

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

October 23, 2003

10:00 a.m. – Advisory Committee

01:00 p.m. – Watermaster Board

(Lunch will not be provided)

**AT THE OFFICES OF
INLAND EMPIRE UTILITIES AGENCY**

6075 Kimball Avenue, Building A

Chino, CA 91710

(909) 993-1600

CHINO BASIN WATERMASTER

Advisory Committee Meeting

10:00 a.m. October 23, 2003

AT THE OFFICES OF

INLAND EMPIRE UTILITIES AGENCY

6075 Kimball Avenue, Building A

Chino, CA 91710

AGENDA

CALL TO ORDER

PRESENTATION FOR MARY STAULA'S RETIREMENT

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. MINUTES

1. Advisory Committee
Meeting of the Advisory Committee meeting held August 28, 2003 (Page 1)
Meeting of the Advisory Committee meeting held September 25, 2003 (Page 7)
2. Watermaster Board
Meeting of the Watermaster Board meeting held September 25, 2003 (Page 11)

B. FINANCIAL REPORT

1. Cash Disbursements for the month of September 2003 (Page 17)
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through July 31, 2003 (Page 19)
Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through August 31, 2003 (Page 20)
3. Treasurer's Report of Financial Affairs for July 1, 2003 through July 31, 2003 (Page 21)
Treasurer's Report of Financial Affairs for August 1, 2003 through August 31, 2003 (Page 23)
4. Profit & Loss Budget vs. Actual July 2003 (Page 25)
Profit & Loss Budget vs. Actual August 2003 (Page 27)

C. CONSIDER SOUTHERN CALIFORNIA WATER COMMITTEE MEMBERSHIP

Staff recommends that the Advisory Committee and Board authorize staff to enroll the Chino Basin Watermaster as a member of the Southern California Water Committee. (Page 29)

D. DRY YEAR YIELD OPERATING PLAN FOR FISCAL 2003/2004

The pools unanimously recommend approval of the FY 2003/04 Conjunctive Use Operation Plan. (Page 37)

E. CONSIDER APPROVAL OF MWD/IEUA GROUNDWATER STORAGE ACCOUNT

The pools unanimously recommend approval of the MWD/IEUA Groundwater Storage Account for the Dry Year Yield Program. (Page 41)

II. BUSINESS ITEMS - POSSIBLE ACTION

A. REQUEST FROM CITY OF CHINO (FORM 7) FOR CREDIT AGAINST OBMP ASSESSMENTS

Staff received direction from the pools to begin an analysis on the City of Chino's request for further consideration by Watermaster. (Page 43)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

B. CEO REPORT/UPDATES

1. Update regarding MZ1 Technical Committee Meeting of Wednesday September 24, 2003 (Page 47)
2. Update regarding Water Quality Committee Meeting of Wednesday September 24, 2003 (Page 51)
3. Discuss holiday meeting schedules

C. INLAND EMPPIRE UTILITIES AGENCY (Advisory Committee Only)

1. MWD IRP – Rich Atwater (oral)
2. Tier I/II Status – Rich Atwater (attached) (Page 67)
3. Southern California Regional Profile – Martha Davis (oral)
4. B160 State Water Plan – Martha Davis (oral)
5. MWD Dry Year Yield Program – John Rossi (oral)
6. Recycled Water Program – Tom Love (attached) (Page 69)
7. Chino Basin Facilities Improvement Project (Recharge) – Tom Love (attached) (Page 73)
8. IEUA September Water Resources Report – David Hill (handout)
9. State/Federal Legislation – Martha Davis (attached) (Page 77)
10. Public Relations – Sondra Elrod (oral)

D. OTHER AGENCY REPORTS

E. INFORMATION

1. MWD Rialto Pipeline "Planned Shutdown" for January 12-16, 2004 (Page 107)
2. Water Desalination Task Force (Page 109)

IV. BOARD MEMBER COMMENTS

V. OTHER BUSINESS

VI. FUTURE MEETINGS AND EVENTS

November 13, 2003	1:00 p.m.	Appropriative & Non-Agricultural Pool Meeting
	3:00 p.m.	Agricultural Pool Meetings
November 20, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

Note: November 13 and 20 meetings will be held at the new Watermaster offices, 9641 San Bernardino Road, Rancho Cucamonga, California (909) 484-3888

CHINO BASIN WATERMASTER

Watermaster Board Meeting

1:00 p.m. October 23, 2003

AT THE OFFICES OF

INLAND EMPIRE UTILITIES AGENCY

6075 Kimball Avenue, Building A

Chino, CA 91710

AGENDA

CALL TO ORDER

FLAG SALUTE & INVOCATION

PUBLIC COMMENTS

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- 3. Discuss holiday meeting schedules

C. ASSOCIATION OF GROUNDWATER AGENCIES

- 1. Minutes for the meeting held September 15, 2003 (Page 99)
- 2. Agenda to be held October 20, 2003 (Page 105)

D. OTHER AGENCY REPORTS

E. INFORMATION

- 1. MWD Rialto Pipeline "Planned Shutdown" for January 12-16, 2004 (Page 107)
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CHINO BASIN WATERMASTER

October 23, 2003

10:00 a.m. - Advisory Committee Meeting

1:00 p.m. - Watermaster Board Meeting

AGENDA PACKAGE



CHINO BASIN WATERMASTER

October 23, 2003

10:00 a.m. - Advisory Committee Meeting

1:00 p.m. - Watermaster Board Meeting

I. CONSENT CALENDAR

A. MINUTES

Advisory Committee

Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
August 28, 2003

The Advisory Committee Meeting was held at the offices of Cucamonga County Water District, 10440 Ashford Street, Rancho Cucamonga, CA 91729 on August 28, 2003 at 10:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Nathan DeBoom, Chair	Dairy, Milk Producers Council
<u>Agricultural Pool</u>	
Jack Hagerman	State of California Institute for Men
<u>Non-Agricultural Pool</u>	
Vic Barrion	Reliant Energy, Etiwanda LLC
<u>Appropriative Pool</u>	
Gerald Black	Fontana Union Water Company
Dave Crosley	City of Chino
Rita Kurth	Cucamonga County Water District
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Michael McGraw	Fontana Water Company

Watermaster Staff Present

John Rossi	Chief Executive Officer
Sheri Rojo	Finance Manager
Daniel Maurizio	Senior Engineer
Mary Staula	Recording Secretary
Gordon Treweek	Project Engineer
Devonya Williams	

Watermaster Consultants Present

Dave Argo	Black & Veatch
Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental, Inc.

Others Present

Boyd Hill	McCormick, Kidman & Behrens
Dave Hill	Inland Empire Utilities Agency
Diane Sanchez	State Department of Water Resources

The meeting was called to order by Chair deBoom at 10:10 a.m.

PUBLIC COMMENTS

None

INTRODUCTIONS

Mr. Rossi introduced Danielle Maurizio, Watermaster's Senior Engineer.

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

Draft Minutes of the Watermaster Board Meeting held July 24, 2003

B. FINANCIAL REPORTS

1. Cash Disbursement Report – July 2003

2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2002 through June 30, 2003
3. Treasurer's Report of Financial Affairs For June 1 through June 30, 2003
4. 2002-03 Actual YTD Revenues And Expenses Compared With Adopted 2002-03 Budget

C. WATER TRANSACTIONS

Application to Recapture Water in Storage by Fontana Water Company in the amount of 2.516 acre-feet stored by the Nicholson Trust and Transfer Annual Production Right or Safe Yield from The Nicholson Trust to Fontana Water Company in the amount of 4 acre-feet (*Notice mailed June 11, 2003; Approved by the Pool Committees July 10 & 17, 2003*)

Motion by Crosley, second by Barrion, and by unanimous vote

Moved, to approve Consent Calendar Items A through C, as amended to add \$150,000 for digesters to be included in the FY 2003/2004 budget as an extension of the Peace Agreement negotiations.

II. BUSINESS ITEMS

A. STORAGE & RECOVERY PROGRAM SCOPE OF WORK AND BUDGET

The members were asked to authorize the scope and budget for the Storage & Recovery Project engineering services in the amount of \$373,749. Black & Veatch reviewed the scope and presented additional information pertaining to specific tasks. Mr. Rossi noted that funds for this project were included in the FY 2003-2004 budget. The work is scheduled for completion by July 2004. There have been no changes made since Pool review on August 14.

Motion by Kinsey, second by Crosley, and by majority vote

Moved, to authorize the scope of work and budget for Black & Veatch engineering services on the Storage & Recovery Project.

B. LEASE AGREEMENT FOR WATERMASTER OFFICE

The terms outlined on page 43 of the agenda package for the lease agreement between Chino Basin Watermaster and Cucamonga County Water District (CCWD) were reviewed. Relocation of the Watermaster office is anticipated to occur on or about September 12, 2003. Mr. Rossi discussed the various improvements and upgrades required to ready the building. Cucamonga County Water District provided most of the building improvements while Watermaster is responsible for upgrades such as computer/telephone wiring, equipment for the Board Room, relocation of the copy machines, etc. The new lease cost plus the amortized costs for relocating are at, or less than Watermaster's current monthly expenditures, while almost doubling the square footage in office space.

Motion by Kinsey, second by Crosley, and by majority vote

Abstain: Kurth (CCWD)

Moved, to approve the terms in the lease agreement between Chino Basin Watermaster and Cucamonga County Water District for relocating the office of Watermaster.

C. CHINO BASIN FACILITIES IMPROVEMENT PROJECT

In a presentation, Tom Love of Inland Empire Utilities Agency outlined Bid Packages No. 1 through No. 7 for the Chino Basin Facilities Improvement Project. He discussed the Engineer's estimate and the budget for construction of Bid Package No. 3, the Jurupa Basin Force Main. The low bid was from W. A. Rasic Construction, Inc. in the amount of \$2,889,477. The Inland Empire Utilities Agency recommended the construction for Bid Package No. 3 be awarded to W. A. Rasic Construction, Inc. and that Watermaster's CEO and IEUA's GM be authorized to finalize and execute the construction contract.

Discussion ensued with regard to facilitating the management and operations of the basins 24 hours/day, seven days/week. Several related details have yet to be worked out in that regard. Mr. Rossi suggested the details be taken to the Recharge Group for discussion at their meeting on

Tuesday, September 9. The Board Members were asked to receive this as information only and staff will bring it back for action after the Recharge Group has met.

No action.

D. STATEMENT OF INTENT BETWEEN THE DEPARTMENT OF DEFENSE (DOD) AND LOCAL ENTITIES

A letter was received from Cucamonga County Water District requesting Watermaster support a Statement of Intent between the DOD and local agencies by becoming a co-signatory on the document. A copy of the letter was included in the meeting package. Mr. Rossi said he was considering requesting authorization to sign the Statement of Intent, executed on July 11, 2003, in order to expand collective efforts and resources to effect solutions to perchlorate issues. John Rossi requested this item be deferred to the Water Quality Committee for a recommendation at the September meetings.

No action.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water

Counsel Fife reported on the appeal filed by Chino Land & Water vs. Lewis Investment Company and provided copies of Chino Land & Water's opening brief as a handout. Legal Counsel recommended Watermaster file an Amicus Brief if this case goes forward.

2. Hearing re Cyclic Storage Agreement Amendment

Court will hear the motion to approve the Amendment to the MWD Cyclic Storage Agreement on September 4 at 1:30 p.m. No opposition is anticipated.

ADDED:

3. Forebearance Plan

The City of Chino and the City of Chino Hills have indicated participation in the Forebearance Plan for another year. The City of Chino will file a request for continuance of Paragraph 15.

4. Colonies Project

The Colonies Project CEQA case was settled last week. Other portions of the case were dismissed. One outstanding issue pertains to the Flood Control District's easements on the property. If the judge finds that the Flood Control District has abandoned their easements, Watermaster may want to file an Amicus Brief.

B. CEO REPORT/UPDATES

1. Status Report on the Recharge Project

Status on the Recharge Project was discussed earlier in this meeting. However, Mr. Rossi added that integration of the improvements to the City of Upland basin with the College Heights basin could save some money and is currently being discussed.

2. Status Report on MZ1 Technical Committee Meeting on July 23, 2003

Mr. Rossi referred to page 97 of the agenda package for a hard copy of the MZ1 Interim Monitoring Program Progress Report. Legal Counsel was asked to draft an agreement, which should be available for review in 60 days.

3. Status Report on Water Quality Committee Meeting of August 27, 2003

Mr. Rossi apologized for the cancellation of Wednesday's Water Quality meeting. The Committee is tentatively scheduled to meet on September 24, 1:30 p.m., at the office of Watermaster. Mr. Wildermuth is working on the investigation of perchlorate as well as reviewing the comments on the Statement of Intent between the DOD and local agencies.

ADDED:

4. Watermaster Office Relocation

Mr. Rossi pointed out that the September Pool meetings would be held at the offices of Cucamonga County Water District and the Advisory Committee and Board meetings will be held at Watermaster's new location.

C. INLAND EMPIRE UTILITIES AGENCY REPORT

Mr. Hill reported on IEUA items 1 through 6:

1. Conservation Programs

ULF Toilet Program. 443 rebate applications have been received for ULF toilets. On September 6, CCWD will distribute 600 ULF toilets; October 4 has been scheduled by the City of Ontario to distribute 500 ULF toilets; and IEUA's Regional Event will be held October 18 at Fontana Public Works where 800 ULF toilets will be distributed.

HECW Rebate Program. More than 1,776 rebates have been issued.

Swimming Pool Cover Rebate Program. During the month of September, 38 homeowners who participated in the swimming pool cover rebate program will be interviewed to understand the use patterns associated with the pool covers.

Water Brooms. The water broom school distribution has been completed. Of the 242 water brooms available for distribution, 220 were actually provided to the schools; facility maintenance personnel

California Urban Water Conservation Council (CUWCC)

On September 9, IEUA will host the quarterly meeting of the CUWCC, a statewide organization responsible for overseeing the implementation of the Best Management Practices.

2. Public Relations

- MWD and IEUA will each present a \$20,000 check to the Chino Basin Water Conservation District for the City Makeover Project, Sept 15, 7:00 p.m., Montclair Council Chambers.
- Orange County Water District's VIP Desalter Tour, September 19.
- Rancho Cucamonga County Grape Harvest Festival at the Epicenter, October 3, 4, 5
- Colorado River Aqueduct Tour, October 10-12
- Water Education Foundation's Southern California Groundwater Tour Breakfast Meeting, October 15, 8:30 a.m., IEUA Event Room

3. Recycled Water Program

July 2003 Recycled Water Summary was included on page 61 of the agenda package.

4. Chino Basin Facilities Improvement Project (Recharge)

Presented under agenda item II.C.

5. IEUA June Water Resources Report

August 2003 Summary of Water Resources Planning Activity was provided as a handout.

6. State/Federal Legislation

Legislative reports begin on page 8 of the agenda package.

7. MWD Dry Year Yield Program

Mr. Rossi gave a brief update on MWD Dry Year Yield activities.

D. OTHER REPORTS

None

E. INFORMATION

City of Chino Hills Notice of Forbearance
Progress Report MZ-1 Interim Monitoring Program

IV. COMMITTEE MEMBER COMMENTS

None

V. OTHER BUSINESS

None

VI. FUTURE MEETINGS AND EVENTS

September 11, 2003	8:30 a.m.	Storage & Recovery Workshop @ CCWD
	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting @ CCWD
	1:00 p.m.	Agricultural Pool Meeting @ CCWD

**Note: September 11 meetings will be held at Cucamonga County Water District,
10440 Ashford Street, Rancho Cucamonga, CA 91729**

September 25, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting
October 9, 2003	8:30 a.m.	Storage & Recovery Workshop
	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
	1:00 p.m.	Agricultural Pool Meeting
October 23, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting
Added: September 24, 2003		Water Quality Meeting

Chair deBoom adjourned the meeting at 11:30 a.m.

Secretary

Minutes Approved: _____

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PURPOSES

Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
September 25, 2003

The Advisory Committee Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on September 25, 2003 at 10:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Nathan DeBoom, Chair	Dairy, Milk Producers Council
<u>Agricultural Pool</u>	
Jack Hagerman	State of California Institute for Men
Sylvia C. Hale	State of California Attorney General's Office
<u>Non-Agricultural Pool</u>	
Vic Barrion	Reliant Energy, Etiwanda
<u>Appropriative Pool</u>	
Gerald Black	Fontana Union Water Company
Dave Crosley	City of Chino
Ken Jeske	City of Ontario
Mark Kinsey	Monte Vista Water District
Rita Kurth	Cucamonga County Water District
Mike Maestas	City of Chino Hills
Michael McGraw	Fontana Water Company
Henry Pepper	City of Pomona
J. Arnold Rodriguez	Santa Ana River Water Company
Ray Wellington	San Antonio Water Company

Watermaster Pool Members Present

Bill Stafford	Appropriative Pool, Marygold Mutual Water Company
Mohamed El-Amamy	City of Ontario

Watermaster Staff Present

John Rossi	Chief Executive Officer
Danielle Maurizio	Senior Engineer
Mary Staula	Administrative Assistant
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
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Other Presents

Sondra Elrod	Inland Empire Utilities Agency
Gary Hackney	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency
Dave Hill	Inland Empire Utilities Agency
Dan McKinney	Special Counsel to the Agricultural Pool
Diane Sanchez	State Department of Water Resources
Barrett Kehl	Chino Basin Water Conservation District

The Advisory Committee meeting was called to order by Chair deBoom at 10:05 a.m.

AGENDA - ADDITIONS/REORDER

None

I. CONSENT CALENDAR**A. MINUTES (Watermaster Board)**

1. Draft Minutes of the Watermaster Board Meeting held August 28, 2003

B. FINANCIAL REPORTS

1. Cash Disbursement Report – August 2003

C. STATUS REPORT NO. 8

Authorize staff and legal counsel to make non-substantive edits if necessary and file OBMP Implementation Status Report No. 8 with the court

D. WATER TRANSACTION

Transfer of Annual Production Right for FY 2002-2003 from Santa Ana River Water Company to Jurupa Community Services District in the amount of 2,000 acre-feet (*Notice mailed August 7, 2003, Approved by the Pool Committees August 14, 2003*)

E. IEUA CONJUNCTIVE USE FY 2004 FUNDING REQUEST

Authorize support of IEUA's funding request for \$500,000 in the FY 2004 Energy and Water Development Appropriations Bill for continued implementation of this water development project, and to monitor for perchlorate and other water quality problems in the Chino Basin.

Motion by Crosley, second by Black, and by unanimous vote

Moved, to approve Consent Calendar Items A through F, as presented.

II. BUSINESS ITEMS**A. BALANCE OF RECHARGE & DISCHARGE IN ALL AREAS, AND DETERMINATION OF OPERATING STORAGE & SAFE STORAGE**

At the August meetings, Mr. Wildermuth presented a Draft Technical Memorandum on the Dry-Year Yield findings related to recharge and discharge in all areas and operating storage and safe storage. Comments received were incorporated into the Final Draft, which was reviewed at this meeting. Mr. Rossi reported that the pools took unanimous action on September 11, 2003 recommending the Final Draft be filed with the court.

Motion by Black, second by Crosley, and by unanimous vote

Moved, to direct legal counsel to file the Final Draft Technical Memorandum on Dry-Year Yield findings related to recharge and discharge in all areas and operating storage and safe storage with the court.

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. Chino Land & Water vs. Lewis Investment Company
Counsel Fife reported on the appeal filed by Chino Land & Water vs. Lewis Investment Company. Lewis Investment Company received an extension to October 24 for their response to Chino Land & Water's opening brief. As a result, Watermaster has postponed filing an Amicus Brief.
2. Chino Paragraph 15 Motion
Chino Paragraph 15 Motion was continued by the court to August 2004.
3. September 4, 2003 Hearing
At the September 4 hearing, the court approved the seventh amendment to the Cyclic Storage Agreement with MWD.
4. Central Basin Appellate Decision
Counsel reviewed the Central Basin appellate decision handed out and determined it would have no effect on the Chino Basin. Chino Basin's Judgment stipulates storage rights.

B. CEO REPORT/UPDATES

1. Establishment of Workgroup to address Monte Vista Water District's (MVWD) issues
Mr. Atwater was appointed as chair for this workgroup. The workgroup will be reviewing upcoming salt budgets and MVWD issues.
 2. Update regarding MZ1 Technical Committee Meeting of Wednesday September 24
It was reported that the meeting was well attended. The committee reviewed a technical presentation by Wildermuth Inc. and agreed to meet again in two months.
 3. Update regarding Water Quality Committee Meeting on Wednesday September 24
This was also a well-attended meeting. Jerry Thibeault attended the meeting and discussed ways that the agencies could help them with monitoring water quality.
 4. Update regarding Relocation of Watermaster Offices
Relocation is complete and went smoothly, although the remodeling of the Meeting Room will not be finished for meetings until November.
 5. Update regarding State's Desal Task Force Meetings on August 26 and 27
Mr. Rossi was able to sit in Mr. Atwater's place at the State's Desal Task Force meeting while Mr. Atwater was in Sacramento to help with the draft.
 6. Update regarding preparation of 2003/2004 Assessment Package
The Assessment Package is being finalized and a draft will be presented at the next meeting.
- ADDED 7. Upcoming Colorado Tour
The Colorado tour will be October 10, 11 and 12. For further information please contact Sondra Elrod at Inland Empire Utilities Agency at (909) 993-1747.

C. INLAND EMPIRE UTILITIES AGENCY AGENDA

1. QSA Update – Martha Davis
Ms. Davis reviewed a hand out from the Department of Water Resources California Water News, a compilation of significant news articles and comments including the Colorado QSA Agreement. The QSA discussions continue. The U. S. Department of the Interior issued a determination that the water being used by Imperial Irrigation District is being wasted. In late August, MWD and other agencies failed to come to agreement on the QSA.
2. Imported Water Report - Dave Hill
Mr. Hill presented graphs summarizing IEUA's service area total water demand, including IEUA, CCWD and WFA's cumulative monthly Tier 1 imported water deliveries for calendar year-to-date. He noted that 2002 was the driest year in history.
3. MWD Dry Year Yield Program - John Rossi
Mr. Rossi recapped the operating plan for in-lieu deliveries and the benefits of the Tier II's immediate impact on basin deliveries "Black Box Concept".
4. Recycled Water Program – Tom Love
Mr. Love reported that starting August 5, Reliant Energy began taking recycled water. Reliant has requested low ammonia in the water and staff is working with RP-4 Operations to achieve their request.
5. Chino Basin Facilities Improvement Project (recharge) - Tom Love
Mr. Love gave an informative presentation to the Recharge Group. Work is progressing in each groundwater recharge basin under this project, including improvements in flood control channels. Bid package #7 is going well and should be complete in the next 60-90 days.
6. IEUA August Water Resources Report - Dave Hill
Mr. Hill reviewed the Water Resource Planning Activities. Highlighting Chino Basin Watermaster (CBWM), Santa Ana Watershed Project Authority (SAWPA), Metropolitan Water District of Southern California (MWD), CALFED: Updates, Colorado River: Updates & Issues, Water Conservation Program Activity Summary, and Water Resources Coordination Calendar.

- 7. State/Federal Legislation - Martha Davis
Ms. Davis highlighted significant Senate Bills, Assembly Bills, and Propositions and discussed recommendations. For complete details, legislative reports are included in the agenda package, pages 105-149.
- 8. Public Relations - Sondra Elrod
Ms. Elrod invited the group to the upcoming Leadership Breakfast at IEUA, Bldg. B on October 22 at 7:30 a.m. in the Event Room. Ms. Elrod reported that the recent Community Day went well and they are now looking forward to the Grape Harvest Festival in Ontario on October 18.

D. OTHER AGENCY REPORTS

None

E. INFORMATION

Mr. Rossi was asked to speak at the University of California Biennial Ground Water Conference, Ontario Doubletree Inn, October 28 and 29, 2003. He will be addressing good groundwater the first day and good communication on the following day.

IV. COMMITTEE/BOARD MEMBER COMMENTS

None

V. OTHER BUSINESS

A reception to commemorate the retirement of Mary Staula will be held directly after the Agricultural Pool Meeting at approximately 2:30 p.m. on October 9.

VI. FUTURE MEETINGS AND EVENTS

October 23, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

Note: October 23 meetings will be held at Inland Empire Utilities Agency, Bldg. A Board Room, 6075 Kimball Road, Chino, California, 91710 (909) 993-1600

November 13, 2003	1:00 p.m.	Appropriative & Non-Agricultural Pool Meeting
	3:00 p.m.	Agricultural Pool Meetings

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	1:00 p.m.	Watermaster Board Meeting

Note: November 13 and 20 meetings will be held at the new Watermaster offices, 9641 San Bernardino Road, Rancho Cucamonga, California (909) 484-3888

Meeting Adjourned at 10:58 a.m.

Secretary

Minutes Approved: _____



CHINO BASIN WATERMASTER

October 23, 2003

10:00 a.m. - Advisory Committee Meeting

1:00 p.m. - Watermaster Board Meeting

I. CONSENT CALENDAR

A. MINUTES

Watermaster Board

Draft Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
September 25, 2003

The Watermaster Board Meeting was held at the offices of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA 91710 on September 25, 2003 at 1:00 p.m.

WATERMASTER BOARD MEMBERS PRESENT

Dennis Yates, Chair	City of Chino
Terry Catlin, Vice-Chair	Inland Empire Utilities Agency
Dan Rodriguez, Secretary	Appropriative Pool, City of Pomona
Vic Barrion	Non-Agricultural Pool, Reliant Energy, Etiwanda LLC
Robert Nicholson, Alternate	Appropriative Pool, Nicholson Trust
David DeJesus, Alternate	Three Valleys Municipal Water District
Donald Schroeder	Western Municipal Water District

WATERMASTER BOARD MEMBERS ABSENT

Paul Hofer	Agricultural Pool, Crops
Bob Kuhn	Three Valleys Municipal Water District
Geoffrey Vanden Heuvel	Agricultural Pool, Dairy
Michael Whitehead	Appropriative Pool, Nicholson Trust

Appropriative Pool Members Present

Mark Kinsey	Monte Vista Water District
Mohamed El-Amamy	City of Ontario
Mike McGraw	Fontana Water
Ken Jeske	City of Ontario
Henry Pepper	City of Pomona
Mike Maestas	Chino Hills

Watermaster Staff Present

John Rossi	Chief Executive Officer
Danielle Maurizio	Senior Engineer
Mary Staula	Recording Secretary
Sherri Lynne Molino	Recording Secretary in Training

Watermaster Consultants Present

Michael Fife	Hatch & Parent
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Others Present

Barbara Gilbert	Western Municipal Water District
Diane Sanchez	State Department of Water Resources
Sylvia Hale	California Attorney Generals Office

The meeting was called to order by Chair Yates at 1:06 p.m., followed by the flag salute.

