AGENDA
DATE: Tuesday, April 28, 2009
TIME: 9:00 a.m.
PLACE: BCVWD
560 Magnolia Avenue
Beaumont, CA, 92223

1. Call to Order

2. Roll Call
   A. City of Banning: Jim Earhart
   B. City of Beaumont: Dee Moorjani
   C. Beaumont Cherry Valley Water District: C.J. Butcher
   D. South Mesa Water Company: George Jorritsma
   E. Yucaipa Valley Water District: Joe Zoba

3. Pledge of Allegiance

4. Oral and Written Communication
   Anyone wishing to address the Watermaster on any matter not on the Agenda of this meeting may do so now. The oral communications portion of this Agenda is to hear comments. If any question or concern arises related to any issues not on the Agenda, it will be referred to Staff for appropriate response. Anyone wishing to speak on an item on the Agenda may do so at the time the Watermaster considers that item. All persons wishing to speak must fill out a Request to Speak Form and give it to the Clerk at the beginning of the meeting. Forms are available from Clerk upon request. Each speaker is limited to three (3) minutes.

5. Consent Calendar
   A. Approve Minutes of January 13, 2009
   B. Approve Minutes of January 28, 2009
   C. Approve Minutes of February 11, 2009
   D. Approve Treasurer’s Report Dated February 2009
   E. Approve Treasurer’s Report Dated March, 2009
   F. Approve Budget Transfer W-1014

6. Action Items

   **Recommendation:** Approve Resolution 2009-001 and authorize the manager’s recommended refund of payments previously received.

   **Recommendation:** Approve

7. **Status Reports (Verbal)**

   A. Draft 2nd Biennial Engineer’s Report

      **Recommendation:** Comment and Discussion

   B. Methodology to complete New Storm Water Recharge

      **Recommendation:** Comment and Discussion

   C. Status Report Regarding Subsidence Survey

      **Recommendation:** None

8. **Adjournment**
RECORD OF THE MINUTES OF THE
Beaumont Basin Watermaster
January 13, 2009

Watermaster Members Present:

City of Banning: Jim Earhart
Beaumont Cherry Valley Water District: Anthony Lara (Alternate for BCVWD)
South Mesa Water Company: George Jorritsma
Yucaipa Valley Water District: Joe Zoba

Watermaster Members Absent:

City of Beaumont: Dee Moorjani
BCVWD: C.J. Butcher

Consultants Present:

Joseph Aklufi Aklufi and Wysocki
Andrew Schlange Chief of Watermaster Services
Mark Wildermuth Wildermuth Environmental Inc
Samantha Stevens Wildermuth Environmental Inc

Others Present:

Frances Flanders Self
Barbara Voigt SGPWA
Jeff Davis SGPWA
Luwana Ryan Self
Blanca Marin BCVWD
George Thacker City of Banning

1. Call to Order

Chairman Jorritsma called the meeting to order at 10:05 a.m.

2. Roll Call

Member Butcher was absent.

3. Pledge of Allegiance

Chairman Jorritsma led everyone into the Pledge of Allegiance

4. Oral and Written Communication

Chairman Jorritsma invited Frances Flanders to address the commission on an item not on the agenda. Ms. Flanders commented on the Watermaster’s current website indicating that the Watermaster needs to update their website. Lastly, she commented on the temporary surplus and the safe yield of the Basin.

5. Consent Calendar

A. Minutes of the September 9, 2008 meeting
B. Treasurers Reports
   • June 2008
   • August 2008
C. Budget Transfers, W-1012 and W-1013

Member Zoba moved to approve the consent calendar. Member Earhart seconded. Motion passed unanimously.

6. Action Items

A. Draft Fifth Annual Beaumont Basin Watermaster Report

**Recommendation:** Comment and Discussion

Chief of Watermaster Services, Andrew Schlange indicated that the same report was provided earlier to all the members of the Watermaster.

Samantha Stevens, with Wildermuth Environmental Inc, indicated that no comments were received to be added to the report. She provided a brief report on this item. She recommended that comments and input be provided to her to be included in the final report.

Member Zoba requested that water level information be added to the report.

Schlange spoke regarding a letter sent to all appropriators in December. He further handed out a table showing appropriator storage account balances estimated for June 30, 2009.

Chairman Jorritsma commented that he sent a letter to Beaumont Cherry Valley Water District offering surplus water at a $25 less than what the Beaumont Cherry Valley Water District currently pays San Gorgonio Pass Water Agency.

Frances Flanders complained to the Commission regarding the current charge of $25 dollars for copy of the audio for the meeting. She requested that the Commission revisit this cost in the future.

Schlange indicated that any recording devices were welcomed and will be accommodated at no cost. He indicated that the matter will be revisited in the future.

B. Availability of Supplemental Water for Groundwater Replenishment, Watermaster letter dated December 5, 2008

- Yucaipa Valley Water District letter dated December 12, 2008

1. Role and responsibility of the Beaumont Basin Watermaster (Adjudication document attached)
2. 2008 Water Supply and Demand Report to LAFCO (Copy attached)
3. Consultant contracts and task orders

**Recommendation:** General Discussion and Comment

Schlange referred to letter dated December 5, 2008. He addressed his concerns indicating that the Watermaster needs to work with the Pass Agency. He indicated that other sources of water have been found but are not ready to be discussed in public. He mentioned that the additional water in excess of the Pass Agency’s current entitlement could cost up to $10,000/full acre transfer cost plus the cost of pumping. He further indicated that the Beaumont Basin Watermaster needs to work with the Pass Agency on the matter.
Member Zoba spoke regarding his response to the letter dated December 5, 2008. He referred to the adjudication included in the agenda. He indicated that the LAFCO letters state that BCVWD can meet the water demand to 2030 and beyond. He asked what the role of the Watermaster was. He indicated that there is no remedy in the event that there is a lack of water supply. He also spoke regarding EBX II.

