

CHINO BASIN WATERMASTER



NOTICE OF MEETING

May 29, 2003

May 29, 2003 @ 10:00 a.m. - Advisory Committee Meeting

at the office of
Chino Basin Watermaster
8632 Archibald Ave., Suite 109
Rancho Cucamonga, CA 91730
(909) 484-3888
www.cbwm.org

**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE**
at the office of
CHINO BASIN WATERMASTER
10:00 a.m. – May 29, 2003

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

Note: 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. FINANCIAL REPORTS

1. Cash Disbursement Report – April 2003 (*Page 1*)
2. Combining Schedule Of Revenue, Expenses And Changes In Working Capital For The Period July 1, 2002 through March 31, 2003 (*Page 5*)
3. Treasurer's Report of Financial Affairs For March 1 through March 31, 2003 (*Page 7*)
4. 2002-03 Actual YTD Revenues And Expenses Compared With Adopted 2002-03 Budget (*Page 9*)

II. BUSINESS ITEMS - POSSIBLE ACTION

A. AMENDMENT NO. 7, CYCLIC STORAGE AGREEMENT (*Page 11*)

Consider Amendment No. 7 to the Cyclic Storage Agreement with Metropolitan Water District.

B. BALANCE OF RECHARGE & DISCHARGE IN ALL AREAS; DETERMINATION OF OPERATING STORAGE & SAFE STORAGE; AND THE CUMULATIVE IMPACT OF TRANSFERS

Mark Wildermuth will make a presentation and request input to develop a recommendation for approval in June.

C. PROPOSED FY 2003-04 WATERMASTER BUDGET (*Page 15*)

Staff will present the proposed FY 2003-04 Watermaster Budget for discussion.

D. RESOLUTION NO. 03-04

Staff requests approval of Resolution No. 03-04 in support of IEUA's conjunctive-use grant application to DWR. (The draft resolution will be sent out prior to the meeting.)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water SBSC Case No. RCV 06484
2. Watermaster's Santa Ana River Application

B. CEO REPORT/UPDATES

1. Storage & Recovery Project Meeting Update

- 2. Water Quality Committee Update
- 3. Recharge Improvement Project Update
- 4. Reschedule June 26 Advisory & Board Meetings to June 19
- 5. Other

**C. INLAND EMPIRE UTILITIES AGENCY (IEUA)
INTER-AGENCY WATER MANAGERS' REPORT (Page 35)**

- 1. MWD Status Report
- 2. Conservation Programs
- 3. Water Softener Project (Page 37)
- 4. Updates
 - Public Relations Request for Proposals
 - MWD Dry Year Yield Program
 - Recycled Water Program (Page 45)
 - Recharge Master Plan (Page 49)
 - IEUA May Water Resources Monthly Report (Page 51)
 - State/Federal Legislation (Page 59)

IV. COMMITTEE MEMBER COMMENTS

V. OTHER BUSINESS

VI. FUTURE MEETINGS

June 12, 2003	10:00 a.m.	Joint Meeting of the Appropriative & Non-Agricultural Pools
	1:00 p.m.	Agricultural Pool Meeting
June 19, 2003	10:00 a.m.	Advisory Committee
	1:00 p.m.	Watermaster Board

Meeting Adjourn

CHINO BASIN WATERMASTER



NOTICE OF MEETING

May 29, 2003

May 29, 2003 @ 1:00 p.m. - Watermaster Board Meeting

In addition to the Watermaster's regularly scheduled Board Meeting, the meeting will begin with a hearing regarding the State of California's perspective on the QSA Agreement. Mr. Richard Katz of the State Water Resources Control Board, Mr. Tom Hannigan of the Department of Water Resources, and Ms. Mary Nichols of the California Environmental Protection Agency are invited to share their views on the QSA Agreement. Their presentations will be followed by a question and answer session regarding the QSA Agreement.

Please note the special location of this meeting:

*City of Ontario
Council Chambers
303 East "B" Street
Ontario, CA 91764
www.cbwm.org*

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

*at the
City of Ontario Council Chambers
1:00 p.m. – May 29, 2003*

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE & INVOCATION

PRESENTATION OF STATE OF CALIFORNIA'S PERSPECTIVE ON THE QUANTIFICATION SETTLEMENT AGREEMENT

Mr. Richard Katz, Mr. Tom Hannigan, and Ms. Mary Nichols have been invited to share their views on the QSA Agreement. A question and answer period will follow. Members of the public will be invited to participate.

The Watermaster Board will take a 15-minute break before continuing with the regularly scheduled Board meeting.

PUBLIC COMMENTS

RESOLUTION NO. 03-03

A Resolution of the Watermaster Board celebrating the 75th Anniversary of Monte Vista Water District.

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

Note: 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. FINANCIAL REPORTS

1. Cash Disbursement Report – April 2003 (*Page 1*)
2. Combining Schedule Of Revenue, Expenses And Changes In Working Capital For The Period July 1, 2002 through March 31, 2003 (*Page 5*)
3. Treasurer's Report of Financial Affairs For March 1 through March 31, 2003 (*Page 7*)
4. 2002-03 Actual YTD Revenues And Expenses Compared With Adopted 2002-03 Budget (*Page 9*)

II. BUSINESS ITEMS - POSSIBLE ACTION

A. AMENDMENT NO. 7, CYCLIC STORAGE AGREEMENT (*Page 11*)

Consider Amendment No. 7 to the Cyclic Storage Agreement with Metropolitan Water District.

B. BALANCE OF RECHARGE & DISCHARGE IN ALL AREAS; DETERMINATION OF OPERATING STORAGE & SAFE STORAGE; AND THE CUMULATIVE IMPACT OF TRANSFERS

Mark Wildermuth will make a presentation and request input to develop a recommendation for approval in June.

C. PROPOSED FY 2003-04 WATERMASTER BUDGET (Page 15)

Staff will present the proposed FY 2003-04 Watermaster Budget for discussion.

D. RESOLUTION NO. 03-04

Staff requests approval of Resolution No. 03-04 in support of IEUA's conjunctive-use grant application to DWR. (The draft resolution will be sent out prior to the meeting.)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. Chino Land & Water SBSC Case No. RCV 06484
- 2. Watermaster's Santa Ana River Application

B. CEO REPORT/UPDATES

- 1. Storage & Recovery Project Meeting Update
- 2. Water Quality Committee Update
- 3. Recharge Improvement Project Update
- 4. Reschedule June 26 Advisory & Board Meetings to June 19
- 5. Other

C. AGWA REPORT

IV. BOARD MEMBER COMMENTS

V. OTHER BUSINESS

VI. FUTURE MEETINGS

June 12, 2003	10:00 a.m.	Joint Meeting of the Appropriative & Non-Agricultural Pools
	1:00 p.m.	Agricultural Pool Meeting
June 19, 2003	10:00 a.m.	Advisory Committee
	1:00 p.m.	Watermaster Board

Meeting Adjourn



CHINO BASIN WATERMASTER

June 29, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

RESOLUTION NO. 03-03

Celebrating the 75th Anniversary of MVWD

RESOLUTION 03-03

**RESOLUTION OF THE CHINO BASIN WATERMASTER,
CELEBRATING THE 75TH ANNIVERSARY OF THE
MONTE VISTA WATER DISTRICT**

WHEREAS, the Monte Vista Water District was established in 1927 in the city of Montclair, California;

WHEREAS, to meet the needs of a growing community, the Monte Vista Water District began extending its boundaries through annexations and expanding its water production and storage facilities;

WHEREAS, by 1960, Monte Vista Water District had completed 10 annexations, owned 16 wells, served 6,000 customers, and employed 14 people;

WHEREAS, in January 1978 through a plenary adjudication of the water rights in and to the groundwater of Chino Basin and its storage capacity, the Watermaster was established and Monte Vista Water District was identified as one of twenty-two parties with assigned appropriative and prescriptive rights;

WHEREAS, as a party to the Watermaster Judgment, the Monte Vista Water District has been a dedicated participant in groundwater management activities for the past 25 years;

WHEREAS, by 1989 Monte Vista Water District had expanded its facilities to include 172 miles of pipeline, 10 active groundwater production wells, 6 storage reservoirs, an energy recovery station, 3 booster stations, and 11,104 active metered retail accounts;

WHEREAS, the Monte Vista Water District led an effort in late 1980 to form a Joint Powers Authority to construct a 30 million gallon per day water treatment plant, the Water Facilities Authority, and creating the ability to integrate State Project water into the distribution system;

WHEREAS, in June 2000 Monte Vista Water District was a key participant in negotiations that resulted in the Peace Agreement of Chino Basin and enabling the adoption and implementation of Watermaster's Optimum Basin Management Program;

WHEREAS, the Monte Vista Water District is a leader in water resources management and long-range strategic planning efforts to enhance water supply, storage capacity and water quality;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Chino Basin Watermaster congratulates the Monte Vista Water District on its 75 years of growth and dedication to serving the community and for its 25 years of contributions to groundwater management.

ADOPTED by the Chino Basin Watermaster Board this 29th day of May 2003.

ATTEST:

Chairman, Watermaster Board

Secretary, Chino Basin Watermaster



CHINO BASIN WATERMASTER

May 29, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

AGENDA PACKAGE



CHINO BASIN WATERMASTER

May 29, 2003

10:00 a.m. – Advisory Committee
1:00 p.m. – Watermaster Board

I. CONSENT CALENDAR

A. CASH DISBURSEMENTS



CHINO BASIN WATERMASTER

8632 Archibald Avenue, Suite 109, Rancho Cucamonga, Ca 91730
Tel. 909.484.3888 Fax: 909.484.3890 www.cbwm.org

JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: May 29, 2003
TO: Advisory Committee
Watermaster Board
SUBJECT: CASH DISBURSEMENT REPORT – April 2003

SUMMARY

Issue – Record of cash disbursements for the month of April 2003.

Recommendation – Staff recommends the Cash Disbursements for April 2003 be received and filed as presented.

Fiscal Impact – All funds disbursed were included in the FY 2002-03 Watermaster Budget

BACKGROUND

A monthly cash disbursement report is provided to keep all members apprised of Watermaster expenditures.

DISCUSSION

Total cash disbursements during the month of April were \$371,716.90. The most significant expenditures during that month were Wildermuth Environmental Inc. in the amount of \$92,304.26; Hatch & Parent in the amount of \$69,143.28; MWH Laboratories in the amount of \$58,683.10; and McCall's Meter Sales & Service in the amount of \$20,277.23.

THIS PAGE
INTENTIONALLY
LEFT BLANK

10:23 AM
 05/07/03
 Accrual Basis

CHINO BASIN WATERMASTER
 Cash Disbursement Detail Report
 April 2003

Type	Date	Num	Name	Amount
Apr 03				
Check	4/1/2003	7511	CAFE CALATO	-139 10
Check	4/2/2003	7513	GATEWAY	0 00
Bill Pmt -Check	4/2/2003	7514	APPLIED COMPUTER TECHNOLOGIES	-2,085 10
Bill Pmt -Check	4/2/2003	7515	ARBELBIDE, STEPHEN	-250 00
Bill Pmt -Check	4/2/2003	7516	CATLIN, TERRY	-250 00
Bill Pmt -Check	4/2/2003	7517	CITISTREET	-4,163 54
Bill Pmt -Check	4/2/2003	7518	COSTCO WHOLESALE	-234 06
Bill Pmt -Check	4/2/2003	7519	MCCALL'S METER SALES & SERVICE	-19,619 95
Bill Pmt -Check	4/2/2003	7520	MWH LABORATORIES	-11,227 00
Bill Pmt -Check	4/2/2003	7521	OFFICE DEPOT	-6 50
Bill Pmt -Check	4/2/2003	7522	PARK PLACE COMPUTER SOLUTIONS, INC.	-2,909 44
Bill Pmt -Check	4/2/2003	7523	PAYCHEX	-138 05
Bill Pmt -Check	4/2/2003	7524	PETTY CASH	-434 03
Bill Pmt -Check	4/2/2003	7525	RAUCH COMMUNICATION CONSULTANTS, LLC	-693 35
Bill Pmt -Check	4/2/2003	7526	STATE COMPENSATION INSURANCE FUND	-564 60
Bill Pmt -Check	4/2/2003	7527	THEIRL, JIM	-143 08
Bill Pmt -Check	4/2/2003	7528	TLC STAFFING	-879 20
Bill Pmt -Check	4/2/2003	7529	UNITEK TECHNOLOGY INC.	-850 15
Bill Pmt -Check	4/2/2003	7530	VELASQUEZ JANITORIAL	-175 00
Bill Pmt -Check	4/2/2003	7531	VERIZON	-478 80
Bill Pmt -Check	4/2/2003	7532	WHEELER METER MAINTENANCE	-1,428 33
Bill Pmt -Check	4/2/2003	7533	WHITEHEAD, MICHAEL	-125 00
Bill Pmt -Check	4/2/2003	7534	WILLIAM DEWEY	-2,133 45
Bill Pmt -Check	4/2/2003	7535	YATES, DENNIS	-375 00
General Journal	4/5/2003	03/03/8	PAYROLL	5,320 76
General Journal	4/5/2003	03/03/10	PAYROLL	-1,203 01
General Journal	4/5/2003	03/03/10	PAYROLL	-13,839 16
General Journal	4/12/2003	03/04/4	PAYROLL	-3,946 09
General Journal	4/12/2003	03/04/4	PAYROLL	-13,728 04
Check	4/14/2003	7536	MELLON BANK - DALLAS LOCK BOX 888	-2,431 38
Check	4/16/2003	7537	MELLON BANK - DALLAS LOCK BOX 888	-2,775 15
Bill Pmt -Check	4/17/2003	7538	A & R TIRE	-1,989 84
Bill Pmt -Check	4/17/2003	7539	ACWA SERVICES CORPORATION	-74 46
Bill Pmt -Check	4/17/2003	7540	AMERICAN WATER WORKS ASSOCIATION	-1,244 00
Bill Pmt -Check	4/17/2003	7541	BANK OF AMERICA	-2,421 82
Bill Pmt -Check	4/17/2003	7542	CHAMPION NEWSPAPERS	-35 00
Bill Pmt -Check	4/17/2003	7543	CHEVRON	-647 18
Bill Pmt -Check	4/17/2003	7544	CITIZENS CONFERENCING	-349 96
Bill Pmt -Check	4/17/2003	7545	DALIA'S PIZZA MARKET	-199 04
Bill Pmt -Check	4/17/2003	7546	DE BOOM, NATHAN	-1,125 00
Bill Pmt -Check	4/17/2003	7547	DeBERARD, ROBERT	-1,250 00
Bill Pmt -Check	4/17/2003	7548	DONALD E. WILLIAMSON, ASSESSOR	-60 00
Bill Pmt -Check	4/17/2003	7549	DURRINGTON, GLEN	-375 00
Bill Pmt -Check	4/17/2003	7550	ELLISON, SCHNEIDER & HARRIS, LLP	-12,102 00
Bill Pmt -Check	4/17/2003	7551	FEENSTRA, BOB	-125 00
Bill Pmt -Check	4/17/2003	7552	HATCH AND PARENT	-69,143 28
Bill Pmt -Check	4/17/2003	7553	HUITSING, JOHN	-250 00
Bill Pmt -Check	4/17/2003	7554	HUMAN RESOURCES COUNCIL	-199 00
Bill Pmt -Check	4/17/2003	7555	INLAND COUNTIES INSURANCE SERVICES, INC	-339 14
Bill Pmt -Check	4/17/2003	7556	INLAND EMPIRE UTILITIES AGENCY	-6,667 00
Bill Pmt -Check	4/17/2003	7557	JOBS AVAILABLE INC	-29 95
Bill Pmt -Check	4/17/2003	7558	KOOPMAN, GENE	-375 00
Bill Pmt -Check	4/17/2003	7559	LA BRUCHERIE, RONALD	-250 00
Bill Pmt -Check	4/17/2003	7560	LAB SAFETY SUPPLY, INC	-188 91
Bill Pmt -Check	4/17/2003	7561	LOS ANGELES TIMES	-39 92
Bill Pmt -Check	4/17/2003	7562	MCCALL'S METER SALES & SERVICE	-657 28
Bill Pmt -Check	4/17/2003	7563	MWH LABORATORIES	-15,426 00
Bill Pmt -Check	4/17/2003	7564	OFFICE DEPOT	-446 24
Bill Pmt -Check	4/17/2003	7565	PIERSON, JEFFREY	-375 00
Bill Pmt -Check	4/17/2003	7566	PITNEY BOWES CREDIT CORPORATION	-468 72
Bill Pmt -Check	4/17/2003	7567	POWERS ELECTRIC PRODUCTS CO.	-647 05
Bill Pmt -Check	4/17/2003	7568	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-3,588 33
Bill Pmt -Check	4/17/2003	7569	PUMP CHECK	0 00
Bill Pmt -Check	4/17/2003	7570	REID & HELLYER	-4,090 20
Bill Pmt -Check	4/17/2003	7571	RICOH BUSINESS SYSTEMS-Lease	-3,591 31
Bill Pmt -Check	4/17/2003	7572	RICOH BUSINESS SYSTEMS-Maintenance	-636 50
Bill Pmt -Check	4/17/2003	7573	SANTA ANA WATERSHED PROJECT AUTHORITY	-1,000 00
Bill Pmt -Check	4/17/2003	7574	SOUTHERN CALIFORNIA EDISON	-595 63
Bill Pmt -Check	4/17/2003	7575	TLC STAFFING	-4,758 40

10:23 AM
05/07/03
Accrual Basis

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
April 2003

Type	Date	Num	Name	Amount
Bill Pmt -Check	4/17/2003	7576	UNITED PARCEL SERVICE	-463 08
Bill Pmt -Check	4/17/2003	7577	WORLDCOM	-945 95
Bill Pmt -Check	4/17/2003	7578	GROOMAN'S PUMP & WELL DRILLING, INC.	-318 96
Bill Pmt -Check	4/17/2003	7579	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-1,994 90
Bill Pmt -Check	4/17/2003	7580	PUMP CHECK	-9,469 75
Bill Pmt -Check	4/17/2003	7581	UNITEK TECHNOLOGY INC.	-1,966 44
Check	4/24/2003	7582	CLAIM JUMPER	-292 92
Bill Pmt -Check	4/24/2003	7583	KUHN, BOB	-625 00
Bill Pmt -Check	4/24/2003	7584	MWH LABORATORIES	-32,030 10
Bill Pmt -Check	4/24/2003	7585	WILDERMUTH ENVIRONMENTAL INC	-92,304 26
General Journal	4/30/2003	03/04/6	PAYROLL	-3,642 86
General Journal	4/30/2003	03/04/6	PAYROLL	-12,996.72
Apr 03				<u>-371,716.90</u>



CHINO BASIN WATERMASTER

May 29, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

I. CONSENT CALENDAR

A. FINANCIAL REPORTS

CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2002 THROUGH MARCH 31, 2003

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2002-03
Administrative Revenues										
Administrative Assessments			\$4,470,784.83		\$149,042.18				\$4,619,827.01	\$3,797,572
Interest Revenue			55,689.41	\$8,112.11	3,076.32			\$49.42	66,927.26	132,890
Mutual Agency Project Revenue	\$ 25,878.94								25,878.94	0
Grant Income									0.00	0
Miscellaneous Income									0.00	0
Total Revenues	25,878.94	\$0.00	4,526,474.24	8,112.11	152,118.50	\$0.00	\$0.00	49.42	4,712,633.21	3,930,462
Administrative & Project Expenditures										
Watermaster Administration	600,178.61								600,178.61	752,208
Watermaster Board-Advisory Committee	29,878.50								29,878.50	60,392
Pool Administration			9,828.58	50,599.90	3,570.73				63,999.21	139,782
Optimum Basin Mgmt Administration		690,611.64							690,611.64	891,634
OBMP Project Costs		2,096,065.05							2,096,065.05	3,324,257
Education Funds Use									0.00	375
Mutual Agency Project Costs	64,824.30								64,824.30	2,500
Total Administrative/OBMP Expenses	694,881.41	2,786,676.69	9,828.58	50,599.90	3,570.73			-	3,545,557.31	5,171,148
Net Administrative/OBMP Income	(669,002.47)	(2,786,676.69)								
Allocate Net Admin Income To Pools	669,002.47		487,362.60	159,265.05	22,374.82				0.00	0
Allocate Net OBMP Income To Pools		2,786,676.69	2,030,070.23	663,405.91	93,200.55				0.00	0
Agricultural Expense Transfer			870,645.86	(870,645.86)					0.00	0
Total Expenses			3,397,907.27	2,625.00	119,146.10	-	-	-	3,545,557.31	5,171,148
Net Administrative Income			1,128,566.97	5,487.11	32,972.40			49.42	1,167,075.90	(1,240,686)
Other Income/(Expense)										
Replenishment Water Purchases						1,432,608.71			1,432,608.71	615,000
MZ1 Supplemental Water Assessments						1,586,000.00			1,586,000.00	1,670,049
Water Purchases									0.00	0
MZ1 Imported Water Purchase									0.00	(699,000)
Groundwater Replenishment						(1,751,350.95)			(1,751,350.95)	(1,586,049)
Net Other Income			0.00	0.00	0.00	1,267,257.76	0.00	0.00	1,267,257.76	0
Net Transfers To/(From) Reserves			1,128,566.97	5,487.11	32,972.40	1,267,257.76	-	49.42	2,434,333.66	(1,240,686)
Working Capital, July 1, 2002			2,916,003.13	468,150.31	175,804.57	204,947.95	158,250.86	2,845.07	3,926,001.89	
Working Capital, End Of Period	\$ 4,044,570.10	\$ 473,637.42	\$ 208,776.97	\$ 1,472,205.71	\$ 158,250.86	\$ 2,894.49	\$ 6,360,335.55			
01/02 Production			120,855.574	39,494.349	5,548.481				165,898.404	
01/02 Production Percentages			72.849%	23.806%	3.345%				100.000%	

THIS PAGE
INTENTIONALLY
LEFT BLANK

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
MARCH 1 THROUGH MARCH 31, 2003**

SUMMARY at 3/31/2003

DEPOSITORIES:			
Cash on Hand - Petty Cash		\$	500.00
Bank of America			
Governmental Checking-Demand Deposits	\$94,662.74		
Savings Deposits	9,592.79		
Zero Balance Account - Payroll	0.00		104,255.53
Local Agency Investment Fund - Sacramento			6,764,317.05
TOTAL CASH IN BANKS AND ON HAND	3/31/2003	\$	6,869,072.58
TOTAL CASH IN BANKS AND ON HAND	2/28/2003		7,107,957.30
PERIOD INCREASE (DECREASE)		\$	<u>(238,884.72)</u>

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:Accounts Receivable	(28,781.09)
Assessments Receivable	0.00
Prepaid Expenses, Deposits & Other Current Assets	929.42
(Decrease)/Increase in Liabilities:Accounts Payable	342,666.52
Accrued Payroll, Payroll Taxes & Other Current Liabilities	32,562.09
Transfer to/(from) Reserves	(586,261.66)
PERIOD INCREASE (DECREASE)	\$ <u>(238,884.72)</u>

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Savings	Local Agency Investment Funds	Totals
Balances as of 2/28/2003	\$500.00	\$83,559.44	\$0.00	\$9,580.81	\$7,014,317.05	\$7,107,957.30
Deposits		73,625.38	0.00	11.98	0.00	73,637.36
Transfers		162,610.35	21,344.52	0.00	(250,000.00)	(66,045.13)
Withdrawals/Checks		(225,132.43)	(21,344.52)	0.00	0.00	(246,476.95)
Balances as of 3/31/2003	\$500.00	\$94,662.74	\$0.00	\$9,592.79	\$6,764,317.05	\$6,869,072.58
PERIOD INCREASE OR (DECREASE)	\$0.00	\$11,103.30	\$0.00	\$11.98	(\$250,000.00)	(\$238,884.72)

CHINO BASIN WATERMASTER
 TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
 MARCH 1 THROUGH MARCH 31, 2003

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
3/25/2003	Withdrawal	L.A.I.F.	(150,000.00)				
3/28/2003	Withdrawal	L.A.I.F.	(100,000.00)				
TOTAL INVESTMENT TRANSACTIONS			(\$250,000.00)	\$0.00			

* The earnings rate for L.A.I.F. is a daily variable rate; 1.98% was the effective yield rate at the Quarter ended March 31, 2003.

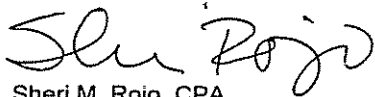
INVESTMENT STATUS
 March 31, 2003

<u>Financial Institution</u>	<u>Principal Amount</u>	<u>Number of Days</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Local Agency Investment Fund	\$6,764,317.05			
Time Certificates of Deposit	0.00			
TOTAL INVESTMENTS	\$6,764,317.05			

Funds on hand are sufficient to meet all foreseen and planned Administrative and project expenditures during the next six months.

All investment transactions have been executed in accordance with the criteria stated in Chino Basin Watermaster's Investment Policy.

