II Agreement."*

- MVWD's understanding is that an evaluation of this recharge quantity has not been completed but mention of this purpose is absent from the scope of work for FY 2026/27. We recommend including language discussing recharge evaluation pursuant to Peace II obligations because, as commented previously, the Watermaster has yet to perform an assessment of minimum recharge quantity of supplemental water in MZ-1. It has taken Watermaster 15 years to finally fulfill this obligation under Peace II.
- MVWD also continues to recommend evaluating the existing model's ability to predict the recent stabilization of subsidence trends in Northwest MZ-1 at current groundwater levels in the deep aquifer. Does the current model match the latest observed data and trends with additional recharge in Northwest MZ-1? Is the preliminary guidance level appropriate given the recent stabilization in vertical ground motion at lower water levels than the guidance level? Will this evaluation occur during FY26/27 prior to issuance of a final Guidance Level?

Watermaster Response:

- Regarding the first bulleted comment above:
    - The omission of this language from the FY 2026/27 GLMP draft scope was not intended to suggest that the Peace II obligation no longer applies. The obligation will be fulfilled under a different CBWM FY 2026/27 task—*Model Update and Required Demonstrations*.
- Regarding the second bulleted comment above:
    - We agree that evaluation of the recent stabilization of subsidence trends, and the ability of the current modeling framework to reproduce those trends, is an important component of the FY 2026/27 effort. The 2024/25 Annual Report noted that the recent reductions in pumping and increases in recharge in Northwest MZ-1 functioned as an empirical test of the model simulations and generally confirmed the model results that decreased pumping and increased recharge could elevate hydraulic heads and minimize or abate ongoing subsidence.

      FY 2026/27 Task 6.2 will use the updated CVM and 1D modeling framework, together with recent monitoring data, to further evaluate whether the model results are consistent with the observed slowing or stabilization of vertical ground motion and to reassess the preliminary Guidance Level before recommending a final Guidance Level.

      Watermaster notes, however, that recent increases in groundwater levels and slowing of subsidence rates do not eliminate the risk of future subsidence if groundwater levels decline in the future.

Comment 5 – Task 7.1. Prepare for and Conduct Two Meetings of the Ground-Level Monitoring Committee

This subtask includes preparing for and conducting two meetings of the GLMC: *"Section 6.2: Hold a GLMC meeting in June 2026 to review the recommended SMA(s) and to receive feedback on the TM. The verbal and written feedback from the GLMC will be used to finalize the SMA(s) in FY 2026/27."*

- There is some conflict regarding the number and scheduling of GLMC meetings. The header discusses four meetings, the sub header identifies two meetings, and text in Section 6.2 mentions a GLMC meeting in June 2026 not identified in Section 7.1. Please resolve differences in scope.

Watermaster Response:

- The final scope has been updated to resolve the inconsistency in the Task 7.1 header. The proposed meeting schedule for the remainder of FY 2025/26 and FY 2026/27 is as follows:
    - Task 6.2.3**:** (1) meeting in FY 2025/26, tentatively scheduled for June 2026, but may be held in July 2026 using carryover funds, to review PX 1D Model simulations using results from the 2025 SYR and to discuss SMA recommendations to be evaluated in FY 2026/27;
    - Task 6.2.6**:** (1) meeting in FY 2026/27 to present SMA modeling results and receive feedback. These results will be used to support recommendation of a final Guidance Level and the Subsidence Management Plan for Northwest MZ-1; and
    - Task 7.1**:** (2) meetings in FY 2026/27 to review the draft 2025/26 Annual Report for the GLMP (October 2026) and the draft recommended scope and budget for FY 2027/28 (March 2027).

Appendix B

Response to GLMC Comments

MONTE VISTA WATER DISTRICT (JUSTIN SCOTT-COE)

Comment 1 – Section 2.1.1 Pomona Extensometer

Rehabilitation of the Pomona Extensometer (PX) took place in the spring of this year. Several measures including removal of tangled cables and replacement of extensometer monitoring equipment have taken place. The current state of the PX and the state of data collection are not described in this report. Please describe the current state of the extensometer and when data collected since the rehabilitation at the PX will be assessed and documented in Annual Reports.

Response:

Section 2.1.1.1 of the Annual Report describes the rehabilitation activities completed at the Pomona Extensometer (PX) facility during FY 2025/26, including removal of the tangled cables, rehabilitation of the piezometers, replacement of monitoring equipment, and improvements to the data acquisition software.

Following rehabilitation, monitoring resumed, and the Watermaster Engineer has continued to make incremental adjustments to the extensometers and evaluate the resulting data. Calibration and evaluation remain ongoing, and additional data are needed to confirm the reliability of the extensometer measurements.

The final paragraph of Section 2.1.1.1 has been revised to clarify the current status of the PX facility and the planned evaluation of post-rehabilitation data during FY 2026/27. The findings will be documented in future GLMP reporting once sufficient data are available.

Comment 2 – Section 3.4: Observations Regarding Vertical Ground Motion in Northwest MZ-1

Bullet Point 2: "A maximum of about 1.46 ft of subsidence occurred in this area from 1992 through March 2026—an average rate of about 0.04 ft/yr—while hydraulic heads remained relatively stable. The persistent subsidence that occurred from 1992 to 2026 cannot be entirely explained by the concurrent changes in hydraulic heads. A plausible explanation for this subsidence is that thick, slow-draining aquitards are permanently compacting in response to the historical declines in hydraulic heads that occurred between 1930 and 1978."

Bullet Point 6: "Figures 3-1c through 3-1e are InSAR maps that illustrate the slowing rate of subsidence in Northwest MZ1 from 2011-2026: about 0.28 ft of subsidence from 2011 to 2016; 0.12 ft of subsidence from 2016 to 2021; and 0.08 ft of subsidence from 2021 to 2026. This slowing rate of subsidence is likely due to increasing heads caused by reduced groundwater pumping and increased recharge as shown on Figure 3-9a".

- Groundwater levels in Northwest MZ-1 have remained stable since the late 1970s and early 1980s (Figure 3-9a). Measured vertical ground motion continues to decline (Figure 3-1c to Figure 3-1e), with essentially zero ground motion observed in Northwest MZ-1 over the most recent periods. This is a continuation of an attenuating trend seen in InSAR dating back to the inception of data collection documented in Figure 3-1c.

- Equilibration of heads in aquitards with stable post-1970s water levels is the mechanism hypothesized earlier (see previous paragraph), which should be added to the explanation of the slowing rate of subsidence as well. It is plausible that after nearly 50 years, hydraulic heads have equilibrated vertically even in thicker aquitards, and thus, the delayed drainage phenomenon hypothesized to be causing residual subsidence has abated.
- It is also important to note that no documented material physical injury has occurred in Northwest MZ-1 as a result of historical (model estimates of 7 to 9 ft of subsidence) or more recent trends in vertical ground motion documented in Figure 3-1.

Response:

The Watermaster Engineer agrees that the gradual equilibration of hydraulic heads between aquifers and aquitards is a plausible explanation for the slowing subsidence rates. This interpretation is consistent with the conceptual model of delayed aquitard drainage and compaction. Section 3.4 has been updated to acknowledge this mechanism in addition to the effects of increasing hydraulic heads associated with reduced pumping and increased recharge.

Although subsidence rates have slowed, the most recent five-year InSAR results continue to indicate downward vertical ground motion in Northwest MZ-1. Therefore, the available data do not demonstrate that delayed aquitard drainage and inelastic compaction have ceased. Future groundwater-level declines could result in increasing rates of compaction and increase the potential for differential subsidence.

Sections 3.0 and 4.1 have been revised to acknowledge that "the rates of subsidence have been slowing, and there have been no documented reports of ground fissuring or damage to overlying infrastructure during the reporting period." While this statement is true for the current reporting period, the same conclusion cannot be confidently stated for the historical period where the available information indicates the occurrence of several feet of subsidence since the 1930s. Impacts to the ground surface and/or infrastructure can go un-reported, un-noticed, repaired, and never attributed to pumping-induced land subsidence. For example, some Parties in Northwest MZ-1 have reported deformed well casings in older wells to the extent that the well is unusable. Such damage to well casings is typical of aquifer-system compaction but in the Chino Basin has never been attributed to the historical compaction.

Comment 3 – Observations Regarding Benchmark and InSAR Data in Northwest MZ-1

- We have previously commented (24/25 Annual Report) on the InSAR overestimation of vertical ground motion relative to the benchmark data in both Figure 3-9a and b in Northwest MZ-1. These comments were not addressed thoroughly in the last Annual Report and are reiterated here. The benchmark data shows significantly less vertical ground motion in Northwest MZ-1 than indicated by InSAR. Sentinel 1A data also shows less subsidence in maps presented in Figure 3-15.
- Watermaster has indicated, in response to concerns over the differences in vertical ground motion, that:
  "The general consistency in these independently measured datasets increases confidence in the observed patterns, even though the InSAR estimates of downward ground motion are slightly greater in magnitude near PX. These small differences are within the expected range of

measurement uncertainty and do not affect the overall interpretation of differential subsidence across the San Jose fault."

- These differences in magnitude will become important as Watermaster develops management criteria, recommends a cessation of leveling surveys of vertical ground motion in Northwest MZ-1, without successful data collection at the PX to understand mechanisms for vertical ground motion.

Response:

The Watermaster Engineer acknowledges that differences exist between the magnitudes of vertical ground motion estimated by InSAR and traditional ground-level surveys in Northwest MZ-1. As described in Section 3.4, both methods generally indicate similar spatial patterns of ground motion, although TerraSAR-X estimates greater magnitudes of subsidence near the PX facility. These differences may be related to the timing of measurements, reference elevations, processing methods, and uncertainties associated with each monitoring technique. Despite these differences, both datasets support the conclusion that subsidence rates in Northwest MZ-1 have slowed in recent years.

The evaluation of Sentinel-1A and TerraSAR-X data described in Section 3.7 also identified differences in the estimated magnitudes of ground motion. Section 3.7 has been revised to clarify that the TerraSAR-X results are averaged to approximately 15-meter grid cells, compared to approximately 100-meter grid cells for the DWR-provided Sentinel-1A data. The coarser spatial resolution of the Sentinel-1A data tends to smooth localized ground-motion features and thereby reduce the apparent magnitude of differential subsidence. For this reason, TerraSAR-X remains the preferred dataset to accurately estimate vertical ground motion at specific locations—such as at the PX location where a 1D model has been constructed and will need accurate measurements of vertical ground motion for future 1D model recalibrations.

The Watermaster Engineer recognizes the importance of independent measurements of vertical ground motion as subsidence-management criteria are being developed. The transition to GPS surveys at the PX location are addressed in the response to Comment 4 (below).

Comment 4: Task 4.5. Conduct GPS Surveys at Four Control Points in the Northwest, Northeast, Southeast, and Managed Areas

"As an alternative to traditional ground-level surveys, a new recommendation for Spring 2027 is to conduct GPS surveys at four key control points in the Managed, Northwest, Southeast, and Northeast areas:"

We recommend continuation of periodic leveling surveys in Northwest MZ-1 due to the discrepancy between InSAR and benchmark data in Northwest MZ-1 and the ongoing lack of extensometer data at the PX.

Response:

The transition from traditional ground-level surveys to annual GPS surveys at four control points was discussed with the GLMC during the March 2026 meeting as a cost-saving measure and incorporated

into the FY 2026/27 GLMP scope of work. The GPS surveys will provide independent measurements of vertical ground motion for comparison with InSAR results and support future recalibrations of the 1D Models.

Although traditional leveling surveys are not included in the FY 2026/27 scope of work, Watermaster can consider reinstating periodic leveling surveys in Northwest MZ-1 during the FY 2027/28 scope and budget development process, with input from the GLMC.

Comment 5: Recommendation to Continue Work Plan and Finalize Guidance Levels and SMP for Northwest MZ-1 (page 4-2):

"RECOMMENDATION: Watermaster, with input from the GLMC, should continue implementation of the Work Plan to Develop a Subsidence-Management Plan for the Northwest MZ-1 Area to develop management strategies to avoid future occurrences of subsidence. This will include:

— Continuing aquifer-system monitoring and data analysis in Northwest MZ-1, including continued calibration and evaluation of hydraulic-head and aquifer-system deformation data from the PX, as well as collection of hydraulic head data from Pomona and MVWD wells equipped with transducers.

— Continuing the development and evaluation of subsidence-management alternatives using the PX 1D compaction model and results from the 2025 Safe Yield Reevaluation. The methods, results, and findings from this work will be documented in a separate technical memorandum in FY 2026/27. The modeling results, together with recent monitoring data, should be used to finalize the Guidance Level(s) at PX and the Subsidence Management Plan for Northwest MZ- 1."

- We continue to disagree with the recommendation that Guidance Level(s) at the PX and a Subsidence Management Plan for Northwest MZ-1 be finalized. As we continue to note, a lack of monitoring data at the PX impairs the ability to confirm key aspects of the conceptual model hypothesized for InSAR-observed vertical ground motion. In Northwest MZ-1, even InSAR, which overestimates the magnitude of vertical ground motion relative to other sources, shows no ongoing subsidence. Ongoing analyses should focus on identifying recharge volumes necessary to maintain hydrologic balance in the MZ per the Peace II Agreement, as previously noted. That information should be presented in the GLMC when available. Until then, we recommend that all work related to establishing Guidance Levels and a Subsidence Management Plan for Northwest MZ-1 be placed on hold, while efforts focused on continued monitoring proceed.

Response:

Although reliable PX data would help characterize the relationship between hydraulic-head changes and aquifer-system compaction in Northwest MZ-1, the ongoing challenges with the cable extensometers do not prevent Watermaster from using the available data and modeling analyses to recommend guidance criteria for managing land subsidence. The available data and understanding derived from borehole lithology, groundwater-levels, InSAR, GPS, ground-level surveys, and 1D-modeling have provided a basis for developing recommendations for Guidance Levels in Northwest MZ-1. That said, Guidance Levels are not being recommended in this annual report. Any decision to incorporate Guidance Levels into the Subsidence Management Plan will be discussed by the GLMC in 2027 and is subject to advice from the

Watermaster Pools and Advisory Committee and approval by the Watermaster Board. The SMP is adaptive in nature and can always be revised as additional monitoring data and analyses become available.

The evaluation of the balance of recharge and discharge in MZ-1 under the Peace II Agreement is being conducted under a separate Watermaster task (Model Update and Required Demonstrations). The results can be presented to the GLMC when available and can inform future subsidence-management recommendations. The Watermaster Engineer does not recommend delaying the ongoing GLMP modeling work pending completion of the evaluation of the balance of recharge and discharge in MZ-1.

Comment 6 – Northwest MZ-1

"These recommendations are consistent with the requirements of the OBMP Program Elements 1 and 4 and its implementation plan contained in the Peace Agreement. It should be noted that future monitoring and analyses always hold the potential for revisions to the Guidance Level(s), consistent with the adaptive management approach called for in the Chino Basin Subsidence Management Plan."

- Please cite language under Program Element 4 in the OBMP Implementation Plan (contained in the Peace Agreement) that is consistent with these recommendations. Also, please add the following language to the end of this paragraph: "It should also be noted that any capital or operations and maintenance expenses incurred in the implementation of any project or program, including the cost of relocating groundwater production facilities, that carries out the purposes of the OBMP and specifically relates to the prevention of subsidence in the Basin, may be subject to OBMP credits or reimbursement under Peace Agreement §5.4(d) as amended by the Second Amendment to the Peace Agreement."

Response:
The Peace Agreement, as amended, includes provisions for potential OBMP credits or reimbursement for expenditures associated with subsidence prevention. However, the determination of any applicable credits or reimbursement is subject to the discretion of the Watermaster Board pursuant to the process established in the Watermaster Rules and Regulations.

Including the proposed language in the GLMP Annual Report could imply that Watermaster Board has made a determination regarding the eligibility of future expenditures for credits or reimbursement. Accordingly, the proposed language has not been added to the Annual Report.

CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730
909.484.3888 www.cbwm.org

STAFF REPORT

DATE: November 19, 2026

TO: Advisory Committee and Board Members

SUBJECT: Application: Water Transaction – 693.18 AF from San Antonio Water Company to City of Ontario (Consent Calendar Item I.D.)

Issue: To consider the Consolidated Water Transfer Forms for the sale and transfer of 693.18 acre-feet of water from San Antonio Water Company to City of Ontario. This purchase is requested to be transferred from San Antonio Water Company's Annual Production Right. City of Ontario is utilizing this transaction to produce its San Antonio Water Company shares. [Within WM Duties and Powers]

Recommendation:
Advisory Committee: Provide advice and assistance to the Watermaster Board on the proposed transaction.

Board Members: Approve the proposed transaction.

Financial Impact: None.

ACTIONS:
Appropriative Pool – October 8, 2026 [Final]: Provided advice and assistance.
Non-Agricultural Pool – October 8, 2026 [Final]: Provided advice and assistance.
Agricultural Pool – October 8, 2026 [Final]: Provided advice and assistance.
Advisory Committee – November 19, 2026 [Recommended]: Advice and assistance.
Watermaster Board – November 19, 2026 [Recommended]: Approval.

BACKGROUND

On July 13, 2000, the Court approved the Peace Agreement, the Implementation Plan, and the goals and objectives identified in the OBMP Phase I Report and ordered Watermaster to proceed in a manner consistent with the Peace Agreement. Under the Peace Agreement, Watermaster approval is required for applications to store, recapture, recharge, or transfer water, as well as for applications for credits or reimbursements, and storage and recovery programs.

Where this is no Material Physical Injury, Watermaster must approve the transaction. Where the request for Watermaster approval is submitted by a Party to the Judgment, there is a rebuttable presumption, under the Peace Agreement, that most of the transactions do not result in Material Physical Injury to a Party of the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

The date of this application is April 7, 2026, and notice of the transaction along with the materials submitted by the requestors was transmitted to stakeholders electronically on October 2, 2026. This transaction was inadvertently omitted from the May 2026 agenda and is now being presented for Pool Committee consideration this month, and to the Advisory Committee and Board for its consideration at the November 2026 meetings respectively. Although the transaction is being considered concurrently with the new assessment package, and due to the inadvertent omission earlier in the year, it has been planned for inclusion in the FY 2026/27 Assessment Package (Production Year 2025/26).

DISCUSSION

Beyond confirmation of the source of the water to be transferred (Annual Production Right, Supplemental Water, or Excess Carryover), Watermaster will evaluate the eventual disposition of the transferred water (e.g. production, storage, etc.) at the end of the production year and account for the same consistent with the Watermaster Guidance Documents.

Water transactions occur each year and are included as production by the respective entity (if produced) in any relevant analysis conducted by West Yost pursuant to the Peace Agreement and the Rules & Regulations. There is no indication that additional analysis regarding this transaction is necessary at this time. As part of the OBMP Implementation Plan, measurement of groundwater levels and ground level changes are ongoing, and based on current data, there is no indication that the proposed water transaction will cause Material Physical Injury to a Party of the Judgment, or to the Basin.

Pursuant to the Rules & Regulations, “The Application shall not be considered by the Advisory Committee until at least twenty-one (21) days after the last of the three Pool Committee meetings to consider the matter.” Therefore, this application will be presented to the Advisory Committee and Watermaster Board at their November 2026 meetings respectively.

At the Pool Committee meetings held on October 8, 2026, the Appropriative and Overlying (Agricultural) Pools unanimously recommended Advisory Committee to recommend to the Watermaster Board to approve the proposed transaction; the Overlying (Non-Agricultural) Pool unanimously recommended its representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes they deem appropriate.

ATTACHMENTS
1. Consolidated Form 3, 4, & 5
2. Notice Forms

Consolidated Forms 3, 4 & 5

CONSOLIDATED WATER TRANSFER FORMS:
FORM 3: APPLICATION FOR SALE OR TRANSFER OF RIGHT TO PRODUCE WATER FROM STORAGE
FORM 4: APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE
FORM 5: APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

FISCAL YEAR 2025 - 2026

DATE REQUESTED: April 7, 2026 **AMOUNT REQUESTED:** 693.18 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	**TRANSFER TO (BUYER / TRANSFEREE):**
San Antonio Water Company Name of Party	City of Ontario Name of Party
139 N. Euclid Avenue Street Address	1425 S Bon View Avenue Street Address
Upland / CA / 91786 City / State / Zip Code	Ontario / CA / 91761 City / State / Zip Code
909.982.4107 Telephone	(909) 395 - 2605 Telephone
NA Facsimile	NA Facsimile

Have any other transfers been approved by Watermaster between these parties covering the same fiscal year? Yes X No

PURPOSE OF TRANSFER:

- ☐ Pump when other sources of supply are curtailed
- ☐ Pump to meet current or future demand over and above production right
- ☐ Pump as necessary to stabilize future assessment amounts
- ☒ Other, explain Meet SAWCO entitlement for Calendar Year 2025

WATER IS TO BE TRANSFERRED FROM:

- ☐ Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool)
- ☐ Storage
- ☒ Annual Production Right / Operating Safe Yield first, then any additional from Storage
- ☐ Other, explain _____

WATER IS TO BE TRANSFERRED TO:

- ☒ Annual Production Right / Operating Safe Yield (common)
- ☐ Storage (rare)
- ☐ Other, explain _____

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.")	**Yes** ☐	**No** ☒
Is the Buyer an 85/15 Party?	Yes ☒	No
Is the purpose of the transfer to meet a current demand over and above production right?	Yes ☐	No
Is the water being placed into the Buyer's Annual Account?	Yes ☒	No ☐

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

700-1,000 gpm
Projected Rate of Recapture

Projected Duration of Recapture

METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):

Pum in

PLACE OF USE OF WATER TO BE RECAPTURED:

Regular Production Wells

LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES):

WATER QUALITY AND WATER LEVELS

Are the Parties aware of any water quality issues that exist in the area? Yes ☐ No ☒

If yes, please explain:

What are the existing water levels in the areas that are likely to be affected?

MATERIAL PHYSICAL INJURY

Are any of the recapture wells located within Management Zone 1? Yes ☐ No ☒

Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes ☐ No ☒

If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

SAID TRANSFER SHALL BE CONDITIONED UPON:

(1) Transferee shall exercise said right on behalf of Transferor under the terms of the Judgment, the Peace Agreement, the Peace II Agreement, and the Management Zone 1 Subsidence Management Plan for the period described above. The first water produced in any year shall be that produced pursuant to carry-over rights defined in the Judgment. After production of its carry-over rights, if any, the next (or first if no carry-over rights) water produced by Transferee from the Chino Basin shall be that produced hereunder.

(2) Transferee shall put all waters utilized pursuant to said Transfer to reasonable beneficial use.

(3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred.

(4) Any Transferee not already a party must Intervene and become a party to the Judgment.

ADDITIONAL INFORMATION ATTACHED Yes ☒ No ☐

Brian C. Lee Digitally signed by Brian C. Lee Date: 2026.04.07 15:28:20 -07'00'
Seller / Transferor Representative Signature

Courtney Jones
Buyer / Transferee Representative Signature

Brian C. Lee
Seller / Transferor Representative Name (Printed)

Courtney Jones, Assistant General Manager
Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: October 2, 2026

DATE OF APPROVAL FROM APPROPRIATIVE POOL: October 8, 2026

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: October 8, 2026

DATE OF APPROVAL FROM AGRICULTURAL POOL: October 8, 2026

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

TRANSFER OF WATER

Date of Notice:

October 2, 2026

This notice is to advise interested persons that the attached application(s) will come before the Watermaster Board on or after 30 days from the date of this notice.

APPLICATION FOR TRANSFER OF WATER

The attached staff report will be included in the meeting package at the time the transfer begins the Watermaster process.

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **April 07, 2026** Date of this notice: **October 02, 2026**

Please take notice that the following Application has been received by Watermaster:

- Notice of Sale or Transfer – The purchase of 693.18 acre-feet of water from San Antonio Water Company by City of Ontario. This purchase is made from San Antonio Water Company's Annual Production Right. City of Ontario is utilizing this transaction to produce its San Antonio Water Company shares.

This ***Application*** will first be considered by each of the respective pool committees on the following dates:

Appropriative Pool:	October 08, 2026
Non-Agricultural Pool:	October 08, 2026
Agricultural Pool:	October 08, 2026

This ***Application*** will be scheduled for consideration by the Advisory Committee ***no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days*** after the last pool committee reviews it***.***

After consideration by the Advisory Committee, the ***Application*** will be considered by the Board.

Unless the ***Application*** is amended, as ***Contests*** must be submitted a minimum of fourteen (14) days prior to the Advisory Committee's consideration of an ***Application,*** parties to the Judgment may file ***Contests*** to the ***Application*** with Watermaster ***within seven calendar days*** of when the last pool committee considers it. Any ***Contest*** must be in writing and state the basis of the ***Contest***.

Watermaster address:

Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Tel: (909) 484-3888
Web: www.cbwm.org
watertransactions@cbwm.org

CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730
909.484.3888 www.cbwm.org

STAFF REPORT

DATE: November 19, 2026

TO: Advisory Committee and Board Members

SUBJECT: Application: Water Transaction – 300 AF from Cucamonga Valley Water District to BlueTriton Brands, Inc. (Consent Calendar Item I.E.)

Issue: To consider the Consolidated Water Transfer Forms for the sale and transfer of 300 acre-feet of water from Cucamonga Valley Water District to BlueTriton Brands, Inc. This purchase is requested to be transferred from Cucamonga Valley Water District's Local Storage Account. [Within WM Duties and Powers]

Recommendation:
Advisory Committee: Provide advice and assistance to the Watermaster Board on the proposed transaction.

Board Members: Approve the proposed transaction.

Financial Impact: None.

ACTIONS:
Appropriative Pool – October 8, 2026 [Final]: Provided advice and assistance.
Non-Agricultural Pool – October 8, 2026 [Final]: Provided advice and assistance.
Agricultural Pool – October 8, 2026 [Final]: Provided advice and assistance.
Advisory Committee – November 19, 2026 [Recommended]: Advice and assistance.
Watermaster Board – November 19, 2026 [Recommended]: Approval.

BACKGROUND

On July 13, 2000, the Court approved the Peace Agreement, the Implementation Plan, and the goals and objectives identified in the OBMP Phase I Report and ordered Watermaster to proceed in a manner consistent with the Peace Agreement. Under the Peace Agreement, Watermaster approval is required for applications to store, recapture, recharge, or transfer water, as well as for applications for credits or reimbursements, and storage and recovery programs.

Where this is no Material Physical Injury, Watermaster must approve the transaction. Where the request for Watermaster approval is submitted by a Party to the Judgment, there is a rebuttable presumption, under the Peace Agreement, that most of the transactions do not result in Material Physical Injury to a Party of the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

The date of this application is August 28, 2026, and notice of the transaction along with the materials submitted by the requestors was transmitted to stakeholders electronically on October 2, 2026.

DISCUSSION

Beyond confirmation of the source of the water to be transferred (Annual Production Right, Supplemental Water, or Excess Carryover), Watermaster will evaluate the eventual disposition of the transferred water (e.g. production, storage, etc.) at the end of the production year and account for the same consistent with the Watermaster Guidance Documents.

Water transactions occur each year and are included as production by the respective entity (if produced) in any relevant analysis conducted by West Yost pursuant to the Peace Agreement and the Rules & Regulations. There is no indication that additional analysis regarding this transaction is necessary at this time. As part of the OBMP Implementation Plan, measurement of groundwater levels and ground level changes are ongoing, and based on current data, there is no indication that the proposed water transaction will cause Material Physical Injury to a Party of the Judgment, or to the Basin.

Pursuant to the Rules & Regulations, “The Application shall not be considered by the Advisory Committee until at least twenty-one (21) days after the last of the three Pool Committee meetings to consider the matter.” Therefore, this application will be presented to the Advisory Committee and Watermaster Board at their November 2026 meetings respectively.

At the Pool Committee meetings held on October 8, 2026, the Appropriative and Overlying (Agricultural) Pools unanimously recommended Advisory Committee to recommend to the Watermaster Board to approve the proposed transaction; the Overlying (Non-Agricultural) Pool unanimously recommended its representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes they deem appropriate.

ATTACHMENTS
1. Consolidated Form 3, 4, & 5
2. Notice Forms

CONSOLIDATED WATER TRANSFER FORMS:
FORM 3: APPLICATION FOR SALE OR TRANSFER OF RIGHT TO PRODUCE WATER FROM STORAGE
FORM 4: APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE
FORM 5: APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

FISCAL YEAR 2026 - 2027

DATE REQUESTED: August 28, 2026 **AMOUNT REQUESTED:** 300 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	**TRANSFER TO (BUYER / TRANSFEREE):**
Cucamonga Valley Water District Name of Party	BlueTriton Brands, Inc. Name of Party
10440 Ashford Street Address	5772 Jurupa ST Street Address
Rancho Cucamonga / CA / 91730 City / State / Zip Code	Ontario / CA / 91761 City / State / Zip Code
909-360-6914 Telephone	909-229-1650 Telephone
Facsimile	Facsimile

Have any other transfers been approved by Watermaster between these parties covering the same fiscal year? Yes ☐ No ☒

PURPOSE OF TRANSFER:

- ☐ Pump when other sources of supply are curtailed
- ☒ Pump to meet current or future demand over and above production right
- ☐ Pump as necessary to stabilize future assessment amounts
- ☐ Other, explain _____

WATER IS TO BE TRANSFERRED FROM:

- ☐ Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool)
- ☒ Storage
- ☐ Annual Production Right / Operating Safe Yield first, then any additional from Storage
- ☐ Other, explain _____

WATER IS TO BE TRANSFERRED TO:

- ☒ Annual Production Right / Operating Safe Yield (common)
- ☐ Storage (rare)
- ☐ Other, explain _____

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.")	**Yes** ☐	**No** ☒
Is the Buyer an 85/15 Party?	Yes ☐	No ☒
Is the purpose of the transfer to meet a current demand over and above production right?	Yes ☒	No ☐
Is the water being placed into the Buyer's Annual Account?	Yes ☒	No ☐

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

variable
Projected Rate of Recapture

variable
Projected Duration of Recapture

METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):

pumping

PLACE OF USE OF WATER TO BE RECAPTURED:

Ontario facility

LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES):

NA

WATER QUALITY AND WATER LEVELS

Are the Parties aware of any water quality issues that exist in the area? Yes ☐ No ☒

If yes, please explain:

What are the existing water levels in the areas that are likely to be affected?

243 ft below ground surface in Ontario Well 2 (production well)

MATERIAL PHYSICAL INJURY

Are any of the recapture wells located within Management Zone 1? Yes ☐ No ☒

Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes ☐ No ☒

If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

SAID TRANSFER SHALL BE CONDITIONED UPON:

(1) Transferee shall exercise said right on behalf of Transferor under the terms of the Judgment, the Peace Agreement, the Peace II Agreement, and the Management Zone 1 Subsidence Management Plan for the period described above. The first water produced in any year shall be that produced pursuant to carry-over rights defined in the Judgment. After production of its carry-over rights, if any, the next (or first if no carry-over rights) water produced by Transferee from the Chino Basin shall be that produced hereunder.

(2) Transferee shall put all waters utilized pursuant to said Transfer to reasonable beneficial use.

(3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred.

(4) Any Transferee not already a party must Intervene and become a party to the Judgment.

ADDITIONAL INFORMATION ATTACHED Yes ☐ No ☒

Amanda Coker Digitally signed by Amanda Coker Date: 2026.09.24 11:37:01 -07'00'

Seller / Transferor Representative Signature

Amanda Coker

Seller / Transferor Representative Name (Printed)

Tam Pham Digitally signed by Tam Pham Date: 2026.09.11 08:53:59 -07'00'

Buyer / Transferee Representative Signature

Tam Pham

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: October 2, 2026

DATE OF APPROVAL FROM APPROPRIATIVE POOL: October 8, 2026

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: October 8, 2026

DATE OF APPROVAL FROM AGRICULTURAL POOL: October 8, 2026

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

TRANSFER OF WATER

Date of Notice:

October 2, 2026

This notice is to advise interested persons that the attached application(s) will come before the Watermaster Board on or after 30 days from the date of this notice.

APPLICATION FOR TRANSFER OF WATER

The attached staff report will be included in the meeting package at the time the transfer begins the Watermaster process.

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **August 28, 2026** Date of this notice: **October 02, 2026**

Please take notice that the following Application has been received by Watermaster:

- Notice of Sale or Transfer – The purchase of 300 acre-feet of water from Cucamonga Valley Water District by BlueTriton Brands, Inc. This purchase is made from Cucamonga Valley Water District's Local Storage Account.

This ***Application*** will first be considered by each of the respective pool committees on the following dates:

Appropriative Pool:	October 08, 2026
Non-Agricultural Pool:	October 08, 2026
Agricultural Pool:	October 08, 2026

This ***Application*** will be scheduled for consideration by the Advisory Committee ***no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days*** after the last pool committee reviews it***.***

After consideration by the Advisory Committee, the ***Application*** will be considered by the Board.

Unless the ***Application*** is amended, as ***Contests*** must be submitted a minimum of fourteen (14) days prior to the Advisory Committee's consideration of an ***Application,*** parties to the Judgment may file ***Contests*** to the ***Application*** with Watermaster ***within seven calendar days*** of when the last pool committee considers it. Any ***Contest*** must be in writing and state the basis of the ***Contest***.

Watermaster address:

Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Tel: (909) 484-3888
Web: www.cbwm.org
watertransactions@cbwm.org

CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730
909.484.3888 www.cbwm.org

STAFF REPORT

DATE: November 19, 2026

TO: Advisory Committee and Board Members

SUBJECT: First Amendment to Task Order No. 11 Under Master Agreement for Collaborative Recharge Projects: Montclair Basins (RMPU Improvement Project 2) (Business Item II.A.)

Issue: Amend the current cost sharing agreement for the implementation of the RMPU Improvement Project 2 to reflect an increase in the total project cost and grant award. [Advisory Committee Approval Required]

Recommendation:
Advisory Committee: Approve and recommend the Watermaster Board to approve the First Amendment to Task Order 11, the Montclair Basin Improvement Project.

Board Members: Approve the First Amendment to Task Order 11 Montclair Basin Improvement Project and authorize the General Manager to execute the agreement on behalf of Watermaster.

Financial Impact: None for this Fiscal Year.

ACTIONS:
Appropriative Pool – November 12, 2026 [Final]: Provided Advice and Assistance.
Non-Agricultural Pool – November 12, 2026 [Final]: Provided Advice and Assistance.
Agricultural Pool – November 12, 2026 [Final]: Provided Advice and Assistance.
Advisory Committee – November 19, 2026 [Recommended]: Approval.
Watermaster Board – November 19, 2026 [Recommended]: Approve and authorize GM to sign.

BACKGROUND

The Chino Basin Watermaster (Watermaster) and the Inland Empire Utilities Agency (IEUA) are partners in implementing six (6) recharge projects throughout the Chino Basin as part of the Recharge Master Plan Update (RMPU). On July 24, 2014, Watermaster and IEUA entered into a Master Agreement regarding the Management of Collaborative Recharge Projects ("Master Agreement"). Pursuant to the Master Agreement, Watermaster and IEUA subsequently executed Task Order No. 11 on May 25, 2017, for implementation of the RMPU Improvement Project at Montclair Basin (Project ID 2; Project No. RW15003.03).

The Project is located at the Chino Basin Water Conservation District's Montclair Basin and is intended to enhance stormwater capture and groundwater recharge capabilities within the Chino Basin. The improvements include two (2) new diversion structures on San Antonio Creek, conveyance pipelines and control gates to route stormwater flows to Montclair Basin, stormwater discharge structures at Basins 2 and 3, and integration with the Supervisory Control and Data Acquisition (SCADA) system to efficiently manage stormwater diversion and groundwater recharge operations.

Upon completion, the Project is expected to increase stormwater capture and groundwater recharge by an estimated 96 to 248 acre-feet annually while providing greater operational flexibility, improved stormwater management, and enhanced utilization of existing recharge facilities at Montclair Basin.

DISCUSSION

Following execution of Task Order No. 11, IEUA completed design and permitting activities for the RMPU Improvement Project at Montclair Basin and prepared the Project for construction. However, construction was subsequently delayed due to operational priorities associated with delivering Dry Year Yield (DYY) water to Montclair Basin. During this period, several recharge facilities that would otherwise have participated in DYY deliveries were unavailable due to ongoing construction and maintenance activities, making Montclair Basin a critical facility for DYY operations. In addition, the Project was delayed to avoid construction conflicts with channel repair work being performed by the United States Army Corps of Engineers in the vicinity of the basin. As a result, the Project's construction phase was postponed between 2022 and 2023.

When the decision was made to advance the Project to construction, the project team was required to address several regulatory permits that were nearing expiration as a result of the extended delay. Additional effort was necessary to renew or extend key permits, including the Section 408 Permission, Section 401 Water Quality Certification, Section 404 Permit, and Lake and Streambed Alteration Agreement. These efforts added time to the schedule but were necessary to maintain regulatory compliance and allow construction to proceed.

During this period, IEUA proactively pursued grant and loan funding opportunities in anticipation of increased project costs associated with the extended schedule and changing construction market conditions. As a result, the Project secured $1,389,147 through the United States Department of the Interior Bureau of Reclamation WaterSMART Drought Response Program, $516,636 through the Metropolitan Water District Stormwater for Recharge Pilot Project, and $2,062,000 in financing through the State Water Resources Control Board Clean Water State Revolving Fund Loan Program, providing a total of $1,905,783 in grant funding and $2,062,000 in low-interest loan financing.

Consistent with the direction of the Watermaster stakeholders to establish the final Project budget based on actual market pricing, the Project was advanced to the bid phase with the understanding that the final budget and additional funding opportunities would be presented once competitively bid construction pricing was obtained. Construction bids were received on November 5, 2026, and subsequently evaluated. Based on the bid results, the final Project budget has been developed using the pricing submitted by the lowest responsive and responsible bidder.

Bidder	Bid Amount
Bidder No. 1	$3,608,000.00
Bidder No. 2	$3,623,513.00
Bidder No. 3	$3,751,773.00
Bidder No. 4	$3,995,202.00
Bidder No. 5	$4,000,000.00
Bidder No. 6	$4,095,000.00
Bidder No. 7	$4,477,000.00
Bidder No. 8	$4,699,999.00
Bidder No. 9	$5,343,219.74
Bidder No. 10	$6,831,000.00
Engineer's Estimate	$3,982,404
Lowest responsive and responsible bidder: Big Ben Inc.	**$3,751,773**

Upon review of the bids received, the two apparent low bidders were determined to be non-responsive and were therefore excluded from consideration. As a result, Big Ben Inc. was identified as the lowest responsive and responsible bidder with a bid amount of $3,751,773. Based on this competitively bid construction cost, the Project budget is proposed to be increased from $1,788,100 to $5,111,527. The increase reflects current construction market conditions and actual bid pricing for the work.

To fund the Project, $1,905,783 in grant funding and a $2,062,000 Clean Water State Revolving Fund loan have been secured. The amendment also updates Watermaster's funding obligations to include repayment of the Clean Water State Revolving Fund loan and responsibility for Project costs not covered by grant or loan funding.

While the budget for the Montclair Basin Improvement Project has increased and does affect the overall economic evaluation of the Recharge Master Plan Update (RMPU), the economic benefits of implementing six (6) recharge projects throughout the Chino Basin remain consistent with the economic framework established by the RMPU Steering Committee in 2013. The increase in the Montclair Basin Improvement Project budget affects the overall melded unit cost, a metric used to evaluate the economic feasibility of the RMPU program that reflects the combined capital cost of the proposed projects relative to their projected groundwater recharge benefits.

During development of the RMPU, the Steering Committee evaluated the proposed projects using several economic measures and determined that implementation of the overall project portfolio would be justified if the melded unit cost remained at or below $612 per acre-foot of recharge benefit. Incorporating the revised Montclair Basin Improvement Project cost results in an updated melded unit cost of approximately $602 per acre-foot, which remains below this benchmark. When secured grant funding is considered, the adjusted melded unit cost is further reduced to approximately $393 per acre-foot. Accordingly, the RMPU project portfolio continues to satisfy the economic objectives established by the Steering Committee.

Approval of the amendment will align the Project budget with current construction costs, clarify Watermaster's updated funding obligations, and secure the funding necessary to complete the Project. This will enable the Project to deliver the anticipated stormwater capture, operational, and groundwater recharge benefits at Montclair Basin.

On November 12, 2026, the Appropriative Pool and Overlying (Agricultural) Pool unanimously recommended Advisory Committee approval of the First Amendment to Task Order 11, the Montclair Basin Improvement Project and the Overlying (Non-Agricultural) Pool unanimously moved to support the

amendment to Task Order 11 as presented and directed its Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes they deem appropriate.

ATTACHMENTS
1. First Amendment to Task Order 11

FIRST AMENDMENT
to
TASK ORDER NO. 11
RMPU IMPROVEMENT PROJECT 2
under the
MASTER AGREEMENT REGARDING THE
MANAGEMENT OF COLLABORATIVE RECHARGE PROJECTS
between
INLAND EMPIRE UTILITIES AGENCY
and
CHINO BASIN WATERMASTER

This First Amendment to Task Order No. 11 is made and entered into as of the ____ day of December, 2026 by and between the Inland Empire Utilities Agency (IEUA) and the Chino Basin Watermaster (Watermaster) (each a "Party" and collectively, the "Parties").

RECITALS

A. Task Order No. 11 for the RMPU IMPROVEMENT PROJECT 2 (the "Task Order") was approved by IEUA and Watermaster on May 25th, 2017.

B. Construction of the proposed Montclair Basin Improvement Project (the "Project") was delayed due to the prioritization of Metropolitan Water District Dry Year Yield (DYY) deliveries to the Montclair Basin for groundwater recharge and the U.S. Army Corps of Engineers' San Antonio Creek Channel repair work near the Montclair Basin.

C. As a result of the Project delays and associated construction cost escalation, the construction bids for the Project received by IEUA on November 5, 2026 necessitate an increase in the Project budget from $1,788,100 to $5,111,526.