PUBLIC COMMENTS

None

AGENDA – ADDITION/REORDER

None

I. CONSENT CALENDAR

A. MINUTES

Minutes of the Watermaster Board Meeting held August 28, 2003

B. FINANCIAL REPORTS

Cash Disbursement Report – August 2003

C. STATUS REPORT NO. 8

Authorize staff and legal counsel to make non-substantive edits if necessary and file OBMP Implementation Status Report No 8 with the court

D. WATER TRANSACTION

Transfer of Annual Production Right for FY 2002-2003 from Santa Ana River Water Company to Jurupa Community Services District in the amount of 2,000 acre-feet (*Notice mailed August 7, 2003, Approved by the Pool Committees August 14, 2003*)

E. CONSIDER SUPPORTING IEUA'S CONJUNCTIVE USE FY 2004 FUNDING REQUEST

Authorize support of IEUA's funding request for House budget line item of \$500,000 in the FY 2004 Energy and Water Development Appropriations Bill to provide essential funding for the continued implementation of this water development project, and to monitor for perchlorate and other water quality problems in the Chino Basin.

Motion by Nicholson, second by DeJesus, and by unanimous vote

Moved, to approve Consent Calendar Items A through F, as presented.

II. BUSINESS ITEMS

A. BALANCE OF RECHARGE & DISCHARGE IN ALL AREAS, AND DETERMINATION OF OPERATING STORAGE & SAFE STORAGE

At the August meetings, Mr. Wildermuth presented a Draft Technical Memorandum on the Dry-Year Yield findings related to recharge and discharge in all areas and operating storage and safe storage. The Pools took unanimous action on September 11, recommending that the Watermaster file the report with the Court.

Motion by Barrion, second by DeJesus, and by unanimous vote

Moved, to direct legal counsel to file the Technical Memorandum on Dry-Year Yield findings related to recharge and discharge in all areas and operating storage and safe storage with the court.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Chino Land & Water vs. Lewis Investment Company
Counsel Fife reported on the appeal filed by Chino Land & Water vs. Lewis Investment Company. Lewis Investment Company received an extension to October 24 for responding to Chino Land & Water's opening brief. As a result, Watermaster has postponed filing an Amicus Brief.
2. Chino Paragraph 15 Motion
Paragraph 15 Motion was continued by the court to August 2004.
3. September 4, 2003 Hearing
At the September 4 hearing, the court approved the amendment to the Cyclic Storage Agreement with MWD.

4. Central Basin Appellate Decision

Counsel reviewed the Central Basin appellate decision handed out and determined it would have no effect on the Chino Basin. Chino Basin's Judgment stipulates storage rights.

B. CEO REPORT/UPDATES1. Establishment of Workgroup to address Monte Vista Water District's issues

Mr. Atwater was appointed as chair for this workgroup. The workgroup will be reviewing upcoming salt budgets and MVWD issues.

2. Update regarding MZ1 Technical Committee Meeting of Wednesday September 24

It was reported that the meeting was well attended. The committee reviewed a technical presentation by Wildermuth Inc. and agreed to meet again in two months. Mr. Yates commented that people are extremely interested in committee meeting outcomes and asked staff to keep the parties informed.

3. Update regarding Water Quality Committee Meeting on Wednesday September 24

This was also a well attended meeting. Jerry Thibeault attended the meeting and discussed ways that the agencies could help them with monitoring water quality.

4. Update regarding Relocation of Watermaster Offices

Relocation is complete and went smoothly, although the remodeling of the Meeting Room will not be finished for meetings until November.

5. Update regarding State's Desal Task Force Meetings on August 26 and 27

Mr. Rossi was able to sit in Mr. Atwater's place at the State's Desal Task Force meeting while Mr. Atwater was in Sacramento to help with the draft.

6. Update regarding preparation of 2003/2004 Assessment Package

The Assessment Package is being finalized and a draft will be presented at the next meeting.

ADDED 7. Upcoming Colorado Tour

The Colorado tour will be October 10, 11 and 12. For further information please contact Sondra Elrod at Inland Empire Utilities Agency at (909) 993-1747.

C. AGWA REPORT

Meetings were held at the new AGWA facility. The members have a clear understanding of their long-term strategies and will be looking at long-term goals. It was felt the September meeting was very productive.

1. Minutes for meeting held August 18, 2003.
2. Agenda for meeting held September 15, 2003.

D. OTHER REPORTS

None

E. INFORMATION

Mr. Rossi was asked to give a speech at the University of California Biennial Ground Water Conference, Ontario Doubletree Inn, October 28 and 29, 2003. Mr. Rossi will be addressing good groundwater the first day and good communication on the following day.

IV. BOARD MEMBER COMMENTS

Mr. Yates will be going to Washington DC in October regarding Highway 71 issues and volunteered to make contacts regarding water issues while he is there. If anyone is interested, please contact him or Watermaster. Mr. Rossi thanked him and will let him know.

V. OTHER BUSINESS

A reception to commemorate the retirement of Mary Staula will be held directly after the Agricultural Pool Meeting at approximately 2:30 p.m. on October 9.

VI. FUTURE MEETINGS AND EVENTS

October 23, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

Note: October 23 meetings will be held at Inland Empire Utilities Agency, Bldg. A Board Room, 6075 Kimball Road, Chino, California, 91710 (909) 993-1600

November 13, 2003	1:00 p.m.	Appropriative & Non-Agricultural Pool Meeting
	3:00 p.m.	Agricultural Pool Meetings

November 20, 2003	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

Note: November 13 and 20 meetings will be held at the new Watermaster offices, 9641 San Bernardino Road, Rancho Cucamonga, California (909) 484-3888

Meeting Adjourned at 1:35 p.m.

Secretary

Minutes Approved: _____



CHINO BASIN WATERMASTER

October 23, 2003

10:00 a.m. - Advisory Committee Meeting

1:00 p.m. - Watermaster Board Meeting

I. CONSENT CALENDAR

B. CASH DISBURSEMENTS

September 2003



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: October 23, 2003
TO: Committee Members
Watermaster Board Members
SUBJECT: Cash Disbursement Report – September 2003

SUMMARY

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

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

Fiscal Impact – All funds disbursed were included in the FY 2003-04 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 September 2003 were \$728,410.05. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$376,169.00 and Wildermuth Environmental Inc. in the amount of \$142,520.71.

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PURPOSES

SHINO BASIN WATERMASTER
 Cash Disbursement Detail Report
 September 2003

Type	Date	Num	Name	Amount
Sep 03				
General Journal	9/4/2003	03/08/14	PAYROLL	-5,485.35
General Journal	9/4/2003	03/08/14	PAYROLL	-19,925.82
Bill Pmt -Check	9/9/2003	7906	A & R TIRE	-168.15
Bill Pmt -Check	9/9/2003	7907	ACWA SERVICES CORPORATION	-87.40
Bill Pmt -Check	9/9/2003	7908	APPLIED COMPUTER TECHNOLOGIES	-2,593.90
Bill Pmt -Check	9/9/2003	7909	ARROWHEAD MOUNTAIN SPRING WATER	-92.39
Bill Pmt -Check	9/9/2003	7910	BLACK & VEATCH CORPORATION	-7,590.00
Bill Pmt -Check	9/9/2003	7911	CALPERS	-1,231.82
Bill Pmt -Check	9/9/2003	7912	COLONIAL LIFE & ACCIDENT INSURANCE CO	-42.80
Bill Pmt -Check	9/9/2003	7913	COSTCO	-266.20
Bill Pmt -Check	9/9/2003	7914	GROOMAN'S PUMP & WELL DRILLING, INC.	-712.67
Bill Pmt -Check	9/9/2003	7915	INLAND COUNTIES INSURANCE SERVICES, INC.	-340.66
Bill Pmt -Check	9/9/2003	7916	JAMES JOHNSTON	-395.00
Bill Pmt -Check	9/9/2003	7917	MWH LABORATORIES	-8,588.00
Bill Pmt -Check	9/9/2003	7918	MWH Montgomery Watson Harza	-9,089.24
Bill Pmt -Check	9/9/2003	7919	NEXTEL COMMUNICATIONS	-429.50
Bill Pmt -Check	9/9/2003	7920	OFFICE DEPOT	-862.61
Bill Pmt -Check	9/9/2003	7921	PARK PLACE COMPUTER SOLUTIONS, INC.	-3,025.00
Bill Pmt -Check	9/9/2003	7922	PAYCHEX	-150.40
Bill Pmt -Check	9/9/2003	7923	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,833.33
Bill Pmt -Check	9/9/2003	7924	RANCHO TECH LLC	-4,485.00
Bill Pmt -Check	9/9/2003	7925	RAUCH COMMUNICATION CONSULTANTS, LLC	-864.98
Bill Pmt -Check	9/9/2003	7926	REID & HELLYER	-5,673.14
Bill Pmt -Check	9/9/2003	7927	RICOH BUSINESS SYSTEMS-Lease	-30.93
Bill Pmt -Check	9/9/2003	7928	SOFTCHOICE	-35.66
Bill Pmt -Check	9/9/2003	7929	STANDARD INSURANCE CO	-442.85
Bill Pmt -Check	9/9/2003	7930	STATE COMPENSATION INSURANCE FUND	-970.09
Bill Pmt -Check	9/9/2003	7931	TELECOM SERVICES	-1,572.32
Bill Pmt -Check	9/9/2003	7932	TLC STAFFING	-2,989.28
Bill Pmt -Check	9/9/2003	7933	VELASQUEZ JANITORIAL	-175.00
Bill Pmt -Check	9/9/2003	7934	VERIZON	-797.35
Bill Pmt -Check	9/9/2003	7935	CHEVRON	-405.58
Bill Pmt -Check	9/9/2003	7936	STEWART, TRACI L.	-3,692.06
Check	9/9/2003	7937	INLAND EMPIRE UTILITIES AGENCY	-3,987.95
Bill Pmt -Check	9/10/2003	7939	HOFFMAN VIDEO	-8,656.80
Check	9/18/2003	8001	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-0.93
Bill Pmt -Check	9/18/2003	8002	CITISTREET	-2,163.54
Bill Pmt -Check	9/18/2003	8003	PETTY CASH	-454.37
Bill Pmt -Check	9/18/2003	8000	TELECOM SERVICES	-1,572.32
Bill Pmt -Check	9/18/2003	8004	USPS/PITNEY BOWES	-2,000.00
Bill Pmt -Check	9/18/2003	8005	ACWA SERVICES CORPORATION	-87.40
Bill Pmt -Check	9/18/2003	8006	BANK OF AMERICA	-3,126.42
Bill Pmt -Check	9/18/2003	8007	DALIA'S PIZZA MARKET	-145.63
Bill Pmt -Check	9/18/2003	8008	ELLISON, SCHNEIDER & HARRIS, LLP	-3,956.38
Bill Pmt -Check	9/18/2003	8009	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	9/18/2003	8010	HATCH AND PARENT	-15,794.20
Bill Pmt -Check	9/18/2003	8011	INLAND EMPIRE UTILITIES AGENCY	-376,169.00
Bill Pmt -Check	9/18/2003	8012	MCI	-1,303.55
Bill Pmt -Check	9/18/2003	8013	MWH Montgomery Watson Harza	-2,277.65
Bill Pmt -Check	9/18/2003	8014	RICOH BUSINESS SYSTEMS-Lease	-5,449.95
Bill Pmt -Check	9/18/2003	8015	RICOH BUSINESS SYSTEMS-Maintenance	-621.02
Bill Pmt -Check	9/18/2003	8016	SOFTCHOICE	-40.06
Bill Pmt -Check	9/18/2003	8017	SOUTHERN CALIFORNIA EDISON	-1,050.12
Bill Pmt -Check	9/18/2003	8018	TLC STAFFING	-712.32
Bill Pmt -Check	9/18/2003	8019	UNITED PARCEL SERVICE	-297.64
Bill Pmt -Check	9/18/2003	8020	UNITEK TECHNOLOGY INC.	-1,439.54
General Journal	9/18/2003	03/09/8	LAYNE CHRISTENSEN COMPANY	300,207.50
Bill Pmt -Check	9/18/2003	8021	LAYNE CHRISTENSEN COMPANY	-300,207.50
General Journal	9/18/2003	03/09/4	PAYROLL	-4,820.08
General Journal	9/18/2003	03/09/4	PAYROLL	-16,890.27
Check	9/22/2003	8022	ALBERTSON'S	-97.24
Bill Pmt -Check	9/25/2003	8023	WILDERMUTH ENVIRONMENTAL INC	-142,520.71
Bill Pmt -Check	9/25/2003	8024	A & R TIRE	-15.05
Bill Pmt -Check	9/25/2003	8025	AARON BROTHERS #64	-165.13
Bill Pmt -Check	9/25/2003	8026	BASELINE HARDWARE	-359.88
Bill Pmt -Check	9/25/2003	8027	DELUXE BUSINESS FORMS & SUPPLIES	-379.64
Bill Pmt -Check	9/25/2003	8028	MWH LABORATORIES	-455.00
Bill Pmt -Check	9/25/2003	8029	PATRAL CUSTOM CABINETS	-2,653.20

11:38 AM
10/02/03
Accrual Basis

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
September 2003

Type	Date	Num	Name	Amount
Bill Pmt -Check	9/25/2003	8030	RICOH BUSINESS SYSTEMS-Maintenance	-770.00
Bill Pmt -Check	9/25/2003	8031	VELASQUEZ JANITORIAL	-775.00
Bill Pmt -Check	9/30/2003	8032	BLACK & VEATCH CORPORATION	-7,127.00
Bill Pmt -Check	9/30/2003	8033	CALPERS	-2,701.87
Bill Pmt -Check	9/30/2003	8034	CITISTREET	-600.01
Bill Pmt -Check	9/30/2003	8035	INLAND EMPIRE UTILITIES AGENCY	-6,923.95
Bill Pmt -Check	9/30/2003	8036	KING OFFICE SERVICES	-1,891.63
Bill Pmt -Check	9/30/2003	8037	LOS ANGELES TIMES	-39.92
Bill Pmt -Check	9/30/2003	8038	PARK PLACE COMPUTER SOLUTIONS, INC.	-8,454.42
Bill Pmt -Check	9/30/2003	8039	PETTY CASH	-470.38
Bill Pmt -Check	9/30/2003	8040	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,263.10
Bill Pmt -Check	9/30/2003	8041	RAUCH COMMUNICATION CONSULTANTS, LLC	-420.00
Bill Pmt -Check	9/30/2003	8042	STANDARD INSURANCE CO.	-339.74
Bill Pmt -Check	9/30/2003	8043	TLC STAFFING	-356.16
Bill Pmt -Check	9/30/2003	8044	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-4,444.40
				<u>-728,410.05</u>

Sep 03



CHINO BASIN WATERMASTER

October 23, 2003

10:00 a.m. - Advisory Committee Meeting

1:00 p.m. - Watermaster Board Meeting

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

Items 2 through 4

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2003-04
Administrative Revenues										
Administrative Assessments									-	\$3,940,516
Interest Revenue									-	112,025
Mutual Agency Project Revenue									-	0
Grant Income									-	0
Miscellaneous Income	471								471	0
Total Revenues	471	-	-	-	-	-	-	-	471	4,052,541
Administrative & Project Expenditures										
Watermaster Administration	105,599								105,599	617,732
Watermaster Board-Advisory Committee	3,982								3,982	4,112
Pool Administration			1,648	4,365	123				6,136	25,818
Optimum Basin Mgmt Administration		76,451							76,451	1,034,064
OBMP Project Costs		134,983							134,983	3,365,079
Education Funds Use									-	375
Mutual Agency Project Costs	748								748	85,004
Total Administrative/OBMP Expenses	110,329	211,434	1,648	4,365	123	-	-	-	327,899	5,400,844
Net Administrative/OBMP Income	(109,858)	(211,434)								
Allocate Net Admin Income To Pools	109,858		82,676	24,000	3,182				-	0
Allocate Net OBMP Income To Pools		211,434	159,119	46,191	6,124				-	0
Agricultural Expense Transfer			74,557	(74,557)					-	0
Total Expenses	318,000	-	9,428	-	9,428	-	-	-	327,899	5,400,844
Net Administrative Income			(318,000)	-	(9,428)				(327,428)	(1,348,303)
Other Income/(Expense)										
Replenishment Water Purchases									-	0
MZ1 Supplemental Water Assessments									-	2,189,500
Water Purchases									-	0
MZ1 Imported Water Purchase									-	(2,210,000)
Groundwater Replenishment									-	0
Net Other Income									-	(84,000)
Net Transfers To/(From) Reserves			(318,000)	-	(9,428)				(327,428)	(1,452,303)
Working Capital, July 1, 2003			2,813,947	466,069	188,310	266,503	158,251	2,532	3,895,611	
Working Capital, End Of Period			2,495,947	466,069	178,882	266,503	158,251	2,532	3,568,183	
02/03 Production			128,931.437	37,428.034	4,961.765				171,321.236	
02/03 Production Percentages			75.257%	21.847%	2.896%				100.000%	

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2003 THROUGH AUGUST 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 2003-04
Administrative Revenues										
Administrative Assessments									-	\$3,940,516
Interest Revenue									-	112,025
Mutual Agency Project Revenue									-	0
Grant Income									-	0
Miscellaneous Income	471								471	0
Total Revenues	471	-	-	-	-	-	-	-	471	4,057,541
Administrative & Project Expenditures										
Watermaster Administration	174,121								174,121	617,732
Watermaster Board-Advisory Committee	8,912								8,912	4,112
Pool Administration			3,060	11,335	540				14,935	25,888
Optimum Basin Mgmt Administration		135,138							135,138	1,034,064
OBMP Project Costs		213,889							213,889	3,365,079
Education Funds Use									-	375
Mutual Agency Project Costs	748								748	85,004
Total Administrative/OBMP Expenses	183,781	349,027	3,060	11,335	540	-	-	-	547,743	5,400,844
Net Administrative/OBMP Income	(183,310)	(349,027)								
Allocate Net Admin Income To Pools	183,310		137,954	40,047	5,309				-	0
Allocate Net OBMP Income To Pools		349,027	262,668	76,251	10,108				-	0
Agricultural Expense Transfer			127,633	(127,633)					-	0
Total Expenses	-	-	531,315	-	15,957	-	-	-	547,743	5,400,844
Net Administrative Income	-	-	(531,315)	-	(15,957)	-	-	-	(547,272)	(1,348,303)
Other Income/(Expense)										
Replenishment Water Purchases									-	0
MZ1 Supplemental Water Assessments									-	2,189,500
Water Purchases									-	0
MZ1 Imported Water Purchase									-	(2,200,000)
Groundwater Replenishment						(6,924)			(6,924)	0
Net Other Income	-	-	-	-	-	(6,924)	-	-	(6,924)	(84,000)
Net Transfers To/(From) Reserves	-	-	(531,315)	-	(15,957)	(6,924)	-	-	(554,196)	(1,432,303)
Working Capital, July 1, 2003	-	-	2,813,947	466,069	188,310	266,503	158,251	2,532	3,895,611	-
Working Capital, End Of Period	-	-	2,282,632	466,069	172,352	259,579	158,251	2,532	3,341,415	-
02/03 Production			128,931,437	37,428,034	4,961,765				171,321,236	
02/03 Production Percentages			75.257%	21.847%	2.896%				100.000%	

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

SUMMARY at 7/31/2003

DEPOSITORIES:

Cash on Hand - Petty Cash		\$		500
Bank of America				
Governmental Checking-Demand Deposits	\$	16,655		
Savings Deposits		9,605		
Zero Balance Account - Payroll		-		26,259
Local Agency Investment Fund - Sacramento				<u>3,795,086</u>
TOTAL CASH IN BANKS AND ON HAND			7/31/2003	\$ 3,821,845
TOTAL CASH IN BANKS AND ON HAND			6/30/2003	4,460,031
PERIOD INCREASE (DECREASE)				<u>\$ (638,186)</u>

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:	Accounts Receivable	\$ 27,575
	Assessments Receivable	(471)
	Prepaid Expenses, Deposits & Other Current Assets	1,751
(Decrease)/Increase in Liabilities:	Accounts Payable	(355,347)
	Accrued Payroll, Payroll Taxes & Other Current Liabilities	15,734
	Transfer to/(from) Reserves	<u>(327,428)</u>
PERIOD INCREASE (DECREASE)		<u>\$ (638,186)</u>

	Zero Balance						Totals
	Petty Cash	Govt'l Checking Demand	Account Payroll	Savings	Local Agency Investment Funds		
SUMMARY OF FINANCIAL TRANSACTIONS:							
Balances as of 6/30/2003	\$ 500	\$ 106,789	\$ -	\$ 9,605	\$ 4,343,138		\$ 4,460,032
Deposits		241	-	-	26,948		27,189
Transfers		537,957	37,043	-	(575,000)		-
Withdrawals/Checks		(628,332)	(37,043)	-	-		<u>(665,375)</u>
Balances as of 7/31/2003	<u>\$ 500</u>	<u>\$ 16,655</u>	<u>\$ -</u>	<u>\$ 9,605</u>	<u>\$ 3,795,086</u>		<u>\$ 3,821,846</u>
PERIOD INCREASE OR (DECREASE)	<u>\$ -</u>	<u>\$ (90,134)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (548,052)</u>		<u>\$ (638,186)</u>

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
7/16/2003	Withdrawal	L.A.I.F.	\$ (575,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (575,000)	-			

* 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
July 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	\$ 3,795,086			
Time Certificates of Deposit	-			
TOTAL INVESTMENTS	\$ 3,795,086			

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
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
AUGUST 1 THROUGH AUGUST 31, 2003**

SUMMARY at 8/31/2003

DEPOSITORIES:

Cash on Hand - Petty Cash			\$	500
Bank of America				
Governmental Checking-Demand Deposits	\$	(115,644)		
Savings Deposits		9,605		
Zero Balance Account - Payroll		-		(106,039)
Local Agency Investment Fund - Sacramento		-		3,695,086
TOTAL CASH IN BANKS AND ON HAND				\$ 3,589,547
TOTAL CASH IN BANKS AND ON HAND	8/31/2003			3,821,846
	7/31/2003			3,821,846
PERIOD INCREASE (DECREASE)				\$ (232,299)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:			\$	900
Accounts Receivable				-
Assessments Receivable				1,700
Prepaid Expenses, Deposits & Other Current Assets				431
(Decrease)/Increase in Liabilities:				(8,562)
Accounts Payable				(226,768)
Accrued Payroll, Payroll Taxes & Other Current Liabilities				-
Transfer to/(from) Reserves				(232,299)
PERIOD INCREASE (DECREASE)				\$ (232,299)

<u>SUMMARY OF FINANCIAL TRANSACTIONS:</u>	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Savings	Local Agency Investment Funds	Totals
Balances as of 7/31/2003	\$ 500	\$ 16,655	\$ -	\$ 9,605	\$ 3,795,086	\$ 3,821,846
Deposits		529	-	-	-	529
Transfers		53,703	46,297	-	(100,000)	-
Withdrawals/Checks		(186,531)	(46,297)	-	-	(232,828)
Balances as of 8/31/2003	\$ 500	\$ (115,644)	\$ -	\$ 9,605	\$ 3,695,086	\$ 3,589,547
PERIOD INCREASE OR (DECREASE)	\$ -	\$ (132,299)	\$ -	\$ -	\$ (100,000)	\$ (232,299)

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
8/1/2003	Withdrawal	L.A.I.F.	\$ (100,000)				
TOTAL INVESTMENT TRANSACTIONS			\$ (100,000)	-			

* 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.