Respectfully submitted,



Sheri M. Rojo, CPA
 Finance Manager
 Chino Basin Watermaster

CHINO BASIN WATERMASTER
2002/2003 ACTUAL YEAR TO DATE REVENUES AND EXPENSES
COMPARED WITH ADOPTED 2002/2003 BUDGET

	Jul '02 - Mar 03	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	25,878 94	20,000 00	5,878 94	129 4%
4110 · Admin Asmnts-Approp Pool	4,470,784 83	3,580,590 00	890,194 83	124 9%
4120 · Admin Asmnts-Non-Agri Pool	149,042 18	196,982 00	-47,939 82	75 7%
4200 · Grants	0 00	0 00	0 00	0 0%
4700 · Non Operating Revenues	66,927 26	132,890 00	-65,962 74	50 4%
4900 · Miscellaneous Income	0.00	0.00	0.00	0.0%
Total Income	<u>4,712,633.21</u>	<u>3,930,462.00</u>	<u>782,171.21</u>	<u>119 9%</u>
Gross Profit	4,712,633 21	3,930,462 00	782,171 21	119 9%
Expense				
6010 · Salary Costs	363,038 69	414,173 00	-51,134 31	87 7%
6020 · Office Building Expense	59,700 28	123,845 00	-64,144 72	48 2%
6030 · Office Supplies & Equip.	19,862 80	27,500 00	-7,637 20	72 2%
6040 · Postage & Printing Costs	49,798 19	72,450 00	-22,651 81	68 7%
6050 · Information Services	69,561 12	101,800 00	-32,238 88	68 3%
6061 · Other Consultants	17,922 86	29,000 00	-11,077 14	61 8%
6062 · Audit Services	0 00	5,000 00	-5,000 00	0 0%
6063 · Public Relations Consultan	0 00	12,000 00	-12,000 00	0 0%
6065 · MWD Connection Fee	7,800 00	15,600 00	-7,800 00	50 0%
6066 · Engineering Services	0 00	90,000 00	-90,000 00	0 0%
6067.1 · General Counsel	118,939 31	71,000 00	47,939 31	167 5%
6067.2 · Legal Services -Markot	90 36	5,000 00	-4,909 64	1 8%
6080 · Insurance	10,587 33	11,210 00	-622 67	94 4%
6110 · Dues and Subscriptions	12,255 55	13,500 00	-1,244 45	90 8%
6140 · Other WM Admin Expenses	1,277 97	2,300 00	-1,022 03	55 6%
6150 · Field Supplies	2,471 09	3,950 00	-1,478 91	62 6%
6170 · Travel & Transportation	21,174 84	25,500 00	-4,325 16	83 0%
6190 · Conferences & Seminars	10,212 84	14,500 00	-4,287 16	70 4%
6200 · Advisory Comm - WM Board	9,955 08	17,870 00	-7,914 92	55 7%
6300 · Watermaster Board Expenses	19,923 42	42,522 00	-22,598 58	46 9%
8300 · Appr PI-WM & Pool Admin	9,828 58	16,310 00	-6,481 42	60 3%
8400 · Agri Pool-WM & Pool Admin	13,049 49	18,710 00	-5,660 51	69 7%
8467 · Agri-Pool Legal Services	29,575 41	83,000 00	-53,424 59	35 6%
8470 · Ag Meeting Attend -Special	7,975 00	17,300 00	-9,325 00	46 1%
8500 · Non-Ag PI-WM & Pool Admin	3,570 73	4,462 00	-891 27	80 0%
6500 · Education Funds Use Expens	0 00	375 00	-375 00	0 0%
9500 · Allocated G&A Expenditures	-164,514 62	-286,120 00	121,605 38	57 5%
6900 · Optimum Basin Mgmt Plan	643,793 77	810,777 00	-166,983 23	79 4%
6950 · Mutual Agency Projects	64,824 30	2,500 00	62,324 30	2,593 0%
9501 · G&A Expenses Allocated-OBMP	46,817 87	80,857 00	-34,039 13	57 9%
7101 · Production Monitoring	20,847 66	61,062 00	-40,214 34	34 1%
7102 · In-line Meter Installation	320,343 58	439,399 00	-119,055 42	72 9%
7103 · Grdwtr Quality Monitoring	164,085 45	321,829 00	-157,743 55	51 0%
7104 · Gdwtr Level Monitoring	62,624 01	205,916 00	-143,291 99	30 4%
7105 · Sur Wtr Qual Monitoring	37,788 63	85,161 00	-47,372 37	44 4%
7106 · Wtr Level Sensors Install	16,595 99	34,501 00	-17,905 01	48 1%
7107 · Ground Level Monitoring	369,706 60	801,070 00	-431,363 40	46 2%
7200 · PE2- Comp Recharge Pgm	154,300 39	184,168 00	-29,867 61	83 8%
7300 · PE3&5-Water Supply/Desalte	5,300 00	123,587 00	-118,287 00	4 3%
7400 · PE4-MZ1 Mgmt Plan	258,993 37	81,172 00	177,821 37	319 1%
7500 · PE6&7-CoopEfforts/SaltMgmt	111,147 48	58,299 00	52,848 48	190 7%
7600 · PE8&9-StorageMgmt/Conj Use	27,385 17	102,830 00	-75,444 83	26 6%
7690 · Recharge Improvement Debt Pymt	429,250 00	620,000 00	-190,750 00	69 2%
9502 · G&A Expenses Allocated-Projects	117,696 72	205,263 00	-87,566 28	57 3%
Total Expense	<u>3,545,557 31</u>	<u>5,171,148 00</u>	<u>-1,625,590 69</u>	<u>68 6%</u>
Net Ordinary Income	1,167,075 90	-1,240,686 00	2,407,761 90	-94 1%
Other Income/Expense				
Other Income				
4231 · MZ1 Assigned Water Sales	0 00	615,000 00	-615,000 00	0 0%
4210 · Approp Pool-Replenishment	1,424,041 36			
4220 · Non-Ag Pool-Replenishment	8,567 35			
4230 · MZ1 Sup Wtr Assessment	1,586,000 00	1,670,049 00	-84,049 00	95 0%

05/07/03

CHINO BASIN WATERMASTER
 2002/2003 ACTUAL YEAR TO DATE REVENUES AND EXPENSES
 COMPARED WITH ADOPTED 2002/2003 BUDGET

	Jul '02 - Mar 03	Budget	\$ Over Budget	% of Budget
Total Other Income	3,018,608.71	2,285,049.00	733,559.71	132.1%
Other Expense				
5012.4 - MZ1 Imported Water Purchase	0.00	699,000.00	-699,000.00	0.0%
5010 - Groundwater Replenishment	1,751,350.95	1,586,049.00	165,301.95	110.4%
9999 - To/(From) Reserves	2,434,333.66	-1,240,686.00	3,675,019.66	-196.2%
Total Other Expense	4,185,684.61	1,044,363.00	3,141,321.61	400.8%
Net Other Income	-1,167,075.90	1,240,686.00	-2,407,761.90	-94.1%
Net Income	0.00	0.00	0.00	0.0%



CHINO BASIN WATERMASTER

May 29, 2003

10:00 a.m. – Advisory Committee
1:00 p.m. – Watermaster Board

II. BUSINESS ITEM

A. AMENDMENT NO. 7
CYCLIC STORAGE AGREEMENT



CHINO BASIN WATERMASTER

8632 Archibald Avenue, Suite 109, Rancho Cucamonga, Ca 91730
Tel. 909 484.3888 Fax: 909 484 3890 www.cbwm.org

JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: May 29, 2003
TO: Advisory Committee
Watermaster Board
SUBJECT: SEVENTH AMENDMENT TO THE CYCLIC STORAGE AGREEMENT

SUMMARY

Issue – Cyclic Storage Agreement with Metropolitan Water District

Recommendation – Staff recommends the Pools forward the Seventh Amendment to the Cyclic Storage Agreement to the Advisory Committee and Board with a recommendation for approval.

Fiscal Impact – It is not anticipated this action will have a physical impact on the Watermaster Budget

BACKGROUND

In 1978, Watermaster entered into a Cyclic Storage Agreement with the Metropolitan Water District of Southern California. The Court approved the Cyclic Storage Agreement Court in January 1979. The Cyclic Storage Agreement created a 100,000 acre-foot storage account for Metropolitan that was to be used for the pre-delivery of replenishment water. Over the years this account has been actively used and has provided important flexibility to allow Watermaster to obtain replenishment water as required by the Judgment.

The term of the Cyclic Storage Agreement has been extended by previous amendments one through six. Under amendment number six, the term of the agreement lapsed in 1999. No further amendments have been proposed pending the outcome of discussions with Metropolitan concerning the new dry year yield storage account.

DISCUSSION

The Cyclic Storage Account currently contains approximately 35,000 acre-feet of water. Initial discussions with Metropolitan contemplated the possibility that the Cyclic Storage Account would be eliminated and that the water would be placed into Metropolitan's new dry year storage account. However, water from the new storage account is intended to be removed only during dry years and elimination of the Cyclic Storage Account in this manner would eliminate a degree of flexibility enjoyed by Watermaster with regard to obtaining replenishment water.

The dry year yield agreement with Metropolitan that was approved by the Watermaster Advisory Committee and Board on March 27, 2003, did not eliminate the Cyclic Storage Agreement. In order to maintain this flexibility, it

is necessary that the term of the Cyclic Storage Agreement be extended with a Seventh Amendment. The Seventh Amendment proposes to extend the term of the agreement until December 31, 2007.

The Seventh Amendment differs from amendments one through six in two respects. In addition to extending the term of the agreement, the Seventh Amendment also specifies that no new water will be placed into this storage account. This provision was added in order to clarify that Metropolitan's storage rights in the Chino Basin are defined by the new dry year yield agreement and not by the past agreements. The Seventh Amendment also specifies that if there is water left in the account at the end of the new extended term, and if another amendment is not adopted further extending the term of the agreement, then Watermaster will purchase the water remaining in the account.

**SEVENTH AMENDMENT TO THE
CHINO BASIN CYCLIC STORAGE AGREEMENT**

THIS AMENDATORY AGREEMENT (hereinafter, "Amendment") is made as of _____ 2003, by and between the Metropolitan Water District of Southern California (hereinafter "Metropolitan"), the Inland Empire Utilities Agency (hereinafter, "IEUA") and the Chino Basin Watermaster (hereinafter, "Watermaster"). Chino Basin Municipal Water District was renamed IEUA as of July 1, 1998.

RECITALS

WHEREAS, the parties to this Amendment entered into an agreement titled Chino Basin Cyclic Storage Agreement (hereinafter, as amended "Agreement"), dated December 4, 1978, for the purpose of giving Metropolitan the right to store up to 100,000 acre-feet of water in the Chino Basin.

WHEREAS, the Agreement has been extended by previous amendments.

WHEREAS, Metropolitan currently has _____ acre-feet of water stored in its Cyclic Account.

WHEREAS, the parties and Three Valleys Municipal Water District have negotiated a Groundwater Storage Program Funding Agreement and therefore wish to execute a further Amendment in order to ensure the coordinated administration of the two storage accounts.

WHEREAS, water stored under the Agreement is used to meet IEUA's groundwater replenishment demands pursuant to specific criteria set forth in Article 6 of the Agreement.

WHEREAS, it is not the intent of the parties that additional water should be added to Metropolitan's Cyclic Storage account except upon further agreement with Watermaster.

NOW, THEREFORE, the parties hereby enter into this Amendment to the Agreement as follows:

COVENANTS

1. Article 9(a) of the Agreement is hereby amended by extending the term of the Agreement from January 1, 1999 to December 31, 2007.

2. Additional water shall not be placed into the cyclic storage account except with the written consent of Watermaster.

3. If Watermaster does not further renew this Agreement by December 31, 2007, then on that date Watermaster will purchase any amount of water remaining in the Cyclic Storage Account at the replenishment rate.

[SIGNATURE BLOCKS FOR WATERMASTER, METROPOLITAN AND IEUA]



CHINO BASIN WATERMASTER

May 29, 2003

10:00 a.m. – Advisory Committee
1:00 p.m. – Watermaster Board

II. BUSINESS ITEM

**C. PROPOSED FY 2003-04
WATERMASTER BUDGET**



CHINO BASIN WATERMASTER

8632 Archibald Avenue, Suite 109, Rancho Cucamonga, Ca 91730
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

JOHN V. ROSSI
Chief Executive Officer

STAFF REPORT

DATE: May 29, 2003
TO: Watermaster Advisory Committee & Board Members
SUBJECT: PROPOSED FISCAL YEAR 2003/04 BUDGET

SUMMARY

Issue – Annual Budget for Watermaster Administration and Operations during FY 2003-04

Recommendations – Staff is providing the draft fiscal 2003/2004 budget for review and comment at the Watermaster meetings in the month of May. It is anticipated that the budget will be considered for adoption in the month of June.

Fiscal Impact – The FY 2003-04 Proposed Budget expenses are \$6,829,444. Staff will present an overview of the anticipated assessments for fiscal 2003/2004 at the meetings.

BACKGROUND

This year, the proposed budget is based on estimated project costs related to OBMP activities as well as assumptions based on the current year projected actual expenditures. A summary of these income and expense items is listed in the attached summarized budget. The detail of the costs related to Administration, OBMP Implementation Projects, and Replenishment Water purchases are included. A description of the accounts listed in the detailed budget for fiscal year 2003/04 is listed in the enclosed line item justification summary.

DISCUSSION

Staff has compiled a draft budget for continuing implementation of the basin's Optimum Basin Management Program. Staff anticipates the continuation of areas of focus to include:

- Monitoring activities – Water level and quality, production, surface water quality
- Implementation of the recharge improvement and dry year yield projects
- Further development of the storage and recovery program
- Processing through the approval of the Regional Water Quality Control Board's basin plan amendment including the Chino Basin's Maximum Benefit Demonstration
- Management of subsidence related monitoring and analysis
- Computerization of monitoring and office automation processes, and
- Implementation of the Watermaster staffing restructuring

In the coming year, the following new OBMP project or tasks are being implemented:

- Hydraulic Control Monitoring Program
- Inactive Well Protection Program
- Water Quality Committee

The Proposed FY 2003-04 Budget includes expenditures for the local share of Recharge Improvements Project being implemented by IEUA and Watermaster, including debt and operating & maintenance costs for the coming year.

The Proposed Budget also includes budgeted staff positions. This includes filling vacant positions for a Senior Engineer, Project Engineer, Secretary II and Executive Assistant. During FY 2003-04, emphasis will be placed on continuing to upgrade Watermaster's database with regard to water quality data, water level data, water production data and active party information. Additionally, work will begin on automating the assessment and budget packages. Also, the updated Watermaster website will include a members only section which will allow for remote access to view selected information.

In summary, the FY 2003-04 Budget, as proposed, anticipates a decrease in Administrative costs, an increase in OBMP general costs, and a slight increase in OBMP project costs. Final assessments will be refined when the assessment package is prepared this fall, as it is dependent on prior year pumping, but it is anticipated that administrative and OBMP assessments will decrease slightly. Recharge Improvement project assessments will increase as a result of the O&M expenditures for the project as they are being included for the first time.

**CHINO BASIN WATERMASTER
FY 2003/2004
SUMMARY BUDGET**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
Ordinary Income/Expense					
4000 Mutual Agency Revenue	\$85,125	\$26,629	\$20,000	\$0	-\$20,000
4110 Admin Asmnts-Approp Pool	4,241,553	4,470,785	3,580,590	3,815,753	235,163
4120 Admin Asmnts-Non-Agri Pool	241,961	149,042	196,982	86,596	-110,386
4730 Prorated Interest Income	118,608	38,095	132,890	134,125	1,235
Total Income	4,687,290	4,684,551	3,930,462	4,036,474	106,012
Administrative Expenses					
6010 Salary Costs	428,397	198,285	414,173	385,900	-28,273
6020 Office Building Expense	70,561	40,491	123,845	108,995	-14,850
6030 Office Supplies & Equip.	30,082	14,814	29,800	41,000	11,200
6040 Postage & Printing Costs	63,155	28,726	72,450	66,400	-6,050
6050 Information Services	95,905	43,348	101,800	105,750	3,950
6060 WM Special Contract Services	184,646	53,569	227,600	136,600	-91,000
6080 Insurance Expense	10,689	7,128	11,210	16,710	5,500
6110 Dues and Subscriptions	12,619	11,217	13,500	14,500	1,000
6150 Field Supplies & Equipment	4,258	1,907	3,950	4,250	300
6170 Vehicle Maintenance Costs	24,656	9,816	25,500	46,300	20,800
6190 Conferences & Seminars	11,682	10,952	14,500	16,000	1,500
6200 Advisory Committee Expenses	20,256	7,311	17,870	15,071	-2,799
6300 Watermaster Board Expenses	42,198	13,818	42,522	28,371	-14,151
6500 Education Fund Expenditures	375	0	375	375	0
8300 Appropriative Pool Administration	15,236	6,746	16,310	14,471	-1,839
8400 Agricultural Pool Administration	120,221	33,821	119,010	83,979	-35,031
8500 Non-Agricultural Pool Administration	6,666	2,380	4,462	6,698	2,236
9500 Allocated G&A Expenditures	0	-119,852	-286,120	-316,062	-29,942
Total Administrative Expenses	1,141,602	364,479	952,757	775,308	-177,449
General OBMP Expenditures					
6900 Optimum Basin Mgmt Program	806,676	443,070	810,777	942,065	131,288
6950 Cooperative Efforts	103,504	38,156	2,500	85,004	82,504
9501 Allocated G&A Expenditures	0	33,419	80,857	94,080	13,223
Total General OBMP Expenditures	910,180	514,645	894,134	1,121,149	227,015

**CHINO BASIN WATERMASTER
FY 2003/2004
SUMMARY BUDGET**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
7000 OBMP Implementation Projects					
7101 Production Monitoring	28,488	14,174	61,062	79,283	18,221
7102 In-Line Meter Installation/Maintenance	222,973	187,302	439,399	131,380	-308,019
7103 Groundwater Quality Monitoring	194,891	101,120	321,829	274,613	-47,216
7104 Groundwater Level Monitoring	182,501	51,492	205,916	157,852	-48,064
7105 Surface Water Quality Monitoring	23,727	17,028	85,161	133,595	48,434
7106 Water Level Sensors Install	20,969	16,596	34,501	26,835	-7,666
7107 Ground Level Monitoring	51,302	367,981	801,070	202,283	-598,787
7108 Hydraulic Control Monitoring Program	0	0	0	718,227	718,227
7200 OBMP Pgm Element 2 - Comp Recharge Program	286,856	114,523	184,168	89,575	-94,593
7300 OBMP Program Element 3 & 5 - Water Supply Plan - Desalter	133,099	5,300	123,587	47,499	-76,088
7400 OBMP Pgm Element 4 - Mgmt Zone Mgmt Strategies	98,523	98,803	81,172	187,308	106,136
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt	37,889	87,942	58,299	51,820	-6,479
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use	157,334	26,656	102,830	146,179	43,349
7700 Inactive Well Protection Program	0	0	0	30,447	30,447
7206 Comp Recharge - Basin Program O&M	0	0	0	441,859	441,859
7690 Recharge Improvement Debt Payment	0	429,250	620,000	429,250	-190,750
9502 Allocated G&A Expenditures	0	86,433	205,263	221,982	16,719
Total OBMP Implementation Projects	1,438,552	1,604,600	3,324,257	3,369,987	45,730
Total Expenses	3,490,334	2,483,725	5,171,148	5,266,444	95,296
Net Ordinary Income	1,196,956	2,200,826	-1,240,686	-1,229,970	10,716
Other Income					
4210 Approp Pool-Replenishment	38,946	1,424,041	0	0	0
4220 Non-Ag Pool-Replenishment	9,329	8,567	0	0	0
4230 Groundwater Recharge Activity	1,579,500	1,586,000	2,285,049	2,183,000	-102,049
Total Other Income	1,627,776	3,018,609	2,285,049	2,183,000	-102,049
Other Expense					
5010 Groundwater Recharge	1,567,524	1,333,067	2,285,049	2,267,000	-18,049
5050 SB222 Cyclic Storage Program	0	0	0	0	0
Total Other Expense	1,567,524	1,333,067	2,285,049	2,267,000	-18,049
Net Other Income	60,252	1,685,541	0	-84,000	-84,000
9800 From / (To) Reserves	-1,257,208	-3,886,368	1,240,686	1,313,970	73,284
Net Income	\$0	\$0	\$0	\$0	\$0

CHINO BASIN WATERMASTER

FY 2003/2004

DETAIL BUDGET

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
Ordinary Income/Expense					
Income					
4000 Cooperative Effort Contributions					
4031 IEUA - Groundwater Level Monitoring	\$0	\$0	\$20,000	\$0	-\$20,000
4038 IEUA 50% MZ3 Study	0	26,629	0	0	0
4039 SWRCB 205(j) Grant	85,125	0	0	0	0
Total 4000 Mutual Agency Revenue	<u>85,125</u>	<u>26,629</u>	<u>20,000</u>	<u>0</u>	<u>-20,000</u>
4110 Admin Asmnts-Approp Pool					
4111 Gross Administration	842,420	497,056	635,724	531,214	-104,510
4111.2 OBMP Adm Assessment	2,040,986	2,090,342	1,677,418	1,374,176	-303,242
4112 Agric. Pool Transfer	485,791	400,663	235,741	184,570	-51,171
4113 OBMP - Ag Pool Water Reallocation	986,870	1,150,104	1,031,707	854,684	-177,023
4115 Recharge Improvement Revenue	0	430,000	0	871,109	871,109
4117 P/Y Adjustments & Pool Interest	-114,514	-97,380	0	0	0
Total 4110 Admin Asmnts-Approp Pool	<u>4,241,553</u>	<u>4,470,785</u>	<u>3,580,590</u>	<u>3,815,753</u>	<u>235,163</u>
4120 Admin Asmnts-Non-Agri Pool					
4123 Non-Agricultural Pool	67,748	26,797	47,695	25,934	-21,761
4124 OBMP Adm Assessment	174,213	122,245	149,287	60,662	-88,625
Total 4120 Admin Asmnts-Non-Agri Pool	<u>241,961</u>	<u>149,042</u>	<u>196,982</u>	<u>86,596</u>	<u>-110,386</u>
Total 4100 Assessment Revenues	<u>4,483,514</u>	<u>4,619,827</u>	<u>3,777,572</u>	<u>3,902,349</u>	<u>124,777</u>
4714 Unrealzd Gain(Loss)/Invest	0	0	0	0	0
4730 Prorated Interest Income					
4731 Interest - Agri. Pool	15,983	5,827	18,168	18,000	-168
4732 Interest - Approp. Pool	97,380	30,444	108,353	110,000	1,647
4733 Interest - Non-Ag Pool	5,144	1,789	6,244	6,000	-244
4739 Interest - Education Fund	101	36	125	125	0
Total 4730 Prorated Interest Income	<u>118,608</u>	<u>38,095</u>	<u>132,890</u>	<u>134,125</u>	<u>1,235</u>
Total 4700 Non Operating Revenues	<u>118,608</u>	<u>38,095</u>	<u>132,890</u>	<u>134,125</u>	<u>1,235</u>
4900 Miscellaneous Income	43	0	0	0	0
Total Income	<u>4,687,290</u>	<u>4,684,551</u>	<u>3,930,462</u>	<u>4,036,474</u>	<u>106,012</u>

CHINO BASIN WATERMASTER

FY 2003/2004

DETAIL BUDGET

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
Administrative Expenses					
6010 Salary Costs					
6011 WM Staff Salaries & Payroll Burden	421,610	187,410	411,130	382,844	-28,286
6012 Payroll Services	1,814	895	1,800	1,800	0
6016 New Employee Search Costs	600	0	500	500	0
6017 Temporary Services	789	0	750	750	0
Subtotal Wages	424,813	188,304	414,180	385,894	-28,286
6018 Fringe Benefits – See Exhibit B-1	232,419	130,471	304,870	308,774	3,904
60199 Payroll Burden Allocated – See Exhibit B-1 for percentage applied for 01/02	-228,835	-120,490	-304,877	-308,768	-3,891
Total 6010 Salary Costs	428,397	198,285	414,173	385,900	-28,273
6020 Office Building Expense					
6021 Office Lease	50,689	26,713	52,400	52,500	100
6022 Telephone	10,898	5,873	13,920	13,920	0
6023 Electricity	7,418	5,279	9,450	12,500	3,050
6026 Security Services	546	252	500	500	0
6027 Other Expense	1,010	2,374	47,575	29,575	-18,000
Total 6020 Office Building Expense	70,561	40,491	123,845	108,995	-14,850
6030 Office Supplies & Equip.					
6031 Office Supplies	17,746	6,838	16,500	15,000	-1,500
6036 Minor Office Furniture	1,216	0	1,000	0	-1,000
6038 Other Office Equipment	511	7,288	9,000	14,500	5,500
6039 Other Office Expenses	8,300	0	2,500	11,500	9,000
6141 Meeting Expenses	2,309	688	800	0	-800
Total 6030 Office Supplies & Equip.	30,082	14,814	29,800	41,000	12,000
6040 Postage & Printing Costs					
6041 & 6042 Postage	19,553	6,405	24,000	14,500	-9,500
6043 Copy Machine Lease	41,231	19,494	44,000	43,500	-500
6044 Postage Meter Lease	742	1,461	750	2,400	1,650
6045 Outside Printing	1,528	399	3,500	5,000	1,500
6046 Legal Publications	100	967	200	1,000	800
Total 6040 Postage & Printing Costs	63,155	28,726	72,450	66,400	-6,050
6050 Information Services					
6052 Computer Consultant Support Svcs	55,162	25,199	59,000	53,250	-5,750
6053 Internet Services	13,612	6,622	14,000	14,000	0
6054 Computer Software	6,890	470	9,000	15,500	6,500
6055 Computer Hardware	12,196	7,003	11,000	15,000	4,000
6057 Computer Maintenance	8,044	4,055	8,800	8,000	-800
Total 6050 Information Services	95,905	43,348	101,800	105,750	3,950