D. Of the funding awarded under the Metropolitan Water District of Southern California Stormwater for Recharge Pilot Project (Agreement No. 204147), $516,636 is available to support Project construction costs.

E. The United States Bureau of Reclamation awarded the Project a $1,389,147 WaterSMART Drought Response Program grant under Agreement No. R25AP00563.

F. The Project received a $2,062,000 federally funded loan administered by the California State Water Resources Control Board through the Clean Water State Revolving Fund under Agreement No. C-06-8415-110.

G. IEUA and Watermaster desire to amend the Task Order to reflect the necessary budget increase, incorporate the additional grant and loan funding, confirm Watermaster's

responsibility for repayment of the Clean Water State Revolving Fund loan and Project costs not covered by grants or loan proceeds, and revise the reimbursement schedule under which Watermaster provides its share of Project costs to IEUA.

NOW THEREFORE IT IS AGREED TO AMEND THE TASK ORDER AS FOLLOWS:

1. Section 2 of the Task Order titled SCOPE shall be amended to read:

   The activities to be undertaken pursuant to this Task Order include project development to properly establish the Project's scope and schedule, preliminary design evaluation to define the extent of the upgrades of each site, design for the preparation of the construction plans and specifications for the upgrades, permitting and CEQA review for each site proposed for upgrades, bid/award of the construction contract to the lowest responsible/responsive bidder, and the construction of the improvements. The following provides the Project schedule and budget by phase:

Phase	Start	Finish	Projected Cost
Project Development	7/1/2014	12/17/2014	$1,300
Pre-Design	12/18/2014	11/16/2016	$88,490
Environmental Impact	12/18/2014	12/31/2017	$55,000
Permits	6/22/2017	9/14/2026	$199,721
Design	12/18/2014	2/28/2020	$315,799
Bid and Award	9/17/2026	12/16/2026	$25,000
Construction	1/11/2027	12/31/2027	$4,426,216
		Total	$5,111,526

   As of the date upon which the Parties enter into this Task Order, the project development, pre-design and environmental impact phases of the Project have been completed and the Parties acknowledge that all funds for these phases have been expended and reimbursed, as applicable. The Task Order does not create any further rights or responsibilities for either of the Parties with respect to these phases of the Project.

2. Section 5 of the Task Order titled BUDGET AND COST ALLOCATION shall be amended to read:

   Unless the scope of work is changed and an increase is authorized by the Parties, the budget for the activities to be undertaken pursuant to this Task Order is five million one hundred eleven thousand five hundred twenty-six dollars ($5,111,526) ("Budget"), of which $1,905,783 is available in grant funds and a $2,062,000 federally funded loan. The available grant funds and loan for the Project are as follows:

Available Grants/Loan	Grant	Loan
State Water Resources Control Board - Clean Water State Revolving Fund - Loan (Agreement No. C-06-8415-110)	-	$2,062,000
United States Department of Interior Bureau of Reclamation - USBR Grant WaterSMART Drought Response Program (Agreement No. R25AP00563)	$1,389,147	-
Metropolitan Water District Grant - Stormwater for Recharge Pilot Project (Agreement No. 204147)	$516,636	-
Total	$1,905,783	$2,062,000

The Parties agree that Project costs not funded through grants will be funded through the Clean Water State Revolving Fund loan and Watermaster contributions, consistent with the methodology described in Peace II Agreement Section 8.l(b). The Budget includes IEUA capital, administrative, and overhead expenses associated with IEUA's provision of the services described in Section 3 above. Watermaster's funding responsibility includes repayment of the Clean Water State Revolving Fund loan and payment of Project costs not otherwise funded by grants or loan proceeds. The total funding allocation for the Project is as follows:

Funding Source	Amount
Watermaster (including $2,062,000 CWSRF loan responsibility)	$3,205,743
IEUA	$0
Grants	$1,905,783
Total	$5,111,526

Watermaster shall budget for its share of Project costs, pursuant to its budget mechanism and in accordance with the May 26th, 2016 First Amendment to the Master Agreement Regarding the Management of Collaborative Recharge Projects between IEUA and Watermaster.

3. Section 6 of the Task Order titled TOTAL BUDGETED COST shall be amended to read:

   The Parties acknowledge that the Total Budgeted Cost for the Project is $5,111,526 ("Total Budgeted Cost"). Funding for the Total Budgeted Cost consists of available grant funds, the Clean Water State Revolving Fund loan, and Watermaster funding responsibility as set forth in Section 7. The Parties shall not be required to contribute funds in excess of the Total Budgeted Cost unless otherwise agreed in writing through a subsequent amendment to this Task Order.

4. Section 7 of the Task Order titled MAXIMUM COSTS TO WATERMASTER shall be amended to read:

   Watermaster's total funding obligation under this Task Order shall not exceed $3,205,743, consisting of: (i) repayment responsibility for the $2,062,000 Clean Water State Revolving Fund loan administered by the California State Water Resources Control Board, and (ii) $1,143,743 representing the portion of Project costs not funded through grant awards or loan proceeds.

   Watermaster shall reimburse IEUA for the portion of Project costs not funded through grants or loan proceeds at the midpoint of Project construction, which is anticipated to occur on July 1, 2027. Repayment of the Clean Water State Revolving Fund loan shall be performed in accordance with the applicable loan agreement requirements.

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DRAFT

ALL OTHER PROVISIONS SHALL REMAIN UNCHANGED.

IN WITNESS WHEREOF, the parties hereby have caused this Amendment to be entered into as of the day and year written above.

CHINO BASIN WATERMASTER:	INLAND EMPIRE UTILITIES AGENCY:
Todd M. Corbin General Manager	Kevin Alexander, P.E. General Manager

DRAFT

CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730
909.484.3888 www.cbwm.org

STAFF REPORT

DATE: November 19, 2026

TO: Advisory Committee and Board Members

SUBJECT: Second Amendment to Task Order No. 1 Under Master Agreement for Collaborative Projects: Salinity Management (Business Item II.B.)

Issue: An amendment is necessary to reflect the costs to complete the project [Advisory Committee Approval Required]

Recommendation:
Advisory Committee: Approve as presented.
Board: Approve and authorize the General Manager to sign.

Financial Impact: None, the costs to completion have been included in the FY 2026/27 approved budget.

ACTIONS:
Appropriative Pool – November 12, 2026 [Final]: Advice and Assistance.
Non-Agricultural Pool – November 12, 2026 [Final]: Advice and Assistance.
Agricultural Pool – November 12, 2026 [Final]: Advice and Assistance.
Advisory Committee – November 19, 2026 [Recommended]: Approval.
Watermaster Board – November 19, 2026 [Recommended]: Approve and authorize GM to sign.

BACKGROUND

Inland Empire Utilities Agency (IEUA) owns and operates four treatment facilities that treat wastewater to tertiary standards prior to being recharged in the Chino Basin to support groundwater supply augmentation, be directly reused for irrigation or discharged to streams and channels that are tributary to the Prado Basin Reservoir in the Santa Ana River. The discharge, reuse, and recharge of recycled water by IEUA are regulated under two permits held with the Santa Ana Regional Water Quality Control Board (Regional Board). Regional Board Order R8-2015-0036 (NPDES No. CA 8000409)[1] regulates the discharge and direct reuse of recycled water. Order R8-2007-0039[2] (as amended by R8-2009-0057[3]) regulates the recharge of recycled water for indirect potable reuse, and is a joint permit held by IEUA and Chino Basin Watermaster (Watermaster). Additionally, the reuse of recycled water is regulated by the Basin Plan as part of the maximum benefit commitments for the Chino Basin[4].

The permits specify limitations for total dissolved solids (TDS) and nitrogen concentrations, along with limitations for many other chemical constituents. The TDS limitation of recycled water is characterized in these permits as follows:

"The 12-month flow weighted running average TDS constituent concentration and mass emission rates shall not exceed 550 mg/L ... This limitation may be met on an agency-wide basis using flow weighted averages of the discharges from the Discharger's RP-1, RP-4, RP-5, and CCWRF…"

The Basin Plan, specifically maximum benefit commitment number 9, specifies that:

"Within 60 days after IEUA 12-month running average effluent concentration (measured as an average for all IEUA wastewater treatment facilities) for TDS exceeds 545 mg/L for 3 consecutive months, or the 12-month running average total inorganic nitrogen (TIN) concentration (measured as an average for all IEUA wastewater treatment facilities) exceeds 8 mg/L in any month, IEUA shall submit to the Regional Board a plan and time schedule for implementation of measures to insure that the 12-month running average agency wastewater effluent quality does not exceed 550 mg/L and 8 mg/L for TDS and TIN, respectively. The Plan and schedule are to be implemented upon Regional Board approval."

In 2015, the 12-month running average TDS concentration in recycled water produced by IEUA approached the 545 mg/L metric that would require IEUA and Watermaster to submit a plan and schedule to manage recycled water TDS concentrations. Research conducted by IEUA found that the primary driver for the increasing TDS concentration in its recycled water was an increase in the TDS concentration of the water supplies used by its member agencies. The increase may also be, in part, due to an increase in the TDS waste increment resulting from indoor water conservation.

Although the 12-month running average TDS concentration declined from the 2015 peak before the three-consecutive-month trigger, it was an important indicator that the TDS concentration of recycled water is likely to approach or exceed the discharge limitation and trigger the planning for recycled water quality improvements during the next prolonged dry period. Given the potential cost of implementing recycled water quality improvements for what might only be short-term exceedances of the 12-months running average limitation, IEUA and Watermaster are interested in modifying the recycled water permits and the Basin Plan to allow for a longer-term averaging period for TDS concentrations.

[1] Order No. R8-2015-0036 and NPDES No. CA 8000409 - WASTE DISCHARGE REQUIREMENTS AND MASTER RECLAMATION PERMIT FOR INLAND EMPIRE UTILITIES AGENCY REGIONAL WATER RECYCLING FACILITIES – SURFACE WATER DISCHARGES AND RECYCLED WATER USE.
[2] Order No. R8-2007-0039 – Water Recycling Requirements for Inland Empire Utilities Agency and Chino Basin Watermaster – Chino Basin Recycled Water Groundwater Recharge Program – Phase I and Phase II Projects in San Bernardino County
[3] Order No. R8-2009-0057 Amending Order No. R8-2007-0039, Water Recycling Requirements for Inland Empire Utilities Agency and Chino Basin Watermaster – Chino Basin Recycled Water Groundwater Recharge Program – Phase I and Phase II Projects in San Bernardino County
[4] See Table 5-8a and pages 5-49 in the Basin Plan located here: http://www.waterboards.ca.gov/rwqcb8/water_issues/programs/basin_plan/docs/2016/Chapter_5_February_2016.pdf

To obtain approval from the Regional Board for these permit and Basin Plan modifications, IEUA and Watermaster must perform a detailed evaluation, and antidegradation analysis of the TDS concentration impacts to Chino Basin groundwater. The objective of the analysis is to compare the relative water quality and economic impacts of the existing and proposed regulatory compliance strategies. IEUA and Watermaster last performed an antidegradation analysis in June 2009, to support R8-2009-057, which amended R8-2007-039 to change the recycled water contribution averaging period from a 60-month to a 120-month period.

DISCUSSION

Watermaster and IEUA, along with their engineering consultants, have completed the technical review and required Substitute Environmental documents. The modeling and technical work to support this effort has been peer reviewed as is mandated by state law.

Currently the Regional Board is performing the required administrative tasks in order for the item to be presented to the Board at large. Watermaster, IEUA, and West Yost are assisting the Regional Board in this process and is estimated to be completed before the end of the fiscal year.

This second amendment is intended as an administrative clean up to true-up the costs for completion.

At the November 12, 2026 Pool Committee meetings the item was presented and was unanimously recommended for Advisory Committee approval by the three Pools.

ATTACHMENTS
1. Task Order No. 1 Under the Master Agreement Regarding the Management of Collaborative Projects (Salinity Management)
2. Second Amendment to Task Order No. 1 Under Master Agreement for Collaborative Projects.
3. Update Scope of Work and Budget.

MASTER AGREEMENT BETWEEN
CHINO BASIN WATERMASTER AND INLAND EMPIRE UTILITIES AGENCY
REGARDING THE MANAGEMENT OF COLLABORATIVE PROJECTS

TASK ORDER NO. 1
BASIN PLAN AMENDMENT

This Task Order is made and entered into as of the 28 day of September, 2017 by and between the Chino Basin Watermaster, hereinafter referred to as "Watermaster," and the Inland Empire Utilities Agency, hereinafter referred to as "IEUA" (each a "Party" and collectively, the "Parties").

In consideration of the mutual promises, covenants, and conditions as addressed in the Master Agreement dated September 28, 2017 and as specifically hereinafter set forth, the Parties do hereby agree as follows:

1. PURPOSE

The purpose of this Task Order is to govern the development of an amendment to the current Basin Plan for the Chino Groundwater Basin ("Basin") in coordination with the Santa Ana Regional Water Quality Control Board ("Regional Board"). This effort will include support for updating the Recycled Water Discharge and Reuse Permit, Groundwater Recharge Permit, and Maximum Benefit Salinity Management Plan for the Basin, with regards to the total dissolved solids ("TDS") limit.

The IEUA owns and operates four treatment facilities that treat wastewater to tertiary standards for recharge in the Basin for groundwater supply augmentation, direct reuse for irrigation or discharge to streams and channels that are tributary to the Prado Basin Reservoir on the Santa Ana River. These actions are regulated under two permits held with the Regional Board. Regional Board Order R8-2007-00392 (as amended by R8-2009-00573) regulates the recharge of recycled water for indirect potable reuse, and is a joint permit held by the IEUA and Watermaster. And Regional Board Order R8-2015-0036 (NPDES No. CA 8000409) regulates the discharge and direct reuse of recycled water. Additionally, the reuse of recycled water is regulated by the Basin Plan as part of the IEUA and Watermaster maximum benefit commitments for the Basin and is impacted by both the TDS and nitrogen ("N") limits.

2. SCOPE

To obtain approval from the Regional Board for permit and Basin Plan modifications, the IEUA and Watermaster must perform a detailed evaluation of the TDS concentration impacts to Basin groundwater. Such an evaluation is referred to by the Regional Board as an Antidegradation Analysis. The objective of the analysis is to compare the relative water quality and economic impacts of the existing and proposed regulatory compliance

strategies.

The scope of work encompassed by this Task Order is attached hereto as **Exhibit A** as well as any environmental review that is necessary to complete the projects contemplated by the Task Order.

The following is a projected schedule and budget for the project:

Description	Start	Finish	Projected Cost
Salinity Basin Plan Amendment	09/28/17	12/31/19	$408,000
Nitrogen Modeling & Evaluation*	09/28/17	12/31/19	$229,000
Environmental Review	08/01/18	12/31/19	$20,000
Contingency			$66,000
		Total	**$723,000**

*Budget associated with the nitrogen effort will initially be carried by IEUA to initiate this effort. This item will continue to be considered to determine the appropriate cost share.

3. IEUA RESPONSIBILITIES

IEUA agrees to provide project management and contract administration services that include, but are not limited to:

- Engagement and management of consulting services as needed;
- Coordination and communication with the Regional Board;
- Payment of consultant invoices

IEUA will supply all personnel and equipment required to perform the assigned services.

4. WATERMASTER RESPONSIBILITIES

Watermaster agrees that it and its employees and consultants will cooperate with IEUA and the project consultants in the performance of services under this Task Order and will provide any necessary documentation and information in Watermaster's possession.

5. BUDGET AND COST ALLOCATION

Unless the scope of work is changed and an increase is authorized by the Parties, the total projected cost for the activities to be undertaken pursuant to this Task Order is seven hundred twenty-three thousand dollars ($723,000) ("Budget"). The Parties agree that the Budget is shared as shown in the table below. The Budget shown below is shared equally, except for the portion specific to nitrogen and the associated portion of contingency. IEUA will initially carry the Budget for the nitrogen portion of the scope of work. The potential cost share for the nitrogen portion of the Budget will be further considered as the effort is initiated and potential impacts, benefits and responsibilities are investigated by the

Parties. The cost share and associated budgets for the nitrogen effort will be determined by the budgeting cycle for Fiscal Year 2018/19. The Parties shall budget, pursuant to their own budget mechanism, such that each is able to expend the amounts shown in the Fiscal Years shown in the table below, or as amended to this Task Order.

Description	Fiscal Year 2017/18	Fiscal Year 2018/19	Fiscal Year 2019/2020	Total
Salinity Basin Plan Amendment	$241,000	$110,000	$57,000	$408,000
Nitrogen Modeling & Evaluation	$156,000	$70,000	$3,000	$229,000
Environmental	$0	$10,000	$10,000	$20,000
Contingency	$40,000	$19,000	$7,000	$66,000
Total	**$437,000**	**$209,000**	**$77,000**	**$723,000**

Entity	Fiscal Year 2017/18	Fiscal Year* 2018/19	Fiscal Year* 2019/2020	Total
Watermaster	$134,000	$66,000	$36,000	$236,000
IEUA	$303,000	$143,000	$41,000	$487,000
Total	**$437,000**	**$209,000**	**$77,000**	**$723,000**

*Budget associated with the nitrogen effort will initially be carried by IEUA to initiate the Scope of Work. This item will continue to be considered to determine the appropriate cost share.

6. TOTAL BUDGETED COST

The Parties agree to pay their respective portion of the total costs. The Parties shall not be required to pay more than $723,000 ("Total Budgeted Cost").

7. MAXIMUM COSTS TO WATERMASTER

The costs to be required of Watermaster under this Agreement shall not exceed its share of the Total Budgeted Cost, as shown in Section 5 above, or $236,000.

8. MAXIMUM COSTS TO IEUA

The costs to be required of IEUA under this Agreement shall not exceed its share of the Total Budgeted Cost, as shown in Section 5 above, or $487,000.

9. TERM

Work to be undertaken pursuant to this Task Order shall be initiated upon the Effective Date, as described in Section 11, below. The terms of this Task Order shall remain effective until IEUA's receipt of Watermaster's share of costs expended pursuant to the Budget shown above, so that IEUA may close out the activities.

10. REIMBURSEMENT

Watermaster's reimbursement of IEUA for work performed under this Task Order shall be as provided in Article 3 of the September 2017 Master Agreement.

11. EFFECTIVE DATE

This Task Order No. 1 will become effective upon execution by both Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year and at the place first above written.

CHINO BASIN WATERMASTER

By _____
PETER KAVOUNAS
General Manager

INLAND EMPIRE UTILITIES AGENCY

By _____
P. JOSEPH GRINDSTAFF
General Manager

WILDERMUTH ENVIRONMENTAL, INC.

March 6, 2017
Revised June 26, 2017

Inland Empire Utilities Agency
Attn: Sylvie Lee
PO Box 9020
Chino Hills, CA 91709

Chino Basin Watermaster
Attn: Peter Kavounas
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Subject: ***Scope of Work and Cost Estimate to Support the Update of the IEUA's Recycled Water Permits and the Maximum Benefit Salinity Management Plan for the Chino Basin***

Dear Ms. Lee and Mr. Kavounas,

Pursuant to your request, WEI has prepared this proposal to support the update of the (1) Inland Empire Utilities Agency's (IEUA) recycled water discharge and reuse permit, (2) the joint IEUA and Watermaster groundwater recharge permit and (3) the joint IEUA and Watermaster Maximum Benefit Salinity Management Plan for the Chino Basin (e.g. the maximum benefit commitments) contained in the Water Quality Control Plan for the Santa Ana River Basin (Basin Plan). This proposal provides a brief overview of the regulatory framework and project objectives, and details the scope of work, fee estimate, schedule, and key staff resources assigned to the project.

Background and Project Objectives

The IEUA owns and operates four treatment facilities that treat wastewater to tertiary standards prior to being recharged in the Chino Basin to support groundwater supply augmentation, directly reused for irrigation or discharged to streams and channels that are tributary to the Prado Basin Reservoir on the Santa Ana River. The discharge, reuse, and recharge of recycled water by the IEUA are regulated under two permits held with the Santa Ana Regional Water Quality Control Board (Regional Board). Regional Board Order R8-2015-0036 (NPDES No. CA 8000409)[1] regulates the discharge and direct reuse of recycled water. Order R8-2007-0039[2] (as amended by R8-2009-0057[3]) regulates the recharge of recycled water for indirect potable reuse, and is a joint permit held by the IEUA and Watermaster. Additionally,

[1] Order No. R8-2015-0036 and NPDES No. CA 8000409 - WASTE DISCHARGE REQUIREMENTS AND MASTER RECLAMATION PERMIT FOR INLAND EMPIRE UTILITIES AGENCY REGIONAL WATER RECYCLING FACILITIES – SURFACE WATER DISCHARGES AND RECYCLED WATER USE.

[2] Order No. R8-2007-0039 – Water Recycling Requirements for Inland Empire Utilities Agency and Chino Basin Watermaster – Chino Basin Recycled Water Groundwater Recharge Program – Phase I and Phase II Projects in San Bernardino County

[3] Order No. R8-2009-0057 Amending Order No. R8-2007-0039, Water Recycling Requirements for Inland Empire Utilities Agency and Chino Basin Watermaster – Chino Basin Recycled Water Groundwater Recharge Program – Phase I and Phase II Projects in San Bernardino County

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the reuse of recycled water is regulated by the Basin Plan as part of the maximum benefit commitments for the Chino Basin[4].

The permits specify limitations for total dissolved solids (TDS) and nitrogen concentrations, along with limitations for many other chemical constituents. The TDS limitation of recycled water is characterized as follows in these permits:

> "The 12-month flow weighted running average TDS constituent concentration and mass emission rates shall not exceed 550 mg/L ... This limitation may be met on an agency-wide basis using flow weighted averages of the discharges from the Discharger's RP-1, RP-4, RP-5, and CCWRF..."

The Basin Plan, specifically maximum benefit commitment number 9, specifies that:

> "Within 60 days after the IEUA 12-month running average effluent concentration (measured as an average for all IEUA wastewater treatment facilities) for TDS exceeds 545 mg/L for 3 consecutive months, or the 12-month running average total inorganic nitrogen (TIN) concentration (measured as an average for all IEUA wastewater treatment facilities) exceeds 8 mg/L in any month, the IEUA shall submit to the Regional Board a plan and time schedule for implementation of measures to insure that the 12-month running average agency wastewater effluent quality does not exceed 550 mg/L and 8 mg/L for TDS and TIN, respectively. The Plan and schedule are to be implemented upon Regional Board approval."

In 2015, the 12-month running average TDS concentration in recycled water produced by the IEUA approached the 545 mg/L metric that would require the IEUA and Watermaster to submit a plan and schedule to manage recycled water TDS concentrations. Research performed by the IEUA found that the primary driver for the increasing TDS concentration in its recycled water was an increase in the TDS concentration of the water supplies used by it member agencies. The increase may also be, in part, due to an increase of the TDS waste increment resulting from indoor water conservation.

Although the 12-month running average TDS concentration declined from the 2015 peak before the three-consecutive-month trigger, it was an important indicator that the TDS concentration of recycled water is likely to approach or exceed the discharge limitation and trigger the planning for recycled water quality improvements during the next prolonged dry period, or even sooner. Given the potential cost of implementing recycled water quality improvements for what might only be short-term exceedances of the 12-months running average limitation, the IEUA and Watermaster are interested in modifying the recycled water permits and the Basin Plan to allow for a longer-term averaging period for TDS concentrations.

To obtain approval from the Regional Board for these permit and Basin Plan modifications, the IEUA and Watermaster must perform a detailed evaluation of the TDS concentration impacts to Chino Basin groundwater. Such an evaluation is termed by the Regional Board as an Antidegradation Analysis. The objective of the analysis is to compare the relative water quality and economic impacts of the existing and proposed regulatory compliance strategies. The IEUA and Watermaster last performed an

[4] See Table 5-8a and pages 5-49 in the Basin Plan located here: http://www.waterboards.ca.gov/rwqcb8/water_issues/programs/basin_plan/docs/2016/Chapter_5_February_2016.pdf

antidegradation analysis in June 2009, to support R8-2009-057, which amended R8-2007-039 to change the recycled water contribution averaging period from a 60-month to a 120-month period.

The IEUA has already engaged with Regional Board staff to discuss the requested modifications to the TDS concentration limitations contained in the recycled water permits and the Basin Plan. The Regional Board is supportive of the concept and has indicated that the IEUA and Watermaster should proceed with the required demonstrations.

On May 30, 2017 Watermaster, IEUA and WEI met to discuss adding the analysis of nitrate concentrations in the Chino Basin to the salinity management scope of work. The rationales for adding nitrate to the scope of work include: (1) as a condition of updating the IEUA permits and the Basin Plan, the Regional Board has requested that Watermaster and the IEUA commit to developing TDS and nitrate concentration projections for the Chino Basin every six years, similar to the requirements of the Cooperative Agreement and (2) the IEUA has indicated interest in addressing recycled water compliance for the groundwater recharge program as it relates to nitrate impacts at specific recharge sites and on a basin-scale to support their planning efforts. The TDS and nitrate (TDS/N) concentration projections can either be performed concurrently or the nitrate concentration projections can be performed in the year following the completion of the TDS projections. Performing the TDS/N concentration projections concurrently will reduce the overall cost of the work, provide more timely information for IEUA's recycled water planning activities related to nitrate compliance, and ensure that all recommended changes to the IEUA permits and Basin Plan based on the results of the work can be made all at once.

The objectives of the following scope of work to support the permit and Basin Plan modifications are: to develop and use updated modeling tools to evaluate the TDS/N concentrations of the Chino Basin, to define planning scenarios and perform an antidegradation analysis, to use the results to develop a regulatory compliance strategy that includes a longer-term average period for recycled water TDS concentrations, to develop a regulatory compliance strategy for nitrate, to support the negotiation of a final compliance strategies with the Regional Board, and to provide required assistance to the Regional Board to prepare a Basin Plan amendment. IEUA and Watermaster can also use the TDS/N projections to develop an understanding of how current and planned basin management activities will impact TDS and nitrate concentrations in the Basin, to plan for future water supply and wastewater treatment plant improvements, and to periodically inform the Regional Board of projected changes in TDS and nitrate concentrations and efforts to manage them.

Scope of Work

The scope of work to support the update of the IEUA NPDES Permit and the Maximum Benefit Salinity Management Plan for the Chino Basin is broken down into nine tasks, as follows. The tasks and subtasks are also listed in the attached Table 1, which details the labor effort, in person-days, required to perform each subtask.

Task 1 Develop Planning Data

The objective of this task is to collect, process, and analyze the planning data required to prepare a range of plausible water management scenarios for the Chino Basin that can be evaluated to assess their relative impacts to TDS/N concentrations in the basin. This data includes agency water supply sources, the associated TDS/N concentrations of each supply source, and their supply plans based on wet, dry, and normal conditions. The data will be collected from IEUA staff and Watermaster databases and compiled into tables and charts that characterize the individual and collective water supply plans and the range of existing and potential future TDS/N concentrations for each supply source. The planning data will be verified with the Chino Basin water supply agencies to ensure accuracy. The planning data,

once verified, will be documented in a task memorandum and submitted to the IEUA and Watermaster. The subtasks are:

1.1. Collect Water Supply, TDS/N, and Waste Increment Data from IEUA, and Others as Necessary
1.2. Develop Water Supply Plans for Dry, Wet and Other Conditions and Confirm Accuracy with Agencies
1.3. Estimate TDS/N Concentrations in Local Supplies
1.4. Estimate the TDS/N Concentrations for SWP Water Based on Historical TDS/N and associated SWP Allocations and Most Recent SWP Delivery Reliability Report
1.5. Evaluate TDS/N Waste Increment and Develop Future Projection of It
1.6. Collect, Compile and Validate Projected Surface Water Discharge and TDS/N data for Discharges in the Model Domain (Riverside Narrows, Temescal Wash, other SAR Tributaries, POTWs, and Recharge) for the Planning Period
1.7. Document Planning Data in a Tech Memo

Task 2 Develop Planning Scenarios

The objectives of this task are to clearly articulate the TDS/N management challenge; describe the factors that can impact the TDS/N concentration in the water supply, groundwater, and wastewater; and develop a range of plausible water management planning scenarios based on historical hydrologic conditions. A total of four scenarios will be developed (baseline and three planning variants) and a series of performance metrics will be defined to evaluate the scenarios. The work performed for this task will be documented in a task memorandum and submitted to the IEUA and Watermaster. The subtasks are:

2.1. Articulate the TDS/N Management Challenge and the Drivers of TDS/N Concentration Changes Over Time
2.2. Develop Four Plausible Planning Scenarios Based on Historical Dry Periods that Can Be Identified in Local Data and in the Planning Hydrology in the SWP Delivery Reliability Report
2.3. Develop Performance Metrics for Scenario Evaluation
2.4. Document Planning Scenarios in a Tech Memo

Task 3 Develop Solute Transport Model Based on the 2017 Chino Basin Watermaster Model and Evaluate Baseline Planning Scenario

The objective of this task is to develop a water quality modeling projection tool that will enable the development of TDS/N concentrations projections for the Chino Basin and to apply the tool to develop a TDS/N concentration projection for the baseline planning scenario. WEI proposes to develop an MT3D-based numerical solute transport model[5] that is based on the 2017 Chino Basin Watermaster Model (this is the latest version). WEI proposes to build this model for forward projections only and defer a formal calibration of it to a later time. A properly constructed uncalibrated TDS/N model can be used to test the impacts of different TDS/N management strategies on the relative rate of future TDS/N concentration changes. For example, an uncalibrated model can be used to reasonably compare the rate of TDS/N concentration degradation in the basin from a range of permit discharge limitations, as proposed in this scope of work.

This task will produce TDS/N concentration projections for the baseline scenario, which will be summarized in tabular and graphical formats for review and discussion with the IEUA and Watermaster.

[5] Zheng, C. 1990. MT3D, A Modular Three-Dimensional Transport Model for Simulation of Advection, Dispersion and Chemical Reactions of Contaminants in Groundwater Systems, Report to the U.S. Environmental Protection Agency Robert S. Kerr Environmental Research Laboratory, Ada, Oklahoma.

After review, all the work performed for this task will be documented in a task memorandum and submitted to the IEUA and Watermaster. The following are the subtasks. Table 1 provides a breakdown of each step within these subtasks.

3.1. Develop 2017 Initial Conditions in the Saturated and Vadose Zones
3.2. Develop TDS/N Concentrations for Each Recharge and Discharge Component for the Planning Period
3.3. Run Baseline Scenario Simulations and Sensitivity Analysis
3.4. Document Evaluation Tool in a Tech Memo

This task could be expanded to include calibration of the model, but at substantially more cost. A calibrated model would improve confidence in the result and could then be used for more precise planning of future facilities required for salinity management.

Task 4 Evaluate Planning Scenarios

The objectives of this task are to use the water quality model developed in Task 3 to evaluate the planning scenarios defined in Task 2. This task will produce a series of projected TDS/N concentration time-histories for the Chino Basin groundwater management zones for the Chino Basin that can be compared to the results of the baseline scenario evaluated Task 3.[6] And, this information will be used to support the antidegradation analysis required by the Regional Board. If during Tasks 2 or 3, it is identified that no regulatory compliance strategies need to be modified for nitrate compliance, then no planning scenarios will need to be developed for nitrate.

This task will be performed in a step-wise process as the results of each planning scenario will inform how the subsequent scenario is run and evaluated. The process will be to run one planning scenario, summarize the results in charts and tables, evaluate it based on the performance metrics defined in Task 2, and review it with the IEUA and Watermaster. Based on the review of the results, the next planning scenario will be modified as appropriate and simulated. The work performed in this task will be documented in a task memorandum and submitted to the IEUA and Watermaster. The subtasks are:

4.1. Simulate First Planning Scenario with the Transport Model
4.2. Summarize Results of the Scenario Based on Performance Metrics
4.3. Review Scenario Results with IEUA/Watermaster Staff
4.4. Repeat Tasks 4.1 Through 4.3 for Remaining Planning Scenarios
4.5. Document Evaluation of Planning Scenarios in a Tech Memo

Task 5 Develop Salinity Management Proposal

The objective of this task is to prepare and document a salinity management proposal to the Regional Board that will enable the IEUA to modify its TDS discharge limitation to include a long-term averaging period and any necessary modifications to the nitrate management plan based on the results of the work performed in Tasks 3 and 4. The proposal will describe the salinity management challenges, the antidegradation analysis to characterize the TDS/N concentration projections for a series of planning

[6] Other interesting issues could be explored since the water quality model will produce estimates of groundwater flow and associated TDS concentrations at the model cell level and surface water discharge and its associated TDS concentrations at discrete points in the Santa Ana River and its lowland tributaries. For example, how does a change in the TDS concentration averaging period affect the TDS concentration in the rising groundwater to the Santa Ana River and the Santa Ana River discharge at Prado dam?

scenarios, the recommended TDS discharge limitation, and any revisions to the maximum-benefit salinity management program (e.g. the maximum benefit commitments).

A draft proposal will be prepared and submitted to the IEUA and Watermaster for review and comment. An updated draft will be prepared based on comments received for submittal to the Regional Board. The subtasks are:

5.1. Develop Draft Salinity Management Proposal and Update Maximum Benefit Commitments
5.2. Review Draft Proposal with IEUA/Watermaster Staff
5.3. Finalize Proposal for Formal Submittal to Regional Board

Task 6 Provide Support to IEUA/ Watermaster in Communicating the Salinity Management Proposal to Their Stakeholders

The objectives of this task are to prepare a summary presentation to document the salinity management proposal and attend meetings to assist IEUA and Watermaster Staff in communicating the proposal to their stakeholders. This could include Watermaster process meetings, IEUA Board meetings, and Basin Monitoring Program Task Force Meetings. The subtasks are:

6.1. Summarize Salinity Management Proposal in a Microsoft PowerPoint Presentation
6.2. Attend up to Four Meetings to Present the Proposal to Stakeholders

Task 7 Provide Technical Support to IEUA/ Watermaster in Negotiating the Salinity Management Proposal with the Regional Board

The objective of this task is to attend meetings with the Regional Board to present the Salinity Management Proposal, and its associated technical demonstrations, in support of the IEUA's permit negotiation process. Based on experience, we estimate that up to four meetings may be necessary to complete the negotiation. Based on input from the Regional Board, the Salinity Management Proposal will need to be updated to address their comments and concerns. Performing such updates is included as part of this task. Once a final strategy is agreed upon between the IEUA, Watermaster and the Regional Board, the Salinity Management Proposal will be finalized. The subtasks are:

7.1. Attend up to Four Meetings with Regional Board Staff
7.2. Prepare Updates to the Salinity Management Proposal Based on Regional Board Feedback
7.3. Finalize Salinity Management Proposal

Task 8 Support Development of a Basin Plan Amendment to Formalize the Salinity Management Proposal

The objective of this task is to support the Regional Board staff's efforts to prepare a Basin Plan amendment to incorporate any updates to the Maximum Benefit Salinity Management Plan. This work includes performing the Substitute Environmental Document (SED), writing a staff report, preparing the amendment language, documenting the administrative record, and other miscellaneous support tasks. WEI will work with Tom Dodson and Associates to prepare the SED checklist in support of the amendment. The subtasks are:

8.1. Prepare SED Checklist
8.2. Prepare Staff Report and Other Supporting Documentation for the Basin Plan Amendment at the Request of Regional Board Staff

Task 9 Meetings and Project Management

The objective of this task is to perform project management functions, including participating in bi-weekly conference calls on project status with the IEUA and Watermaster, maintaining a project ftp site, scheduling staff resources, managing the project schedule and budget, and working with the IEUA and Watermaster staff to resolve any challenges that arise.

Fee Estimate and Schedule

Table 1 is a detailed work breakdown structure (WBS) and fee estimate to perform the scope of work described herein. The WBS shows the labor and other direct charges at the task and subtask level. The total estimated cost to perform the work is $636,624 based on the rate schedule contained in the 2016 Contract between Watermaster and WEI. Based on the labor effort and the time required for reviewing work products and negotiating with the Regional Board, it is estimated that the project duration will be about 24 months.

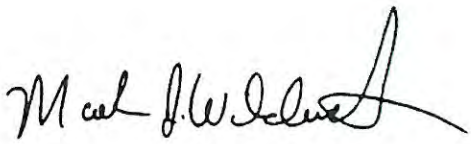
If during Tasks 2 or 3, it is identified that no changes to permitting or compliance strategies for nitrogen are necessary, then the only nitrate concentration projection required for the scope of work will be the baseline projection. In this case, the total cost of performing Task 4 would be reduced by about $58,000, thus reducing the total cost to about $578,635. This would also reduce the project schedule by about three months.

WEI is ready to begin work immediately and we would be pleased to work through and fine-tune the scope, schedule and deliverables of the project with you at your earliest convenience. Please call me at 949.600.7527 if you have any questions regarding this proposal. We look forward to working with you on this important and timely project.

Very truly yours,

Wildermuth Environmental, Inc.