Member Zoba further spoke regarding the consultant contracts and task orders. He handed out a chart based on the fifth annual report. He indicated that BCVWD and the City of Beaumont are consuming the biggest portion of the Pass Agency entitlement water. He indicated that he wants to suspend temporary surplus and work out issues in event that things get worse with the State.

Schlange explained that according to the Judgment which states that if there is a shortfall of water by an agency then, the agency needs to take care of itself and if the problem is not resolved then the Watermaster should be the last resource.

Schlange indicated that a workshop is required between the Watermaster and the Pass Agency. He indicated that the Watermaster is not ready to suspend the temporary surplus unless directed by the entire Watermaster to do so.

Member Zoba recommended that a meeting be set in a month’s time to meet and discuss and agenda item to suspend the temporary surplus.

Schlange indicated that there are other sources of water locally that should be developed.

Member Zoba requested that three items be discussed at the next meeting.
1) Proposed modification to the language on the adjudication as to what happens when the money is collected and there is no water
2) Look at the agreement to go beyond the Pass Agency 50% that they were authorized to go to in the EXB 1 Construction
3) Discussion on suspension of temporary surplus

Schlange indicated that the next proposed meeting date was February 11, 2009 at 10am.

Schlange stated that he met with the Bureau of Reclamation regarding projects funding. He indicated that a letter will be drafted and presented to the Watermaster for signature and will be mailed to Representatives Lewis and Bono to get some work approved under the stimulus package. He indicated that a meeting will be set with the Bureau of Reclamation and all the Commission is invited.

C. Finance Alternatives
- Member Contributions (General Budget)
- Pump Tax (Documents will be available at the meeting)
- Other

**Recommendation:** Discussion and Comment

This item was tabled and will be included at the next workshop.

D. Methodology to complete New Storm Water Recharge

**Recommendation:** Discussion and Comment

Mark Wildermuth with Wildermuth Environmental Inc indicated that the UWMP for Beaumont and the BCVWD have a category of water which is a new yield of storm water. He also indicated that the judgment provides for new yield that could be attributed directly to the appropriator. He stated that the stipulated agreement states that the new yield water should be credited to the party that creates the new yield. He
further indicated that the appropriators have constructed facilities or are planning to construct facilities that will increase the storm water recharge in the Beaumont Basin. He stated that the Watermaster has included a task order with Wildermuth Environmental, Inc to develop a procedure that would provide for a determination of new yield from these new recharges projects.

7. Staff Reports

A. Notice - First Transfer of Un-pumped Overlyers Water
Schlange indicated that this is the first year of transfer of un-pumped overlyers water. He indicated that the transfer was part of a discussion with Best Best & Krieger and it would be effective on or February 4, 2009. He further indicated that appropriators will get their percentage based on Exhibit C of the Judgment

Schlange stated on another item that the County of Riverside had requested an associate membership to join STWMA. Schlange provided a copy of the terms to join STWMA. He further indicated that the STWMA is in the process of finalizing the document.

Schlange lastly informed that a letter from the Regional Board was received and it will be discussed at the next workshop.

8. Closed Session

Chairman Jorritsma adjourned the meeting to Closed Session at 11:15am

A. Discussion and Possible Action Regarding Potential Litigation Pursuant to Government Code Section 54956.9c - One Case

Chairman Jorritsma reconvened the meeting to open session at 12:15 indicating that no reportable action was taken on this item.

9. Adjournment

Chairman Jorritsma adjourned the meeting at 12:16 p.m.

George Jorritsma, Chairman to the Watermaster
RECORD OF THE MINUTES OF THE
BEAUMONT BASIN WATERMASTER
January 28, 2009

Watermaster Members Present:
City of Banning:     George Thacker (Alternate for the City of Banning)
City of Beaumont:    David Dillon (Alternate for the City of Beaumont)
Beaumont Cherry Valley Water District: Anthony Lara (Alternate for BCVWD)
South Mesa Water Company:   George Jorritsma
Yucaipa Valley Water District: Joseph Zoba

Watermaster Members Absent:
City of Banning:     Jim Earhart
City of Beaumont:    Dee Moorjani
Beaumont Cherry Valley Water District: C.J. Butcher

Consultants Present:
Andrew Schlange   Chief of Watermaster Services
Mark Wildermuth   Wildermuth Environmental Inc
Joseph Aklufi      Aklufi and Wysocki

Others Present:
Frances Flanders   Self
Blanca Marin       BCVWD

1. Call to Order

Chairman Jorritsma called the meeting to order at 2:00 p.m.

2. Roll Call

Absent to this meeting were Members Earhart, Moorjani and Butcher

3. Pledge of Allegiance

No Pledge of Allegiance

4. Oral and Written Communication

Chairman Jorritsma invited Frances Flanders to address the Watermaster Committee on an item to on the agenda. Ms. Flanders voiced her complaint about the current charge for copies of the recording. Ms. Flanders suggested that the Watermaster Committee reconsider changing this charge for copies of the recording.