CHINO BASIN WATERMASTER

FY 2003/2004

DETAIL BUDGET

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
6060 WM Special Contract Services					
6061 Other Contract Services	9,482	10,698	29,000	29,000	0
6062 Audit Services	3,745	0	5,000	5,000	0
6063 Public Relations Consultant	0	0	12,000	12,000	0
6065 MWD Connection Fee	15,600	6,500	15,600	15,600	0
6066 Engineering Services	90,078	0	90,000	0	-90,000
6067 Legal Services - General Counsel	60,943	36,281	71,000	75,000	4,000
6068 Legal Services - Markot Settlement	4,798	90	5,000	0	-5,000
Total 6060 WM Special Contract Services	184,646	53,569	227,600	136,600	-91,000
6080 Insurance Expense					
6085 Business Insurance Package	10,480	6,919	11,000	16,500	5,500
6086 Position Bond Insurance	209	209	210	210	0
Total 6080 Insurance Expense	10,689	7,128	11,210	16,710	5,500
6110 Dues and Subscriptions					
6111 Membership Dues	10,315	10,555	12,000	13,000	1,000
6112 Subscriptions	2,304	662	1,500	1,500	0
Total 6110 Dues and Subscriptions	12,619	11,217	13,500	14,500	1,000
6150 Field Supplies & Equipment					
6151 Small Tools & Equipment	3,490	770	2,000	2,000	0
6152 Safety Shoes	0	0	250	250	0
6153 Film Processing & Development	452	0	800	200	-600
6154 Uniforms	316	1,137	900	1,800	900
Total 6150 Field Supplies & Equipment	4,258	1,907	3,950	4,250	300
6170 Vehicle Maintenance Costs					
6171 Vehicle Allowance	13,475	6,655	13,200	7,200	-6,000
6172 Vehicle Lease	201	0	1,000	0	-1,000
6173 Mileage Reimbursements	100	169	200	600	400
6174 Public Transportation	2,577	27	500	0	-500
6175 Vehicle Fuel	4,175	2,188	3,300	5,000	1,700
6177 Vehicle Repairs & Maintenance	2,702	777	5,500	5,000	-500
6179 Vehicle Purchases	1,425	0	1,800	28,500	26,700
Total 6170 Travel & Transportation	24,656	9,816	25,500	46,300	20,800
6190 Conferences & Seminars					
6191 Conferences & Seminars	7,065	3,900	7,500	11,500	4,000
6192 Training & Continuing Education	136	577	4,000	4,500	500
6194 Lodging	3,229	0	2,500	0	-2,500
6195 Meals	1,073	447	500	0	-500
6196 Travel	180	6,028	0	0	0
Total 6190 Conferences & Seminars	11,682	10,952	14,500	16,000	1,500

**CHINO BASIN WATERMASTER
FY 2003/2004
DETAIL BUDGET**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
6200 Advisory Committee Expenses					
6201 WM Staff Salaries	18,586	6,664	15,770	13,071	-2,699
6211 Compensation - AG Pool Members	50	0	100	0	-100
6212 Meeting Expense	1,620	647	2,000	2,000	0
Total 6200 Advisory Committee Expenses	20,256	7,311	17,870	15,071	-2,799
6300 Watermaster Board Expenses					
6301 WM Staff Salaries	19,511	6,729	18,522	13,071	-5,451
6311 Board Member Compensation	21,000	5,625	23,500	13,000	-10,500
6312 Meeting Expense	1,310	1,464	200	2,000	1,800
6313 Board Members' Expenses	377	0	300	300	0
Total 6300 WM Board Expenses	42,198	13,818	42,522	28,371	-14,151
6500 Education Fund Expenditures	375	0	375	375	0
8300 Appropriative Pool Administration					0
8301 WM Staff Salaries	13,646	6,065	15,310	13,071	-2,239
8312 Meeting Expenses	1,590	681	1,000	1,400	400
Total 8300 Appropriative Pool Administration	15,236	6,746	16,310	14,471	-1,839
8400 Agricultural Pool Administration					
8401 WM Staff	14,450	7,825	15,310	13,579	-1,731
8411 Compensation	2,175	625	1,600	1,600	0
8412 Meeting Expenses	69	125	300	300	0
8456 IEUA RTS Meter Charge	1,242	661	1,500	1,500	0
8467 Agri-Pool Legal Service	76,217	16,055	73,000	45,000	-28,000
8467.1 Frank B & Associates	11,042	2,655	10,000	6,000	-4,000
8470 Ag Pool Meeting Special Compensation	15,025	5,875	17,300	16,000	-1,300
Total 8400 AG Pool Admin	120,221	33,821	119,010	83,979	-35,031
8500 Non-Agricultural Pool Administration					
8501 WM Staff	6,625	2,303	4,162	6,398	2,236
8512 Meeting Expense	41	77	300	300	0
Total 8500 Non-Agricultural Pool Admin	6,666	2,380	4,462	6,698	2,236
9500 Allocated G&A Expenditures	0	-119,852	-286,120	-316,062	-29,942
Total Administrative Expenses	1,141,602	364,479	952,757	775,308	-177,449

**CHINO BASIN WATERMASTER
FY 2003/2004
DETAIL BUDGET**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
General OBMP Expenses					
6900 Optimum Basin Mgmt Program					
6901 OBMP - Staff	35,937	35,660	97,361	106,794	9,433
6902 OBMP - Temporary Staff	14,509	23,744	31,416	47,900	16,484
6903 OBMP - S.A.R.W.G. Support	12,000	4,000	12,000	12,000	0
6904 OBMP - Financial Analyses	0	0	15,000	0	-15,000
6906 OBMP - Engineering	172,336	75,630	205,000	255,371	50,371
6907 OBMP - Legal					
6907.1 Ellison & Schneider	116,251	83,856	80,000	140,000	60,000
6907.2 Ludorh & Scalmanini	31,010	25,657	40,000	40,000	0
6907.3 WM Legal Counsel	412,466	177,292	310,000	320,000	10,000
6909 OBMP - Other Expense	12,167	17,231	20,000	20,000	0
Total 6900 OBMP	806,676	443,070	810,777	942,065	131,288
6950 Cooperative Efforts					
6953 TDS-Nitrogen Study	0	4,821	2,500	5,000	2,500
6956 CBWCD-Turner Basin Development	23,500	0	0	0	0
6959 Emerg. Energy/OBMP Funding Coalition	80,004	33,335	0	80,004	80,004
Total 6950 Cooperative Efforts	103,504	38,156	2,500	85,004	82,504
9501 Allocated G&A Expenditures	0	33,419	80,857	94,080	13,223
Total General OBMP Expenses	910,180	514,645	894,134	1,121,149	227,015
7000 OBMP Implementation Projects					
<i>7100 OBMP Pgm Element 1 - Comp Monitorng Program</i>					
7101 Production Monitoring					
7101.1 Production Monitoring - WM Staff	15,233	13,597	16,886	32,133	15,247
7101.2 Production Monitoring - Temporary Services	0	0	7,426	33,000	25,574
7101.3 Production Monitorng - Engineering Services	12,094	200	24,000	12,000	-12,000
7101.4 Production Monitorng - Computer Services	1,063	377	12,000	2,000	-10,000
7101.5 Production Monitoring - Supplies & Repairs	98	0	750	150	-600
Total 7101 Production Monitoring	28,488	14,174	61,062	79,283	18,221

**CHINO BASIN WATERMASTER
FY 2003/2004
DETAIL BUDGET**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
7102 In-Line Meter Installation/Maintenance					
7102.1 In-Line Meter - WM Staff	17,557	29,549	40,901	14,380	-26,521
7102.2 In-Line Meter - Temporary Services	0	0	5,998	5,000	-998
7102.4 In-Line Meter - Contract Services	43,841	40,002	162,000	30,000	-132,000
7102.5 In-Line Meter - Maintenance and Repair	0	0	0	24,000	24,000
7102.6 In-Line Meter - Supplies	0	1,559	0	2,800	2,800
7102.7 In-Line Meter - In-line Meters	146,460	105,792	199,500	18,000	-181,500
7102.8 Calibration & Testing	15,115	10,400	31,000	37,200	6,200
Total 7102 In-Line Meter Installation/Maintenance	222,973	187,302	439,399	131,380	-308,019
7103 Groundwater Quality Monitoring					
7103.1 Grdwtr Quality - WM Staff	9,764	803	19,843	13,499	-6,344
7103.2 Grdwtr Quality - Temporary Services	13,696	4,245	35,986	16,650	-19,336
7103.3 Grdwtr Quality - Engineering Services	96,022	69,119	65,000	90,764	25,764
7103.5 Grdwtr Quality - Laboratory Services	71,065	25,373	200,000	150,000	-50,000
7103.6 Grdwtr Quality - Supplies	3,281	1,203	1,000	2,500	1,500
7103.7 Grdwtr Quality - Computer Services	1,063	377	0	1,200	1,200
Total 7103 Groundwater Quality Monitoring Program	194,891	101,120	321,829	274,613	-47,216
7104 Groundwater Level Monitoring					
7104.1 Grdwtr Level - WM Staff	5,251	996	12,876	13,499	623
7104.2 Grdwtr Level - Temporary Services	80,223	35,649	78,540	74,750	-3,790
7104.3 Grdwtr Level - Engineering Services	75,895	7,435	75,000	32,003	-42,997
7104.4 Grdwtr level - Contract Services	11,784	4,093	0	6,500	6,500
7104.6 Grdwtr Level - Supplies	9,348	3,319	15,000	6,100	-8,900
7104.7 Grdwtr Level - Capital Equipment	0	0	24,500	25,000	500
Total 7104 Groundwater Level Monitoring	182,501	51,492	205,916	157,852	-48,064
7105 Surface Water Quality Monitoring					
7105.1 Surface Water Quality - WM Staff	4,532	1,695	10,022	10,079	57
7105.2 Surface Water Quality - Temporary Services	1,702	2,179	9,139	25,700	16,561
7105.3 Surface Water Quality - Engineering Services	7,900	3,145	26,000	62,316	36,316
7105.4 Surface Water Quality - Laboratory Services	9,464	9,726	40,000	35,000	-5,000
7105.6 Surface Water Quality - Supplies	129	283	0	500	500
Total 7105 Surface Water Quality Monitoring	23,727	17,028	85,161	133,595	48,434

**CHINO BASIN WATERMASTER
FY 2003/2004
DETAIL BUDGET**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
7106 Water Level Sensors Install					
7106.1 Water Level Sensors - WM Staff	0	0	6,645	5,835	-810
7106.2 Water Level Sensors - Temporary Services	0	0	2,856	0	-2,856
7106.3 Water Level Sensors - Engineering Services	7,482	16,596	25,000	21,000	-4,000
7106.7 Water Level Sensors - Capital Equipment	13,487	0	0	0	0
Total 7106 Water Level Sensors Installation	20,969	16,596	34,501	26,835	-7,666
7107 Ground Level Monitoring					
7107.1 Ground Level - WM Staff	2,630	0	6,070	19,631	13,561
7107.2 Ground Level - Engineering Services	48,184	48,488	135,000	127,652	-7,348
7107.3 Ground Level - Synthetic Aperture Radar	0	0	10,000	25,000	15,000
7107.4 Ground Level - Computer Services	488	0	0	0	0
7107.5 Ground Level - Laboratory Services	0	0	0	30,000	30,000
7107.8 Ground Level - Capital Equipment Extensometers	0	319,493	650,000	0	-650,000
Total 7107 Ground Level Monitoring Pgm	51,302	367,981	801,070	202,283	-598,787
7108 Hydraulic Control Monitoring Program					
7108.1 Hydraulic Control Monitoring - WM Staff	0	0	0	19,720	19,720
7108.3 Hydraulic Control Monitoring - Engineering Services	0	0	0	137,607	137,607
7108.4 Hydraulic Control Monitoring - Laboratory Services	0	0	0	72,900	72,900
7108.5 Hydraulic Control Monitoring - Construction	0	0	0	488,000	488,000
Total 7108 Hydraulic Control Monitoring Pgm	0	0	0	718,227	718,227
7200 OBMP Pgm Element 2 - Comp Recharge Program					
7201 Comp Recharge - WM Staff	43,560	22,702	34,168	49,543	15,375
7202 Comp Recharge - Engineering Services	239,195	70,479	150,000	21,532	-128,468
7203 Comp Recharge - Contract Services	0	2,960	0	6,000	6,000
7204 Comp Recharge - Supplies	2,499	758	0	2,500	2,500
7205 Comp Recharge - Other Expenses	1,602	17,624	0	0	0
7207 Comp Recharge - Legal	0	0	0	10,000	10,000
Total 7200 Comprehensive Recharge Pgm	286,856	114,523	184,168	89,575	-94,593
7300 OBMP Program Element 3 & 5 - Water Supply Plan - Desalter					
7301 OBMP - WM Staff	3,258	0	6,587	7,455	868
7303 OBMP - Engineering Services	128,992	5,300	100,000	39,544	-60,456
7305 OBMP - Supplies	626	0	0	500	500
7306 OBMP - Other Expense	223	0	17,000	0	-17,000
Total 7300 OBMP Elements 3 & 5 Water Supply Plan	133,099	5,300	123,587	47,499	-76,088

**CHINO BASIN WATERMASTER
FY 2003/2004
DETAIL BUDGET**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
7400 OBMP Pgm Element 4 - Mgmt Zone Mgmt Strategies					
7401 OBMP - WM Staff	15,584	6,323	26,172	20,198	-5,974
7402 OBMP - Engineering Services	81,596	91,835	45,000	65,860	20,860
7403 OBMP - Contract Services	0	0	10,000	100,000	90,000
7404 OBMP - Supplies	888	254	0	500	500
7405 OBMP - Other Expenses	455	391	0	750	750
Total 7400 OBMP Element 4 - MZ1	98,523	98,803	81,172	187,308	106,136
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt					
7501 OBMP - WM Staff	7,018	13,435	13,299	15,172	1,873
7502 OBMP - Engineering Services	29,984	40,234	45,000	35,648	-9,352
7503 OBMP - Contract Services	0	34,220	0	0	0
7504 OBMP - Supplies	887	25	0	500	500
7505 OBMP - Other Expenses	0	28	0	500	500
Total 7500 OBMP Element 6 & 7	37,889	87,942	58,299	51,820	-6,479
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use					
7601 OBMP - WM Staff	38,335	15,993	37,830	30,838	-6,992
7602 OBMP - Engineering Services	79,663	10,520	40,000	115,341	75,341
7603 OBMP - Contract Services	38,722	0	25,000	0	-25,000
7604 OBMP - Supplies	483	143	0	0	0
7605 OBMP - Other Expenses	131	0	0	0	0
Total 7600 OBMP Element 8 & 9	157,334	26,656	102,830	146,179	43,349
7700 Inactive Well Protection Program					
7701 Inactive Well Protection Program - WM Staff	0	0	0	5,447	5,447
7703 Inactive Well Protection Program - Contract Services	0	0	0	25,000	25,000
Total 7700 Inactive Well Protection Program	0	0	0	30,447	30,447
7206 Comp Recharge - Basin Program O&M	0	0	0	441,859	441,859
7690 Recharge Improvement Debt Payment	0	429,250	620,000	429,250	-190,750
9502 Allocated G&A Expenditures	0	86,433	205,263	221,982	16,719
Total OBMP Implementation Projects	1,438,552	1,604,600	3,324,257	3,369,987	-396,129
Total General OBMP & Implementation Projects	2,348,732	2,119,245	4,218,391	4,491,136	272,745
Total Expenses	3,490,334	2,483,725	5,171,148	5,266,444	95,296
Net Ordinary Income	1,196,956	2,200,826	-1,240,686	-1,229,970	10,716

**CHINO BASIN WATERMASTER
FY 2003/2004
DETAIL BUDGET**

	FY 01-02 June Actual	FY 02-03 December Actual	FY 02-03 Current Budget	FY 03-04 Proposed Budget	Current vs. Proposed
Other Income					
Water Replenishment Assessments					
4210 Approp Pool-Replenishment					
4211 15% Gross Assessments	633	210,896	0	0	0
4212 85% Net Assessments	3,575	1,194,716	0	0	0
4213 100% Net Assessments	34,739	18,429	0	0	0
Total 4210 Approp Pool-Replenishment	38,946	1,424,041	0	0	0
4220 Non-Ag Pool-Replenishment					
4223 Net Replenishment	9,329	8,567	0	0	0
Total 4220 Non-Ag Pool-Replenishment	9,329	8,567	0	0	0
4230 Groundwater Recharge Activity					
4230 Groundwater Recharge	1,579,500	1,586,000	1,670,049	1,568,000	-102,049
4231 MZ1 Assigned Water Sales	0	0	615,000	615,000	0
Total 4230 Groundwater Recharge Activity	1,579,500	1,586,000	2,285,049	2,183,000	-102,049
Total Other Income	1,627,776	3,018,609	2,285,049	2,183,000	-102,049
Other Expense					
5010 Groundwater Recharge					
5011.5 Pre-delivered Replenishment Water	0	0	49	0	-49
5012.3 MZ1 Recharge Commitment	1,545,844	1,323,909	1,514,500	1,514,500	0
5012.4 MZI Interim Imported Water Purchase	0	0	699,000	699,000	0
5014 Vector Control	1,000	9,158	13,000	0	-13,000
5015 OC-59 Use Fees	5,170	0	13,000	8,000	-5,000
5017 IEUA Surcharges	15,510	0	45,500	45,500	0
Total 5010 Groundwater Recharge	1,567,524	1,333,067	2,285,049	2,267,000	-18,049
Total Other Expense	1,567,524	1,333,067	2,285,049	2,267,000	-18,049
Net Other Income	60,252	1,685,541	0	-84,000	-84,000
(To) / From Reserves	-1,257,208	-3,886,368	1,240,686	1,313,970	73,284
Net Income	\$0	\$0	\$0	\$0	\$0

**CHINO BASIN WATERMASTER
2003-2004 BUDGET
LINE ITEM JUSTIFICATION**

Budget Line Number	Comments	
ORDINARY INCOME/EXPENSE		
<u>4000 COOPERATIVE EFFORT CONTRIBUTIONS</u>		
4031	IEUA Contribution re Groundwater Level	This Budget assumes that there will be no in-coming contributions for this work.
4038	IEUA Contribution 50% MZ3 Study	This Study commenced during fiscal 01/02. This initial phase will be completed in fiscal 03/04. 50% is fund by IEUA up to \$75,000.
4039	State Water Resources Control Board 205(j) Grant	The Budget is based on the schedule of Completion Dates in the approved Grant. Expenses are budgeted under OBMP Task #7103 Groundwater Quality Monitoring .
<u>4110 ADMINISTRATIVE ASSESSMENTS - APPROPRIATIVE POOL</u>		
4111	Gross Administration	Appropriative Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Appropriators on a per acre foot basis levied based on the prior year's production.
4111.2	OBMP Administrative Assessment	Appropriative Pool Assessments equal the Pool's share of all Optimum Management costs levied to the Appropriators on a per acre foot basis based on the prior year's production.
4112	Agricultural Pool Reallocation-General Admin.	The Appropriative Pool and the Overlying Agricultural Pool agreed that the unproduced portion of Ag Pool's annual share of safe yield (82,800 acre feet) would be immediately reallocated to the Appropriative Pool members provided the Appropriative Pool would pay the Agricultural Pool's share of Administrative and Special Project expenses.
4113	OBMP Agricultural Pool Reallocation	With separate assessments levied for General Administration and Optimum Basin Management Plan and Implementation Costs, the Agricultural Pool costs charged through the reallocation levy have been separated to differentiate between the revenues from the two levies.
4116	Recharge Improvement Revenue	This line item covers funds required to pay the budgeted debt service payment and the operating & maintenance expenses.
4117	P/Y Adjustments	Made up of prior year interest and replenishment pre-purchase adjustments. Credit reflected here showing interest earned during 02/03 spread among the Appropriators based upon their 01/02 assessment payments. This is calculated during the assessment process.
<u>4120 ADMINISTRATIVE ASSESSMENTS - OVERLYING NON-AGRICULTURAL POOL</u>		
4123	Gross Administration	Overlying Non-Agricultural Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Non-Agricultural Pool on a per acre foot basin based on the prior year's production.
4124	OBMP Administrative Assessment	Non-Agricultural Pool Assessments equal the Pool's share of all Optimum Basin Management costs levied to the Pool members on a per acre foot basis based on the prior year's production.
<u>4730 PRORATED INTEREST INCOME</u>		
4731	Interest - Agricultural Pool	Interest is prorated between the pools and the Education Fund using formulae approved by the Advisory Committee and Pools several years ago.
4732	Interest - Appropriative Pool	Interest is prorated between the pools and the Education Fund using formulae approved by the Advisory Committee and Pools several years ago.
4733	Interest - Non-Agricultural Pool	Interest is prorated between the pools and the Education Fund using formulae approved by the Advisory Committee and Pools several years ago.
4739	Interest - Education Fund	Interest is prorated between the pools and the Education Fund using formulae approved by the Advisory Committee and Pools several years ago.
4900	Miscellaneous Income	Miscellaneous income, such as fees collected for data requests, rebates, etc.
<u>6010 SALARY COSTS</u>		
6011	WM Staff Salaries & Payroll Burden	Expenses related to staff hours and costs.
6012	Payroll Services	WM has entered into a contract with Paychex to process bi-weekly payrolls, employees' direct deposits, computation and payment of federal and state payroll taxes, preparation of annual W-2's.
6016	Employee Search Costs	Costs cover "help wanted" advertisements, pre-employment physicals & non-staff or consultant interviewer's time (if applicable).
6017	Temporary Services	Temporary help on special administrative projects and staffing for vacant positions.
6018	Fringe Benefits	Benefits paid to employees such as medical, dental, vacation, sick leave & holidays.
60199	Payroll Burden Allocated	Fringe Benefits allocated to salary costs.

**CHINO BASIN WATERMASTER
2003-2004 BUDGET
LINE ITEM JUSTIFICATION**

Budget Line Number	Comments	
<u>6020 OFFICE BUILDING EXPENSE</u>		
6021	Office Lease	Lease for Watermaster offices.
6022	Telephone	Telephone expense includes office telephone system, cellular phones for CEO & field staff along with conference call service.
6023	Electricity	Electricity for office based on projected actuals of current year.
6026	Security Services	The Office alarm system is currently provided by Mijac Alarm at \$126.00/quarter. This service started in 1996 and the rate has not changed since inception.
6027	Other Expense	Expenses to this line include "one-time" expenses of moving into new office building. Negotiations ongoing w/ CCWD on costing details.
<u>6030 OFFICE SUPPLIES & EQUIPMENT</u>		
6031	Office Supplies	Office Supplies include: copy paper, stationary, envelopes, transcription cassettes and headphones, public notice post cards, minute books and paper, 3 ring binders for all purposes, small office equipment such as staplers, calculators, hole punches, lablers, etc. checks and other miscellaneous office supplies.
6036	Minor Office Furniture	This budget line covers the purchase of any tangible office furniture. Large office equipment is purchased under Account #6039.
6038	Other Office Equipment	This Budget line covers the cost of Office Equipment other than Computer equipment. Items could include FAX machines, telephones, overhead projectors, refrigerators, coffee machines, etc.
6039	Other Office Expense	This line covers the costs of items not covered under any of the above #6030 lines including file management consulting fees.
6141	Meeting Expenses	Expenses charged to this line include administrative meeting expenses.
<u>6040 POSTAGE & PRINTING COSTS</u>		
6041-42	Postage	Postage reflected here covers the cost of mailing or shipping all meeting notices and agendas; correspondence; annual reports; outgoing bills and payments, etc. Charges include FEDEX and United Parcel Service contract costs as well as postage. Includes Permit 10 postage. Costs have decreased due to electronic transmissions of data.
6043	Copy Machine Lease	This line covers the cost of leasing copy machines from Ricoh as well as the costs for copies exceeding the minimum number per month/year as stipulated in the lease agreement.
6044	Postage Meter Lease	Postage Meter costs will include the annual lease fee, quarterly reset fees and postage meter ink cartridge replacements.
6046	Printing	Printing costs covered here are those done by out-side printers and include blueprints, special area street maps, color prints, emergency printing when copiers are down for repairs, etc. Color brochures and annual financial statements will be printed.
6046	Legal Publications	Legal Publications include transcripts of Court Hearings, current ZIP Code directories, and other Legal Publications.
<u>6050 WATERMASTER INFORMATION SERVICES</u>		
6052	Computer Consultant Support Services	During FY 03/04 Watermaster will be using consultants to identify hardware/software requirements; purchase, install and configure the computer system; train Watermaster staff, perform routine diagnostics, to provide application design services, and interagency coordination/communication.
6053	Internet Services	WM Website has been set up at the direction of Judge Gunn and a T-1 for direct connection to the internet.
6054	Computer Software	Costs include new software, software upgrades, textbooks, manuals, etc.
6055	Computer Hardware	Costs include new and upgraded computer hardware such as workstations, servers, printers, backup power supplies, etc.
6057	Computer Maintenance	Computer maintenance includes parts for breakdowns and routine maintenance.
<u>6060 WATERMASTER SPECIAL CONTRACT SERVICES</u>		
6061	Other Contract Services	Watermaster retained Rauch Communication Consultants to develop and implement a strategic plan.
6062	Audit Services	This line item budgets funds to pay for the required annual financial statement audit.
6063	Public Relations Consultant	Watermaster retained the Dolphin Group as our Public Relations Consultant. Dolphin Group will assist with newsletter and press release preparations.
6065	MWD Connection Fee	MWD charges, through IEUA, a monthly connection maintenance fee for each connection. This cost has been carried under Administration for the past several years rather than carried as a part of water replenishment costs because it is assessed whether or not Watermaster spreads water.
6066	Engineering Services	Engineering services will be charged to specific projects of account #6906, general engineering for OBMP related activities.
6067	Legal Services - General Counsel	Hatch & Parent, Watermaster's General Counsel .
6068	Legal Services - Markot	Legal fees incurred regarding this litigation.