Samantha Adams
Vice President, Principal Scientist

Mark Wildermuth, PE
President, Principal Engineer

Enclosures: Table 1

cc:

Joshua Aguilar and Bonita Fan/IEUA
Edgar Tellez Foster/Watermaster

Table 1
Work Breakdown Structure and Line-Item Cost Estimate
to Support the Update of the IEUA's Recycled Water Permits and the Maximum Benefit Salinity Management Plan for the Chino Basin

Description	Labor (person days)												Other Direct Costs					Total Project Costs	
	Staff								Task Repetition Multiplier	Total Labor			Travel	Printing	CEQA Consultant	Total ODCs		Sub-Task	Task
	Principal Engineer III	Principal Scientist I	Principal GW Modeler	Principal SW Modeler	Senior Scientist II	Staff Scientist/ Engineer II	Tech Editor/Admin			Person Days	Cost Sub-Task	Cost Task				Sub-Task	Task		
Task 1 - Develop Planning Data												$60,722					$0		$60,722
1.1 Collect Water Supply, TDS/N, and Waste Increment Data from IEUA, and Others as Necessary	0.3	0.8			1.3				1	2	$3,748					$0		$3,748	
1.2 Develop Water Supply Plans for Dry, Wet and Other Conditions and Confirm Accuracy with Agencies		1.0			5.0				1	6	$9,256					$0		$9,256	
1.3 Estimate the TDS/N Concentrations for SWP Water Based on Historical TDS/N and Associated SWP Allocations and Most Recent SWP Delivery Reliability Report	0.8	0.3			1.0				1	2	$3,462					$0		$3,462	
1.4 Estimate TDS/N Concentrations in Local Supplies		1.0			2.0	4.0			1	7	$9,616					$0		$9,616	
1.5 Evaluate TDS Waste Increment of Recycled Water and Develop Future Projection of It	0.5	1.0			2.0				1	4	$5,828					$0		$5,828	
1.6 Collect, Compile and Validate Projected Surface Water Discharge and TDS/N data for Discharges in the Model Domain (Riverside Narrows, Temescal Wash, other SAR Tributaries, POTWs, and Recharge) for the Planning Period	1.0	3.5		3.0		6.0			1	14	$21,288					$0		$21,288	
1.7 Document Planning Data in a Tech Memo	0.5	1.3			2.5		0.5		1	5	$7,524					$0		$7,524	
Task 2 Develop Planning Scenarios												$16,818					$0		$16,818
2.1 Articulate the TDS/N Management Challenge and the Drivers of TDS/N Concentration Changes Over Time	1.0	2.5			1.0	0.5			1	5	$8,744					$0		$8,744	
2.2 Develop Four Plausible Planning Scenarios Based on Historical Dry Periods that Can Be Identified in Local Data and in the Planning Hydrology in the SWP Delivery Reliability Report	0.5	0.5							1	1	$1,940					$0		$1,940	
2.3 Develop Performance Metrics for Scenario Evaluation	0.3								1	0.3	$506					$0		$506	
2.4 Document Planning Scenarios in a Tech Memo	0.5	1.5			0.5	0.5	0.5		1	4	$5,628					$0		$5,628	
Task 3 Develop Solute Transport Model Based on the 2017 Chino Basin Watermaster Model and Evaluate Baseline Planning Scenario												$303,441					$744		$304,185
3.1 Develop 2017 Initial Conditions in the Saturated and Vadose Zones																			
3.1.1 Assemble well construction, groundwater level and TDS/N data for wells in model domain		0.3	2.0			2.0			1	4	$6,576					$0		$6,576	
3.1.2 Construct groundwater level and TDS/N maps for each model layer		1.0	1.5			15.0			1	18	$22,640					$0		$22,640	
3.1.3 Rasterize groundwater level and TDS/N concentration by model layer	0.5	0.5	3.0						1	4	$7,508					$0		$7,508	
3.1.4 Develop model input files for initial groundwater level and TDS/N			1.0						1	1	$1,856					$0		$1,856	
3.1.5 Collect and compile volumes of water served by water agencies and their associated TDS/N time histories for 1986 through 2016	0.5	1.0		4.0		15.0			1	21	$28,292					$0		$28,292	
3.1.6 Develop TDS/N loads from fertilizer application and dairies waste disposal	5.0	1.0							1	6	$11,976					$0		$11,976	
3.1.7 Develop R4 input files and test				4.0					1	4	$7,424					$0		$7,424	
3.1.8 Develop DIPAW and associated TDS/N concentrations for 1986 through 2016	0.5	1.0		10.0					1	12	$21,428					$0		$21,428	
3.1.9 Develop model input files for DIPAW	1.0		3.0						1	4	$7,592					$0		$7,592	

Table 1
Work Breakdown Structure and Line-Item Cost Estimate
to Support the Update of the IEUA's Recycled Water Permits and the Maximum Benefit Salinity Management Plan for the Chino Basin

Description	Labor (person days)											Other Direct Costs					Total Project Costs	
	Staff								Total Labor						Total ODCs			
	Principal Engineer III	Principal Scientist I	Principal GW Modeler	Principal SW Modeler	Senior Scientist II	Staff Scientist/ Engineer II	Tech Editor/Admin	Task Repetition Multiplier	Person Days	Cost Sub-Task	Cost Task	Travel	Printing	CEQA Consultant	Sub-Task	Task	Sub-Task	Task
3.2 Develop TDS/N Concentrations for Each Recharge and Discharge Component for the Planning Period																		
3.2.1 Develop R4 input files for planning period and test				7.5				1	8	$13,920							$13,920	
3.2.2 Develop DIPAW and associated TDS/N concentrations for planning period				3.0				1	3	$5,568					$0		$5,568	
3.2.3 Develop storm, imported and recycled water recharge flows and associated TDS/N concentrations	0.1	0.5				3.0		1	4	$4,781					$0		$4,781	
3.2.4 Develop time histories of flow and associated TDS/N concentrations for subsurface boundary inflows		0.5	1.0					1	2	$2,784					$0		$2,784	
3.2.5 Develop model input files for recharge and discharge components			3.0					1	3	$5,568					$0		$5,568	
3.2.6 Summarize initial conditions and projected hydrologic components and associated TDS/N concentrations for the planning period	1.5	3.0				7.5		1	12	$17,604					$0		$17,604	
3.2.7 Review 3.2.6 with IEUA and Watermaster	0.5	0.5	0.5					1	2	$2,868		$61			$61		$2,929	
3.2.8 Review 3.2.6 with IEUA, Watermaster, and the Regional Board	0.5	0.5	0.5					1	2	$2,868		$61			$61		$2,929	
3.3 Run Baseline Scenario Simulations and Sensitivity Analysis																		
3.3.1 Run the flow and water quality models for the baseline scenario	2.0	1.0	10.0			6.0		1	19	$31,664					$0		$31,664	
3.3.2 Run sensitivity analysis to identify most sensitive parameters and assumptions	3.0	1.0	10.0					1	14	$26,488					$0		$26,488	
3.3.3 Summarize model results for the baseline scenario in tables and charts	3.0	1.0	5.0			10.0		1	19	$29,208					$0		$29,208	
3.2.4 Review 3.3.3 with IEUA and Watermaster	0.5	0.5	0.5					1	2	$2,868		$61			$61		$2,929	
3.2.5 Review 3.3.3 with IEUA, Watermaster, and the Regional Board	0.5	0.5	0.5					1	2	$2,868		$61			$61		$2,929	
3.4 Document Evaluation Tool in a Tech Memo	3.0	4.0	4.0	2.0		10.0	2.5	1	26	$39,092			$500		$500		$39,592	
Task 4 Evaluate Planning Scenarios (Antidegradation Analysis)											$139,556					$683		$140,239
4.1 Simulate First Planning Scenario with the Transport Model																		
4.1.1 Update baseline scenario to incorporate features of the planning scenario	0.3	0.3	2.0	2.0				1	5	$8,394					$0		$8,394	
4.1.2 Run scenario			4.0	1.0				1	5	$9,280					$0		$9,280	
4.1.3 Review results	0.8	0.5	1.3	0.5		3.0		1	6	$9,294					$0		$9,294	
4.2 Summarize Results of the Scenario Based on Performance Metrics	0.3	0.8	1.0	0.5		3.5		1	6	$8,882					$0		$8,882	
4.3 Review Scenario with IEUA/Watermaster Staff	0.5	0.5	0.5					1	2	$2,868		$61			$61		$2,929	
4.4 Repeat Tasks 4.1 Through 4.3 for Remaining Two Planning Scenarios	1.8	2.0	8.8	4.0		6.0		2	45	$76,236		$122			$122		$76,358	
4.5 Document Evaluation of Planning Scenarios in a Tech Memo	3.0	4.0	2.0	1.0		4.0	0.8	1	15	$24,602			$500		$500		$25,102	
Task 5 Develop Salinity Management Proposal											$17,123					$61		$17,184
5.1 Develop Draft Salinity Management Proposal and Update Maximum Benefit Commitments	1.5	3.0			2.0	1.0	0.5	1	8	$13,256					$0		$13,256	
5.2 Review Draft Proposal with IEUA/Watermaster Staff	0.5	0.5						1	1	$1,940		$61			$61		$2,001	
5.3 Finalize Proposal for Formal Submittal to Regional Board	0.3	0.5			0.3		0.1	1	1	$1,927					$0		$1,927	

Table 1
Work Breakdown Structure and Line-Item Cost Estimate
to Support the Update of the IEUA's Recycled Water Permits and the Maximum Benefit Salinity Management Plan for the Chino Basin

Description	Labor (person days)											Other Direct Costs					Total Project Costs	
	Staff							Task Repetition Multiplier	Total Labor						Total ODCs			
	Principal Engineer III	Principal Scientist I	Principal GW Modeler	Principal SW Modeler	Senior Scientist II	Staff Scientist/ Engineer II	Tech Editor/Admin		Person Days	Cost Sub-Task	Cost Task	Travel	Printing	CEQA Consultant	Sub-Task	Task	Sub-Task	Task
Task 6 Provide Support to IEUA/ Watermaster in Communicating the Salinity Management Proposal to Their Stakeholders											$8,576					$244		$8,820
6.1 Summarize Salinity Management Proposal in a Microsoft PowerPoint Presentation		0.5				0.5		1	1	$1,528					$0		$1,528	
6.2 Attend up to Four Meetings to Present the Proposal to Stakeholders		0.8			0.3			4	4	$7,048		$244			$244		$7,292	
Task 7 Provide Technical Support to IEUA/ Watermaster in Negotiating the Salinity Management Proposal with the Regional Board											$28,622					$220		$28,842
7.1 Attend up to Four Meetings with Regional Board Staff	0.3	1.0						4	5	$9,448		$220			$220		$9,668	
7.2 Prepare Updates to the Salinity Management Proposal Based on Regional Board Feedback	1.0	3.0	3.0		1.0	1.0	1.0	1	10	$16,824					$0		$16,824	
7.3 Finalize Salinity Management Proposal	0.3	0.5			0.3	0.3	0.3	1	2	$2,350					$0		$2,350	
Task 8 Support Development of a Basin Plan Amendment to Formalize the Salinity Management Proposal											$16,800					$5,000		$21,800
8.1 Prepare SED Checklist		1.0						1	1	$1,856				$5,000	$5,000		$6,856	
8.2 Prepare Staff Report and Other Supporting Documentation for the Basin Plan Amendment at the Request of Regional Board Staff	0.5	5.0			2.0	1.0	0.5	1	9	$14,944					$0		$14,944	
Task 9 Project Management											$38,016					$0		$38,016
9.1 Biweekly Conference Calls with IEUA/Watermaster	0.13	0.13						48	12	$23,280					$0		$23,280	
9.2 Maintain Project ftp Site						0.13		24	3	$3,600					$0		$3,600	
9.3 Monthly Project Management Activities		0.3						24	6	$11,136					$0		$11,136	
Total Tasks 1 through 9	47	74	77	47	22	109	7		381	$629,674	$629,674	$950	$1,000	$5,000	$6,950	$6,950	$636,624	$636,624

Notes:

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SECOND AMENDMENT
to
TASK ORDER NO. 1
BASIN PLAN AMENDMENT
under the
MASTER AGREEMENT
REGARDING THE MANAGEMENT OF COLLABORATIVE PROJECTS
between
INLAND EMPIRE UTILITIES AGENCY
and
CHINO BASIN WATERMASTER

This Second Amendment to Task Order No. 1 is made and entered into as of the __ day of November, 2026 by and between the Inland Empire Utilities Agency ("IEUA") and the Chino Basin Watermaster ("Watermaster") (each a "Party" and collectively, the "Parties").

RECITALS

A. Task Order No. 1 ("Task Order") for the Basin Plan Amendment was executed by IEUA and Watermaster, effective September 28, 2017.

B. IEUA and Watermaster amended the Task Order for the Basin Plan Amendment, being the First Amendment, effective April 15, 2020.

C. IEUA and Watermaster desire to further amend the Task Order to include changes to the budget terms of the agreement amounts due to additional technical and environmental consulting services necessary for the completion of the Basin Plan Amendment contemplated in the Task Order, as detailed in **Exhibit A**.

NOW THEREFORE IT IS AGREED TO AMEND THE TASK ORDER AS FOLLOWS:

1. Section 5 of the Task Order titled "BUDGET AND COST ALLOCATION" shall be amended to read:

Unless the scope of work is changed and an increase in the terms of spending is authorized by the Parties, the total projected cost for the activities to be undertaken pursuant to this Task Order is nine hundred thirty thousand nine hundred and nine dollars ($936,909) ("Budget"). The Parties agree that the Budget is shared as shown in the table below. The Budget shown below is shared equally, except for the portion specific to nitrogen and the associated portion of contingency, which IEUA will solely bear. Watermaster will bear no costs with respect to the nitrogen portions of the project. The Parties shall budget, pursuant to their own budget mechanism, or as amended to this Task Order.

Description	1st Amendment Budget	2nd Amendment Increase	2nd Amendment Budget
Salinity Basin Plan Amendment	$603,909	$12,000	$615,909
Nitrogen Modeling & Evaluation	$229,000	$0	$229,000
Environmental	$20,000	$0	$20,000
Contingency	$66,000	$6,000	$72,000
Total	**$918,909**	**$18,000**	**$936,909**

2. Section 6 of the Task Order titled "TOTAL BUDGETED COST" shall be amended to read:

   The Parties agree to pay their respective portion of the total costs. The Parties shall not be required to pay more than $936,909 ("Total Budgeted Cost").

3. Section 7 of the Task Order titled "MAXIMUM COSTS TO WATERMASTER" shall be amended to read:

   The costs to be required of Watermaster under this Agreement shall not exceed its share of the Total Budgeted Cost, as shown in Section 5 above, or $356,026.

4. Section 8 of the Task Order titled "MAXIMUM COSTS TO IEUA" shall be amended to read:

   The costs to be required of IEUA under this Agreement shall not exceed its share of the Total Budgeted Cost, as shown in Section 5 above, or $580,883.

ALL OTHER PROVISIONS SHALL REMAIN UNCHANGED.

IN WITNESS WHEREOF, the Parties hereby have caused this Amendment to be entered as of the day and year first written above.

INLAND EMPIRE UTILITIES AGENCY:

_____ _____
KEVIN ALEXANDER (DATE)
General Manager

CHINO BASIN WATERMASTER:

_____ _____
TODD CORBIN (DATE)
General Manager

WEST YOST
Water. Engineered.

25 Edelman, Suite 120
Irvine CA 92618

949.420.3030 phone
530.756.5991 fax
westyost.com

August 25, 2026

SENT VIA: EMAIL

Edgar Tellez Foster, PhD
Water Resources Management and Planning Director
Chino Basin Watermaster
Rancho Cucamonga, CA 91730

Pietro Cambiaso
Acting Director of Planning & Resources
Inland Empire Utilities Agency
Chino, CA 91708

SUBJECT: Updated Scope of Work and Budget to Continue to Provide Regulatory Support to Revise the Chino Basin Maximum Benefit SNMP and Associated Permits

Dear Edgar and Pietro:

The purpose of this letter proposal is to provide Chino Basin Watermaster (Watermaster) and the Inland Empire Utilities Agency (IEUA) with an updated scope of services, budget, and schedule to continue to provide regulatory support to revise the Chino Basin Maximum Benefit Salt and Nutrient Management Plan (Maximum Benefit SNMP) and associated effluent and recycled water permits.

The following sections provide background and updated status on efforts to revise the Maximum Benefit SNMP and associated permits, as well as the updated scope of services and budget.

BACKGROUND AND STATUS UPDATE

In 2004, the Santa Ana Regional Water Quality Control Board (Santa Ana Water Board) amended the Water Quality Control Plan for the Santa Ana River Basin (Basin Plan) to incorporate the Maximum Benefit SNMP; and numerically higher, maximum-benefit-based TDS and nitrate objectives for the Chino-North groundwater management zone (GMZ). The maximum benefit objectives created assimilative capacity and enable the cost-efficient, maximum reuse of recycled water for irrigation and recharge. The Maximum Benefit SNMP includes nine Maximum Benefit Commitments that Watermaster and IEUA must implement to obtain continued access to assimilative capacity.

The Maximum Benefit SNMP and related permits establish TDS and total inorganic nitrogen (TIN) limits for discharge and reuse of IEUA's recycled water within the Chino Basin. The limits for TDS and TIN are 550 and 8 milligram per liter (mgl), respectively. Compliance is measured as the 12-month, flow-weighted running average concentration of the IEUA agency-wide effluent. Pursuant to Maximum Benefit Commitment No. 6, Watermaster and IEUA are required to prepare and implement a plan and schedule to improve effluent water quality and achieve compliance with the effluent compliance metrics when the 12-month flow-weighted running average TDS or TIN equals or exceeds the action limits of 545 mgl TDS for three consecutive months or 8 mgl TIN for any one month.

In 2015, the 12-month running average TDS concentration of the IEUA recycled water reached a historical high of 534 mgl, which was only 11 mgl below the action limit, for three consecutive months. Although the TDS concentration declined before exceeding the action limit, it was an important indicator that the TDS concentration of recycled water is likely to approach or exceed the limit and trigger the planning for recycled water quality improvements during the next prolonged dry period. Given the potential cost of implementing recycled water quality improvements for what might only be short-term exceedances of the action limit based on the 12-month flow-weighted running average, the IEUA and Watermaster petitioned the Santa Ana Water Board to modify the recycled water permits and the Basin Plan to allow for a longer-term averaging period for determining compliance with the TDS limit.

To obtain approval from the Santa Ana Water Board for the Basin Plan modifications, and any associated permit modifications, the IEUA and Watermaster began a detailed evaluation of the TDS and nitrate concentration impacts to Chino Basin by developing the 2020 Chino Basin Water Quality Model. The technical work was completed in December 2021, and the results were used to develop a proposed regulatory compliance plan. The Regulatory Compliance Proposal was submitted to the Santa Ana Water Board in March 2022. The Santa Ana Water Board staff approved the Regulatory Compliance Proposal in July 2022 and requested that Watermaster and IEUA coordinate with Jurupa Community Services District (JCSD), which had also completed a regulatory compliance proposal in 2022 that would require a revision to the Maximum Benefit SNMP. The extra costs to combine the Basin Plan efforts into one amendment are being covered directly by JCSD.

Since approval of the Regulatory Compliance Proposal in 2022, Watermaster and IEUA have been working with Santa Ana Water Board staff to prepare required documents to support the Basin Plan amendment. These documents include Staff Report, Substitute Environmental Document (SED), Resolution and associated attachments, peer view package and responses to peer review comments. Drafts of the required documents were submitted to the Santa Ana Water Board beginning in January 2025, with the most recently drafted document submitted in January 2026.

In July 2026, the Santa Ana Water Board staff provided comments on the draft SED and responses to the peer review comments. These documents were revised to address staff comments and resubmitted in August 2026. All other required documents are pending the Santa Ana Water Board staff review and comment. Based on recent coordination with Santa Ana Water Board staff, the level and extent of comments on draft Basin Plan amendment documents have increased significantly compared to prior Basin Plan amendment efforts. Additionally, changes in Santa Ana Water Board staff have required additional time to provide background information, orient new staff to the Basin Plan amendment effort, and establish a shared understanding of the project's history and status. For these reasons, additional time and effort are anticipated to coordinate with Santa Ana Water Board staff and address comments on the remaining Basin Plan amendment documents.

Following completion of the Santa Ana Water Board staff review, the remaining tasks will include finalizing the Basin Plan amendment documents, ensuring compliance with Americans with Disabilities Act (ADA) requirements, and providing as-needed support to Santa Ana Water Board staff to advance the amendment through the adoption process.

Santa Ana Water Board adoption of the Basin Plan amendment is anticipated in late 2026 to early 2027. Following adoption by the Santa Ana Water Board, additional support will be required to advance the Basin Plan amendment through State Water Resources Control Board approval and Office of Administrative Law (OAL) approval, which are anticipated by mid-2027.

UPDATED SCOPE OF SERVICES

The following is a list of remaining efforts to support the Basin Plan amendment:

- Finalize Staff Report, SED, Resolution, and responses to peer review comments based on input from the Santa Ana Water Board staff.
- Ensure that all Basin Plan amendment documents comply with ADA, including selecting and coordinating with an ADA subconsultant.
- Prepare draft PowerPoint presentation for Santa Ana Water Board staff to present the Basin Plan amendment for Santa Ana Water Board adoption.
- Support development of the Administrative Record.
- Conduct regular coordination with Santa Ana Water Board staff to keep the process moving forward.
- Perform monthly project management activities, including participating in progress status calls with Watermaster and IEUA staff.

Deliverables

- West Yost will provide final Staff Report, SED, Resolution, and other supporting Basin Plan amendment documents including ADA compliant documents.
- West Yost will provide meeting agenda and updated budget table prior to each internal check-in meeting with Watermaster and IEUA.
- West Yost will provide meeting agenda prior to each check-in meeting with Watermaster, IEUA, and Santa Ana Water Board staff.
- West Yost will prepare the PowerPoint presentation for the Santa Ana Water Board staff to present the Basin Plan amendment for Santa Ana Water Board adoption.

UPDATED PROJECT BUDGET

The existing budget for this effort is $86,374. West Yost is requesting for the budget to be amended to $98,374 (an increase of $12,000) to support completion of the remaining Basin Plan amendment efforts. The additional budget is needed to account for a greater level of coordination and document revision than originally anticipated, including addressing Santa Ana Water Board staff comments, coordinating with new staff, finalizing the Basin Plan amendment documents, and providing support through the remaining regulatory approval process.

Thank you for providing West Yost the opportunity to be of continued service to Watermaster and IEUA. Please call if you have any questions or require additional information.

Sincerely,
WEST YOST

Samantha Adams
Principal-In-Charge

Sodavy Ou
Project Manager

cc: John Russ, Environmental Resources Planner I, IEUA

CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730
909.484.3888 www.cbwm.org

STAFF REPORT

DATE: November 19, 2026

TO: Advisory Committee and Board Members

SUBJECT: Governor's Emergency Declaration and Potential Groundwater Recharge Opportunities (Business Item II.C)

Issue: To inform the Parties of the Governor's September 21, 2026 proclamation of a statewide state of emergency related to the developing 2026-2027 El Niño event and to solicit feedback regarding potential near-term and longer-term opportunities to increase stormwater capture for groundwater recharge in the Chino Basin. [Within Watermaster Duties and Powers]

Recommendation: Provide advice and assistance.

Financial Impact: There is no direct impact to the Watermaster budget associated with receiving this report and providing feedback. Any subsequent analysis, design, permitting, maintenance, construction, or operational activity would be separately scoped and brought forward through the appropriate Watermaster process before funds are committed.

ACTIONS:
Appropriative Pool – November 12, 2026 [Final]: Advice and assistance
Non-Agricultural Pool – November 12, 2026 [Final]: Advice and assistance
Agricultural Pool – November 12, 2026 [Final]: Advice and assistance
Advisory Committee – November 19, 2026 [Recommended]: Advice and assistance
Watermaster Board – November 19, 2026 [Recommended]: Advice and assistance

BACKGROUND

On September 21, 2026, Governor Gavin Newsom proclaimed a statewide State of Emergency due to the developing 2026-2027 El Niño event. El Niño is the periodic warming of sea-surface temperatures in the eastern Pacific Ocean. This change can alter global circulation and precipitation patterns. Although localized impacts cannot be predicted with certainty, El Niño often contribute to more frequent and intense storms in California. Accordingly, the emergency declaration presents an opportunity for Watermaster and the Parties to consider actions that may improve preparedness, reduce localized flood risk, and increase beneficial recharge when storm flows are available.

The proclamation states that California is entering the wet season amid the development of a strong and potentially historic El Niño and identifies risks including severe storms, flooding, mud and debris flows, erosion, damage to infrastructure, and disruption of essential services.

The proclamation directs state agencies to support early preparedness. Among other actions, the California Environmental Protection Agency and California Natural Resources Agency are directed to prioritize permitting, consultation, and technical assistance for local flood-preparation and mitigation work. In paragraph 8 of the Declaration, *the Department of Water Resources, in coordination with the State Water Resources Control Board, shall conduct outreach and education to advance groundwater recharge projects and to use flood flows to recharge groundwater aquifers under existing law with the goal of reducing flood impacts and strengthening local water supplies.*

During wet periods, two SWRCB pathways may provide opportunities to increase groundwater recharge in the Chino Basin: floodflow diversions under **Water Code section 1242.1** (Attachment 2) and **temporary water-right permits for groundwater recharge** (Attachment 3). Section 1242.1 provides an expedited mechanism to divert qualifying flood flows for groundwater recharge **without obtaining a water-right permit**. The authority is intended to provide the dual benefits of reducing flood risk and replenishing groundwater and is currently available through January 1, 2029. Diversions may occur only when the statutory flood conditions and protective requirements are satisfied, including the required local or regional agency determination and State Water Board noticing and reporting requirements. Temporary water-right permits provide a complementary approach where surface water is available for recharge but the conditions necessary to rely on Section 1242.1 are not present. The SWRCB specifically identified temporary permitting and Section 1242.1 flood diversions as two mechanisms that agencies should consider in advance of wet conditions because opportunities to capture high flows may arise quickly.

The State Water Resources Control Board (SWRCB) Board conducted a number of webinars on the issue. A link to the online recording of the session “Getting Ready to Recharge Without a Permit” can be viewed at https://www.youtube.com/watch?v=-sRAoEWhzhA.

For Chino Basin Watermaster, these authorities may complement existing stormwater capture, spreading, and recharge operations by providing additional mechanisms to place available surface water into groundwater storage during wet periods. Advance coordination among Watermaster, the Parties, recharge facility operators, flood-control agencies, and the SWRCB could identify potential diversion locations, available recharge capacity, operational constraints, and the appropriate regulatory pathway before high-flow events occur. This advance planning would position Watermaster and the Parties to respond more quickly when hydrologic conditions create opportunities for additional groundwater recharge.

DISCUSSION

Watermaster staff and consultants have begun identifying potential actions that could be evaluated before and during the 2026-2027 storm season, as well as longer-term concepts that may be appropriate for

consideration through the Recharge Master Plan Update (RMPU) or another established Watermaster planning process. The concepts below are preliminary, conceptual, and provided as basis for the Pool Committees' discussions. Inclusion does not constitute a technical feasibility determination, environmental review, authorization, funding commitment, or project approval.

Potential near-term projects and analyses include, but are not limited to:

- Compare historical releases from San Antonio Dam with available capacity at recharge basins along San Antonio Creek to identify conditions under which additional recharge could occur and to support operational readiness if suitable conditions develop during the wet season.
- Coordinate with the Six Basins Watermaster regarding potential temporary transfers or operational coordination when rising groundwater, in the Six Basins, requires active management to mitigate risks.
- Evaluate pumping from the Hawker-Crawford Channel and recharge at the Intex property, informed by the prior Fontana Water Company pilot project, including confirmation that upstream sediment conditions are adequately controlled.
- Evaluate sediment removal at Jurupa Basin and San Sevaine Basin 2 to improve infiltration and recharge capacity.
- Identify high-value Municipal Separate Storm Sewer System (MS4) maintenance activities that could improve recharge performance or reduce localized flooding.
- Explore local storm drain and mountain-front diversions to properties owned by the County, and others, for increased recharge on native, undeveloped land.

Potential longer-term concepts for evaluation include, but are not limited to:

- Analyze vacant land near creeks for underground infiltration galleries, including reverse tile-drain concepts, horizontal wells, or other subsurface recharge features.
- Evaluate enlargement or modification of the Etiwanda Basin conservation berm.
- Evaluate land south of Etiwanda Basin for potential additional recharge facilities.
- Revisit prior recharge projects and concepts previously evaluated by Watermaster to determine whether changed hydrologic, regulatory, operational, or funding conditions warrant renewed consideration.

Parties' and Pool Committees' feedback would help Watermaster identify which concepts merit priority, what agency coordination may be required, whether additional candidate sites or operational opportunities should be added, and what constraints should be evaluated. Relevant considerations may include available stormwater supplies; conveyance and basin capacity; dam and channel operations; water quality; sediment management; land ownership and access; groundwater levels; potential impacts to nearby facilities and properties; applicable permits and environmental review; emergency-authority pathways; cost; schedule; and consistency with the Judgment, Peace Agreements, Rules and Regulations, OBMP, and approved planning processes.

Staff specifically requests feedback on the following questions:

1. Which near-term opportunities could be implemented or meaningfully advanced before or during the 2026-2027 wet season?
2. Are there additional recharge basins, channels, parcels, wells, conveyance facilities, or maintenance activities that should be evaluated?
3. What operational, water-quality, permitting, property, or interagency constraints should be addressed first?
4. Which longer-term concepts should be incorporated into the RMPU or another Watermaster planning effort (Attachment 4)?
5. Which Parties or partner agencies are interested in participating in focused technical or operational coordination?

Following Advisory Committee and Board input, staff will organize the feedback, identify next steps, and return through the appropriate Watermaster committee process with any proposed scopes, schedules, coordination needs, and potential budget implications.

ATTACHMENTS

1. Governor's Proclamation of a State of Emergency, September 21, 2026
2. Water Code Section 1242.1
3. Potential future recharge locations
4. Additional Resources
5. Presentation – *Changing Tides: The Future of Climate Extremes by* Dr. Daniel Swain provided to Riverside County Water Task Force on October 13, 2026

ATTACHMENT 1

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

PROCLAMATION OF A STATE OF EMERGENCY

WHEREAS in the past several years, California has experienced increasingly severe and destructive storms, including atmospheric river events that have caused widespread flooding, mud and debris flows, landslides, high winds, power outages, road and highway closures, evacuation orders, damage to homes and critical infrastructure, and disruption of essential services; and

WHEREAS climate change is intensifying these weather and hydrologic extremes in California, contributing to increasingly severe swings between drought and flooding, and heightening the risks that extreme storms pose to communities, infrastructure, natural resources, and the economy; and

WHEREAS California is entering the 2026–2027 wet season amid the ongoing development of a strong and likely historic El Niño event in the Pacific Ocean; and

WHEREAS the National Oceanic and Atmospheric Administration's National Weather Service Climate Prediction Center, in its August 13, 2026, diagnostic report, found that the El Niño event is strengthening, with a greater than 90 percent chance of a very strong event during Northern Hemisphere fall and winter of 2026–2027; and

WHEREAS the Climate Prediction Center projected a 69 percent chance that the event will reach historic strength during the October through December 2026 season, defined as a three-month Relative Oceanic Niño Index, and exceeding the strength of all prior El Niño events in the historical record beginning in 1950; and

WHEREAS the National Weather Service Climate Prediction Center has found that atmospheric conditions over the tropical Pacific are consistent with a strengthening El Niño, including changes in equatorial winds and an eastward shift in enhanced convection and rainfall toward the central and eastern Pacific, making it more likely that at least some parts of California will experience stronger storms in coming months; and

WHEREAS elevated baseline coastal water levels, combined with high tides, large waves, high surf, and coastal storms, can increase risks of coastal flooding, beach erosion, bluff erosion, transportation disruption, and damage to public and private infrastructure; and

WHEREAS California has already begun to experience effects attributed to this El Niño event, including unusual precipitation and significant coastal flooding; and

WHEREAS historical experience demonstrates that very strong El Niño events do not produce uniform statewide outcomes, but can be associated with exceptionally wet and destructive winter conditions in California; and

WHEREAS California's recent experience with atmospheric rivers, debris flows following wildfires, flash flooding, coastal erosion, inundation, and damage to transportation and flood-control infrastructure demonstrates the importance of procuring and positioning resources, clearing waterways, and taking additional actions to prepare before severe storms arrive; and

WHEREAS areas affected by recent wildfires are particularly susceptible to flash flooding, mud and debris flows, erosion, sediment transport, and road closures during high-intensity rainfall; and

WHEREAS in light of that experience, local governments, local water agencies, and local flood control authorities have requested action now to enable them to move quickly to begin preparations for preventing and responding to the impacts of potential flooding; and

WHEREAS low-income communities, farmworker families, rural residents, seniors, persons with disabilities, residents with limited transportation access, people experiencing homelessness, and communities in flood-prone, coastal, or post-fire areas may face disproportionate risks; and

WHEREAS the demonstrated potential for a very strong or historic-strength El Niño event to cause elevated coastal water levels and high-impact storms in California warrants early, coordinated, and targeted preparedness actions to protect Californians, critical infrastructure, agricultural lands, natural resources, and the State's economy; and

WHEREAS under the provisions of Government Code section 8558(b), I find that conditions of extreme peril to the safety of persons and property exist due to the developing El Niño event; and

WHEREAS under the provisions of Government Code section 8558(b), I find that the developing El Niño event is likely to cause conditions that, by reason of their magnitude, are likely to be beyond the control of the services, personnel, equipment, and facilities of any single local government and require the combined forces of a mutual aid region or regions to appropriately respond; and

WHEREAS under the provisions of Government Code section 8625(c), I find that local authority is inadequate to cope with the magnitude of the extreme peril posed by the developing El Niño event; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this Proclamation would prevent, hinder, or delay the mitigation of the effects of the developing El Niño event.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code section 8625, **HEREBY PROCLAIM A STATE OF EMERGENCY** to exist statewide due to the developing 2026–2027 El Niño event.

IT IS HEREBY ORDERED THAT:

1. All agencies of the state government are to utilize and employ state personnel, equipment, and facilities for the performance of any and all activities consistent with the direction of the Governor's Office of Emergency Services and the State Emergency Plan. The Governor's Office of Emergency Services shall coordinate statewide preparedness activities for potential severe weather, flooding, coastal flooding, erosion, mud and debris flows, and related impacts associated with conditions resulting from the El Niño event, including atmospheric rivers and other severe storm systems. The Governor's Office of Emergency Services shall work with local and tribal governments to support emergency planning, resource coordination, and requests for state assistance. To protect their safety, all residents are to obey the direction of emergency officials with regard to this emergency.

2. As necessary to assist local governments and for the protection of public safety and the environment, state agencies shall enter into contracts to arrange for the procurement of materials, goods, and services necessary to quickly assist with the response to and recovery from the impacts of this emergency. Applicable provisions of the Government Code and the Public Contract Code, including but not limited to travel, advertising, and competitive bidding requirements, are suspended to the extent necessary to address the effects of this emergency.

3. The California Environmental Protection Agency and the California Natural Resources Agency, including boards, departments, and offices within those agencies, are directed to prioritize work to help local agencies prepare for anticipated impacts from the El Niño event. In particular, those state agencies are directed to prioritize permitting, consultation, and technical assistance to support local efforts to prevent or mitigate impacts from anticipated or potential flooding, landslides, and mud and debris flows, including local efforts to expedite levee and other flood management infrastructure repairs, vegetation management, debris removal, sediment management, bridge scour protection, and channel-capacity improvements. State agencies are directed to work with local agencies to issue any necessary permits or other approvals for such efforts as quickly as possible, including by identifying and invoking existing emergency authorities or other pathways for streamlined review. On or before October 16, 2026, the Secretary for Environmental Protection and the Secretary of the Natural Resources Agency shall submit a joint recommendation to my office as to whether further action or emergency suspensions are necessary to support and expedite this work.

4. The Governor's Office of Emergency Services shall coordinate the State's preparation for and response to the developing El Niño event, including by working with the Department of Water Resources and other appropriate government agencies to prepare to pre-position personnel, equipment, supplies, commodities, and other resources based on forecast conditions, local needs, and identified risks. In particular, this work shall draw on the Department of Water Resources' guidance regarding flood-risk-reduction activities.

5. The Department of Water Resources shall take appropriate action to procure, maintain, stage, pre-position, distribute, and replenish flood-fight supplies, equipment (including, but not limited to, sandbags, riprap and other rock materials, plastic sheeting, and pumps), and other materials necessary to support statewide flood preparedness, response, and protective actions in connection with the El Niño event. The Department of Water Resources shall coordinate with appropriate government agencies to identify priority areas for flood-fight material staging and plans to make these materials available where they are needed, when they are needed.

6. The Department of Water Resources, through its Division of Safety of Dams, shall conduct outreach to owners of jurisdictional dams regarding potential severe conditions during the El Niño event and shall reiterate to dam owners their responsibilities to inspect, operate, maintain, repair, and safely manage their dams and appurtenant structures in accordance

with applicable law, permit conditions, emergency action plans, and directives of the Division of Safety of Dams.

7. The Governor's Office of Emergency Services, in coordination with the Department of Water Resources, shall conduct outreach to counties, cities, and relevant local agencies that are responsible for levees, flood-control facilities, and associated structures that may be vulnerable to impacts of the El Niño event to take appropriate actions to procure, maintain, stage, pre-position, distribute, and replenish flood-fight supplies, commodities, equipment, and materials necessary to support flood preparedness, response, and protective actions.

8. The Department of Water Resources, in coordination with the State Water Resources Control Board, shall conduct outreach and education to advance groundwater recharge projects and to use flood flows to recharge groundwater aquifers under existing law with the goal of reducing flood impacts and strengthening local water supplies.

9. Consistent with Paragraph 3 of this Proclamation, the Coastal Commission is directed to expedite review and action on proposed development by coastal communities to prepare for the impacts of this El Niño event. Coastal communities are encouraged to submit permit applications, as appropriate, to facilitate timely Coastal Commission review, technical assistance, and other support for El Niño preparations. After an application is received, the Commission shall respond with notification of any incomplete items within five days. After an application is complete, it shall be scheduled for hearing at the next Commission meeting. For emergency permit requests, the Commission shall accept both written and oral requests to its district offices. When necessary to address an urgent need related to this emergency, the Commission shall take action on emergency permit requests as quickly as possible and within twenty-four hours of receipt.

10. The California Department of Transportation and California State Transportation Agency shall identify those state highways, bridges, culverts, drainage facilities, slopes, and other transportation infrastructure most at risk of flooding, erosion, debris flows, rockslides, mudslides, or other significant impacts from severe storms caused by the El Niño event, and transmit to the Governor's Office of Emergency Services a prioritized list of projects to address such risks within 30 days of this Proclamation.

11. The California Department of Transportation shall develop plans to pre-position personnel and materials (including directional signage, traffic-control devices, road-closure devices, warning signs, delineators, emergency communications equipment, and other resources) at or near locations that may be identified as at risk of severe impacts from the El Niño event. This shall include plans to prepare and pre-position snow-removal, snow-control, and ice-control equipment as appropriate, including snowplows, snow blowers, graders, loaders, chain-control equipment, salt, sand, and other materials necessary to maintain safe travel and restore access on state highways during the El Niño event.

12. The Adjutant General and the California Military Department shall, in coordination with the Director of the Governor's Office of Emergency

Services, identify California National Guard personnel, equipment, and capabilities that may be available to support state and local emergency operations, if activated or tasked, in relation to this El Niño event. Such planning shall include readiness for high-water vehicle operations; aviation operations, including reconnaissance, search and rescue, transport, and heavy-lift support, as appropriate; engineering support; emergency communications; transportation and logistics; evacuation support; flood-fight activities; debris removal and route clearance; commodity distribution; shelter support; and other life-safety and emergency-support missions.

13. California Volunteers, in coordination with the Governor's Office of Emergency Services and other appropriate agencies, shall prepare to mobilize volunteers and trained service members, consistent with their training, mission, safety requirements, and applicable law, to support state and local preparedness, response, and recovery activities in connection with the El Niño event.

14. The California Conservation Corps shall prepare to deploy Corpsmembers, consistent with its statutory mission, training, available resources, safety requirements, and applicable law, to support severe weather preparedness and response activities in connection with the El Niño event.

15. The California Energy Commission, the Office of Energy Infrastructure Safety, and the State Water Resources Control Board and regional water quality control boards are directed, and the California Public Utilities Commission is requested, to coordinate, consistent with their respective authorities, with electrical, natural-gas, water, wastewater, telecommunications, transportation, and other critical-service providers to enhance readiness and support timely restoration of essential services following storm impacts.

16. The Governor's Office of Emergency Services, in consultation with relevant state agencies, shall expand accessible, multilingual public preparedness communications related to severe weather, flooding, emergency alerts, evacuation readiness, power outages, safe travel, disaster assistance, and household emergency planning.

17. Agencies under my direct authority shall cooperate in their response to this emergency. Other agencies are requested to assist in responding to this emergency, as appropriate.

18. The restrictions set forth in Penal Code section 396, which are automatically triggered upon proclamation of a state of emergency, are suspended, and no such restrictions are imposed, with respect to this El Niño event, at this time.

I FURTHER DIRECT that as soon as hereafter possible, this Proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Proclamation.

This Proclamation is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 21st day of September 2026.

GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY WEBER, PH. D
Secretary of State

Technical Guidance
Water Code 1242.1 - Flood Diversions for Groundwater Recharge

This document provides technical guidance on a recently enacted pathway for parties to divert surface water to help alleviate flooding while also recharging California's depleted groundwater basins. Please note the responses to these questions have been highly simplified to summarize complex issues and should not be considered formal or legal guidance. This document may be updated periodically. If you have a question not addressed here, please contact FloodDiversion@waterboards.ca.gov.

General Questions

What is Water Code section 1242.1?

On July 10, 2023, Senate Bill 122 added section 1242.1 to the California Water Code (Section 1242.1) with the dual purpose of managing floods and expediting the restoration of the State's groundwater levels. Section 1242.1 creates a pathway for diversion of flood water without a water right that can be used during extreme flood events. These diversions can have dual benefits: reducing flood risks and impacts and recharging groundwater aquifers. Section 1242.1 expedites the process for allowing these diversions, while at the same time including reporting requirements and other protective conditions that are intended to prevent impacts to sensitive infrastructure, ecosystems, and existing water rights holders.

Can I divert surface water anywhere or at any time under Water Code section 1242.1?

No, Section 1242.1 establishes limitations on when and where floodflows can be diverted.

- Diversions can only occur if a local or regional agency has issued a public notice that flows downstream of the point of diversion are at imminent risk of flooding and inundation of lands, roads, or structures.
- Diversions must comply with Section 1242.1's specified protective conditions, including noticing and reporting requirements. Section 1242.1 expires on January 1, 2029.

Flood Diversion Triggers

Who determines when diversions can begin or end?

Only certain local or regional agencies can determine when flood diversion thresholds are triggered. The agency must have adopted a local plan of flood control pursuant to Water Code section 8201, or have considered flood risk as part of its most recently adopted general plan.

Diversions must cease when the local or regional agency determines that there is no longer a risk of flooding and inundation of land, roads, or structures downstream of the point of diversion.

What else must the local or regional agency do before I can divert?

The local or regional agency (not the diverter) must have given notice via its internet website, electronic distribution list, emergency notification service, or another means of public notice that flows downstream of the point of diversion are at imminent risk of flooding and inundation of land, roads, or structures before diversions under Section 1242.1 may begin.

How should local or regional agencies determine if there is an imminent risk of downstream flooding and inundation of land, roads or structures?

Determinations about the conditions that create an imminent risk must be identified in a local plan of flood control pursuant to Water Code section 8201 or the most recently adopted local general plan. Water Code section 8201 only applies to the urban areas in the Sacramento-San Joaquin Valley (Water Code section 9602). Most areas of the state will need to use local general plans to document flood risks. Flood managers that need assistance with making a local plan of flood control, or entities interested in adopting flood risk management provisions in a general plan, should contact Department of Water Resources (DWR) Flood Management Program.

What does “floodflow” mean under Section 1242.1?

- Local and federal agencies have developed estimates of when water levels in many rivers and streams pose risks for nearby residents and infrastructure, which in simplified terms is called a “flood stage.” If a waterbody has a defined flood stage, any flow higher than that flood stage that necessitates actions to avoid threats to human health and safety would be considered a “floodflow” for purposes of Section 1242.1.
- However, not every river or stream in California has a defined flood stage. Section 1242.1 allows for other triggers in such circumstances, and further defines floodflows for these other water bodies as: Surface water that has escaped from or is imminently likely to escape from a channel or waterbody causing or threatening to cause inundation of residential or commercial structures, or roads needed for emergency response, and flows that would inundate ordinarily dry areas in the bed of a terminal lake to a depth that floods dairies and other ongoing agricultural activities, or areas with substantial residential, commercial, or industrial development.
- “Likely imminent escape from a channel or waterbody” is demonstrated by measured flows in excess of the maximum design capacity of a flood control project, where present. Floodflow under this part of Section 1242.1 does not include flows that inundate wetlands, working lands, or floodplains, events that constitute a “design flood,” groundwater seepage, or waters confined to a “designated floodway.” In this context “imminent” means a high degree of confidence that a condition will begin in the immediate future. When the flood conditions have abated to the point there is no longer a risk of flooding and inundation of land, roads, or structures downstream of the point of diversion, diversions are no longer authorized under Section 1242.1.

Protective Conditions

What protective conditions are in Water Code section 1242.1?

A high-level description of Section 1242.1 protections are bulleted below, with specific scenarios described later in the document. In general:

- Diversions must use either existing diversion infrastructure or temporary pumps.
- If temporary pumps are used, they must use protective screens to minimize impacts to fish and other aquatic life.
- There are limitations on where floodwater can be applied. Floodwater cannot be applied to certain areas associated with animal facilities, where manure or pesticide have recently been applied, and areas that haven't recently been used for agriculture. Diverters should try to use existing groundwater recharge locations, such as percolation ponds that have already been built. However, other options are available if there are no other existing recharge locations.
- Diversions are subject to conditions intended to protect water quality, endangered species, and senior water right holders in the Sacramento-San Joaquin Delta.

If I use a temporary pump, what type of screen do I need for the pump intake?

Diversions using temporary pumps are required to "minimize the impacts of diversion to fish and other aquatic life." The screens shall:

- be constructed of any rigid material, perforated, woven, or slotted, that provides water passage while physically excluding fish
- be parallel to the flow and adjacent to the water's edge
- minimize eddies in the transition zones upstream of, in front of, and downstream of the screen
- minimize entrainment to the degree feasible

These requirements can align with a type of screen often referred to as a "trash screen" or "strainer" or a "debris screen." This type of screen is intended only for diversions under Section 1242.1 and should not be expected to be acceptable for other purposes. Parties should consult directly with the California Department of Fish and Wildlife regarding protective screen requirements for water rights diversions.