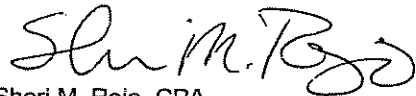
INVESTMENT STATUS
 August 31, 2003

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 3,695,086			
Time Certificates of Deposit	-			
TOTAL INVESTMENTS	\$ 3,695,086			

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

	<u>Jul 03</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4110 · Admin Asmnts-Approp Pool	-	3,931,695	(3,931,695)	0.0%
4120 · Admin Asmnts-Non-Agri Pool	-	88,201	(88,201)	0.0%
4700 · Non Operating Revenues	471	112,025	(111,554)	0.42%
Total Income	<u>471</u>	<u>4,131,921</u>	<u>(4,131,450)</u>	<u>0.01%</u>
Gross Profit	471	4,131,921	(4,131,450)	0.01%
Expense				
6010 · Salary Costs	52,390	385,900	(333,510)	13.58%
6020 · Office Building Expense	6,468	108,995	(102,527)	5.93%
6030 · Office Supplies & Equip.	1,859	41,000	(39,141)	4.53%
6040 · Postage & Printing Costs	4,770	66,400	(61,630)	7.18%
6050 · Information Services	19,331	105,750	(86,419)	18.28%
6061 · Other Consultants	-	29,000	(29,000)	0.0%
6062 · Audit Services	-	5,000	(5,000)	0.0%
6063 · Public Relations Consultan	-	12,000	(12,000)	0.0%
6067.1 · General Counsel	6,018	75,000	(68,982)	8.02%
6080 · Insurance	1,752	16,710	(14,958)	10.48%
6110 · Dues and Subscriptions	257	14,500	(14,243)	1.77%
6150 · Field Supplies	189	4,250	(4,061)	4.45%
6170 · Travel & Transportation	23,729	46,300	(22,571)	51.25%
6190 · Conferences & Seminars	(86)	16,000	(16,086)	-0.54%
6200 · Advisory Comm - WM Board	1,699	15,071	(13,372)	11.27%
6300 · Watermaster Board Expenses	2,283	28,371	(26,088)	8.05%
8300 · Appr PI-WM & Pool Admin	1,648	14,471	(12,823)	11.39%
8400 · Agri Pool-WM & Pool Admin	1,539	166,979	(165,440)	0.92%
8467 · Agri-Pool Legal Services	2,826	51,000	(48,174)	5.54%
8470 · Ag Meeting Attend -Special	-	16,000	(16,000)	0.0%
8500 · Non-Ag PI-WM & Pool Admin	123	6,698	(6,575)	1.83%
6500 · Education Funds Use Expens	-	375	(375)	0.0%
9500 · Allocated G&A Expenditures	(11,077)	(309,073)	297,996	3.58%
6900 · Optimum Basin Mgmt Plan	73,320	942,065	(868,745)	7.78%
6950 · Mutual Agency Projects	748	85,004	(84,256)	0.88%
9501 · G&A Expenses Allocated-OBMP	3,131	91,999	(88,868)	3.4%
7101 · Production Monitoring	10,996	79,283	(68,287)	13.87%
7102 · In-line Meter Installation	3,864	131,380	(127,516)	2.94%
7103 · Grdwtr Quality Monitoring	15,913	274,613	(258,700)	5.8%
7104 · Gdwtr Level Monitoring	6,101	157,852	(151,751)	3.87%
7105 · Sur Wtr Qual Monitoring	845	133,595	(132,750)	0.63%
7106 · Wtr Level Sensors Install	-	26,835	(26,835)	0.0%
7107 · Ground Level Monitoring	29,410	202,283	(172,873)	14.54%
7108 · Hydraulic Control Monitoring	37,778	718,227	(680,449)	5.26%
7200 · PE2- Comp Recharge Pgm	6,983	531,434	(524,451)	1.31%
7300 · PE3&5-Water Supply/Desalte	912	47,499	(46,587)	1.92%
7400 · PE4-MZ1 Mgmt Plan	10,021	187,308	(177,287)	5.35%
7500 · PE6&7-CoopEfforts/SaltMgmt	3,246	51,820	(48,574)	6.26%
7600 · PE8&9-StorageMgmt/Conj Use	969	146,179	(145,210)	0.66%
7690 · Recharge Improvement Debt Pymt	-	429,250	(429,250)	0.0%
7700 · Inactive Well Protection Prgm	-	30,447	(30,447)	0.0%
9502 · G&A Expenses Allocated-Projects	7,946	217,074	(209,128)	3.66%
Total Expense	<u>327,899</u>	<u>5,400,844</u>	<u>(5,072,945)</u>	<u>6.07%</u>
Net Ordinary Income	(327,428)	(1,268,923)	941,495	25.8%

	<u>Jul 03</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Other Income/Expense				
Other Income				
4231 - MZ1 Assigned Water Sales	-	615,000	(615,000)	0.0%
4230 - MZ1 Sup Wtr Assessment	-	1,574,500	(1,574,500)	0.0%
Total Other Income	<u>-</u>	<u>2,189,500</u>	<u>(2,189,500)</u>	<u>0.0%</u>
Other Expense				
5010 - Groundwater Replenishment	-	2,273,500	(2,273,500)	0.0%
9999 - To/(From) Reserves	(327,428)	(1,352,923)	1,025,495	24.2%
Total Other Expense	<u>(327,428)</u>	<u>920,577</u>	<u>(1,248,005)</u>	<u>-35.57%</u>
Net Other Income	<u>327,428</u>	<u>1,268,923</u>	<u>(941,495)</u>	<u>25.8%</u>
Net Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.0%</u>

	<u>Jul - Aug 03</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4110 - Admin Asmnts-Approp Pool	-	3,931,695	(3,931,695)	0.00%
4120 - Admin Asmnts-Non-Agri Pool	-	88,201	(88,201)	0.00%
4700 - Non Operating Revenues	471	112,025	(111,554)	0.42%
Total Income	<u>471</u>	<u>4,131,921</u>	<u>(4,131,450)</u>	<u>0.01%</u>
Gross Profit	471	4,131,921	(4,131,450)	0.01%
Expense				
6010 - Salary Costs	95,433	385,900	(290,467)	24.73%
6020 - Office Building Expense	16,541	108,995	(92,454)	15.18%
6030 - Office Supplies & Equip.	3,263	41,000	(37,737)	7.96%
6040 - Postage & Printing Costs	13,238	66,400	(53,162)	19.94%
6050 - Information Services	33,000	105,750	(72,750)	31.21%
6061 - Other Consultants	865	29,000	(28,135)	2.98%
6062 - Audit Services	-	5,000	(5,000)	0.00%
6063 - Public Relations Consultan	3,339	12,000	(8,661)	27.83%
6067.1 - General Counsel	9,787	75,000	(65,213)	13.05%
6080 - Insurance	3,503	16,710	(13,207)	20.97%
6110 - Dues and Subscriptions	257	14,500	(14,243)	1.77%
6140 - Other WM Admin Expenses	100			
6150 - Field Supplies	189	4,250	(4,061)	4.45%
6170 - Travel & Transportation	22,547	46,300	(23,754)	48.7%
6190 - Conferences & Seminars	(168)	16,000	(16,168)	-1.05%
6200 - Advisory Comm - WM Board	3,568	15,071	(11,503)	23.68%
6300 - Watermaster Board Expenses	5,345	28,371	(23,026)	18.84%
8300 - Appr PI-WM & Pool Admin	3,060	14,471	(11,411)	21.14%
8400 - Agri Pool-WM & Pool Admin	2,836	166,979	(164,143)	1.7%
8467 - Agri-Pool Legal Services	8,499	51,000	(42,501)	16.66%
8470 - Ag Meeting Attend -Special	-	16,000	(16,000)	0.00%
8500 - Non-Ag PI-WM & Pool Admin	540	6,698	(6,158)	8.06%
6500 - Education Funds Use Expens	-	375	(375)	0.00%
9500 - Allocated G&A Expenditures	(27,773)	(309,073)	281,300	8.99%
6900 - Optimum Basin Mgmt Plan	126,753	942,065	(815,312)	13.46%
6950 - Mutual Agency Projects	748	85,004	(84,256)	0.88%
9501 - G&A Expenses Allocated-OBMP	8,385	91,999	(83,614)	9.11%
7101 - Production Monitoring	16,451	79,283	(62,832)	20.75%
7102 - In-line Meter Installation	4,577	131,380	(126,803)	3.48%
7103 - Grdwtr Quality Monitoring	25,105	274,613	(249,508)	9.14%
7104 - Gdwtr Level Monitoring	8,698	157,852	(149,154)	9.51%
7105 - Sur Wtr Qual Monitoring	4,868	133,595	(128,727)	3.64%
7106 - Wtr Level Sensors Install	-	26,835	(26,835)	0.00%
7107 - Ground Level Monitoring	29,410	202,283	(172,873)	14.54%
7108 - Hydraulic Control Monitoring	53,093	718,227	(665,134)	7.39%
7200 - PE2- Comp Recharge Pgm	23,382	531,434	(508,052)	4.4%
7300 - PE3&5-Water Supply/Desalite	983	47,499	(46,516)	2.07%
7400 - PE4-MZ1 Mgmt Plan	17,814	187,308	(169,494)	9.51%
7500 - PE6&7-CoopEfforts/SaltMgmt	6,215	51,820	(45,605)	11.99%
7600 - PE8&9-StorageMgmt/Conj Use	3,906	146,179	(142,273)	2.67%
7690 - Recharge Improvement Debt Pymt	-	429,250	(429,250)	0.00%
7700 - Inactive Well Protection Prgm	-	30,447	(30,447)	0.00%
9502 - G&A Expenses Allocated-Projects	19,388	217,074	(197,686)	8.93%
Total Expense	<u>547,743</u>	<u>5,400,844</u>	<u>(4,853,101)</u>	<u>10.14%</u>
Net Ordinary Income	(547,272)	(1,268,923)	721,651	43.13%

	<u>Jul - Aug 03</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Other Income/Expense				
Other Income				
4231 - MZ1 Assigned Water Sales	-	615,000	(615,000)	0.0%
4230 - MZ1 Sup Wtr Assessment	-	1,574,500	(1,574,500)	0.0%
Total Other Income	-	2,189,500	(2,189,500)	0.0%
Other Expense				
5010 - Groundwater Replenishment	6,924	2,273,500	(2,266,576)	0.31%
9999 - To/(From) Reserves	(554,196)	(1,352,923)	798,727	40.96%
Total Other Expense	(547,272)	920,577	(1,467,849)	-59.45%
Net Other Income	547,272	1,268,923	(721,651)	43.13%
Net Income	-	-	-	0.0%



CHINO BASIN WATERMASTER

October 23, 2003

10:00 a.m. - Advisory Committee Meeting

1:00 p.m. - Watermaster Board Meeting

I. CONSENT CALENDAR

C. SOUTHERN CALIFORNIA WATER COMMITTEE MEMBERSHIP



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: October 23, 2003
TO: Committee Members
Watermaster Board Members
SUBJECT: Southern California Water Committee

SUMMARY

Issue - Consider membership in Southern California Water Committee

Recommendation - Staff recommends that the Advisory Committee and Board authorize staff to enroll the Chino Basin Watermaster as a member of the Southern California Water Committee

Fiscal Impact - The \$750 annual membership costs are well within budgeted levels, and would have no significant impact on the budget.

BACKGROUND

The Southern California Water Committee (SCWC) is a nonprofit, nonpartisan, public education partnership dedicated to informing Southern Californians about our water needs and our state's water resources and is a cooperative effort of business, government, water agencies, agriculture, and public interests. Staff believes that membership in the Committee will better able the Watermaster to have a voice in the SCWC's efforts to inform the public regarding effective water resource management. SCWC's membership includes the surrounding counties, and many of the cities, water agencies, and businesses in the area. The SCWC office is located just miles for the Watermaster's office.

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PURPOSES

United in the Pursuit of a Reliable Water Future

Water is the driving force of California's economy. The development of our water resources has enabled the state to become the nation's top agricultural and industrial producer, and the world's seventh-largest economy. With its population exceeding 34 million, California's continued growth and workforce depend on a continuous, reliable supply of water.

The Water Supply Dilemma

The path toward a secure water future, however, has been blocked by a myriad of complex issues. At the center is the critical question – how to stretch the state's limited water supply to meet future needs.

Currently, only intensive management of a complicated, overtaxed, and aging water infrastructure is maintaining adequate supply. By 2020, California will be home to 49 million people. At this rate, the state will face a water supply shortage of 2.4 million acre-feet during normal years of rainfall and up to 6.2 million acre-feet in drought years. (An acre-foot of water is approximately 326,000 gallons – enough to meet the average needs of one to two residential households in a year.)

Water shortages can exact a tremendous toll on both our economy and our lifestyle. One study indicates that a water shortage of just 30 percent could threaten more than 46,000 jobs and reduce industrial production by nearly \$12 billion. The impact will be most acutely felt in Southern

California, where 80 percent of the state's population is concentrated, but only 30 percent of the water falls.

The Voice for Southern California

Since 1984, one organization has effectively fought to ensure that Southern California's water needs and concerns are heard. The Southern California Water Committee (SCWC) is a nonprofit, nonpartisan organization that brings together eight counties and their diverse interests for one purpose: to secure adequate, reliable, affordable, quality supply of water for all Californians. Water is our sole interest.

Members of the SCWC include the Counties of Los Angeles, Orange, San Diego, San Bernardino, Riverside, Ventura, Kern, and Imperial, and more than 200 others representing business, government, water agencies, and private citizens.

The SCWC is a powerful voice for Southern California because it reflects a broad consensus on water issues. Strong leadership and the collective expertise of its members allow the SCWC to contribute ample resources and viable strategies to statewide water resolution efforts. Furthermore, the SCWC's focus on forming collaborations and building consensus among other groups serves to maximize results.

The SCWC in Action

The SCWC is an independent advocate for Southern California's water interests. By testifying at regulatory hearings, serving on statewide advisory committees, and petitioning public officials, the SCWC influences the outcome of important water policy decisions

Two out of every three Californians receive some or all of their drinking water from the San Francisco Bay/Sacramento-San Joaquin Delta estuary. The CALFED Bay-Delta Program is our best opportunity to resolve water issues threatening our economic prosperity. The SCWC has been and continues to be at the forefront of efforts to guarantee that the CALFED plan results in improved water supply and water quality for urban and agricultural uses. The SCWC insists that fast action must be taken on the CALFED plans for conveyance and storage components. Southern California's water needs must be a priority and construction of critical infrastructure must be started now.

Southern California is facing a reduction in the amount of water supplied by the Colorado River. The SCWC is championing California's Colorado River Plan and closely follows the negotiations involving the Governor, the Secretary of the Interior and other basin states to ensure that Southern California's interests are not compromised. The SCWC is committed to ensuring an uninterrupted flow of Colorado River water to Southern California.

SCWC keeps Southern California water issues in the forefront of the California's legislature. With a task force analyzing emerging legislative issues and developing positions, the SCWC acts as a legislative advocate working with our regional representatives to secure the votes on water-related legislation affecting Southern California

The Quest for our Water Future

The strong voice of Southern California Water Committee has achieved significant advances for Southern California water issues. The SCWC's unwavering dedication to representing Southern California has initiated the momentum necessary to finding solutions to our region's water needs. We cannot risk losing that momentum. It is critical that the SCWC continue to lead the quest for a secure water future.

It is good business sense to join an organization that is dedicated to tomorrow's bottom line. The SCWC has the commitment and expertise to influence the outcome of water issues that affect your interests. Looking to the future, membership in the Southern California Water Committee strengthens Southern California's voice and increases Southern California's impact on water issues.



SOUTHERN CALIFORNIA
WATER
COMMITTEE
INCORPORATED

get water!
That's our answer.

Invitation to Join Southern California Water Committee, Inc.

YES! I want to make an investment in Southern California's water future.

Enclosed is my check in the amount of: \$ _____
Dues are tax-deductible according to current IRS regulations • Federal ID #33-0081886

▼ _____
 COMPANY NAME

▼ _____
 REPRESENTATIVE TITLE

▼ _____
 ADDRESS

▼ _____
 CITY STATE / ZIP

▼ _____
 PHONE E-MAIL

Annual Membership Dues	
Counties.....	\$10,000
Cities.....	\$ 750
Water Agencies.....	\$ 750
Agriculture.....	\$ 500
Public (limited).....	\$ 250
Corporate / Business	
- General.....	\$ 500
- Patron.....	\$ 1,000
- Sponsor.....	\$ 2,500
- Founder.....	\$ 5,000

Please submit check payable to:
 Southern California Water Committee, Inc.
 10184 Sixth Street, Suite C
 Rancho Cucamonga, CA 91730
 Phone (909) 980-4700 -- Fax (909) 980-2628
 E-mail: info@socalwater.org

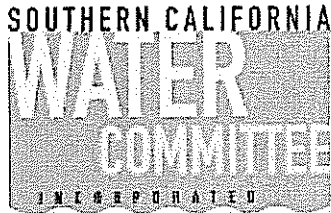
SCWC is a nonprofit, nonpartisan public education partnership dedicated to informing Southern Californians about our water needs and our state's water resources. A cooperative effort of business, government, water agencies, agriculture, and public interests.

www.socalwater.org
 Fax (909) 980-2628
 Phone (909) 980-4700
 Rancho Cucamonga, CA 91730
 10184 Sixth Street - Suite C



got water?

What's your answer...



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Become a Member

southern california water committee

SCWC is a nonprofit, nonpartisan, public education partnership dedicated to informing Southern Californians about our water needs and our state's water resources. A cooperative effort of business, government, water agencies, agriculture, and public interests.

Invitation to Join Southern California Water Committee, Inc.

Make an investment in Southern California's water future. To become a member, download the [SCWC brochure / application](#) (PDF 60k) and submit check payable to Southern California Water Committee, Inc for the following dues:

Annual Membership Dues*

Counties	\$ 10,000
Cities	\$ 750
Water Agencies	\$ 750
Agriculture	\$ 500
Public (limited)	\$ 250

Corporate / Business

General	\$ 500
Patron	\$ 1,000
Sponsor	\$ 2,500
Founder	\$ 5,000

*Dues are tax-deductible according to current IRS regulations • Federal ID #33-0081886

Got Water? What's your answer...

SOUTHERN CALIFORNIA WATER COMMITTEE, INC.
UNITED IN THE PURSUIT OF A RELIABLE WATER FUTURE

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home to 49 million people. At this rate, the state will face a water supply shortage of 2.4 million acre-feet during normal years of rainfall and up to 6.2 million acre-feet in drought years. (An acre-foot of water is approximately 326,000 gallons – enough to meet the average needs of one to two residential households in a year.)

Water shortages can exact a tremendous toll on both our economy and our lifestyle. One study indicates that a water shortage of just 30 percent could threaten more than 46,000 jobs and reduce industrial production by nearly \$1 billion. The impact will be most acutely felt in Southern California, where 80 percent of the state's population is concentrated, but only 30 percent of the water falls.

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Since 1984, one organization has effectively fought to ensure that Southern California's water needs and concerns are heard. The Southern California Water Committee (SCWC) is a nonprofit, nonpartisan organization that brings together eight counties and their diverse interests for one purpose: to secure adequate, reliable, affordable, quality supply of water for all Californians. Water is our sole interest.

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The SCWC is a powerful voice for Southern California because it reflects a broad consensus on water issues. Strong leadership and the collective expertise of its members allow the SCWC to contribute ample resources and viable strategies to statewide water resolution efforts. Furthermore, the SCWC focuses on forming collaborations and building consensus among other groups serves to maximize results.

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SCWC keeps Southern California water issues in the forefront of the California's legislature. With a task force analyzing emerging legislative issues and developing positions, the SCWC acts as a legislative advocate working with our regional representatives to secure the votes on water-related legislation affecting Southern California.

The Quest for our Water Future

The strong voice of Southern California Water Committee has achieved significant advances for Southern California water issues. The SCWC's unwavering dedication to representing Southern California has initiated the momentum necessary to finding solutions to our region's water needs. We cannot risk losing that momentum. It is critical that the SCWC continue to lead the quest for a secure water future.

It is good business sense to join an organization that is dedicated to tomorrow's bottom line. The SCWC has the commitment and expertise to influence the outcome of water issues that affect your interests. Looking to the future, membership in the Southern California Water Committee strengthens Southern California's voice and increases Southern California's impact on water issues.

Get water! That's our answer.

<< [HOME](#) >>

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PURPOSES



CHINO BASIN WATERMASTER

October 23, 2003

10:00 a.m. - Advisory Committee Meeting

1:00 p.m. - Watermaster Board Meeting

I. CONSENT CALENDAR

**D. DRY YEAR YIELD OPERATING PLAN
FOR FISCAL 2003/2004**



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: October 23, 2003
TO: Committee Members
Watermaster Board Members
SUBJECT: Dry Year Yield Operating Plan For Fiscal 2003/2004

SUMMARY

Issue - Approve Initial Operating Plan for Chino Basin MWD Conjunctive Use Program

Recommendation - The pools unanimously recommend that the Advisory Committee and Watermaster Board approve the Initial Operating Plan for Chino Basin MWD Conjunctive Use Program

Fiscal Impact - Approval of Operating plan has no impact on the Watermaster budget.

BACKGROUND

As part of the new MWD Groundwater Storage Program, Dry Year Yield Project, the Watermaster approves the Annual Operating Plan. The plan is to outline proposed deliveries for fiscal 2003/2004. The attached draft operating plan details deliveries by connection for the MZ1 6,500 acre-foot program, the in-lieu deliveries for the Dry Year Yield Program, and estimated deliveries for the replenishment obligation for last year.

MWD has an abundance of State Project water and is encouraging deliveries into the winter, at which time determinations will be made for springtime deliveries. The approval of the operating plan will allow for in-lieu deliveries into MWD's storage account. The Advisory Committee and the Watermaster Board will be considering final approval of the related storage account at this month's meetings. Staff would like to have the operating plan approval considered concurrently in order that those agencies wishing to begin in-lieu deliveries will be able to proceed.

The initial plan is subject to change as water is available and agency needs change. As of the writing of this staff report, agencies are still finalizing their initial estimates of desired deliveries. A final draft plan will be handed out at the meetings.

A preliminary breakdown of the proposed in-lieu allocation by agency for the Dry Year Yield Program is as follows:

Pomona	1,316 AF
Monte Vista Water District	2,608 AF
Chino	1,500 AF

Upland	1,975 AF
Chino Hills	1,500 AF
Cucamonga Co Water District	6,330 AF
Ontario	5,314 AF
Jurupa CSD	1,316 AF
Fontana WC	1,140 AF

Agencies are not obligated to take these deliveries, but amounts are estimated based on the percentage of shift performance obligations as previously determined by the participating agencies. Final deliveries are expected to differ. Jurupa CSD and the Fontana Water Company deliveries are contingent upon finalization of retail agreements with IEUA.

The pools took unanimous action to recommend that the Advisory Committee and Board consider approval of the FY 2003/04 Conjunctive Use Operating Plan.

Conjunctive Use
Annual Operating Plan

Agency Name Inland Empire Utilities Agency

Fiscal Year 03-04	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
Planned Storage, AF													
Direct	483	850	1,749	1,083	1,083	1,083	1,083	1,083					
Service Connections													
CB-13T													
CB-14T													
CB-59													
In-Lieu													
Service Connections													
CB-12			1579	1579	1579	1579	1579	1579	1579	1579	1579	1579	1579
CB-16			830	830	830	830	830	830	830	830	830	830	830

Planned Extraction, AF

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PURPOSES



CHINO BASIN WATERMASTER

October 23, 2003

10:00 a.m. - Advisory Committee Meeting

1:00 p.m. - Watermaster Board Meeting

I. CONSENT CALENDAR

**E. CONSIDER APPROVAL OF MWD/IEUA
GROUNDWATER STORAGE ACCOUNT**



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: October 23, 2003
TO: Advisory Committee Members
Watermaster Board Members
SUBJECT: MWD/IEUA GROUNDWATER STORAGE ACCOUNT

SUMMARY

Issue – Approval of Storage Account for IEUA/MWD Groundwater Storage Program

Recommendations – Staff recommends that the Advisory Committee and Watermaster Board Members approve the MWD/IEUA groundwater storage account. No party has filed a contest to this application and therefore the Advisory Committee and Watermaster Board Members may approve or conditionally approve the application without holding a hearing.

Fiscal Impact – Approval of this item has not additional financial impact.

BACKGROUND

On April 2, 2003 Inland Empire Utilities Agency ("IEUA") submitted an Application under Article X of the Watermaster Rules and Regulations for a 100,000 acre-foot storage account in Watermaster's Storage and Recovery Program. This storage account will be used to implement the terms of the Groundwater Storage Program Funding Agreement (Agreement No. 49960) ("Funding Agreement") that was executed by IEUA, Three Valleys Municipal Water District, Watermaster, and the Metropolitan Water District of Southern California ("Metropolitan") on June 19, 2003.

Pursuant to Watermaster's Rules and Regulations § 10.10, Watermaster provided Notice of this Application on April 30, 2003. This Notice included the Application and supporting materials as well as a staff report which summarized the Application, the Article X procedures relative to applications to participate in the Storage and Recovery Program, and a brief summary and analysis of the potential for Material Physical Injury to any person or the Basin due to the 100,000 acre-foot account. This analysis for the potential for Material Physical Injury was based upon the previous CEQA analysis for the project, and a preliminary analysis performed by Wildermuth Environmental.

On July 23, 2003, Watermaster provided further Notice of the availability of the complete Material Physical Injury analysis performed by Wildermuth Environmental under a subcontract with Black & Veatch. Copies of this report have been made to all parties who requested them, and copies were made available at the July 24, 2003 Advisory Committee and Board Meetings. In addition, copies were sent via overnight mail to the Special Referee and her technical assistants and to Mr. Brommenschenkel on behalf of the Agricultural Pool.

Pursuant to Watermaster's Rules and Regulations § 10.11, upon completion of Watermaster's summary and analysis, Watermaster Staff shall place the Application on the first available Pool Committee Agenda for each of the respective Pool Committees for consideration.

Because it is not possible at this time to determine the specific nature of water deliveries and withdrawals for each year for the twenty-five year term of the Agreement, Watermaster's current analysis of the potential for Material Physical Injury is framed in terms of the gross deliveries of a maximum of 25,000 acre-feet in put years, and a maximum withdrawal rate of 33,000 acre-feet with shift commitments in particular locations depending on obligations as described in the Local Agency Agreements.

Watermaster's approval of the Application will therefore be conditioned upon a yearly approval of the Annual Operating Plan. While this yearly approval will utilize the material developed in the current analysis by Wildermuth Environmental, it will also ensure that the ongoing implementation of the program does not result in Material Physical Injury to a party or to the Basin. As described above, such yearly approval by Watermaster is explicitly provided for under the Funding Agreement.

Since such yearly approvals will take place within the overall framework of the Funding Agreement and the physical parameters analyzed by the Wildermuth report, it is not necessary that a new Article X Application be submitted every year. Rather, the approval of the Annual Operating Plan can take place through the normal Watermaster approval process. Such approval will preserve for all parties an opportunity to object under the procedures described in the Judgment and the Rules and Regulations if they believe that the Program is causing Material Physical Injury.

If there are no Contests to the Application, then under ' 10.17 of the Rules and Regulations, Watermaster may approve or conditionally approve the Application based upon the record as created at the Pools. This record will consist of the Application and supporting material submitted with the Application, the Funding Agreement as well as materials submitted in support of the Funding Agreement, Watermaster staff reports, and Watermaster's full analysis of the potential for Material Physical Injury.