**CHINO BASIN WATERMASTER
2003-2004 BUDGET
LINE ITEM JUSTIFICATION**

Budget Line Number	Comments	
<u>6080 INSURANCES</u>		
6085	Business Insurance Package	All insurance policies are now included under Business Insurance Package, including auto & general liability.
6086	Position Bond Insurance	Insures key positions for risk of misappropriation and/or fraud.
<u>6110 DUES & SUBSCRIPTIONS</u>		
6111	Membership Dues	Watermaster memberships include: American Water Works Assoc Research Fdn., Association of California Water Agencies, Association of Ground Water Agencies, Automobile Club of Southern California and Costco.
6112	Subscriptions	Watermaster currently subscribes to the following: The Business Press, California Water Law, California Water Journal, Chino Champion, Daily Bulletin, One-On-One Computer training and Smart Access assuming all current subscriptions will be renewed as well as new ones acquired.
<u>6150 FIELD SUPPLIES & EQUIPMENT</u>		
6151	Small Tools and Equipment	Small tools include cameras, pliers, nuts & bolts, any type of tool which might be required while working around well sites.
6152	Safety Shoes	Work boot & shoe cost reimbursement for field staff.
6153	Film Processing & Development	Processing of pictures taken in field .
6154	Uniforms	T-shirts, hats & jackets are provided to field staff with Watermaster's logo to wear while in the field.
<u>6170 TRAVEL & TRANSPORTATION</u>		
6171	Vehicle Allowances	Employment agreement allows the Chief Executive Officer a vehicle allowance of \$600 per month.
6172	Vehicle Lease	Occasionally it is necessary to lease a vehicle when Watermaster's vehicles are in for repairs, other vehicles are used for Watermaster sponsored tours.
6173	Mileage Reimbursements	Reimbursements paid to Watermaster employees' for use of personal vehicles for Watermaster business at the federally approved rate per mile. It is anticipated that personal vehicle use will increase for attendance at various meetings away from Watermaster's offices.
6174	Public Transportation	Costs of public transportation (Metrolink, airlines, etc.) to meetings in Cities outside the local area. (Note transportation to conferences is shown as part of account #6191 below)
6175	Vehicle Fuel	With expanded field staff requirements for use of Watermaster's vehicles it is anticipated that fuel costs will increase.
6177	Vehicle Repairs	Covers repairs & maintenance to Watermaster vehicles.
6179	Vehicle Purchase	Vehicle purchase allows for the addition of one truck to be purchased during the fiscal year.
<u>6190 CONFERENCES & SEMINARS</u>		
6191	Conferences & Seminars	Staff attends certain conferences for information, training, or making presentations regarding the Chino Basin Watermaster activities. Conferences attended in the past include: Association of California Water Agencies, California Water Law and Policy Conference, High Desert Water Conference, Department of Water Resources Conference and Santa Ana River Water Group Retreat.
6192	Training & Continuing Education	Attendance at training & continuing education for staff.
6194	Lodging	Lodging expenses will be charged to the account representing the purpose of the trip.
6195	Meals	Meals will be charged to the account representing the purpose of the trip.
6196	Travel	Public Transportation to attend meetings & conferences.
<u>6200 ADVISORY COMMITTEE</u>		
6201	WM Staff Salaries	Reflected here are salary and burden costs of WM staff in attending and preparing minutes of Advisory Committee meetings.
6211	Compensation - AG Pool Members	Compensation for AG pool members is paid through accounts 8411 & 8470.
6212	Meeting Expenses	Advisory Committee meetings are normally scheduled to cover the lunch hour so that members are absent from their normal jobs the least amount of time possible. To accommodate the members, a luncheon is served and those costs are reflected here.

**CHINO BASIN WATERMASTER
2003-2004 BUDGET
LINE ITEM JUSTIFICATION**

Budget Line Number	Comments	
<u>6300 WATERMASTER BOARD EXPENSES</u>		
6301	WM Staff Salaries	Reflected here are salary and burden costs of WM staff in attending and preparing minutes of Watermaster Board Meetings.
6311	Member Compensation	Board Members are entitled to, but may waive, compensation for each day of service. Those who have not waived, receive \$125 for day served at various meetings including Board meetings, committee meetings and other water agency meetings, including conference calls.
6312	Meeting Expenses	Board and Committee meetings may be scheduled to cover the lunch hour so that attendees are absent from their normal jobs the least amount of time possible. If this occurs, a luncheon is served and those costs are reflected here.
6313	Board Member's Expenses	Board Members are entitled to receive reimbursement for expenses incurred on behalf of Watermaster. Mileage is reimbursed to any Board Member using a personal vehicle on Watermaster business.
6500	Education Funds Use Expense	This account disburses funds from the educational account as directed.
<u>8300 APPROPRIATIVE POOL ADMINISTRATION AND SPECIAL PROJECTS</u>		
8301	WM Staff Salaries	Reflected here are salary and burden costs of WM staff in attending and preparing minutes of Pool Meetings, collecting and recording production data and any other Appropriative Pool administrative activity.
8312	Meeting Expenses	Appropriative Pool meetings are normally scheduled to cover the lunch hour so that members are absent from their normal jobs the least amount of time possible. To accommodate the members, a luncheon is served and those costs are reflected here.
<u>8400 OVERLYING AGRICULTURAL POOL ADMINISTRATION AND SPECIAL STUDIES</u>		
8401	WM Staff Salaries	Reflected here are salary and burden costs of WM staff in attending and preparing minutes of Pool Meetings, collecting and recording production data and any other Agricultural Pool administrative activity.
8411	Compensation - AG Pool Members	AG Pool Members are reimbursed \$25 for each Pool, Committee or Board Meeting attended. Ag Pool voted to increase reimbursement to \$125 per meeting with the extra \$100 to be paid out of Ag Pool accumulated interest. This additional \$100 is shown under account #8470.
8412	Meeting Expenses	Agricultural Pool meetings are scheduled so that members are absent from their normal jobs the least amount of time possible. To accommodate the members, coffee and snacks are served and those costs are reflected here.
8456	IEUA RTS Meter Charge	Inland Empire Utilities Agency implemented a 'readiness to serve' charge against Watermaster for future provision of service to the land in the Agricultural preserve.
8467	Agri-Pool Legal Services	The Agricultural Pool retains its own legal council, Reid & Hellyer, to represent them in all Watermaster matters.
8467.1	Frank B & Associates	Reid & Hellyer have contracted with Frank B & Associates, a water management consultant to assist them in following Watermaster activities important to the Agricultural Pool.
8470	Ag Pool Meeting Special Compensation	See account #8411 for details of this line item.
<u>8500 OVERLYING NON-AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS</u>		
8501	WM Staff Salaries	Reflected here are salary and burden costs of WM staff in attending and preparing minutes of Pool Meetings, collecting and recording production data and any other Non-Agricultural Pool administrative activity.
8512	Meeting Expense	Non-Agricultural Pool meetings are normally scheduled for early morning so that members are absent from their normal jobs the least amount of time possible. To accommodate the members, coffee and snacks are served and those costs are reflected here.
9500	Allocated G&A Expenditures	Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.
<u>6900 OPTIMUM BASIN MANAGEMENT PROGRAM</u>		
The Honorable Judge J. Michael Gunn ruled on February 19, 1998 that Watermaster develop an Optimum Basin Management Program for the Chino Basin under SBSC Case No. RCV 51010. These are the ongoing administrative costs necessary to implement the Optimum Basin Management Program on an annual basis. This line item includes allocation of G&A expenses.		
6900	OPTIMUM BASIN MANAGEMENT PROGRAM - ADMINISTRATION OF PROGRAM THROUGH 06/30/03	The work in the 6900 series includes general legal and engineering services requested by Watermaster to support implementation of the OBMP, including legal services of the Special Referee. The current budget request includes general, non-project specific as well as ad hoc requests for services promoting the ongoing efforts to implement the OBMP. Further planning includes development of stormwater best management practices for the Chino Basin.

**CHINO BASIN WATERMASTER
2003-2004 BUDGET
LINE ITEM JUSTIFICATION**

32

Budget Line Number	Comments
<u>6950 COOPERATIVE EFFORTS</u>	
On an ad hoc basis, Watermaster and other agencies agree to share the costs of various projects that will benefit both parties.	
6953	TDS/Nitrogen Study - SAWPA This is an on-going study managed through SAWPA with many contributors and participants. The amount budgeted is 1/2 the previous Watermaster commitment as was budgeted for Phase 2B. It is to finalize the Basin Plan Update with the RWQCB.
6956	CBWCD-Turner Basin Development This represents funds expended in fiscal year 2001/02 for development within the Turner Basin.
6959	Emergency Energy/OBMP Funding Committee This is a project that began as a result of the State of California's electric supply problems. It was subsequently designated as the initial OBMP Funding Committee with the specific purpose of coordinating efforts to obtain funding to implement OBMP activities.
9501	Allocated G&A Expenditures Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.
<u>7000 OPTIMUM BASIN MANAGEMENT PROGRAM IMPLEMENTATION PROJECTS</u>	
7101	PRODUCTION MONITORING The work for production monitoring includes Watermaster staff time to collect and process production information for private and other wells.
7102	IN-LINE METER INSTALLATION The work in this series includes the following for the current fiscal year: maintain/calibrate of metered private wells and install several in-line flow meters on unmetered private wells.
7103	GROUNDWATER QUALITY MONITORING Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater quality monitoring program. Annually, Watermaster will collect water quality data from approximately 200 private wells and obtain other water quality data from other cooperators so that approximately 1/3 of the active wells are sampled every third year. Other cooperators include members of the appropriate and overlying non-agricultural pools, the Regional Water Quality Control Board, the Department of Toxic Substances Control, the United States Geological Survey, the Orange County Water District and others. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use. Watermaster has formed an ad hoc Water Quality Committee. The WQC will oversee the surface water and groundwater quality programs to ensure that necessary data to effectively manage Chino Basin are collected. After Fiscal Year 2004/2005, two complete sets of groundwater data from private wells will have been collected and the overall groundwater quality program will be evaluated and potentially reduced so long as the on-going program provides the requisite data to fulfill management objectives.
7104	GROUNDWATER LEVEL MONITORING PROJECT Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater-level monitoring program. Watermaster staff measures all the private wells in the agricultural area that can be measured - once in the fall and once in the spring. Groundwater level data is also obtained from cooperators for other wells. Cooperators include members of the appropriate and overlying non-agricultural pools, Regional Water Quality Control Board (RWQCB), Department of Toxic Substances Control (DTSC), United States Geological Survey, Orange County Water District, and others. Another part of this program involves monitoring groundwater levels as frequently as every two weeks at about 250 wells. These wells are in the vicinity of the Desalter 1 well field, and the proposed well fields for the Chino I expansion and the Chino II. A key well monitoring program has been developed for the Chino-1 desalter program. About 20 of these key wells will have transducers installed to obtain continuous data for more intensive analysis. This key well program will allow for a reduction in staff time for well water level soundings. A similar set of key wells will ultimately be selected for the Chino-1 expansion and Chino-2 desalter monitoring program after pumping at these well fields commences. These monitoring activities are a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use.
7105	SURFACE WATER QUALITY MONITORING Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the expansion of the Watermaster surface water quality monitoring program. Work in this line item includes measuring water quality at recharge and flood retention basins within the Chino Basin. Flow and water quality data will also be collected from cooperators including IEUA, WR, JCSO, Cities of Corona and Riverside, Regional Water Quality Control Board, United States Geological Survey, Orange County Water District and others. This information is necessary to determine the quality of stormwater recharge, which is subsequently used to estimate salt offsets for recycled and imported water recharge. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use.

**CHINO BASIN WATERMASTER
2003-2004 BUDGET
LINE ITEM JUSTIFICATION**

Budget Line Number	Comments	
7106	PROGRAM ELEMENT 1 -- SURFACE WATER DISCHARGE AND RECHARGE MONITORING	Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the development and implementation of a surface water discharge and recharge monitoring program. Recharge basins, except for Monclair, Brooks, and Turner 1, will be equipped with sensors in 2003/04. Water level data will be acquired by Watermaster staff. This information is necessary to determine the volume of stormwater recharge, and will be subsequently used to determine new yield and (in association with work in Line Item 7105) salt credits for recycled and imported water recharge. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use.
7107	GROUND LEVEL MONITORING	Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the development and implementation of a ground level monitoring program. Watermaster is interested in determining how much, if any, subsidence has occurred in the Basin and in monitoring the effectiveness of the OBMP in managing it. Data will be collected from a network of ground elevation stations, from a multi-piezometer, from a dual borehole extensometer in the subsidence-prone area (mainly Management Zone 1). Satellite imagery also will be collected and analyzed for subsidence on a basin-wide scale. Watermaster is implementing these efforts as part of the monitoring program associated with the MZ1 Interim management plan.
7108	HYDRAULIC CONTROL MONITORING PROGRAM	As part of the Basin Plan, a monitoring plan to evaluate the state of hydraulic control in the southern end of the basin needs to be developed. Hydraulic control will be used to maximize the safe yield of the basin. Watermaster, OCWD and the Regional Board continued to develop a monitoring plan to assess the state of hydraulic control to provide information to Watermaster to manage future production and recharge. A site for will be acquired in FY 2003/04 for the construction of four nested wells. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use.
7200	OBMP PROGRAM ELEMENT 2 -- COMPREHENSIVE RECHARGE PROGRAM	Pursuant to the OBMP & Peace Agreement, Watermaster completed the Recharge Master Plan Phase 2 Report, appropriate CEQA process and began implementing it in FY 01-02. In this fiscal year Watermaster staff, in cooperation with other agency staff, will continue implementation of the Chino Basin Recharge Facilities Improvement Plan to fully utilize the Proposition 13 funding.
7300	OBMP PROGRAM ELEMENTS 3 & 5 -- WATER SUPPLY PLAN - DESALTER	Pursuant to the OBMP & Peace Agreement, Watermaster assisted in the formation of the Chino Basin Desalter Authority (CDA) to expand the Chino Desalter No. 1 and to construct Chino Desalter No. 2. The work in this line item includes engineering services for the technical review of non-Watermaster consultant work products for consistency with OBMP and other Watermaster interests.
7400	OBMP PROGRAM ELEMENT 4 - MANAGEMENT ZONE MANAGEMENT STRATEGIES	Pursuant to the OBMP & Peace Agreement, Watermaster has begun the process of developing management plans for MZ1 & MZ3. Producers in the known subsidence area in MZ1 agreed to an MZ1 Interim Management Plan. Watermaster will be collecting and reporting data gathered from the piezometer & extensometer installed in FY 02/03 and data from ground level survey stations. Injection tests at two wells are planned for FY 03/04. Data collected will be presented and discussed at the MZ1 Technical Group meetings.
7500	OBMP PROGRAM ELEMENTS 6 & 7 -- COOPERATIVE EFFORTS AND SALT MANAGEMENT	Pursuant to the OBMP & Peace Agreement, Watermaster will complete specific activities to improve water quality monitoring and analyze the effectiveness of the OBMP to accomplish its goals. The work in this line item included coordinating with RWQCB and DTSC, and participating in the TMDL process for Santa Ana River, Chino and Mill Creeks.
7600	OBMP PROGRAM ELEMENTS 8 & 9 -- STORAGE MANAGEMENT AND CONJUNCTIVE USE PROGRAMS	Pursuant to the OBMP & Peace Agreement, Watermaster will complete specific activities to implement storage management and to develop storage and recovery programs. In FY 02-03, the CEQA work and initial alternative development and evaluation will be completed, including identification of facilities needs and participant cost/benefits. Most of this work is being funded by MWD/IEUA as part of a \$1.6 million advance for the Dry Year Yield Program.
7700	INACTIVE WELL PROTECTION PROGRAM	Pursuant to the OBMP & Peace Agreement, Watermaster has compiled a list of inactive wells that have not been properly abandoned. In this FY Watermaster will equip roughly 35 inactive wells with devices that will meet the requirement of well abandonment to protect the integrity of the groundwater. These devices will also allow for access to the well for monitoring purposes, if necessary.
7206	COMPREHENSIVE RECHARGE OPERATING & MAINTENANCE	Operating & Maintenance expenses related to the improved recharge basins as budgeted by Inland Empire Utilities Agency and agreed to be paid by the Appropriative Pool.
7690	RECHARGE IMPROVEMENT DEBT PAYMENT	Repayment of debt as agreed to in contract with Inland Empire Utilities Agency for improvement of recharge basins within the Chino Basin, to be paid by the Appropriators.
9502	Allocated G&A Expenditures	Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.

37

CHINO BASIN WATERMASTER
2003-2004 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments
SUPPLEMENTAL & REPLENISHMENT WATER INCOME AND EXPENSES	
Water rights were assigned in the Judgment entered in 1978. It established the terms and conditions regarding replenishment water and how the assessments would be levied to cover the water for each pool.	
Appropriative Pool Replenishment Assessments	
Certain Appropriators under the Judgment have 15% of the cost of replenishment water required by their group and 85% of the cost is paid by the appropriator overproducing water in the prior year. Other Appropriators have the obligation to pay 100% of the costs of replacing any overproduced water.	
4211	15% Gross Assessments Costs levied against the 15%/85% group for replacing water.
4212	85% Gross Assessments Costs levied against the 15%/85% group for replacing water.
4213	100% Net Assessments Costs levied against those subject to 100% assessments for replacing water.
Non-Agricultural Pool Replenishment	
Non-AG members (primarily industrial producers) are required to replace any water produced which exceeds their assigned water rights.	
4223	Net Replenishment Assessments Costs levied against those subject to 100% assessments for replacing
4300	Local Agency Subsidies In past years the Chino Basin Water Conservation District has assumed part of the costs of delivery and percolation of all water deliveries to the Watermaster. This subsidy is not anticipated during FY 02/03.
5010	Groundwater Recharge Costs of Replenishment or Supplemental Water are assessed at \$243/acre foot. Should actual expenses exceed the revenues from assessments, the difference will be covered by Watermaster's Reserve for Water Replenishment.
5011.4	Replenishment Water This line covers the costs of purchasing Replenishment water from MWD at \$233/af
5011.5	Pre-delivered Replenishment Water Replenishment water delivered by MWD.
5012.3	MZ1 Recharge Commitment This line covers the costs of purchasing 6,500 acre feet of supplemental water from MWD for recharge.
5012.4	MZI Interim Imported Water Purchase This line covers the costs of purchasing water @ \$233/af
Replenishment and Supplemental Water Delivery Costs	
Estimated at \$11/acre foot, these costs are included under lines 5014 - 5018 below. At time of delivery actual costs are charged to the appropriate accounts.	
5014	Vector Control Vector control at Recharge Basins.
5016	OC-59 Use Fees Connection Fees.
5017	IEUA Surcharges Inland Empire Utilities Agencies charges \$7.00/acre foot for water delivered from the Metropolitan Water District of Southern California (MWD).



CHINO BASIN WATERMASTER

May 29, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

III. IEUA REPORT

AGENDA



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE
May 29, 2003**

AGENDA

INTER-AGENCY WATER MANAGERS' REPORT

**Chino Basin Watermaster
8632 Archibald Ave., Suite 109
Rancho Cucamonga, CA 91730**

30 – 40 Minutes

PROPOSED ITEMS:

1. MWD Status Report – Rich Atwater
 - Tier I/II Water Purchases (Handout)

2. Conservation Programs – David Hill
 - Water Awareness Month Resolutions and "Water Smart" Package (handout)
 - Water Broom Distribution Results (Handout)
 - Rebate Program Update

3. Water Softener Project – Martha Davis (attached)

4. Updates
 - Public Relations Request For Proposals – Sondra Elrod
 - MWD Dry Year Yield Program – John Rossi
 - Recycled Water Program – Tom Love (attached)
 - Recharge Master Plan – Tom Love
 - IEUA May Water Resources Monthly Report – David Hill (attached)
 - State/Federal Legislation – Martha Davis (attached)

THIS PAGE
INTENTIONALLY
LEFT BLANK



CHINO BASIN WATERMASTER

May 29, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

III. IEUA REPORT

4. WATER SOFTENER PROJECT



Memorandum

DATE: May 9, 2003

TO: Richard Atwater

c.c. Executive Management
Pari Dezhnam
Dave Hill

FROM: Martha Davis

SUBJECT: Update on Joint MWDOC-NWRI-IEUA-AWWARF-DWR Water Softener Pilot Program.

The purpose of the Water Softener Pilot Program component of the joint Water Softener Research Project sponsored by the Metropolitan Water District of Orange County, National Water Research Institute, Inland Empire Utilities Agency, American WaterWorks Association Research Foundation, and CALFED/California Department of Water Resources is to identify, test and evaluate non-regulatory approaches for reducing the use of self-regenerating water softeners.

As the attached progress report outlines, the pilot project is moving forward aggressively. The project will be completed by July 2003, six months ahead of schedule. The change is due to the State's financial woes and the need to ensure that the grant funds are fully obligated by May 31, 2003.

The revised research design incorporates water softener user data which has been generously provided by the Irvine Ranch Water District. Two focus groups will be held on May 31st at Irvine Ranch to gather data on water softener user attitudes. Members of the public participating in the focus groups will include current water softener users, people who have expressed interest in purchasing a water softener, and people who neither use nor have expressed an interest in using water softeners.

Follow up with the focus group participants will be completed in June. The participants will be offered the opportunity to receive an incentive for the purchase/replacement of a qualified water softener, and will be requested to explain their decision as part of study.

Quarterly Progress Report #2

Narrative

Activities Performed:

Task 1 Assess the magnitude and Scope of the Problem

The goal of this task is to collect information regarding the salinity problem with reclaimed water. Most of the efforts are done as part of the AwwaRF Project that is still being implemented. Preliminary results are obtained from the AwwaRF Project team managed by CH2MHILL.

Task 1.1: Literature review, prevalence statistics

This task was completed by the AwwaRF team. Final report will be generated and included at a later date.

Task 1.2: Residential Telephone Survey

This task was completed by the ASU team as part of the AwwaRF Project. Final report is being generated and will be included. Also, raw data was obtained and further analysis will be done by the principals as part of the analysis of this project.

Task 1.3: Reclaimed Water Agency Survey

This task is under implementation. The preliminary survey instrument was developed and analyzed results will be available soon.

Task 2 Compare Costs and benefits of Alternative Programs

The goal of this task is to develop viable alternatives that water agencies can consider in the implementation of an effective incentive program for consumer towards the improvement of efficiency of household water softener and reduction of salinity concentration in reclaimed water sources. One key constraint is that consumers in general should not have to compromise their water quality or convenience.

Task 2.1 Analysis of the results of the AwwaRF agency survey regarding historical incentive programs.

The corresponding AwwaRF task is not yet completed. But results from several agencies were examined. For example, the Santa Clara incentive program was mainly about the use of potassium chloride instead of sodium chloride. Other programs are mostly similar to the Public Outreach Program conducted by the Sanitation Districts of Los Angeles County for the Santa Clarita area. They are mostly questionnaire/survey type of programs without actually testing the incentives in the field. The difference is between hypothetically what consumers says what they would do compare to actually doing it. As will be done in this project, data on actual choices of consumers will be captured instead. It will provide certain insights that survey may not be able to bring out.

Task 2.2 Explore and develop potential collaborative efforts with water softener companies.

Part of the motives of this project is to be able to steer the water treatment companies to participate in the betterment of the environment that water agencies need to operate under, instead of fighting with the water agencies. Potential for collaborations between the two entities will be explored. Various water treatment companies will be contacted to explore such possibility. Companies such as Culligan, Home Depot, Rayne, and other regional water treatment vendors will be included. Preliminary results are mixed, as expected. But useful, sound information and possibilities are being investigated.

Task 2.3 Analyze and finalize the list of viable incentives to be tested in the Pilot Project.

Three primary incentives emerged from the investigations conducted with water agencies, consultants, vendors, and other professionals in this field. Basically, there are three directions of efforts that can contribute to the mitigation of salinity issues in local water sources. The main objective/criterion is that residential consumers should not have to compromise the quality of water that they receive from their current levels.