Do I need a protective screen to divert 1242.1 floodflows using existing infrastructure?

Section 1242.1 does not place additional requirements for protective screens on existing diversion infrastructure (other applicable laws or regulations may be in effect and must be observed).

Do I need a screen if I divert from a canal, somewhere behind the initial river diversion?

No. The requirement for a screen applies to the location where water is diverted directly from a river or stream, when using a temporary pump. No screen is required to comply

with 1242.1 for rediversion of water, for example from a canal that water has already been diverted into from a river or stream. Please note that other applicable laws or regulations may be in effect and must be observed.

I have new permanent infrastructure that was built on or after July 10, 2023. Can I use that diversion structure to divert Section 1242.1 floodflows and does that infrastructure qualify as existing permanent infrastructure under Water Code section 1242.1?

Water Code section 1242.1 allows for use of existing permanent infrastructure, which, for purposes of diversions under that section, may include:

(1) Permanent infrastructure constructed prior to July 10, 2023; and

(2) Permanent infrastructure (e.g., diversion structures, recharge locations) constructed for purposes other than diversion under section 1242.1 after July 10, 2023 but prior to initiation of the section 1242.1 diversions, where all applicable regulatory requirements have been complied with, including but not limited to applicable California Environmental Quality Act and Lake and Stream Alteration Agreement requirements.

What limitations are there on the land areas where I recharge water?

The diverted water cannot be applied for recharge to any of the following:

Certain land associated with animal facilities

Barns, ponds, or lands where:

- manure/waste from an animal facility that generates waste from the feeding/housing of animals in a confined area
- operates more than 45 days per year
- is not vegetated

Certain agricultural lands with water quality concerns

Agricultural fields that have been identified as an outlier with respect to nitrogen application by any of the following:

- the State Water Board
- a Regional Water Board
- an agricultural coalition charged with implementation of the Irrigated Lands Regulatory Program

Uncultivated Areas

- Areas not cultivated within the previous three years
- Examples: grazing lands, annual grasslands, natural habitats
- Exceptions (recharge allowed): existing facilities constructed for the purpose of groundwater recharge or managed wetlands

Areas where diversions or recharge could exacerbate the threat of flood, or potentially damage any of the following:

- critical levees or other infrastructure
- wastewater/drinking water systems
- drinking water wells/supplies

What are the allowable land uses for recharge areas?

- Facilities already constructed for the purpose of groundwater recharge
- Managed wetlands
- Areas actively cultivated or where cultivation occurred within the last three years (so long as none of the prohibitions described above apply)

When can flood diversions occur in the Delta watershed?

Water may only be diverted from tributaries to the Sacramento-San Joaquin Delta when water rights holders are not making releases of stored water or reoperating facilities to provide flow for the purposes of meeting water quality control plan or endangered species requirements in the Delta at the time of the diversion. Parties can monitor the daily Delta operations summary provided by the DWR to determine the current condition.

For San Joaquin River upstream of Vernalis and tributaries thereto:

A diversion is authorized only when the Delta is in excess water conditions and the Delta is without restrictions. “Excess water conditions” are determined pursuant to the Agreement between the United States of America and the State of California for Coordinated Operation of the Central Valley Project (CVP) and the State Water Project (SWP), as amended. The Delta is “without restrictions” when SWP and CVP Delta operations are not constrained by any non-discretionary requirements, including any requirements for the protection of water quality and endangered species. The diverter shall monitor conditions daily using the Delta Operations Summary report published on the internet website of the Department of Water Resources to determine whether the Delta is in excess conditions without restrictions.

For the Sacramento River and San Joaquin River downstream of Vernalis and tributaries thereto:

A diversion is authorized only when the Delta is in excess water conditions and either (1) the Delta is without restrictions or (2) the Delta is with restrictions but Delta operations are controlled only by requirements for Old and Middle River flows (OMR) or San Joaquin River Inflow-to-Export ratio (SJR I/E). “Excess water conditions” are determined pursuant to the Agreement between the United States of America and the State of California for Coordinated Operation of the CVP and the SWP, as amended. The Delta is “without restrictions” when SWP and CVP Delta operations are not constrained by any non-discretionary requirements, including any requirements for the protection of water quality and endangered species. The diverter shall monitor conditions daily using the Delta Operations Summary report published on the internet website of the Department of Water Resources to determine whether the Delta is in excess conditions and which restrictions control.

Reporting

How much floodflow can I divert?

Section 1242.1 does not set a limitation on the amount of water diverted, however diversion can only occur in compliance with the specified protective conditions and the applicable agency's notice. Flood diversions must cease immediately when the flood conditions described in the public notice have abated to the point that there is no longer a risk of flooding and inundation of land, roads, or structures downstream of the point of diversion.

Does the diverter get an exclusive right to the water diverted?

No, Section 1242.1 does not create a water right or any right to ownership or control of the diverted water. The diverted surface water goes toward the net benefit of the groundwater basin. If one exists, the groundwater sustainability agency (GSA) may choose to establish a groundwater crediting program, otherwise individual groundwater pumpers can use the water consistent with pumping rules for overlying and appropriative groundwater rights.

Parties wishing to assert a right to ownership or control of the diverted water will need a water right permit and are encouraged to consider projects using the Board's Streamlined Pathway for diversions during flood conditions. These criteria streamline the application process by focusing on diversions when flows exceed thresholds that trigger flood response actions necessary to avoid threats to human health and safety, according to established written flood management protocols adopted by a flood management or emergency response agency.

Do I have to fill out any forms?

Yes. Any entity diverting pursuant to Section 1242.1 must file three reports (notice, preliminary, and final) with the State Water Board.

Are there timelines for submitting the reports?

Yes. The diverter must file with the State Water Board and the applicable GSA all of the following:



- The required **Notice**, at least 48 hours before diverting, if possible, but no later than 48 hours after diversions begin.
- The required **Preliminary Report,** no later than 14 days after diversions begin.
- The required **Final Report**, no later than 15 days after diversions end.

Where can I find the form for submitting reports?
All three reports must be completed using the fillable form found at the State Water Board's Flood Recharge Diversions website.

Where do I submit my forms?
Each completed form is emailed to FloodDiversion@waterboards.ca.gov.

How do I get help if I'm unclear about my GIS or APNs for the reports?
The Department of Water Resources maintains a Groundwater Recharge website with tutorials, webinars, and answers to general questions. There is also an online application that can be used to help identify GIS coordinates, APNs, acres, GSA information, and develop a map. Visit DWR's California Groundwater Recharge Information page for more information.

Other

I'm interested in finding reported diversions in my area. Where are reports posted?
Reports submitted to the Board will be posted regularly on the flood recharge diversions website under the section titled "Diversion Reports Received."

I'm also interested in viewing the public notices of the local or regional agencies. How can I find those documents?
There's no requirement for local or regional agencies to submit their notices to the Board, though it is highly recommended to help notify potential downstream diverters. This information may be available by contacting the applicable local or regional agency directly. Notice may be provided by the local or regional agency on its website, electronic distribution list, emergency notification service, or another means of public notice.

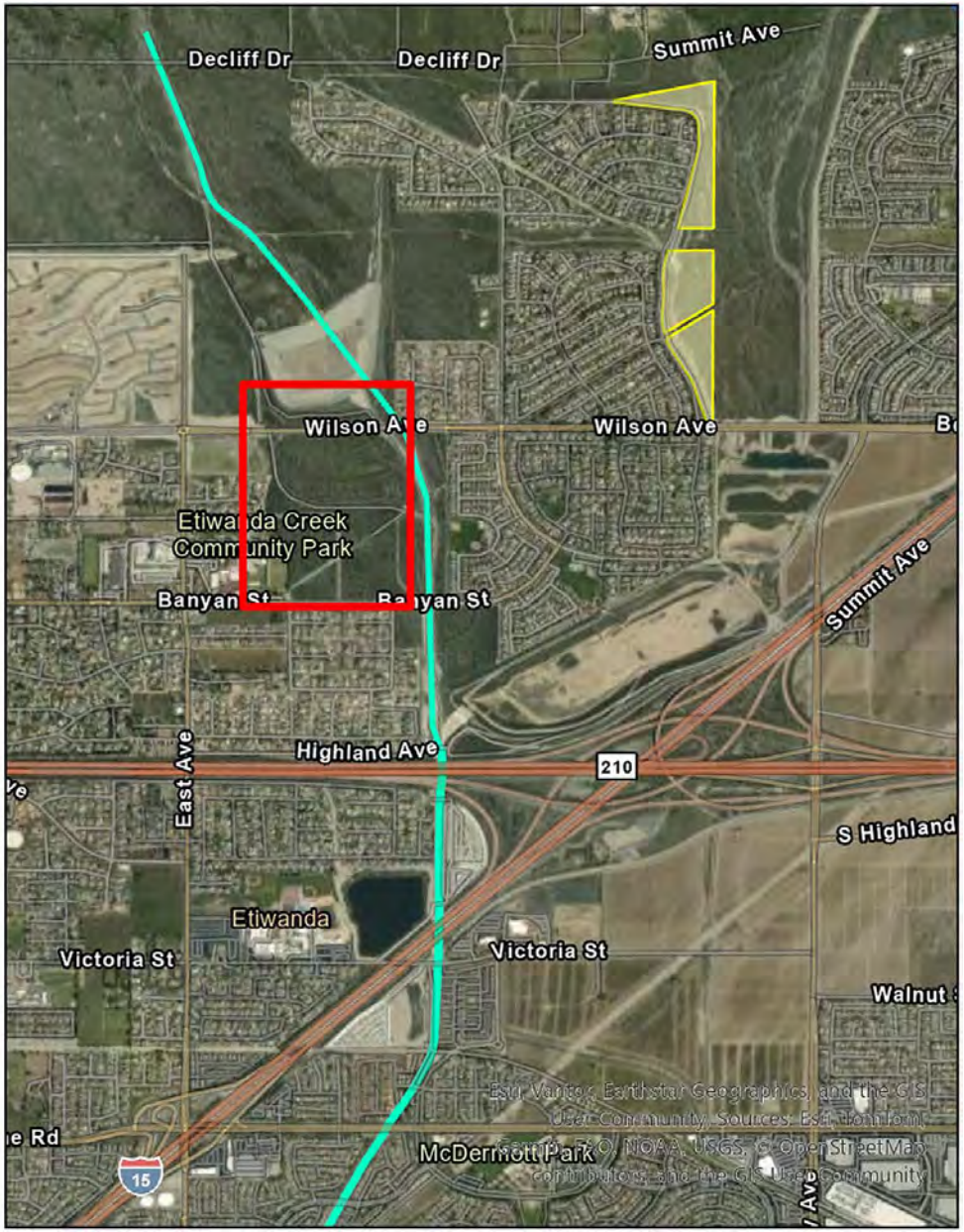
Does the State Water Board prepare a summary report of each year's Section 1242.1 diversions?
Yes, for diversions made pursuant to Section 1242.1 that are initiated prior to January 1, 2029. The State Water Board will annually post a report detailing the number of projects, the estimated amount of water diverted, locations of recharge projects implemented, and any recommendations.

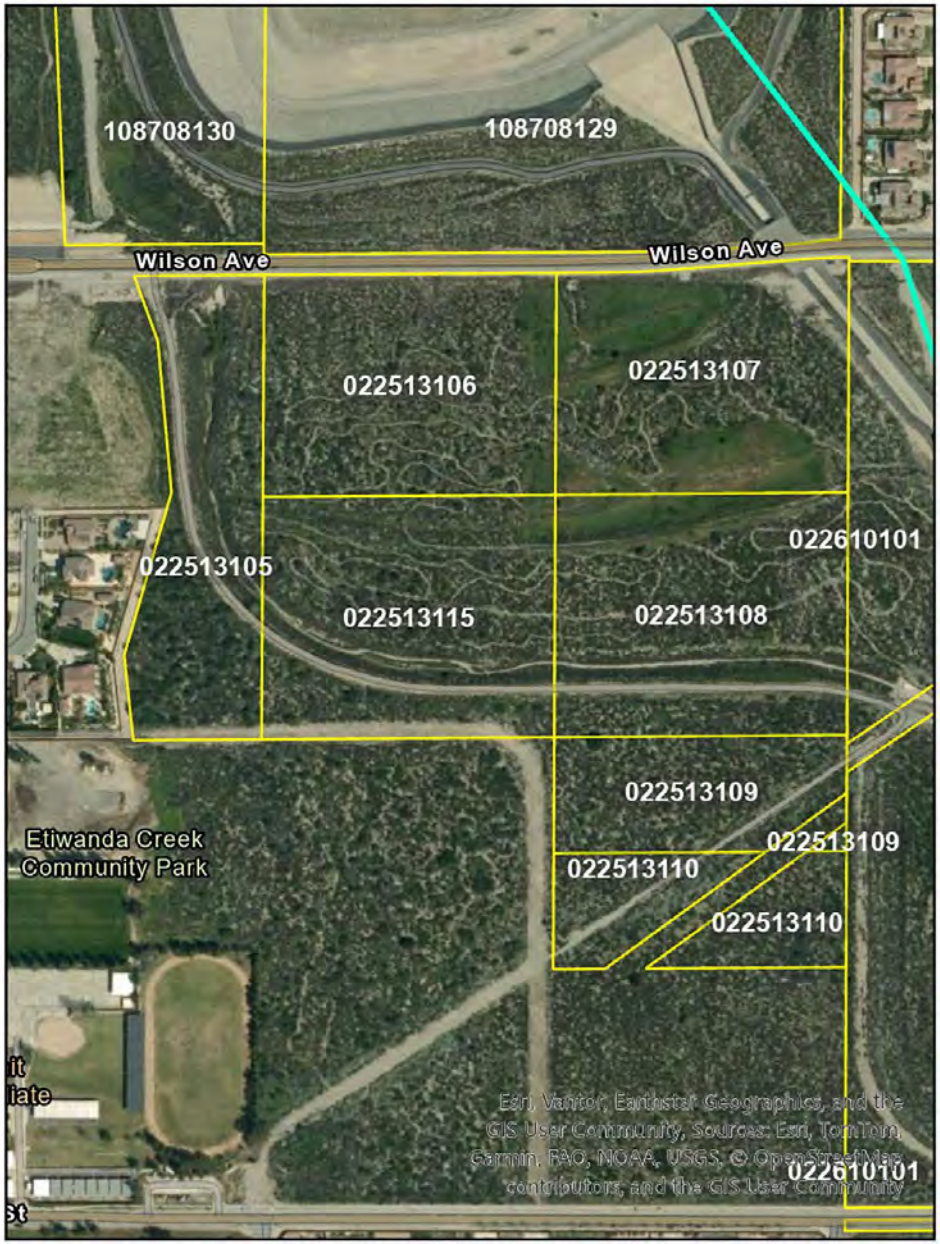
Reports will be posted to the Board's Flood Recharge Diversions website.

Who do I notify if I believe a diverter is not operating in compliance with the Water Code's conditions?
You may file a complaint through the CalEPA Complaint System.

What if I have questions not answered here?

If you have additional questions, please contact the State Water Board at: FloodDiversion@waterboards.ca.gov





N

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Channels

SB County Parcels - County Owned
195

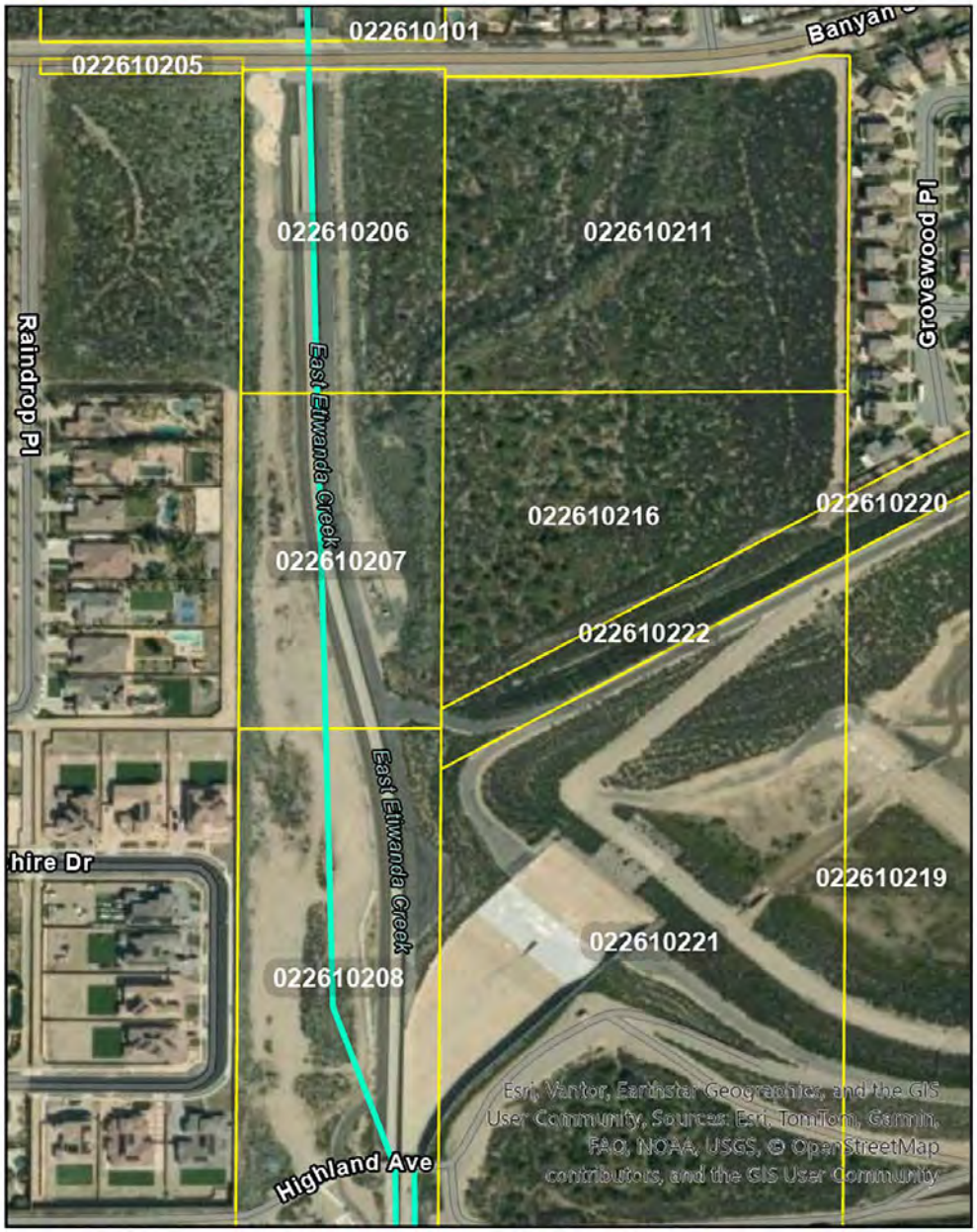
Location of noteworthy parcels in the East Etiwanda runoff area for possible new basins.

*Parcels are labeled by APN.

Prepared by:

CHINO BASIN WATERMASTER
Partners in Basin Management





N

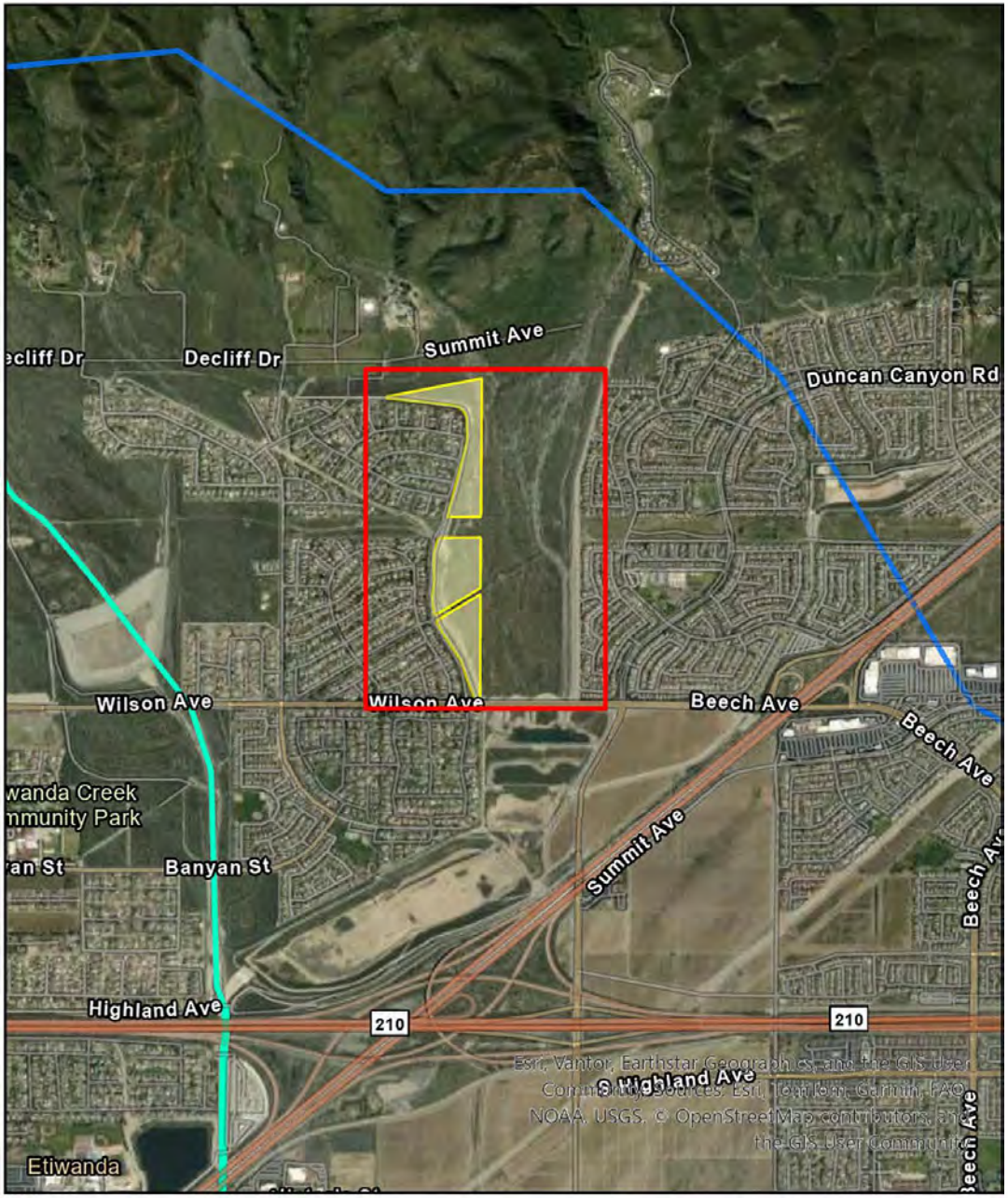
0 0.04 0.08 0.16 Miles

Channels

SB County Parcels - County Owned

Location of noteworthy parcels in the East Etiwanda runoff area for possible new basins.
*Parcels are labeled by APN.

Prepared by:





Prepared by:

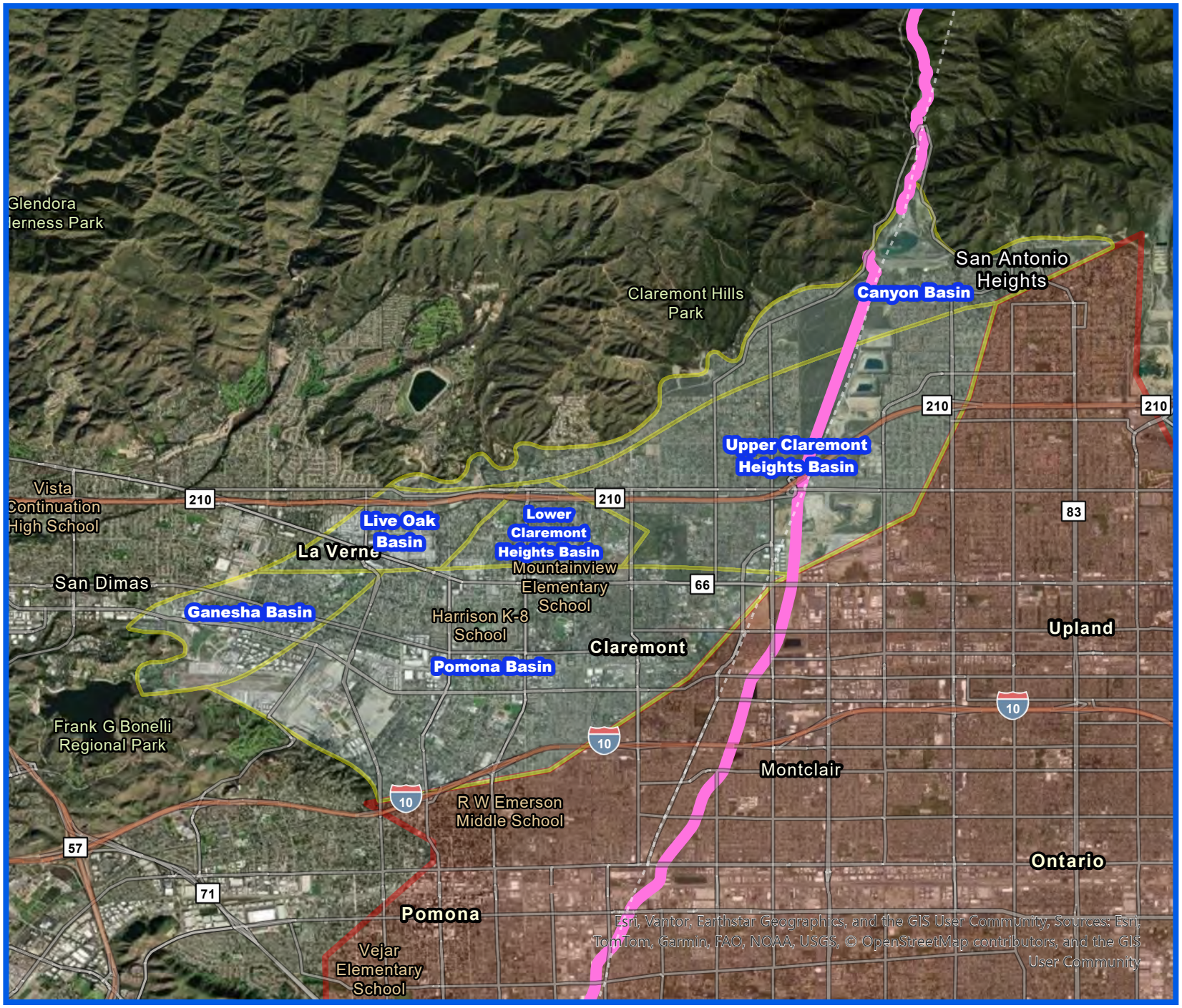
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Channels
Parcelspartialeetiwanda
CBWM Adj. Boundary

North east Etiwanda ruff off feeding the San Sevaine Basin.
*Parcels are labeled by APN.

ATTACHMENT 3D



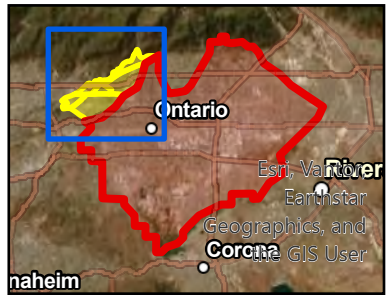
San Antonio Channel

Chino Basin Adjudicated Boundary

6 Basins Adjudicated Boundary

N
W E
S

2
Miles



Depicts the 6 basins on the western boundary of the Chino Basin

198

Prepared by

CHINO BASIN WATERMASTER
Partners in Basin Management

From: Lauren Gordon
To: Todd Corbin
Cc: Carolina Sanchez
Subject: FW: Oct 19, 2026 Capturing Floodflows Without a Permit - Webinar Follow-Up
Date: Thursday, October 29, 2026 4:40:45 PM
Attachments: image001.png
image002.png

Good afternoon Todd,

DWR has sent the webinar recording and links from the October 19 webinar. See below.

Thank you,

Lauren Gordon
Senior Geologist II

JOIN OUR TEAM
WEST YOST
direct: 19164389330

From: WB-DWR-FloodDiversion <DWR-FloodDiversion@Waterboards.ca.gov>
Sent: Thursday, October 29, 2026 4:06 PM
Subject: Oct 19, 2026 Capturing Floodflows Without a Permit - Webinar Follow-Up

Hello,

You have received this email because you registered for the State Water Resources Control Board's October 26, 2026 webinar *Capturing Floodflows Without a Permit*.

Thank you for your interest. To see a video of the workshop, please visit: https://www.youtube.com/watch?v=-sRAoEWhzhA

Please see other potentially helpful links below:

Water Code 1242.1

- Flood Recharge Diversions: https://www.waterboards.ca.gov/waterrights/water_issues/programs/groundwater-recharge/recharge-diversions.html

- **NEW** Governor's Executive Order N-14-26 (signed 10/27/2026): Suspends need for a local plan of flood control or consideration of flood risk in a general plan as a prerequisite for diversion of flood flows. This suspension only applies to eligible local or regional agencies per Water Code section 1242.1(a)(1). https://www.caloes.ca.gov/wp-content/uploads/Legal-Affairs/Documents/Proclamations/N-14-26.pdf

- 1242.1Technical Guidance:
  https://www.waterboards.ca.gov/waterrights/water_issues/programs/groundwater-recharge/docs/1242-1-tech-guidance.pdf

- Flood Diversion Reporting form:
  https://www.waterboards.ca.gov/waterrights/water_issues/programs/groundwater-recharge/docs/flood-recharge-diversions-form.pdf

- 1242.1 Language:
  https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=WAT&sectionNum=1242.1.

- Preparing for a Wet Winter:
  https://www.waterboards.ca.gov/waterrights/water_issues/programs/applications/groundwater_recharge/wetwinter.html

- Prepare now for a Super El Niño, flyer:
  https://www.waterboards.ca.gov/waterrights/water_issues/programs/groundwater-recharge/docs/super-el-nino-flyer.pdf

- Groundwater Recharge Diversions:
  https://www.waterboards.ca.gov/waterrights/water_issues/programs/applications/groundwater_recharge/

Other Useful Links

- Delta conditions:
  https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/State-Water-Project/Operations-And-Maintenance/Files/Operations-Control-Office/Delta-Status-And-Operations/Delta-Operations-Daily-Summary.pdf

- Drought Orders, proclamations & notices:
  https://www.waterboards.ca.gov/drought/drought_orders_proclamations.html

- Department of Water Resources Central Valley Flood-Mar dashboard:
  https://webdev02.geiconsultants.com/floodmar/

- Department of Water Resources Groundwater Recharge Incentives and Strategies:
  https://suscon.org/wp-content/uploads/2026/08/Groundwater-Recharge-Incentives-and-Strategies.pdf

Other Workshops

- SWRCB October 19, 2026 Webinar:

https://www.youtube.com/watch?v=YPQuhiJbn3Y

- DWR Recharge Readiness webinar series registration: https://stantec.zoom.us/meeting/register/HFyKuJDoS2KeiQv11F_cqQ#/registration

- SWRCB October 9, 2024 Webinar: https://www.youtube.com/watch?v=qsXO9KJbDJI

CalWATRS Help

- CalWATRS: https://www.waterboards.ca.gov/upward/calwatrs/

- CalWATRS Resources: https://www.waterboards.ca.gov/upward/calwatrs/resources/

- Creating an Account with CalWATRS video: https://www.youtube.com/watch?v=5Pm_0QzUosE

ATTACHMENT 5

Changing Tides: The Future of Climate Extremes

Tuesday, October 13, 2026

Hosted by

emwd EASTERN MUNICIPAL WATER DISTRICT

WESTERN WATER

WRCOG Western Riverside Council of Governments

RIVERSIDE COUNTY WATER TASK FORCE

RIVERSIDE COUNTY WATER TASK FORCE

Welcome



Jason Uhley, P.E.

Vice Chair

Riverside County Water Task Force

RIVERSIDE COUNTY WATER TASK FORCE

Agenda

i. Welcome and Housekeeping Items

ii. Program - Changing Tides: The Future of Climate Extremes

   a. Dr. Daniel Swain, California Institute for Water

   b. Jason Uhley, Riverside County Flood Control and Water Conservation District

iii. Facilitated Question and Answer

iv. Closing Remarks

RIVERSIDE COUNTY WATER TASK FORCE

Housekeeping



All attendees are muted, so please **ask questions** through the Zoom Chat feature.



For **technical issues**, send a private chat to **Michael Hadley.**



Event recording and presentations **will be available** following the event.



Dr. Daniel Swain

Climate Scientist

California Institute for Water

U.C. Agriculture and Natural Resources

RIVERSIDE COUNTY WATER TASK FORCE

Potential California effects of a historically strong El Niño event in 2026-2027

Daniel Swain — University of California Agriculture and Natural Resources
& NSF National Center for Atmospheric Research



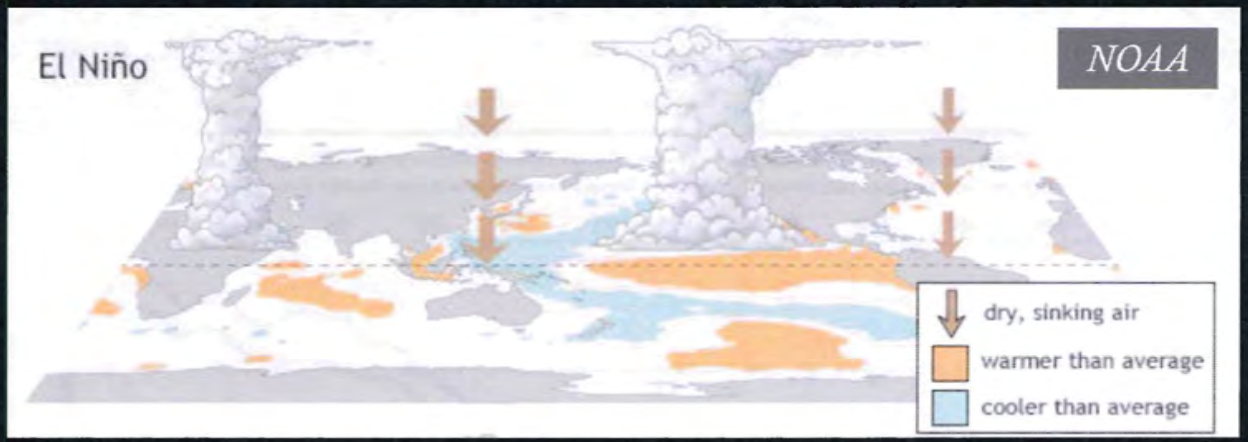
Image credit: Daniel Swain | Predicted Ocean Temperature Anomaly, Nov-Jan 2026-2027, ECMWF SEAS5

Riverside County Water Task Force Briefing |
Oct. 2026

California Institute for Water Resources
University of California
Agriculture & Natural Resources

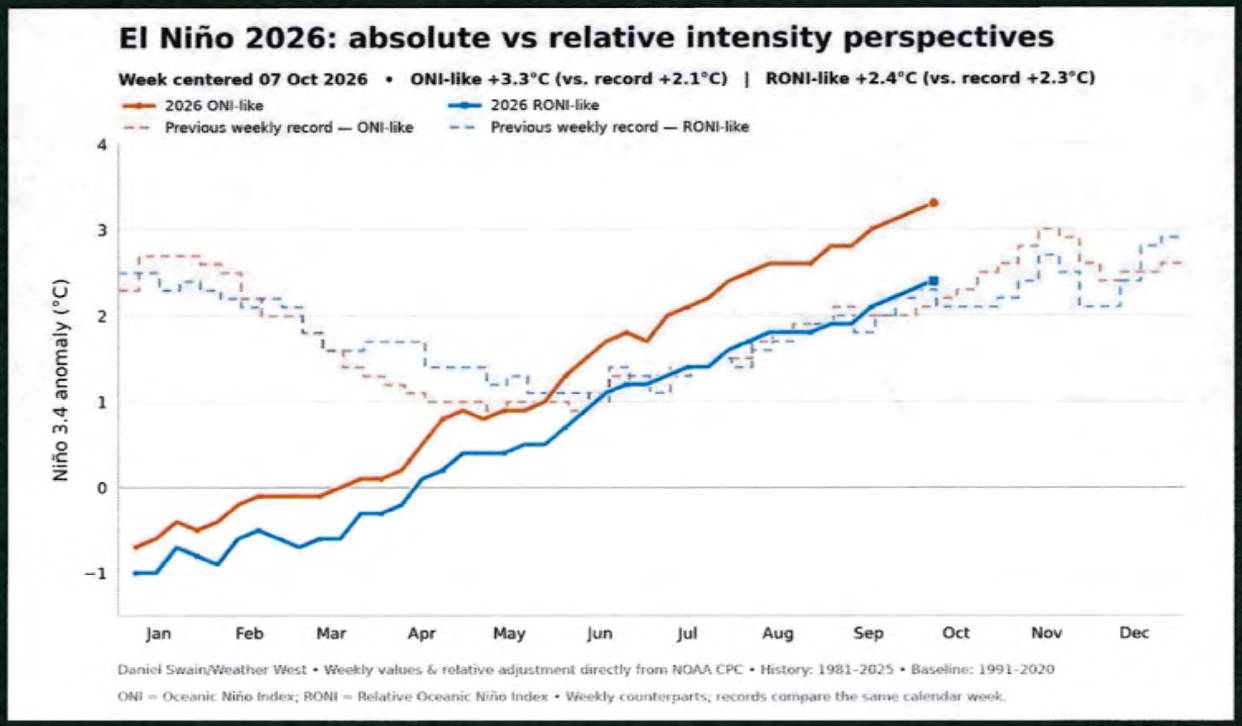
NSF | NCAR
OPERATED BY UCAR

What is El Niño?



- El Niño is the warm phase of a ~2-7 year natural cycle occurring in the tropical Pacific Ocean.
- During El Niño, the eastern tropical Pacific Ocean warms to well above typical levels—directly affecting local climate in countries closest to unusually warm waters, but also indirectly the climates of regions thousands of miles distant
- El Niño is a natural process, and is not caused by climate change. However, climate change is probably amplifying the impacts of El Niño events, and possibly increasing their intensity

What is the forecast for 2026-2027?

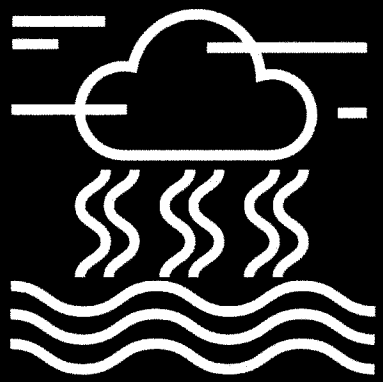


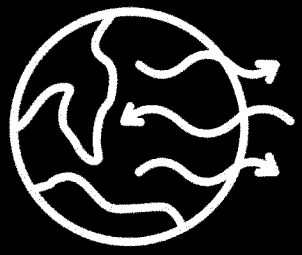
NOAA data plotted by Daniel Swain, 2026

- As of September 2026, a strong El Niño event has already developed in the tropical Pacific
- It is now almost guaranteed (>95%) that El Niño will become very strong, & a high likelihood (>75%) that the 2026 event will become the strongest on record later this year!

What are the global effects of a very strong El Niño?

- Given its potentially historic magnitude, the current El Niño event will likely have substantial global impacts.
- By increasing atmospheric heat & water vapor, and by shifting global storm tracks, this event will likely contribute to significant regional drought & flood events
- Temporary effects from this very strong El Niño event will amplify the effects of long-term warming from climate change, greatly elevating the likelihood of record-breaking global temperatures & extreme weather events.







El Niño cannot guarantee local climate outcomes, but it can profoundly shift odds and increase risks



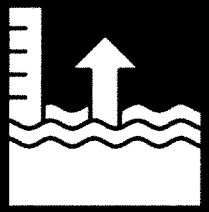
A very strong El Niño event is akin to a person using a megaphone to "cut through the noise" of a crowded room, thus exerting a louder and clearer influence.

- El Niño is but one of many factors that influence local weather and climate in any given year
- During weak-moderate events, El Niño's influence can easily be drowned out by other competing factors
- But during very strong El Niño events, there is a much greater chance that the "signal" rises above the "noise," and thus that widespread "classic" impacts materialize

California effects of very strong El Niño 26-27



1. Warmer near-shore ocean temperatures and higher coastal humidity; marine ecosystem disruption and increased human health impacts from summer/autumn heatwaves (high confidence)



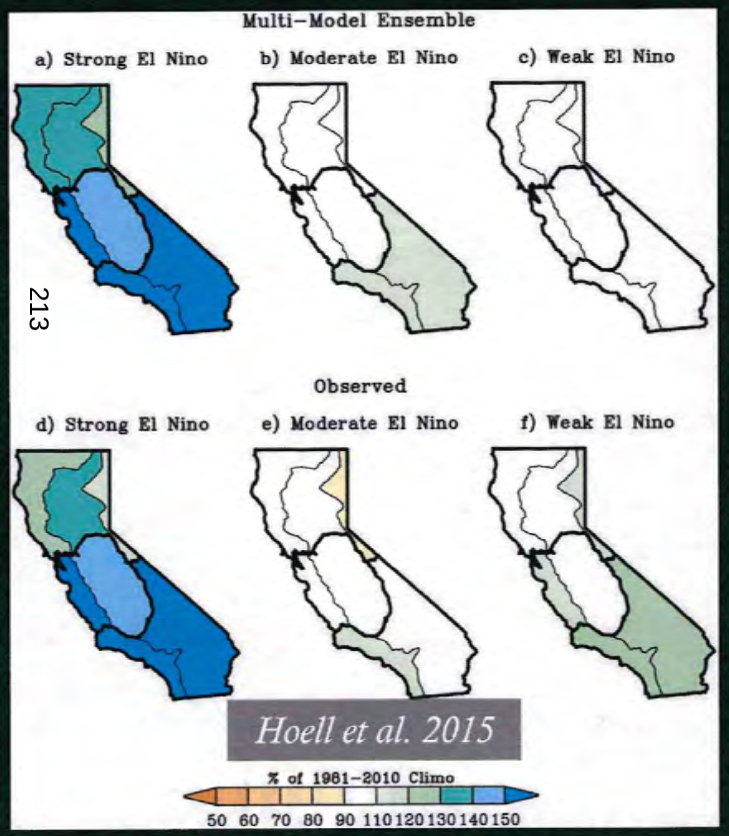
2. Higher local sea levels and stronger wave action along coast; risk of significant coastal/bayside inundation and beach/bluff erosion, esp. during storm events & King Tides (high confidence)



3. Shifted winter storm track favoring increased seasonal precip & heavy individual rain events; potential inland fluvial & pluvial flood risk from heavy rainfall (medium → high confidence)

El Niño and California rainfall: Strength matters!