5. Closed Session

Chairman Jorritsma adjourned to Closed Session at 2:07 p.m.

A. Discussion and Possible Action Regarding Potential Litigation Pursuant to Government Code Section 54956.9c-One Case

Chairman Jorritsma reconvened to regular meeting at 3:30 p.m.

Chairman Jorritsma indicated that no reportable action was taken in Closed Session.
6. Adjournment

Chairman Jorritsma adjourned the meeting at 3:30 p.m.

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George Jorritsma, Chairman to the Watermaster
RECORD OF THE MINUTES OF THE
BEAUMONT BASIN WATERMASTER
February 11, 2009

Watermaster Members Present:

City of Banning: George Thacker (Alternate for City of Banning)
Beaumont Cherry Valley Water District: Anthony Lara (Alternate for BCVWD)
South Mesa Water Company: George Jorritsma
Yucaipa Valley Water District: Joseph Zoba

Watermaster Members Absent:

City of Beaumont: Dee Moorjani
BCVWD: C.J. Butcher

Consultants Present:

Mark Wildermuth Wildermuth Environmental Inc
Mike Plinski Wildermuth Environmental Inc
Andrew Schlange Chief of Watermaster Services
Joseph Aklufi Aklufi and Wysocki

Others Present:

Barbara Voigt SGPWA
Luwana Ryan Self
Frances Flanders Self
Patsy Reeley Self
Judy Bingham Self
Jeff Davis SGPWA
Dr. Blair Ball BCVWD
Mr. Newman Self

1. Call to Order

Chairman Jorritsma called the meeting to order at 10:05 a.m.

2. Roll Call

Commissioners Dee Moorjani and C.J. Butcher were absent to this meeting.

3. Pledge of Allegiance

Chairman Jorritsma led everyone into the Pledge of Allegiance

4. Oral and Written Communication

Frances Flanders addressed the Watermaster Commission on an item not on the agenda. Ms. Flanders addressed the Watermaster regarding the current $25 charge for copies of the audio recordings. She requested a refund of money that she had spent purchasing copies of audio. She also indicated that the Watermaster website needs to be updated.

5. Discussion Items

Yucaipa Valley Water District Letter Dated December 12, 2008

1. Role and Responsibility of the Beaumont Basin Watermaster (Adjudication document attached)
2. 2008 Water Supply and Demand Report to LAFCO
3. Consultant Contracts and Task Orders

**Recommendation:** General Discussion and Comment

Schlange indicated that a letter dated December 5, 2008 regarding the subject matter was sent out to all Watermaster members to remind them that the Watermaster has been in operation for five years and in those five years numerous projects have been accomplished; such as managing the temporary surplus, State Project Water is being delivered, storage accounts have been developed and are being filled and recycled water will be available in the near future. He indicated that the BCVWD has been approved for a grant and loan for recycled water. He further indicated that planning is under their way to develop new local sources to help transition between now and the time that agencies are able to acquire thru the San Gorgonio Pass Agency additional water supplies to meet future water demands. He indicated that a storm water evaluation was also done and that a methodology for accounting of such water is in the process of being developed. The first transfer of overlayers water was accomplished on February 4, 2009.

Mark Wildermuth with Wildermuth Environmental Inc explained safe yield and the temporary surplus concepts. He also explained “overdraft” and stated that we are not currently in overdraft. He provided a slide showing the different stages of the groundwater storage. He further explained that agencies that over-pump water in excess of their determined rights are responsible to find replacement in supplemental water.

Member Zoba indicated that the Watermaster has issues internally and that the Judgment doesn’t really states what the price for replenishment of the basin would be. He stated that he wants to see solutions not where we were and where we are. He indicated that the agencies are building something that is not sustainable.

Schlange stated that all agencies, including the Pass Agency need to meet and discuss how to obtain more water. He indicated that the agencies have five years before the temporary surplus is gone. He indicated that a financing program to purchase and storage of water is necessary to minimize the cost of water to the consumer.

Zoba indicated that a decision needs to be taken by the Cities regarding development. He stated that managers need to resolve the water issue and look at the real cost to bring the water in. He indicated that it is really difficult to figure out where we stand in reality.

Wildermuth indicated that agencies need to expand discussions to other people or agencies that could help make the decisions, an example being the County of Riverside.

Member Thacker indicated that Banning is ready to purchase water from the Pass Agency and take care of its own problem. He further stated that Banning is getting groups together to be ready when development starts.

Member Zoba indicated that Banning needs to keep in mind that the Pass Agency only has 15% available water right now.

Member Lara indicated that there is no reliable source of water available. He indicated that BCWWD being the biggest pumper will pay the most of the cost in five years. He indicated that local sources of water are the most reliable sources of water right now.
Zoba indicated that the agencies need to be part of the discussion and find the solutions.

Schlange indicated that the agencies can solve part of the problem by developing those other sources of water that are available locally. He indicated that one priority should be to fix EBX II to maximize the yield when it is available. He stated that recycled water systems need to be tied in together. He indicated that another option was to put a landscape ordinance to convert all landscape to drought tolerant plans.

Zoba stated that he wants a list of priorities from the Watermaster and all agencies can figure out as to what needs to be done first.

Schlange indicated that one of his frustrations was that for last 18 months time was wasted by arguing over $22 rate increase with the Pass Agency instead of agencies working together to develop a plan to resolve water issues.

Wildermuth indicated that Banning documents need to be consistent with Pass Agency’s Urban Water Management Plan.