The first direction is towards the replacement of older and inefficient water softener units. A typical water softener has a useful life of approximately 15 years. But after 7 to 8 years, owners would start considering the replacement of such units. Newer units are more efficient than older units in terms of the use of sodium chloride. It is deemed beneficial, from the quality of reclaimed water point of view, to motivate such owners to replace their older units with financial incentives. The issue here is what level of financial incentives will provide the best return for the investment of capital. The

average price of a new efficient unit is approximate \$1500 to \$2000. The likely scenario is to offer about \$500 to \$600 rebate to any owner of water softeners that is at least 8 years old. This will depend on the capital made available by the water agency and the estimated percentage hit rate of this level of incentive, to be determined in the execution of the Pilot Project. Another consideration is the industry vendors' periodic incentive for the purchase of a new unit. This at times will run about \$200 to \$300. So, with combinations of water agency's rebate and promotional discount from softener vendors, the acceptance level of this Incentive 1 can be measured empirically.

A second direction of efforts can be towards the motivation of consumers to utilize the professional services of water quality vendors in terms of subscribing to portable unit(cylinder) exchange service. Even though softener vendors often times are just "dumping/cleansing" the sodium content through traditional water lines, depending on regulatory governance, but at least water agencies have the option of directing those water lines to the parts of the network that are not capturing waste water aggressively. With further future co-ordination and collaboration between water agencies and water service vendors, the total effect of sodium through the waste water lines can be selectively controlled. The cost of a typical at-home service provided by one of the major vendors runs approximately \$50-\$60 per month. A viable scenario for water agencies is to offer subsidies of \$20 to \$30 per month for one year, so as to promote consumers to choose this better controlled environment.

A third direction of efforts is geared towards the more efficient utilization of existing water softener units within households. At times existing units that are not serviced via contracts with softener vendors periodically are running out of sync. The most inefficient example is those units that are on timers. The units will be activated whether it is necessary or not. The contention is if these units are being maintained more regularly and professionally, higher level of efficiency can be achieved which will lead to less discharge of sodium. The price of a conventional maintenance service is approximately \$120. A viable incentive is for the water agency to offer rebates of about \$60 for such service to the consumers. This is an incentive with probably the least amount of impact but at the same time is the least expensive. Potential options in terms of incentives, such as the removal of timers, as part of the maintenance service will also be considered as an addition.

In summary, the following listed incentives are viable and should be implemented as part of the Pilot Project:

- Incentive 1: A rebate of \$500-\$600 for the replacement of an older water softener(at least 8 years old) when a new and more efficient unit is purchased and installed.
- Incentive 2: A subsidy of \$20-\$30 per month for one year if consumer will subscribe to a portable unit exchange service by selective vendors.

Incentive 3: A rebate of \$60 if a consumer with an existing water softener will engage in a maintenance service so as to ensure the efficient run of the water softener unit.

Task 3 Implement the Pilot Project

The primary objective of this task is to design and implement a limited incentive program regarding the usage of water softeners in residential households that will lead to the reduction of sodium in waste water lines for local water agencies. First, utilizing the list of incentives from Task 2.3, a pilot incentive model will be developed. Second, the data collection method of the model will be constructed. Then the final task will include the implementation of the model and capture the resulting data for analysis.

Task 3.1 Develop/finalize the incentive program to be tested

The three incentives described in Task 2.3 represents a comprehensive list of alternatives to residential consumers. The cost to the residential consumers ranges from minimal to substantial, depending on the alternative. The financial levels of the incentives are deemed attractive and reasonable by the professionals in this industry. It also represents various levels of effectiveness to the water agency due to different impacts of the three incentives. With the appropriate cross-tabulation of residential consumers in this pilot, the water agency can establish primary motivational factors of their constituents regarding their willingness to change their usage of water softeners. In general, motivational factors can be classified into five categories: water quality, water availability, cost, health concern, and environmental concern.

In summary, the pilot incentive model will include the following features:

1. Provision for a wide range of financial incentives to residential consumers.
2. Representation of various level of effectiveness to the water agency.
3. Provision of price elasticity information to water agency.
4. Identification and ranking of motivational factors of residential consumers.
5. Provide the water agency information on the various segments of their consumers in regards to their motivation and willingness to participate in proposed initiatives, current and future, by the water agency towards the betterment of water related type of issues.

The following are information regarding the components of the pilot incentive model:

Target population:

residential consumers within the service of the Irvine Ranch Water District.

Sample composition:

The sample will include a wide range of residential consumers –

1. Who currently have no water treatment and is interested in such service.
2. Who currently have no water treatment and no immediate plan for such service.
3. Who currently own a water softener that is more than 8 years old.
4. Who currently own a water softener and is not serviced by professionals.

Data-capturing vehicle:

There will be three sets of data-capturing vehicles to be deployed. The first is a comprehensive set of questions that will capture the behavior/preference of the various residential consumer groups in terms of motivational factors, reactions to the three incentives, and their sensitivity to the levels. The second is the capturing of response rates to the different incentives. The third is a follow-up set of questions to be conducted after the selection of incentive options.

The pilot incentive model process:

- Phase 1: contact and secure the sample residential consumers.
- Phase 2: meeting with the sample group to deploy the first data-capturing vehicle and offer of the incentive options. This will be conducted with the water service vendors presenting the options.
- Phase 3: process of the responses to the options by the sample group.
- Phase 4: conduct the follow-up data-capturing vehicle.

Task 3.2 Construct the Data collection method(s).

The target sample will be generated by databases from the Irvine Ranch Water District of households that currently own water softeners and from water treatment vendors of households that are interested in water treatment services. A list of additional households that have no immediate plans for installing water treatment systems will be provided by the Irvine Ranch Water District. Households on these lists will be contacted to be invited to a meeting as part of Phase 2 stated above until a predetermined number are reached for each categories. An incentive for participation is approximately \$100 either as a rebate to their future water bill or as cash. The data collection method for Phase 2 will be in-person.

Data will be collected as the responses to the incentives are returned within the three-week period allowed. This will become the basis for acceptance rate estimates.

Based on the responses, the follow-up data-capturing vehicle will be deployed to further provide detailed information on the motivation of the choices. This will be conducted via phone or mail.

Task 3.3 Implement the incentive program and capture the results.

With the information provided by the Irvine Ranch Water District and the water treatment vendors of choice, the sample group can be secured during the month of May. Towards the end of May, the roll out meeting will take place on a Saturday. The roll out meeting will be conducted by the project team. Data regarding the motivational factors and other preferences will be captured at this time. The vendors will be presenting the procedures for the subscription of the incentive options. Each participating household will be given a three-week period to decide on the options. With the responses from the options, based on prior agreement with the vendors, selected services will be provided with the appropriate financial rebates. Response rate information will be captured for data analysis. A follow-up survey will then be conducted in order to provide more detailed information, such as the elasticity of the rebate amounts.

Timetable:

Phase 1:	5/1/03 to 5/23/03
Phase 2:	5/24/03
Phase 3:	5/25/03 to 6/14/03
Phase 4:	6/15/03 to 6/21/03

THIS PAGE
INTENTIONALLY
LEFT BLANK



CHINO BASIN WATERMASTER

May 29, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

III. IEUA REPORT

4. RECYCLED WATER PROGRAM

MAY 2003 RECYCLED WATER SUMMARY

CAPITAL PROJECTS SUMMARY

Active Projects - Phase I

■ RP-1/RP-4 Pump Station (Budget \$7,748,000)

The pump station will deliver recycled water from RP-1 to RP-4 to meet the anticipated demand in the RP-4 service area. The project also included a pump station at RP-4 to pressurize the distribution system. The construction contract was awarded in March. Construction will be complete by March 2004.

■ RP-1 Chlorination Tank (Budget \$4,817,000)

This chlorination tank will increase the use of the TP-1 Outfall line as a transmission main to deliver recycled water to the farmers and dairies along the pipeline rather than using it as a contact chamber to meet the Title 22 requirement. The construction contract was awarded in March. Construction will be complete by March 2004.

■ Pine Avenue Intertie (Phase I: Budget—Phase I & II \$1,066,000)

The Pine Avenue Intertie will connect the RP-2/CCWRF recycled water system with the RP-1 outfall thereby connecting all IEUA facilities. The construction contract was awarded in February and construction will be complete by June 2003.

■ Wineville Pipeline (Budget \$2,307,200)

The Wineville Pipeline will convey recycled water from the RP-4 outfall to Inland Paperboard and other customers in Ontario. Construction bids have been received and award is expected in March. Construction of the project is expected to take 8 months.

■ Reliant Pipeline (Budget \$1,115,476)

The Reliant Pipeline will deliver recycled water to the Reliant Energy Plant from RP-4 and will serve future demands to the North along Etiwanda Ave. The construction contract will be awarded by March and work will be complete by June 2003.

■ Philadelphia Pipeline (Budget \$3,935,400)

The Philadelphia Pipeline will serve recharge water to the Ely Basins and irrigation water to Ontario's soccer complex and to other customers. Design of the project is completed. Construction is scheduled for completion by November 2003.

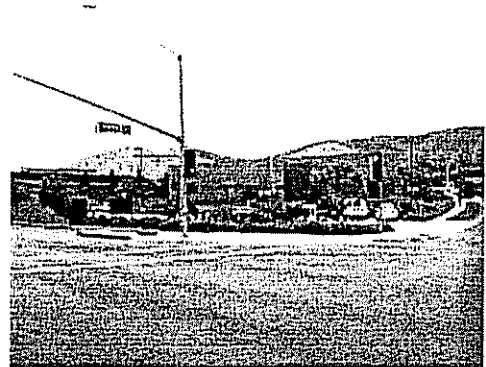
■ Whittram Pipeline (Budget \$3,620,000)

The Whittram Pipeline will serve recharge water to the Banana and Hickory Basins. Project design is 50% complete. Construction is scheduled for completion by Spring 2004.

■ RP-4 West Branch (Budget \$9,849,000)

Preliminary design for the RP-4 West Branch is complete, however, the final pipeline alignment has not been determined. The preferred alignment is along the future 6th street corridor between RP-4 and I-15 which is undeveloped property and is potential habitat. There is also a proposed development of the property which may begin in the near future and clear the way for the pipeline project. The pipeline will serve the Turner Recharge Basins and Empire Lakes Golf Course as well as other customers in Ontario and CCWD. The project will be complete by the Summer of 2004.

Total Budget—Active Projects—\$34,458,076



Fire station on Butterfield Ranch Rd.

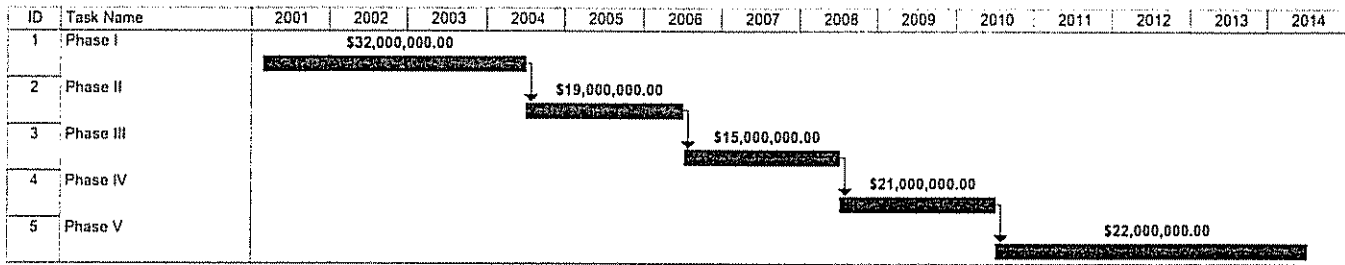


Whispering Lakes Golf Course



Rincon Park in Chino Hills

TOTAL IMPLEMENTATION PLAN



PHASE I IMPLEMENTATION PLAN

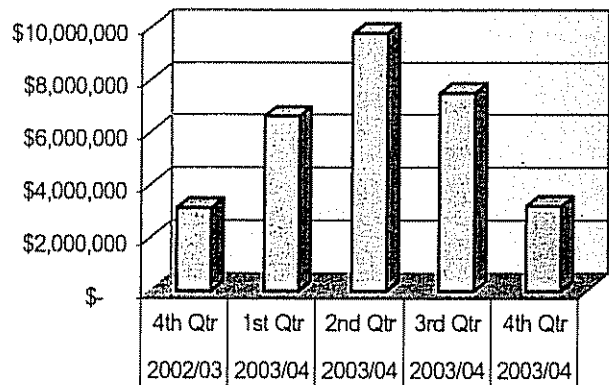
ID	Task Name	Budget	Actual	Remaining	2003												2004		
					May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
1	RP-1/RP-4 Pump Station	\$7,748,000	\$676,171	\$7,071,829															
2	RP-1 Chlorination Tank	\$4,817,000	\$597,101	\$4,219,899															
3	Pine Avenue Intertie	\$1,066,000	\$251,228	\$814,772															
4	Wineville Pipeline	\$2,307,200	\$257,415	\$2,049,785															
5	Reliant Pipeline	\$1,115,476	\$371,207	\$744,269															
6	Philadelphia Pipeline	\$3,935,400	\$262,053	\$3,673,347															
7	Whittram Pipeline	\$3,620,000	\$76,151	\$3,543,849															
8	RP-4 West Branch	\$9,849,000	\$86,549	\$9,762,451															

FINANCING PLAN

Program Financing Plan

- Regional Capital Fund 25-30%
- SWRCB Grants 25%
- Federal Grants 25%
- SWRCB Loans 20-35%
- MWD LPP (Loan Repayment) \$2 Million Annually

REGIONAL RECYCLED WATER PHASE I—PROJECTED CASH FLOW



Funding Phase I

- Regional Capital Fund \$10,000,000
- SWRCB Recycling Grant \$5,000,000
- SWRCB Recycling Loan \$17,800,000
- Application Submitted 3/02
- Facility Plan Approval 1/03
- Plans & Specification Approval 1/03
- Approval to Award 3/03
- SRF Loan Commitment 3/03
- Grant Approval/Commitment 4/03
- Grant Contract 5/03

ACTIVITY SUMMARY

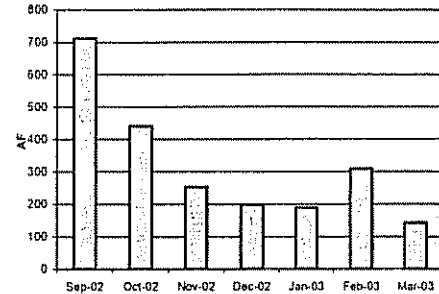
New Customers in 2002

- Durrington Farms
Started using recycled water on August 2002. On September 2002, they reached their peak, 263.5 AF in one month
- Yoshimura Racing LLC
Started using recycled water on July 2002 for their landscaped area. The annual estimated usage is about 10 AFY

New Customers in 2003

- Sam Lewis Farm (former Arthur Farms)
Started to irrigate with recycled water in March, but due to heavy rain in this month, the usage is minimum
- Big League Dreams
Started to use recycled water in March
- Neighborhood Park
Started to use recycled water in March
- Fairfield Ranch Business Park Phase I
Received an approval for the engineer's report from DHS. Needs to complete the cross-connection test prior to using recycled water
- Fairfield Ranch Business Park Phase II
Submitted an engineer's report to DHS in March
- Higgins Brick
Received an approval for the engineer's report and will start to use recycled water as soon as the cross-connection testing is completed
- Artesian HOA
Waiting for the approval of the engineer's report from DHS
- New Chino Hills High School
The City of Chino Hills is in the process of writing a letter to the school board for the final approval of use of recycled water on the school property
- Reliant Energy
After the completion of the Etiwanda extension in June 2003, Reliant Energy will start using recycled water up to 3,000 AFY
- Inland Paper Board
Wineville Ave Pipeline is expected to be completed by December 2003. Upon its completion Inland Paper Board will start using recycled water
- Kaiser Hospital
In the process of preparing the engineer's report. Expected to use recycled water in December 2003

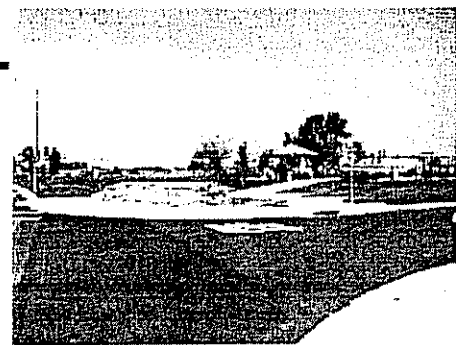
Recycled Water Sales



Delivery Period	FY 2001-02	FY 2002-03
March	215	142
Year to Date	714	646
FY Total	3,512	3,433
Budget		6,950



Fairfield Ranch Park in Chino Hills



Danbury Park in Chino Hills

Operation & Planning

- The City of Chino Hills started the construction of 3 million gallon recycled water reservoir on the hillside near the end of Pine Avenue west of Butterfield Ranch Road. The reservoir will be filled up during the daytime to augment the nighttime irrigation demand
- The City of Ontario hired CGvL Engineers to develop its city's recycled water feasibility study with the 50% matching funding from the Bureau of Reclamation
- Pine Avenue Intertie has successfully completed in April 11, 2003 without interrupting the services to the recycled water customers

CUSTOMER DEVELOPMENT

■ Focused Customer Marketing

Large customers with annual usage over 100 AFY will be targeted. IEUA staff is working closely with the retail agencies to develop an updated customer list and to coordinate marketing effort. The recycled water marketing database was distributed to the Cities of Chino, Chino Hills, Ontario, and Cucamonga Water District to aid with the customer and recycled water use tracking.

■ Targeted Major Customers in 2003

1	Empire Lakes Golf Course (May 2004)	800 AFY
2	Additional Farms on Outfall (Feb 2004)	1,200 AFY
3	Ontario Center Owners Association	260 AFY
4	California Co-generation	250 AFY

■ Reliant Energy

The Inland Empire Utilities Agency (IEUA), Cucamonga County Water District (CCWD) and Reliant Energy Etiwanda, L L C , held a groundbreaking ceremony Tuesday, April 29 for the recycled water pipeline that will connect Reliant Energy Etiwanda L L C to IEUA's Regional Water Recycling Plant No. 4 (RP-4).

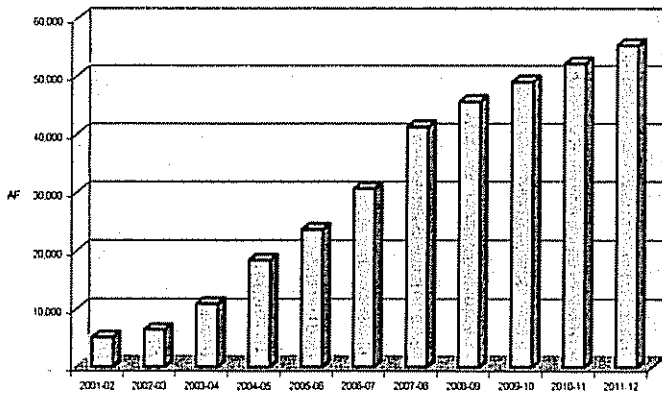
Reliant Resources is a 1,030 MW power plant facility that operates 24 hours, 7 days a week. IEUA's RP-4, which produces Title 22 "Non Restricted Use Quality Water," will supply recycled water via a 3,300 foot, 36-inch IEUA Regional Recycled Distribution System pipeline to the Etiwanda Plant to cool its equipment.



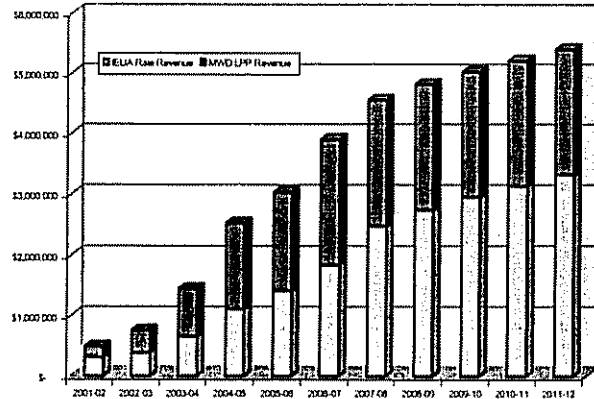
Reliant Energy Groundbreaking Ceremony

PROJECTED SALES & REVENUE

Projected Recycled Water Sales



Projected Recycled Water Revenue



REGULATORY/PERMITS

- CEQA-PEIR Certified 06/02
- CBWM Article X-Approved 05/02
- SARWQCB Basin Plan Amd. 04/03
- DHS Title 22 Report (Recharge) 07/03
- SARWQCB Discharge Permit 07/03



CHINO BASIN WATERMASTER

May 29, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

III. IEUA REPORT

4. RECHARGE MASTER PLAN

MAY 2003 CHINO BASIN FACILITIES IMPROVEMENT PROJECT SUMMARY

Project Purpose:

The purpose of the project is to provide of storm water and imported water recharge facilities improvements required to increase groundwater recharge in the Chino Basin and to implement the Recharge Master Plan and Optimum Basin Management Program (OBMP)

Project Participant:

- Inland Empire Utilities Agency (Lead, Contracting Agency)
- Chino Basin Watermaster
- San Bernardino County Flood Control District
- Chino Basin Water Conservation District
- SAWPA

Design and Construction Management Team:

- Tettermier & Associates (Design Consultant)
- Black & Veatch (Program & Construction Management)
- URS (Geotechnical Consultant)

BID PACKAGE NO. 2

Bid Package No. 2 includes redevelopment/construction of 3 groundwater recharge basins, 4 rubber dams installation, and 3 drop inlet structures construction within flood control channels of the Chino Basin:

Basins

1. Declez Basin
2. Ely Basin 1, 2, & 3
3. Eighth Street Basins

Rubber dam structures, and drop inlet structures, plus appurtenances will be constructed in the following channels:

Rubber Dam Location

1. College Heights Basins—San Antonio Channel
2. Lower Day Basin—Day Creek Channel
3. RP-3 Basins—Declez Channel
4. Turner Basin No. 1—Cucamonga Channel

Drop Inlet Location

1. Turner Basins No. 1,2,3,&4—Cucamonga Channel
2. Brooks Basin—San Antonio Channel
3. Victoria Basin—Etiwanda Channel

The engineer's estimate for the project is between \$6,500,000 to \$7,500,000. Bid Package No. 2 was advertised on May 12, 2003. The bid opening date is scheduled on June 12, 2003 and the awarding will be announced on June 18, 2003.

BID PACKAGE NO. 1

Bid Package No. 1 Bids were received and opened February 10, 2003. The IEUA Board of Directors authorized award of contract to L.T. Excavating for \$6,440,000; the construction budget is \$9,426,000. The bid includes following basins:

1. Banana Basin
2. College Height Basin*
3. Lower Day Basin
4. RP-3 Basins*
5. Turner Basin No. 1*
6. Turner Basins No. 2, 3, & 4

*The construction is proceeding on schedule

BID PACKAGE NO. 1 CONSTRUCTION SCHEDULE

ID	Task Name	2003										
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	
1	Banana Basin											
2	College Heights Basin											
3	Lower Day Basin											
4	RP-3 Basins											
5	Turner No. 1 Basin											
6	Turner No. 2, 3, & 4 Basins											

GROUNDWATER RECHARGE FACILITIES IMPROVEMENT CONSTRUCTION SCHEDULE

ID	Task Name	Start	Finish	Cost	2003														
					Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
1	Bid Package No. 1	Mar 17	Oct 31	\$9,428,000.00															
2	Banana College Heights Lower Day, RP-3, Turner No. 1 & Turner No. 2, 3, & 4	Mar 17	Oct 31	\$9,428,000.00															
3	Bid Package No. 2A	Apr 28	Jan 30	\$7,352,000.00															
4	Declax, Eighth Street, Ely, Upland & Victoria	Apr 28	Jan 30	\$7,352,000.00															
5	Bid Package No. 2B	May 15	Nov 14	\$2,400,000.00															
6	Brooks Drop Inlet, College heights Rubber Dam, Lower Day Rubber Dam, RP-3 Rubber Dam, Turner No. 1 Rubber Dam, & Turner No. 2, 3, & 4 Rubber Dam	May 15	Nov 14	\$2,400,000.00															
7	Bid Package No. 3	May 15	Nov 14	\$4,460,000.00															
8	Hickory & Jurupa (Civil Pump Station)	May 15	Nov 14	\$4,460,000.00															
9	Bid Package No. 4	Apr 15	Nov 14	\$2,870,000.00															
10	Hickory & Jurupa (Forcemain)	Apr 15	Nov 14	\$2,870,000.00															
11	Bid Package No. 5	Jul 15	Jan 15	\$1,750,000.00															
12	Eliwanda Conservation Ponds	Jul 15	Jan 15	\$1,750,000.00															
13	Bid Package No. 6	May 15	Nov 14	\$1,500,000.00															
14	SCADA	May 15	Nov 14	\$1,500,000.00															
15	Bid Package No. 7	Jul 15	Jan 15	\$2,000,000.00															
16	MWD Turnouts	Jul 15	Jan 15	\$2,000,000.00															

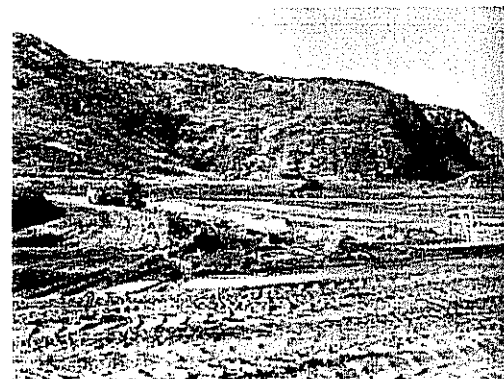
PROJECT FINANCING

Capital Funding: \$44 to \$47 Million

- \$19 Million (SAWPA Prop. 13 Grant)
- \$20 Million (local revenue bond debt)
- \$3 Million (IEUA Recycled Water Recharge Projects)
- Cooperating Agencies in-kind Services

REVENUE/EXPENDITURE SUMMARY

Expenditures	To Date	Budget
Land/Row	\$4,300	\$500,000
Pre-Design	\$667,000	\$718,000
CEQA		
Design/Const. Mgt.	\$1,315,000	\$3,150,000
Admin/Legal	\$211,000	\$150,000
Construction	\$1,100	\$32,142,000
Monitoring Plan/Wells	\$83,000	\$2,000,000



RP-3 Basin



College Heights Basin



CHINO BASIN WATERMASTER

May 29, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

III. IEUA REPORT

4. WATER RESOURCES MONTHLY REPORT

MAY 2003 WATER RESOURCES UPDATE

Water Resources Planning Activity

Active Items - Agency-Wide

■ Chino Basin Watermaster (CBWM)

The April 11th groundbreaking event was a great success, and garnered excellent press. Watermaster is working out the 404 permit issues relating to the recharge basin with the Army Corps of Engineers. The second bid package is being prepared. Watermaster is finalizing the retail agency agreements for those agencies participating in the MWD Dry Year Yield program and should have these completed by the end of May.