CHINO BASIN WATERMASTER

October 23, 2003

10:00 a.m. - Advisory Committee Meeting

1:00 p.m. - Watermaster Board Meeting

II. BUSINESS ITEMS

A. REQUEST FROM CITY OF CHINO (FORM 7) FOR CREDIT



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: October 23, 2003
TO: Committee Members
Watermaster Board Members
SUBJECT: City of Chino Form 7 Application for Credit Against OBMP Assessments

SUMMARY

Issue – City of Chino Form 7 Application for Credit

Recommendation – Staff has no recommendations at this time.

Fiscal Impact – Applicant requests credit be limited to OBMP Assessments attributable to production made possible by an Ion Exchange Facility. No fiscal impact on the Watermaster budget.

BACKGROUND

On September 18, 2003 the City of Chino submitted an Application for Reimbursement or Credit Against OBMP Assessment with a completed Form 7.

Pursuant to the Watermaster Rules and Regulations Section 10.9, any producer may make Application to Watermaster to obtain a credit against OBMP Assessments or for reimbursement by filing an Application that identifies the party seeking the credit, describes the specific purposes of the OBMP satisfied by the proposed project, identifies the time at which the project is proposed to be implemented and a schedule for completion, identifies the projected cumulative project costs, and that identifies the specific capital or operations and maintenance expenses to be incurred in the implementation of the project.

Under the Peace Agreement Section 5.4(d) Watermaster shall exercise reasonable discretion in making its determination, considering the importance of the project to the successful completion of the OBMP, the available alternative funding sources, and the professional engineering and design standards as may be applicable under the circumstances. However, Watermaster shall not approve such a request for a credit against future OBMP Assessments where the party was otherwise legally compelled to make the improvement.

SUMMARY AND ANALYSIS

The City of Chino's Benson Avenue Ion Exchange Facility will be located on property owned by the City on Benson Avenue, Southerly of Francis Avenue in the City of Chino. According to the Application, source water for the Facility is to be pumped from the existing wells No. 5 and No. 9. These wells have capacities of 1,350 gpm and 2,500 gpm, respectively. It is unclear from the Application whether these wells are currently in operation, or will be made operational by the construction of the Facility. The Facility will have the capacity to treat up to approximately 5,000 gpm of groundwater supplied by these wells.

According to the Application, the Facility will use ion exchange equipment to remove perchlorate and nitrate from the raw water produced by the groundwater wells.

According to the Application, the project will contribute to the success of Program Elements 3 and 7. The Application states that Program Element 3 (Develop and Implement a Water Supply Plan for the Impaired Areas of the Basin) will be met because the Facility will remediate poor water quality and preserve existing well capacity within the Basin. The Application states that Program Element 7 (Salt Management) will be enhanced with removal of nitrate and perchlorate.

Construction of the Facility is scheduled to begin in early 2004 and plant testing is anticipated to occur in late 2004. The Facility is scheduled to be fully constructed and operational in late 2004.

The City of Chino requests a credit in the amount of \$4,694,373 to be distributed over the remaining term of the Peace Agreement for an approximate yearly credit of \$173,865. However, according to the Application, the credit may be limited to the City's total OBMP assessment attributable to the production from the Facility.

Watermaster's analysis of Material Physical Injury with reference to this Application is limited to the request for a credit, and not to the construction or operation of the facility. Based upon the limited scope of this analysis, Watermaster does not believe that any Material Physical Injury would result to any party or to the Basin from the granting of the credit.

Staff discussed the form submitted by the City of Chino with the Pools on October 9. Staff received direction on beginning an analysis for further Watermaster consideration.

Form 7

APPLICATION
FOR
REIMBURSEMENT OR CREDIT
AGAINST OBMP ASSESSMENT
REQUESTING

APPLICANT

Credit [XXXX]

Reimbursement []

City of Chino
Name of Party

Date Requested

Date Approved

13220 Central Avenue
Street Address

Chino CA 91710
City State Zip

Telephone: 909-591-9823

Facsimile: 909-590-5535

DESCRIPTION OF PROJECT OR PROGRAM FOR WHICH REIMBURSEMENT OR CREDIT IS SOUGHT

(Include a description of how the project/program accomplishes or contributes to the accomplishment of the goals of the OBMP as well as time of implementation and schedule for completion – see Sections 4.9 [sic Section 4.5] & 10.9 of the Rules & Regulations)

The City of Chino (City) Benson Avenue Ion Exchange Facility (Groundwater Treatment Project) will be located on City owned property on Benson Avenue (Benson Site), southerly of Francis Avenue in the City. The City proposes to pump existing City well Nos. 5 and 9 having capacities of 1,350 gpm and 2,500 gpm, respectively, as the source groundwater supply for a groundwater treatment project using ion exchange equipment. The Groundwater Treatment Project will include the capacity to treat up to approximately 5,000 gpm of groundwater supplied by these wells.

The proposed Groundwater Treatment Project will use ion exchange equipment to remove Perchlorate and Nitrate from the raw water produced by the groundwater wells. The Groundwater Treatment Project will help accomplish the following OBMP goals while abiding by the rules and regulations of the Chino Basin Watermaster:

- Program Element 3 (Develop and Implement a Water Supply Plan for the Impaired Areas of the Basin) of the OBMP will be met by remediating poor water quality and preserving existing well capacity within the basin (described in OBMP regional Water Supply Plan)
- Program Element 7 (Salt Management) of the OBMP will be enhanced with removal of nitrate and perchlorate
- The City is not legally compelled to construct and operate the Groundwater Treatment Project
- Credit for \$4,694,373 is requested against the OBMP assessments for construction, installation, and operation and maintenance of the Groundwater Treatment Project. Credit is requested at a rate of \$173,865 per year for the remainder of the 30-year initial term of the Peace Agreement, not to exceed Chino's total OBMP assessment attributable to the ion exchange project annual production.
- Capital cost is estimated at \$4,694,373 and annual Operation and Maintenance cost is estimated at \$916,935.
- Construction of the Groundwater Treatment Project is to begin in early 2004 with plant testing slated for late 2004.
- The Groundwater Treatment Project is scheduled to be fully constructed and operational in late 2004.

MATERIAL PHYSICAL INJURY

Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the project/program? Yes [] No [XXX]

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

PROJECTED PROJECT OR PROGRAM COSTS

(a) Capital: \$4,694,373 (b) Operations and Maintenance: \$916,935

(c) Cumulative Project or Program Cost: \$17,718,202

O&M is estimated annual cost. Program cost is the sum of Capital and present value of O&M (\$13,023,829) for 27 years at 5.29% interest (SEC standard 30-day annualized 10 funds – Source LA Times 8/1/03).

AMOUNT OF CREDIT OR REIMBURSEMENT REQUESTED

\$4,694,373 (\$173,865 per year for the remaining 27 years of the 30 year initial term of the Peace Agreement, not to exceed Chino's total OBMP assessment).

Yes [] No [XXX]

ADDITIONAL INFORMATION ATTACHED

(Additional information available upon request.)

Applicant

City of Chino

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____



CHINO BASIN WATERMASTER

October 23, 2003

10:00 a.m. - Advisory Committee Meeting

1:00 p.m. - Watermaster Board Meeting

III. REPORTS/UPDATES

B. CEO REPORT/UPDATES

1. Progress Report for MZ-1
Interim Management Program

Inc.

Wildermuth Environmental,

23692 Birtcher Drive
Lake Forest, California 92630
Tel. 949/420-3030
Fax. 949/420-4040
www.wild-environment.com

July 23, 2003

Chino Basin Watermaster

Attention: John Rossi

8632 Archibald Avenue, Suite 109
Rancho Cucamonga, California 91730

Subject: Progress Report for MZ-1 Interim Monitoring Program for July 23, 2003.

Dear John:

The Management Zone 1 (MZ-1) Technical Committee approved the scope and schedule for the MZ-1 Interim Monitoring Program (IMP) at the January 29, 2003 meeting. The IMP is described in the IMP Work Plan dated January 8, 2003.

The Court has requested quarterly reports that describe the progress of the IMP implementation. This letter summarizes our progress for the reporting period June to August 2003, and our expected progress for future reporting periods.

BENCHMARK SURVEYS

The objective of this task is to perform repeated benchmark surveys that will measure vertical (and in some cases horizontal) ground surface deformation along selected profiles within Chino Basin – mainly in MZ-1. The benchmark surveys will (1) establish a datum from which to measure land surface deformation during the IMP period, (2) allow determination of historical subsidence at any historical benchmarks that can be recovered, (3) “ground-truth” the InSAR data, and (4) evaluate the effectiveness of the long-term management plan.

Conduct Spring 2003 Ground-Level Survey. Associated Engineers (AE) completed monument installation and the initial survey during the last reporting period (April 2003). The survey data as a hard copy deliverable will be provided to the MZ-1 Technical Committee at the July 23rd meeting. This initial survey is the baseline to which all future surveys will be compared. From this point forward, the deep extensometer, anchored in solid bedrock, will be the starting benchmark for all survey loops. The next planned survey is April 2004.

AE performed ground-level surveys for the City of Chino from 1987 to 2001 at some of the same benchmarks used in April 2003 survey. The starting benchmark for these historical surveys was not found and presumed destroyed, but a nearby benchmark was used instead to allow for differential vertical movement to be estimated at the benchmarks used in both survey efforts. The data indicate that modest subsidence has continued in MZ-1 during the period October 2001 to April 2003, even though elastic rebound of the land surface due to seasonal water-level recovery would be expected during a Fall to Spring measurement interval. Maximum subsidence measured

at an individual monument during this period was 0.136 ft at the intersection of Pipeline Avenue and Walnut Street.

InSAR

Like the benchmark surveys, the objective of this task is to characterize ground surface deformation in Chino Basin using Synthetic Aperture Radar Interferometry (InSAR). This analysis will be performed for a historical period (1992-2002) and on an on-going basis thereafter. The advantage of InSAR is that it provides an areally continuous representation of land surface deformation.

Work on this task has been postponed until Summer 2003 in order to concentrate fully on the other elements of the IMP.

AQUIFER-SYSTEM MONITORING

The objective of this task is to measure the stresses within the aquifer-system that cause land surface deformation that will be measured by benchmark surveys, InSAR, and the extensometers (described below). The centerpiece of the aquifer-system monitoring program is the Ayala Park Extensometer – a highly sophisticated monitoring facility consisting of two multi-piezometers and a dual-extensometer. This facility will monitor the hydraulics and mechanics of the underlying aquifer-system as the system undergoes various stresses due to groundwater production and recharge.

Ayala Park Extensometer. The extensometer borehole drilling and casing/pipe installation was completed in mid-May 2003. The extensometer building and the extensometer instrument platform (ground surface datum) was completed June 27, 2003. Extensometer wellhead construction and instrumentation was completed on July 7, 2003, at which time data collection commenced.

Ayala Park Piezometers. Piezometer construction and development was completed in Fall 2002. Permanent transducers and data loggers are installed at the piezometer vaults and are continually collecting water-level data. These data are shown on Exhibit 1 attached to this letter with the following observations:

- Water-levels at all of the piezometers are exhibiting rising water-levels from November 2002 to May 2003.
- The two shallowest piezometers (PA-11 and PA-10) have a separate and distinct water-level response to nearby pumping as compared to the deeper piezometers, confirming the existence of distinct shallow and deep aquifer-systems.
- The water-level data indicate a downward vertical hydraulic gradient from the water table to about 1,100 feet-bgs.
- The water-level data indicate an upward vertical hydraulic gradient below about 1,100 feet-bgs.
- Pumping at surrounding wells, screened in both the shallow and deep aquifer-systems, has lowered water-levels in all piezometers – particularly in piezometers PA-7 (438-448 ft-bgs) and PB-6 (502-522 ft-bgs). These two piezometers are exhibiting a typical response to pumping within a confined aquifer-system.

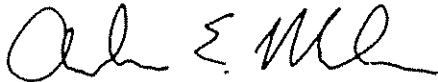
Instrumentation of Surrounding Wells. Where possible, nearby wells owned by the cities of Chino and Chino Hills have been equipped with pressure transducers and are recording water-level

July 23, 2003

data. These data are also shown on Exhibit 1. During the reporting period, an access agreement was signed between Watermaster and the State of California allowing Watermaster to install transducers at wells owned by CIM. On July 15, 2003, six monitoring wells on CIM property were instrumented with transducers and are collecting water-level data. Six production wells were inspected, and transducers have been ordered. Installation of transducers at these production wells will occur on or around August 1, 2003, which will complete the transducer installation effort at wells surrounding Ayala Park.

If you have any questions, please don't hesitate to call me at 949.420.3030 or send me e-mail at amalone@wildh2o.com.

B e s t R e g a r d s ,

A handwritten signature in black ink, appearing to read "Andrew E. Malone". The signature is fluid and cursive, with the first name "Andrew" being the most prominent part.

A n d r e w E . M a l o n e
S e n i o r S c i e n t i s t

c c : M a r k W i l d e r m u t h , P . E .

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CHINO BASIN WATERMASTER

October 23, 2003

10:00 a.m. - Advisory Committee Meeting

1:00 p.m. - Watermaster Board Meeting

III. REPORTS/UPDATES

B. CEO REPORT/UPDATES

2. Water Quality Update

Meeting Notes

Chino Basin Water Quality Committee

September 24, 2003

Chairman Robert DeLoach was unable to attend the meeting. John Rossi stood in as acting Chairman for this meeting.

Mr. Rossi noted that the meeting notes from the July 21, 2003 WQC meeting had not been distributed. These will be sent out via e-mail along with the notes from this meeting.

Joe LeClaire reviewed activities to date and a proposed scope of work to complete tasks for investigating potential sources of groundwater contamination in Chino Basin. The PowerPoint presentation (attached) focused on the following:

- Locate the leading edge of the total dissolved solids/total organic carbon/volatile organic chemicals (TDS/TOC/VOC) plume created by Kaiser Steel.
- Identify the potential sources of perchlorate throughout the basin.
- Identify the source(s) of the VOC anomaly located south of the Ontario Airport and north of the Chino-1 Desalter well field.
- Identify source(s) of the Chino Airport VOC plume. The Regional Water Quality Control Board (Regional Board) has identified a PRP and a groundwater investigation to better characterize the plume prior to mitigation is already underway. Watermaster is tracking the progress of this investigation.

Dr. LeClaire and Mark Wildermuth stressed that the goal of these water quality investigations is to compile enough evidence for the Regional Board to issue Investigation Orders to the PRPs. This will facilitate the regulatory process, while shifting the majority of the investigation/cleanup cost burden to the PRPs.

Kaiser Plume

With regard to the potential rehabilitation of the Kaiser monitoring wells (MP-2 and KOFS), Ray Wellington asked whether there were any easement or property access issues. Mr. Rossi responded that this issue would be looked into. Pending confirmation that these wells can be accessed for rehabilitation and on-going monitoring, Watermaster should move forward with this portion of the work. If there was reluctance on the part of the property owners, Jerry Thibeault offered that the Regional Board could write an order for the property owners to investigate the plume beneath their properties.

Perchlorate Sources

Richard Atwater noted that Metropolitan has \$36M of funding available and is in a process of determining how to best use these funds. He recommended that perhaps Metropolitan could use a portion of these monies to support investigations that would determine the extent of perchlorate contamination from Colorado River Aqueduct (CRA) water use and to develop strategies for managing perchlorate contamination from CRA water. Wildermuth Environmental, Inc. (WEI) was tasked with preparing a draft letter to be sent to Ronald Gastelum, President & Chief Executive Officer of Metropolitan and signed by IEUA, Watermaster, Orange County Water District, and the Regional Board.

Bob Holub stated that the City of Corona recharged CRA water directly into the Bedford Heights subbasin.

Several committee members stated that CRA water was used in the North Fontana area. WEI was tasked to look into the potential for direct or indirect recharge of CRA water in the North Fontana area.



Meeting Notes

Chino Basin Water Quality Committee

September 24, 2003

Mr. Atwater suggested that WEI could look at ranges of historical perchlorate loading to the Las Vegas wash and thereby estimate an historical range of perchlorate in the CRA.

A decision was not reached on whether to move forward with the environmental records search by EDR.

VOC Plume South of the Ontario Airport.

Mr. Holub stated that there is a large body of evidence that has been accumulated by the Regional Board against several PRPs at the Ontario Airport. Mr. Holub and Mr. Thibeault both stated that, due to the State budget crisis, there are neither the staff nor resources to bring cases against these PRPs. The infrastructure and the evidence are at the Regional Board office; they would only require the services of a consultant, working directly under Regional Board supervision to bring cases against the PRPs in question. Watermaster and WEI were tasked to work with the Regional Board to see what the level of commitment would be and to transmit this information back to the WQC.

Action Items

- Watermaster will investigate whether there are any easement or property access issues for the rehabilitation and on-going monitoring of the Kaiser monitoring wells, MP-2 and KOF5. If not, Watermaster will proceed with rehabilitation and monitoring of these wells.
- WEI was tasked with preparing a draft letter to be sent to Ronald Gastelum, President & Chief Executive Officer of Metropolitan and signed by IEUA, Watermaster, Orange County Water District, and the Regional Board.
- WEI was tasked to look into the potential for direct or indirect recharge of CRA water in the North Fontana area.
- WEI could look at ranges of historical perchlorate loading to the Las Vegas wash and thereby estimate an historical range of perchlorate in the CRA.
- A decision was *not* reached on whether to move forward with the environmental records search by EDR.
- Watermaster and WEI were tasked to work with the Regional Board to see what the level of commitment would be and to transmit this information back to the WQC.

Next Meeting

The next WQC meeting will be November 12, 2003 at 2:00 PM.



**NOTICE OF
MEETING
&
AGENDA
WATER QUALITY COMMITTEE**

3:00 p.m. – September 24, 2003

AT

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

*Please be advised that Joe Scalmanini, technical advisor to the Special Referee,
will be in attendance at the Water Quality Committee meeting on September 24, 2003*

AGENDA

1. Review Meeting Notes from July 21, 2003 Meeting
2. Overview of Current Activities and Proposed Scope of Work
 - a. Kaiser Plume
 - Rehabilitation of Kaiser Monitoring Wells
 - Chemical Signature of Kaiser Plume and Potential Impacts to JCSD Wells
 - b. Perchlorate in Chino Basin
 - Assessing potential for introduction of perchlorate to Chino Basin via imported Colorado River water and wastewater percolated prior to 1975.
 - Backwards particle tracking modeling of perchlorate.
 - Performing an Environmental Records Search.
 - Working with the Regional Water Quality Control Board in identifying PRPs.
 - c. VOC Plume at Chino Airport - Update
 - d. VOC Plume South of the Ontario Airport
 - Backwards particle tracking modeling of VOC plume.
 - Performing an Environmental Records Search.
 - Working with the Regional Water Quality Control Board in identifying PRPs.
 - e. Implementation Schedule
3. Review Perchlorate Task Force Letter of Intent with Department of Defense
4. Review Action Items
5. Schedule Next Meeting

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Wildermuth Environmental, Inc.
23692 Birtcher Drive
Lake Forest, California 92650-1790
Tel 949.420.5030
Fax 949.420.4040

September 18, 2003

Chino Basin Watermaster
Attention: John Rossi, CEO
9641 San Bernardino Road
Rancho Cucamonga, California 91730-4665

**Subject: Groundwater Quality Investigation Activities to Date and Proposed Scope
Optimum Basin Management Program**

Dear John,

Wildermuth Environmental, Inc. (WEI) was tasked at the July 21, 2003 Water Quality Committee (WQC) meeting to prepare a list of tasks to help define potential source areas and/or potentially responsible parties (PRPs). Steps that were suggested by the WQC included: land use survey, records search, and title searches. The purpose of this letter is to update the WQC on WEI/Watermaster activities to date and proposed on-going activities. The following water quality issues are being investigated:

- Locate the leading edge of the total dissolved solids/total organic carbon/volatile organic chemicals (TDS/TOC/VOC) plume created by Kaiser Steel.
- Identify the potential sources of perchlorate throughout the basin.
- Identify the source(s) of the VOC anomaly located south of the Ontario Airport and north of the Chino-1 Desalter well field.
- Identify source(s) of the Chino Airport VOC plume. The Regional Water Quality Control Board (Regional Board) has identified a PRP and a groundwater investigation to better characterize the plume prior to mitigation is already underway. Watermaster is tracking the progress of this investigation.

The goal of these water quality investigations in Chino Basin is to compile enough evidence for the Regional Board to issue Investigation Orders to the PRPs. This will facilitate the regulatory process, while shifting the majority of the investigation/cleanup cost burden to the PRPs.

Kaiser Plume

Current Situation. The estimated location of the Kaiser plume as the mid 1980s is shown in Figure 1. Figure 1 also shows the estimated location of the Kaiser plume as of 2003. The mid-1980 location is based on modeling studies conducted by James M. Montgomery, Consulting Engineers (JMM, 1986) and was confirmed in part by groundwater monitoring in the late 1980s and early 1990s. The estimated 2003 plume location is based on recent groundwater modeling studies (WEI, 2003), where the plume as located in the mid-1980s was translated using the 2003 Watermaster model. The 2003 Watermaster model was used to simulate the movement of the Kaiser plume from its year 2003 location for a 25-year period starting in 2003. The model projections suggest that the Kaiser plume will enter the well field of Jurupa Community Services District (JCSD) – specifically JCSD wells 6, 13, 17, 19, 20 and Mira Loma #4 – during the simulation period. The Cleanup and Abatement Order Number 87-121 that concerned the Kaiser plume was rescinded in 1993 and there has been no formal monitoring of the Kaiser plume since

the order was rescinded. In summary, recent model projections suggest that the Kaiser plume may impact the JCSD within the next 10 to 15 years and there is no monitoring in place that could be used to confirm this projection or to warn JCSD of the attendant changes in water quality if the modeling projection is correct.

Watermaster Staff Activities. Watermaster activities are currently concentrated in two areas: reactivation of the Kaiser off-site monitoring wells and an assessment of what the chemical signature of the Kaiser plume would look like if it were to impact the JCSD wells.

Watermaster staff has located the two monitoring wells sites located off the Kaiser site:

- MP-2 located at the K-Mart warehouse facility in Ontario, approximately at the corner of Milliken and San Bernardino Road; and
- KOFS-1 well located adjacent to Etiwanda Creek on the Inland Container property.

MP-2 has three piezometers each screened at different depths and KOFS-1 has one piezometer. As mentioned above, these and the other wells used to locate and characterize the Kaiser plume have not been sampled since 1993. MP-2 and KOFS-1 are the most downstream monitoring wells for the plume. KOFS-1 was constructed to find the leading edge of the plume and to provide early warning of the plume to downstream well owners.

These wells can be sampled to determine the location of the main part of the Kaiser plume. Prior to sampling these wells, the pumps within these wells will need to be removed and the wells will need to be redeveloped. The estimate cost for redevelopment is about \$ 15,000. All development and purge water must be hauled away and discharged to the Non-Reclaimable Waste Line (NRWL). Samples would be collected for chemical analyses, including: general mineral and physical, VOCs, semi-volatile organic chemicals (SVOCs), and TOC. The result of these analyses would be compared to past analyses to determine if the Kaiser plume has moved substantially east or west (MP-2, and other wells, e.g., Ontario Wells 30 and 31) and has passed the KOFS-1 wells.

Contact of the plume with the KOFS-1 well could suggest that the plume is on track to reach the JCSD wells in the near future. The plume could also miss the JCSD wells altogether and enter the Chino-2 desalter well field. Watermaster staff would like direction as to whether it should proceed with the monitoring of the Kaiser off-site wells. Cost for redevelopment, sampling, and analysis will be about \$20,000.

Watermaster staff reviewed past work regarding the chemistry of the Kaiser discharge and groundwater contaminated by this discharge. Staff used piper diagrams to show how JCSD well chemistry could change if the Kaiser plume enters the JCSD well field. This information can be used by JCSD and Watermaster to determine if and when the JCSD wells are being impacted by the Kaiser plume. Figure 2 (in preparation) shows the Piper diagrams for JCSD wells for current conditions and for wells known to be contaminated by Kaiser. If the Kaiser plume were to move into the JCSD wells field, the anion-cation distribution would start to shift from the calcium-carbonate character currently seen in the JCSD wells to the calcium sulfate character exhibited by wells impacted by the Kaiser plume. Watermaster (or JCSD) should review the anion-cation distribution annually in JCSD and Desalter 2 wells to determine if the Kaiser plume is being captured by these wells.

Perchlorate in Chino Basin

Current Situation. Perchlorate has recently been detected in several wells in the Chino Basin (Figure 3), in other basins in California, and in other states in the West. The probable reason that perchlorate was not detected in groundwater until recently is that analytical methodologies did not previously exist that could attain a low enough detection limit. Prior to 1996, the method detection limit for perchlorate was 400 µg/L. By March 1997, an ion chromatographic method was developed with a detection limit of 1 µg/L and a reporting limit of 4 µg/L.

Perchlorate (ClO_4^-) originates as a contaminant in the environment from the solid salts of ammonium perchlorate (NH_4ClO_4), potassium perchlorate (KClO_4), or sodium perchlorate (NaClO_4). The perchlorate salts are quite soluble in water. The perchlorate anion (ClO_4^-) is exceedingly mobile in soil and groundwater environments. Because of its resistance to react with other available constituents, it can persist for many decades under typical groundwater and surface water conditions. Perchlorate is a kinetically stable ion, which means that reduction of the chlorine atom from a +7 oxidation state in perchlorate to a -1 oxidation state as a chloride ion requires activation energy or the presence of a catalyst to facilitate the reaction. Since perchlorate is chemically stable in the environment, natural chemical reduction in the environment is not expected to be significant.

Ammonium perchlorate is manufactured for use as an oxygenating component in solid propellant for rockets, missiles, and fireworks. Because of its limited shelf life, inventories of ammonium perchlorate must be periodically replaced with a fresh supply. Thus, large volumes of the compound have been disposed of since the 1950s in Nevada, California, Utah, and possibly in other states. While ammonium perchlorate is also used in certain munitions, fireworks, the manufacture of matches, and in analytical chemistry, perchlorate manufacturers estimate that about 90 percent of the substance is used for solid rocket fuel.