Jeff Davis indicated that a consultant will be hired to work on their UWMP and have it published by March 2010.

Mr. Newman, a member of the audience agreed with Member Zoba in that all agencies need to review priorities and to work with the ones that need to be dealt with first. He further questioned about how the shallower wells issues will be addressed.

Wildermuth indicated that shallower wells will be dealt on a case by case basis.

Patsy Reeley indicated that agencies need to know where they are right now as members are so scattered. She indicated that this basin is in overdraft and it has been in overdraft since the adjudication and the availability of water is always a problem. She stated that the Watermaster has to determine the availability of water in this basin and the agencies can’t depend on EBX II and if it is up to the City to slow down development then to have the City stop development. She indicated that the agencies can’t keep depleting the basin.

Mr. Newman questioned the Watermaster as to what if his well or any well runs out of water because the appropriators take the water then what happens?

Member Thacker responded to Mr. Newman that if his well was within Banning area they would help him out someway to get him out of the situation.

Dr. Blair Ball, as member of the audience indicated that he agreed with Member Zoba in that all agencies, general managers, Watermaster, board presidents and the Pass Agency need to get together but not including the City or County Planning at this level to talk about these issues. He indicated that the State Project Water is not a dependable source of water. He indicated that he agreed that a conservation plan needs to take place. He stated that development “does not run the show”. He stated that until agencies have enough water we can’t bring anymore development. He indicated that water retailers agencies need to take care of its customers first. He indicated that a community has to have some development in order for it to survive and create jobs and businesses for the people.

Member Zoba indicated that as action items the Watermaster needs to start talks with the Pass Agency to talk about the drought situation and EBX II.

Dr. Blair Ball indicated that agencies have an obligation to care for the people that are in the community right now and to have enough water to satisfy the demand from the community.
Mr. Newman indicated that he hopes that at the next meeting a solution be reached with all agencies.

Chairman Jorritsma indicated that as purveyors, all agencies need to get together and look at where we are and find other solutions to fill the needs of our people.

Luwana Ryan addressed the Commission on a task order issue indicating that total amount of task orders for STWMA and BBWM paid to consultant from Wildermuth Environmental were $1,050,500. She stated that, that is a lot of money spent on this basin and that studies are overlapping and nothing has been accomplished.

B. Finance Alternatives
   • Member Contributions (General Budget)
   • Pump Tax
   • Other

This item was tabled for a future meeting.

C. Methodology to complete New Storm Water Recharge

**Recommendation:** Comment and Discussion

This item was tabled for a future meeting.

6. Closed Session

Chairman Jorritsma adjourned the meeting to Closed Session at 12:13 pm.

   A. Discussion and Possible Action Regarding Potential Litigation Pursuant to Government Code Section 54956.9c - One Case

Chairman Jorritsma reconvened the meeting at 1:15 pm indicating that no reportable action was taken.

7. Adjournment

Chairman Jorritsma adjourned the meeting at 1:16 pm

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Chairman Jorritsma, Chairman to the Watermaster
# Beaumont Basin Watermaster Unaudited Financial Report
## FY 2008-2009 Budget

### Administrative Revenues

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<th>Description</th>
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<th>Revised Budget</th>
<th>Revenue Received Expenses Paid</th>
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### Special Projects Group A (STWMA) Revenues

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<td>(2,500.00)</td>
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### Special Project Group A Expenses (STWMA)

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<th>Description</th>
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<th>W-1012 to FY 2008</th>
<th>Revised Budget</th>
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### Difference of Revenue Received & Expenses Paid

0.00

**Cash fund Balance**: 158,936.66
### Beaumont Basin Watermaster Unaudited Financial Report

**FY 2008-2009 Budget and Expenses**

**February 2009 Report**

#### MEMBER CONTRIBUTIONS

- **FY 2008 Fund Bal Carry Over**: 43,628.94
- **3105 Beaumont Funds**: 45,500.00
- **3110 BCWD Funds**: 45,500.00
- **3115 YWWD Funds**: 45,500.00
- **3120 City Expenses**: 45,500.00
- **3125 South Mesa Funds**: 45,500.00

---

#### Beaumont Basin Water Master Administrative Expenses

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<thead>
<tr>
<th>Invoice Number</th>
<th>Date Paid</th>
<th>Check #</th>
<th>GL #</th>
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<th>To #</th>
<th>Cr. Amount</th>
<th>GL #</th>
<th>Cr. Amount</th>
<th>GL #</th>
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**Total**: 6,150.00

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#### Watermaster Use Mgt

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<th>To #</th>
<th>Cr. Amount</th>
<th>GL #</th>
<th>Cr. Amount</th>
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**Total**: 6,150.00

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#### Special Project Group A Expenses STWMA

<table>
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<th>Date Paid</th>
<th>Check #</th>
<th>GL #</th>
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<th>To #</th>
<th>Cr. Amount</th>
<th>GL #</th>
<th>Cr. Amount</th>
<th>GL #</th>
<th>Dr. Amount</th>
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**Total**: 6,150.00

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#### Fund Purch

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<th>GL #</th>
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<th>To #</th>
<th>Cr. Amount</th>
<th>GL #</th>
<th>Cr. Amount</th>
<th>GL #</th>
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**Total**: 6,150.00