■ Santa Ana Watershed Project Authority (SAWPA)

SAWPA sponsored a legislative briefing to coordinate agency activities on behalf of the watershed in late April. Primary issues included Proposition 50 allocation legislation, the proposed QSA agreement and related legislation, proposed Fy04/06 water bond measures, the proposed Santa Ana Conservancy legislation and the FY 03/04 State budget/deficit. A legislative conference call will be held each Friday to assist in coordination on state legislative issues (a similar coordination meeting is held on Federal issues each Friday).

■ Metropolitan Water District of Southern California (MWD)

Fiscal year, to-date, the IEUA service area has imported 49,213 acre-feet of water, including 9,175 AF under the new Tier I/II rate structure. Please refer to page 4 for a summary of IEUA service area total water demand and page 5 for the calendar y-t-d Tier I imported water purchases. The MWD 5-day shutdown of the Rialto Feeder pipeline that was scheduled for April 7th did not occur. The shutdown of the feeder (for servicing and maintenance) was tentatively rescheduled for April 22nd. That subsequent shutdown was cancelled and been rescheduled for next spring.

■ CALFED: Updates and Issues

Senator Dianne Feinstein is continuing to work on the introduction of federal legislation that will authorize federal participation in the CALFED program and provide funding for these programs. The next meeting of the CALFED Bay Delta Advisory Committee is scheduled for June, 2003. No announcement has been made by Governor Davis of the appointees to the California Bay Delta Authority, the new governance structure for the CALFED program, although this is expected to be released in May.

■ Colorado River: Updates and Issues

The Senate Committee on Agriculture and Water held an informational hearing on the proposed QSA agreement on April 29th Chaired by Senator Mike Machado, the Committee raised questions about the details of the agreement, including the financial package and the proposal to take \$200 million out of various accounts from Proposition 50 to fund the deal. The Committee will hear and take action on May 7th on SB 117, the legislative vehicle for implementing the QSA proposal. Senator Machado will announce a proposed water bond measure on April 30th that will provide up to \$1 billion for addressing the Salton Sea and issues related to the implementation of the QSA. Elements of the QSA proposal continue to draw considerable criticism from members of the legislature and the press as well as from southern California water agencies.

■ Water Conservation Program Activity Summary

The Water Resources staff has implemented an aggressive water conservation program that engages the IEUA service area population in multiple ways. The rebate programs include high efficient clothes washers, swimming pool covers, and ULFTs which are supported with 'point of purchase' material distributed and maintained by the departments Intern. Additionally, a public information campaign, using "table tent" placards on each table of participating restaurants, has been launched to develop a public information outreach network mechanism. IEUA will also be hosting the installation of X-Ray film processor retrofits for area medical facilities—dramatically reducing their water demand. Working through the Water Resources Institute at Cal State San Bernardino, IEUA staff is attempting to establish a water conservation message that is integrated into a larger "Think Earth" message for K-6 school-aged students. A draft water conservation budget for FY 2003-04 was presented to the Conservation Workgroup in late March. The requested changes from the Workgroup were included in the draft budget. Page 5 provides a graphic look at the current state of conservation activities in relation to the established goal for FY 2002-03.

■ Water Resources Coordination Calendar

A comprehensive Agency-wide water resources calendar is being maintained.

Water Conservation Budget/Actual (FY 2002-03 as of 3/18/03)

<u>Revenues</u>	<u>Budget</u>	<u>Actual</u>
\$2/AF Surcharge	\$140,000	\$97,411
Meter Revenue	\$53,820	\$44,850
Property Tax	<u>\$69,700</u>	<u>\$58,080</u>
Total	\$263,520	\$200,341
Additional Funding		
MWD CCP	\$871,000	\$381,625
Grants	\$230,000	0
Other	\$100,000	0
Total Budget	\$1,464,520	\$560,375

Water Conservation Program Expenditures*

<u>Individual Projects/Programs</u>	<u>Budget</u>	<u>Actual</u>	<u>Source of Funding</u>
HECWs	\$125,000	\$96,103	MWD, IEUA
ULFTs	\$669,250	\$94,128	MWD, IEUA
Pool Cover Rebates	\$16,000	\$4,012	IEUA
X-Ray Film Processor	\$245,750	\$0	DWR, IEUA
Landscape Programs	\$11,000	\$0	IEUA
CUWCC Dues	\$12,000	\$0	IEUA
Educational Programs	\$35,000	\$10,000	IEUA
Public Information	\$10,000	\$2,442	IEUA, MWD
Inter-Agency Grants	\$25,000	\$0	IEUA
CII Programs (Waterbrooms)	\$6,500	\$0	IEUA, MWD
Totals	\$1,155,500	\$190,760	

*The majority of the expenditures for ULFT's, X-Ray Processors, Landscape Programs, CUWCC dues, Education Programs, Grants and CII programs will occur in the last quarter of the FY.

Water Conservation Rebate Programs 2003

- **Retail Agency ULFT Programs** – These events happen once or twice each fiscal year per retail agency. Y-T-D 1,313 units have been distributed and installed by the retail water agencies. Please refer to the calendar of events (page 6) for future events and locations.
- **IEUA Regional ULFT Exchange Promotions** – These events happen twice each fiscal year with a Fall event and a Spring event usually held at different locations. The Fall Event, held in Fontana, resulted in 747 ULFTs being installed. The Spring Event is scheduled on May 10, 2003, at CBWCD in Montclair.
- **Multi-Family ULFT exchange Programs** – To-date, 217 ULFTs have been installed under this program. The program is "ramping-up" with a goal of 3000 units installed by 6/30/2003.
- **ULFT Rebate Program** - IEUA has issued about 79 ULFT rebates. Newly developed point-of-purchase materials will be distributed by mid-May at all home improvement stores and plumbing shops to enhance public awareness. IEUA expects public participation to increase significantly once the POP materials are in place.

Water Conservation Rebate Programs 2003

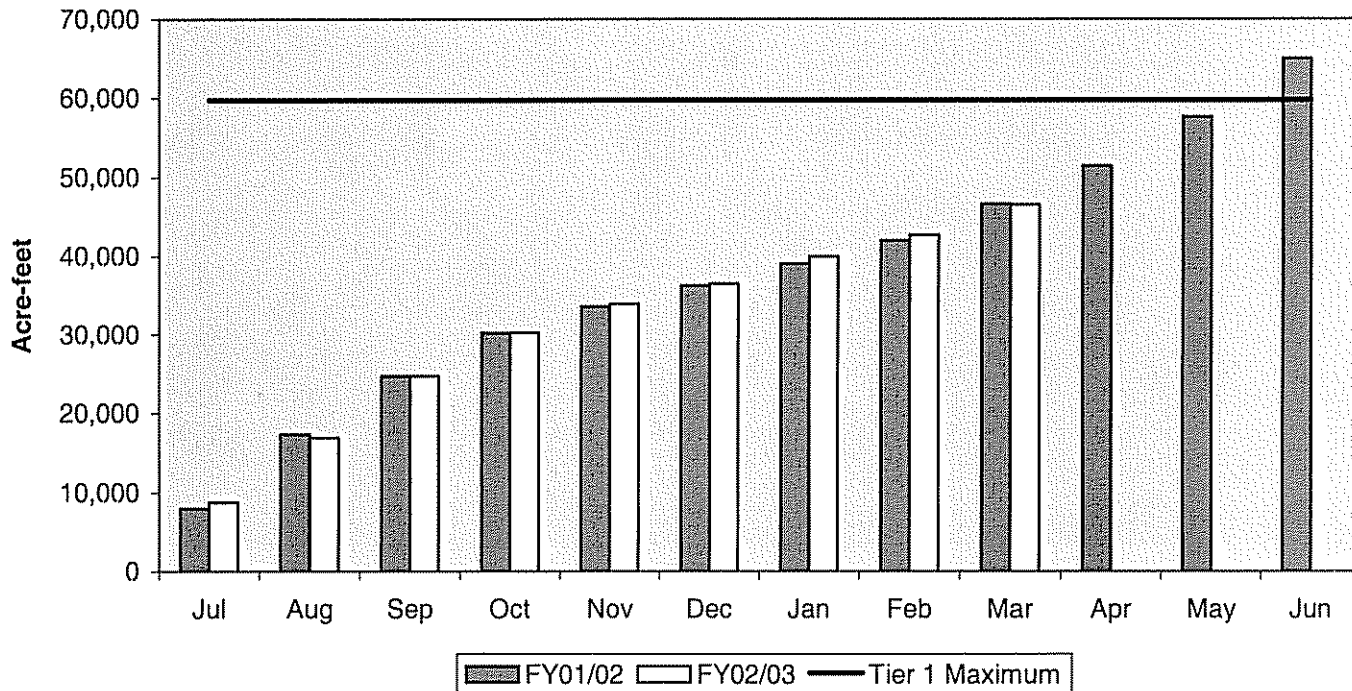
- **High Efficiency Clothes Washer Rebate Program** — IEUA has completed about 1,300 rebates, toward a goal of 2000 by 6/30/2003. In April, the IEUA Board of Directors approved a new funding agreement with MWD. The new agreement provides funding through December 31, 2003. IEUA will receive \$110 from MWD for each HECW purchased. \$100 will go toward the consumer rebate while \$10 will go toward the administrative/marketing costs of the program.
- **Swimming Pool Cover Rebate** — This \$50 rebate is available on a "first come-first serve" basis. IEUA has completed 77 rebates toward a goal of 350 by 6/30/2003.
- **Restaurant Table Tents Distribution** — Letters inviting IEUA service area restaurants to participate in the 'table-tent' program, were issued in mid-April. Once orders from the restaurant are received, the print order will go to the printer. Table tents will be distributed in May.
- **X-Ray Film Processors** — This program, funded with a \$230,000 DWR grant and additional funding from MWD, will install up to 50 X-Ray film processor rinsing/flushing water recycling units at area hospitals, by 6/30/2003. Hospital contact is continuing.
- **Think Earth: It's Magic School Education Program** — The magic shows are continuing at elementary schools throughout the IEUA service area. Ultimately, we expect to reach over 10,000 K to 6 grade students with our water efficiency message. See page 7 for a complete list of the schools and a magic show schedule.
- **Internet-based Landscape Irrigation Management Tool** — This irrigation management tool, recently endorsed by CLCA, will be supported by IEUA for implementation at residential and commercial landscape sites, on a pilot basis, to assist property managers with better control of water use in landscape irrigation. In addition to implementing this program at IEUA's regional facilities, several commercial locations are considering participation.
- **California Urban Water Conservation Council (CUWCC) Activities** — CUWCC is a state-wide entity that has been pursuing water conservation for more than a decade. Currently, IEUA's goal is 100% signatory status from member agencies. IEUA will host the September Plenary Session at our new Main Office facilities. CUWCC has sent out it's annual dues request to it's membership. IEUA, in financial cooperation with MWD, will pay 100% of the IEUA service area retail water agencies' dues.

Drinking Water Quality Issues/Activities

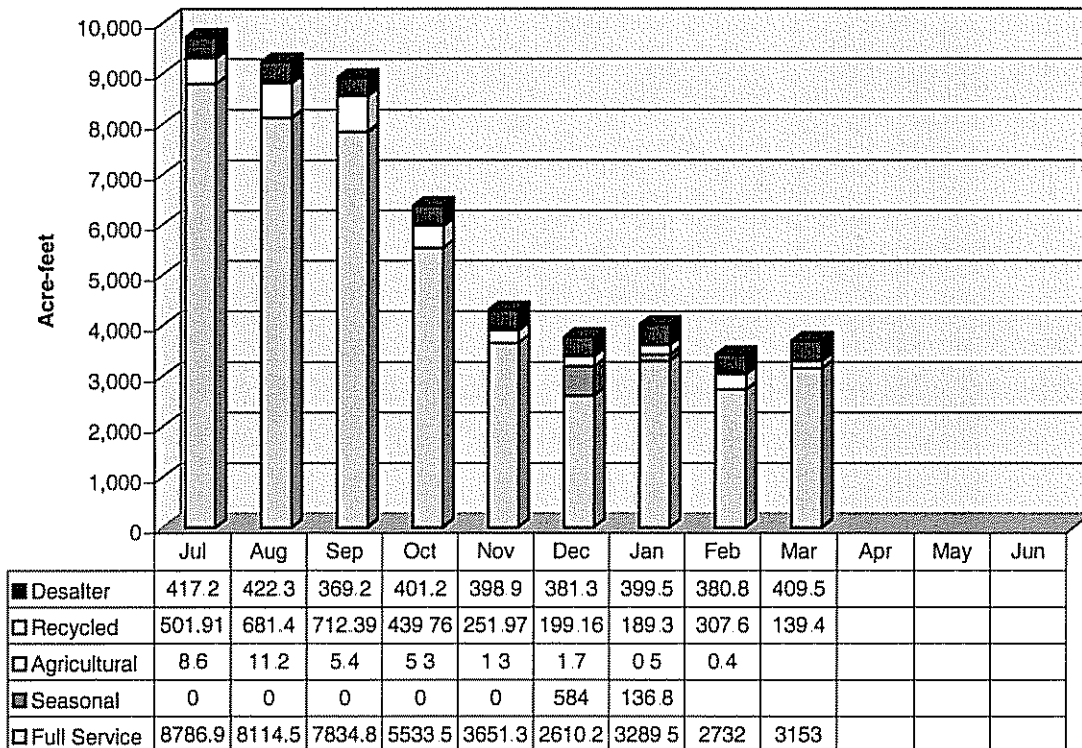
- **Perchlorate Contamination Issues**
Perchlorate is drawing increasing concern as new areas of contamination are discovered and new impacts are being identified, including the finding of trace amounts of Perchlorate in lettuce grown with Colorado River water. While the need for additional research is widely recognized, Perchlorate is emerging as one of the high priority water quality issues for the federal government and for the state of California. Senators Dianne Feinstein and Barbara Boxer are working on Federal legislation to require the Department of Defense to move aggressively to remediate Perchlorate contamination caused by federal activities.
- **Salinity Management Issues**
IEUA is participating in the national AWWARF salinity assessment research program, and will perform an service area-wide sampling of the trunk lines to identify salinity "hot spots" within the system. These areas will be investigated further to understand the potential sources of the salinity and to identify possible steps that the agency can take to reduce salinity inputs to the system. IEUA is working with the National Water Research Institute and the Metropolitan Water District of Orange County to complete a pilot program to test the use of incentives to encourage members of the public to use "earth friendly" water softeners (exchange canisters where the briny water is treated at an appropriate facility). The State of California has modified the scheduled by which the research project must be completed, which will some changes in the proposed program. Despite opposition form the Water Quality Association, legislation authorizing water agencies to regulate water softeners passed out of its first policy committee in the California legislature on April 29th.

Y-T-D FY 2002/2003 vs FY 2001/2002

IEUA Cumulative Monthly Full Service Imported Water Deliveries

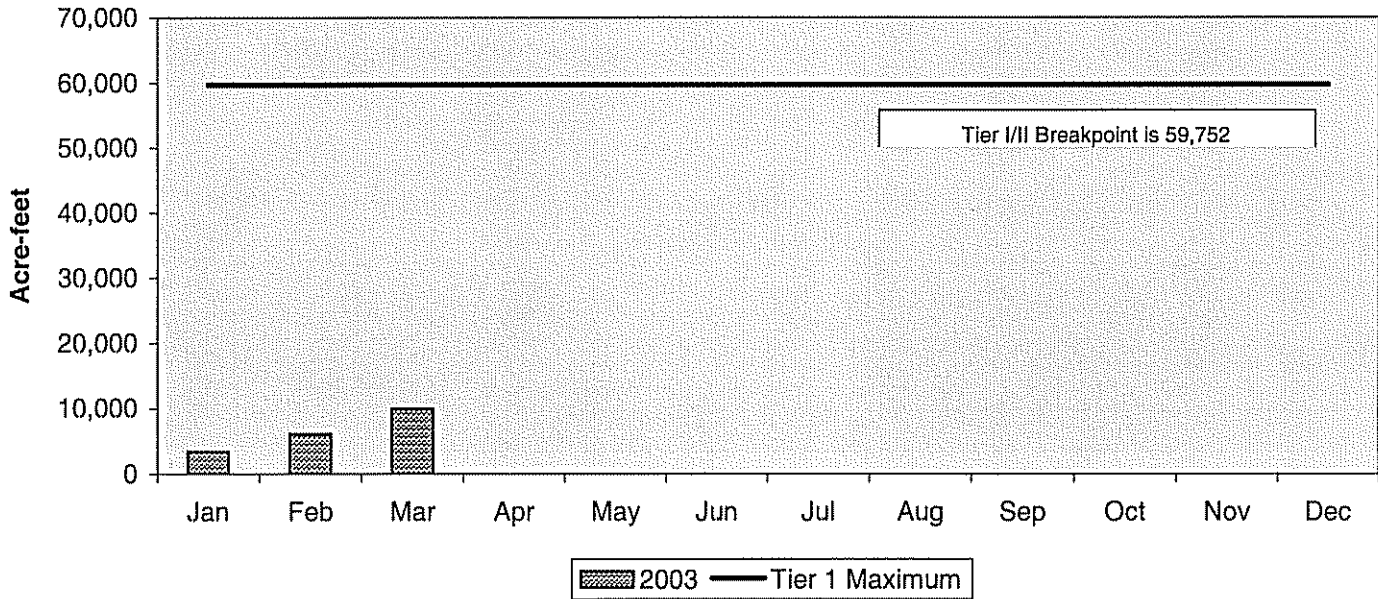


IEUA FY02/03 Monthly Water use

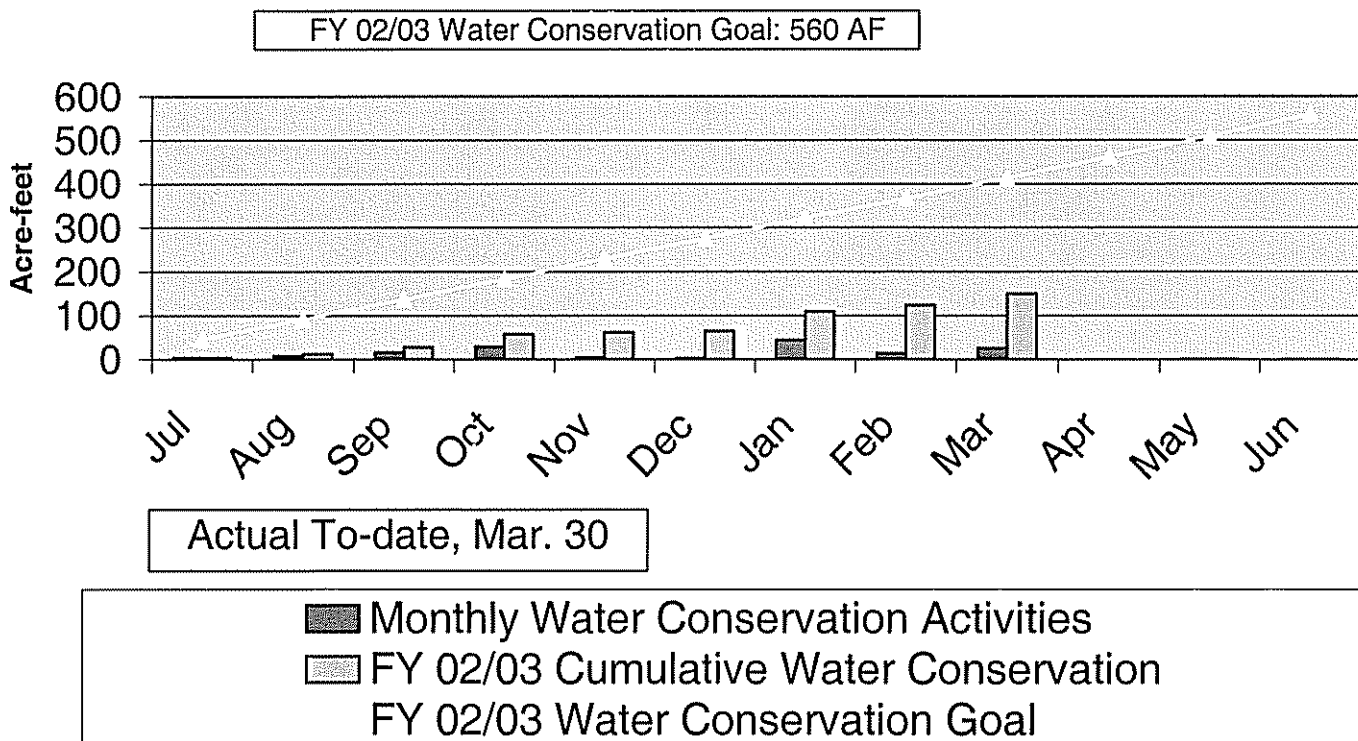


CALENDAR YEAR 2003 TIER I/II PURCHASES

IEUA
Cumulative Monthly Full Service Imported Water Deliveries
Calendar Year 2003



FY 2002/2003 Water Conservation
Goal vs. Actual



May 2003

SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3 CCWD Water Awareness Day
4	5	6	7	8	9	10 Regional ULFT @ CBWCD
11	12	13 Think Earth @ CCWD	14	15	16	17
18	19 Think Earth @ CCWD	20	21 Think Earth @ CCWD	22 Think Earth @ Fontana	23 Think Earth @ Fontana	24
25	26	27 Think Earth @ Upland	28	29	30 Think Earth @ Chino Hills	31 Regional ULFT Return

June 2003

SUN	MON	TUE	WED	THU	FRI	SAT
1	2 Think Earth @ Chino	3 Think Earth @ CCWD	4 Think Earth @ Fontana	5	6	7
8	9	10	11	12	13 IEUA Move Date	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

“THINK EARTH: IT’S MAGIC” SCHOOL SCHEDULE

School	Address	City	Zip	Water Agency	Director	Date	Times
Gateway Montessori	12818 East End Steet	Chino	91710	Monte Vista WD	Catlin	18-Mar	9:00 AM
Sacred Heart Catholic	12676 Foothill Blvd.	Rancho Cucamonga	91739	CCWD	Troxel	20-Mar	12:45 PM 1:45 PM
Kingley Elementary	5625 Kingsley Street	Montclair	91763	Monte Vista WD	Catlin	24-Mar	10:45 AM
Ted J. Porter Elementary	8330 Locust Avenue	Fontana	92335	Fontana WC	Santiago	14-Apr	8:30 AM
(Scheduled Media Event)							10:10 AM 1:00 PM
Ontario Center School	835 N. Center Street	Ontario	91764	City of Ontario	Koopman	17-Apr	9:00 AM 10:00 AM
Grapeland Elementary	7171 Etiwanda Avenue	Etiwanda	91739	CCWD	Troxel	21-Apr	8:30 AM 9:30 AM
Golden Elementary	12400 Banyan Street	Etiwanda	91719	CCWD	Troxel	22-Apr	8:30 AM 9:30 AM
Good Earth Montessori	2593 Chino Hills Prwy	Chino Hills	91709	City of Chino Hills	Anderson	23-Apr	10:00 AM
Magnolia Elementary	465 W. 15th Street	Upland	91786	City of Upland	Catlin	24-Apr	9:30 AM 10:45 AM
Los Amigos Elementary	8498 9th Street	Rancho Cucamonga	91730	CCWD	Troxel	13-May	9:00 AM 1:30 PM
Cucamonga Elementary	8667 Archibald Ave.	Rancho Cucamonga	91730	CCWD	Troxel	19-May	9:00 AM 10:00 AM 11:00 AM
Lightfoot Elementary	6989 Kenyon Way	Rancho Cucamonga	91730	CCWD	Troxel	21-May	8:30 AM 9:30 AM
Mango Elementary	7450 Mango Ave.	Fontana	92336	Fontana WC	Santiago	22-May	8:00 AM 8:50 AM
Citrus Elementary	16041 Randell Avenue	Fontana	92335	Fontana WC	Santiago	23-May	1:00 PM 2:00 PM
Baldy View Elementary	979 W. 11th Street	Upland	91786	City of Upland	Catlin	27-May	8:15 AM 9:15 AM 10:15 AM
Monte Vista Elementary	4900 Orchard Street	Montclair	91763	Monte Vista WD	Catlin	28-May	12:30 PM 1:30 PM
Lehigh Elementary	10600 Lehigh	Montclair	91763	Monte Vista WD	Catlin	29-May	8:30 AM 9:30 AM
Eagle Canyon Elementary	13435 Eagle Canyon Dr	Chino Hills	91709	City of Chino Hills	Anderson	30-May	9:00 AM 10:00 AM 11:00 AM
El Rancho Elementary	5862 C Street	Chino	91710	City of Chino	Anderson	2-Jun	10:00 AM 1:00 PM 1:55 PM
Caryn Elementary	6290 Sierra Crest View	Alta Loma	91737	CCWD	Troxel	3-Jun	8:30 AM 9:30 AM
Cypress Elementary	9751 Cypress Avenue	Fontana	92335	Fontana WC	Santiago	4-Jun	8:15 AM 9:05 AM

THIS PAGE
INTENTIONALLY
LEFT BLANK



CHINO BASIN WATERMASTER

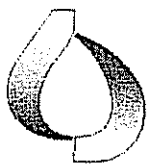
May 29, 2003

10:00 a.m. – Advisory Committee

1:00 p.m. – Watermaster Board

III. IEUA REPORT

4. STATE/FEDERAL LEGISLATION



Date: May 21, 2003

To: Honorable Board of Directors

Through: Public and Legislative Affairs Committee (5/14/03)

From: Richard W. Atwater
Chief Executive Officer/General Manager

Submitted by: Martha Davis
Executive Manager – Policy Development

Subject: Agency Positions on State Legislative and Budget Issues

RECOMMENDATION

It is recommended that the Board of Directors approve the following positions on State Legislative and budget issues:

- 1) **Oppose unless Amended on SB 117 (Machado)** – Allocates \$200 million in Proposition 50 funds for mitigation associated with the QSA.
- 2) **Support AB 334 (Goldberg)** – Authorizes local agencies to adopt regulations governing water softeners or conditional appliances.
- 3) **Support SB 750 (Machado)** – Enacts a \$5 billion water bond measure to be placed on the 2004 ballot.
- 4) **Adopt Recommend Standing Policy Positions** – Provides general policy positions to guide legislative activities on issues relating to fees and penalties, Education Revenue Augmentation Fund (ERAF) shift, special district reserves, perchlorate and emerging contaminants, and pending bond measure proposals.