Speculation has arisen that perchlorate in groundwater may be the result of using "Chilean fertilizer" for agricultural purposes. The EPA recently completed a comprehensive survey of fertilizers and other raw materials for perchlorate to determine whether these could be significant contributors to environmental perchlorate contamination (Urbansky *et al.*, 2001). Four laboratories analyzed 48 fertilizer products from manufacturers of major commodity chemicals. Samples were collected from representative sites in the United States during the spring of 2000.

Except for those products derived from Chilean caliche (a natural perchlorate source), the specific natures of the manufacturing processes suggest that perchlorate should not be present in most fertilizers. Chilean nitrate salts constitute about 0.14% of U.S. fertilizer application. Perchlorate was positively detected only in those materials known to be derived from Chilean caliche. The data obtained here fail to suggest that fertilizers contribute to environmental perchlorate contamination other than in the case of natural saltpeters or their derivatives. (Urbansky *et al.*, 2001)

In addition, fertilizers derived from Chilean caliche are used in small quantities, on specialized crops, including tobacco, cotton, fruits, and vegetables (Renner, 1999).

Historical values of perchlorate exceeding the State Action Level have occurred in the following areas of Chino Basin (Figure 3):

- There is a significant perchlorate plume in the Rialto-Colton and Chino Basins. The source of the plume in Rialto-Colton Basin is being investigated by the RWQCB and it appears to be located near the Mid-Valley Sanitary Landfill. According to the RWQCB, other companies including B. F. Goodrich, Kwikset Locks, American Promotional Events Inc., and Denova Environmental Inc. operated nearby and used or produced perchlorate. These companies were located on a 160-acre parcel at T1N R5W S21 SW1/4. Denova Environmental also operated on a 10-acre lot at T1N R5W S20 S1/2 (along the boundary between Sections 20 and 29).
- Downgradient of the Stringfellow Superfund Site. Concentrations have exceeded 600,000 $\mu\text{g/L}$ in on-site observation wells and the plume has likely reached Pedley Hills and may extend as far as Limonite Avenue.
- City of Pomona well field (source unknown)
- Wells in the City of Ontario Water Service Area, south of the Ontario Airport (source(s) unknown).
- Scattered wells in the Monte Vista Water Service Area (source(s) unknown).
- Scattered wells in the City of Chino Water Service Area (source(s) unknown).

Watermaster Staff Activities. Watermaster activities are currently concentrated in four areas:

- Assessing potential for introduction of perchlorate to Chino Basin via imported Colorado River water and wastewater percolated prior to 1975.
- Backwards particle tracking modeling of perchlorate.
- Performing an Environmental Records Search.
- Working with the Regional Water Quality Control Board in identifying PRPs.

Perchlorate in Colorado River Water and Wastewater

The Pacific Engineering & Production Company (PEPCON) and the Kerr-McGee Chemical Corporation facilities in Nevada both discharged perchlorate, which moved through the Las Vegas wash into Lake Mead. Concentrations of perchlorate in Colorado River water delivered to Southern California through the Colorado River Aqueduct averages about 5 to 8 µg/L currently; historical concentrations are not known, but could be much higher.

Approximately 266,000 acre-ft of Colorado River water was delivered to Chino Basin Municipal Water District (CBMWD) from Metropolitan from 1954 to 1981 (Table 1). About 60,000 acre-feet were recharged in spreading basins and about 92,000 acre-feet would have been discharged as wastewater. In addition, there may have been historical industrial discharges of perchlorate to municipal wastewater systems that could have been discharged to ponds. Watermaster staff will develop a map which shows the probable recharge locations of Colorado River water and the probable discharge locations of wastewater in relation to perchlorate found currently in groundwater.

Backwards Particle Tracking Modeling

The 2003 Watermaster model is being used to move the current perchlorate plume locations backwards in time (upgradient) using historical water level maps. This effort will be presented at the September 24, 2003 WQC meeting. The purpose of doing this work is to limit the focus of the Environmental Records Search and the investigation of the PRPs.

Environmental Records Search

Watermaster has obtained a proposal from Environmental Data Resources, Inc. This firm provides queries of federal and state databases (e.g., National Priorities List [NPL], Comprehensive Environmental Response, Compensation, and Liability Information System [CERCLIS], Leaking Underground Storage Tanks [LUST], Spills, Leaks, Investigations, and Cleanups [SLIC], *et cetera*). The queries meet or exceed the ASTM E 1527-97 Standard Practice for Environmental Site Assessments. The total cost for this query for the entire Chino Basin (and including Pomona, Claremont, Cucamonga, and Rialto-Colton Basins) is \$13,155, which includes a geographic information systems (GIS) deliverable.

Regional Board PRPs

The Regional Board has issued 19 Investigation Orders for perchlorate in the Santa Ana region, as of July 2003. Six of these Investigation Orders state that the Regional Board suspects the company of discharging perchlorate in Chino Basin, as well as the Rialto-Colton Basin. These Investigation Orders which include Chino Basin are for:

- ETI Explosives Technologies International Inc/American West Explosives Inc (June 26, 2003)
- Whittaker Corporation / Meggitt-USA Inc (June 26, 2003)
- W.A. Murphy, Inc (June 26, 2003)
- Contractors Cargo Company (June 26, 2003)

- The Marquardt Company / Ferranti International, Inc (June 26, 2003)
- The Ensign-Bickford Company / Ensign-Bickford Industries, Inc (June 26, 2003)

In addition to these six companies, the Regional Board has a list of about 25 PRPs in Chino Basin (all east of I-15).

Based on the modeling results, the environmental records search, the Regional Board's PRP search, the WQC may elect to further investigate limited areas in Chino Basin, using historical aerial photographs and title searches. The goal would be to compile enough evidence for the Regional Board to issue an Investigation Order to the PRPs.

VOC Plume South of the Ontario Airport

Current Situation. A VOC plume containing primarily TCE exists south of the Ontario Airport. The plume extends approximately from State Route 60 on the north and Haven Avenue on the east to Cloverdale Road on the south and Grove Avenue on the west. Figure 1 shows the approximate areal extent of the plume as of 2002. The plume is up to 17,700 feet wide and 20,450 feet long. During the period from 1997 to 2002, the maximum TCE concentrations in groundwater detected at an individual well within this plume was 83 µg/L.

Watermaster Staff Activities. Watermaster activities are currently concentrated in three areas:

- Backwards particle tracking modeling of the VOC plume.
- Performing an Environmental Records Search.
- Working with the Regional Water Quality Control Board in identifying PRPs.

Backwards Particle Tracking Modeling

The 2003 Watermaster model is being used to move the current VOC plume locations backwards in time (upgradient) using historical water level maps. This effort will be presented at the September 24, 2003 WQC meeting. The purpose of doing this work is to limit the focus of the Environmental Records Search and the investigation of the PRPs.

Environmental Records Search

This work would be performed as described above for perchlorate.

Regional Board PRPs

The Regional Board has identified PRPs at the Ontario Airport. Other potential sources are GE Flat Iron and the Cucamonga Ponds.

Based on the modeling results, the environmental records search, the Regional Board's PRP search, the WQC may elect to further investigate limited areas in Chino Basin, using historical aerial photographs and title searches. The goal would be to compile enough evidence for the Regional Board to issue an Investigation Order to the PRPs.

References

- James M. Montgomery, Consulting Engineers, Inc. 1986. Phase III Groundwater Investigation. Submitted to Kaiser Steel Corporation. March 1986.
- Renner, R. 1999. Study Finding Perchlorate in Fertilizer Rattles Industry. Environmental Science and Technology. Volume 33, Issue 19, pp. 394A to 395A, October 1, 1999.

Urbansky, E. T., T. W. Collette, W. P. Roberge, W. L. Hall, J. M. Skillen, P. F. Kane. 2001 Survey of Fertilizers and Related Materials for Perchlorate (ClO_4^-). Final Report. EPA/600/R-01-047. May 2001.

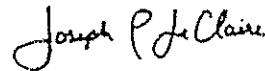
Wildermuth Environmental, Inc. 2003. Modeling Report for the Chino Basin Dry-Year Yield Program. Optimum Basin Management Program. Prepared for Chino Basin Watermaster and Inland Empire Utilities Agency under a Subcontract Agreement with Black & Veatch Corp. July 2003

Please contact us if you have any questions. Our telephone number is 949 420.3030 and our e-mail addresses are mwildermuth@wildh2o.com and jleclaire@wildh2o.com.

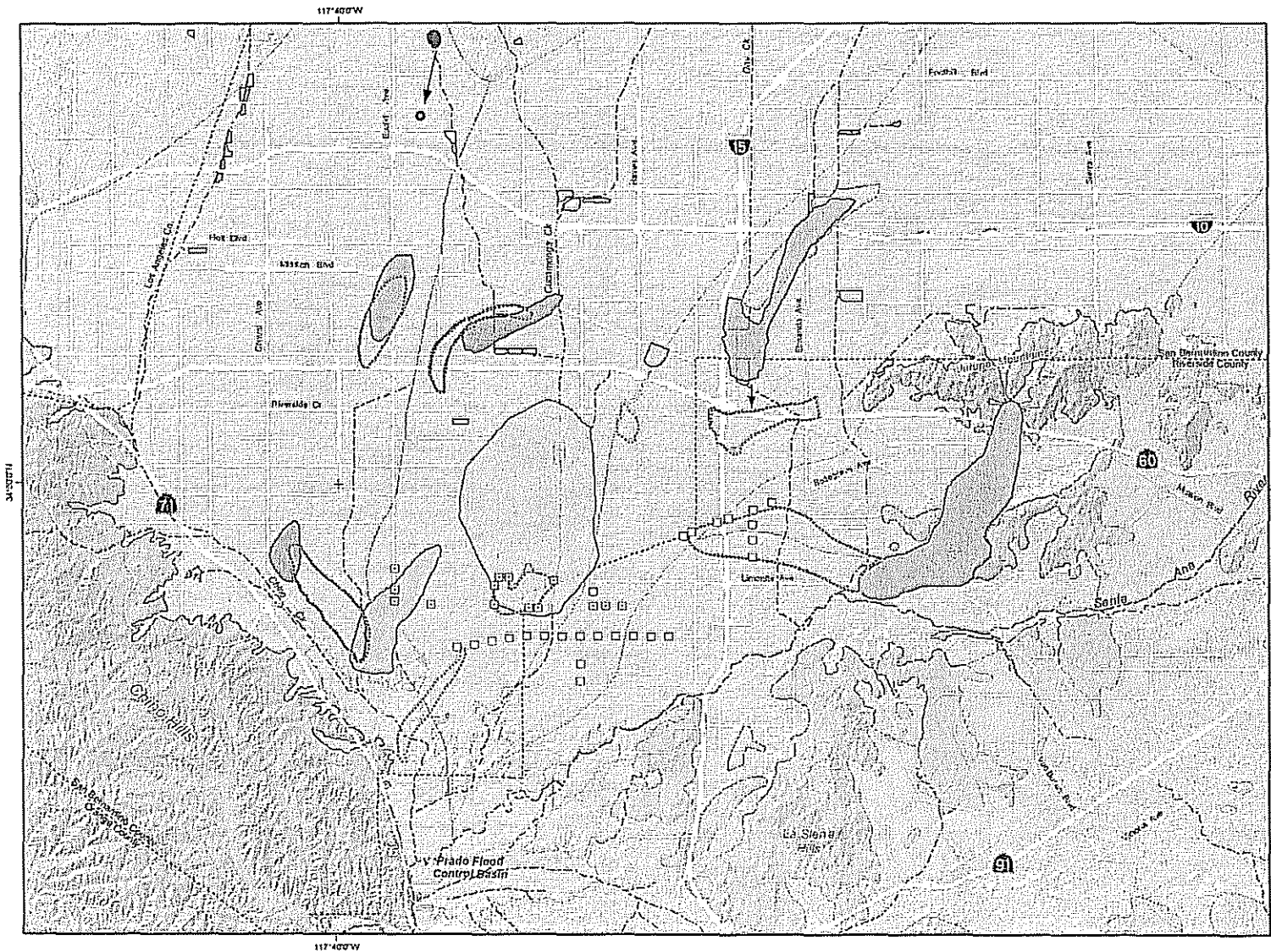
Best regards,



Mark J. Wildermuth, PE
President/Principal Engineer



Joseph P. LeClaire, PhD
Vice President/Principal Scientist



Groundwater Contaminant Plumes of Concern (2004)

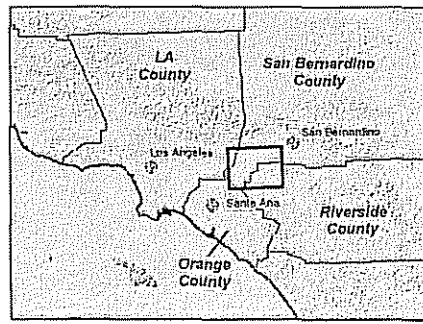
- Stringfellow
- Chino Airport
- GE Flat Iron
- GE Test Cell
- Chino Institution for Men
- Kaiser (1986)
- Un-Named VOC Plume
- Kaiser
- Upland Sanitary Landfill
- Milliken Landfill

Model Projected Locations of Plumes (2028)

- Baseline Scenario (Different Colored Outlines)
- Dry-Year-Yield Scenario

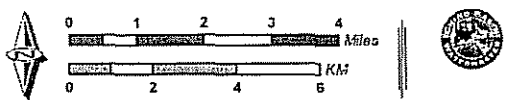
Other Features

- Existing Desalter Well
- Proposed Desalter Well
- Flood Control and Conservation Basins
- Chino Basin
- Unconsolidated Sediments
- Consolidated Bedrock



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 Lake Forest, CA 92650
 949-420-3032
 www.wem-environment.com

Author: AEM/KC/04
 Date: 2/25/2015
 File: Repara_1.mxd



Estimated Location of Water Quality Anomalies in 2004 and their Projected Locations in 2028 for Baseline and Dry-Year-Yield Scenarios

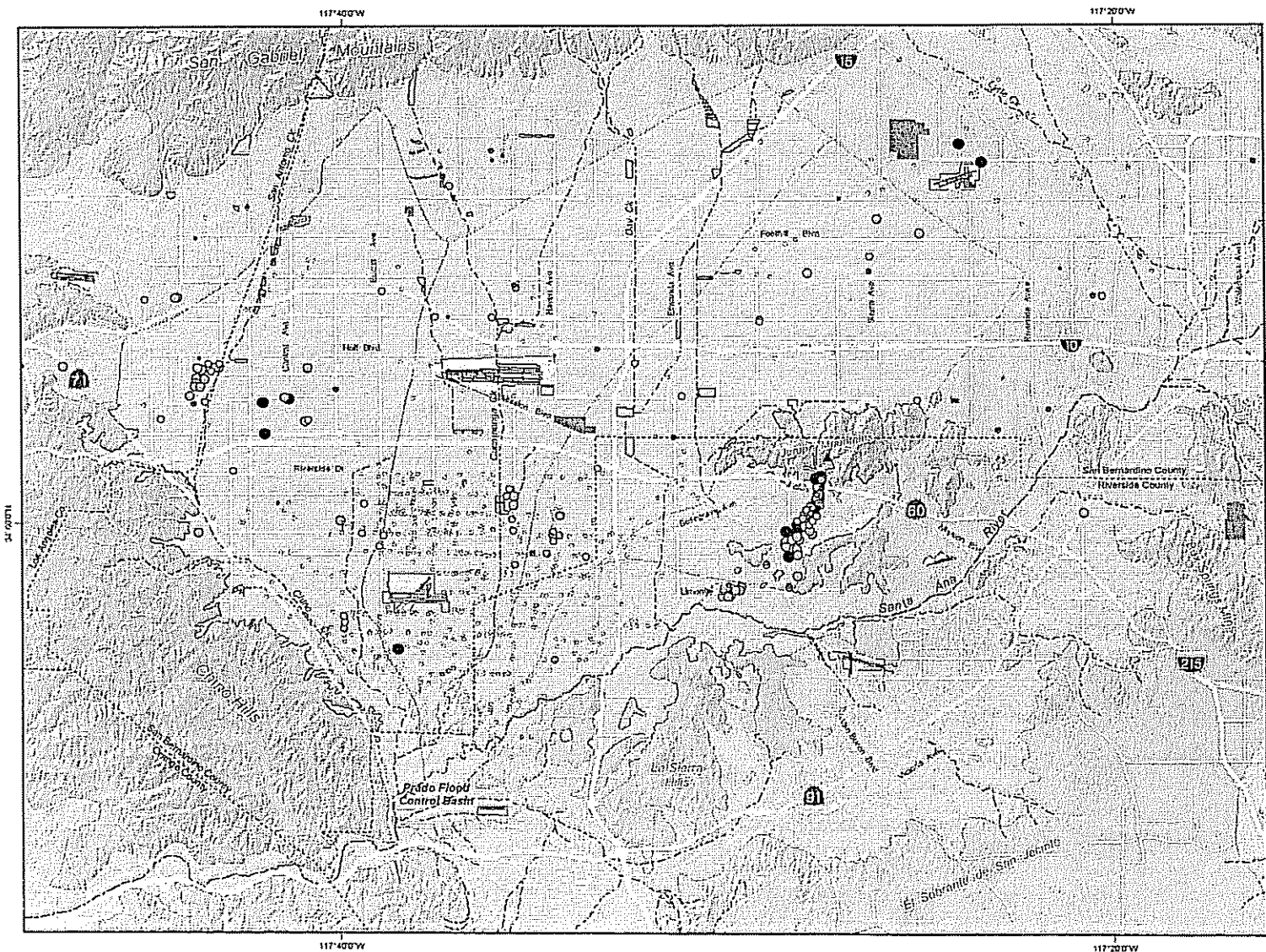
Figure 1

**Table 1
Colorado River Water Deliveries from MWD to CBMWD**

(1) Fiscal Year	(3) Replenishment Deliveries (acre-ft)	(4) Agricultural Water Deliveries (acre-ft)	(5) Total Water ² Delivered (acre-ft)	(6) Cumulative Total (acre-ft)	(7) CRA Water Served to Municipal Agencies (acre-ft)	(8) CRA Water that was Discharged as Wastewater (acre-ft)	(9) Cumulative CRA Water that was Discharged as Wastewater (acre-ft)
1954			3,135	3,135	3,135	1,568	1,568
1955			4,821	7,956	4,821	2,410	3,978
1956			5,033	12,989	5,033	2,517	6,494
1957			5,984	18,972	5,984	2,992	9,486
1958			6,580	25,553	6,580	3,290	12,776
1959		41	4,364	29,916	4,323	2,161	14,938
1960		83	3,568	33,485	3,485	1,743	16,680
1961		459	4,909	38,393	4,450	2,225	18,905
1962		796	6,416	44,810	5,620	2,810	21,715
1963		1,195	6,865	51,675	5,670	2,835	24,550
1964		1,579	14,599	66,273	13,020	6,510	31,060
1965	3,002	2,699	18,994	85,267	13,293	6,646	37,706
1966		2,154	13,422	98,689	11,268	5,634	43,341
1967	526	1,072	10,072	108,761	8,474	4,237	47,577
1968	2,229	941	10,884	119,645	7,714	3,857	51,434
1969		134	8,565	128,210	8,431	4,216	55,650
1970		370	7,263	135,472	6,893	3,446	59,096
1971		462	8,584	144,056	8,122	4,061	63,157
1972		660	9,612	153,668	8,952	4,476	67,633
1973		634	8,593	162,260	7,959	3,979	71,612
1974	840	800	8,428	170,688	6,788	3,394	75,006
1975	2,001	933	8,840	179,528	5,906	2,953	77,959
1976	933	1,842	9,402	188,930	6,627	3,314	81,273
1977	520	1,698	11,085	200,015	8,867	4,434	85,706
1978	738	924	14,118	214,133	12,456	6,228	91,934
1979	1,497	818	16,253	230,386	13,938	6,969	98,903
1980	636	69	16,056	246,442	15,351	7,676	106,579
1981	78	317	19,121	265,563	18,726	9,363	115,942
Total	13,000	20,680	265,563		231,883	115,942	

¹ Data from MWD annual reports and MWDSC invoices to CBWMD

² Untreated Water.



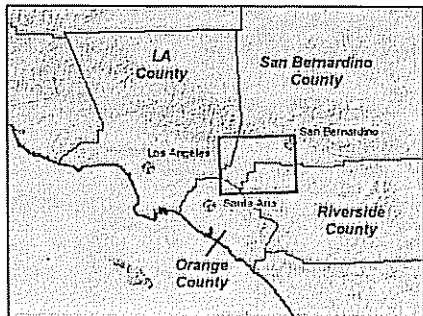
Perchlorate Concentration (ug/L)

- ND
- x <2
- 2 - 4
- 4 - 8
- 8 - 16
- >16

CA Action Level = 4 ug/L

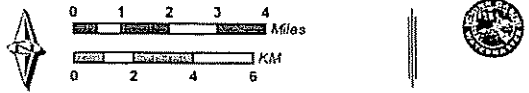
Other Features

- Desalter Wells
- ▲ Stringfellow Superfund Site
- Landfills
- ⬢ Flood Control and Conservation Basins
- Chino Basin
- Unconsolidated Sediments
- Consolidated Bedrock



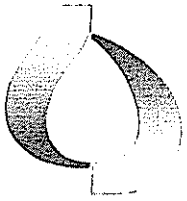
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 Date: 20030107
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Perchlorate in Groundwater
 Average Concentration (1997-2002)

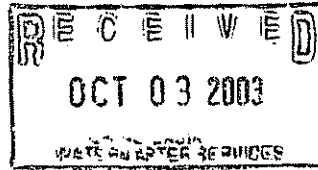
Figure 3



Inland Empire UTILITIES AGENCY*

6075 Kimball Avenue • Chino, CA 91710
P.O. Box 9020 • Chino Hills, CA 91709
TEL (909) 993-1600 • FAX (909) 597-8875
www.ieua.org
* A Municipal Water District

JR



September 26, 2003

Mr. Ronald Gastelum, President & Chief Executive Officer
Metropolitan Water District of Southern California
PO Box 54153
Los Angeles, CA 90054-0153

Subject: Perchlorate Contamination in the Chino Groundwater Basin

Dear Mr. Gastelum:

As you know, there is a long history of Colorado River Aqueduct (CRA) water usage in the Chino groundwater basins. The Chino Basin is experiencing severe perchlorate contamination problems that may be a result of the historical use of CRA water, based upon our technical evaluation of the data. Contamination could have occurred through artificial recharge of CRA water, the recharge of wastewater containing CRA water, and the deep percolation of CRA water applied for irrigation. Of course, there are other potential sources of perchlorate contamination and we are currently involved in investigations to determine these sources. The California Department of Health Services will establish a maximum contaminant level for perchlorate later this year – the expected maximum contaminant level (MCL) could range between 2 to 6 µg/L. This will have the immediate effect of reducing the use of local groundwater until new treatment facilities can be funded and constructed. We are extremely concerned about this emerging contamination crisis.

Metropolitan has currently surplus funding of approximately \$36,000,000 available and is in a process of determining how to best use these funds. We respectfully recommend that Metropolitan use a portion of these monies to support the detailed technical studies and historical investigations that would determine the extent of perchlorate contamination from CRA water use in the Chino Basin.

We would appreciate discussing this issue with you at your earliest convenience.

Very truly yours,

Inland Empire Utility Agency

Richard W. Atwater
General Manager

Santa Ana Regional Water Quality Control Board

Gerard J. Thibeault
Executive Officer

Chino Basin Watermaster

John V. Rossi
Chief Executive Officer

Chino Basin Watermaster

Robert DeLoach
Chairman of the Water Quality Committee



CHINO BASIN WATERMASTER

October 23, 2003

10:00 a.m. - Advisory Committee Meeting

1:00 p.m. - Watermaster Board Meeting

III. REPORTS/UPDATES

C. INLAND EMPIRE UTILITIES AGENCY

CHINO BASIN WATERMASTER
ADVISORY COMMITTEE
October 23, 2003

AGENDA

INTER-AGENCY WATER MANAGERS' REPORT

Inland Empire Utilities Agency
6075 Kimball Ave.
Chino, CA 91710

30 – 40 Minutes

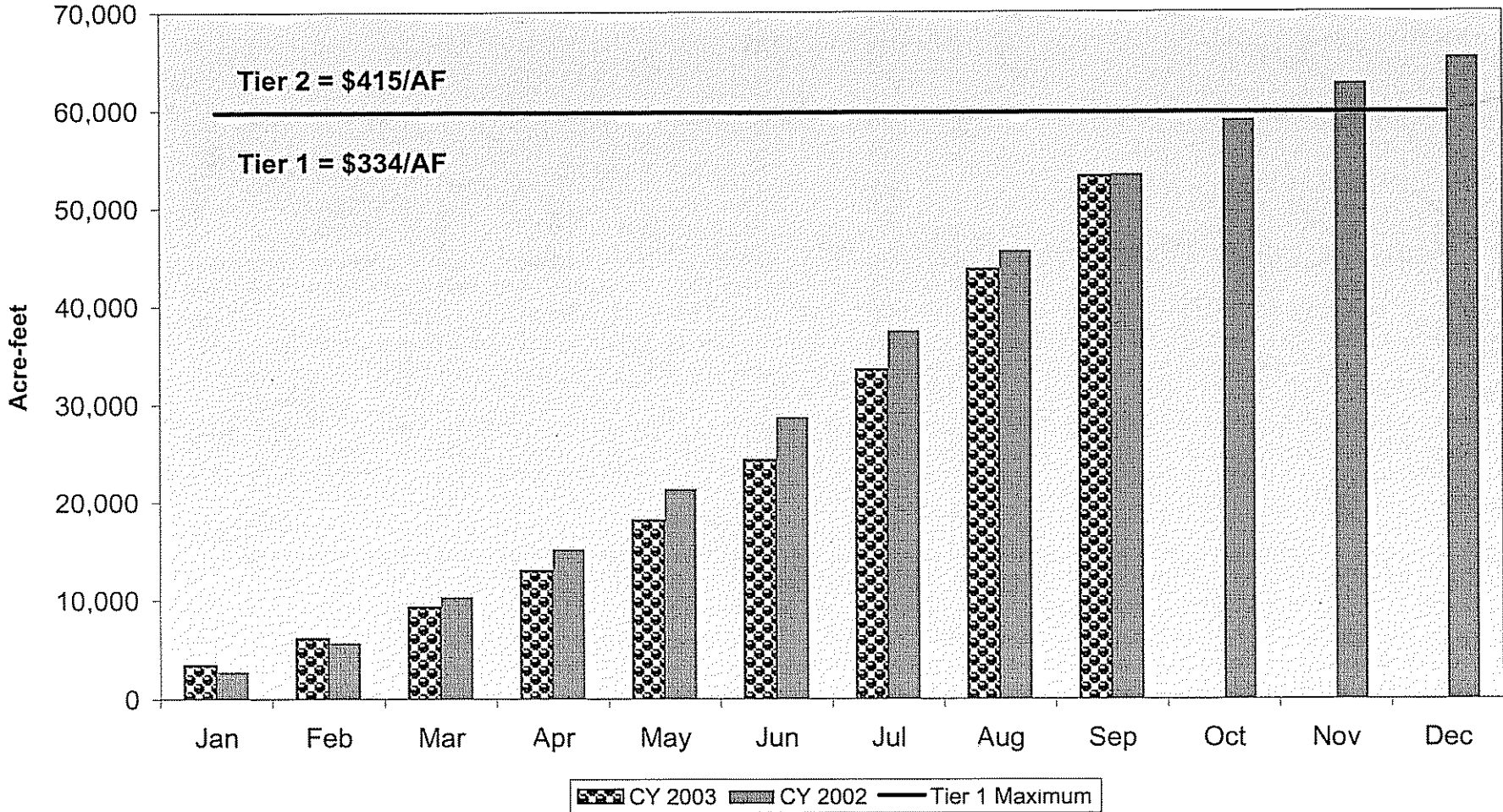
PROPOSED ITEMS:

1. Updates

- MWD IRP – Rich Atwater (oral)
- Tier I/II Status – Rich Atwater (attached)
- Southern California Regional Profile – Martha Davis (oral)
- B160 State Water Plan – Martha Davis (oral)
- MWD Dry Year Yield Program – John Rossi (oral)
- Recycled Water Program – Tom Love (attached)
- Chino Basin Facilities Improvement Project (Recharge) – Tom Love (attached)
- IEUA September Water Resources Report – David Hill (handout)
- State/Federal Legislation – Martha Davis (attached)
- Public Relations – Sondra Elrod (oral)

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IEUA
Cumulative Monthly Tier 1 Imported Water Deliveries
2002-2003



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SEPTEMBER 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 Phase I construction contract was awarded in February. Phase II is under construction and will be complete by November 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. The construction contract was awarded 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 is completed and Reliant started to use recycled water in August 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 was scheduled for completion by November 2003. However, because of delay in constructing the planned soccer field which was needed for crossing the existing golf course, the construction of the pipeline is delayed.