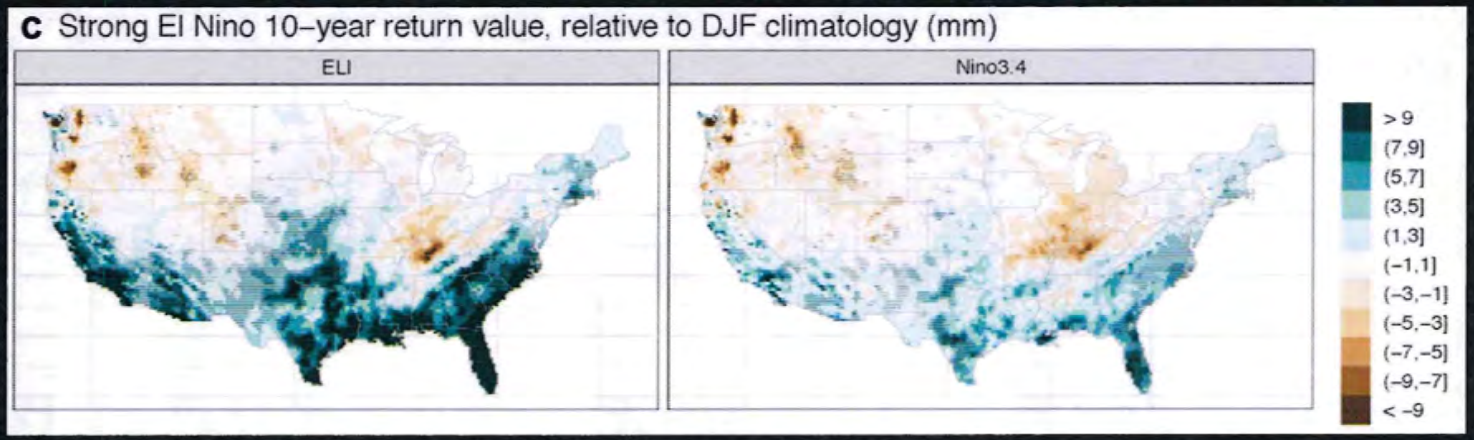
Obs & models agree re: influence of *strong* El Niño on CA winter precip



- Variability of California winter precipitation is intrinsically high, and it is impossible to make absolute claims about outcomes in any specific winter (even this one!)
- However, a very strong east-basin centered El Niño event *is the single strongest known predictor of a wet CA winter!*
- Relationships between El Niño and California rainfall are indeed weak for weak-moderate events. *But the relationship during the strongest events is much clearer in both observations and in physically-based model simulations!*

Strong El Niño events substantially increases risk of individual extreme rain events in California

Increased likelihood of extreme precip (>=10 year RI events) during strong El Niño

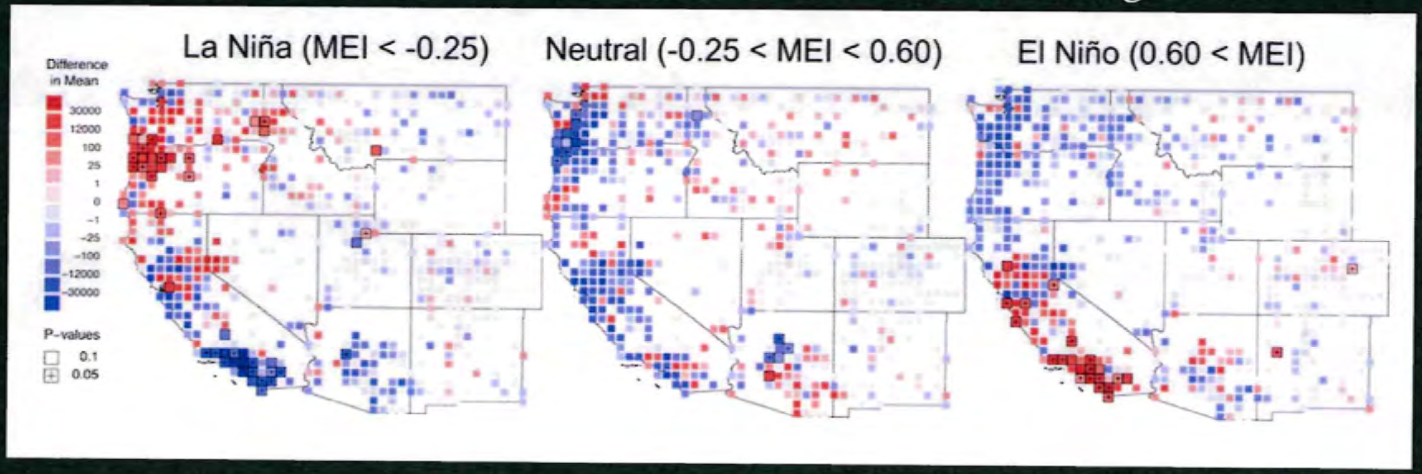


Patricola et al. 2019

- Likelihood and intensity of individual heavy/extreme precipitation events is higher during strong El Niño years; shift is largest in southern & central California (SF Bay region southward)
- By virtue of increasing odds of wet seasonal conditions overall, strong El Niño events also increase likelihood of antecedent soil saturation, priming watersheds for increased flood risk

El Niño events are associated with increased flood losses in central and southern California

Increased insured flood losses in central & southern CA during El Niño



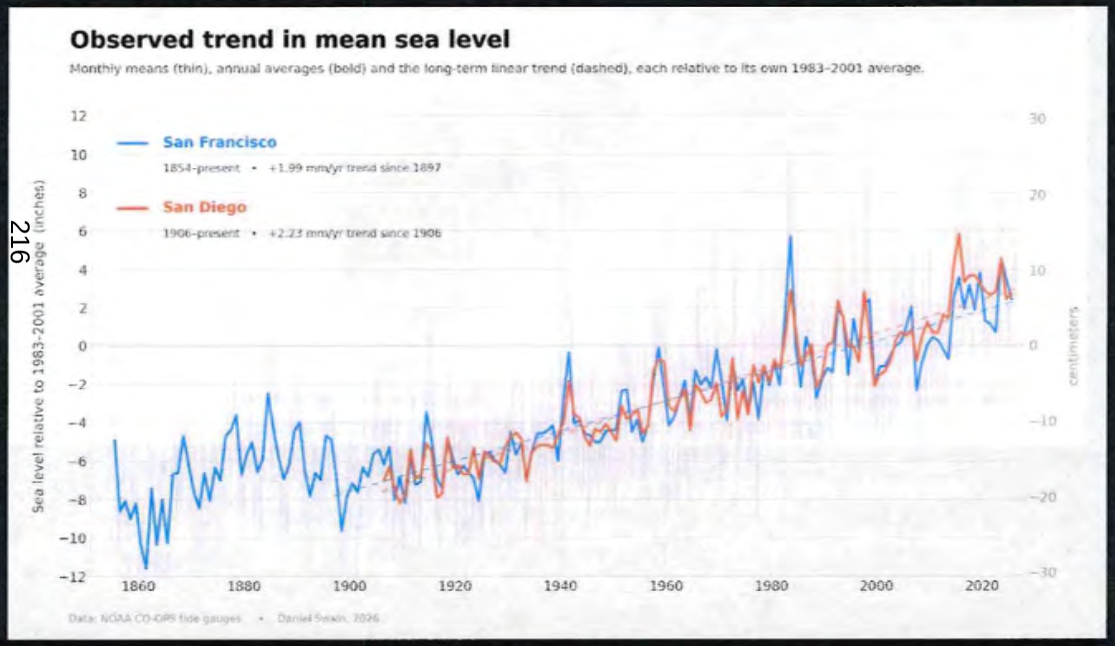
Corringham and Cayan, 2019

- Insured flood losses are significantly higher across central & southern California during El Niño
- Many large & consequential floods in California history did not occur during El Niño.

  However, this should not be taken to mean that strong El Niño events do not increase CA flood risk!

Early warning re: significant coastal flood risk

Long-term sea level rise (SLR) from global warming plus temporary SLR from El Niño will increase coastal flood risk

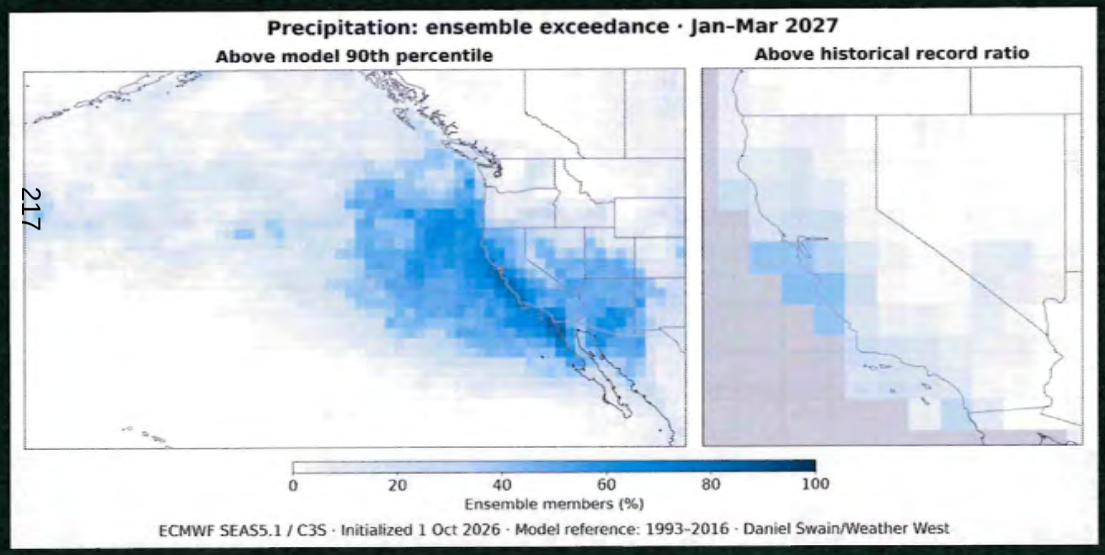


Observed sea level trends for tidal gauges in San Francisco and San Diego (data via NOAA, plotted by Daniel Swain)

- High confidence that very strong El Niño will cause temporary sea level elevation
- Long-term sea level rise has already increased local sea level by 6-11 inches
- Very strong El Niño increases likelihood that increased sea level, strong storms & high wave action, & King Tides co-occur
- Possibility of near-record or record-breaking coastal inundation & severe coastal erosion

Early warning re: potential very wet winter 2026-2027

Unusually high confidence in a very wet (top 10% wettest) CA winter (JFM 2027) from ECMWF ensemble forecast

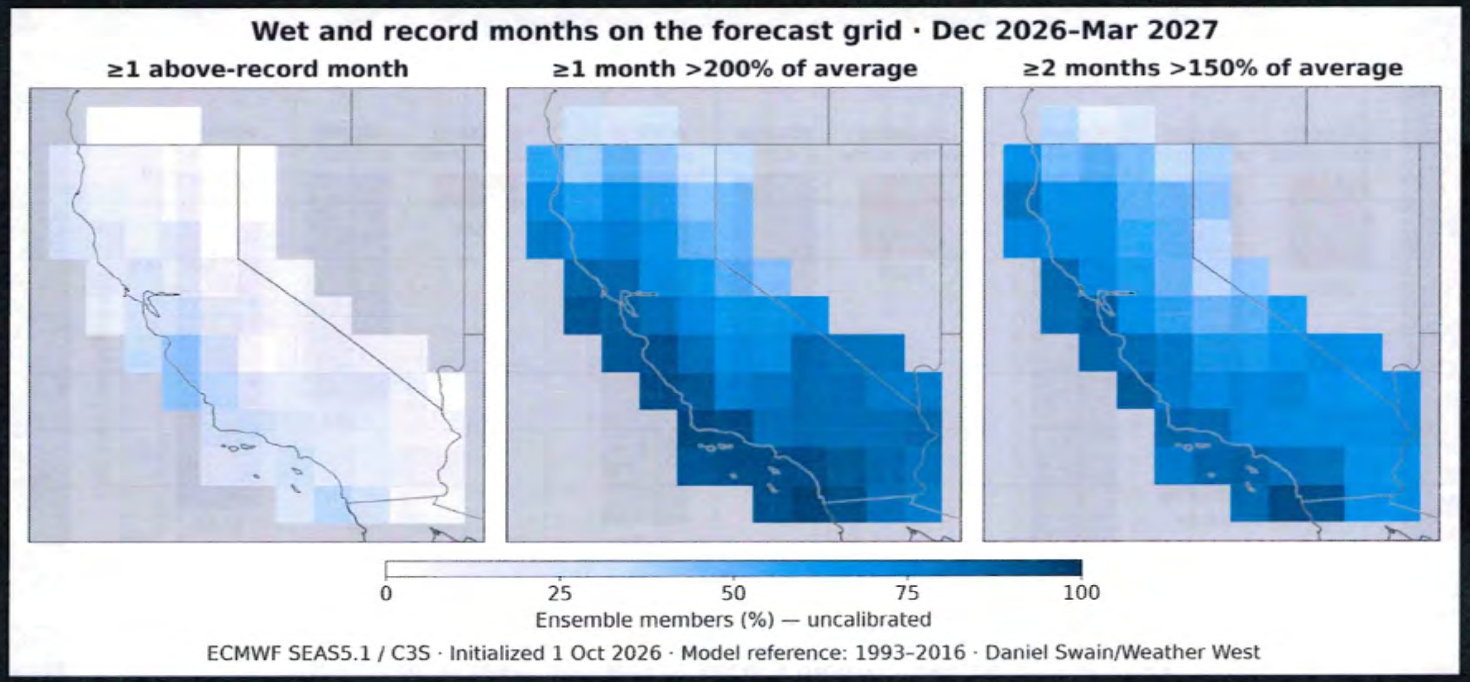


Likelihood of top-10 % wettest winter (left) and record-wet winter (right). (Data from ECMWF SEAS5, plot by Daniel Swain)

- Likelihood of a wetter-than average CA winter is *exceptionally high* by historical standards. This is no ordinary year!
- Predictive ensembles suggest high (>70%) likelihood of a very wet (at or above 80-90th percentile) CA winter
- Impossible to predict "record wet" conditions in advance! But the odds are substantially elevated in 2026-2027.

Early warning re: potential very wet winter 2026-2027

Exceptionally high odds of at least one extremely wet month during 2026-2027 season

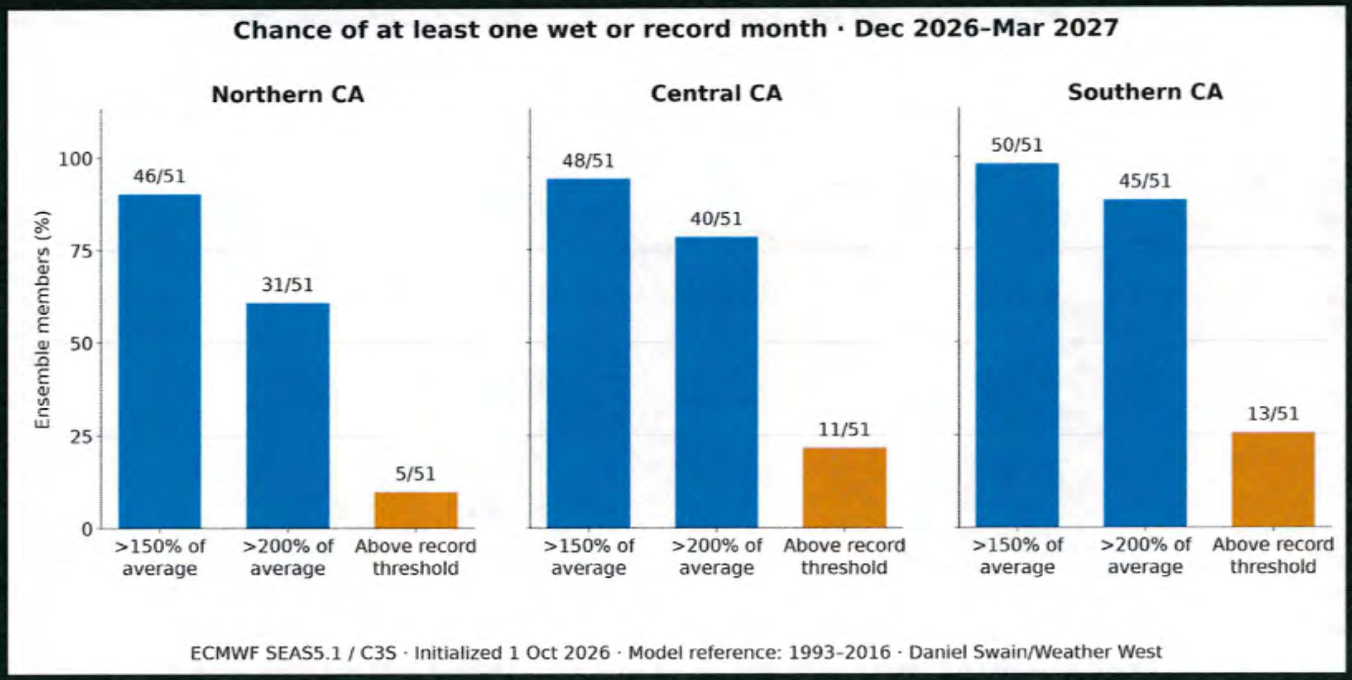


Likelihood of extreme wet months during 2026-7 season. (Data from ECMWF SEAS5, plot by Daniel Swain)

- Odds of at least one extremely wet (>200% of average) month during winter 26-27 are very high
- Odds of at least one record-wet month and/or at least 2 very wet months are also greatly elevated

Early warning re: potential very wet winter 2026-2027

Exceptionally high odds of at least one extremely wet month during 2026-2027 season



Likelihood of extreme wet months during 2026-7 season. (Data from ECMWF SEAS5, plot by Daniel Swain)

- Odds of at least one extremely wet (>200% of average) month during winter 26-27 are very high
- Odds of at least one record-wet month and/or at least 2 very wet months are also greatly elevated

Key messages



- A very strong El Niño has already formed in Pacific & will strengthen further.
- El Niño does not guarantee specific California outcomes. *However, this year's very strong to historically strong event will substantially increase likelihood of:*
  1. Elevated local sea levels, high energy ocean waves, and risk of significant coastal flooding and beach/bluff erosion (esp. during storm events and King Tides)
  2. Wetter than average winter statewide; likely at least 1 extremely wet month
  3. Individual heavy rain events, which could lead to fluvial/pluvial flooding



- Peak impacts will likely not arrive until Nov-Dec, and persist until Mar.

  The time to prepare is now!
- El Niño, while not caused by climate change, interacts with accumulated historical ocean & atmosphere warming—further amplifying potential impacts

Thank you!

Daniel Swain

UC ANR & NSF NCAR

Email: dlswain@ucanr.edu

Weather West Blog: weatherwest.com

YouTube: @WeatherWest

Bluesky: @WeatherWest

Twitter/X: @Weather_West

California Institute for Water Resources
University of California Agriculture & Natural Resources

NSF | NCAR Operated by UCAR

Link to UC survey



Jason Uhley

General Manager/Chief Engineer

Riverside County Flood Control and Water Conservation District

RIVERSIDE COUNTY WATER TASK FORCE

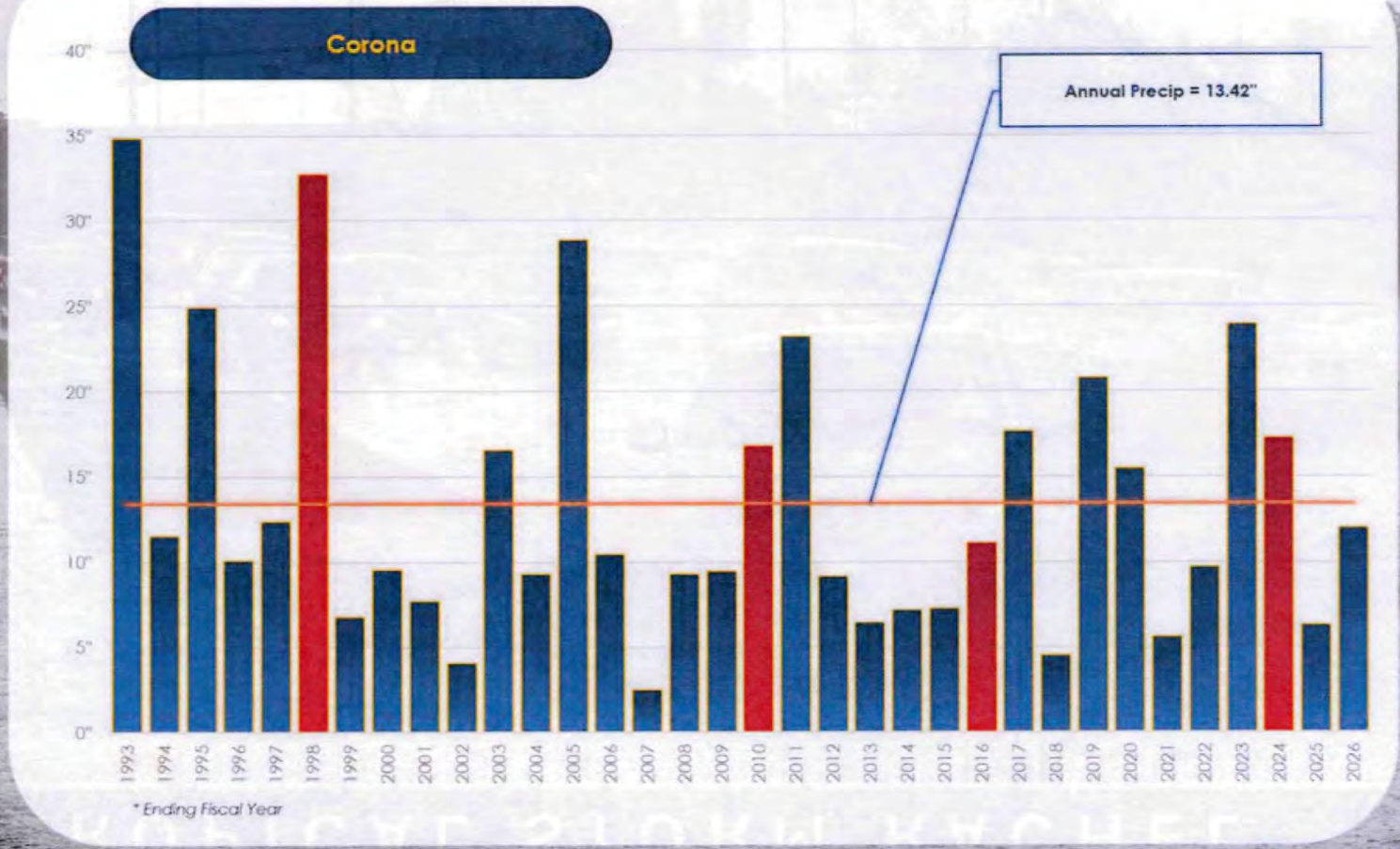
HISTORICAL RAINFALL



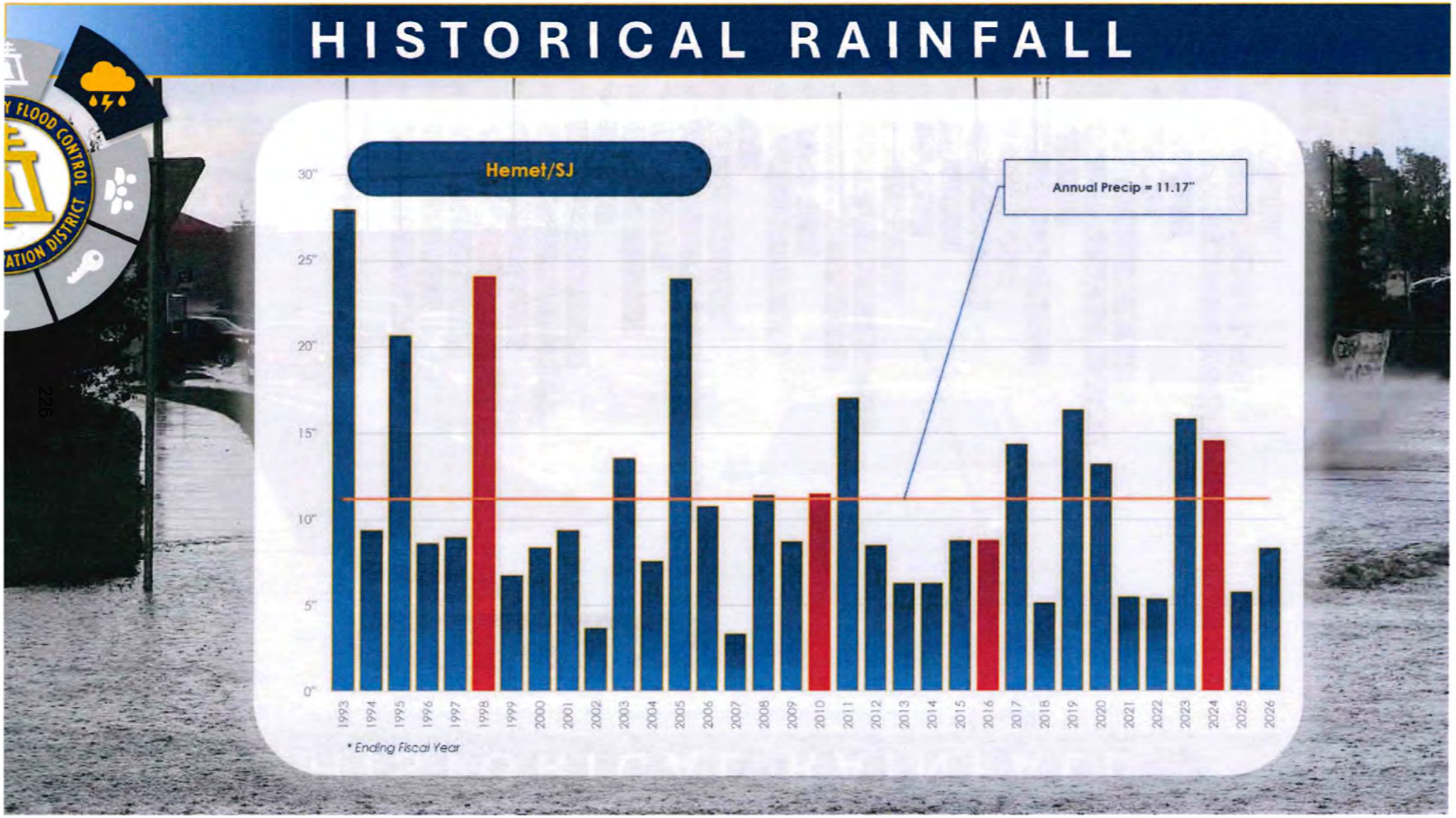
TROPICAL STORM RACHEL



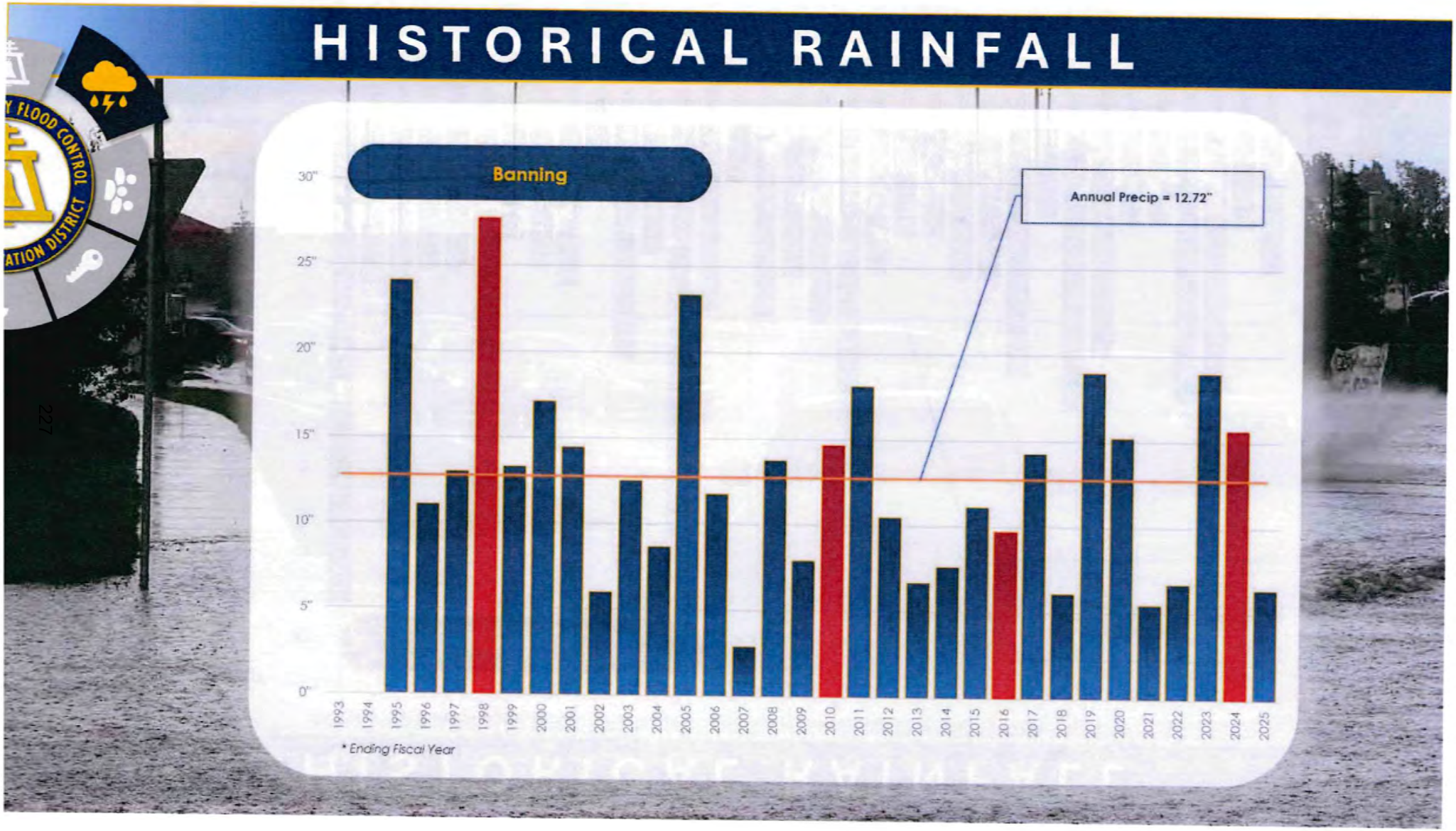
HISTORICAL RAINFALL



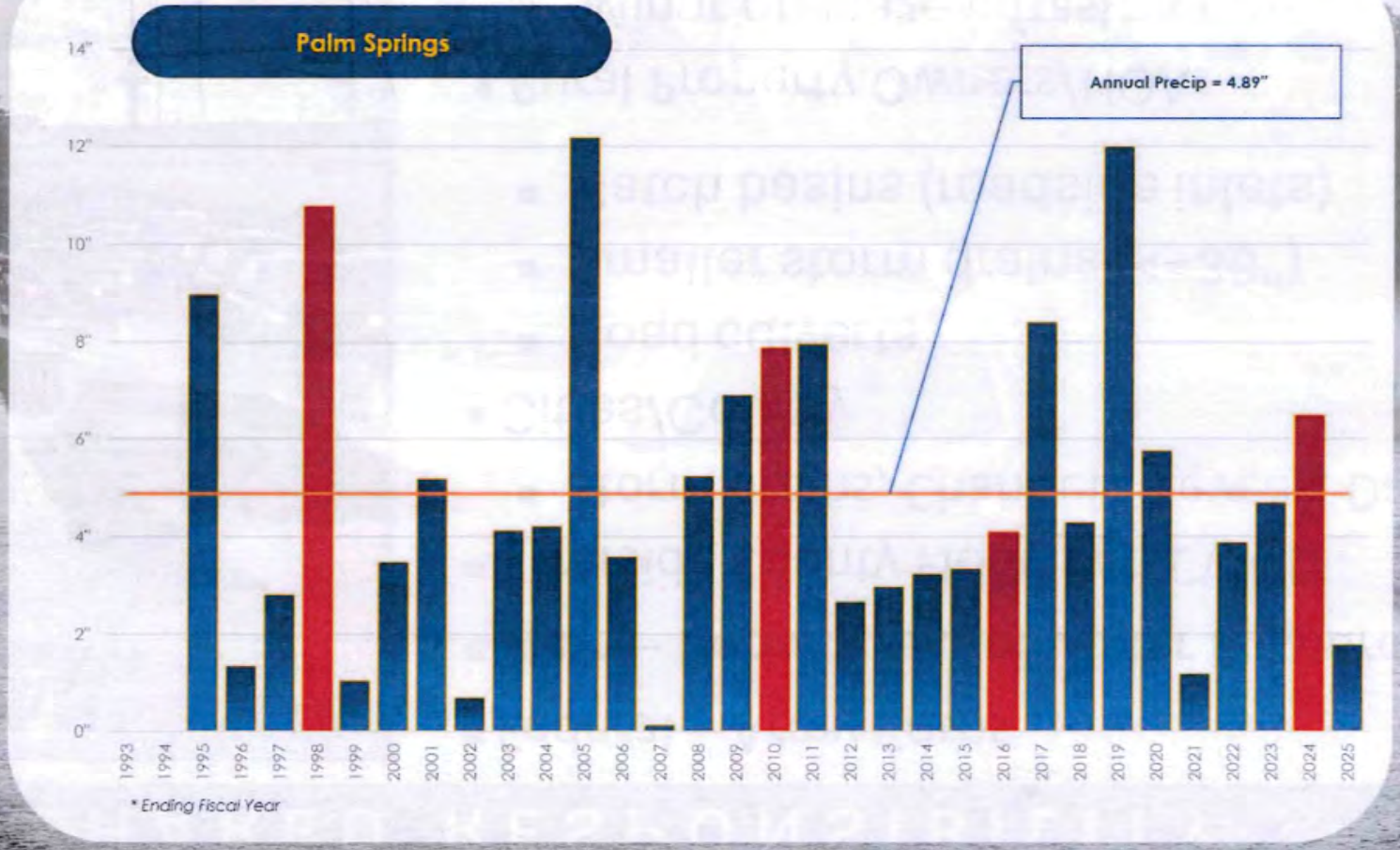
HISTORICAL RAINFALL



HISTORICAL RAINFALL



HISTORICAL RAINFALL



SHARED RESPONSIBILITY







- Federal – Army Corps
- State – Department of Water Resources
- Riverside County Flood and CVWD
  - Storm drains, Channels, Levees, Dams
- Cities/County
  - Road culverts
  - Smaller storm drains (<=36”)
  - Catch basins (roadside inlets)
- Rural Property Owners/HOAs
  - Minor drainage infrastructure
  - Natural washes

SHARED RESPONSIBILITY



RIVERSIDE COUNTY FLOOD CONTROL DISTRICT

DAMS | LEVEES | CHANNELS | STORM DRAINS

- ✓ Inspecting systems, conducting maintenance, including emergency maintenance where needed
- ✓ Stockpiling flood fighting materials
- ✓ Performing emergency operation drills
- ✓ Setting up emergency contracts with local contractors and suppliers

SHARED RESPONSIBILITY



RIVERSIDE COUNTY FLOOD CONTROL DISTRICT

COMMUNITY AND AGENCY OUTREACH

- ✓ Community Meetings
- ✓ Advocating for state and federal resources
- ✓ Proactively coordinating with Emergency Managers through County EMD

SHARED RESPONSIBILITY

CITIES AND COUNTIES

ROAD CULVERTS | STORM DRAINS (≤ 36") | CATCH BASINS

- ✓ **Basic Flood Preparedness**
  - ❑ Clear Drainage Systems
  - ❑ Check Inlets, including trash capture
- ✓ **Review Historic Drainage Issues**
  - ❑ Identify Flood-prone Areas
  - ❑ Implement Mitigation Measures

SHARED RESPONSIBILITY



CITIES AND COUNTIES

ROAD CULVERTS | STORM DRAINS (≤ 36") | CATCH BASINS

- ✓ **Prepare for Typical Wet Winter Issues:**
  - ❑ Storm Drain Inlet Blockages
  - ❑ Sink Holes in Streets
  - ❑ Flooded Street Closures
  - ❑ Ponding in Low - lying Areas
  - ❑ Increased Requests for Sandbags and Sand Supplies from Local Residents



SHARED RESPONSIBILITY

RURAL PROPERTY OWNERS / HOAs

MINOR DRAINAGE INFRASTRUCTURE | NATURAL WASHES

- ✓ Trim Trees
- ✓ Clear Gutters
- ✓ Fix Roof Leaks
- ✓ Check Property Drainage
- ✓ Store Outdoor Furniture and Other Objects
- ✓ Establish Native Plants/Ground Cover





SHARED RESPONSIBILITY

COMMUNITY MESSAGING

KEY MESSAGES FOR RESIDENTS

- ✓ Turn around, Don't Drown
- ✓ Register for Alert Rivco https://rivcoready.org
- ✓ If there is an emergency call 911
- ✓ Be prepared – have a kit and a plan
- ✓ Homeowners Insurance doesn't cover floods – floodsmart.gov to obtain flood insurance





RIVERSIDE COUNTY WATER TASK FORCE

Questions to the Panelists?



Either send your question **privately to Melissa Bustamonte** or publicly through the Chat feature.



Unanswered questions will be given to the panelists for follow-up.

Thank You

Save the Date

In-Person Year-End Tour:

Friday, December 11, 2026

Hosted by

emwd EASTERN MUNICIPAL WATER DISTRICT

WESTERN WATER

WRCOG Western Riverside Council of Governments

RIVERSIDE COUNTY WATER TASK FORCE

RESOLUTION 2026-05
OF THE
CHINO BASIN WATERMASTER

IN SUPPORT OF ACWA'S VISION FOR OUR WATER FUTURE

WHEREAS, in April 2026, the Association of California Water Agencies (ACWA) launched Vision for Our Water Future, a member-driven initiative to identify statewide water priorities to inform engagement with California's next Administration; and

WHEREAS, the Vision for Our Water Future priorities are a set of recommendations for the next governor, emphasizing the importance of strong leadership, sustainable investment and coordinated action across all levels of government to secure California's water future; and

WHEREAS, the first priority is to lead on water and elevate water as foundational to California's economy, agriculture, communities, environment and climate resilience through sustained leadership and coordinated state action; and

WHEREAS, the second priority is to ensure safe and reliable water remains affordable through sustained and predictable funding partnerships and streamlined investment delivery; and

WHEREAS, the third priority is to strengthen and modernize California's water infrastructure, including both built and natural systems, to improve reliability and resilience; and

WHEREAS, the fourth priority is to improve regulatory, operational and scientific frameworks to enable efficient project delivery and adaptive water management; and

WHEREAS, local water agencies play a critical role in delivering safe and reliable water supplies and are essential partners in implementing statewide solutions; and

WHEREAS, supporting the Vision recommendations demonstrates a unified commitment to collaborative, science-based and practical policies that advance a secure and resilient water future for California's communities, farms, economy and environment; now, therefore, be it

NOW, THEREFORE, BE IT RESOLVED that the Chino Basin Watermaster parties hereby expresses support for ACWA's Vision for Our Water Future recommendations and affirms its commitment to working collaboratively to advance reliable, affordable and resilient water supplies.

PASSED AND ADOPTED by the governing body of the Chino Basin Watermaster on this 19th day of November 2026.

By: _____
Chairman, Watermaster Board

ATTEST:

_____
Board Secretary
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Bob Bowcock, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 2026-05, was adopted at a special meeting of the Chino Basin Watermaster Board on November 19, 2026, by the following vote:

AYES:	0
NOES:	0
ABSENT:	0
ABSTAIN:	0

CHINO BASIN WATERMASTER

_____
Secretary

Date: _____

CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, CA 91730
909.484.3888 www.cbwm.org

STAFF REPORT

DATE: November 19, 2026

TO: Board Members

SUBJECT: Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2026 and 2025; the Management Comment Letter, and the Letter to Governance (Business Item II.F.)

Issue: Record of Annual Financial Report for the Fiscal Years Ended June 30, 2026 and 2025, Management Comment Letter, and Letter to Governance [Normal Course of Business]

Recommendation: Receive and file (1) the Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2026 and 2025, (2) the Management Comment Letter, and (3) the Letter to Governance.

Financial Impact: All audit costs were included in the FY 2026/27 budget as approved by the Advisory Committee and adopted by the Watermaster Board in May 2026 respectively.

ACTIONS:
Watermaster Board – November 19, 2026 [Recommended]: Receive and file.

BACKGROUND

Pursuant to Section 48 of the Restated Judgment under Watermaster Report and Accounting, and as a subset of the annual report, Watermaster is required to have a certified audit of assessments and expenditures pursuant to the Physical Solution, and a review of Watermaster activity performed every year.

DISCUSSION

Attached is the Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2026 and 2025, the Management Comment Letter, and the Letter to Governance. The report was prepared in accordance with accounting principles generally accepted in the United States of America and includes the Independent Auditor's Report, Management's Discussion and Analysis, the basic financial statements and accompanying notes, required supplementary information, supplemental combining schedules, and the auditor's report on internal control and compliance.