BACKGROUND

IEUA's legislative representatives in Sacramento recommend that IEUA adopt the following positions:

- **SB 117 (Machado)** **Oppose unless Amended**
This bill allocates \$200 million in Proposition 50 funds for mitigation associated with the QSA. \$150 million would come from Chapter 8, the regional water supply section of the bond; \$25 million from the Cal-Fed section and \$25 million from Chapter 4, the safe drinking water section. IEUA oppose using Proposition 50 funds for QSA mitigation. As the bill is structured, the \$200 million would be taken from local projects that would provide long-term water supplies for Southern California.

- **AB 334 (Goldberg)** **Support.**
This bill implements one of the major public policy recommendations from the Water Recycling Task Force. The bill authorizes local agencies to adopt regulations governing water softeners or conditioning appliances that discharge to the community sewer system.

- **SB 750 (Machado)** **Support.**
This bill would enact the Safe Drinking Water, Water Quality, Flood Protection, and Water Supply Reliability Act of 2004 which, if adopted, would authorize, for purposes of financing a safe drinking water, water quality, flood protection, and water supply reliability program, the issuance, pursuant to the State General Obligation Bond Law, of bonds in the amount of \$5,000,000,000 (attachment). The bill includes \$1 billion for Salton Sea mitigation actions and provides specific funding for local projects within the Santa Ana Watershed.

- **Recommended Standing Policy Positions**
In order to address rapidly changing legislative conditions, the Agency's Sacramento representatives are recommending that the Board adopt standing policy positions consistent with the attached memo:
 - Fees and Penalties
 - Education Revenue Augmentation Fund (ERAF) Shift
 - Special District Reserves
 - Perchlorate and Emerging Contaminants
 - Pending Bond Measure Proposals

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

g:\board-rec\2003-03182 Agency Position on State Leg

Inland Empire Utilities Agency

Positions/Position Recommendations

May 1, 2003

Bill # / Title	Summary	Position	Status
Propositions 50/Water Bonds			
SB 117 (Machado) QSA: Prop. 50 Allocations	Allocates \$200 million in Prop. 50 funds for mitigation associated with the QSA. \$150 million would come from Chap. 8, the regional water supply section of the bond; \$25 million from the Cal-Fed section and \$25 million from Chap. 4, the safe drinking water section. IEUA opposes using Prop. 50 funds for QSA mitigation. As the bill is structured, the \$200 million would be taken from local projects that would provide long-term water supplies for Southern California. Machado appears sympathetic to our concerns.	Recommend Oppose unless amended	Senate Ag. and Water Resources 5/6
SB 21 (Machado) Prop. 50 Implementation	Proposition 50 implementation measure. IEUA has participated in the Machado's working group process and is interested in the implementation of a number of Prop. 50 funding categories, including Chapters 4,5, 6 and 8. In the most recent version of the bill IEUA amendments were included that will allow perchlorate and other emerging contaminants to be eligible for certain types of Prop. 50 funding. In April the bill passed out of Senate Ag. and Water Resources. IEUA testified in support.	Support	Senate Enviro. Quality
SB 750 (Machado) 04' Water Bond	\$5 billion water bond for the 04' ballot. Competitive grant program by region. Contains \$1 billion for Salton Sea impacts, \$200 million for contaminate removal and \$230 for the Santa Ana Region based on a statewide population formula. IEUA has spoken to the author about amendments to make emerging contaminants eligible for funding in the bond.	Recommend Support	Senate Ag. and Water 5/6
AB 334 (Goldberg) Recycled Water	Implements one of the major public policy recommendations from the Water Recycling Task Force. Authorizes local agencies to adopt regulations governing water softeners or conditioning appliances that discharge to the community sewer	Recommend Support	Assembly Approps.

	system. The salt generated from water softeners is a major impediment to expanding the use of recycled water. In late April the bill passed out of Assembly Toxics. It continues to be heavily opposed by water softener companies. IEUA's help will be needed to get the bill off the Assembly Floor in May.		
Desalination			
SB 318 (Alpert) UWMP: Desal	Requires UWMP to describe the opportunities for development of desalinated water. Recent amendments added brackish water to the definition of "desalination". IEUA requested these amendments. In April the bill passed out of Senate Ag. and Water Resources. IEUA testified in support as amended.	Support	Senate Approps.
Water Conservation/Water Supply Land Use			
AB 306 (Kehoe) Water Meters	Requires water purveyors by 2008 to install meters on all residential and agricultural service connections constructed prior to 1992. By 2009, requires water purveyor to charge customers for water based on actual volume of deliveries. MWD is in support of the measure, as are a number of other water districts. In April the measure passed out of Assembly Water Parks and Wildlife Committee and the Business and Professions Committee. Some local legislators have concerns about the bill. IEUA will talk to them about the importance of the measure.	Support	Assembly Approps.
SB 312 (Machado) Landscape Water Conservation	The bill creates a task force to review the model landscape ordinance and make recommendations for its improvement. Also requires separate outdoor water meters that will assist homeowners to monitor and adjust their outdoor water use appropriately.	Support	Senate Approps.
SB 906 (Escutia) Municipal Water District Act	As introduced, prohibited the Central Basin Municipal Water District and the West Basin Municipal Water District from imposing an administrative overhead charge on water sold to Water Replenishment Districts. In committee Escutia agreed to take amendments that require that West Basin and Central Basin provide information to the public fully explaining their rate structure. The latest version of the bill still outlines what elements must be included in the agencies rate structure. ACWA is still opposed.	Oppose	Senate Local Gov. 5/7

Water Quality/Water Quality Penalties and Fees			
AB 10X (Oropeza) Waste Discharge Fees	Removes cap on waste discharge fees for POTWs. Allows SWRCB to set an annual fee for POTWs and dairies holding NPDES permits. Contains open-ended recoverable costs, including groundwater monitoring and surface water monitoring.	CASA is leading the effort on creating a fee structure.	Signed
SB 204 (Perata) Diaper Recycling	Requires the Waste Board to provide grants to local agencies for funding programs for the recycling and diversion from landfill disposal of diapers. These grants would be paid for by fee imposed on the purchase of diapers (\$.0025 per diaper). IEUA supports the bill for water quality purposes.	Support	Senate Enviro Quality
Drinking Water Contaminates			
SB 922 (Soto) Perchlorates	Mandates that any drinking water cleanup order issued by the state board or the regional boards require a polluter to calculate the volume of water contaminated and provide safe replacement water for the community. No requirement is currently in law that mandates that replacement water be provided. In the last 20 SWRCB cleanup orders, no replacement water was required. Opponent content that the bill limits the flexibility of the SWRCB and the RWQCB. SWRCB has no official position at this time. Senator Soto has requested that IEUA support her bill.	Recommend Support	Senate Approps.
SB 1004 (Soto) Perchlorates	Requires that the SWRCB be notified when perchlorate is discharged into waters of the state, or when it is likely to be discharged into waters of the state, unless the discharge is in compliance with a waste discharge requirement. Failure to notify is punishable by fines of up to \$5,000 per day. Also requires perchlorate manufacturers to provide water suppliers with the total number of pounds of perchlorate discharged into state waters by their facility. Senator Soto has requested that IEUA support her bill.	Recommend Support	Senate Approps.

Air Quality			
SB 981 (Soto) Children Health Initiative	Requires every operator of a refinery to pay 30 cents per barrel of crude into a "Children's Health and Petroleum Pollution Remediation Trust Fund" created by this bill. Money would be distributed to each air quality district on the basis of a district's share of a statewide emissions inventory. Each air quality district would expend the funds on petroleum pollution source reduction programs and public health programs. There must be a clear nexus regarding the relative harm caused by diesel and gasoline fuel and the revenues received from the fee.	Support	Senate Rev. and Tax, May 7
Budget Items			
Williamson Act Subvention Fund Support	The Governor's January 03/ 04 budget recommended the elimination of \$39 million in Williamson Act Subvention funds. These funds protection 19 million acres of farmland, wildlife habitat and open space. Both houses have recommended these funds be maintained, as did the recently released Assembly Republican's proposed budget.	Support Protection of Funds	Budget Process
Prop. 50, Chapter 5 Support Recycled Water	In Prop. 50 Chap. 5 there is \$100 million administered by SWRCB available for a variety of clean water and water quality purposes, including "water reclamation." In the 03/ 04 budget the Administration proposes to use \$18 million for small communities grants and \$18 million for non-point source projects. \$20 million has already been allocated from last year's budget for Cal-Fed drinking water projects. The remaining \$36 million the Administration proposes to use in "out years" going through 2007, for non-water recycling projects. IEUA believes the funds should be used for the purposes set forth in Prop. 50 and should be implemented immediately.	Support Directing \$34 million to Water Recycling	Assembly Budget Hearing May 7

Recommended Standing Policy Positions

May 1, 2003

Fees and Penalties

The Legislature is searching for ways to decrease its record budget deficit. As such, a variety of measures have been introduced that will increase fees and penalties. We recommend IEUA oppose new arbitrary and disproportionate fees and penalties that impact the agency and recommend working with the author, when appropriate, to amend out or reduce the amount of the fee or penalty.

Educational Revenue Augmentation Fund (ERAF) Shift

A decade ago, the Legislature created ERAF to ensure that K-12 education remained unharmed from severe budget cuts. Shifting property tax revenue from local agencies, particularly special districts, to state coffers is one mechanism that has been suggested for closing the budget gap. We recommend that IEUA oppose any such shift that impacts wholesale water agencies on the basis that it would seriously impact the agency's financing for essential water infrastructure projects. We also recommend opposing any ERAF shift from multi-county special districts, as it will negatively impact the Santa Ana Watershed Project Authority.

Special District Reserves

Another emerging proposal to solve the state's record budget deficit is for the state to shift special district reserves into the General Fund, particularly when the special district in question has taxing authority. Many in the water community believe this might be illegal, but the Legislature and Governor have taken funds from accounts before and allowed the courts to decide after the fact about its legality. ACWA has asked Legislative Counsel for an opinion about whether it is legal for the state to tap special district reserves. We recommend IEUA oppose any such move to shift special district reserves to state coffers on the basis that it is probably illegal and will impede the agency's ability to finance essential water infrastructure projects.

Perchlorate and Emerging Contaminates

Perchlorate contamination is shutting down wells throughout San Bernardino County. We recommend that the board 1) Support measures that require responsible parties to compensate water suppliers whose water supply has been directly impacted by perchlorate or other emerging contaminants. 2) Make bond funds available for the treatment and removal of perchlorate and other emerging contaminants. 3) Oppose measures that encourage or give new authority for parties to go after "innocent" overlying landowners that are not responsible for the contamination.

Water Bond Funds

California's population continues to rise at the same time its water supplies are being restricted for a variety of reasons. In 2020 the state is predicted to need an additional 7 to 9 MAF per year beyond what we are now using. We recommend supporting in concept the placement of water bond initiatives on the statewide ballot for the voters' consideration.

SB 750 (Machado)
 Safe Drinking Water, Water Quality, Flood Protection and Water Supply
 Reliability Act of 2004

<p>Safe Drinking Water (Chapter 3)</p> <p><i>For grants for infrastructure improvements and related actions to prevent or remove dangerous contaminants from sources of drinking water and to meet safe drinking standards, with priority given to projects that address immediate threats to public health and to prevent contamination of drinking water sources from spreading</i></p>	<p>\$ 200,000,000</p>
<p>Local Water Quality, Flood Management and Water Supply Projects (Chapter 4)</p> <p><i>For competitive grants that include two of the following elements (with priority given to projects that are part of an approved integrated watershed management plan, and provide regional or multi-regional benefit; must also have an adopted groundwater plan or include preparation of such a plan, and must have matching funds from non-state sources. Regional allocations are assigned according to regional water quality board boundaries. The allocation for Region 8 (Santa Ana) is \$375,000,000):</i></p> <ol style="list-style-type: none"> <i>(1) Water supply reliability, water conservation and water use efficiency;</i> <i>(2) Storm water capture, storage, treatment and management;</i> <i>(3) Removal of invasive non-native plants, creation/enhancement of wetlands, and acquisition/protection/restoration of open space and watershed lands.</i> <i>(4) Non-point sources pollution reduction, management and monitoring;</i> <i>(5) Groundwater recharge and management projects;</i> <i>(6) Contaminant and salt removal through reclamation, desalting and other treatment technologies;</i> <i>(7) Water banking, exchange, reclamation and water quality improvement;</i> <i>(8) Planning and implementation of multipurpose flood control programs that protect property and improve water quality, storm water capture and percolation and protection/improve wildlife habitat;</i> <i>(9) Watershed management planning and implementation;</i> <i>(10) Demonstration projects to develop new drinking water treatment and distribution methods; and,</i> <i>(11) Wastewater management and treatment.</i> 	<p>\$2,500,000,000</p>
<p>Statewide Water Supply Projects (Chapter 5)</p> <p><i>For increasing available water supplies to urban areas in Southern California, reducing reliance on the Colorado River as required by the QSA, and protecting/restoring fish and wildlife habitat at the Salton Sea.</i></p> <p><i>Specific allocations:</i></p> <p><i>CALFED Bay Delta Program (includes Integrated Storage Investigation)</i></p> <p><i>Reducing Dependence on Imported Water Supplies (includes Salton Sea)</i></p>	<p>\$1,500,000,000</p> <p>\$ 500,000,000</p> <p>\$1,000,000,000</p>
<p>Watershed Protection and Restoration (Chapter 6)</p> <p><i>For protection and restoration of watersheds, including the acquisition of land and water resources from willing sellers. Specific allocations:</i></p> <p><i>Sierra Nevada Cascade Mountain Region</i></p> <p><i>Wildlife Conservation Board</i></p> <p><i>State Coastal Conservancy</i></p>	<p>\$ 800,000,000</p> <p>\$200,000,000</p> <p>\$400,000,000</p> <p>\$200,000,000</p>



Inland Empire
UTILITIES AGENCY

Date: January 15, 2003

To: The Honorable Board of Directors

Through: Legislative and Public Affairs Committee (*January 8, 2003*)

From: Richard W. Atwater
Chief Executive Officer/General Manager

Submitted by: Martha Davis
Manager of Strategic Policy Development

Subject: 2003 Legislative Goals

RECOMMENDATION

It is recommended that the Board of Directors approve the recommended 2003 legislative goals.

BACKGROUND

The Agency's legislative program is intended to achieve the following goals:

- (1) Secure State and Federal funding for initiatives benefiting IEUA's service area including:
 - Organics Management Program;
 - Regional Water Recycling Program;
 - Water and Energy Efficiency Programs;
 - Optimum Basin Management Plan including Groundwater/Conjunctive Use Projects and Water Quality Improvement Projects; and,
 - Watershed planning and projects to improve water quality, water supply, stormwater management and habitat of the Santa Ana River watershed;

- (2) Provide appropriate positions on State and Federal legislation and administrative actions that effect IEUA's service area including:
 - State Budget actions that will adversely impact local and regional finances;
 - Legislation that will advance water efficiency, water recycling, desalinization, groundwater and other local projects;

- Water quality and stormwater management;
 - Land use and water supply; and,
 - Renewable Energy and related energy issues;
- (3) Generally Support SAWPA/MWD/ACWA/CASA/WateReuse State and Federal legislative programs including:
- MWD's legislative position on water wheeling and transfers;
 - CALFED Bay/Delta Program and Colorado River issues;
 - Water quality initiatives (salinity control, MTBE phase-out);
 - TMDL regulatory approaches to watershed management; and POTW issues.

2003 Federal Goals

Appropriations

- FY 2003
 - DOI \$6 million to expand existing budget earmark for OCWD's Groundwater Replenishment System program to include groundwater treatment and protection projects in the Chino Basin.
 - DOI \$4 million for water recycling and desalinization projects, including \$2 million for well-head treatment project for Jurupa Services District
 - DOE \$5 million to continue RP5 Renewable Energy Project.
 - USDA \$10 million to continue flood control and organics management projects in the Chino Basin.
 - EPA \$2.5 - \$5 million for Organics Management Project;
 - DOD \$2 million for Chino Airport well head treatment
 - Support for MWD, SAWPA, Cucamonga County Water District and other funding requests that will benefit the Chino Basin watershed
- FY 2004
 - Seek appropriation requests consistent with FY 2003 program

Legislation

- Water quality funding authorization and appropriation to address perchlorate, arsenic and other water contaminants impacting drinking water supplies;
- Colorado River 4.4 Plan legislative support and funding;
- CALFED Reauthorization and funding;
- Title 16 authorization of funding for water recycling, reclamation desalinization, conservation and groundwater storage projects (Boxer, Miller, other);
- Simon Bill Reauthorization for Desalinization Projects

2003 State Goals

Budget

- Oppose administrative and legislative actions that will impact local and regional finances;
- Oppose increases in wastewater discharge fees;

Legislation

- Legislation to provide a comprehensive statutory framework for implementation of this bond measure for water quality, water supply and watershed improvements
- Legislation to establish a FY 2004 Water Bond Measure
- Legislation to establish FY 2004 Recycled Water Bond Measure

THIS PAGE
INTENTIONALLY
LEFT BLANK



Date: May 21, 2003
To: Honorable Board of Directors
Through: Public and Legislative Affairs Committee (5/14/03)
From: Richard W. Arwater *RWA*
Chief Executive Officer/General Manager
Submitted by: Martha Davis *MAD*
Executive Manager – Policy Development
Subject: April Legislative Report from Agricultural Resources

RECOMMENDATION

This is an informational item regarding the April legislative report from Agricultural Resources.

BACKGROUND

Dave Weiman provides a monthly report on his federal activities on behalf of IEUA.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

THIS PAGE
INTENTIONALLY
LEFT BLANK

Agricultural Resources

635 Maryland Avenue, N.E.
Washington, D.C. 20002-5811
(202) 546-5115
(202) 546-4472-fax
agresources@erols.com

May 2, 2003

Legislative Report

TO: Richard W. Atwater
General Manager, Inland Empire Utility Agency

FR: David M. Weiman
Agricultural Resources
LEGISLATIVE REPRESENTATIVE, IEUA

SU: Legislative Report, April 03

Highlights:

- Administration Releases New Water Initiative – Water 2025
- Perchlorate – Statutory Exemptions
- Perchlorate – Recommendation to Calvert
- Water Recycling – Southern California Feasibility Study
- Water Recycling – the Calvert-Napolitano Initiative
- Water Recycling – Senate Energy Committee
- Budget Resolution (lack of one yet), Implications for Appropriations
- CALFED
- IEUA Working Partners

Administration Water Initiative, Water 2025. On May 2, the Interior Department announced a new water initiative, Water 2025. It recognizes severe water shortages, increased population demands and drought – and assumes all three will be more acute in the next quarter century. As for solutions, the plan highlights the existing Bureau of Reclamation program and way of doing business. The DOI will likely be received very critically. There is no mention of the environment, or the Department's statutory obligations on water throughout the Nation. More

specifically, “water recycling” is not referenced and neither are traditional BuRec storage. The theme seems to be, if it cost money, it will not be supported. The Senate Energy Committee is scheduling hearings in early May.

Perchlorate – DOD Seeking Statutory Exemptions. The National Defense Authorization Act for FY 2004 includes a proposal – the Readiness and Range Preservation from DOD that potentially limits DOD’s responsibilities. AMWA, AWWA, NAWC and ACWA have opposed key provisions of this proposal. DOD insists that its responsibilities for perchlorate cleanup are not changed. Senators Boxer, Feinstein and Reid (D-NV) have written DOD and urged that action be taken. Bills are being introduced on various aspects of the issue (standard setting, cleanup). The press accounts of perchlorate in lettuce, this issue will get greater attention in the immediate short term.

Perchlorate – Recommendations for Calvert through SAWPA. A recommendation was prepared and submitted to SAWPA to submit to Chairman Calvert and Ranking Member Napolitano. It recommended that Calvert’s Water and Power Subcommittee *jointly* hold California field hearings with the House Armed Services Committee, chaired by Rep. Duncan Hunter from San Diego. If Chairman Hunter and his Committee became convinced that DOD had a responsibility for perchlorate and an urgency for acting upon it, that could accelerate the opportunity for legislation and ultimately cleanup funding.

Water Recycling – Southern California Comprehensive Study (Feasibility Study). As previously reported, this Study was completed in April, 2001, now more than two years ago. The Interior Department and the Bureau of Reclamation were required, by statute, to submit the Report to Congress. They have not done so. This Report contains a determination of Feasibility, by the Bureau of Reclamation, for the IEUA Water Recycling Program. In early March, the Commissioner testified at a Budget hearing before Chairman Calvert and Ranking Member Grace Napolitano. At that time, Commissioner Keys told the Committee that the Report would be submitted to Congress “in a matter of weeks...” He also revealed that the Bureau staff responsible for the Feasibility Study was directed [by Assistant Secretary Raley] to rewrite portions of the Study. Rep. Napolitano insisted that any changes be fully documented and reported to Congress. Both Commissioner Keys and Assistant Secretary Raley told SAWPA that the Study would be submitted before the end of March. It’s early May and the Report is still being withheld.

Water Recycling – the Calvert and Napolitano Initiative. Working with representatives of OCWD, Water Reuse Association and others, we have worked with the Subcommittee on Water and Power since the Oversight Hearing to (a) urge appropriators to recognize the growing importance of water recycling and increase funding for Title XVI and (b) prepare questions for continued review of this program.

Senate Energy Committee – Chairman Domenici and Water Recycling. The new chairman of the Senate Energy Committee is Sen. Pete Domenici (R-NM). Among his priorities, initiating

westwide hearings on water. Background materials on all aspects of water recycling, including the IEUA project is being provided to the Committee on a regular basis.

Budget Resolution. A budget resolution has not been passed. This is an essential “first step” in beginning the appropriations process. The Resolution would establish an overall “number” that is then allocated between and among the 13 fundings subcommittees. That has not happened. There is significant disagreement between the House and Senate and it will undoubtedly influence the timing of appropriations (already the process is slipping).

CALFED Senator Feinstein is finalizing the drafting process on her CALFED bill. She wanted to introduce it last month, but it is now targeting May for introduction. Reportedly, the bill will be very similar to the Feinstein-Kyl draft that did not pass at the close of Congress in 2002. As a result of discussions with Rep Napolitano, Senator Feinstein will include a provision that will provide general authorization for the Water Recycling Projects in both the Southern and Northern California feasibility studies. However, these projects may be provided an authorized funding level of approximately \$80 (unconfirmed at this time). This number is about 20-25% of the need for these projects (over a ten-year construction period) and this remains a key issue.

IEUA Continues to Work With Various Partners. On an on-going basis in Washington, IEUA continues to work with:

- * Metropolitan Water District of Southern California
- * Milk Producer’s Council
- * SAWPA
- * Water Environment Federation (WEF)
- * Association of California Water Agencies (ACWA)
- * WateReuse
- * OCWD

#####

THIS PAGE
INTENTIONALLY
LEFT BLANK



Inland Empire
UTILITIES AGENCY

Date: May 21, 2003
To: Honorable Board of Directors
Through: Public and Legislative Affairs Committee (5/14/03)
From: Richard W. Atwater *RWA*
Chief Executive Officer/General Manager
Submitted by: Martha Davis *MD*
Executive Manager - Policy Development
Subject: April Legislative Report from Geyer and Associates

RECOMMENDATION

This is an informational item regarding the April legislative report from Geyer and Associates.