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

The Whittram Pipeline will serve recharge water to the Banana and Hickory Basins. Project design is at 100% complete, construction is scheduled for completion by Spring 2004.

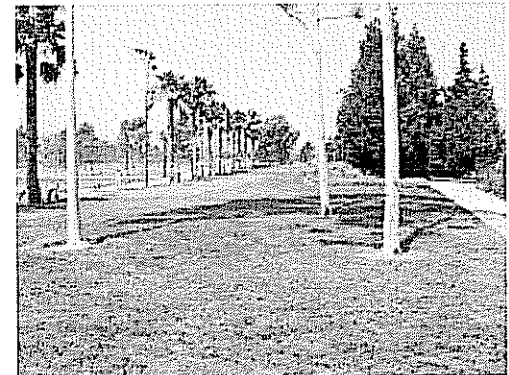
■ **RP-4 West Branch (Budget \$9,849,000)**

Design for the RP-4 West Branch is in process and will be completed in early 2004. 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 December 2004.

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



Reservoir at Reliant Energy



Ayala Golf Range in Chino



18th Hole at El Prado Golf Course

ACTIVITY SUMMARY

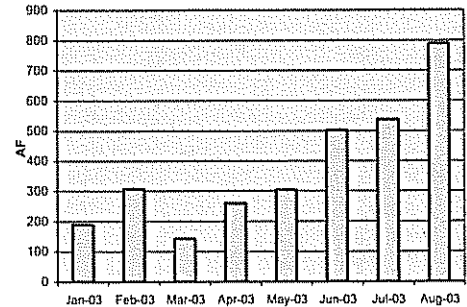
New Customers in 2002

- 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

- CW Farm (former Arthur Farms)
Started to use recycled water in March.
- Big League Dreams
Started to use recycled water in March.
- Fairfield Ranch Neighborhood Park
Started to use recycled water in March.
- Higgins Brick
Started to use recycled water in July
- Engelsma Dairy
Started to use recycled water in August
- DBRS Medical System
Started to use recycled water in August
- Central Chino Business Park
Started to use recycled water in August
- Artesian HOA
Started to use recycled water in August
- Reliant Energy
Started to use recycled water in August
- 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.
- 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.
- 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 2002-03	FY 2003-04
August	681	790
Year to Date	2,828	3,038
FY Total	1,183	1,327
Budget		6,950

Operation & Planning

- The City of Chino Hills began operating the newly constructed 3 million gallon recycled water reservoir and has experienced minor problems in the feed line. The City is in the process of rectifying the situation and expected to be completed by the end of September 2003.

Potential Customers in 2004

- City of Chino
OLS Energy, Paradise Textile, and Mission Linen
- City of Chino Hills
Oak Crest Golf Course, and new elementary school
- City of Ontario
Inland Paper Board and Ontario Mills
- City of Rancho Cucamonga
Empire Lakes Golf Course

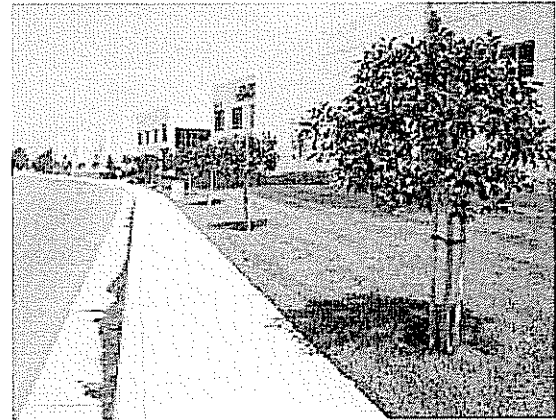
CUSTOMER DEVELOPMENT

■ 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 2004

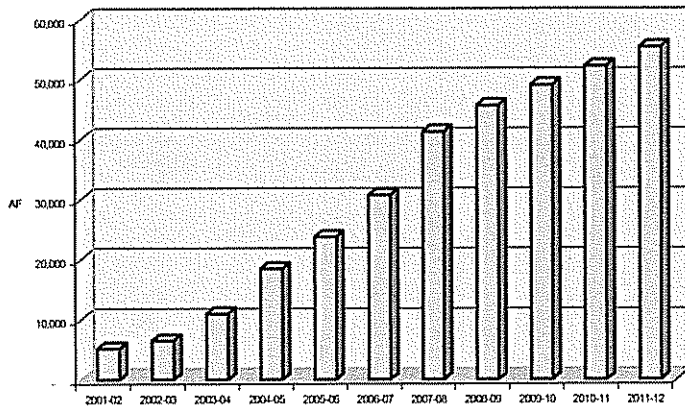
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|--|-----------|
| 1. Empire Lakes Golf Course (May 2004) | 800 AFY |
| 2. Additional Farms on Outfall (Feb. 2004) | 1,200 AFY |
| 3. Ontario Center Owners Association | 260 AFY |
| 4. California Co-generation | 250 AFY |
| 5. Oak Crest Golf Course | 500 AFY |



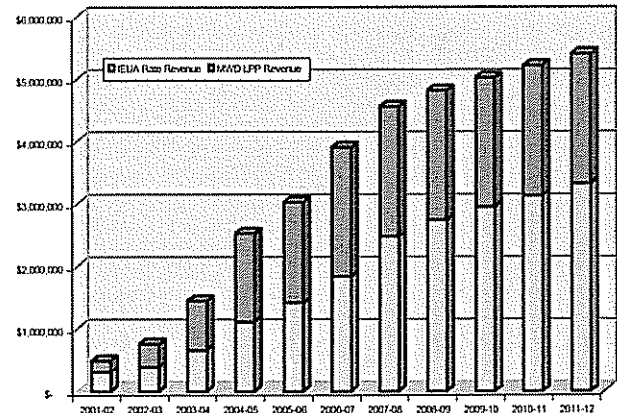
Daniel Street in Chino

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. | 08/03 |
| ■ DHS Title 22 Report (Recharge) | 07/03 |
| ■ SARWQCB Discharge Permit | 07/03 |



SEPTEMBER 2003 CHINO BASIN FACILITIES IMPROVEMENT PROJECT SUMMARY

Project Purpose:

The purpose of the project is to provide storm water and imported water recharge facilities improvements required to increase ground-water 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. 7

This bid package is a "catch-all" bid package. The projects will be prioritized for funding: (1) Wetlands Mitigation at RP-3; (2) Victoria Basin, (3) Upland Basin, (4) Hickory Basin & Pump Station, (5) San Sevaire Creek Channel Bridge at Hickory Basin, (6) Etiwanda Conservation Basins (Ponds). Bid announcement December 5, 2003, courtesy tour of construction sites scheduled for December 17, 2003; scheduled bid opening January 2, 2004, and award of contract January 7, 2004.

BID PACKAGE NO. 6

The SCADA system will be announcement for bid, November 15, 2003, a courtesy tour will be on November 20, 2003, bid opening, December 11, 2003, and award of contract December 17, 2003.

BID PACKAGE NO. 5

Tom Dodson & Associates (TDA) has completing the necessary CEQA documentation for permitting the projects. The IEUA Board will be asked to approve and adopt the Initial Study for MWD CB-Turnouts for Imported Water as part of the Optimum Basin Master Plan, at the October 1, 2003, Board Meeting.

Bid Package No. 5 include the MWD CB Turnouts No. 11T (Deer Creek Channel to Turner Basins), 15T (Day Creek Channel to Lower Day Basins), and the Etiwanda Intertie (San Sevaire Channel to RP-3 and Declez basins). Announcement for bids will be November 15, 2003, bid opening December 11, 2003 and award of bid December 17, 2003. All work needs to be closely coordinated with MWD's shutdown of the Foothill Feeder Pipeline in early February, 2004, for tapping and tie-ins. It is recommended that IEUA prepurchase three (3) sleeve valves to avoid timing problems; plans and specifications are being prepared for repurchasing the valves.

BID PACKAGE NO. 4

Bid package No.4 consists of the Jurupa Pump Station and 300 feet of CML & C steel pipe. The date for announcement for bid was September 18, 2003, tour of the project site is October 2, 2003, plans & specification available October 2, 2003, bid opening is October 28, 2003, award of contract is planned for November 5, 2003. SBCFCD will construct a section of concrete channel with a drop inlet and pipeline to deliver water to the Jurupa Basin.

BID PACKAGE NO. 3

Bid package No. 3 consists of the Jurupa Regional force main from Mulberry and Jurupa Avenue to the RP-3 site

Work Accomplished:

Start date was August 6, 2003, the date of Board contract award and runs 300 calendar days. Rasic is nearing completion of the potholing of in Jurupa Avenue, identifying the loca-

tion utilities. Plans and specifications, plus some realignment are being finalized with the City of Fontana as the result of the potholing efforts.
Time Remaining on contract: 86% [August 6, 2003 through September 16, 2003 (300 - 41 = 259 calendar days)].

BID PACKAGE NO. 2

Bid Package No. 2 includes three basins - Declez Basin, Ely Basins 1, 2, & 3, and 8th Street Basins; four rubber dam structures - College Height Basin (San Antonio Channel), Lower Day Basin (Day Creek Channel), RP-3 Basins (Declez Channel), Turner Basins No. 1 (Cucamonga Channel); three (3) drop inlet structures - Brooks Basin (San Antonio Channel), Turner Basins No. 1, 2, 3, & 4 (Deer Creek Channel), and Victoria Basin (Etiwanda Channel)

Work Accomplished:

Banshee has submitted all documentation and IEUA has given the NOP August 7, 2003. Start date was July 16, 2003, date of Board contract award and runs 238 calendar days.

Time Remaining on contract:

74% [July 16, 2003 through September 16, 2003 (238 - 62 = 176 calendar days)].

BID PACKAGE NO. 1

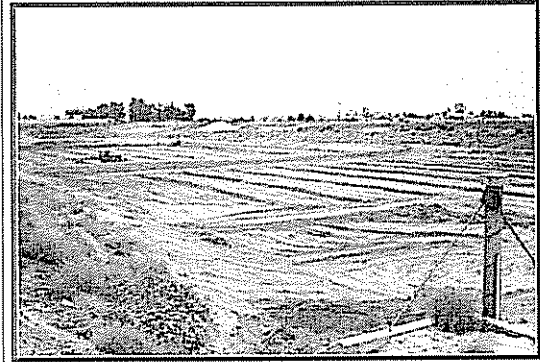
Bid Package No. 1: Bid Package No. 1 includes six basins: Banana Basin, College Height Basins, Lower Day Basin, RP-3 Basins, Turner Basin No. 1, Turner Basins No. 2, 3, & 4

Work Accomplished:

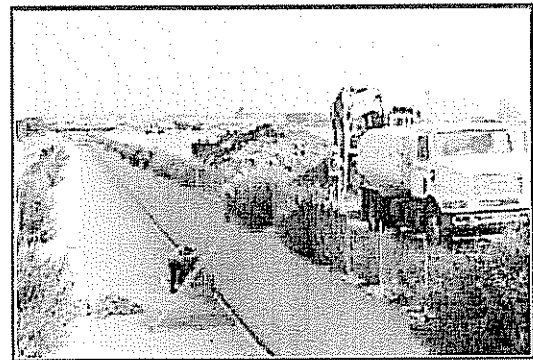
- RP-3—Excavation 95% complete = 474,866 cu yds; concrete lining in RP-3 Trap Channel - 45% complete.
- College Heights Basins—Excavation completed = 995,000 cu yds
- Turner 2, 3, & 4—Excavation 95% complete = 236,390 cu yds; buried 55 gallon drums & buried asphalt disposed in landfill; large boulders used as rip rap.
- Turner Basin 1—Excavation 55% complete = 85,282 cu yds, soil is transported to Turner Basin No. 2 for fill
- Lower Day Basin—Excavation is completed, soil cement berms are being constructed
- Banan Basin—Excavation is completed, soil cement berms are being constructed

Time Remaining on contract:

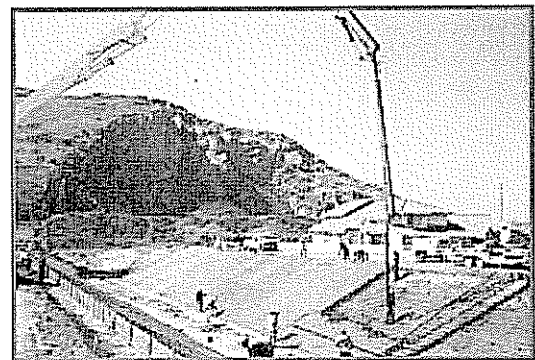
23% [March 25, 2003 through September 16, 2003 (238 - 175 = 63 calendar days)].



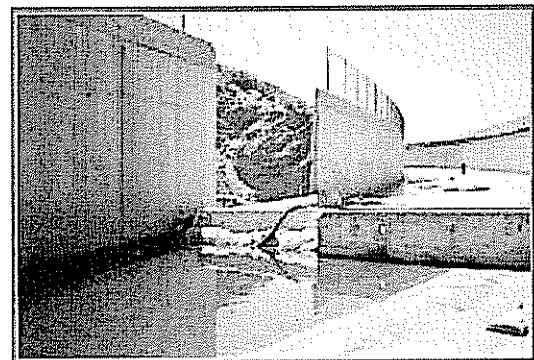
Ely Basin No. 3



Etiwanda Channel near Victoria Basin



Trap Channel at RP—3



Day Creek Channel Drop-Inlet at Turner Basins

BID PACKAGE NO. 1 CONSTRUCTION SCHEDULE

ID	Task Name	2003									
		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										

BID PACKAGE NO. 2 CONSTRUCTION SCHEDULE

ID	Task Name	2003									
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb		
1	Basin Development										
2	Declez Basin										
3	Ely Basins										
4	8th Street Basins										
5	Rubber Dam										
6	College Heights Basin										
7	Lower Day Basin										
8	RP-3 Basins										
9	Turner Basin No. 1										
10	Drop Inlet Structure										
11	Brooks Basin										
12	Turner Basin										
13	Victoria Basin										

GROUNDWATER RECHARGE FACILITIES IMPROVEMENT CONSTRUCTION SCHEDULE

ID	Task Name	Start	Finish	Cost	2003												2004							
					Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug						
1	Bid Package No. 1	3/17/03	11/14/03	\$8,936,000.00																				
2	Banana, College Heights, Lower Day, RP-3, Turner No. 1, & Turner No. 2, 3, & 4	3/17/03	11/14/03	\$8,936,000.00																				
3	Bid Package No. 2A	8/6/03	1/12/04	\$6,953,451.00																				
4	Declez, Eighth Street, Ely, VictoriaBrooks 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	8/6/03	1/12/04	\$6,953,451.00																				
5	Bid Package No. 3	5/5/03	6/25/04	\$2,889,477.00																				
6	Jurupa Regional Pipeline	5/5/03	6/25/04	\$2,889,477.00																				
7	Bid Package No. 4	9/3/03	4/5/04	\$4,275,000.00																				
8	Jurupa Basin, Pump Station & 300' Pipeline	9/3/03	4/5/04	\$4,275,000.00																				
9	Bid Package No. 5	11/14/03	5/13/04	\$1,800,000.00																				
10	MWD Turnouts, CB-11T, CB-15T & Etiwanda Interlo Turnout	11/14/03	5/13/04	\$1,800,000.00																				
11	Bid Package No. 6	11/14/03	5/13/04	\$1,800,000.00																				
12	SCADA Monitoring System	11/14/03	5/13/04	\$1,800,000.00																				
13	Bid Package No. 7	12/30/03	6/28/04	\$2,000,000.00																				
14	Mitigation Measures	12/30/03	6/28/04	\$2,000,000.00																				

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	\$4,150,000
Admin/Legal	\$211,000*	\$150,000
Construction	\$1,465,000	\$32,142,000
Monitoring Plan/Wells	\$83,000	\$2,000,000

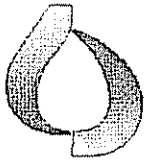
*Includes legal and administrative costs associated with land acquisition

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

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Inland Empire
UTILITIES AGENCY

Date: October 15, 2003

To: Honorable Board of Directors

Through: Public and Legislative Affairs Committee (10/8/03)

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: September Legislative Report from Agricultural Resources

RECOMMENDATION

This is an informational item regarding the September 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.

RWA:MD:jbs
G:\board-rec\2003\03346 September Leg Report from Ag Resources

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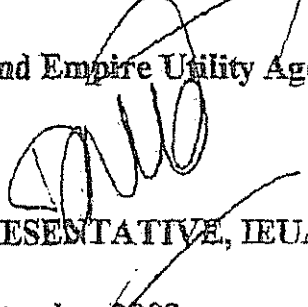
Agricultural Resources

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

September 30, 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, September 2003

Highlights:

- Calvert Marks Up National Recycling/CALFED Water Bill
- Appropriations Provide Funds for IEUA Conjunctive Use Program
- DOI's Initiative, Water 2025 – Departmental Report Pending
- Perchlorate – DOD Exemptions Rejected, Conference Pending
- Perchlorate – Water Industry – DOD Meeting Being Scheduled
- Perchlorate – Inland Empire Cleanup Demonstration Agreement Pending
- Water Recycling – Southern California Feasibility Study
- Water Recycling – IEUA/CCWD Recycling Program Introduced by Dreier
- Water Recycling – Calvert Holds Legislative Hearings
- CALFED – Senate to Schedule October Hearing
- FY 2004 Funding Bills Status – CR To Be Enacted
- IEUA Working Partners

Calvert Water Bill – New National Water Recycling Program – CALFED. On September 25, Calvert's Water and Power Subcommittee voted unanimously to report H.R. 2828 to the Full Resources Committee. Consideration in full Committee, though, is not expected until early in the next session – early 2004.

Something of note from markup – something that did NOT happen. The Administration was silent. Most expected a negative letter or communication from the Administration – OMB, Interior and/or the Bureau of Reclamation. None was forthcoming. Neither DOI nor BuRec even sent staff to observe and take notes (unusual – and even Committee staff noticed the same).

As previously reported, Chairman Calvert introduced, at the end of July, H.R. 2828, the Water Supply, Reliability, and Environmental Improvement Act, a bill to authorize the Secretary of the Interior to implement water supply technology and infrastructure programs aimed at increasing and diversifying domestic water resources. There are 30 bi-partisan cosponsors. Ranking Member Grace Napolitano, Reps. Dreier, Baca and Gary Miller are all cosponsors. Title I of the bill establishes a national (not just western) competitive grants program for water recycling and desal projects. When the Bureau of Reclamation declared, early in 2003, that water recycling and desal projects were not part of their “core mission,” Mr. Calvert accepted that decision. Instead, this bill directs that the Secretary of the Interior establish a new office to administer this program (not inside the Bureau of Reclamation). Title II is a version of CALFED. Title III authorizes funds for the Salton Sea restoration program. The bill was referred to two Committees, Resources and Transportation and Infrastructure (T&I).

Mr. Calvert and Rep. Napolitano both said that the bill will be revised in the coming months. Rep. Pearce of NM announced his strong support for Title 1. On CALFED, Mr. Pombo praised the efforts of water users to date and reminded all that Delta water quality was his highest priority.

IEUA Conjunctive Use Program Appropriated \$500,000. The House Energy and Water Appropriations Subcommittee provided \$500,000 for the IEUA conjunctive use program. This is the second year of funding. IEUA has contacted both Senators and urged that the Conferees accept the House funding level.

Administration Water Initiative, Water 2025. The Interior Department is planning to issue a report shortly based on the series of hearings held throughout the West in July and August. No date has been announced for its release. This effort is being met with growing skepticism.

Perchlorate – DOD Statutory Exemptions Stripped from House-Senate Defense Bills – Conference Action Pending. Final action on the DOD conference is pending. Substitute language drafted by DOD was considered unacceptable. The status of any substitute language remains uncertain. The water industry opposes the new language.

Perchlorate – Water Industry – DOD Meetings. DOD and the water industry are scheduling a meeting of the ad hoc working group in October. Issues to be considered -- public disclosure, DOD site characterization work, and cleanup. This is in the preliminary stages of being organized. The Environmental Working Group has released a study, in concert with the American Chemical Society, in which perchlorate was found in milk in Texas. That revelation is expected to add further pressure on DOD.

Perchlorate – DOD-Inland Empire Perchlorate Cleanup Agreement. In July, the Soto/Cucamonga County Water District meeting at which DOD entered into an agreement with Inland Empire water users designed to explore the application of new perchlorate cleanup technologies “on the ground.” An implementing MOU is being finalized and is expected to be executed in early October.

Water Recycling – Southern California Comprehensive Study (Feasibility Study). Every report I’ve ever submitted to the General Manager has noted that the Southern California Comprehensive Water Reclamation and Reuse Feasibility Study has NOT been submitted to Congress as required by law. It was finalized in April 2001. In light of the Department’s unwillingness to submit the Report, SAWPA agreed to “publish” the Study. I can now report that the Feasibility Study has been submitted to the Congress.

At the hearing on three recycling bills (see report below), Rich Atwater submitted the Feasibility Report to the Committee and Chairman Calvert accepted the Feasibility Report and ordered that it be “placed in the Record.”

The Interior Department has not released the Feasibility Report – still. As previously reported, this Feasibility Study was completed in April 2001, but not submitted to Congress, as required by statute. At a Calvert hearing in March, it was promised within a few weeks. It did not happen.

Reportedly, the Interior Department rewrote the Report (no one has seen edits). A second feasibility study, authorized at the same time, for the Bay Area was completed in December 1999 and it is being withheld as well. Between the two studies, some 50 projects were determined to be feasible by the Bureau of Reclamation which, altogether, have the capacity to produce approximately 575,000 acre-feet of new water annually by 2010. Given DOI’s attitude and unwillingness to submit the Report as required, SAWPA has agreed to publish the Report in full and submit it to the Congress. On September 10, as part of his testimony, Rich Atwater submitted it. It should be added that Rep. Napolitano was pleased and elated. She asked for this Feasibility Study at every possible hearing and subcommittee business meeting.

Water Recycling – Dreier Introduces Recycling Bill. At the request of IEUA and Cucamonga County Water District, Rep. David Dreier introduced H.R. 2991 in early September. His bill provides authority for the IEUA water recycling program (similar to the Gary Miller bill) and authority for the CCWD water recycling program. Between the two recycling programs, some 75,000af of new water annually will be produced by 2010.

Water Recycling Legislative Hearings. On September 10, Calvert’s Subcommittee on Water and Power held legislative hearings on three recycling bills [H.R. 1156, Sanchez; H.R. 142, Gary Miller; and H.R. 2991, Dreier]. As indicated, Rich Atwater appeared on behalf of IEUA. Robert DeLoach testified on behalf of CCWD and the OCWD Board Chair testified as well. Immediately after the hearing, requests were submitted to Mr. Calvert to schedule a markup at the earliest opportunity. One footnote from the hearing. Immediately prior to the hearing, Rich Atwater and

Robert DeLoach met with the Subcommittee staff. During our visit, Rich Atwater pointed out that between the three recycling bills (OCWD, IEUA and CCWD) and the various programs to be funded, collectively they would produce almost 200,000af of new water annually within our region. By any standard, that is a large "take-notice" number.

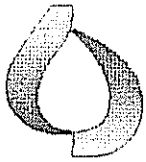
Senate Hearing on CALFED in Late October The Senate Energy Committee is expected to hold a hearing on CALFED late next month.