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#### Total Budget

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<th>Cr. Amount</th>
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**Total Budget**: 185,128.94
| Invoice | Invoice Number | Date Paid | Check # | GL # | 5000 | 5001 | 5010 | 5030 | 5040 | 5060 | 5062 | 5063 | 5070 | 5074 | 5080 | 5081 | 5073 | 5073 | 5075 | TOTAL |
|---------|----------------|-----------|---------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
| 01/16/09 | WEI #0008671  | 03/09/09  | 2077    | (4,805) | (4,805) |
| 01/16/09 | WEI #0008672  | 03/09/09  | 2077    | (140)  | (140)  |
| 01/16/09 | WEI #0008673  | 03/09/09  | 2077    | (5,868) | (5,868) |
| 01/16/09 | WEI #0008674  | 03/09/09  | 2077    | 977.50 | 977.50 |
| 02/11/09 | WEI #0009005  | 03/09/09  | 2078    | (5,243) | (5,243) |
| 02/11/09 | WEI #0009006  | 03/09/09  | 2078    | (193)  | (193)  |
| 02/11/09 | WEI #0009007  | 03/09/09  | 2078    | 1,007.50 | 1,007.50 |
| 02/11/09 | WEI #0009008  | 03/09/09  | 2078    | 875.00 | 875.00 |
| 02/11/09 | WEI #0009009  | 03/09/09  | 2078    | 7,306.40 | 7,306.40 |
| 02/11/09 | WEI #0009010  | 03/09/09  | 2078    | 521.30 | 521.30 |
| 02/11/09 | WEI #0009011  | 03/09/09  | 2078    | 190.00 | 190.00 |

FUND BALANCE

158,835.65  3.17  18,000.00  53.29  34,433.32  5,006.00  6,099.61  36,500.00  (786.66)  7,012.90  13,832.50  46,828.94  5,000.00  30,000.00  50,000.00  100,000.00  345,936.66

Fund Balance:
- Checking Account Balance: 152,727.80
- Savings Account Balance: 6,208.86
- Total Fund Balance: 158,835.65
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<td>Checking/Savings</td>
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<td>1002 · Savings Account</td>
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## Beaumont Basin Watermaster
### Profit & Loss Budget vs. Actual
#### July 2008 through March 2009

**Ordinary Income/Expense**

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<th>$ Over Budget</th>
<th>% of Budget</th>
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<td>43,628.94</td>
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<td>100.0%</td>
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<td>100.0%</td>
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<td>3125 · CC - South Mesa Water Co.</td>
<td>45,500.00</td>
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<td>100.0%</td>
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<td>Expense</td>
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<td>Other Income/Expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5000 · Interest Earned</td>
<td>(6.35)</td>
<td></td>
<td>(6.35)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Expense</strong></td>
<td>(6.35)</td>
<td></td>
<td>(6.35)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Other Income</strong></td>
<td>6.35</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>138,644.27</td>
<td>0.00</td>
<td>138,644.27</td>
<td>100.0%</td>
</tr>
<tr>
<td>OPERATING ACTIVITIES</td>
<td>Jul '08 - Mar 09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>-----------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>138,644.27</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided by Operating Activities</td>
<td>138,644.27</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FINANCING ACTIVITIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3901 · Retained Earings Budget Clear</td>
<td>(43,628.94)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided by Financing Activities</td>
<td>(43,628.94)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash increase for period</td>
<td>95,015.33</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at beginning of period</td>
<td>43,628.94</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at end of period</td>
<td>138,644.27</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
To: Beaumont Basin Watermaster

From: J. Andrew Schlange, Chief of Watermaster Services

Date: April 28, 2009

Subject: Budget Transfer W-1014

Transmitted herewith please find Budget Transfer W-1014. The purpose of this transfer is to cover unexpectedly increase in cost for groundwater level monitoring program accounts number 5063. During the year a couple of transducers were lost and had to be replaced.

- W-1014 transfers $5000 from Watermaster Reserves Account number 5080 to Groundwater Level Monitoring Account Number 5063 to cover the anticipated cost to June 30, 2009.

Recommendation

That the Watermaster approve Budget Transfer W-1014

Respectfully,

J. Andrew Schlange,
Chief of Watermaster Services
DATE: 3/31/2009
TIME: 11:00 AM
TRANSFER No. W-1014

REQUESTED BY: J. Andrew Schlange

PLEASE MAKE A BUDGET FUND TRANSFER FROM:
Budget Category 5080 - Reserves

RECAP: Budget Amount $40,628.94
Transfer Amount ($5,000.00)
Revised Budget Amount $35,628.94

PLEASE MAKE A BUDGET FUND TRANSFER TO:
Budget Category 5063 - Groundwater Monitoring

RECAP: Budget Amount ($783.66)
Transfer Amount $5,000.00
Revised Budget Amount $4,216.34

THE ABOVE TRANSFER HAS BEEN APPROVED AND IS NOW COMPLETED.

DATE APPROVED
Signature of Watermaster Official
BEAUMONT BASIN WATERMASTER

Auditors' Report
And
Financial Statements

For the Year Ended
June 30, 2008

SIEBERT BOTKIN HICKEY & ASSOCIATES, LLP
Certified Public Accountants
Independent Auditors’ Report

We have audited the accompanying basic financial statements of the Beaumont Basin Watermaster, as of and for the year ended June 30, 2008. These financial statements are the responsibility of the management of Beaumont Basin Watermaster. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Beaumont Basin Watermaster, as of June 30, 2008, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Beaumont Basin Watermaster has not presented the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to supplement, although not to be a part of, the basic financial statements.