The audit was performed by Rogers, Anderson, Malody, & Scott, LLP (RAMS), Watermaster's independent auditor. RAMS audited Watermaster's financial statements as of and for the fiscal years ended June 30, 2026 and 2025. In the auditor's opinion, RAMS issued a "clean" opinion that the financial statements presented fairly, in all material respects, Watermaster's financial position as of June 30, 2026 and 2025, and the changes in its financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

For FY 2025/26, Watermaster's net position increased by $621,448, or 6.2%, from $9,957,393 to $10,578,841. Total revenues increased by approximately $1.48 million, or 13.7%, primarily due to higher administrative assessments associated with ongoing recharge improvement projects. Total expenses increased by approximately $1.01 million, or 9.5%, primarily due to increased Optimum Basin Management Plan expenses.

Although Watermaster's overall net position improved, the timing of the final assessment billings affected year-end liquidity. Accounts receivable increased by approximately $4.96 million, while cash and cash equivalents decreased by approximately $2.84 million. Current liabilities also increased by approximately $1.56 million, primarily due to higher accounts payable and accrued expenses associated with recharge improvement projects undertaken during FY 2025/26.

The Independent Auditor's Report includes an emphasis-of-matter paragraph related to Watermaster's adoption of Governmental Accounting Standards Board Statement No. 103, Financial Reporting Model Improvements, and Statement No. 104, Disclosure of Certain Capital Assets. The auditor's opinion was not modified as a result of the implementation of these standards.

The auditor's report also includes an emphasis-of-matter paragraph concerning the restatement of beginning net position as of July 1, 2024. During FY 2025/26, Watermaster determined that $850,084 in outstanding invoices associated with the 2022 settlement agreement between the Appropriative Pool and Agricultural Pool should have been written off. Because the write-off had not previously been recorded, accounts receivable and net position had been overstated. The comparative FY 2024/25 financial statements were restated to correct the error. The auditor's opinion was not modified with respect to this matter.

As part of the audit conducted in accordance with Government Auditing Standards, RAMS did not identify any deficiencies in internal control that it considered to be material weaknesses. The auditor identified the following three matters that were classified as significant deficiencies:

- Segregation of duties: Certain employees responsible for processing payroll and accounts payable also had the ability to add or modify employee or vendor master-file information. Management has implemented a payroll change report review and is evaluating similar monitoring reports and compensating controls for accounts payable.

- Journal-entry approvals: The auditor noted that Watermaster did not have a formal process for the independent review and approval of journal entries outside of the bank reconciliation process. Management has implemented a monthly journal-entry review process under which accounting staff prepare a complete journal-entry packet, including supporting documentation, for management review.
- Credit-card documentation: The auditor identified certain credit-card transactions for which receipts or purchase annotations were incomplete. Management has reinforced documentation requirements, implemented an electronic receipt-submission process, and is updating administrative policies and procedures addressing credit-card purchases and missing receipts.

The auditor's compliance testing disclosed no instances of noncompliance or other matters required to be reported under Government Auditing Standards. Management has provided written responses to each significant deficiency and has implemented, or is in the process of implementing, corrective and compensating controls.

ATTACHMENTS

1. Chino Basin Watermaster Annual Financial Report for the Fiscal Years Ended June 30, 2026 and 2025
2. Management Comment Letter
3. Letter to Governance

Chino Basin Watermaster

Annual Financial Report

For the Fiscal Years Ended June 30, 2026, and 2025

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Our Mission Statement

"To manage the Chino Groundwater Basin in the most beneficial manner and to equitably administer and enforce the provisions of the Chino Basin Watermaster Judgment"

Chino Basin Watermaster

Watermaster Board as of June 30, 2026

Represents	Name	Title
Appropriative	Marty Zvirbulis	Chair
Agricultural	Jeff Pierson	Vice-Chair
Non-Agricultural	Bob Bowcock	Secretary/Treasurer
Appropriative	Curt Burton	Member
Appropriative	Bill Velto	Member
Agricultural	Jimmy Medrano	Member
Municipal	Steve Elie	Member
Municipal	Mike Gardner	Member
Municipal	Bob Kuhn	Member

Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730 (909) 484-3888
www.cbwm.org

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Chino Basin Watermaster

Annual Financial Report

For the Fiscal Years Ended June 30, 2026, and 2025

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Introductory Section

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November 12, 2026

Chino Basin Watermaster Board

Introduction

It is our pleasure to submit the Annual Financial Report for the Chino Basin Watermaster (Watermaster) for the fiscal years ended June 30, 2026 and 2025, following guidelines set forth by the Governmental Accounting Standards Board. The Watermaster is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the Watermaster's financial position and activities.

This report is organized into four sections: (1) Introductory, (2) Financial, (3) Required Supplementary Information and (4) Supplemental. The Introductory section offers general information about the Watermaster's organization and current Watermaster activities and reports on a summary of significant financial results. The Financial section includes the Independent Auditor's Report, Management's Discussion and Analysis of the Watermaster's basic financial statements, and the Watermaster's audited basic financial statements with accompanying Notes. The Required Supplementary Information section includes the schedules of changes in Other Post Employment Benefits (OPEB) liabilities and CalPERS Pension contributions. The Supplemental section includes combining net position and revenue and expense schedules.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Watermaster's MD&A can be found immediately after the Independent Auditor's Report.

Watermaster Structure and Leadership

The Chino Basin Watermaster ("Watermaster") was established under a judgment entered in Superior Court of the State of California for the County of San Bernardino as a result of Case No. RCVRS 51010 (formerly Case No. SCV 164327) entitled "Chino Basin Municipal Water District v. City of Chino, et al.", signed by the Honorable Judge Howard B. Weiner on January 27, 1978. The effective date of this Judgment for accounting and operations was July 1, 1977. Under the Judgment, three Pool committees were formed: (1) Overlying (Agricultural) Pool which includes the State of California and all producers of water for overlying uses other than industrial or commercial purposes; (2) Overlying (Non-Agricultural) Pool which represents producers of water for overlying industrial or commercial purposes; and (3) Appropriative Pool which represents cities, special districts, other public or private entities and utilities. The three Pools act together to form the "Advisory Committee". Pursuant to the Judgment, the Chino Basin Municipal Water District (CBMWD) five-member Watermaster Board Members was initially appointed as "Watermaster".

Watermaster Structure and Leadership, continued

Pursuant to a recommendation of the Advisory Committee, the Honorable J. Michael Gunn appointed a nine-member board as Watermaster on February 19, 1998, thereby creating an independent Watermaster separate from the CBMWD.

The General Manager administers the day-to-day operations of the Watermaster in accordance with policies and procedures established by the Board. The Watermaster staff includes thirteen regular, full-time employees. Each of the Watermaster's three Pools Committees, the Advisory Committee, and the Board meet monthly to hear various reports and offer advice, assistance, or approval, relating to the matters of the Watermaster.

Watermaster Mission and Services

Chino Basin Watermaster's mission is "To manage the Chino Groundwater Basin in the most beneficial manner and to equitably administer and enforce the provisions of the Chino Basin Watermaster Judgment", Case No. RCVRS 51010 (formerly Case No. SCV 164327). The Watermaster is charged with managing the 1978 Chino Basin Judgment and subsequent orders of the Court concerning the Groundwater Basin service area including accounting for water appropriations by acre footage of water produced, stored, exchanged, or replenished, by parties to the Judgment, purchasing of replenishment water, groundwater monitoring and implementation of special projects. The Watermaster is progressively and actively implementing the Basin's Optimum Basin Management Program Update (OBMPU) which includes extensive monitoring, partnering with Judgment parties to develop additional groundwater and stormwater recharge capabilities, storage and recovery programs, managing salt loads, evaluating the safe yield of the basin and protecting and enhancing this significant natural resource. In 2019, Watermaster began the work to update the OBMP which was originally adopted in 2000. The updated OBMP would provide the necessary basin management framework over the next 20 years to enhance Basin water supplies, protect and enhance water quality, and enhance Basin management overall. After an intensive stakeholder engagement process, the Watermaster Board adopted the 2020 OBMP on October 22, 2020. The Subsequent Environmental Impact Report (SEIR) needed for the OBMPU for which, the Inland Empire Utilities Agency (IEUA), Watermaster's partner in basin management, is the lead agency, and was completed in February of 2024.

Watermaster costs are allocated to the Pools based on various formulas using the prior year's production volume and the party's share of operating safe yield, and the percentage of water reallocated to the Appropriative Pool from the Overlying (Agricultural) Pool. Pursuant to the agreements in place and as prescribed in the Judgment, the Overlying (Agricultural) Pool does not pay assessments as those are covered by the Appropriative Pool.

Economic Condition and Outlook

The Watermaster's office is located in the City of Rancho Cucamonga in San Bernardino County which has experienced tempered economic growth within the region. The economic outlook for the Southern California region is one of cautious growth.

Internal Control Structure

Watermaster management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the Watermaster are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data that is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Watermaster's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The Advisory Committee annually approves, and the Board annually adopts an operating budget prior to the new fiscal year per the terms of the Judgment. The budget authorizes and provides the basis for reporting and controlling financial operations and accountability for the Watermaster's enterprise operations. The budgeting and reporting treatment applied to the Watermaster is consistent with the accrual basis of accounting and the financial statement basis.

Investment Policy

The Board has adopted an investment policy that conforms to state law, Watermaster's ordinance and resolutions, prudent money management, and the "prudent person" standards. The objectives of the Investment Policy are safety, liquidity and yield. Watermaster funds are invested in the State Treasurer's Local Agency Investment Fund (LAIF), with California Cooperative Liquid Assets Securities System (CLASS), and financial institutions that offer safety, daily and next-day liquidity, and optimized returns catered to California public agencies.

Water Rates and Watermaster Revenues

The Judgment prescribes Watermaster's authority and specifies classes of water production assessments to be used to fund certain activities. Those assessment categories are: Administration, Optimum Basin Management Program, Special Projects, and Replenishment. Each class of assessment has a prescribed purpose and is based on a percentage of water produced. Assessment revenue is Watermaster's principal source of income.

Audit and Financial Reporting

State Law requires the Watermaster to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Rogers, Anderson, Malody & Scott, LLP (RAMS), has conducted the audit of the Watermaster's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

Other References

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

Acknowledgements

Preparation of this report was accomplished by the combined efforts of the Watermaster staff. We appreciate the dedicated efforts of Ms. Daniela Uriarte, Senior Accountant, and staff members who contributed to the annual audit processes and to the Watermaster overall. We would also like to thank the members of the Board for their continued support in planning and ensuring sound implementation of the Chino Basin Watermaster's fiscal policies.

Respectfully submitted,



Todd M. Corbin
General Manager

Financial Section

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Independent Auditor's Report

To the Board of Directors
Chino Basin Watermaster
Rancho Cucamonga, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Chino Basin Watermaster (Watermaster), as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the Watermaster's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Watermaster, as of June 30, 2026 and 2025, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Watermaster and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 1 to the financial statements during the year ended June 30, 2026, the Watermaster adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements* and No. 104, *Disclosure of Certain Capital Assets.* Our opinion is not modified with respect to these matters.

As discussed in Note 14 to the financial statements, the beginning net position as of July 1, 2024, presented as comparative information, has been restated to correct a material misstatement. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Watermaster's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Watermaster's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Watermaster's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and items as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Watermaster's basic financial statements. The combining schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required *by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2026 on our consideration of the Watermaster's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Watermaster's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Watermaster's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, CA
November 12, 2026

Management's Discussion and Analysis

This financial report is designed to provide the Watermaster's users, including funding sources, customers, stakeholders, and other interested parties with a general overview of the Watermaster's finances and to demonstrate accountability with an overview of financial operations and financial condition.

Should readers have questions regarding the information included in this report or wish to request additional information, please contact the General Manager, Todd Corbin, at Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA 91730 or (909) 484-3888.

Overview of the Financial Statements

The accompanying financial statements provide information about Chino Basin Watermaster's (Watermaster) financial position and activities in accordance with generally accepted accounting principles for government agencies. Watermaster reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise. The reports are prepared using the accrual basis of accounting.

Required financial statements include the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at fiscal-year end. The Statement of Revenues, Expenses, and Changes in Net Position reports all revenues and expenses earned, incurred, and realized during the fiscal year. The statement can be used to evaluate the financial strength of the organization over the reporting period and its ability to recover the costs it incurs. The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities. It provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

The notes to the financial statements provide essential information that supplements and explains the amounts presented in the financial statements, enabling readers to better understand Watermaster's financial position, operating results, and cash flows. They disclose significant accounting policies, assumptions, commitments, contingencies, risks, and other required information necessary for users to interpret the financial statements in accordance with generally accepted accounting principles (GAAP).

Required Supplementary Information (RSI) provides additional schedules and disclosures that are essential for placing the basic financial statements in the appropriate operational and financial context but are not part of the basic financial statements themselves. RSI presents historical trend information and other required data—such as pension schedules to help users assess financial accountability, fiscal sustainability, and compliance with applicable reporting requirements.

Financial Summary

- Watermaster's net position increased by $621,448, or 6.2%, from $9,957,393 to $10,578,841 during FY 2025-26.
- Net investment in capital assets increased by $87,099, primarily caused by a decline in lease debt that exceeded additions to capital assets.
- Revenues increased by $1,476,681, or 13.7%, primarily due to increases in administrative assessments.
- Expenses increased by $1,010,140, or 9.5%, primarily due to increases in Optimum Basin Management Plan expenses.

Detailed Analysis

For FY 2025-26, the Watermaster maintained strong financial performance and remained financially sound with one important liquidity caveat due to an increased receivable concentration and current liabilities. Thus, year-end resources became less liquid despite the overall improvement.

Condensed Statements of Net Position

	2026	2025	Change	2024	Change
ASSETS					
Current assets	$ 14,735,098	$ 12,619,923	$ 2,115,175	$ 12,241,095	$ 378,828
Capital assets, net	1,083,844	1,144,851	(61,007)	983,347	161,504
Total Assets	15,818,942	13,764,774	2,054,168	13,224,442	540,332
DEFERRED OUTFLOWS OF RESOURCES	640,969	746,464	(105,495)	902,988	(156,524)
LIABILITIES					
Current liabilities	3,238,226	1,680,669	1,557,557	1,317,887	362,782
Non-current liabilities	2,267,689	2,724,579	(456,890)	2,867,140	(142,561)
Total Liabilities	5,505,915	4,405,248	1,100,667	4,185,027	220,221
DEFERRED INFLOWS OF RESOURCES	375,155	148,597	226,558	139,917	8,680
NET POSITION					
Net-Investment in capital assets	521,012	433,913	87,099	167,003	266,910
Unrestricted	10,057,829	9,523,480	534,349	9,635,483	(112,003)
Total Net Position	$ 10,578,841	$ 9,957,393	$ 621,448	$ 9,802,486	$ 154,907

The Watermaster's total net position increased by 6.2% or $621,448 in FY 2025-26, reflecting continued stability due to ongoing operations. The net position increase was primarily driven by a $4.96 million increase in accounts receivable, substantially offset by a $2.84 million decrease in cash and cash equivalents. The pattern indicates that a larger share of year-end resources was in receivables rather than cash, consistent with the timing of the final assessments billed in June 2026.

Additionally, total liabilities increased $1.10 million, or 25.0%. The increase reflects a $1.57 million increase in current liabilities, resulting from higher accounts payable and accrued expenses related to recharge improvement projects undertaken during FY 2025-26. The increase in total liabilities was partially offset by a $456,890 reduction in non-current liabilities. Despite higher current obligations, assets and deferred outflows exceeded liabilities and deferred inflows by $10.58 million at year-end.

Deferred outflows decreased $105,495, while deferred inflows increased $226,558, primarily from a $214,862 pension-related inflow. These movements reduced the resources available to support net position compared with the effect of assets and liabilities alone.

Condensed Statements of Revenues, Expenses, and Change in Net Position

	2026	2025	Change	2024	Change
REVENUES					
Operating revenues	$ 11,915,867	$ 10,249,753	$ 1,666,114	$ 10,401,254	$ (151,501)
Nonoperating revenues	370,204	559,637	(189,433)	727,866	(168,229)
Total revenues	12,286,071	10,809,390	1,476,681	11,129,120	(319,730)
EXPENSES					
Operating expenses	11,431,843	10,424,955	1,006,888	11,754,561	(1,329,606)
Depreciation	215,314	209,957	5,357	182,093	27,864
Nonoperating expenses	17,466	19,571	(2,105)	1,564,380	(1,544,809)
Total expenses	11,664,623	10,654,483	1,010,140	13,501,034	(2,846,551)
Changes in net position	621,448	154,907	466,541	(2,371,914)	2,526,821
Net position, beginning of period, as restated	9,957,393	9,802,486	154,907	12,174,400	(2,371,914)
Net position, end of period	$ 10,578,841	$ 9,957,393	$ 621,448	$ 9,802,486	$ 154,907

Total revenues increased by 13.7% or $1.48 million in FY 2025-26. Administrative assessments accounted for essentially all of the growth, increasing $1.65 million, or 16.5%. Investment returns decreased $189,433, or 33.8%, partially offsetting the operating revenue increase.

Total expenses increased 9.5% or $1.01 million. Optimum Basin Management Plan costs increased $1.13 million and pool, advisory, and board administration increased $167,552. These increases were partly offset by a $167,857 reduction in groundwater replenishment and other water purchases and a $125,897 reduction in Watermaster administration.

Operating revenues exceeded operating expenses by $484,024 in FY 2025-26, compared with an operating loss of $175,202 in FY 2024-25 – a $659,226 improvement. After $352,738 of net non-operating revenue and expense, and depreciation of $215,314, the Watermaster reported a positive change in net position.

Total Revenues

	2026	2025	Change	2024	Change
OPERATING REVENUES					
Administrative assessments	$ 11,610,862	$ 9,964,355	$ 1,646,507	$ 9,864,986	$ 99,369
Replenishment water revenue	109,155	92,858	16,297	349,825	(256,967)
Other revenue	195,850	192,540	3,310	186,443	6,097
Total operating revenue	11,915,867	10,249,753	1,666,114	10,401,254	(151,501)
OTHER NONOPERATING REVENUES					
Investment returns	370,204	559,637	(189,433)	727,866	(168,229)
Total other nonoperating revenues	370,204	559,637	(189,433)	727,866	(168,229)
Total revenues	$ 11,545,663	$ 9,690,116	$ 1,855,547	$ 9,673,388	$ 16,728

Operating revenues increased by 16.3%, or $1.67 million, in FY 2025-26, primarily due to the assessments to fund ongoing recharge improvement projects. Non-operating revenues decreased by 33.8%, or $189,433, reflecting lower investment income resulting from reduced cash available for investment after billing half of the annual assessment in November 2025 and the remainder in June 2026.

Total Expenses

	2026	2025	Change	2024	Change
OPERATING EXPENSES					
Groundwater replenishment and other water purcha	$ 66,802	$ 234,659	$ (167,857)	$ 1,920,791	$ (1,686,132)
Optimum basin management plan	7,374,945	6,241,855	1,133,090	4,974,213	1,267,642
Watermaster administration	2,960,269	3,086,166	(125,897)	3,911,875	(825,709)
Pool, advisory, and board administration	1,029,827	862,275	167,552	947,682	(85,407)
Total operating expenses	11,431,843	10,424,955	1,006,888	11,754,561	(1,329,606)
Depreciation and amortization expense	215,314	209,957	5,357	182,093	27,864
OTHER NONOPERATING EXPENSES					
Interest expense	17,466	19,571	(2,105)	22,197	(2,626)
Reserve distribution	-	-	-	1,542,183	(1,542,183)
Total other nonoperating expenses	17,466	19,571	(2,105)	1,564,380	(1,544,809)
Total expenses	$ 11,664,623	$ 10,654,483	$ 1,010,140	$ 13,501,034	$ (2,846,551)

Operating expenses rose by 9.7% or $1.01 million, primarily due to the increase in recharge improvement projects. Depreciation remained consistent while non-operating expenses declined due to less interest expense related to the building and copier leases.

Significant Capital Assets and Long-Term Financing Activity

Capital Assets

The Watermaster capital asset activity is summarized below:

	Balance June 30, 2025	Additions	Disposals/ Transfers	Balance June 30, 2026
CAPITAL ASSETS				
Depreciable and leased assets	$ 1,742,649	$ 154,307	$ -	$ 1,896,956
Accumulated depreciation and amortization	(597,798)	(215,314)	-	(813,112)
Total capital assets	$ 1,144,851	$ (61,007)	$ -	$ 1,083,844

The Watermaster's investment in capital assets amounted to $1.08 million, net of accumulated depreciation and amortization. Additions were attributed to meter installations and pressure transducers, offset by annual depreciation for normal aging of existing furniture and equipment and amortization of leases.

Long-term Financing

The Watermaster's long-term financing consists solely of lease liabilities associated with a building and two office copiers. Lease payments continue to be made in accordance with existing agreements, and the related assets and liabilities are reported in accordance with GASB 87.

Currently Known Facts, Decisions, or Conditions

The following factors will influence Watermaster's financial outlook for FY 2026-27:

Factor #1

The adopted FY 2026-27 budget provides the clearest currently known indicator of next year's expected activity. Budgeted revenues and expenses are each $13.37 million, an increase of $1.35 million, or 11.3%, over the FY 2025-26 amended budget. The adopted budget therefore remains balanced while supporting a higher level of planned activity.

Factor #2

The Recharge Master Plan Update Improvement Project 23a is a joint project with the Inland Empire Utilities Agency (IEUA) that was adopted in FY 2014-15 and was finalized in June 2026. The project consisted of improvements including piping, pump stations, and basin rehabilitation in the Wineville, Jurupa, and RP-3 basins. Now that the project is completed, it is expected to divert and recharge an additional 2,921 acre-feet per year (AFY) of stormwater and dry-weather runoff from the area and 2,905 AFY of recycled water from IEUA's distribution system.

The project has been funded primarily through State and Federal grants and State Revolving Fund (SRF) loans. The remaining costs are shared in accordance with the methodology described in Peace II Agreement Section 8.1(b). IEUA's share is based on a 50% allocation of the costs of project components that include recycled water, while Watermaster's share is funded on a pay-as-you-go (pay-go) basis.

IEUA is reconciling project costs to determine Watermaster's final pay-go amount, which depends on the final loan and grant amounts received. Current estimates indicate that this amount will be substantially lower than the amount budgeted for FY 2026-27, and any excess will be refunded to the parties. The reconciliation is expected to be completed once the final SRF loan reimbursement is received, estimated to occur in January 2027.

Factor #3

Watermaster and IEUA recharge stormwater and recycled water in the San Sevaine recharge basins. During the winter of FY 2022-23, sediment discharged from upgradient properties entered the basins. Watermaster and IEUA sought compensation for the resulting sedimentation impacts and compliance by the upgradient property owners. Litigation has concluded, and the settlement amount remains pending.

Once determined, the settlement will be allocated to the litigant parties as directed by the court. Subject to the court's instructions, the funds could potentially be applied to other recharge improvement projects or to Project 23a, further reducing the expense and ensuring a refund to the parties if the funds are applied to that project.

Conditions Affecting Current Financial Positions

Management is not aware of any other currently known facts, decisions, or conditions expected to have a significant effect on the Watermaster's financial position or results of operations beyond those described above.

Basic Financial Statements

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Chino Basin Watermaster

Statements of Net Position
June 30, 2026 and 2025

	2026	2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 9,516,754	$ 12,352,799
Accounts receivable, net	5,162,237	202,066
Accrued interest receivable	6,779	7,295
Prepaid expenses and other current assets	49,328	57,763
Total current assets	14,735,098	12,619,923
Non-current assets:		
Capital assets, net	1,083,844	1,144,851
Total non-current assets	1,083,844	1,144,851
Total assets	15,818,942	13,764,774
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	553,728	667,453
Deferred OPEB outflows	87,241	79,011
Total deferred outflows of resources	640,969	746,464
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	2,881,685	1,310,996
Accrued salaries and wages	61,546	46,249
Long-term liabilities - due within one year:		
Compensated absences	151,259	173,011
Leases payable	126,838	135,787
Total OPEB liability	16,898	14,626
Total current liabilities	3,238,226	1,680,669
Non-current liabilities:		
Long-term liabilities - due in more than one year:		
Compensated absences	11,385	12,998
Leases payable	435,994	575,151
Total OPEB liability	232,398	238,914
Net pension liability	1,587,912	1,897,516
Total non-current liabilities	2,267,689	2,724,579
Total liabilities	5,505,915	4,405,248
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	214,862	-
Deferred OPEB inflows	160,293	148,597
Total deferred inflows of resources	375,155	148,597
NET POSITION		
Net investment in capital assets	521,012	433,913
Unrestricted	10,057,829	9,523,480
Total net position	$ 10,578,841	$ 9,957,393

See accompanying notes to the basic financial statements.

Chino Basin Watermaster

Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2026 and 2025

	2026	2025
OPERATING REVENUES		
Administrative assessments	$ 11,610,862	$ 9,964,355
Replenishment water revenue	109,155	92,858
Other revenue	195,850	192,540
Total operating revenue	11,915,867	10,249,753
OPERATING EXPENSES		
Groundwater replenishment and other water purchases	66,802	234,659
Optimum basin management plan	7,374,945	6,241,855
Watermaster administration	2,960,269	3,086,166
Pool, advisory, and board administration	1,029,827	862,275
Total operating expenses	11,431,843	10,424,955
Operating income (loss) before depreciation	484,024	(175,202)
Depreciation and amortization expense	(215,314)	(209,957)
Operating income (loss)	268,710	(385,159)
OTHER NONOPERATING REVENUE (EXPENSE)		
Interest expense	(17,466)	(19,571)
Investment returns	370,204	559,637
Total other nonoperating revenue (expense), net	352,738	540,066
Change in net position	621,448	154,907
Net position, beginning of year, as previously reported	9,957,393	10,652,570
Prior period restatement - correction of an error	-	(850,084)
Net position, beginning of year, as restated	9,957,393	9,802,486
Net position, end of year	$ 10,578,841	$ 9,957,393

See accompanying notes to the basic financial statements.

Chino Basin Watermaster

Statements of Cash Flows
For the Fiscal Years Ended June 30, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from stakeholders	$ 6,955,696	$ 10,501,096
Payments to employees for salaries and wages	(2,448,548)	(1,623,182)
Payments to vendors for materials and services	(7,394,034)	(8,282,048)
Net cash provided by (used in) operating activities	(2,886,886)	595,866
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Acquisition of capital assets	(154,307)	(336,130)
Principal paid on lease liabilities	(148,106)	(140,737)
Interest paid on lease liabilities	(17,466)	(19,571)
Net cash used in capital financing activities	(319,879)	(496,438)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment returns	370,720	559,513
Net cash provided by investing activities	370,720	559,513
Net increase (decrease) in cash and cash equivalents	(2,836,045)	658,941
Cash and cash equivalents, beginning of year	12,352,799	11,693,858
Cash and cash equivalents, end of year	$ 9,516,754	$ 12,352,799

See accompanying notes to the basic financial statements.

Chino Basin Watermaster

Statements of Cash Flows, concluded
For the Fiscal Years Ended June 30, 2026 and 2025

	2026	2025
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating income (loss)	$ 268,710	$ (385,159)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	215,314	209,957
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(4,960,171)	251,343
Other receivable	-	50,000
Prepaid expenses and other current assets	8,435	(21,106)
Deferred outflows of resources	105,495	156,524
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable and accrued expenses	1,570,689	348,918
Accrued salaries and benefits	15,297	10,226
Compensated absences	(23,365)	4,170
Total OPEB liability	(4,244)	(21,938)
Net pension liability	(309,604)	(15,749)
Deferred inflows of resources	226,558	8,680
Total adjustments	(3,155,596)	981,025
Net cash provided by (used in) operating activities	$ (2,886,886)	$ 595,866
NON-CASH CAPITAL FINANCING ACTIVITIES:		
Acquisition of leased equipment	$ -	$ (35,332)
Lease payable	-	35,332

See accompanying notes to the basic financial statements.

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Chino Basin Watermaster (Watermaster) was established under a judgment entered in the Superior Court of the State of California for the County of San Bernardino as a result of Case No. RCVRS 51010 (formerly Case No. SCV 164327) entitled "Chino Basin Municipal Water District v. City of Chino, et al.", signed by the Honorable Judge Howard B. Weiner on January 27, 1978. The effective date of this Judgment for accounting and operations was July 1, 1977.

Pursuant to the Judgment, the Chino Basin Municipal Water District (CBMWD) five-member Board of Directors was initially appointed as "Watermaster". Their term of appointment as Watermaster was for five years, and the Court, by subsequent orders, provided for successive terms, or for a successor Watermaster. Pursuant to a recommendation of the Advisory Committee, the Honorable J. Michael Gunn appointed a nine-member board as Watermaster on February 19, 1998. Under the Judgment, three Pool committees were formed: (1) Overlying (Agricultural) Pool which includes the State of California and all producers of water for overlying uses other than industrial or commercial purposes; (2) Overlying (Non-Agricultural) Pool which represents producers of water for overlying industrial and commercial purposes; and (3) Appropriative Pool which represents cities, districts, other public or private entities, and utilities. The three Pool committees act together to form the "Advisory Committee." The Watermaster provides the Chino Groundwater Basin service area with services which primarily include Accounting for water appropriations and components of acre-footage of stored water by agency, purchases of replenishment water, groundwater monitoring and implementation of special projects.

Watermaster expenditures are allocated to the pools based on the prior year's production volume (or the same percentage used to set the annual assessments). Allocations for fiscal year 2025-2026 expenses are based on the 2024-2025 production volume.

	Fiscal Year 2026		Fiscal Year 2025	
Production volume	Acre Feet	Percentage	Acre Feet	Percentage
Appropriative Pool	75,429	82.34%	74,795	77.72%
Agricultural Pool	15,129	16.51%	18,184	18.89%
Non- agricultural Pool	1,051	1.15%	3,259	3.39%
Total production volume	91,609	100.00%	96,238	100.00%

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

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

A. Organization and Operations of the Reporting Entity, continued

In July of 2000, the principal parties in the Basin signed an agreement, known as the Peace Agreement, which formalized the Basin parties' commitment to implement an Optimum Basin Management Program (OBMP). The OBMP was developed in a collaborative public process that identified the needs and wants of all stakeholders; described the physical state of the groundwater basin; developed a set of management goals; identified impediments and achieve the management goals; developed and executed agreements to implement the OBMP; and certified a programmatic Environmental Impact Report (PEIR) pursuant to CEQA with IEUA as the lead Agency. The Peace Agreement was signed by all the parties, and the Court approved the agreement and ordered the Watermaster to proceed in accordance with the terms of the agreement.

In 2019, with a nearly two-decade-old "2000 OBMP", the "2020 OBMP Update (2020 OBMPU)" was begun. This entailed a multi-stakeholder collaborative process wherein Watermaster hosted many Listening Sessions to bring the 20-year-old planning document up to date. The process acknowledged the new challenges and opportunities that the region faced and provided solutions through collaboration. The multi-stakeholder effort concluded in the finalization of the 2020 OBMPU Report in October of 2020 setting the framework of basin management into the foreseeable future. A Subsequent Environmental Impact Report (SEIR) in support of the 2020 OBMPU was certified pursuant to section 15088.5 of CEQA guidelines by IEUA as the lead agency.

B. Basis of Accounting and Measurement Focus

The Watermaster reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Watermaster is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through production assessments, replenishment-related charges, investment income, and similar funding sources. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

B. Basis of Accounting and Measurement Focus, continued

The Watermaster distinguishes operating revenues and expenses from noncapital subsidies and other nonoperating revenues and expenses. Operating revenues and expenses are revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are (a) subsidies received and provided, (b) contributions to permanent and term endowments, (c) revenues and expenses related to financing, (d) resources from the disposal of capital assets and inventory, and (e) investment income and expenses. The principal operating revenues of the Watermaster are water sales (assessments) to members. Operating expenses include groundwater replenishment and other water purchases, management, administrative expenses and depreciation of capital assets.

C. Financial Reporting

The Watermaster's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Watermaster solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Watermaster's proprietary fund.

The Watermaster has adopted the following GASB pronouncements in the current year:

- GASB Statements No. 103 – *Financial Reporting Model Improvements*
- GASB Statement No. 104 – *Disclosure of Certain Capital Assets*

The Governmental Accounting Standards Board (GASB) has issued pronouncements prior to June 30, 2026, that have effective dates that may impact future financial presentations. The Watermaster is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements.

- GASB Statement No. 105 – *Subsequent Events*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows, and disclosures of contingent assets, deferred outflows, liabilities, and deferred inflows at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Substantially all the Watermaster's cash is invested in interest-bearing accounts. The Watermaster considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Investments

The Watermaster has adopted an investment policy directing the General Manager to invest and reinvest funds subject to the provisions of the Watermaster's Investment Policy and the ongoing review and control of the Watermaster and the Watermaster Advisory Committee in accordance with California Government Code section 53600.

Changes in fair value that occur during fiscal year are recognized as investment income reported for that fiscal year. Investment income included interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Accounts Receivable and Allowance for Uncollectible Accounts

The Watermaster extends credit to customers in the normal course of operations. Management has determined that all amounts are considered collectible. As a result, the Watermaster has not recorded an allowance for doubtful accounts as of June 30, 2026 and 2025, respectively.

Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid expenses in the basic financial statements.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Watermaster policy establishes a capitalization threshold of $5,000 provided they have an expected useful life of at least three years. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment and software	5 years
Office furniture and fixtures	7 years
Leasehold improvements	10 years
Automotive equipment	7 years

Leased assets are amortized on a straight-line basis over the life of the lease term.

Deferred Outflows/Inflows of Resources

The statements of net positions report a separate section for deferred outflows of resources**.** This separate financial statement element, *deferred outflows of resources*, represents the consumption of net assets applicable to future periods, and therefore, will not be recognized as an outflow of resources (expenditure) until that time. The statements of net position also report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources*, represents an acquisition of net assets applicable to future periods and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The Watermaster has the following items that qualify for reporting in this category:

The Watermaster reports the following deferred outflows/inflows of resources: (1) The deferred outflows/inflows related to pensions consists of employer contributions made after the measurement date of the net pension liability, as well as actuarial deferrals. (2) The deferred outflows/inflows related to other post-employment benefits (OPEB) consists of employer contributions made after the measurement date of the total OPEB liability, as well as actuarial deferrals.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

Compensated Absences

The Watermaster's policy is to permit eligible employees to accumulate earned vacation up to a total of 320 hours. Employees may receive pay in lieu of using vacation for up to one-half of their annual vacation accrual if: (1) within the prior twelve months, the employee has used vacation in an amount equal to at least half of their annual vacation accrual rate: and (2) the employee has a minimum remaining accrued vacation balance of at least 40 hours. Eligible employees accrue and accumulate sick leave based on Watermaster policy. Twice a year, employees may buy-back accrued sick leave at 50% of their current pay provided that at least 480 hours of accrued sick leave remain after the cash-out. Upon termination of employment, employees are paid all unused vacation. Unused sick time is paid out based on Watermaster policy.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Watermaster's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Dates: June 30, 2024 and 2023
Measurement Dates: June 30, 2025 and 2024
Measurement Periods: July 1, 2024 to June 30, 2025 and July 1, 2023 to June 30, 2024

Other Post-Employment Benefits (OPEB)

For purposes of measuring the other postemployment benefit total liability (OPEB), deferred outflows of resources and deferred inflows of resources, and expense associated with the Watermaster's requirement to contribute to its OPEB Plan, the Watermaster obtains an actuarial valuation of its OPEB plan. The Watermaster recognizes benefit payments when due and payable in accordance with the Plan.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Dates: December 31, 2025 and 2023
Measurement Dates: December 31, 2025 and 2024
Measurement Periods: January 1, 2025 to December 31, 2025 and January 1, 2024 to December 31, 2024

Lease payable

The Watermaster's lease obligation is measured at the present value of payments expected to be paid during the lease term.

Water Production Assessments

Water Production Assessment categories include Administration, Optimum Basin Management Program, Special Projects, and Water Replenishment. Assessments are billed on a yearly basis.

Budgetary Policies

The Watermaster adopts an annual operational budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for constructions and services.

Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowing that are attributable, construction, or improvement of those assets.

Restricted - This component of net position consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of the other governments or constraints imposed by law through enabling legislation.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

Unrestricted - This component of net position consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.

(2) Cash and Investments

Cash and investments as of June 30 are classified in the accompanying financial statements as follows:

	2026	2025
Cash and investments	$ 9,516,754	$ 12,352,799
Total cash and investments	$ 9,516,754	$ 12,352,799

Cash and investments as of June 30 consist of the following:

	2026	2025
Cash on hand	$ 500	$ 500
Deposit with financial institutions	534,253	-
California CLASS Investment Pool		
Designated	1,466,232	1,461,922
Undesignated	6,822,138	10,223,747
Local Agency Investment Fund (LAIF)	693,631	666,630
Total cash and investments	$ 9,516,754	$ 12,352,799

As of June 30, Watermaster's authorized deposits had the following maturities:

	2026	2025
Deposits in California CLASS Investment Pool	74 days	75 days
Deposits in California Local Agency Investment Fund (LAIF)	269 days	248 days

(2) Cash and Investments, continued

Investments Authorized by the California Government Code and the Watermaster's Investment Policy.

The table below identifies the investment types that are authorized by the Watermaster in accordance with the California Government Code (or the Watermaster's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Watermaster's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Collateralize Bank Deposits	5 years	None	None
Commercial Paper - Pooled Funds	397 days	40%	10%
Commercial Paper - Non Pooled Funds	397 days	40%	10%
Repurchase agreements	1 year	None	None
Local Agency Investments Fund (LAIF)	N/A	None	$75 m
CA Asset Management Program (CAMP)	N/A	None	None
Investment Trust of CA (CalTrust)	N/A	None	None

Investment in California State Investment Pool

The Watermaster is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 and is under the management of the Treasurer of the State of California with oversight provided by the Local Agency Investment Advisory Board. The fair value of the Watermaster's investment in this pool is reported in the accompanying financial statements at amounts based upon the Watermaster's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Bank balances are secured by the pledging of a pool of eligible securities to collateralize the Watermaster's deposits with the bank in accordance with the Code

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

(2) Cash and Investments, continued

Investment in California CLASS

The Watermaster is a voluntary participant in the California CLASS (CLASS) that is regulated by the California Government Code Section 16429 and is a Joint Powers Authority investment pool that provides the opportunity to invest funds on a cooperative basis in rated pools that are managed in accordance with state law with the primary objectives of offering Participants safety, daily, and next day liquidity, and optimized returns.

The fair value of the Watermaster's investment in this pool is reported in the accompanying financial statements at amounts based upon the Watermaster's pro-rata share of the fair value provided by CLASS for the entire CLASS portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the CLASS, which are recorded on an amortized cost basis. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the Watermaster's deposit with the bank in accordance with the Code.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). The California Government Code and the Watermaster's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institutions secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledge securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure Watermaster deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2026 and 2025, bank balances are federally insured up to $250,000 and the remaining balance is collateralized in accordance with the California Government Code.

(2) Cash and Investments, continued

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Watermaster manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the minimum rating required by the California Government Code (where applicable), the Watermaster's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Credit ratings as of June 30, 2026 were as follows:

			Ratings as of year-end	
Investment Type	Total	Minimum Legal Rating	S&P Global Ratings AAAm	Not Rated
California CLASS	$ 8,288,370	AAAm	$ 8,288,370	$ -
Local Agency Investment Fund (LAIF)	693,631	N/A	-	693,631
Total	$ 8,982,001		$ 8,288,370	$ 693,631

Credit ratings as of June 30, 2025, were as follows:

			Ratings as of year-end	
Investment Type	Total	Minimum Legal Rating	S&P Global Ratings AAAm	Not Rated
California CLASS	$ 11,685,669	AAAm	$ 11,685,669	$ -
Local Agency Investment Fund (LAIF)	666,630	N/A	-	666,630
Total	$ 12,352,299		$ 11,685,669	$ 666,630

Concentration of Credit Risk

The Watermaster's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than external investment pools) that represented 5% or more of total Watermaster's investment at June 30, 2026 and 2025.

(3) Deferred Compensation Savings Plan

For the benefits of its employees, the Watermaster participates in a 457 and 401(a) Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes. Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the Watermaster is in compliance with this legislation. Therefore, these assets are not the legal property of the Watermaster, and are not subject to claims of the Watermaster's general creditors. Fair value of all plan assets held in trust for the 457 Plan at June 30, 2026 and 2025 was $2,969,250 and $2,418,371, respectively. Fair value of all plan assets held in trust by the Watermaster's 401(a) Plan at June 30, 2026 and 2025, amounted to $1,156,458 and $902,450, respectively.