FY 2004 Agency Funding. As of September 25, none of the 13 appropriations bills had been finalized and the fiscal year begins October 1. To avoid disruptions of government services, at the end of September, the House and Senate were moving a temporary funding bill to the President – a Continuing Resolution (CR) – that will fund Government from October 1 to October 31.

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)
- * WaterReuse Association
- * OCWD
- * CCWD

#####



Date: October 15, 2003
To: Honorable Board of Directors
Through: Public and Legislative Affairs Committee (10/8/03)
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: September Legislative Report from Dolphin Group

RECOMMENDATION

This is an informational item regarding the September 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.

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Chino Basin / OBMP Coalition

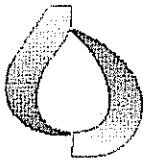
Status Report

September 2003

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

- 1) **AB 2228 Implementation / Dairy Biogas Digesters** – PG&E recently filed an advice letter establishing interconnection agreements, or physical hook-up rules, for eligible biogas net-metering projects. This action follows similar efforts by SCE last month. A total of about 10 digesters have now been approved for funding under the state's pilot project funding program and at least 6 others are awaiting funding approval.
- 2) **QSA** – Negotiations by the 4 major Colorado River interests advanced in earnest during the early part of September. The looming gubernatorial recall appeared to provide the pressure necessary to get all the parties to finally agree to a proposal. The legislature quickly acted to adopt legislation implementing the historical agreement, and all 4 agencies are now expected to approve the plan. Under the agreement, no additional Proposition 50 funds were utilized for the final implementation.
- 3) **Infrastructure Financing** – Proposition 53, the California Twenty First Century Infrastructure Investment Fund, is slated for a vote as part of the October 7 Recall Election ballot. While Proposition 53 enjoyed early support among likely voters, recent polls suggest its passage now appears unlikely. The measure would provide substantial general fund dollars for infrastructure projects on an annual basis, including water projects. Proposition 53 enjoys broad support from the water community.
- 4) **Budget/ERAF** – Senate Bill 407 (Torlakson), which sought to shift additional special district property tax revenues to the state, failed passage in the final hours of the legislative session. The final vote showed overwhelming bipartisan opposition to the measure. Opposition from key Chino Basin legislative leaders Negrete-McLeod, Longville, and Benoit was instrumental in leading to the measure's defeat. Despite this year's legislative success, however, SB 407 will be before legislators again when they return in January.

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Inland Empire
UTILITIES AGENCY

Date: October 15, 2003
To: Honorable Board of Directors
Through: Public and Legislative Affairs Committee (10/8/03)
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: September Legislative Report from Geyer and Associates

RECOMMENDATION

This is an informational item regarding the September 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\03347 September Leg Report from Geyer

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Memorandum

TO: Rich Atwater and Martha Davis
FROM: Jennifer West and Bill Geyer
DATE: September 25, 2003
RE: End of Session Report

It has been a pleasure working with you this year to represent IEUA. Below are some of the highlights from the 2003 session and attached are the agency's bill lists indicating the final outcome for all bills the agency took a position on in 2003 and all bills on the "watch" list.

SB 407 ERAF Shift Defeated

On the final night of the session, IEUA and SAWPA played a key role in soundly defeating SB 407 (Torlakson) on the Assembly Floor (24 "yes", 39 "no" and 17 "not voting"). The measure would have redirected property tax revenue from some special districts, including an IEUA retail agency, Monte Vista Water District, and at least one SAWPA member agency. The money would have gone into a fund to pay for county recall expenses. Secretary of State Kevin Shelley was working in support of the bill, as were some labor unions that Senate leadership had enlisted in the final days.

Assemblywoman Gloria Negrete-McLeod led the charge against the bill on the Floor, with strong backing from Assemblyman John Longville. The final vote had all Inland Empire and SAWPA representatives voting as a block against the bill. Senators Margett and Soto led the Senate opposition and were demanding that Senator Torlakson bring the bill back to the Senate for a policy hearing. Look for Senator Torlakson to try to resurrect this bill next year.

SB 407 turned out to be the only significant ERAF bill of the year. But throughout the year there were a number of proposals floating around the capitol that would have radically changed the way special districts are financed. As California's budget crisis is far from over, expect these proposals to resurface next year.

Perchlorate Bill Passed and Set to be Signed

IEUA helped negotiate and pass SB 922/SB 1004 (Soto), which gives the SWRCB clear legal authority to include replacement water in its cleanup and abatement orders. The measure also requires "retroactive disclosure" to warn communities where perchlorate contamination might exist and may help identify potential responsible parties. (Both measures were combined into SB 1004 in the final days of the session and are expected to be signed by the Governor.) IEUA worked closely with the SWRCB, the environmental

sponsors and author's office to craft a strong workable bill that overcame many of the opponents' objections. At different times in the legislative process, MWD and then ACWA tried to amend the bill to provide liability exemption for groundwater basins contaminated by perchlorate. IEUA helped table these unacceptable amendments. ACWA has said it will work during the interim to try to find consensus between its members on the groundwater exemption language. At this point the environmental community is firmly opposed to such a concept and will work with us to table it once again.

QSA Bills Await Governor's Signature

A breakthrough in the Quantification Settlement Agreement (QSA) negotiations also was achieved in the final days of the session. After all parties agreed to the deal, three measures were quickly drafted and moved through the legislature and now await the Governor's signature. SB 277 (Ducheny) creates the Salton Sea Restoration fund and spells out the criteria for restoring the Salton Sea; SB 317 (Kuehl) provides a limited repeal of the fully protected species (FPS) statute and creates a funding mechanism to restore the Salton Sea; and SB 654 (Machado) allows the state to enter into a joint powers agreement to help pay for mitigation costs. As of this writing, the Boards of Directors of MWD, SDWA and Coachella have approved the QSA agreement. IID will vote on the agreement in early October.

This agreement is far superior to the QSA proposal released in March, which was supported by the Governor and many legislators. The proposal would have financed the plan using at least \$250 million from Proposition 50. Most of this funding would have been diverted from funding categories used to finance local water supply projects in Southern California. Many member agencies of MWD, including IEUA, vigorously opposed this plan and advocated for a proposal that would minimize Proposition 50 financing. Although opposing this proposal was very unpopular, IEUA, SAWPA and other MWD member agencies prevailed in achieving a QSA deal that did not raid public bond monies.

Flurry of Last Minute Legislation

In the final weeks of the session, the Legislature passed a flock of bills on to the Governor that received very little public scrutiny. Many of these bills negatively impact the business community, including new business regulations, expanded opportunities for lawyers to sue on labor disputes, millions of dollars in new administrative fees and, most importantly, a pioneer program requiring employers to provide health care insurance to their workers – SB 2. The measure was made public and passed by the full Legislature in only two days. While the Governor has not yet signed SB 2, it could have a significant impact on all employers, and especially those with more than 200 employees, including IEUA. The measure requires that employers with more than 200 employees pay 80 percent of an employee's health care premium and 80 percent of their dependents premiums. If signed, and if SB 2 survives expected legal challenges, IEUA, and all major employers in California, will have to restructure their offered health care benefits by 2006.

Inland Empire Utilities Agency

Positions/Position Recommendations

September 25, 2003

Bill # / Title	Summary	Position	Status
Propositions 50/Water Bonds			
SB 117 (Machado) QSA: Prop. 50 Allocations	Vehicle for QSA implementation. All references to Prop. 50 funds have been removed. It now states the legislature's intent to appropriate \$200 million from an unspecified source to go into a Colorado River Subaccount.	Recommend Neutral	Assembly Held at Desk
SB 21 (Machado) Prop. 50 Implementation AB 1747 Budget Trailer Bill Language	Proposition 50 implementation measure. Most of the implementation language for the water funds in Prop. 50 were incorporated in AB 1747. Only one major earmarking of funds was included in AB 1747. In a last minute budget play, Republican Leadership earmarked \$20 million (\$10 million for Southern California) out of Chapter 8 funds for projects outside of MWD's service area for groundwater recharge. Overall, Prop. 50 funds will be awarded on a competitive basis.	Support	AB 1747 Chapter 240, 2003
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 \$375 for the Santa Ana Region based on a statewide population formula.	Support	Senate Approp.
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 system. IEUA helped pass the measure off the Assembly floor. The vote was 44-22, with many moderate democrats not voting. McLeod did vote for the bill.	Support	Chapter 172, 2003
Desalination			
SB 318 (Alpert) UWMP: Desal	Requires UWMP to describe the opportunities for development of desalinated water, including brackish water.	Support	Assembly Floor
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	Support	Two Year Bill Assembly

	purveyor to charge customers for water based on actual volume of deliveries. The City of Sacramento is a long time opponent to water meters. Assemblyman Steinberg from Sacramento is Chairman of Appropriations and he managed to hold the bill in his committee. It is now a two-year bill.		Approp.
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, and other types of land use, 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. State AG is the sponsor. ACWA is opposed and so is RLC. Though the measure is stalled on the Assembly Floor for lack of support, it may be taken up anytime before the end of January 2004. If so, its next step would be Senate Local Government where IEUA may be able to either stop the bill or seek amendments to fix it.	Recommend Oppose	Assembly Floor
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. There was a move to stop all task forces this year for funding reasons.	Support	Senate Approp.
SB 906 (Escutia) Municipal Water District Act	Amendments In June struck all references to the rate structure for the Central Basin Municipal Water District and the West Basin Municipal Water District. IEUA had opposed the measure because previous versions detailed what could be included in these districts' water rate structure. In the last days of the session the bill was amended into another subject matter.	Neutral (formally opposed)	Assembly Floor
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. SWRCB will vote on its an annual waste discharge fee on September 30.	SWRCB.	Chaptered #1

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 a fee imposed on the purchase of diapers (\$.0025 per diaper). IEUA supports the bill for water quality purposes.	Support	Two Year Bill Re-referred Senate Enviro. Quality
Drinking Water Contaminates			
SB 922 (Soto) SB 1004 (Soto) Perchlorates	<p>In the final days of the session SB 922 was combined into SB 1004, which was passed to the Governor's desk. As enrolled, SB 1004 allows any drinking water cleanup order issued by the SWRCB or a regional board to include replacement water for an impacted community. The regional board must also submit a replacement water plan with its order. SB 1004 also 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.</p> <p>IEUA worked with the environmental sponsor and the opponents to reach a compromise that will allow the bill to move forward, without jeopardizing the purpose of the bill. IEUA also opposed proposed amendments by MWD that would broadly exempt MWD and other water agencies from liability for any historic perchlorate contamination for ground water recharge activities. Although MWD dropped their amendment proposal, ACWA may want to reopen this issue in the fall with its members.</p>	Support	Enrolled to the Governor
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	Two Year Bill Senate Rev. & Taxation

ERAF			
SB 407 (Torlakson) Local district financing	Would have redirected property tax revenue from Monte Vista Water District and at least one other SAWPA member agency. <i>See cover memo for details on how the bill was defeated on the final night of session.</i>	Oppose	Assembly Floor
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. The Subvention Funds remained intact for 03/ 04 budget.	Support Protection of Funds	Funds Secured
Prop. 50, Support Recycled Water	IEUA supported WaterReuse's successful effort to accelerate approximately \$18 million in water recycling funding from Prop. 50. The funding will come from Cal-Fed section of Prop. 50.	Support Accelerated Water Recycling Funding	Funds Accelerated

Inland Empire Utilities Agency

WATCH

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

September 25, 2003

Bill # / Title	Summary	Watch Level	Status
Propositions 50 and 40			
AB 866 (Pavley) Watershed/Prop.40 and 50	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. Requires the SWRCB to fund the development of one or more integrated coastal management plans.	B	Enrolled to Governor
SB 1054 (Budget) Trailer Prop. 40/50	Governs the expenditure of Prop. 40 and 50 funds for river parkways and the Sierra-Nevada-Cascade Mountain Region; appropriates \$7.850 million from Prop. 40 and \$25.428 million from Prop.50 funds for the acquisition and development of river parkways; and appropriates \$7.115 million Prop. 50 for grants programs in the Sierra-Nevada-Cascade Mountain region. The bill also requires public notification of appraisal values for lands acquired by the state and proposes criteria for the notification of conservation land acquisitions. Last minute policy disagreements between the Senate and Assembly reportedly stopped this bill from passing in 2003. The river parkway funding cannot be allocated without implementing legislation.	A	Senate Rules
Drinking Water Contaminates			
AB 826 (Jackson) Perchlorate	Creates the Perchlorate Contamination Prevention Act. Requires DTSC by 2005 to develop regulations specifying BMPs for managing perchlorate materials and to perform other monitoring and enforcement activities. It also requires all groundwater monitoring wells in the state to be used as "early warning sentinels	A	Enrolled to Governor

	for drinking water contamination.”		
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. Recoverable costs include replacement water and attorney’s fees.	A	Senate Floor
Water Supply/Future Bonds			
AB 314 (Kehoe) Desalination	States that the state should encourage the development of ocean and brackish desalination projects.	A	Chapter 206, 2003
Groundwater			
SB 543 (Machado) Groundwater	Sponsored by a southern California private water company, the bill alters the water rights for those entities that are under order to clean up contamination. IEUA and Watermaster helped secure amendments clarifying that the bill does not impact water rights in adjudicated basins. The City of San Bernardino recently removed its opposition.	A	Assembly Enviro. Safety and Toxics
Water Quality/Water Quality Penalties and Fees			
AB 897 (Jackson) Water Quality Objectives	Makes it a \$25,000 penalty for knowingly falsifying information contained in a waste discharge report. Recent amendments have removed all criminal penalties in the bill and references to TMDL program.	A	Enrolled to Governor
AB 1541 (Montancz) Waste Discharge Requirements	States that failure to file an NPDES monitoring report or technical report after 30 days is a “serious violation” of Porter-Cologne, which would mean these violations would be subject to a \$3000 fine. MPC is opposed, as is CASA, the counties and cities. Sponsored by Environment California. While the authors office was willing to exempt dairies from the provisions of the bill, the Senate Environmental Quality Committee (Chaired by Senator Sher) told the author that they would pull the bill back into committee and kill it if dairies were exempted. MPC is requesting a veto from the Governor.	A	Enrolled to Governor
SB 923 (Sher) Waste Discharge Fees	Changes a number of waste discharge requirements contained in SWRCB waivers.	B	Enrolled to Governor

SB 1049 (Budget Committee) Fee Bill	Omnibus fee bill. While not yet in print, it is rumored that this bill will contain dam safety fees; water rights compliance fees; fish and game fees; seismic insurance; and mill tax. The bill does not contain Prop. 50 language at this time or waste discharge fees. ACWA is opposed.	A	Enrolled to Governor
Quantification Settlement Agreement/Salton Sea			
SB 277 (Ducheny) Salton Sea	Enacts the Salton Sea Restoration Act and establishes the Salton Sea Restoration Fund, which will be administered by the Department of Fish and Game. Authorizes Department of Water Resources (DWR) to purchase and sell water through voluntary contracts with water suppliers to achieve the goals of the Salton Sea Restoration Act. Department of Food and Agriculture will review and report on the economic impacts related to land fallowing in the Imperial Valley in connection with the QSA and what measures taken by the Imperial Irrigation District to minimize those economic impacts.	A	Enrolled to Governor
SB 317 (Kuehl) Salton Sea/FPS	Provides a limited repeal of the Fully Protected Species (FPS) statute and codifies a funding mechanism to restore the Salton Sea. As one of the conditions of the limited FPS repeal Metropolitan Water District of Southern California (MWD) may purchase up to 1.6 million acre-feet of water transferred by IID to DWR at \$250 or more an acre-foot. The proceeds of which will be deposited by DWR into the Salton Sea Restoration Fund, established by SB 277 (Ducheny).	A	Enrolled to Governor
SB 654 (Machado) QSA	Allows the state to enter into a joint powers agreement to help pay for mitigation costs. Extends the date of the lining of the All American Canal and the Coachella Branch by December 31, 2008. Establishes a Joint Powers Agreement between IID, CVWD, and SDCWA, to be chaired by the DFG, which will act as a banking agency to facilitate funding for the environmental impacts of the IID/San Diego water transfer. The bill also caps the mitigation payments by the affected agencies at \$133 million with an additional \$30 million cap for mitigation of the Salton Sea to be paid to the Fund. Establishes the precedence of beneficiaries pay for their own costs and environmental mitigation of water transfers.	A	Enrolled to Governor
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	C	Enrolled to

	state waterway.		Governor
AB 496 (Correa) Santa Ana Conservancy	The measure would have created a state run conservancy for the three-county Santa Ana River area. Due to its state costs, Chairman of Senator Appropriations refused to let the bill come off the Appropriations suspense file. In the final days of the session, Correa gave the bill to another legislators who amended it into an unrelated subject and it was passed to the floor as amended. Correa has said he will probably reintroduce the bill next year.	A	Senate Floor
AB 1405 (Wolk) Watersheds	Requires that any guidelines adopted by state agencies for use by local watershed partnerships provide flexible mechanisms to achieve quantifiable watershed objectives.	B	Enrolled to Governor
MISC.			
AB 847 (Pavley) Coastal Conservancy	Specifies that the Coastal Conservancy's duties include protecting sensitive habitat areas and improving coastal water quality.	B	Enrolled to Governor
AB 1051 (Goldberg) Capital Facilities	Preserves the fiscal stability of public utilities by ensuring their ability to charge rates for service that include the cost of water, operations, maintenance, repair and replacement of facilities. Recent court cases have sought to undermine this legal authority.	A	Enrolled to Governor
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 contaminates injected into the drinking water supply.	C	Enrolled to Governor
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	Chaptered #272



CHINO BASIN WATERMASTER

October 23, 2003

10:00 a.m. - Advisory Committee Meeting

1:00 p.m. - Watermaster Board Meeting

III. REPORTS/UPDATES

C. ASSOCIATION OF GROUNDWATER AGENCIES

**MINUTES OF THE
ASSOCIATION OF GROUND WATER AGENCIES (AGWA)
BOARD OF DIRECTORS MEETING
HELD MONDAY, SEPTEMBER 15, 2003 - 9:00 A.M.
AT MAIN SAN GABRIEL BASIN WATERMASTER**

Bruce Mowry, Chairman, called the meeting to order.

Directors/Alternates present:

Bruce Mowry, Chairman	Water Replenishment District of Southern California
John Rossi, Vice Chairman	Chino Basin Watermaster
Melvin Blevins	Upper Los Angeles River Area Watermaster
Ken Breitag	Main San Gabriel Basin Watermaster
Tom Crowley	San Bernardino Valley Water Conservation District
Janet Divan	Six Basins Watermaster
Rick Iger	Kern County Water Agency
John Kennedy	Orange County Water District
Behrooz Mortasavi	Eastern Municipal Water District
John Otto	Tehachapi-Cummings County Water District
Ron Palmer	Raymond Basin Management Board

Affiliates present:

Brad Coffey	Metropolitan Water District of Southern California
David DeJesus	Metropolitan Water District of Southern California
Bill Golightly	Hargis & Associates
Amy Rego	Metropolitan Water District of Southern California

Others present:

Frank Forbes	Main San Gabriel Basin Watermaster
Nina Jazmadarian	McGuire Environmental
Josephine Johnson	Chino Basin Watermaster
Mark Mackowski	Upper Los Angeles River Area Watermaster
Sheri Lyn Molino	Chino Basin Watermaster
Kelly Rowe	Camp Dresser & McKee
Alfred Smith	Nossaman, Guthner, Knox and Elliott, LLP
Jack Woodbury	San Bernardino Valley Water Conservation District

MINUTES/FINANCIAL STATEMENTS

On motion made by Director Palmer, seconded by Director Rossi, and unanimously carried, the minutes from the August 18, 2003 meeting were approved. The Chairman stated that Financial Statements for August 2003 were available for review, and then he ordered the Financial Statements to be received and filed.

Director Breitag reported that the email motion which had been circulated following the August AGWA meeting had received the necessary three quarters votes from AGWA members and the draft 2003-04 budget had been approved.

PRESENTATION

Perchlorate in Colorado River Water – The Chairman introduced Mr. Brad Coffey, Water Purification Unit Manager for the Metropolitan Water District of Southern California, and Mr. Coffey stated that he would talk about how perchlorate got into and is moving through the Colorado River and about what is being done to clean it up. He noted that MWD has a perchlorate action plan, which was presented to its board over a year ago, and this plan is available on the MWD website in the board document archive.

Mr. Coffey began by explaining that ammonium perchlorate is a strong oxidant which is used in rocket fuel, fireworks and explosives and is highly soluble and inert in water. It has been found to impact the uptake of iodide by the thyroid gland and it may alter metabolism, growth and mental development. According to the State Department of Health Services website perchlorate has been detected in 78 water systems in California, entailing some 300 wells or surface sources, and 95% of these detections have been in Southern California. An informal survey of MWD's service area shows that it has been detected in 150 wells, affecting the water supply of about 160,000 households.

Currently, California's Action Level for perchlorate is set at four parts per billion (ppb), which is equivalent to the current detection limit for the contaminant. Mr. Coffey also noted that the Legislature had set a deadline of January 2003 for the establishment of a California perchlorate public health goal (PHG); however, the PHG is expected to be announced sometime this fall. The legislature had also set a deadline of January 2004 for establishing a maximum contaminant level (MCL), but in reality the MCL for perchlorate is not expected until mid-2004. The MCL is also not expected to be less than 4 ppb, since this is the minimum recording level. Likewise, a federal MCL is not expected from USEPA before 2006. It is possible that this federal limit could be set lower than 4 ppb, since perchlorate has also been detected in some produce and EPA could determine that exposure to the contaminant in food should lower the allowable exposure in drinking water.

Mr. Coffey reported that in 1997 MWD traced perchlorate in the Colorado River back to the Las Vegas Wash, which drains into Lake Mead, and it was found that the primary source of this perchlorate was a Kerr-McGee rocket facility in the Las Vegas Valley. At the time of this discovery the plume created from the Kerr-McGee facility was releasing about 900 pounds of perchlorate per day into the Las Vegas Wash. This translated into groundwater contamination of about 9 ppb, and Mr. Coffey noted that in this plume 100 pounds per day of perchlorate is roughly equivalent to 1 ppb in the groundwater. Mr. Coffey also noted that a second manufacturing facility, operated by Pepcon Systems, had also created a perchlorate plume, but this plume is not currently impacting the Las Vegas Wash.

Mr. Coffey explained that, of the approximately 180 cubic feet per second (cfs) which typically flows through the Las Vegas Wash, 150 cfs is treated waste water from the City of Henderson, the City of Las Vegas, and Clark County Sanitation District. These three entities have formed the Clean Water Coalition, and they are in the process of building a bypass to transport the wastewater flows around the Wash.

Mr. Coffey also explained that the Nevada Division of Environmental Protection (NDEP) has a cleanup approach for the Kerr-McGee plume which entails three major elements. The first of these elements to be put into place was the construction in 1999 of a barrier at the top of the Las Vegas Wash gravel area where a surface seep exists. Water is pumped from the upstream side of this barrier, treated and then released back to the Wash below the barrier.

Since it was begun this measure has cut off the flow of approximately 400 pounds of perchlorate per day. The treatment facility at this barrier utilizes a Calgon ion exchange system (ISEP); however, corrosion problems were experienced in the system's start-up with the Perchlorate Destruction Module, which breaks down the perchlorate in the brine rinse and allows continual reuse of the treated brine for resin regeneration. While the problems were being evaluated a disposable resin treatment was temporarily installed; however, due to high perchlorate concentrations, its operational costs are as high as \$2 million per month. Consequently, plans are being made to switch the facility over to a biological process. The biological system, similar to that being used by Areojet in Northern California, was initially considered but there were concerns related to some of the nutrients that needed to be added to the water. These concerns have now been addressed, though some concern remains as to the system's effectiveness.

The second element of the Clean Water Coalition's plan was put into place at a narrowing of the groundwater channel which is located near Athens Road. Eight wells were drilled at this site and an ISEP treatment facility was constructed. This facility, which is also experiencing corrosion problems, is currently treating 1,000 – 1,200 gallons of groundwater per minute.

The third element of the cleanup of the Kerr McGee plume was construction of a slurry wall, 30 – 40 feet deep and 2,000 feet long, on the upstream end of the plume. This wall captures groundwater at the area of highest perchlorate concentration, about 1,200 parts per million (ppm), and the water is sent to evaporation ponds.

Additionally, Mr. Coffey noted that planning is well along on a bioremediation process for cleanup of the Pepcon plume, and NDEP expects full deployment of the program by the end of the year, although this timing could easily slip into 2004.

Mr. Coffey stated that the results of the cleanup effort in the Las Vegas Wash have begun to be felt in MWD's system. In August perchlorate levels of 5.1 ppb were recorded at Lake Havasu and 4.5 ppb at Lake Mathews. At the Diemer, Skinner and Weymouth plants, where Colorado River water is blended with State Project water, the levels were "Non-Detect", meaning they were less than 4 ppb. As time goes on these levels should continue to drop, although how fast and to what level is hard to estimate.

Finally, Mr. Coffey stated that MWD recommends that a federal drinking water standard for perchlorate be set soon, that clear guidance be provided to the states on cleanup goals, and that funds be provided to accelerate cleanup efforts.

Director Palmer asked if it could be estimated what perchlorate levels were before detection of the Kerr McGee plume, and Mr. Coffey stated that it appeared historic levels of perchlorate were about 1,000 pounds per day or roughly 9 – 10 ppb.

Director Crowley asked what measures were being taken by Arizona with regard to Colorado River water, and Mr. Coffey replied that Arizona currently uses the standard of 18 ppb for perchlorate, so, as far as they are concerned, no problem exists. In fact, Arizona is not currently even monitoring perchlorate.

Since there have been several recent staff changes within MWD's Water Quality Department, Ms. Amy Rego of MWD asked Mr. Coffey whom AGWA members should now

contact with issues. Mr. Coffey suggested contacting Dr. Mic Stewart, Water Quality Section Manager, for the time being.