BACKGROUND

Bill Geyer and Jennifer West provide a monthly report on their state activities on behalf of IEUA.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD:jbs
G:\board-rec\2003\03180 April Leg Report from Geyer

THIS PAGE
INTENTIONALLY
LEFT BLANK

MEMORANDUM

TO: Rich Atwater and Martha Davis
FROM: Jennifer West and Bill Geyer
DATE: May 5, 2003
RE: April Legislative Report

Budget Update

The next major action on the budget will come mid-May when the Governor releases his May Revise for the 2003/2004 budget. Department of Finance has warned that the state may face an additional \$4 - \$6 billion deficit for this year. This would put the total budget deficit near \$40 billion – more than 1/3 of the entire General Fund.

The Legislature has made some progress in reducing the current year (02/03) deficit, but the budget gap remains close to \$6 billion. On the state of the budget cuts Senate Pro Tem recently quipped, “All the weeds have been whacked, now we need to start pruning the bushes.” Still, some are predicting that this Legislature, as a result of political polarization and term limits, may never be able to come up with the needed cuts/revenue increases required to bridge this unprecedented budget gap. Wall Street may or may not be able to float the state another \$11 billion loan to allow the state to continue to write checks. Ultimately, Wall Street may be the one that dictates what level of revenue increases and program cuts need to be made.

ERAF

Recently the Assembly Republican Caucus released a budget that contained a number of program cuts, including the elimination of the multi-county ERAF exemption. This proposal would directly impact SAWPA and now that it has been “thrown out on the table” it will be hard to reverse. Fortunately, the proposal did not include eliminating the partial ERAF exemption, which exists in the code for wholesale water agencies. If it is not included in May Revise, we will be in the best possible position for the coming budget debates.

QSA Update

IEUA has been active along with SAWPA and other MWD member agencies in raising questions about the proposed QSA and the use of \$200 million in Proposition 50 money to fund the deal. IEUA recently testified before the Senate Agricultural and Water Resources Committee and clarified San Diego Water Agency's erroneous statement that \$200 million in bond funds would only generate 55,000 AF per year in local projects. SAWPA representatives did a great job following up on IEUA's statements and detailing the amount of new water -- far in excess of 55,000 AF per year -- that the region has developed with its Proposition 13 funds.

Unfortunately the Governor, who convened the negotiations on the QSA between the four water agencies, has invested significant political capital in seeing that the deal goes through and supports the use of the \$200 million in Proposition 50 funds to ensure its passage. Rich Atwater has spoken with Mary Nichols about the Agency's concerns and will meet with Richard Katz of the Governor's office, Senator Hollingsworth and others to further clarify the Agency's concerns.

Senator Machado has introduced two pieces of legislation that impact the QSA. SB 117 embodies the Administration's proposal for the reallocation of the Proposition 50 funds. SB 750 is a proposed 2004 bond measure that would make up to \$1 billion available to support the implementation of the QSA and protection/restoration of the Salton Sea.

Inland Empire Utilities Agency

Positions/Position Recommendations

May 1, 2003

Bill # / Title	Summary	Position	Status
Propositions 50/Water Bonds			
SB 117 (Machado) QSA, Prop. 50 Allocations	Allocates \$200 million in Prop. 50 funds for mitigation associated with the QSA. \$150 million would come from Chap. 8, the regional water supply section of the bond; \$25 million from the Cal-Fed section and \$25 million from Chap. 4, the safe drinking water section. IEUA opposes using Prop. 50 funds for QSA mitigation. As the bill is structured, the \$200 million would be taken from local projects that would provide long-term water supplies for Southern California. Machado appears sympathetic to our concerns.	Recommend Oppose unless amended	Senate Ag. and Water Resources 5/6
SB 21 (Machado) Prop. 50 Implementation	Proposition 50 implementation measure. IEUA has participated in the Machado's working group process and is interested in the implementation of a number of Prop. 50 funding categories, including Chapters 4,5, 6 and 8. In the most recent version of the bill IEUA amendments were included that will allow perchlorate and other emerging contaminants to be eligible for certain types of Prop. 50 funding. In April the bill passed out of Senate Ag. and Water Resources. IEUA testified in support.	Support	Senate Enviro. Quality
SB 750 (Machado) 04' Water Bond	\$5 billion water bond for the 04' ballot. Competitive grant program by region. Contains \$1 billion for Salton Sea impacts, \$200 million for contaminate removal and \$230 for the Santa Ana Region based on a statewide population formula. IEUA has spoken to the author about amendments to make emerging contaminants eligible for funding in the bond.	Recommend Support	Senate Ag. and Water 5/6
AB 334 (Goldberg) Recycled Water	Implements one of the major public policy recommendations from the Water Recycling Task Force. Authorizes local agencies to adopt regulations governing water softeners or conditioning appliances that discharge to the community sewer	Recommend Support	Assembly Approps.

	system. The salt generated from water softeners is a major impediment to expanding the use of recycled water. In late April the bill passed out of Assembly Toxics. It continues to be heavily opposed by water softener companies. IEUA's help will be needed to get the bill off the Assembly Floor in May.		
Desalination			
SB 318 (Alpert) UWMP: Desal	Requires UWMP to describe the opportunities for development of desalinated water. Recent amendments added brackish water to the definition of "desalination". IEUA requested these amendments. In April the bill passed out of Senate Ag. and Water Resources. IEUA testified in support as amended.	Support	Senate Approps.
Water Conservation/Water Supply Land Use			
AB 306 (Kehoe) Water Meters	Requires water purveyors by 2008 to install meters on all residential and agricultural service connections constructed prior to 1992. By 2009, requires water purveyor to charge customers for water based on actual volume of deliveries. MWD is in support of the measure, as are a number of other water districts. In April the measure passed out of Assembly Water Parks and Wildlife Committee and the Business and Professions Committee. Some local legislators have concerns about the bill. IEUA will talk to them about the importance of the measure.	Support	Assembly Approps.
SB 312 (Machado) Landscape Water Conservation	The bill creates a task force to review the model landscape ordinance and make recommendations for its improvement. Also requires separate outdoor water meters that will assist homeowners to monitor and adjust their outdoor water use appropriately.	Support	Senate Approps.
SB 906 (Escutia) Municipal Water District Act	As introduced, prohibited the Central Basin Municipal Water District and the West Basin Municipal Water District from imposing an administrative overhead charge on water sold to Water Replenishment Districts. In committee Escutia agreed to take amendments that require that West Basin and Central Basin provide information to the public fully explaining their rate structure. The latest version of the bill still outlines what elements must be included in the agencies rate structure. ACWA is still opposed.	Oppose	Senate Local Gov. 5/7

Water Quality/Water Quality Penalties and Fees			
AB 10X (Oropeza) Waste Discharge Fees	Removes cap on waste discharge fees for POTWs. Allows SWRCB to set an annual fee for POTWs and dairies holding NPDES permits. Contains open-ended recoverable costs, including groundwater monitoring and surface water monitoring.	CASA is leading the effort on creating a fee structure.	Signed
SB 204 (Perata) Diaper Recycling	Requires the Waste Board to provide grants to local agencies for funding programs for the recycling and diversion from landfill disposal of diapers. These grants would be paid for by fee imposed on the purchase of diapers (\$.0025 per diaper). IEUA supports the bill for water quality purposes.	Support	Senate Enviro Quality
Drinking Water Contaminates			
SB 922 (Soto) Perchlorates	Mandates that any drinking water cleanup order issued by the state board or the regional boards require a polluter to calculate the volume of water contaminated and provide safe replacement water for the community. No requirement is currently in law that mandates that replacement water be provided. In the last 20 SWRCB cleanup orders, no replacement water was required. Opponent content that the bill limits the flexibility of the SWRCB and the RWQCB. SWRCB has no official position at this time. Senator Soto has requested that IEUA support her bill.	Recommend Support	Senate Approps.
SB 1004 (Soto) Perchlorates	Requires that the SWRCB be notified when perchlorate is discharged into waters of the state, or when it is likely to be discharged into waters of the state, unless the discharge is in compliance with a waste discharge requirement. Failure to notify is punishable by fines of up to \$5,000 per day. Also requires perchlorate manufacturers to provide water suppliers with the total number of pounds of perchlorate discharged into state waters by their facility. Senator Soto has requested that IEUA support her bill.	Recommend Support	Senate Approps.

Air Quality			
SB 981 (Soto) Children Health Initiative	Requires every operator of a refinery to pay 30 cents per barrel of crude into a "Children's Health and Petroleum Pollution Remediation Trust Fund" created by this bill. Money would be distributed to each air quality district on the basis of a district's share of a statewide emissions inventory. Each air quality district would expend the funds on petroleum pollution source reduction programs and public health programs. There must be a clear nexus regarding the relative harm caused by diesel and gasoline fuel and the revenues received from the fee.	Support	Senate Rev and Tax, May 7
Budget Items			
Williamson Act Subvention Fund Support	The Governor's January 03/ 04 budget recommended the elimination of \$39 million in Williamson Act Subvention funds. These funds protection 19 million acres of farmland, wildlife habitat and open space. Both houses have recommended these funds be maintained, as did the recently released Assembly Republican's proposed budget.	Support Protection of Funds	Budget Process
Prop. 50, Chapter 5 Support Recycled Water	In Prop. 50 Chap. 5 there is \$100 million administered by SWRCB available for a variety of clean water and water quality purposes, including "water reclamation." In the 03/ 04 budget the Administration proposes to use \$18 million for small communities grants and \$18 million for non-point source projects. \$20 million has already been allocated from last year's budget for Cal-Fed drinking water projects. The remaining \$36 million the Administration proposes to use in "out years" going through 2007, for non-water recycling projects. IEUA believes the funds should be used for the purposes set forth in Prop. 50 and should be implemented immediately.	Support Directing \$34 million to Water Recycling	Assembly Budget Clearing May 7

Inland Empire Utilities Agency

WATCH

("C" lowest level, "B" mid level, "A" high level watch)

May 1, 2003

Bill # / Title	Summary	Watch Level	Status
Propositions 50 and 40			
AB 107 (Corbett) Prop. 50 Assembly Vehicle	Assembly leadership vehicle for Prop. 50 funding.	A	Assembly Appros.
AB 120 (Wyland) Prop. 50: Earmark	Earmarks \$1.1 million from Prop. 50 for SWRCB grants to the Southern California Caulerpa Action Team to eradicate Caulerpa taxifolia in the Agua Hedionda Lagoon.	C	Assembly Toxics
AB 704 (Hancock) Prop 40 Funds	Earmarks unspecified amount of Prop. 40 funds for the East Bay Regional Park District.	C	Not set
AB 817 (Pacheco) Prop. 50: Earmark	Appropriates \$15 million in Prop. 50 Chap. 5 funds for a SWRCB education program on water quality.	C	Assembly Toxics
AB 859 (Nakano) Prop. 50: Earmark	Appropriates an unspecified amount of Prop. 50 Chap. 8 funds to the Coastal Conservancy for an ocean observing system.	C	Assembly N.R
AB 866 (Pavley) Watershed/Prop. 40	Adds water conservation, water use efficiency and water supply reliability to the list of elements that can be in the Integrated Watershed Management Program, which was created last year to allocate Prop. 40 funds. Also specifies that the Santa Monica Bay Restoration Commission shall appropriate the \$20 million earmarked in Prop. 50 for the Santa Monica Bay.	B	Assembly N.R.
AB 1054 (Spitzer)	Appropriates \$20 million in Prop. 40 funds to Orange County. These funds	C	Assembly

Prop. 40 Orange County	would come from the \$300 million category for clean beaches, coastal waters, and lakes.		Toxics.
AB 1110 (Harman) Prop. 50: Earmark	Earmarks \$3 million water security funds from Prop. 50 for the Anaheim Public Utilities Department.	C	Assembly Approps.
AB 1300 (Laird) Prop. 50: Reporting	Requires Secretary of Resources to prepare annual report on Prop. 50 expenditures.	C	Assembly N.R.
SB 518 (Escutia) Prop. 50: Spot	Includes definitions of "economically disadvantaged" and "severely economically disadvantaged" that will be incorporated in SB 21. Economically disadvantaged communities will be required to provide only a 5% match. Severely economically disadvantaged will be exempt from any matching requirement. In awarding grants the agencies will give preference to these communities.	A	Senate A.W.R.
SB 564 (Ackerman) Prop. 50: Orange County	Appropriates \$15 million from Prop. 50 to be made available for water efficient landscape management technologies and to significantly reduce urban runoff in urban communities.	C	Senate A.W.R.
Drinking Water Contaminates			
AB 826 (Jackson) Perchlorate	Creates the Perchlorate Contamination Prevention Act. Requires DTSC to monitor for perchlorates. Requires all groundwater monitoring wells in the state to be used as "early warning sentinels for drinking water contamination." Chino Basin Watermaster is reviewing the groundwater section of the bill.	A	Assembly Approps.
AB 1020 (Laird) Contaminates: Civil Action	Authorizes a public water system to bring civil action against any RP for the presence of any contaminate in surface or groundwater supplies utilized by the water district. Recoverable costs include investigation, replacement water and attorney's fees.	A	Assembly Approps.
SB 34 (Soto) Inland Empire Groundwater Perchlorate	Vehicle for addressing the perchlorate problem in the Chino Basin and surrounding groundwater basins. Fontana Water Company is the sponsor. Senator Soto is considering establishing a JPA-like agency. Jurisdiction, governance and "mission" still need to be established. IEUA has been working with the Senator to try to establish an acceptable local solution.	A	Senate Rules

Water Supply/Future Bonds			
AB 93 (Cancianilla) Water Bond 04	04' water bond. IEUA and SAWPA have been participating in stakeholder meetings. Includes water storage funding, which the environmental community is objecting to. Passed of Assembly Water Committee despite objections from the environmental community.	A	Assembly Toxics
AB 314 (Kehoe) Desalination	Intent language to facilitate the development of desalination projects.	A	Assembly Floor
AB 531 (Kehoe) Infrastructure Bond 04	Would place a \$10 billion measure on the 04 ballot that would finance local infrastructure and economic development projects. Funds would be issued from the Infrastructure Bank and would require at least a 50% match.	B	Assembly Approps.
AB 740 (Pavley) Water Bond 04	\$2.9 billion "Clean Air, Clean Water and Coastal Protection" bond measure for the 04' ballot.	A	Assembly Approps.
AB 1011 (Richman/ Cancianilla) ACA 11 Allocation	ACA 11 allocations. 15% of the funds would go for state competitive grant programs for cities, counties, water districts or wastewater agencies for water supply, water recycling, wastewater and storm water. 50% of the funds would be for transportation projects.	B	Assembly Business and Professions
SB 750 (Machado) Water Bond 04	\$5 billion water bond for the 04' ballot. Competitive grant program by region. Contains \$1 billion for Salton Sea Impacts. \$200 million for contaminate removal. \$230 for the Santa Ana Region based on population.	A	Not Set
Groundwater			
AB 1107 (Liu) Groundwater Data	Requires AB 599 committee to develop uniform groundwater data standards. Requires regulatory agencies to adopt any standard that are developed pursuant to the bill.	B	Assembly Approps. 5/7
AB 1159 (Liu) Groundwater Data	Creates a workgroup to make recommendations for groundwater database standards and for the collection and transfer of groundwater data. Watermaster is reviewing the bill for its impact to the Chino Basin.	B	Assembly W.P.W.
AB 1522 (Parra)	Requires the CVRWQCB to prepare a groundwater report that identifies	B	Assembly

Groundwater	potential groundwater supplies within its jurisdiction.		Approps.
SB 543 (Machado) Groundwater	Sponsored by a southern California private water company, the bill appears to alter the water rights for those entities that are under order to clean up contamination. Watermaster helped secure recent amendments clarify that the bill will not impact water rights in adjudicated basins.	A	Senate Approps.
SB 909 (Machado) Groundwater Data	Spot bill on groundwater for possible "clean up" of SB 1938 from last year.	B	Senate Ag. W.R. 4/1
Water Conservation/Water Supply Land Use			
AB 562 (Spitzer) Recycled Water	Placeholder for recommendations from the Recycled Water Task Force.	A	Not set
AB 607 (Plescia) Landscape Water Conservation	Sponsored by the Landscape Contractors, the measure would enact the Landscape Water Conservation Rate Structure Act. Allows a city or county to exempt themselves from the requirements of the model ordinance if they adopt a tiered landscape rate structure. ACWA is opposed	B	Assembly Approps.
AB 741 (Cancianilla) Water Shortage	Spot bill on the statute dealing with the declaration of water shortage emergencies by water districts.	B	Assembly Water P & W
AB 1015 (Laird) Land Use Water Supply	Requires all general plans be amended by 2006 to identify existing and planned sources of water supply, including groundwater, that will serve existing and future development in normal and dry years. Requires that the city and county prepare the water supply information in consultation with the water supplier or regional water management group. Allows the local agency to assess fees for the preparation of water supply component of the plan. State AG is the sponsor. ACWA is opposed and so is RLC.	A	Assembly Approps.
Water Quality/Water Quality Penalties and Fees			
ACA 10 (Harman) Nonpoint Source	Allows local jurisdiction to raise rates for storm water and urban runoff management by a simple majority vote.	B	Assembly Approps.

AB 760 (Maldonado) Water Penalties	Allows POTWs serving populations of less than 10,000 to apply any mandatory minimum penalty toward an upgrade projects in lieu of paying the fine to the SWRCB or the RWQCB. Sponsored by Pismo Beach.	B	Assembly Approps.
AB 897 (Jackson) Water Quality Objectives	Enacts a number of significant changes in Porter-Cologne. Increases state responsibilities with regard to TMDL implementation. Makes it a criminal violation for failing to file a certain types of monitoring reports to the SWRCB. Criminal violations are subject to \$25,000 a day fines and prison time. IEUA should review the bill to see if the agency submits the reports in question. If so, the agency may want to oppose the bill, or ask CASA to oppose.	A	Assembly Approps.
AB 1353 (Matthews) Waste Discharge	States that annual discharge fees cannot be charged if it can demonstrated that pollution is not entering waters of the state. Applies to waivers only anticipating that waivers will be subject in the future to an annual fee. Sponsored by the Wine Institute.	C	Assembly Approps.
AB 1541 (Montanez) Waste Discharge Requirements	States that failure to file a monitoring report or technical report is a "serious violation" of Porter-Cologne, which would mean these violations would be subject to a \$3000 fee. MPC is opposed, as is CASA, the counties and cities. Sponsored by CAL-PIRG.	A	Assembly Approps.
SB 932 (Sher) Waste Discharge Fees	Requires an annual fee for those who hold waste discharge waivers. MPC is opposed.	A	Senate Approps.
Quantification Settlement Agreement/Salton Sea			
AB 1484 (Pavley) Prop. 50: QSA	Earmarks an unspecified amount in Prop. 50 funds to facilitate the QSA.	A	A.W.P.W.
SB 117 (Machado/Kuehl) QSA	Intent language that the Legislature wants to the QSA to be signed and that the QSA be consistent with the state's commitment to the restoration of the Salton Sea.	A	Senate Rules
SB 277 (Ducheny) Salton Sea	Spot bill on the Salton Sea and California's entitlement to the use of 4.4 million AF of Colorado River water.	B	Senate Approps.
SB 317 (Kuehl)	Authorized the take of fully protected species as part of the QSA. States	A	Senate

Salton Sea/FPS	legislative intent to allocate a minimum of \$50 million from Prop. 50 for the QSA.		Approps.
SB 411 (Ducheny) Prop. 50: Salton Sea	Appropriates \$50 million from Prop. 50's Colorado River section to the WCB for Salton Sea restoration.	B	Senate Approps.
SB 994 (Hollingsworth) Salton Sea/QSA	Creates the Imperial Valley Water Quality Protection Trust Fund. Requires DWR to expend funds in the account to acquire water to prevent a material increase in salinity of the Salton Sea. DWR could only expend the funds in proportion to the amount of water transferred in accordance with the terms of the QSA.	B	Senate A.W.R. 5/6
Watersheds			
AB 66 (Leslie) Adopt A Waterway	Authorizes Resource Agency to enter into agreements to accept funds, equipment or services from any person for maintenance or environmental enhancement of a state waterway.	C	Assembly Approps.
AB 496 (Correa) Santa Ana Conservancy	Creates a state run conservancy for the three-county Santa Ana River area. Orange County is opposed. The author has said it will become a two year bill and he will work on further refining the measure when it gets to the Senate. IEUA has indicated to the author that it wants to be helpful in working out the bill's problems.	A	Assembly Approps.
AB 1405 (Wolk) Watersheds	Sponsored by RCRC. States that it is the policy of the state to endorse locally collaborative watershed projects.	B	Assembly N.R. 5/5
MISC.			
AB 847 (Pavley) Coastal Conservancy	Specifies that the Coastal Conservancy's duties include protecting sensitive habitat areas and improving coastal water quality.	B	Assembly Approps.
AB 1532 (Nakano) SWP Security	If federal funding is secured, requires DWR and DHS to conduct a water security monitoring project that includes monitoring 25 sites statewide for possible contaminants injected into the drinking water supply by terrorists.	C	Assembly Toxics
SB 83 (Soto) Assessments	Sponsored by Three Valleys, the bill addresses preapproved assessments from Proposition 218.	C	Assembly

SB 196 (Kuehl) RWQCB Appointments	Specifies that the city council member and a county supervisor serve on the RWQCB rather than someone from city or county "government."	C	Senate Approps.
--------------------------------------	---	---	--------------------

THIS PAGE
INTENTIONALLY
LEFT BLANK



Inland Empire
UTILITIES AGENCY

Date: May 21, 2003

To: Honorable Board of Directors

Through: Public and Legislative Affairs Committee (5/14/03)

From: Richard W. Atwater *RWA*
Chief Executive Officer/General Manager

Submitted by: Martha Davis *MD*
Executive Manager - Policy Development

Subject: April Legislative Report from Dolphin Group

RECOMMENDATION

This is an informational item regarding the April legislative report from Dolphin Group.

BACKGROUND

Michael Boccodoro provides a monthly report on his activities on behalf of the Chino Basin/Optimum Basin Management Program Coalition.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD:jbs
G:\board-rect\2003\03179 April Leg Report from Dolphin Group

THIS PAGE
INTENTIONALLY
LEFT BLANK

Chino Basin / OBMP Coalition

Status Report

April 2003

The Dolphin Group (DGI) and Lang, Hansen, O'Malley, and Miller (LHOM) continue to pursue a number of efforts and issues on behalf of the Chino Basin Coalition. Following is a brief update on activities:

- 1) **2002 Legislation Implementation** – Both firms are continuing working to ensure both coalition sponsored measures (AB 2228 & SB 1755), which took effect on 1/1/03, are fully and effectively implemented. Both PG&E and Edison filed revised net metering tariffs in early March. Western United Dairymen and Sustainable Conservation raised a number of issues in formal protests at the CPUC. The Dolphin Group is reviewing the filings and the Utility responses, and will be working with all parties to implement the appropriate tariffs that are consistent with the intent of the net-metering legislation. We are also currently monitoring CPUC deliberations/decisions regarding distributed generation and the potential impacts of “departing load” charges on local projects. The Commission adopted a final decision in April. Biogas generation projects were fully protected under the final decision.
- 2) **QSA Implementation** – DGI is currently monitoring initial legislative discussions on QSA proponents efforts to utilize \$250 – \$500 million of the funding under Proposition 50 to finalize the San Diego / IID transfer. The Senate Agriculture and Water Committee has scheduled an informational hearing on April 29 to consider the proposed QSA. Chino Basin Coalition members are working with other Southern California Agencies to ensure the integrity of Proposition 50 funding.
- 3) **Prop. 40 and Prop. 50 Implementation / Appropriation** – DGI continues its efforts toward identifying potential opportunities for coalition projects under both Prop. 40 and Prop. 50. Legislation, SB 21 (Machado) has already been introduced to implement Prop. 50 water programs. The measure, as recently amended, creates a number of competitive programs under which coalition members should be well positioned to obtain funding. SB 21 passed the Senate Agriculture and Water Resources Committee in early April on a bipartisan vote. AB 107 (Corbett) was recently amended in the Assembly Water Parks and

Wildlife Committee as a placeholder for Assembly Proposition 50 efforts.

- 4) **2004 / 2006 Water Bond** – Legislation (AB 93) to place another water bond before statewide voters in either 2004 or 2006 has been advanced by Assembly Water Parks and Wildlife Chair, Assemblyman Joe Canciamilla (D-Pittsburg). Assemblymember Fran Pavley has introduced AB 740, the so-called Clean Air, Clean Water and Coastal Protection Act. AB 740 currently includes \$1 billion for integrated regional watershed programs. Senator Mike Machado has also introduced SB 750. Senate Bill 750 is expected to contain \$1-\$2 billion for regional watershed programs including the Santa Ana Region. SB 750 is expected to be heard in the next few weeks. AB 93 (Canciamilla) passed the Assembly Water Parks and Wildlife Committee on a strong bipartisan vote in early April.