The Watermaster has implemented GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the Watermaster has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

(4) Capital Assets

Changes in capital assets for 2026 were as follows:

	Balance 2025	Additions	Disposals/ Transfers	Balance 2026
Depreciable and leased assets:				
Computer equipment	$ 37,703	$ -	$ -	$ 37,703
Furniture and fixtures	251,887	-	-	251,887
Leasehold improvements	23,443	-	-	23,443
Vehicles and equipment	502,749	154,307	-	657,056
Leased building	891,538	-	-	891,538
Leased equipment	35,329	-	-	35,329
Total depreciable and leased assets	1,742,649	154,307	-	1,896,956
Accumulated depreciation and amortization:				
Computer equipment	(37,703)	-	-	(37,703)
Furniture and fixtures	(167,748)	(27,353)	-	(195,101)
Leasehold improvements	(23,443)	-	-	(23,443)
Vehicles and equipment	(134,425)	(48,821)	-	(183,246)
Leased building	(233,498)	(127,363)	-	(360,861)
Leased equipment	(981)	(11,777)	-	(12,758)
Total accumulated depreciation and amortization	(597,798)	$ (215,314)	$ -	(813,112)
Total capital assets, net	$ 1,144,851			$ 1,083,844

(4) Capital Assets, continued

Changes in capital assets for 2025 were as follows:

	Balance 2024	Additions	Disposals/ Transfers	Balance 2025
Depreciable and leased assets:				
Computer equipment	$ 37,703	$ -	$ -	$ 37,703
Furniture and fixtures	251,887	-	-	251,887
Leasehold improvements	23,443	-	-	23,443
Vehicles and equipment	163,755	338,994	-	502,749
Leased building	891,538	-	-	891,538
Leased equipment	105,948	35,332	(105,951)	35,329
Total depreciable and leased assets	1,474,274	374,326	(105,951)	1,742,649
Accumulated depreciation and amortization:				
Computer equipment	(37,703)	-	-	(37,703)
Furniture and fixtures	(134,628)	(33,120)	-	(167,748)
Leasehold improvements	(23,443)	-	-	(23,443)
Vehicles and equipment	(103,113)	(31,312)	-	(134,425)
Leased building	(106,135)	(127,363)	-	(233,498)
Leased equipment	(85,905)	(18,162)	103,086	(981)
Total accumulated depreciation and amortization	(490,927)	$ (209,957)	$ 103,086	(597,798)
Total capital assets, net	$ 983,347			$ 1,144,851

(5) Compensated Absences

The Watermaster recognizes a liability for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. Compensated absences include unpaid vacation leave, sick leave and compensating time off which is accrued as earned, which are expected to be settled through paid time off or cash payments upon termination or retirement.

As of June 30, 2026 and 2025, the liability for compensated absences was calculated based on employees' pay rates at the fiscal year-end and historical usage data, considering employment policies. The liability represents amounts that are more likely than not to be used or paid out.

Compensated absences as of June 30 are classified in the accompanying financial statements as follows:

	2026	2025
Current	$ 151,259	$ 173,011
Non-current	11,385	12,998
Total	$ 162,644	$ 186,009

(5) Compensated Absences, continued

The total liability for compensated absences amounted to $162,644 and $186,009, respectively.

The net change in the compensated absences liability for the fiscal year ended June 30, 2026 and 2025 was $(23,365) and $4,170, respectively, reflecting a net increase (decrease) due to changes in employee leave balances, pay rates, and usage patterns.

(6) Leases Payable

The change in leases payable for 2026 was as follows:

	Balance 2025	Additions	Payments	Balance 2026	Current Portion	Long Term Portion
Leases payable:						
Cucamonga Valley Water District - Office Building	$ 675,607	$ -	$ (136,693)	$ 538,914	$ 115,065	$ 423,849
Advanced Office - Ricoh Copiers	35,331	-	(11,413)	23,918	11,773	12,145
Total leases payable	$ 710,938	$ -	$ (148,106)	$ 562,832	$ 126,838	$ 435,994

The changes in leases payable for 2025 was as follows:

	Balance 2024	Additions	Payments	Balance 2025	Current Portion	Long Term Portion
Leases payable:						
Cucamonga Valley Water District - Office Building	$ 797,043	$ -	$ (121,436)	$ 675,607	$ 124,374	$ 551,233
Advanced Office - Ricoh Copiers	19,301	35,331	(19,301)	35,331	11,413	23,918
Total leases payable	$ 816,344	$ 35,331	$ (140,737)	$ 710,938	$ 135,787	$ 575,151

Cucamonga Valley Water District – Office Building

In September 2003, the Watermaster entered into an agreement with Cucamonga Valley Water District (District) to lease office building space for the purpose of providing an administrative headquarters location for the Watermaster. Terms of the agreement commenced on September 1, 2003, with an initial 10-year term with automatic extension for 3 periods of 5 years through August 30, 2023. Terms of the agreement include base rent is due monthly at $4,900 per month due on the 1st of each month. Base rent is adjusted annually based on the Consumer Price Index for Riverside and San Bernardino County.

In August 2023, the Watermaster amended its agreement with the District. Terms of the agreement commenced on September 1, 2023, and continue through August 31, 2030. Terms of the agreement include base rent is due monthly at $11,727 per month due on the 1st of each month. Commencing with the first day of the thirteenth month of the lease term, the monthly rent payable under the agreement shall be adjusted on an annual basis thereafter in accordance with the applicable Consumer Price Index of the Bureau of Labor Statistics of the Department of Labor for all Urban Consumers, Riverside – San Bernardino – Ontario (“CPI”).

(6) Leases Payable, continued

As of June 30, 2026 and 2025, lease payments amounted to $140,724 for each year.

Fiscal year 2026 lease expense includes an additional lease payment resulting from a change in payment methodology, whereby the July 2026 lease payment was made in June 2026.

The Watermaster recorded a right-to-use asset and a lease payable at present value using an interest rate of 2.42%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Annual lease payments are as follows:

Year	Principal	Interest	Total
2027	$ 115,065	$ 13,340	$ 128,405
2028	130,467	10,257	140,724
2029	133,624	7,100	140,724
2030	136,858	3,866	140,724
2031	22,900	554	23,454
Total	538,914	$ 35,117	$ 574,031
Current	(115,065)		
Long-term	$ 423,849		

Advanced Office – Ricoh Copiers

In October 2019, the Watermaster entered into an agreement with Advanced Office for the purpose of acquiring two Ricoh copy machines. Terms of the agreement commenced in July 2019 and matures in August 2025.

On May 22, 2025, the Watermaster entered into an amended agreement with Advanced Office to extend the lease through May 21, 2028.

As of June 30, 2026 and 2025, lease payments amounted to $12,529 and to $19,301, respectively.

Following the guidelines of GASB Statement No. 87, the Watermaster recorded a right-to-use asset and a lease payable at present value using an interest rate of 2.40%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

(6) Leases Payable, continued

Advanced Office – Ricoh Copiers, continued

Annual lease payments are as follows:

Year	Principal	Interest	Total
2027	$ 11,773	$ 756	$ 12,529
2028	12,145	384	12,529
Total	23,918	$ 1,140	$ 25,058
Current	(11,773)		
Long-term	$ 12,145		

(7) Other Post-Employment Benefits Payable

Plan Description

The Watermaster's defined benefits other post-employment benefit (OPEB) plan (Plan) provides OPEB for all permanent and vested full-time employees. The Plan is a single-employer defined benefit OPEB plan administered by the Watermaster. The Watermaster's Board has the authority to establish and amend the benefit terms and financing requirements of the Plan. Watermaster participates in a CalPERS Health Program, a community-rated program for its medical coverage. Watermaster does not have an OPEB trust established and no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The Plan provides a contribution up to the CalPERS PEMCHA minimum employer contribution for eligible retirees and surviving spouses in receipt of a pension benefit from CalPERS. An employee is eligible for this employer contribution provided they are vested in their CalPERS pension benefit and commence payment of their pension benefit within 120 days of retirement from the Watermaster.

Vesting requires at least 5 years of CalPERS total service. The surviving spouse of an eligible retiree who elected spouse coverage under CalPERS is eligible for the employer contribution upon death of the retiree. Board members during or prior to 1994 are also eligible for Watermaster contribution at retirement.

(7) Other Post-Employment Benefits Payable, continued

Employees Covered by Benefit Terms

As of June 30, 2026 and 2025, the following employees were covered by the benefit terms:

	2026	2025
Active employees	11	9
Inactive employees or beneficiaries currently receiving benefits payments	3	3
Total plan membership	14	12

Total OPEB Liability

The Watermaster's total OPEB liability of $249,296 and $253,540 was measured as of December 31, 2025 and 2024, respectively, and was determined by an actuarial valuation as of December 31, 2025 and 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2026 and 2025 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation dates	December 31, 2025 and December 31, 2023
Measurement dates	December 31, 2025 and December 31, 2024
Actuarial cost method	Entry Age Normal cost method in accordance with the requirements of GASB Statement No. 75
Inflation	2026: 2.50% per annum 2025: 2.50% per annum
Salary increases	2026: 2.75% per annum, in aggregate 2025: 2.75% per annum, in aggregate
Discount rate	2026: 4.83% per annum, in aggregate 2025: 4.08% per annum, in aggregate
Healthcare cost trend rates	2026: 4.00% 2025: 4.00%

(7) Other Post-Employment Benefits Payable, continued

Changes in the Total OPEB Liability

	2026	2025
Balance at beginning of year	$ 253,540	$ 275,478
Changes during the year:		
Service cost	12,013	14,391
Interest	10,291	8,977
Experience (gains)/losses	22,152	-
Changes in assumptions	(34,074)	(30,680)
Benefit payments	(14,626)	(14,626)
Net change	(4,244)	(21,938)
Balance at end of year	$ 249,296	$ 253,540

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Watermaster as of June 30, 2026, as well as what the Watermaster's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Discount Rate - 1% 3.83%	Current Discount Rate 4.83%	Discount Rate + 1% 5.83%
Total OPEB liability	$ 283,875	$ 249,296	$ 220,618

The following presents the total OPEB liability of the Watermaster as of June 30, 2025, as well as what the Watermaster's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

	Discount Rate - 1% 3.08%	Current Discount Rate 4.08%	Discount Rate + 1% 5.08%
Total OPEB liability	$ 291,417	$ 253,540	$ 224,460

(7) Other Post-Employment Benefits Payable, continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Watermaster as of June 30, 2026 as well as what the Watermaster's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	Healthcare cost trend rates		
	1% Decrease	Current	1% Increase
Total OPEB liability	$ 214,237	$ 249,296	$ 293,543

The following presents the total OPEB liability of the Watermaster as of June 30, 2025, as well as what the Watermaster's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare cost trend rates		
	1% Decrease	Current	1% Increase
Total OPEB liability	$ 215,039	$ 253,540	$ 301,219

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the fiscal years ended June 30, 2026 and 2025, the Watermaster recognized OPEB expense of $13,848 and $7,671, respectively. As of June 30, the Watermaster reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2026		2025	
Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	$ 54,511	$ (122,134)	$ 14,807	$ (43,849)
Difference between expected and actual experience	32,730	(38,159)	64,204	(104,748)
Total	$ 87,241	$ (160,293)	$ 79,011	$ (148,597)

(7) Other Post-Employment Benefits Payable, continued

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB, continued

As of June 30, 2026, there were amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB which are required to be recognized in OPEB expense over future periods. OPEB related amounts will be recognized as OPEB expense as follows:

Fiscal Year Ended June 30	Deferred Net Outflows / (Inflows) of Resources
2027	$ (8,456)
2028	(8,456)
2029	(8,456)
2030	(8,452)
2031	(10,083)
Thereafter	(29,149)

(8) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS). The Watermaster participates in one miscellaneous rate plan. Benefit provisions under the Plan are established by State Statute and Watermaster's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

(8) Defined Benefit Pension Plan, continued

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the Watermaster's CalPERS 2.5% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. All employees hired after January 1, 2013 are eligible for the Watermaster's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The provisions and benefits in effect as of June 30, 2026 and 2025, are summarized as follows:

	Miscellaneous Plan	
	Classic	**PEPRA**
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 62
Benefits vesting schedule	5 years of service	
Benefit payments	monthly for life	
Retirement age	50 - 55	52 - 67
Monthly benefits, as a percentage of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates		
2026	7.97%	7.75%
2025	7.96%	7.75%
Required employer contribution rates		
2026	14.18%	7.96%
2025	14.13%	7.87%

(8) Defined Benefit Pension Plan, continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the years ended June 30, the contributions recognized as part of pension expense for the Plan were as follows:

	Miscellaneous	
	2026	2025
Contributions - employer	$ 340,070	$ 309,143

Net Pension Liability

As of June 30, the Watermaster reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	2026	2025
Proportionate share of net pension liability	$ 1,587,912	$ 1,897,516

The Watermaster's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2025 and 2024 (the measurement dates), and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024 and 2023 (the valuation dates), rolled forward to June 30, 2025 and 2024, using standard updates procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

(8) Defined Benefit Pension Plan, continued

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2025 and 2024 measurement period was determined by an actuarial valuation as of June 30, 2024 and 2023, with updated procedures used to roll forward the total pension liability to June 30, 2025. The collective total pension liability was based on the following assumptions:

Valuation dates	June 30, 2023 and 2024
Measurement dates	June 30, 2024 and 2025
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Asset valuation method	Fair value of assets
Actuarial assumptions:	
Discount rate	6.90%
Inflation rate	2.30%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

(8) Defined Benefit Pension Plan, continued

Long-term Expected Rate of Return, continued

The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return [1,2]
Public Equity	37%	4.56%
Private Equity	17%	5.56%
Fixed Income	28%	2.53%
Real Assets	15%	3.03%
Private Debt	8%	4.93%
Strategic Leverage	(5%)	1.40%

[1] Figures are based on the 2024 Mid-Cycle Asset Liability Management Study
[2] An expected annual rate of price inflation of 2.30% was for this period.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2025, was 6.90%. This is based on the long-term expected rate of return on plan assets and is net of investment expenses but not reduced for administrative expenses. In determining the long-term expected rate of return, CalPERS took into account 20-year market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates to project compound (geometric) returns over the long term.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

Subsequent to the measurement date, the CalPERS Board of Administration adopted new actuarial assumptions based on the recommendations in the November 2025 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumptions, and various other assumptions for public agencies. These new assumptions will be effective as of the June 30, 2025, valuation date and reflected in the June 30, 2026, GASB accounting valuation reports.

(8) Defined Benefit Pension Plan, continued

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Proportionate Share of Net Pension Liability

The following table shows the Watermaster's proportionate share of the Plan's net pension liability over the measurement period.

	Increase (Decrease)		
	Proportionate Share of Total Pension Liability	Proportionate Share of Fiduciary Net Position	Proportionate Share of Net Pension Liability
Balance at: 6/30/2024 (VD)	$ 8,670,446	$ 6,772,930	$ 1,897,516
Balance at: 6/30/2025 (MD)	9,593,818	8,005,906	1,587,912
Net Changes during 2024-25	$ 923,372	$ 1,232,976	$ (309,604)

Valuation Date (VD), Measurement Date (MD).

The Watermaster's proportion of the net pension liability was based on a projection of the Watermaster's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined.

The Watermaster's proportionate share of the pension liability for the Plan's miscellaneous risk pool as of the measurement date June 30, 2025 was as follows:

	Miscellaneous
Proportion - June 30, 2024	0.03923%
Increase in proportion	0.00057%
Proportion - June 30, 2025	0.03981%

(8) Defined Benefit Pension Plan, continued

Proportionate Share of Net Pension Liability, continued

The Watermaster's proportionate share of the pension liability for the Plan's miscellaneous risk pool as of the measurement date June 30, 2024 was as follows:

	Miscellaneous
Proportion - June 30, 2023	0.03826%
Increase in proportion	0.00097%
Proportion - June 30, 2024	0.03923%

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following table presents the Watermaster's proportionate share of the net pension liability for the Plan, calculated using the discount rate, as well as what the Watermaster's proportional share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

As of June 30, 2026, the Watermaster's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, is as follows:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Net pension liability	$ 2,882,576	$ 1,587,912	$ 522,417

As of June 30, 2025, the Watermaster's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, is as follows:

	Discount Rate - 1% 5.90%	Discount Rate 6.90%	Discount Rate + 1% 7.90%
Net pension liability	$ 3,067,510	$ 1,897,516	$ 934,440

(8) Defined Benefit Pension Plan, continued

Deferred Pension Outflows (Inflows) of Resources

For the fiscal years ended June 30, 2026 and 2025, the Watermaster recognized pension expense of $348,330 and $157,717, respectively.

As of June 30, 2026, other amounts reported as deferred outflows and inflows of resources related to the pensions, which will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Deferred Net Outflows / (Inflows of Resources
2027	$ 217,843
2028	(43,604)
2029	(93,420)
2030	(82,023)

As of June 30, 2026 and 2025, employer pension contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of $340,070 and $309,143, respectively, and will be and were recognized as a reduction of the net pension liability in the fiscal years ended June 30, 2027 and 2026, respectively.

As of June 30, 2026 and 2025, the Watermaster reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2026		2025	
Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	$ 340,070	$ -	$ 309,143	$ -
Difference between actual and expected experience	190,270	-	157,656	-
Changes in assumptions	-	-	48,770	-
Net difference between projected and actual earnings on plan investments	-	214,862	109,238	-
Differences between actual contribution and proportionate share of contribution	7,073	-	10,037	-
Net adjustment due to differences in proportions of net pension liability	16,315	-	32,609	-
Total	$ 553,728	$ 214,862	$ 667,453	$ -

(9) Nonqualified Employee Compensation Plan

Effective June 1, 2015, the Watermaster established a Nonqualified Deferred Compensation Plan (Plan). The purpose of this Plan is to provide deferred compensation for selected public employees to participate in the Plan. The Plan is intended to be an unfunded deferred compensation plan that complies with the requirements of Section 457(f) and 409A of the Internal Revenue Code of 1986. Each Plan Participant shall be entitled to elect and forego all or any portion, as either a dollar amount or a percentage, of the Participant's salary and/or bonus that may become payable by the Employer for a Plan year after all applicable deductions and withholdings. Such election shall be evidenced by a deferral agreement. For each of Watermaster's regular payroll periods beginning on and after July 1, 2015 through the remainder of the employment term (from June 30, 2014 up to the expiration date of June 30, 2017), the Watermaster agreed to make an employer contributions to the Plan for the benefit of the eligible employee equal to 8% of the corresponding salary including any incentive compensation paid during that payroll period: provided that the eligible employee is still employed with Watermaster on the payday of that payroll period.

On June 22, 2017, Watermaster agreed to make an employer contribution to the Plan for the benefit of another eligible employee equal to 4% of the corresponding salary effective for payroll period following July 1, 2017: and shall continue to be provided on each paycheck date thereafter until the Board takes further action. The balance of the Watermaster's Employee Compensation Plan as of June 30, 2023 amounted to $389,475, which was paid out as of June 30, 2024. Watermaster has since withdrawn from the Plan, as no employees are enrolled or eligible to enroll.

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(10) Net Position

Calculation of net position as of June 30 is as follows:

	2026	2025
Net investment in capital assets:		
Capital assets, net	$ 1,083,844	$ 1,144,851
Leases payable, current	(126,838)	(135,787)
Leases payable, non-current	(435,994)	(575,151)
Total net investment in capital assets	521,012	433,913
Unrestricted:		
Non-spendable net position:		
Designated net position reserve		
Designated pool funds - CA Class Investment Pool	1,466,232	1,461,922
Prepaid expenses and deposits	49,328	57,763
Total non-spendable net position	1,515,560	1,519,685
Spendable net position:		
Undesignated net position reserve	8,542,269	8,003,795
Total spendable net position	8,542,269	8,003,795
Total unrestricted net position	10,057,829	9,523,480
Total net position	$ 10,578,841	$ 9,957,393

At June 30, 2026, management designated $1,466,232 of unrestricted net position as restricted pool funds under unrestricted, non-spendable net position. These funds are special assessment funds for the Pool Committees and may not be modified by the Board.

(11) Risk Management

The Watermaster is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets: errors and omissions: injuries to employees: and natural disasters. The Watermaster is insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the Watermaster as of June 30, 2026:

- Commercial General Liability: $2,000,000 General Aggregate Limit (Other than Products/Completed Operations): $2,000,000 Products/Completed Operations Aggregate Limit (Any One Person or Organization): $1,000,000 Personal and Advertising Injury Limit: $1,000,000 Each Occurrence Limit: $100,000 Rented To You Limit: $5,000 Medical Expenses Limit (Any One Person).
- Commercial Excess Liability: Limits of Liability are $10,000 Retained Limit, $5,000,000 Each Occurrence, $5,000,000 General Aggregate Limit, $5,000,000 Products/Completed Operations to Aggregate.
- Automobile: $1,000,000 Combined Bodily Injury and Property Damage Single Limit (Each Accident); $1,000,000 Uninsured Motorists Single Limit. $1,000 deductible for Comprehensive and $1,000 deductible for Collision.
- Property: $525,000 with liability limits varying by property type with a $1,000 deductible
- Crime coverage: $50,000 per claim with a $1,000 deductible.
- Director & Officers Liability: $1,000,000 Liability Coverage: Employment Practices Liability: $1,000,000 Liability Coverage. Director and Officer/Crisis Management: $25,000 to $100,000 with liability limits varying by type of coverage.
- Workers' compensation: Total annual premium is $28,555.

(12) Commitments and Contingencies

Grant Awards

Grant funds received by the Watermaster are subject to audit by grantor agencies. Such audit could lead to requests for reimbursements to grantor agencies for expenditures disallowed under terms of the grant. Management of the Watermaster believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the Watermaster is subject to claims and litigation from outside parties. After consultation with legal counsel, the Watermaster believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(13) Subsequent Events

Events occurring after June 30, 2026, have been evaluated for possible adjustment to the financial statements or disclosure as of November 12, 2026, which is the date the financial statements were available to be issued.

(14) Correction of an Error in Previously Issued Financial Statements

In 2022, the Appropriative Pool and the Agricultural Pool entered into a settlement agreement that resolved all outstanding amounts due between the parties. At that time, no write-off was recorded. During fiscal year 2026, Watermaster determined that $850,084 in outstanding invoices should be written off per the Terms of Agreement between the Appropriative Pool and Agricultural Pool. This resulted in an overstatement of accounts receivable and net position in the periods since.

Accordingly, the Watermaster has restated its comparative financial statements for the year ended June 30, 2025, to correct this error in beginning net position and accounts receivable. The impact of the restatement is shown below.

	General Fund	Pool Fund	Total Net Position
Net position at July 1, 2024, as previously reported	$ 10,070,622	$ 581,948	$ 10,652,570
Adjustment due to a correction of an error	(850,084)	-	(850,084)
Net position at July 1, 2024, as restated	$ 9,220,538	$ 581,948	$ 9,802,486

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Required Supplementary Information

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Chino Basin Watermaster

Required Supplementary Information
Schedules of Changes in the Watermaster's Total OPEB Liability and Related Ratios
Last Ten Years*

Total OPEB liability:	6/30/2026	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Service cost	$ 12,013	$ 14,391	$ 15,731	$ 22,310	$ 23,695	$ 23,005	$ 17,062	$ 18,418	$ 16,048
Interest	10,291	8,977	10,086	6,834	6,925	9,009	8,739	7,571	7,073
Changes in assumptions	(34,074)	(30,680)	27,521	(73,528)	(40,381)	59,799	17,923	(17,582)	14,256
Experience (gains) losses	22,152	-	(34,649)	-	24,211	(26,687)	-	-	-
Benefit payments	(14,626)	(14,626)	(12,962)	(12,962)	(4,332)	(2,932)	(3,722)	(2,423)	(2,308)
Net change in total OPEB liability	(4,244)	(21,938)	5,727	(57,346)	10,118	62,194	40,002	5,984	35,069
Total OPEB liability - beginning of year	253,540	275,478	269,751	327,097	316,979	254,785	214,783	208,799	173,730
Total OPEB liability - end of year	$ 249,296	$ 253,540	$ 275,478	$ 269,751	$ 327,097	$ 316,979	$ 254,785	$ 214,783	$ 208,799
Covered payroll	1,612,184	1,551,813	1,498,233	1,311,262	1,246,404	1,198,184	1,091,719	1,031,755	860,266
Total OPEB liability as a percentage of covered payroll	15.46%	16.34%	18.39%	20.57%	26.24%	26.45%	23.34%	20.82%	24.27%

Notes to schedule :

Changes in benefit terms: None noted

Changes in assumptions: The changes in actuarial assumptions include changes in discount rates as follows:

Fiscal year 2018: 3.38%

Fiscal year 2019: 3.80%

Fiscal year 2020: 3.26%

Fiscal year 2021: 2.12%

Fiscal year 2022: 2.06%

Fiscal year 2023: 3.72%

Fiscal year 2024: 3.26%

Fiscal year 2025: 4.08%

Fiscal year 2026: 4.83%

* The Watermaster has presented information for those years for which information is available until a full 10-year trend is compiled.
There are no assets accumulated in a trust to pay related benefits that qualify for GASB 75.

Chino Basin Watermaster

Required Supplementary Information
Schedules of the Watermaster's Proportionate Share of the Net Pension Liability
Last Ten Years

Measurement Date	Watermaster's Proportion of the Collective Net Pension Liability[1]	Watermaster's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Watermaster's Proportionate Share of the Collective Net Pension Liability as a percentage of the Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
6/30/2016	0.01206%	$ 1,043,862	$ 888,483	117.49%	74.06%
6/30/2017	0.01221%	1,210,470	979,741	123.55%	73.31%
6/30/2018	0.01233%	1,188,162	860,266	138.12%	75.26%
6/30/2019	0.01277%	1,308,658	1,031,755	126.84%	75.26%
6/30/2020	0.01316%	1,431,357	1,091,719	131.11%	75.10%
6/30/2021	0.01435%	776,209	1,198,184	64.78%	88.29%
6/30/2022	0.01489%	1,720,196	1,246,404	138.01%	76.68%
6/30/2023	0.01534%	1,913,265	1,311,262	145.91%	78.21%
6/30/2024	0.01565%	1,897,516	1,498,233	126.65%	78.08%
6/30/2025	0.01552%	1,587,912	1,551,813	102.33%	82.43%

[1] Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

Chino Basin Watermaster

Required Supplementary Information
Schedules of Pension Plan Contributions
Last Ten Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2017	$ 132,932	$ (137,342)	$ (4,410)	$ 979,741	14.02%
6/30/2018	151,169	(159,828)	(8,659)	860,266	18.58%
6/30/2019	155,931	(188,604)	(32,673)	1,031,755	18.28%
6/30/2020	192,849	(226,625)	(33,776)	1,091,719	20.76%
6/30/2021	220,388	(238,632)	(18,244)	1,198,184	19.92%
6/30/2022	245,656	(262,145)	(16,489)	1,246,404	21.03%
6/30/2023	267,270	(282,363)	(15,093)	1,311,262	21.53%
6/30/2024	282,102	(253,545)	28,557	1,498,233	16.92%
6/30/2025	315,959	(309,143)	6,816	1,551,813	19.92%
6/30/2026	340,070	(340,070)	-	1,612,184	21.09%

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2024, valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Change in Assumptions: There were no assumption changes in 2024 or 2025. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

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Supplemental Information Section

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Chino Basin Watermaster

Combining Schedule of Net Position
June 30, 2026

	General Fund	Pool Fund	2026
ASSETS			
Current assets:			
Cash and cash equivalents	$ 9,516,754	$ -	$ 9,516,754
Accounts receivable, net	5,162,237	-	5,162,237
Accrued interest receivable	6,779	-	6,779
Due from General Fund	-	151,686	151,686
Prepaid expenses and other current assets	49,328	-	49,328
Total current assets	14,735,098	151,686	14,886,784
Non-current assets:			
Capital assets, net	1,083,844	-	1,083,844
Total non-current assets	1,083,844	-	1,083,844
Total assets	15,818,942	151,686	15,970,628
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflows	553,728	-	553,728
Deferred OPEB outflows	87,241	-	87,241
Total deferred outflows of resources	640,969	-	640,969
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	2,881,685	-	2,881,685
Accrued salaries and benefits	61,546	-	61,546
Due to Pool Fund	151,686	-	151,686
Long-term liabilities - due within one year:			
Compensated absences	151,259	-	151,259
Leases payable	126,838	-	126,838
Total OPEB liability	16,898	-	16,898
Total current liabilities	3,389,912	-	3,389,912
Non-Current liabilities:			
Long-term liabilities - due in more than one year:			
Compensated absences	11,385	-	11,385
Leases payable	435,994	-	435,994
Net pension liability	1,587,912	-	1,587,912
Total OPEB liability	232,398	-	232,398
Total non-current liabilities	2,267,689	-	2,267,689
Total liabilities	5,657,601	-	5,657,601
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	214,862	-	214,862
Deferred OPEB inflows	160,293	-	160,293
Total deferred inflows of resources	375,155	-	375,155
NET POSITION			
Net investment in capital assets	521,012	-	521,012
Unrestricted	9,906,143	151,686	10,057,829
Total net position	$ 10,427,155	$ 151,686	$ 10,578,841

Chino Basin Watermaster

Combining Schedule of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2026

	General Fund	Pool Fund	2026
OPERATING REVENUES			
Administrative assessments	$ 11,475,766	$ 135,096	$ 11,610,862
Replenishment water revenue	109,155	-	109,155
Other revenue	195,850	-	195,850
Total operating revenue	11,780,771	135,096	11,915,867
OPERATING EXPENSES			
Groundwater replenishment and other water purchases	66,802	-	66,802
Optimum basin management plan	7,374,945	-	7,374,945
Watermaster administration	2,960,269	-	2,960,269
Pool, advisory, and board administration	720,453	309,374	1,029,827
Total operating expense	11,122,469	309,374	11,431,843
Operating income (loss) before depreciation	658,302	(174,278)	484,024
Depreciation and amortization expense	(215,314)	-	(215,314)
Operating income (loss)	442,988	(174,278)	268,710
NONCAPITAL SUBSIDIES			
Internal transfers	(122,370)	122,370	-
Total noncapital subsidies	(122,370)	122,370	-
Operating income (loss) and noncapital subsidies	320,618	(51,908)	268,710
OTHER NON-OPERATING REVENUE (EXPENSE)			
Interest expense	(17,466)	-	(17,466)
Investment returns	298,941	71,263	370,204
Total other non-operating (expense) revenue, net	281,475	71,263	352,738
Change in net position	602,093	19,355	621,448
Net position, beginning of year	9,825,062	132,331	9,957,393
Net position, end of year	$ 10,427,155	$ 151,686	$ 10,578,841

Chino Basin Watermaster

Combining Schedule of Net Position
June 30, 2025

	General Fund	Pool Fund	2025
ASSETS			
Current assets:			
Cash and cash equivalents	$ 12,352,799	$ -	$ 12,352,799
Accounts receivable, net	202,066	-	202,066
Accrued interest receivable	7,295	-	7,295
Due from General Fund	-	132,581	132,581
Prepaid expenses and other current assets	57,763	-	57,763
Total current assets	12,619,923	132,581	12,752,504
Non-current assets:			
Capital assets, net	1,144,851	-	1,144,851
Total non-current assets	1,144,851	-	1,144,851
Total assets	13,764,774	132,581	13,897,355
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflows	667,453	-	667,453
Deferred OPEB outflows	79,011	-	79,011
Total deferred outflows of resources	746,464	-	746,464
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	1,310,746	250	1,310,996
Accrued salaries and benefits	46,249	-	46,249
Due to Pool Fund	132,581	-	132,581
Long-term liabilities - due within one year:			
Compensated absences	173,011	-	173,011
Leases payable	135,787	-	135,787
Total OPEB liability	14,626	-	14,626
Total current liabilities	1,813,000	250	1,813,250
Non-Current liabilities:			
Long-term liabilities - due in more than one year:			
Compensated absences	12,998	-	12,998
Leases payable	575,151	-	575,151
Net pension liability	1,897,516	-	1,897,516
Total OPEB liability	238,914	-	238,914
Total non-current liabilities	2,724,579	-	2,724,579
Total liabilities	4,537,579	250	4,537,829
DEFERRED INFLOWS OF RESOURCES			
Deferred OPEB inflows	148,597	-	148,597
Total deferred inflows of resources	148,597	-	148,597
NET POSITION			
Net investment in capital assets	433,913	-	433,913
Unrestricted	9,391,149	132,331	9,523,480
Total net position	$ 9,825,062	$ 132,331	$ 9,957,393

Chino Basin Watermaster

Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2025

	General Fund	Pool Fund	2025
OPERATING REVENUES			
Administrative assessments	$ 9,834,155	$ 130,200	$ 9,964,355
Replenishment water revenue	92,858	-	92,858
Other revenue	192,540	-	192,540
Total operating revenue	10,119,553	130,200	10,249,753
OPERATING EXPENSES			
Groundwater replenishment and other water purchases	234,659	-	234,659
Optimum basin management plan	6,241,855	-	6,241,855
Watermaster administration	3,086,166	-	3,086,166
Pool, advisory, and board administration	523,314	338,961	862,275
Total operating expense	10,085,994	338,961	10,424,955
Operating income (loss) before depreciation	33,559	(208,761)	(175,202)
Depreciation and amortization expense	(209,957)	-	(209,957)
Operating income (loss)	(176,398)	(208,761)	(385,159)
NONCAPITAL SUBSIDIES			
Internal transfers	327,246	(327,246)	-
Total noncapital subsidies	327,246	(327,246)	-
Operating income (loss) and noncapital subsidies	150,848	(536,007)	(385,159)
OTHER NON-OPERATING REVENUE (EXPENSE)			
Interest expense	(19,571)	-	(19,571)
Investment returns	473,247	86,390	559,637
Total other non-operating (expense) revenue, net	453,676	86,390	540,066
Changes in net position	604,524	(449,617)	154,907
Net position, beginning of year, as restated	9,220,538	581,948	9,802,486
Net position, end of year	$ 9,825,062	$ 132,331	$ 9,957,393

Report on Internal Controls and Compliance

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the Honorable Board of Directors
Chino Basin Watermaster
Rancho Cucamonga, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Chino Basin Watermaster (the entity) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements, and have issued our report thereon dated November 12, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2026-001, 2026-002, and 2026-003 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the entity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we have reported to management of the entity in a separate letter dated November 12, 2026.

Entity's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the entity's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The entity's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, CA.
November 12, 2026

Finding 2026-001
Significant Deficiency in Internal Control over Financial Reporting
Segregation of Duties

Criteria:

Appropriate segregation of duties is imperative in the financial reporting process. The access, recordkeeping and custodial functions for each area (i.e. accounts payable and payroll) should be segregated to separate individuals; none should have access to all three functions.

Condition:

Based on our audit procedures, we noted various processes, including the accounts payable and payroll processes, where the individuals responsible for processing payroll/payables has the ability to add or edit vendor/employee master files.

Cause:

Due to the limited number of people involved in the office, many key accounting functions are concentrated with one employee. This is a common condition with smaller organizations due to cost constraints. Organizations must weigh the cost versus benefit of involving multiple employees to segregate key duties. Centralizing key duties with any single employee substantially increases the potential risk of loss due to fraud or error and can lead to operational issues in the event of that employee's incapacity or leaving the employment of the organization.

Effect:

Unauthorized changes in employees or employee rates or vendors could be made without detection of the Finance Department and have the potential of the creation of fictitious employees or vendors or paying lower or higher salaries to employees.

Recommendation:

The entity should reassess its current procedures over these areas and consider implementing intrinsic controls within the ERP system to mitigate these risks. If controls within the ERP system are not possible, we recommend detective controls such as the review of periodic change reports. As stated above, an adequate segregation of duties requires that one individual does not handle a transaction from its inception to its completion. We believe it is important for management and governance to be aware that whenever there is a lack of segregation of duties, the system is far more susceptible to errors or other irregularities, either intentional or unintentional, not being discovered.

Management's Response:

Management recognizes the importance of maintaining appropriate internal controls over payroll and accounts payable processes, including controls designed to mitigate risks associated with limited segregation of duties. Due to staffing constraints inherent in a smaller organization, certain accounting and administrative responsibilities are necessarily concentrated among a limited number of employees. However, management is committed to implementing compensating controls that strengthen oversight and reduce the risk of unauthorized transactions.

With respect to payroll processing, management has implemented the use of a "Pay Cycle Changes Report" that identifies employee master file changes and other modifications made during the payroll processing cycle. This report will be reviewed as part of the payroll review process to provide independent oversight of changes affecting payroll transactions.

For accounts payable, management is currently evaluating available system reports and monitoring procedures that can be used to identify changes to vendor master files and other sensitive activities. Management is also assessing the appropriate frequency for reviewing these reports as a detective control to help reduce the risk of fraud, error, or unauthorized changes. Management will continue to evaluate additional opportunities to strengthen internal controls within existing operational and resource constraints.

Finding 2026-002
Significant Deficiency in Internal Control over Financial Reporting
Approvals for Journal Entries

Criteria:

Having adequate segregation of duties within the journal entry process is imperative as it poses the greatest risk of management override of controls. Documentation and consistent application of separate preparer and approvers is the greatest control to mitigate this risk.

Condition:

Based on our audit procedures, we noted there is currently no process in place for the review and approval of journal entries.

Cause:

Due to the limited number of people involved in the office, many key accounting functions are concentrated with one employee. This is a common condition with smaller organizations due to cost constraints. Organizations must weigh the cost versus benefit of involving multiple employees to segregate key duties. Centralizing key duties with any single employee substantially increases the potential risk of loss due to fraud or error and can lead to operational issues in the event of that employee's incapacity or leaving the employment of the organization.

Effect:

The ability for fictitious or erroneous journal entries could be entered into the general ledger without detection, leading to delays and errors in the financial reporting process.

Recommendation:

We recommend management strengthen controls over the journal entry process by implementing and consistently enforcing segregation of duties between the preparation and approval of journal entries. Journal entries should be supported by appropriate documentation and evidence of independent review and approval prior to posting. In addition, management should establish procedures to periodically monitor compliance with these requirements to reduce the risk of management override of controls and help ensure the accuracy and validity of financial reporting.

Management's Response:

Management recognizes the importance of maintaining adequate controls over the journal entry process and acknowledges the risks associated with limited segregation of duties in a smaller organization.

As part of the monthly financial reporting process, management has implemented a journal entry review process whereby accounting staff prepare a monthly journal entry packet containing a report of all journal entries recorded during the period together with supporting documentation for each entry. Following preparation, the packet is reviewed by management as part of the financial reporting process to verify the appropriateness and support for recorded transactions.

While this review occurs after journal entries have been posted to the general ledger, management believes the process provides an effective compensating control that enhances oversight, strengthens documentation, and reduces the risk of errors or unsupported entries remaining undetected. Management will continue to evaluate opportunities to further strengthen journal entry controls while considering available resources and organizational structure.

Finding 2026-003
Significant Deficiency in Internal Control over Financial Reporting
Inadequate Documentation for Credit Card Purchases

Criteria:

The entity's policy requires cardholders to maintain adequate supporting documentation for all credit card purchases, including receipts and appropriate annotations describing the purpose of the transaction and evidence of approval, as applicable.

Condition:

During testing of credit card transactions, we identified purchases for which required supporting documentation was incomplete. Specifically, receipts and/or purchase annotations were missing for certain transactions reviewed.

Cause:

Cardholders and approving officials did not consistently ensure that required supporting documentation was retained and attached to credit card transactions in accordance with established policy requirements.

Effect:

Without complete supporting documentation, management cannot readily verify the validity, business purpose, accuracy, and allowability of credit card purchases. This increases the risk of improper, unsupported, or unauthorized expenditures and limits the audit trail necessary for effective oversight and accountability.

Recommendation:

We recommend that management strengthen controls over credit card transaction documentation by requiring cardholders and approving officials to ensure that receipts and required annotations are maintained, reviewed, and retained for all purchases in accordance with policy. Management should also implement periodic monitoring to verify compliance with documentation requirements.

Management's Response:

Management acknowledges the importance of maintaining complete supporting documentation for all credit card transactions and agrees that adequate documentation is necessary to support the validity, business purpose, and allowability of expenditures.

Management has communicated expectations to cardholders regarding the retention of receipts and supporting documentation for all purchases and will continue efforts to improve compliance with documentation requirements. A new process to submit receipts electronically has been implemented to significantly reduce the number of lost receipts. In circumstances where a receipt is unavailable despite reasonable efforts to obtain a replacement, management will require documentation evidencing the cardholder's acknowledgment of the missing receipt, together with sufficient information to support the business purpose and validity of the transaction.

Additionally, management is currently reviewing and updating administrative policies and procedures, including those related to credit card usage and documentation requirements. As part of this process, management will ensure that procedures addressing missing receipts, required supporting documentation, and monitoring responsibilities are clearly established and communicated to applicable personnel. Management believes these actions will strengthen compliance and improve the overall control environment surrounding credit card expenditures.

November 12, 2026

To the Management of Chino Basin Watermaster
Rancho Cucamonga, California

In planning and performing our audit of the financial statements of Chino Basin Watermaster (the entity) as of and for the year ended June 30, 2026, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated November 12, 2026 on the financial statements of the entity. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

Observation 1:

According to the entity's investment policy, "The Watermaster Director of Administration shall prepare Monthly Investment Reports which reflect investment transactions for review by the Pool Committees and the Advisory Committee prior to presentation to the Watermaster Board at its next regularly scheduled meeting." Based on the procedures, we noted that monthly reports were not consistently presented at the "next regularly scheduled meeting" and were presented 50 or more days after month-end.

Recommendation 1:

We suggest that better control of reconciling investment information and timely presentation be maintained.

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Management Response 1:

Watermaster's established practice has been to present the monthly investment report together with the corresponding monthly financial reports for review by the Pool Committees, Advisory Committee, and Board of Directors. This coordinated approach allows management and the reviewing bodies to evaluate investment activity in conjunction with reported cash balances and related financial transactions, including amounts held by Watermaster for the Pools' Special Assessment Funds.

Management recognizes that this practice has not consistently aligned with the current Investment Policy requirement for presentation at the next regularly scheduled meeting. Preparing the investment report and corresponding financial reports for coordinated presentation requires sufficient time to obtain, reconcile, and validate the underlying financial information.

Management recommends bringing the Investment Policy before the Board of Directors for review and consideration of an amendment that establishes a reporting schedule consistent with the financial reporting and reconciliation process. As part of that review, management will also evaluate appropriate interim reporting procedures and internal control safeguards to promote timely oversight of investment activity while maintaining the accuracy and completeness of reported information.

Observation 2:

During our review, we noted that certain policies and procedures appear to be outdated and are not being consistently followed. Specifically, the purchasing policy requirements related to purchase orders and competitive bidding were not consistently adhered to, the investment policy requirement for timely monthly reporting to those charged with governance was not consistently met, and the credit card policy requirement to maintain adequate supporting documentation, including receipts and purchase annotations, was not consistently followed.