SIEBERT BOTKIN HICKEY & ASSOCIATES, LLP

February 20, 2009
Beaumont Basin Watermaster
Statement of Net Assets
As of June 30, 2008

ASSETS

CURRENT ASSETS
Cash and Cash Equivalents
Total Assets

$ 43,632

$ 43,632

LIABILITIES and NET ASSETS

NET ASSETS
Unrestricted

$ 43,632

See Auditors' Report
The Notes to Financial Statements Are An Integral Part of This Statement
Page 2 of 6
Beaumont Basin Watermaster  
Statement of Activities  
For the Year Ended June 30, 2008

**REVENUES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Agency Contributions</td>
<td></td>
</tr>
<tr>
<td>City of Beaumont</td>
<td>$ 76,142</td>
</tr>
<tr>
<td>Beaumont Cherry Valley Water District</td>
<td>76,142</td>
</tr>
<tr>
<td>Yucaipa Valley Water District</td>
<td>58,875</td>
</tr>
<tr>
<td>City of Banning</td>
<td>76,142</td>
</tr>
<tr>
<td>South Mesa Water Company</td>
<td>39,500</td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>326,811</td>
</tr>
</tbody>
</table>

**EXPENSES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Expenses</td>
<td></td>
</tr>
<tr>
<td>Chief of Watermaster Services</td>
<td>51,000</td>
</tr>
<tr>
<td>Meetings and Miscellaneous</td>
<td>5,000</td>
</tr>
<tr>
<td>Acquisition and Computation of Production Data/Annual Report</td>
<td>17,290</td>
</tr>
<tr>
<td>General Engineering</td>
<td>25,345</td>
</tr>
<tr>
<td>Groundwater Level Water Monitoring Program</td>
<td>25,000</td>
</tr>
<tr>
<td>Update of Water Demand and Supply Projections</td>
<td>10,000</td>
</tr>
<tr>
<td>Legal and Professional</td>
<td>18,300</td>
</tr>
<tr>
<td>Special Project Expenses</td>
<td></td>
</tr>
<tr>
<td>Conjuctive Use Marketing</td>
<td>10,000</td>
</tr>
<tr>
<td>Salt Mitigation Fee Implementation</td>
<td>30,000</td>
</tr>
<tr>
<td>Regional Resource Optimization Scoping Work</td>
<td>100,000</td>
</tr>
<tr>
<td>San Timoteo Watershed Management Authority PC1 Group B</td>
<td>64,300</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>356,235</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>(29,424)</td>
</tr>
<tr>
<td>Unrestricted Net Assets, Beginning of Year</td>
<td>73,056</td>
</tr>
<tr>
<td>Unrestricted Net Assets, End of Year</td>
<td>$ 43,632</td>
</tr>
</tbody>
</table>

See Auditors' Report  
The Notes to Financial Statements Are An Integral Part of This Statement  
Page 3 of 6
Beaumont Basin Watermaster  
Statement of Cash Flows  
For the Year Ended June 30, 2008

**Cash Flows From Operating Activities:**  
- Cash Received from Members  
  $361,801  
- Cash Paid to Vendors for Services and Supplies  
  $(400,686)  
- Net Cash Used By Operations  
  $(38,885)

**Cash Flows From Investing Activities:**  
- Interest Earned on Operating Funds  
  $10  
- Net Cash Provided by Investing Activities  
  $10  
- Net Increase (Decrease) in Cash  
  $(38,875)  
- Cash and Cash Equivalents at Beginning of Year  
  $82,507  
- Cash and Cash Equivalents at End of Year  
  $43,632

See Auditors' Report  
The Notes to Financial Statements Are An Integral Part of This Statement  
Page 4 of 6
Beaumont Basin Watermaster
Notes to Financial Statements
For the Year Ended June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Description of Operations:
The Beaumont Basin Watermaster is the entity charged with administering adjudicated water rights and managing groundwater resources within the Beaumont Groundwater Basin. It was created on February 4, 2004 by a Judgment entered in the Superior Court of the State of California for the County of Riverside (Case No. RIC 389197). Pursuant to the Judgment, the Watermaster Committee is comprised of representatives from the City of Banning, the City of Beaumont, the Beaumont-Cherry Valley Water District, the South Mesa Mutual Water Company, and the Yucaipa Valley Water District.

The Watermaster’s area of jurisdiction, which is also known as the adjudicated boundary, overlies a portion of the Santa Ana River Watershed. San Timoteo Creek, which is a tributary to the Santa Ana River, is one of the major surface streams traversing the area as well as portions of Little San Gorgonio Creek and Noble Creek.

Basis of Presentation:
The Beaumont Basin Watermaster’s financial statements have been prepared in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Watermaster is considered a single activity special-purpose government. A single proprietary fund is used to report all of the Watermaster’s financial activities.

Financial reporting is based upon all Governmental Accounting Standards Board (GASB) pronouncements, as well as the Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB pronouncements issued after November 30, 1989 are not followed in the preparation of the accompanying financial statements.

Basis of Accounting:
The Beaumont Basin Watermaster uses the accrual method of accounting for financial statement reporting purposes. Under the accrual method revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Reporting Entity:
The Watermaster has defined its reporting entity in accordance with GASB Statement No. 14, “The Financial Reporting Entity,” which provides guidance for determining which governmental activities, organizations, and functions should be included in its reporting entity. The Watermaster's reporting entity includes all significant operation and revenue sources for which the Watermaster Committee exercises oversight responsibility as determined under the criteria established by the National Council on Governmental Accounting Statement No. 3, as adopted by FASB. Oversight responsibility is determined on the basis of selection of the governing board, designation of management, ability to significantly influence operations, accountability for fiscal matters, and the scope of public service.