Recommendation 2:

We recommend management review and update policies and procedures to ensure they reflect current operations and management's expectations. Additionally, management should communicate policy requirements to relevant personnel and implement monitoring procedures to promote consistent compliance with established policies, particularly in the areas of purchasing, investment reporting, and credit card documentation.

Management Response 2:

Management recognizes the importance of periodically reviewing and updating administrative policies and procedures to ensure they reflect current operations, clearly communicate management's expectations, and establish appropriate internal controls.

During its review, management identified certain administrative policies and procedures that have been followed in practice but have not been formally approved by the Board of Directors. Beginning with the October 2026 Board meeting, management has implemented a plan to present at least one administrative policy per month for Board review and consideration until all applicable policies have been reviewed, updated as necessary, and formally adopted. Management anticipates completing this process before the end of the current fiscal year.

As part of this process, management will prioritize the purchasing, investment reporting, and credit card policies identified in the audit observation. Following approval, applicable policy requirements will be communicated to relevant personnel, and management will evaluate and implement appropriate monitoring procedures to promote consistent compliance, including adherence to purchasing and competitive bidding requirements, timely investment reporting, and maintenance of adequate credit card receipts and supporting documentation.

We believe that the implementation of these recommendations will provide the entity with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

This communication is intended solely for the information and use of management, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Rogers, Anderson, Malody & Scott, LLP.

November 12, 2026

To the Honorable Board of Directors
Chino Basin Watermaster
Rancho Cucamonga, California

We have audited the financial statements of the Chino Basin Watermaster (the entity) as of and for the year ended June 30, 2026, and have issued our report thereon dated November 12, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 15, 2026, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the entity solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding significant control deficiencies over financial reporting and other matters noted during our audit in a separate letter to you dated November 12, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Tel. 909-889-0871 | www.ramscpa.net | 735 E. Carnegie Dr. Suite 100, San Bernardino, CA 92408

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We have evaluated whether certain nonattest services performed by our firm during the audit have created a significant threat to our independence in relation to the entity. We have identified a threat to our independence (preparation of the entity's financial statements, creating a self-review threat) that if not reduced to an acceptable level, would impair our independence. In order to reduce the threat to an acceptable level, we have applied the following safeguard:

> Prior to the issuance of the entity's financial statements, another partner or manager, independent of the engagement, will review the financial statements.

Significant Risks Identified

We have identified the possibility of the following significant risks:

> *Management's override of internal controls over financial reporting* – Management override of internal controls, an inherent risk according to (Generally Accepted Auditing Standards) GAAS, is the intervention by management in handling financial information and making decisions contrary to internal control policy.
>
> *Improper revenue recognition* – Improper revenue recognition, an inherent risk according to GAAS, is a presumed fraud risk related to the risk of material misstatement due to the improper recognition of revenue (recognition in incorrect period, without meeting applicable recognition criteria, etc.) and is usually classified as a significant risk in most audits.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the entity is included in Note 1 to the financial statements. The City adopted GASB Statement No. 103, *Financial Reporting Model Improvements*, and GASB Statement No. 104, *Disclosure of Certain Capital Assets* during 2026. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the entity's financial statements are:

> Management's estimate of the net pension liability and related deferred inflows and outflows of resources are based on actuarial reports by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.
>
> Management's estimate of the liability for other post-employment benefits (OPEB) and related deferred inflows and outflows of resources are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

The most sensitive disclosures affecting the entity's financial statements relate to:

> The disclosure of fair value of investments in the basic financial statements represents amounts susceptible to market fluctuations.
>
> The disclosure of capital assets (and related accumulated depreciation) in the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.
>
> The disclosure of net pension liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.
>
> The disclosures of the other post-employment benefits (OPEB) liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.
>
> The disclosure of lease liabilities, right-to-use assets, and asset amortization in the basic financial statements is based on certain terms and assumptions in the agreements which could differ from actual amounts.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Attachment A reflects all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the entity's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated November 12, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the entity, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the entity's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have:

> Read the transmittal letter and considered whether a material inconsistency existed between the other the information and the basic financial statements, or the other information otherwise appears to be materially misstated. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors and management of the entity and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Rogers, Anderson, Malody & Scott, LLP.

Client: ***CHI0008 - Chino Basin Watermaster***
Engagement: ***2026 - Chino Basin Watermaster***
Period Ending: ***6/30/2026***

Attachment A

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 101			
To correct the deferred inflows and pension expense based on the valuations.			
1-60180	Employers PERS Expense	429,724.00	
1-2725	Deferred Inflows-Pension		429,724.00
Total		**429,724.00**	**429,724.00**
	Total All Journal Entries	**429,724.00**	**429,724.00**

CHINO BASIN WATERMASTER

November 12, 2026

Rogers, Anderson, Malody & Scott, LLP

This representation letter is provided in connection with your audit of the financial statements of Chino Basin Watermaster (the entity) which compromise the statements of financial position as of June 30, 2026 and 2025, and the respective changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of November 12, 2026:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 15, 2026, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
- The financial statements refer to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, if any, are included and other joint ventures and related organizations are properly disclosed.
- All components of net position, net investment in capital assets, restricted, and unrestricted are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is appropriately disclosed and net position is properly recognized under the policy.
- We have reviewed and approved the account groupings used to prepare the proprietary fund financial statements, including the classification of revenues and expenses as operating, noncapital subsidies, or other nonoperating items, in accordance with GASB Statement No. 103.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements and the effects of material adjustments are summarized in the attached schedule.
- We have evaluated all of our lease and subscription agreements and have given you our assessment as to whether each agreement is subject to GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription Based Information Technology Arrangements*.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With regard to pensions and OPEB:
  - We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
  - Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent event.

- We have conducted a comprehensive risk assessment and disclosed all material concentrations and constraints in accordance with GASB Statement No. 102, *Certain Risk Disclosures*. These disclosures provide sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint, if applicable.
- We have evaluated the concentrations and constraints, including those that occur subsequent to the statement of net position date but before the financial statements are issued and have been properly disclosed in the financial statements as subsequent events.
- With respect to preparation of the financial statements, we have performed the following:
  - Made all management decisions and performed all management functions;
  - Assigned a competent individual to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained internal controls, a process to monitor the system of internal controls.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All information provided in electronic form are true representations of the original documents.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, concentrations and constraints, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), analysts, regulators, or others.

- We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- We have a process to track the status of audit findings and recommendations.
- We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62

  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Use of a Specialist

- We agree with the findings of specialists in evaluating the entity's net pension and net other post-employment benefit liabilities and related deferred amounts and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

Cybersecurity

- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements,

to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Accounting Estimates and Related Disclosures

- The significant judgments made in making the accounting estimates have taken into account all relevant information of which we are aware.
- We have consistently and appropriately selected and applied methods, assumptions, and data when making accounting estimates.
- The assumptions we used in making and disclosing accounting estimates appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity, when relevant to the accounting estimates and disclosures.
- The disclosures related to accounting estimates, including those disclosures describing estimation uncertainty, are complete and are reasonable in the context of the applicable financial reporting framework.
- We have obtained and applied appropriate specialized skills and expertise in making accounting estimates, if needed.
- We are not aware of any events subsequent to the date of the financial statements that require adjustment to our accounting estimates and related disclosures included in the financial statements.

Sincerely,

Todd M. Corbin
General Manager

CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

November 19, 2026

INLAND EMPIRE UTILITIES AGENCY REPORTS

The following items are provided for receive and file.

- Metropolitan Water District Activities Report
- Water Supply Conditions
- State and Federal Legislative Reports

IEUA's Summary on Metropolitan Water District of Southern California (MWD) Board Activities

Submitted November 2026

For More Information Contact:

William McDonnell

wmcdonnell@ieua.org

909.993.1835

See www.MWDh2o.com for the latest information from MWD and tune into livestream broadcasts of meetings.

Weymouth Battery Energy Storage System Fire Update

On October 13, 2026, MWD's Legal and Claims Committee received an update on the F.E. Weymouth Water Treatment Plant fire involving two of four lithium-ion battery energy storage units located at the plant. The four 250-kilowatt systems provide one megawatt of total storage and began operating in June 2026. The Board approved an increase in the Energy Services Agency, Inc.'s consulting contract, to support the technical and legal review of the incident.



Weymouth Treatment Plant – MWD

MWD Advances Instream Flow Water Purchase Program Application

On October 12, 2026, MWD's One Water and Adaptation Committee received an informational update on MWD's application to the State's Instream Flow Water Purchase Program. The grant program purchases water to improve January through June flows in the Sacramento-San Joaquin watershed to support fish and ecosystem needs. MWD's proposal would provide 14,000 acre-feet in each of ten participating years when the State Water Project allocation is 30 percent or greater, for a total commitment of 140,000 acre-feet.

MWD would receive a $70 million lump sum grant payment at the beginning of the program. The ten participating years are expected to occur intermittently over approximately 15 years. MWD's reliability analysis found no significant increase in the probability of regional or State Water Project Dependent Area shortages because participation would only occur during moderate or wet years. The water may also support future State regulatory flow commitments. Staff plan to return in November for Board authorization and updates.



San Joaquin Valley - DWR

MWD Awards Contract for Colorado River Aqueduct Canal Liner Replacement

On October 12, 2026, MWD's Engineering, Operations, and Technology Committee awarded a $14.5 million contract to Kiewit Infrastructure West Co. to replace deteriorated concrete liner along the Colorado River Aqueduct. Inspections during the 2025 and 2026 annual shutdowns identified cracking and buckling at 25 locations over an approximately 40-mile reach between mile markers 25 and 62. The project will replace about 90,000 square feet of concrete constructed in the 1930s to reduce seepage, protect the earthen embankments, and maintain aqueduct reliability.

The contractor will remove the damaged liner, grade and recompact the subgrade, install reinforcing steel and new concrete panels, and restore staging areas with MWD staff managing the shutdown. The total allocation is $17.6 million, including the construction contract and MWD labor and support costs. Work is scheduled during the February 2027 Colorado River Aqueduct shutdown, with completion anticipated in April 2027.



New Concrete Liner Placement - MWD

The Metropolitan Water District of Southern California

Water Supply Conditions Report - https://www.mwdh2o.com/WSCR

Questions? Reach out via the form: https://forms.office.com/g/Gj3aReAuCm

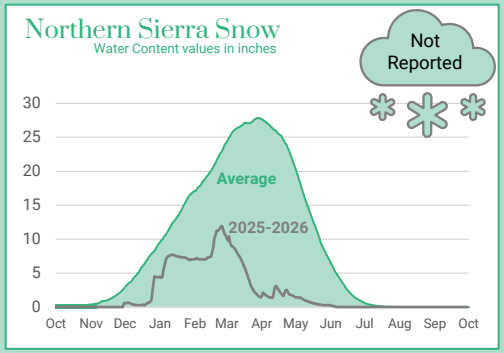
Water Year 2026-2027

As of: 11/04/2026

State Water Project

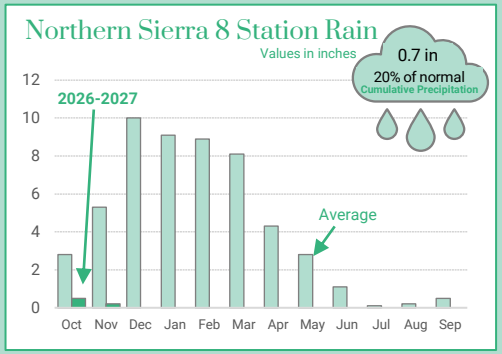
Northern Sierra Snow

Water Content values in inches



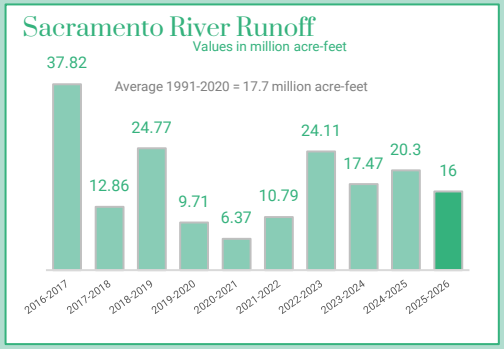
Northern Sierra 8 Station Rain

Values in inches

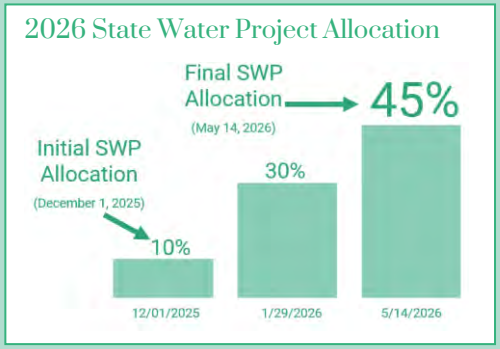


Sacramento River Runoff

Values in million acre-feet

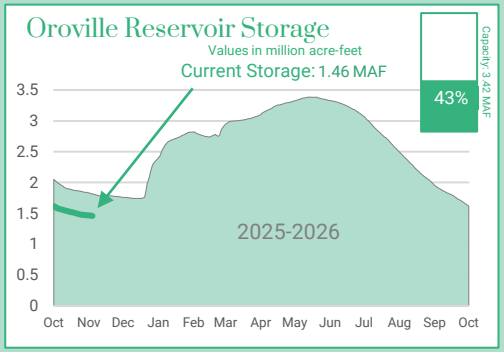


2026 State Water Project Allocation



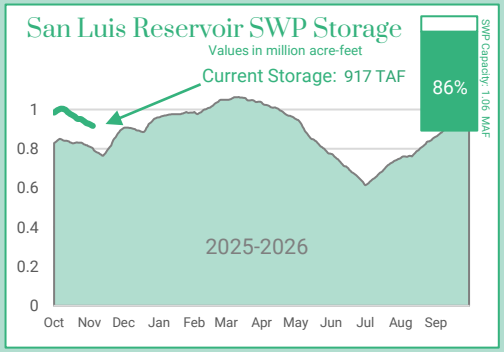
Oroville Reservoir Storage

Values in million acre-feet



San Luis Reservoir SWP Storage

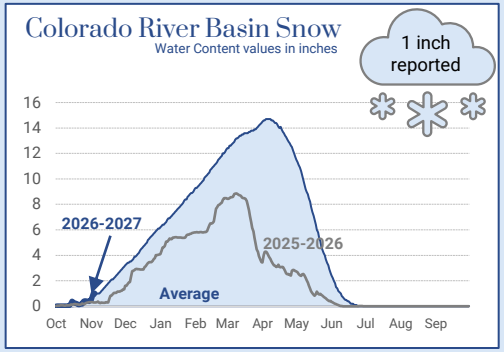
Values in million acre-feet



Colorado River

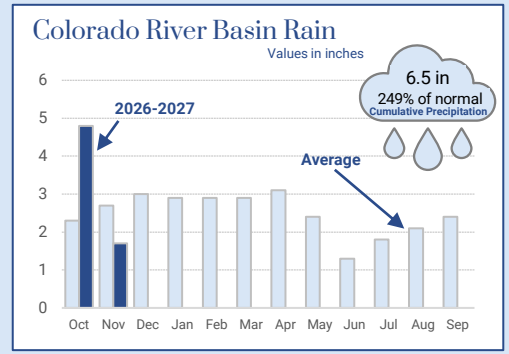
Colorado River Basin Snow

Water Content values in inches

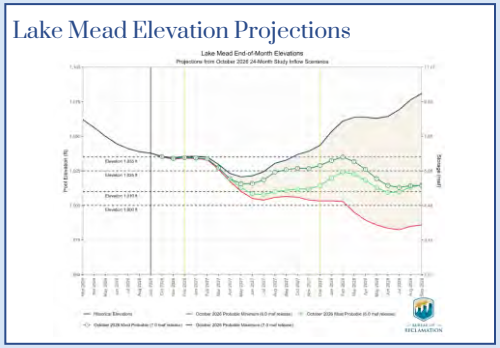


Colorado River Basin Rain

Values in inches

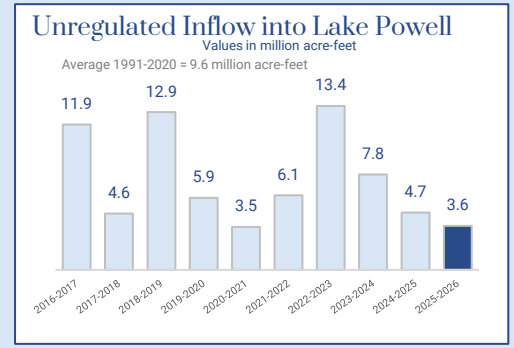


Lake Mead Elevation Projections



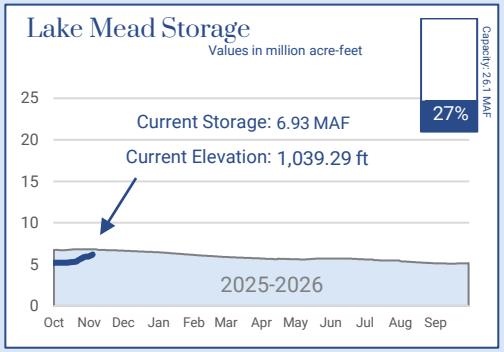
Unregulated Inflow into Lake Powell

Values in million acre-feet



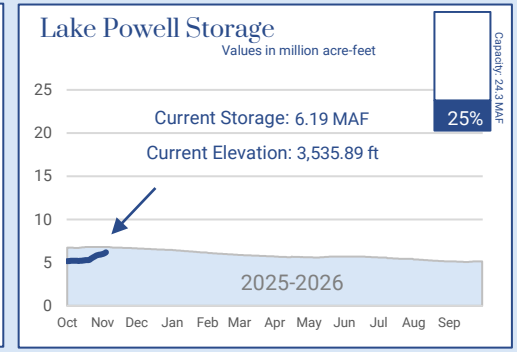
Lake Mead Storage

Values in million acre-feet



Lake Powell Storage

Values in million acre-feet



Metropolitan's 2026 Drinking Water Quality Report: https://tinyurl.com/MWDWaterQuality2026

Inland Empire Utilities Agency, a Municipal Water District Federal Update

October 30, 2026

A Look Ahead: Lame Duck Session

Congress faces a crowded legislative agenda when Members return to Washington, D.C. on November 9, following the midterm elections. At the top of the agenda will be FY 2027 appropriations, as the current continuing resolution (CR) expires on December 11. Congress will need to either finalize and pass the FY 2027 appropriations bills, or another short-term CR to avoid a government shutdown. The December 11 deadline also applies to federal surface transportation programs. With the House's BUILD America 250 Act still awaiting floor action and no comprehensive Senate reauthorization bill introduced, another extension is likely as work on a long-term reauthorization continues into the next Congress.

The CR's prohibition on the Office of Management and Budget (OMB) finalizing its proposed rewrite of the Uniform Guidance governing federal grants also expires after December 11. Absent congressional action to extend the prohibition, OMB will be permitted to move forward with finalizing and implementing the rule. Beyond these deadlines, Congress is expected to consider several other legislative priorities, including the annual National Defense Authorization Act, the Water Resources Development Act, a new Farm Bill, and bipartisan permitting reform legislation. Lawmakers may also address expiring health care provisions, the National Flood Insurance Program, other expiring federal authorities or supplemental funding requests.

Additionally, Republicans are discussing the possibility of advancing a third budget reconciliation package during the lame-duck session, potentially addressing defense spending and an increase in the debt limit. However, no agreement has been reached on whether or how such legislation would advance. With a limited number of legislative days remaining, the outcome of the midterm elections and negotiations between congressional leaders will help determine which items are completed before the 119th Congress adjourns at the end of the year.

House Republicans Set Leadership Elections

House Republicans have announced that they will choose their leaders for the 120th Congress on November 11, just one week after the elections. If Republicans hold the majority, members will also nominate a speaker ahead of the January 3 floor vote.

Senate Unveils Bipartisan Permitting Reform

On September 30, Environment & Public Works Chair Shelley Moore Capito (R-WV), Ranking Member Sheldon Whitehouse (D-RI), Energy and Natural Resources Chair Mike Lee (R-UT), and Ranking Member Martin Heinrich (D-NM) introduced **S. 5653, the Bipartisan American Affordability and Jobs Act of 2026**. The bill would make broad changes to the federal environmental review and permitting process, including several provisions that could affect the delivery of transportation and other locally sponsored infrastructure projects.

Key provisions include:

- **Faster, narrower federal review.** Certain repairs, replacements, and upgrades to existing infrastructure could fall outside National Environmental Policy Act (NEPA), while environmental assessments generally would be due within one year and environmental impact statements within two years.
- **More state and local involvement.** State and local agencies could serve as cooperating or joint lead agencies, federal agencies could rely on comparable state environmental reviews, and some Endangered Species Act (ESA) consultations would be shortened.
- **Greater certainty once projects are approved.** NEPA challenges generally would have to be filed within 150 days, courts typically would allow projects to continue while agencies correct deficiencies, and federal agencies would face new limits on revoking or materially changing permits held by local governments and other non-federal project sponsors.

The Senate is expected to consider the legislation after the midterm elections during the lame-duck session.

LEGISLATIVE ACTIVITY

Bipartisan Senators Introduce Endangered Species Act Reform Bill. Senators Adam Schiff (D-CA) and Pete Ricketts (R-NE) introduced ***the Improving Species Recovery Act***, legislation intended to modernize implementation of the ESA and accelerate species recovery. The bill would establish measurable conservation milestones, create standardized baseline data and reporting requirements for listed species, provide greater regulatory flexibility as recovery milestones are achieved, and encourage voluntary conservation efforts by states and private landowners. Additionally, the bill would direct the U.S. Fish and Wildlife Service to expand digital tools and explore the use of artificial intelligence to automate and expedite interagency consultation and permitting reviews while maintaining compliance with the ESA.

Senate Commerce Committee Ranking Member Releases AI Governance Framework. On October 7, Senator Maria Cantwell (D-WA), Ranking Member of the Senate Commerce, Science, and Transportation Committee, **released** a comprehensive framework outlining six principles to guide federal legislation and executive actions addressing the risks associated with advanced artificial intelligence (AI) systems. The framework calls for enforceable federal

safety standards, continuous testing and independent audits, greater transparency and accountability, public-private partnerships, protections for children and workers, and international cooperation on AI safety. Cantwell proposed that the National Institute of Standards and Technology work with other federal agencies to establish risk-based safety standards and require independent audits of covered AI systems before their release.

CONGRESSIONAL LETTERS

House Democrats Seek GAO Review of EPA's Microplastics Efforts. On September 30, Reps. Raja Krishnamoorthi (D-IL), Janelle Bynum (D-OR), and Bonnie Watson Coleman (D-NJ), joined by 21 colleagues, sent **a letter** the Government Accountability Office (GAO) to review EPA's work on micro- and nanoplastics after the agency did not include microplastics among the 30 contaminants proposed for monitoring under the Sixth Unregulated Contaminant Monitoring Rule (UCMR 6). EPA has cited the lack of a validated analytical method as a reason for not including microplastics in UCMR 6. The letter asks GAO to assess EPA's progress on microplastics research and monitoring, remaining work, and barriers to further progress. The request follows an earlier congressional effort urging EPA to include microplastics in UCMR 6 and establish nationwide drinking water monitoring, signaling continued congressional interest in the potential future monitoring and regulation of microplastics in drinking water.

FEDERAL AGENCY ACTIONS AND PERSONNEL CHANGES

EPA to Host Webinar Series on Water Utility Resiliency. EPA Office of Water Emergency Response and Cybersecurity will **host** a series of webinars for water utilities on the topic of resiliency.

EPA Launches New PFAS Technology Strategy. EPA **announced** a PFAS Technology, Evaluation, Coordination, and Harmonization (PFAS TECH) strategy to advance the development and deployment of technologies to address PFAS contamination. The strategy focuses on three priorities: accelerating research and development of PFAS treatment and destruction technologies; conducting pilot projects at Superfund sites, military facilities, wastewater treatment plants, and drinking water systems to evaluate technologies under real-world conditions; and providing communities with technical guidance, funding resources, and assistance to implement effective solutions.

FEMA Releases National Study on Emergency Management Staffing and Capacity. On October 16, the FEMA **released** the *Emergency Management Organizational Structures, Staffing, and Capacity Study*, an assessment of the challenges facing emergency management agencies nationwide. FEMA funded the study, and Argonne National Laboratory conducted the research, gathering information from 1,689 local jurisdictions, 37 states, 59 tribal nations, and four territories. The study highlights the critical role of local emergency management agencies in disaster preparedness and response and identifies widespread staffing and funding shortages. FEMA emphasized the importance of locally led, state-managed, and federally

supported emergency management and called for greater state and local investment in emergency management capabilities. In conjunction with the report, FEMA and Argonne National Laboratory **launched** the National Emergency Management Data Explorer (NEMDEX), an online tool to review survey findings.

FEMA and FCC Schedule Nationwide Emergency Alert System Test. FEMA, in coordination with the Federal Communications Commission, will conduct a nationwide test of the Emergency Alert System on November 17, at approximately 2:20 p.m. ET. The test will assess the ability of radio and television broadcasters, cable systems, satellite providers, and other participating communications providers to receive and relay national emergency alerts. Federal law requires FEMA to conduct a nationwide test of the public alert and warning system at least once every three years.

Treasury Announces New Federal Fraud Reporting Portal. Treasury **announced** the launch of Fraud.gov, a government-wide portal for the public to report suspected fraud, waste, abuse, improper payments, and misuse of federal funds. The portal will use artificial intelligence to help standardize reports and direct allegations to the appropriate federal agencies, inspectors general, or law enforcement organizations for review.

Federal Judge Temporarily Halts USDA Reorganization. On October 13, a federal judge in the U.S. District Court for the Northern District of California temporarily blocked USDA from using congressionally appropriated funds to implement the Administration's proposed reorganization of the agency. The plan would relocate thousands of USDA employees to five regional hubs and restructure operations across several agencies, including the Forest Service, Rural Development, and the Farm Service Agency's broader mission area. The court's order prohibits USDA from using federal funds for relocation expenses, building closures, and other reorganization costs, although it does not prevent the agency from closing offices or relocating employees within the Washington, D.C., region. The judge noted that the restrictions could expire when current appropriations expire, potentially allowing USDA to proceed if Congress authorizes the necessary funding.

##

October 28, 2026

To: Inland Empire Utilities Agency

From: Michael Boccadoro
Beth Olhasso

RE: October Report

California entered the new water year on Oct. 1 with statewide reservoir storage at approximately 21.3 million acre-feet, or 105 percent of the historical average. Major reservoirs showed mixed conditions: Lake Oroville is at 43 percent of capacity and 81 percent of historical average, Shasta Lake is at 51 percent of capacity and 94 percent of its historical average, and San Luis Reservoir was at 69 percent of capacity and 155 percent of its historical average. Although statewide storage remains above average, the lower-than-average levels at Oroville and near-average storage at Shasta highlight the importance of winter precipitation to replenishing supplies.

The State Water Resources Control Board (SWRCB) is preparing to consider its updated Bay-Delta Plan, but disagreements over the Healthy Rivers and Landscapes voluntary agreements threaten participation by key water users. The State Water Contractors, Bureau of Reclamation and Westlands Water District have raised concerns that the latest proposal departs from the 2022 agreement framework, while environmental groups argue it may not provide enough river flows to recover fish populations.

A state audit found that nearly one-third of 102 local agencies responsible for Central Valley levees received unacceptable maintenance ratings in 2025, citing issues such as vegetation management and animal burrows. The report also found that 14 of 48 critical levee repair sites identified by the Department of Water Resources (DWR) since 2012 remained unfinished as of August 2026, highlighting funding and oversight challenges.

The SWRCB is scheduled to consider a revised water-right permit for the proposed Sites Reservoir on Nov. 4. The permit would authorize diversions of up to 986,000 acre-feet annually, subject to protections for existing water rights, water quality and fisheries.

DWR hass completeds as $235s millions rehabilitations ofs Orovilles Dam'ss Rivers Valves Outlets System,simproving the reliability of infrastructure used to release cold water from Lake Oroville into the Feather River. These releases help maintain suitable temperatures for Chinook salmon and steelhead, particularly during hot weather and drought. The project, which began in 2022, strengthens the long-term operation of the facility.

The Delta Stewardship Council held an Oct. 15 hearing on appeals challenging DWR's revised certification that the Delta Conveyance Project is consistent with the Delta Plan. The review addresses objections from local governments, agencies and residents and is separate from the SWRCB'ssconsiderationsofsthesproject'sswater-right change petitions.

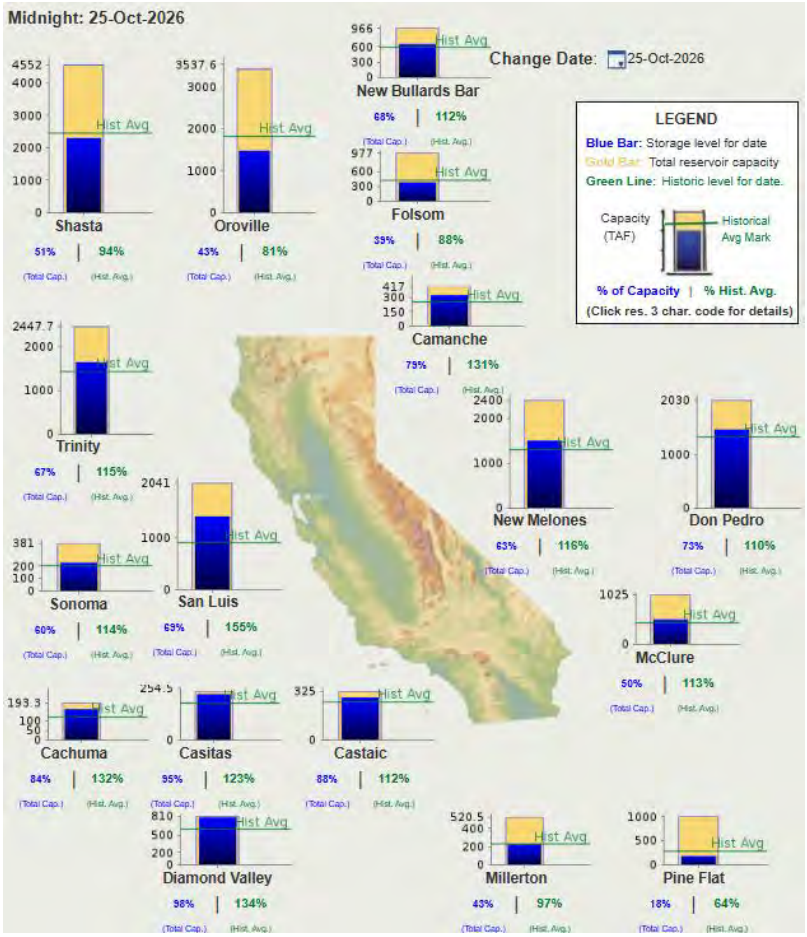
California'ss legislatives activity ended Sept. 30, shifting attention to informational hearings, preparation for the 2027–28 session and campaigning throughout CA. The Assembly Utilities

and Energy Committee has been very active with hearings on utility wildfire safety, utility investment and subrogation. Statewide organizations are developing legislative proposals for next year. A fuller review of association-sponsored legislation is expected as those proposals.

Inland Empire Utilities Agency
Status Report – October 2026

Water Supply Conditions

California's water supply is holding steady through the fall with statewide reservoir storage estimated at approximately 21.3 million acre-feet, or 105 percent of historical average. Lake Oroville is about 43 percent of capacity and 81 percent of its historical average for this time of year, while Shasta Lake is at approximately 51 percent of capacity and 94 percent of its historical average. San Luis Reservoir was considerably fuller at approximately 69 percent of capacity and 155 percent of its historical average. Groundwater recharge and the ability to capture and store runoff will also be important for maintaining water supply reliability through the coming dry season. The State Water Project is scheduled to announce its initial water allocation forecast on Dec. 1, providing the first indication of anticipated deliveries for 2027.



Bay-Delta Plan Faces Adoption Vote as Healthy Rivers and Landscapes Agreements Teeter
The State Water Resources Control Board is scheduled to consider adopting its updated Bay-Delta Plan on Oct. 28–29, with Oct. 30 available if needed. As discussed previously, the update, the first major revision of the plan since 2006, would establish new requirements governing water flows through the Sacramento River watershed and Sacramento-San Joaquin Delta to protect fish, wildlife and other beneficial uses. At the center of the proposal is the Healthy Rivers and Landscapes (HRL) program, a voluntary agreement framework intended to combine additional river flows with habitat restoration as an alternative to more prescriptive minimum-flow requirements.

Under the 2022 memorandum of understanding, water agencies and state and federal officials agreed to pursue a collaborative approach in which participating water users would commit water and fund habitat improvements in exchange for flexibility in meeting environmental requirements. However, the State Water Board's latest proposal has prompted objections from several key participants, who argue that the state has changed the substance of the original agreement by placing HRL within a more extensive regulatory framework. The draft establishes a default requirement of 55 percent of unimpaired flow from Sacramento River tributaries to the Delta in most water years, subject to specified adjustments and other provisions. Water users that do not participate in HRL would remain subject to the plan's regulatory requirements.

The State Water Contractors say several important issues remain unresolved. General Manager Jennifer Pierre notes that the original concept envisioned two distinct pathways: a standard regulatory pathway and a voluntary agreement pathway through which water users could negotiate settlements to meet the plan's requirements. The contractors are concerned that the current draft makes HRL a regulatory program as well, with additional state oversight and approval requirements that could undermine the collaborative governance structure envisioned in 2022. In an Oct. 20 statement, the organization said the final framework must follow the 2022 memorandum of understanding to deliver environmental improvements while maintaining water supply reliability.

The dispute has escalated as the U.S. Bureau of Reclamation and Westlands Water District have threatened to abandon HRL if the plan is adopted as drafted. Reclamation has said it will not participate under the current proposal and indicated it would take additional steps to maximize deliveries to Central Valley Project contractors. Westlands argues that the final draft retains the HRL name but changes the substance of the original program. These positions raise questions about whether the state can implement the voluntary agreements without the participation of major federal and agricultural water users.

State officials reject the claim that the proposal abandons the original agreement. Natural Resources Secretary Wade Crowfoot has argued that HRL must operate within the Water Board's statutory responsibility to protect beneficial uses and that a regulatory backstop is necessary to ensure commitments are fulfilled.

Environmental organizations, tribal groups and Delta community representatives have raised a different set of concerns, arguing that the voluntary agreements place too much emphasis on

habitat restoration and too little on the additional river flows needed to recover declining fish populations. Many of these groups were not included in the negotiations that produced the 2022 memorandum.

The board's decision could determine whether HRL remains a viable collaborative alternative to more prescriptive regulation or whether disagreements lead to withdrawals and prolonged litigation. For agricultural and urban water agencies, the outcome could affect future water supply reliability, project operations and the cost and flexibility of meeting environmental requirements. For environmental interests, the central question is whether the plan will deliver sufficient flows and habitat improvements to restore the watershed's ecosystems. With key participants questioning whether they can accept the proposal as written, the upcoming vote could reshape the future of California's Bay-Delta water policy and the voluntary agreement process.

State Audit Warns of Central Valley Levee Maintenance and Funding Gaps

A California State Auditor report released Oct. 13 found that nearly one-third of 102 local agencies responsible for maintaining Central Valley flood-control levees received unacceptable maintenance ratings in 2025. The deficiencies largely involved vegetation management and burrowing animals, which can weaken levees or make it harder for engineers to identify structural problems. The audit also criticized the Department of Water Resources for not fully using its authority to take over maintenance in cases of persistent local agency failures.

The report highlighted funding constraints affecting both routine maintenance and major repairs. Since 2012, DWR had identified 48 critical levee sites requiring repair, but 14 remained unfinished as of August 2026. The department has said limited funding and local cost-sharing requirements have delayed projects, and the audit warned that the state's existing repair programs may not have sufficient funding to address newly identified critical sites. The auditor recommended stronger state intervention and oversight to reduce risks to communities, farmland and infrastructure.

DWR disputed aspects of the report, arguing that maintenance ratings alone do not provide a complete assessment of flood risk and that the department already uses a range of measures, including targeted repairs and emergency response programs. The findings nevertheless highlight longstanding questions about responsibility for maintaining aging levees and how the state and local agencies will pay for the work. With California entering the winter flood season, the report adds urgency to discussions about long-term flood protection funding and the state's role when local maintenance efforts fall short.

Sites Reservoir Advances Toward November Water-Rights Decision

The proposed Sites Reservoir is approaching a major regulatory milestone, with the State Water Resources Control Board scheduled to consider a revised draft water-right decision and permit on Nov. 4.

The revised draft permit would authorize diversions of up to 986,000 acre-feet annually, subject to conditions intended to protect senior water-right holders, water quality and fisheries. The revised proposal also addresses coordination with the state's Bay-Delta Plan and its Healthy

Rivers and Landscapes pathway. The permit itself would not complete the project's remaining financing, construction and other regulatory requirements, but it is an important step toward establishing the legal basis for diverting and storing water.

Oroville Dam Completes $235 Million River Valve Rehabilitation
The Department of Water Resources recently announced that it had completed a $235 million rehabilitation of Oroville Dam's River Valve Outlet System, a critical facility for releasing cold water from deep within Lake Oroville into the Feather River. Construction began in October 2022, and the upgraded system was commissioned in June. The work is intended to improve the long-term reliability of the infrastructure at the State Water Project's largest reservoir and water supply facility.

The outlet system plays an important environmental role for cold water to be released from the reservoir to help maintain suitable river temperatures for Chinook salmon and steelhead, particularly during hot weather and drought. Managing those releases is important when reservoir levels decline and warmer conditions threaten fish habitat downstream. The system also supports the dam's broader water management operations.

The project involved installing replacement valves and completing complex work deep within the dam while coordinating with other facility operations. DWR said the rehabilitation will support reliable operation for decades to come as California faces increasing challenges from extreme heat, drought and aging infrastructure.

Delta Conveyance Project Continues Through Regulatory Review
The Delta Conveyance Project faced another regulatory milestone Oct. 15, when the Delta Stewardship Council held a hearing on appeals concerning the Department of Water Resources' revised certification that the project is consistent with the Delta Plan. The appeals were filed by the Sacramento Area Sewer District, a group of local residents and the counties of San Joaquin, Solano and Yolo, along with regional water agencies. The hearing addressed issues raised after the council remanded portions of the project's earlier certification for further consideration.

The council's review is limited to whether the project's certification complies with the Delta Plan and the issues raised in the appeals; it does not approve or reject the project itself. The Oct. 15 hearing is part of an ongoing review process, with the council expected to issue findings based on the administrative record and evidence presented. Separately, DWR's water-right change petitions are being considered through a State Water Board proceeding. These reviews are among the regulatory steps that must be addressed as the project moves forward.

Legislative Update
Even though the Legislature is not in session committees do have the ability to hold informational hearings. The Assembly Utilities & Energy Committee, under the leadership of Assemblymember Cottie Petrie-Norris as Chair, is the busiest committee during this time holding a series of hearings on various wildfire-related issues.

October 20- CA's Utility Wildfire Safety Regime

October 28- The Tipping Point: Historic Growth, Generational Investment, and Utility Investability.
October 29- Joint Oversight hearing with Assembly Insurance Committee on Subrogation
Materials for the hearings can be found here.

Most other members are busy campaigning during the final week of the election and will turn attention to legislative matters after the election. Legislators will return to Sacramento briefly in December for an "organizational session," but will return in earnest in January to start the business of the 2027-28 legislative session.

Statewide organizations and individual agencies are busy preparing legislative packages for next year. Fall legislative planning meetings at MWD, ACWA, CSDA, CMUA and others are taking place over the course of the fall. A full breakdown of association-sponsored legislation will be presented in next month's report.

Acronym List

AB	Assembly Bill
ACF	Advanced Clean Fleets
ACWA	Association of California Water Agencies
AI	Artificial Intelligence
BRIC	Building Resilient Infrastructure and Communities
CARB	California Air Resources Board
CASA	California Association of Sanitation Agencies
CCL 6	Sixth Contaminant Candidate List
CEC	California Energy Commission
CEC	Constituents of Emerging Concern
CEO	Chief Executive Officer
CEQA	California Environmental Quality Act
CMUA	California Municipal Utilities Association
CR	Continuing Resolution
CSDA	California Special Districts Association
CVP	Central Valley Project
CWSRF	Clean Water State Revolving Fund
DCP	Delta Conveyance Project
DEI	Diversity, Equity, & Inclusion
DOE	Department of Energy
DOI	Department of the Interior
DOJ	Department of Justice
DPR	Department of Pesticide Regulation
DSM2	Delta Simulation Model II
DWR	Department of Water Resources
eDNA	Environmental DNA
EIR	Environmental Impact Report
EPA	Environmental Protection Agency
ESTM	Environmental Safety and Toxic Materials
FDA	United States Food and Drug Administration
FEMA	Federal Emergency Management Agency
FY	Fiscal Year
G20	Group of 20
HHS	Health and Human Services
HRL	Healthy Rivers and Landscapes
HUD	Housing and Urban Development

Acronym List

IEUA	Inland Empire Utilities Agency
IRWD	Irvine Ranch Water District
LAO	Legislative Analyst's Office
LNG	Liquefied Natural Gas
MilCon	Military Construction
MSS	Monitoring Special Study
MWD	Metropolitan Water District of Southern California
NOFO	Notice of Funding Opportunity
OIG	Office of Inspector General
OMB	Office of Management and Budget
PFAS	Per- and Polyfluoroalkyl Substances
POTW	Publicly Owned Treatment Works
PSPS	Public Safety Power Shutoff
RIF	Reduction in Force
SB	Senate Bill
SCE	Southern California Edison
SCHISM	Semi-implicit Cross-Scale Hydroscience Integrated System Model
SNAP	Supplemental Nutrition Assistance Program
SRF	State Revolving Fund
SWC	State Water Contractors
SWP	State Water Project
SWRCB	State Water Resources Control Board
UCMR 6	Sixth Unregulated Contaminant Monitoring Rule
VA	Veterans Affairs
WOTUS	Waters of the United States
WRDA	Water Resources Development Act