Income Taxes
The Watermaster is exempt from federal income and state franchise taxes.

Cash and Cash Equivalents:
For purposes of the statement of cash flows, cash equivalents includes time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. The Watermaster maintains bank accounts at financial institutions located within the State of California.
Beaumont Basin Watermaster
Notes to Financial Statements
For the Year Ended June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Net Assets/Fund Equity
The financial statements are presented using the net asset method. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted. The Watermaster reports only unrestricted net assets.

- Unrestricted Net Assets – This category represents net assets of the Watermaster not restricted for any project or other purpose.

NOTE 2 – CASH AND INVESTMENTS:
California law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Watermaster’s cash on deposits or first trust deed mortgage notes with a value of 150% of the deposit as collateral for all public agency deposits. Under California law this collateral remains with the institution but is held in the Watermaster’s name and places the Watermaster ahead of general creditors of the institution.

The Watermaster’s cash balances of $43,632 at June 30, 2008 are held in FDIC insured demand deposit accounts.

The Watermaster’s Investment Policy and the California Government Code allow the District to invest in a variety of investment types, provided the credit ratings of the issuers are acceptable to the Watermaster Committee. The following also identifies certain provisions of the Watermaster’s Investment Policy and California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<table>
<thead>
<tr>
<th>Authorized Investment Type</th>
<th>Maximum Maturity</th>
<th>Minimum Credit Quality</th>
<th>Maximum Percentage of Portfolio</th>
<th>Maximum Investment In One Issuer</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury Obligation</td>
<td>5 years</td>
<td>N/A</td>
<td>100%</td>
<td>No Limit</td>
</tr>
<tr>
<td>U.S. Agency Securities</td>
<td>5 years</td>
<td>N/A</td>
<td>100%</td>
<td>No Limit</td>
</tr>
<tr>
<td>Bankers Acceptances</td>
<td>180 days</td>
<td>N/A</td>
<td>40%</td>
<td>30%</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>270 days</td>
<td>A-I</td>
<td>25%</td>
<td>10%</td>
</tr>
<tr>
<td>Negotiable Certificates of Deposit</td>
<td>5 years</td>
<td>N/A</td>
<td>30%</td>
<td>No Limit</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>1 year</td>
<td>N/A</td>
<td>100%</td>
<td>No Limit</td>
</tr>
<tr>
<td>Reverse Repurchase Agreements</td>
<td>92 days</td>
<td>N/A</td>
<td>20%</td>
<td>No Limit</td>
</tr>
<tr>
<td>Demand Deposits</td>
<td>N/A</td>
<td>Highest Category</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>5 years</td>
<td>A</td>
<td>30%</td>
<td>No Limit</td>
</tr>
<tr>
<td>Money Market Mutual Funds</td>
<td>N/A</td>
<td>Highest Category</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Asset-Backed Securities</td>
<td>5 years</td>
<td>AA</td>
<td>20%</td>
<td>No Limit</td>
</tr>
<tr>
<td>State of California Obligations</td>
<td>5 years</td>
<td>N/A</td>
<td>100%</td>
<td>No Limit</td>
</tr>
<tr>
<td>Local Agency Investment Fund</td>
<td>N/A</td>
<td>N/A</td>
<td>$40 million account</td>
<td>No Limit</td>
</tr>
</tbody>
</table>

Interest Rate Risk, Credit Risk, and Concentration of Credit Risk

Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity the more sensitive the investment is to market fluctuations. Credit risk is measured by nationally recognized statistical agencies such as Standard & Poor’s. Credit risk is simply the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Concentration of credit risk measures the extent to which the Watermaster’s investments are invested in a single issuer. Since the Watermaster’s does not have investments and the cash balances are fully insured, the Watermaster is not exposed to interest rate risk, credit risk, or concentration of credit risk.

See Auditors’ Report
Page 6 of 6
To: Beaumont Basin Watermaster  
From: J. Andrew Schlange, Chief of Watermaster Services  
Date: April 28, 2009  
Subject: Revision to Public records Act Policy  

During the Fiscal Year 2007-2008, the Watermaster Commission approved a Public Records Act Policy which included among other things a $25 charge for recordings of the Watermaster public meetings. To date, we have only received (3) three such requests with the fee paid under protest, and continue to receive input and remarks at our meetings challenging the fee as exorbitant.

After review by staff, we agree that in the interest of transparency, that the Public Records Act Policy should be amended and that no fees be charged for recordings providing however that it be understood that such recordings are for purpose of minute preparation and are not certified by the commission as accurate. Staff further recommended that fees collected should be refunded in full to the person or persons who have made payments.

Attached hereto, please find Resolution No. 2009-001 setting forth the staff recommended change that such recording should be provided at no cost.

**Recommendation**

Staff recommends that Beaumont Basin Watermaster approve Resolution No 2009-001 and authorize staff to refund in full those payments previously charged to the person or persons making those payments.

Respectfully,

J. Andrew Schlange,  
Chief of Watermaster Services
RESOLUTION NO. 2009-001
A RESOLUTION OF THE
BEAUMONT BASIN WATERMASTER
ESTABLISHING A PUBLIC RECORDS ACT POLICY

Section 1: Public Access

Public records are open to inspection at all times during regular office hours. The office hours of the Authority are from 9:00 a.m. to 4:00 p.m., Monday through Friday, except state and federal holidays.

Section 2: Requests in Writing

Requests to inspect public records should be directed to:

J. Andrew Schlange, Chief of Watermaster Services
Beaumont Basin Watermaster
c/o Beaumont-Cherry Valley Water District
560 Magnolia Avenue
Beaumont, California 92223

Section 3: Response to Request

Within 10 calendar days from the receipt of a written request for public records, the Authority's contact person or his designee will respond to the requester by letter, stating whether the Authority will comply with the request. In unusual circumstances, the time limit prescribed may be extended by up to 10 additional business days by written notice from the Authority setting forth the reasons for the extension and the date upon which a determination is expected to be mailed.

"Unusual Circumstances" means (a) the need to search for and collect the records from other offices; or (b) the request seeks voluminous records, or (c) the need to consult with another agency having a substantial interest in the subject matter of the request.

If the Authority decides that certain information will not be disclosed, written notification will be provided to the requester stating the reasons for the decision, accompanied by the name and title of the person making the decision. The Authority shall justify withholding any record by showing that the record in question is exempt under an express provision of the California Public Records Act, or that, under the facts of a particular case, the public interest served by not making the record public clearly outweighs the public interest served by disclosure of the record.

Section 4: Copy Charge

Copies of any specifically-described and identified public record not exempt from disclosure will be made for a charge of 25 cents per page, 11"x14" or smaller, black and white. Larger documents (e.g. maps) and color documents will be reproduced at actual cost.

Recordings of public meetings, whether by tape or compact disk recording, are made only for the convenience of the Secretary in preparing the Official Minutes of the
meetings. Such recordings are not maintained as public records and are disposed of as soon as the Minutes have been transcribed. The Authority does not have an in-house capability of reproducing such recordings. As a courtesy, upon written request the Authority will arrange for the preparation of a duplicate recording, at no cost. However, it is highly recommended and the public is encouraged to bring their own sound recording equipment to public meetings of the Authority. In order to ensure a quality sound recording, the Authority will assist any member of the public in situating the recorder to ensure a quality recording.

Section 5: Limits on Disclosure

Under the California Public Records Act, there are various categories of records that the Authority is not required to disclose, including:

a) Raw draft documents;
b) Records relating to pending litigation;
c) Records comprised of personnel, medical or similar files;
d) Records containing an individual's Social Security number, driver's license number or home telephone number;
e) Records protected by the attorney-client privilege.

Section 6: Destruction of Public Records

Certain records of the Authority are maintained indefinitely, and others are maintained for a limited period of time and then are destroyed.

a. Records Which Shall Be Retained Indefinitely:
   1) Records affecting title to real property;
   2) Court records;
   3) The minutes, ordinances and resolutions of the Authority.

b. Records Which May Be Destroyed: Subject to the provisions of Subsection c below, the following records may be destroyed, as follows:

1) After a minimum of 2 years: basic time and earnings cards, wage rate tables and work time schedules, agendas, meeting folders and packets, general correspondence, press releases and outdated policies and procedures.

2) After a minimum of 3 years: personnel records and files, job descriptions.

3) After a minimum of 4 years: payroll records, income tax withholding records, federal unemployment tax records, and FICA contributions records.

4) After a minimum of 5 years: budget preparation files, expired service and construction contracts, claims against the Authority, expired leases.

5) After a minimum of 6 years: audit reports.

6) After a minimum of 8 years: Statements of Economic Interests.

c. Destruction Procedures: After the minimum period of time has passed, records may be destroyed in accordance with one of the following two methods:
1. **Method No. 1** - destruction without making a copy: the Chief of Authority Services may, with the written consent of the Authority's Legal Counsel, destroy any authorized Authority record, document; instrument, book or paper without making a copy thereof, after the same is no longer required.

2. **Method No. 2** - destruction after making a copy: the Chief of Authority Services may, without the written consent of the Authority's Legal Counsel, cause to be destroyed any and all of the records, documents, instruments, books and papers authorized hereunder if a copy thereof is made and stored electronically and capable of being reproduced accurately and legibly, is accessible for public reference as the original record was, and a true copy of the record is maintained on a compact disk or other medium and kept in a safe and separate place for security purposes. For purposes of this policy, every reproduction of a document therefore shall be deemed an original record.

**Section 7: Repeal**

This Resolution supersedes Resolution 2008-001; therefore, Resolution No. 2008-001 is hereby repealed in its entirety.

PASSED AND ADOPTED at a regular meeting of the Beaumont Basin Watermaster on, April 28, 2009.

Authorized Original:

George Jorritsma, Chairman of the Commission
To: Beaumont Basin Watermaster  
From: J. Andrew Schlange, Chief of Watermaster Services  
Date: April 28, 2009  

Transmitted herewith please find the Fifth Annual Report of the Beaumont Basin Watermaster for your consideration and approval.

**Recommendation**

That the Beaumont Basin Watermaster approve the Fifth Annual Report of the Watermaster and authorize its circulation as required.

Respectfully,

J. Andrew Schlange,  
Chief of Watermaster Services

Note: The report maybe reviewed on the Watermaster’s Website at [www.beaumontwatermaster.org](http://www.beaumontwatermaster.org)