DISCUSSION AND ACTIONS

Discussion of AGWA Strategic Planning Session – Director Breitag stated that discussions following the previous AGWA meeting indicated that it might be best to talk further about the content of a prospective strategic planning session before scheduling a date and facilitator. Director Rossi stated that he believes such a session would be a good idea and that AGWA should seek proposals from Bob Rauch to act as the session's facilitator. He noted that Mr. Rauch would have individual conversations with each AGWA member ahead of such a session, and Mr. Rauch would organize that information into a list of topics for discussion at the session.

Director Palmer stated that he believes a strategic planning session would be timely, and the Chairman added that there would seem to be much that could be discussed.

In response to a question from Mr. Breitag about what action should be taken prior to the October AGWA meeting, the Chairman stated that a phone discussion should be held between Director Williams, Director Rossi and himself.

PowerPoint Presentation – ACWA Groundwater/Communications Subcommittee – Director Rossi reported that AGWA's groundwater PowerPoint presentation is still being assembled and that there would be more to report at the October meeting.

Director Blevins stated that an email from Rita Sudman at the Water Education Foundation indicates that WEF has been distributing the PowerPoint presentation that they developed to legislative aids and others. Director Rossi noted that WEF would require more money to do any additional work on the presentation, so the Committee will make some additions to this presentation and then distribute it to AGWA members in a form which will allow them to alter it as they see fit. Director Rossi also noted that the committee would try to meet before the next AGWA meeting in October. He further stated that he would call Ms. Sudman to inform her of AGWA's plans in regard to the presentation.

Update of MWD Policy re: Replenishment Water and Conjunctive Use Programs – The Chairman noted that AGWA had received two letters from MWD relative to this topic, and Director Rossi stated that this subject might be a good one to discuss at length at a strategic planning session.

Ms. Rego reported that she had nothing new to report, but she stressed that MWD is emphasizing flexibility in the administration of its conjunctive use programs. MWD has been trying to move a lot of State Project water, and operational considerations might require stopping or starting the transfer of water with only a couple of days notice.

STANDING COMMITTEE REPORTS

Metropolitan Water District of Southern California Liaison Committee – Director Palmer stated that, not surprisingly, the subject of most interest at MWD has been the Quantification Settlement Agreement relative to Colorado River water. Mr. David De Jesus noted that for the first time in a long time MWD is feeling confident about the prospect of an agreement being finalized, and he noted that a meeting of the MWD Board has been scheduled for

September 23 to vote on the proposed QSA. However, he cautioned that there might still be problems with approval of the agreement by Imperial Irrigation District.

In response to a question from Mr. Forbes, Mr. De Jesus reported that tunneling has begun on both ends of the proposed Inland Feeder. After two or three weeks the tunneling will then be suspended to analyze progress.

General Communications/Public Information Committee – Director Breitag stated that the deadline for submission of items for AGWA’s fall 2003 newsletter is this Friday, September 19. The items should be directed to Jennifer Greenlief.

Mr. Kelly Rowe stated that exhibitors are being sought for the 2003 AWRA Convention, and this would be a good forum for AGWA to gain exposure. The Chairman noted, however, that AGWA currently does not have staff or materials for such an exhibit.

Program Committee – Director Blevins stated that an email had been received from the Water Education Foundation in reference to an AGWA conference in 2004. WEF has reserved space at the Doubletree Hotel in Ontario for Thursday and Friday, April 1 and 2, 2004. Director Blevins also stated that AGWA needs to decide if, in fact, it wants to hold a conference in 2004. He added that there would seem to be a lot of conferences going on, and it would be helpful to know when they are all scheduled. However, Director Blevins stated that it would be his recommendation that AGWA hold a conference on the scheduled dates. Director Rossi added that he too would like to see AGWA hold the conference, but he questioned what the topics might be.

Director Iger asked if it the American Groundwater Trust might still be interested in assisting AGWA with its conference, noting that it seemed attendance at the conference was higher when AGWA worked with AGWT. The Chairman stated that the Trust was not pleased with AGWA for changing to WEF, and he added that AGWA should be careful about too readily moving from one organization to another. Director Blevins stated that it would seem a commitment currently exists with WEF, and he believes that WEF has done a good job organizing the conference.

Director Blevins stated that he would call Ms. Sudman to tell her that AGWA is leaning toward having the conference in 2004, and Director Palmer stated that this would be a good subject for AGWA to take up at a strategic planning session. Director Crowley stated that it would seem late to be discussing what organization AGWA uses to assist with its conference in 2004; rather AGWA should be seeking to develop such a relationship for 2005. He also stated that one of AGWA’s goals should be to hold an annual conference. Such an event serves to publicize AGWA and should be considered one of AGWA’s missions.

Legislative Committee – Director Breitag stated that he had little to report, since the deadline for passage of bills by the Legislature had only been the previous Friday, and it was difficult to know yet what had happened in the final hours of the legislative session. He noted that it appears most of the bills AGWA has been following would become two year bills, but one bill, SB 1004, which would require reporting of storage of perchlorate within California since 1950, was passed before the deadline. He noted that SB 196 had also passed. This bill would require that the local government members of Regional Boards actually be city council members or county supervisors in the respective regions. Mr. Breitag further noted

that it appeared AB 496, which would have created the Santa Ana River Conservancy, was recently amended into a completely new and unrelated bill.

The Chairman reported that he has been attending meetings in Sacramento related to State Water Plan Update, and those meetings have made him concerned about many of the assumptions being used to formulate the Plan.

OTHER

Director Breitag reported that as a result of the motion which was passed via email between the August and September meetings, AGWA now has a new affiliate member, Hargis & Associates.

Director Blevins reported that he attended a hearing the previous Wednesday at the Los Angeles Regional Board's offices with reference to the Sunshine Canyon Landfill in the San Fernando Valley. He stated that he had offered comments at the hearing to the effect that the Sunshine Canyon site would be one of the better choices for such a landfill in the Upper Los Angeles River watershed, and he would be happy to distribute copies of his comments to AGWA members.

FUTURE AGENDA ITEMS

The Chairman stated that, in lieu of a presentation at the October AGWA meeting, the group should have a detailed discussion about a proposed strategic planning session.

NEXT MEETING

The Chairman stated that, because of a standing conflict with the current morning meeting time, Director Iger had requested AGWA's meeting be changed back to a start time of 1:30 p.m. Director Breitag noted that, as a result of a survey of AGWA members conducted a few months previously, there did not seem to be conflicts with an afternoon start time among other members.

On motion made by Director Blevins, seconded by Director Kennedy, and unanimously carried, AGWA's regular meeting time was set for 1:30 p.m. on the third Monday of each month.

The Chairman stated, therefore, that the next AGWA meeting would be held on Monday, October 20, 2003, at 1:30 p.m. at the NEW OFFICE of Chino Basin Water Watermaster, located at 9641 San Bernardino Road, Rancho Cucamonga, CA 91730.

Ken Breitag, Acting Secretary/CFO

ATTEST:

Bruce Mowry, Chairman

ASSOCIATION OF GROUND WATER AGENCIES



Monday, October 20, 2003 – 1:30 p.m.

****PLEASE NOTE TIME CHANGE****

****AND NEW ADDRESS****

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

(909) 484-3888

1. Determination of Quorum/Introductions
2. Approve minutes from September 15, 2003 meeting
Receive and file Financial Statements for September 2003
3. Discussion and Actions
 - a. Discussion of AGWA Strategic Planning Session
 - b. PowerPoint Presentation – ACWA Groundwater / Communications Subcommittee
 - c. Update of MWD Policy re: Replenishment Water and Conjunctive Use Programs
4. Committee Reports
 - a. MWD Liaison Committee (T. Zampello)
 - b. General Communications/Public Information Committee (C. Williams)
 - c. Program Committee (M. Blevins)
 - d. Legislative Committee (B. Mowry)
5. Other
6. Future Agenda Items
7. Next Meeting: Monday, November 17, 2003, 1:30 p.m. – Main San Gabriel Basin Watermaster
9. Adjourn

Chairman Bruce Mowry Presiding

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CHINO BASIN WATERMASTER

October 23, 2003

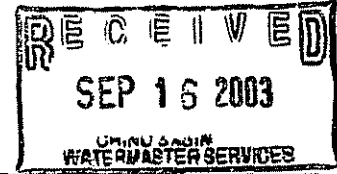
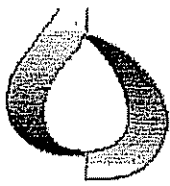
10:00 a.m. - Advisory Committee Meeting

1:00 p.m. - Watermaster Board Meeting

III. REPORTS/UPDATES

E. INFORMATION

MWD Rialto Pipeline "Planned Shutdown"
for January 12-16, 2004



Memorandum

Office of the Chief Executive Officer
General Manager

DATE: September 15, 2003

TO: John Rossi, Chino Basin Watermaster
WFA Staff
All retail utilities

FROM: Richard W. Atwater *Rich Atwater*

SUBJECT: MWD Rialto Pipeline "Planned Shutdown" for January 12-16, 2004.

Please find attached the correspondence from MWD regarding the second planned shutdown of the Rialto Pipeline. The current schedule is for a five day shutdown on January 12-16, 2004.

This MWD operations staff will schedule a meeting with TVMWD and IEUA utility group to coordinate this planned shutdown. I very much want to avoid what occurred last April when MVWD requested cancellation of the shutdown at noon the day before the planned shutdown. If any agency has any concerns about the planned Rialto Pipeline, please contact me.

c.c. IEUA Board of Directors
Tom Love
Martha Davis
Dave Hill
Kathy Tiegs
Garth Morgan
Gary Hackney

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PURPOSES



CHINO BASIN WATERMASTER

October 23, 2003

10:00 a.m. - Advisory Committee Meeting

1:00 p.m. - Watermaster Board Meeting

III. REPORTS/UPDATES

E. INFORMATION

Water Desalination Task Force
Findings and Recommendations

Water Desalination Task Force

Convened by the California Department of Water Resources
May - September 2003

Findings and Recommendations

Introduction

In recent years, desalination has re-emerged as a viable water supply source in California. In the late 1980s, during a period of extended drought, several localities either considered or built desalination facilities along the California coast. But with the end of the drought, the high cost of desalinated water could not be justified for many of these localities and some closed their desalination facilities. By the late 1990s, however, desalination was receiving renewed interest as demands for water supply mounted and improvements in technology reduced the cost of desalination significantly.

In September 2002, AB 2717 (Hertzberg) was signed into law, directing the Department of Water Resources (DWR) to convene a Desalination Task Force to "make recommendations related to potential opportunities for the use of seawater and brackish water desalination." No later than July 1, 2004, DWR is to report to the legislature on potential opportunities for and impediments to the use of seawater and brackish water desalination in California, and what role, if any, the State should play in furthering the use of desalination technology.

The potential for the increased use of desalination in California is significant. The opportunities are great for providing water supply from seawater and brackish water desalination as well as recovering contaminated groundwater. Although most estimate that desalination will contribute less than 10 percent of the total water supply needs in California, this still represents a significant portion of the State's water supply portfolio.

Potentially, desalination can provide significant value and numerous benefits. These include:

- Providing additional water supply to meet existing and projected demands
- Replacing water lost from other sources and relieving drought conditions
- Enhancing water reliability and supplying high quality potable water
- Reducing groundwater overdraft and restoring use of polluted groundwater
- Replacing water that can be used for river and stream ecosystem restoration

Key Findings

Through the course of its deliberations, the Task Force identified several key findings related to desalination that help provide the context for evaluating desalination. One of the primary findings is that economically and environmentally acceptable desalination should be considered as part of a balanced water portfolio to help meet California's existing and future water supply and environmental needs. Others include:

General

1. **California's population is projected to increase by 600,000 per year, largely from natural increases (births minus deaths), which will impact demands for potable water supply.**
2. **Some areas of the state have serious groundwater overdraft problems, adding pressure on existing water supplies to meet agricultural and urban demands.**
3. **Every region of California has unmet environmental water needs (e.g., insufficient water availability to meet habitat needs).**
4. **Desalination can provide a reliable supply during California's periodic droughts.**
5. **Properly designed, maintained and operated desalination facilities can produce water of equal or higher quality than from alternative drinking water sources.**
6. **Desalination is receiving increased attention as the cost of desalination decreases and the cost of many other water supplies continues to rise.**
7. **Many communities and water districts are interested in developing desalination facilities as a local, reliable source of water to reduce their dependence on imported water and/or to meet existing or projected demand. Some communities see desalination as a way to reduce their diversions from rivers and streams, thus contributing to ecosystem restoration.**
8. **Technologically, desalination is a proven, effective mechanism for providing a new source of water. A variety of desalination technologies have been applied in many locations throughout the world.**
9. **Energy generation capacity would not be a constraint to implementation of currently proposed desalination projects. California's peak load demand is currently 52,000 MW; currently proposed desalination projects would require approximately 200 MW.**

10. Because energy is a major cost component of desalination, economic viability of seawater desalination, in some areas, is dependent on the availability of low-cost power.
11. California is a leader in the development and manufacture of desalination membrane technology.

Brackish Ground Water Desalination

12. Brackish groundwater desalting is an effective means of treating impaired groundwater, providing a safe water supply and providing capacity for additional groundwater storage in areas with suitable hydrogeology.
13. The primary impediment to brackish groundwater desalting is the need for infrastructure that allows environmentally acceptable disposal of the concentrate discharge, which may contain constituents not found in seawater. Where these issues have been solved, brackish groundwater desalting facilities have been successfully permitted.
14. There are currently more than forty brackish groundwater-desalting facilities in California that generate approximately 170,000 acre-feet per year (counting both reverse osmosis and ion exchange desalting).
15. An additional 30 to 35 brackish groundwater desalting facilities that could generate nearly 290,000 acre-feet per year are envisioned during the next decade.
16. Based on information from existing facilities, brackish water desalination uses on the order of 1,300 – 3,250 kWh of energy per acre-foot, dependent largely on the source water quality, plant capacity, and technology used.
17. The total cost for brackish water desalination, including the amortized costs for planning, designing, and constructing such a facility and the costs for operation (e.g., energy, chemicals, disposal etc) and distribution of product water will be based on site-specific conditions and currently range from \$130 to \$1,250 per acre-foot.

Seawater and Estuarine Desalination

18. Economically and environmentally acceptable desalination should be considered as part of a balanced water portfolio to help meet California's existing and future water supply and environmental needs.
19. While they vary on a site-specific level, potential impediments to seawater desalination include the environmental impacts associated with the feedwater intake and brine/concentrate disposal. As is the case with many other water management strategies, other potential issues include cost, siting and growth-inducement.

20. With proper design and location of outfalls, brine/concentrate disposal may not be a major impediment to desalination.
21. There are currently 16 permitted seawater desalination facilities that generate approximately 4,600 acre-feet per year of desalinated water in California.
22. An additional 19 seawater and estuarine desalination facilities that could generate about 240,000 acre-feet per year are currently being planned.
23. Estuarine and seawater desalination currently use on the order of 3,260 to 4,900 kWh of energy per acre-foot, dependent on salinity and temperature of the source water.
24. Seawater desalination is more energy intensive, per acre-foot, than brackish water desalination or water recycling. For energy comparison purposes, current desalination systems using reverse osmosis technology require about thirty percent more energy than existing interbasin supply systems currently delivering water to parts of Southern California. Efforts including those supported by the U.S. Bureau of Reclamation, U.S. Desalination Coalition, and the National Water Research Institute are underway to increase the energy efficiency of desalination through improved membranes, dual pass processes, and additional energy recovery systems.
25. The viability of seawater and estuarine desalination plants may depend on the price of electricity. Where a desalination plant could purchase electricity through non-retail agreements with power generators or marketers the cost of desalinated water should be lower than with utility-supplied power, which is in the range of 8 to 11 cents (retail) per kWh for municipal and investor owned utilities. Direct access agreements do not require that the desalination plant connect electrically to one power plant.
26. Where a desalination plant may purchase power directly from a co-generator, it would not be subject to rate regulation, reducing the cost of electricity. The desalination plant and the host co-generating facility must meet a number of requirements specified in the State Public Utilities Code.
27. The cost for new seawater and estuarine water desalination, including the amortized costs for planning, designing, and constructing such a facility, and the costs for operation (e.g., energy, chemicals, disposal etc), will range from \$700 per acre-foot (assuming wholesale energy costs of about 5 cents per kWh) to \$1,200 per acre-foot (assuming retail energy costs of about 11 cents per kWh). In addition, there are distribution costs of \$100 - \$300 per acre-foot.

28. Many proposed seawater desalination facilities are currently planned to be co-located with existing coastal power plants, including several large facilities in Southern California.
29. Advantages to co-locating desalination facilities with coastal power plants using once-through cooling may include: compatible land use, use of the existing infrastructure for feedwater intake and brine discharge, location security, use of the warmed power plant cooling water as the feedwater for the desalination facility, reduction of the power plant discharge thermal plume and the potential to purchase power from the host power plant at prices below retail rates.
30. Co-locating a desalination facility with a coastal power plant may provide a justification for the continued use of once-through cooling technology. Once through cooling technology has well-documented environmental impacts, including impacts on marine organisms.
31. The appropriate State regulatory agencies have indicated that the siting of a new desalination facility, which utilizes any new or existing open water feedwater intakes, will require a current assessment of entrainment and impingement impacts as part of the environmental review and permitting process.
32. An advantage of blending a desalination plant's brine discharge within an existing wastewater discharge may be the reduction of the salinity of the brine discharge and an increase in the salinity of the wastewater discharge to more closely match that of the receiving water.
33. Various technologies exist that may avoid, reduce or minimize the impacts of feedwater intake.
 - a. Drawing feedwater from beach wells is one way to avoid the ecological impacts of entrainment and impingement associated with open water intakes; however, the capacity of each well is limited and is subject to local hydrogeologic conditions.
 - b. Low velocity intake systems, marine fish screens, sub-floor intakes and intake pipe design and location are methods that may reduce or minimize impacts of entrainment and impingement associated with open water intakes.

Planning and Permitting

34. Water, including ocean and estuarine water, is a public resource, subject to the public trust doctrine, and should be protected and managed for the public good.
35. The extent to which private companies are involved in the ownership and operation of proposed desalination plants varies widely, from completely private projects that may be regulated by the State Public Utilities

Commission, to public-private partnerships, to projects that would be wholly owned, operated and controlled by public entities. The involvement of private companies in the ownership and/or operation of a desalination plant raises unique issues.

36. There are implications associated with the range of public-private possibilities for ownership and operation of desalination facilities. Local government has the responsibility to make the details of these arrangements available to the public.
37. Recently adopted international trade agreements and international trade agreements currently being negotiated may affect how federal, State and local agencies adopt or apply regulations concerning activities of public agencies or private entities with multinational ties.
38. Desalination proposals are subject to existing regulatory and permitting processes to ensure environmental protection and public health.
39. Environmental justice considerations include the siting of desalination facilities, determining who accrues the costs and benefits of desalination and who has the opportunity to use a higher quality (desalinated) water, and the possible impacts of replacing low-cost with high-cost water.
40. Growth inducing impacts of any new water supply project, including desalination, must be evaluated on a case-by-case basis through existing environmental review and regulatory processes.
41. Each desalination project involves different environmental characteristics, other water supply alternatives, proposed plant ownership/operation arrangements, demographics, economics, community values and planning guidelines.

Major Recommendations

Based on the findings noted above, as well as other information considered by the Task Force, several recommendations have been advanced to guide the process of evaluating, permitting, funding, and implementing desalination projects. The Task Force has one overarching recommendation considered critical to the advancement of desalination. Desalination should be evaluated on a case-by-case basis. Because each facility is essentially unique, given local water supply and reliability needs, site-specific environmental conditions, project objectives, and proposed technology, case-by-case analyses are essential. The Task Force recommendations are:

General

- 1. Since each desalination project is unique and depends on project-specific conditions and considerations, each project should be evaluated on a case-by-case basis.**
- 2. Include desalination, where economically and environmentally appropriate, as an element of a balanced water supply portfolio, which also includes conservation and water recycling to the maximum extent practicable.**
- 3. Ensure equitable access to benefits from desalination projects and ensure desalination projects will not have disproportionate impacts particularly to low-income and/or ethnic communities.**
- 4. The State should create mechanisms that allow the environmental benefits associated with transitioning dependence on existing water sources to desalinated water to be realized.**
- 5. In conjunction with local governments, assess the availability of land and facilities for environmentally and economically acceptable seawater desalination.**
- 6. Results from monitoring at desalination projects should be reported widely for the broadest public benefits. Encourage opportunities to share information on operational data. Create a database and repository for storing and disseminating information.**
- 7. Create an Office of Desalination within the Department of Water Resources to advance the State's role in desalination.**

Energy and Environment

8. Ensure seawater desalination projects are designed and operated to avoid, reduce or minimize impingement, entrainment, brine discharge and other environmental impacts. Regulators, in consultation with the public, should seek coordinated mechanisms to mitigate unavoidable environmental impacts.
9. Identify ways to improve water quality by mixing desalinated water with other water supplies.
10. Where feasible and appropriate, utilize wastewater outfalls for blending/discharging desalination brine/concentrate.
11. Compare reasonable estimates of benefits, costs and environmental impacts for desalination with those for other water supply alternatives realistically available to that area.
12. Recognizing the importance of power costs to the costs of desalination, consider strategies that will allow project sponsors to access non-retail power rates.
13. Clarify the applicability of non-retail energy pricing for desalination facilities.
14. Study the energy intensity and rates currently paid for energy used to provide water from various sources including desalination.
15. Study the potential for developing renewable energy systems in California, in conjunction with desalination implementation strategies.
16. Identify ways that desalination can be used in a manner that enhances, or protects the environment, public access, public health, view sheds, fish and wildlife habitat and recreation/tourism.

Planning and Permitting

17. To improve communication, cooperation, and consistency in permitting processes, encourage review processes for each desalination project to be coordinated among regulators and the public.

18. Evaluate all new water supply strategies including desalination based upon adopted community General Plans, Urban Water Management Plans, Local Coastal Plans, and other approved plans that integrate regional planning, growth and water supply/demand projections. Environmental reviews should ensure that growth related impacts of desalination projects are properly evaluated.
19. Ensure adequate public involvement beginning early in the conception and development of desalination projects and continuing throughout planning, design and evaluation processes. Coordinate public notification, outreach and public involvement strategies.
20. If multiple desalination projects are proposed within a region, coordinate development and analysis of these projects, including their benefits and cumulative impacts.
21. For proposed desalination facilities co-locating with power plants, analyze the impacts of the desalination facility operations apart from the operations of the co-located facilities. This will identify the impacts of the desalination facility operations when there are reductions in cooling water quantities. This recommendation is not intended to dictate California Environmental Quality Act alternatives that must be evaluated.
22. When desalination projects propose environmental benefits, identify the assurances that those benefits will be realized.
23. Evaluate the effects of desalinated water on existing water supply distribution systems.
24. Each community should consider the appropriate role, if any, for private companies in a desalination project or proposal. Factors to consider include:
 - The desired extent of public access and public control;
 - The extent to which the public is willing to finance the capital costs of the project and bear the risks of project development;
 - The extent to which a proposed contract between a public and private entity would affect flexibility in operating the facility;
 - The relevant experience and capabilities of the public or private entity;
 - The impact of the various public-private configurations on ratepayers.

25. Private desalination projects, and private developers and plant operators, should be required to fully disclose the same information as a publicly owned and operated facility.
26. To avoid potential international trade agreement violations, no legal standard or regulation should discriminate against an applicant based on ties to multi-national corporations.
27. Investigate the ramifications of designating ocean and estuarine waters in proximity to desalination intakes as drinking water beneficial use.

Funding

28. Provide funding for research and development projects (e.g., feedwater pretreatment, the value and limitations of beach wells for feedwater intake, other technologies to reduce entrainment and impingement impacts, strategies for brine/concentrate management, opportunities for energy efficiencies and application of alternative energy sources and combined energy and desalination technologies).
29. In addition to other eligibility criteria, State funding should give high priority to those desalination projects that provide the greatest public benefits, such as: 1) serve areas implementing all conservation and recycling programs to the maximum extent practicable; 2) demonstrate long-term environmental benefits; 3) avoid or reduce environmental impacts to the extent possible; 4) reduce health risks by improving water quality; and 5) ensure equitable access to benefits from desalination projects and include feasible mitigation for any environmental justice impacts.

Task Force Process

Joining the Department of Water Resources in co-chairing the Task Force were the State Water Resources Control Board, the Energy Commission, the Department of Health Services, and the Coastal Commission. The Center for Collaborative Policy, a program of California State University, Sacramento, assisted with planning and facilitating the Task Force collaborative process.

The first phase of the project was preparation of an assessment report, which highlighted the various perspectives on issues identified by the enabling legislation and prospective Task Force members. The first Task Force meeting was convened in May 2003, followed by four two-day meetings (June through September) to discuss the key issues and develop a list of findings and recommendations. Three public workshops were held in Carlsbad, Sausalito, and Monterey, which were also the site of field trips to view different types of existing or proposed desalination facilities. Additional features of Task Force meetings were the preparation of working papers and expert presentations to guide discussions at each meeting.

The work of the Task Force was ultimately conducted in a much shorter time frame and with significantly reduced funding than originally anticipated. While this prevented the Task Force from more fully evaluating the proposed recommendations and identifying possible solutions or approaches to the more significant issues, broad support exists for the findings and recommendations identified.

Signatures of Support

AB 2717 identified 22 agencies and organizations to be represented on the Task Force. In addition, representatives of five other organizations with regulatory responsibilities were added to the Task Force. The signature of each Task Force member, listed below, indicates support of the findings and recommendations emanating from the Task Force process. However, as these recommendations are advisory only, signatory agencies reviewing proposed desalination projects are obliged to make decisions consistent with existing statutory and regulatory requirements. Nonetheless, the support indicated by these Task Force member signatures provides a strong endorsement for moving forward with the proposed recommendations.

[Insert Signature Pages #'s 12 & 13]

Acknowledgements

The Task Force acknowledges and thanks the following individuals for their efforts in preparing these Findings and Recommendations and overseeing this very successful Task Force process:

- Charles Keene, Executive Officer, Water Desalination Task Force -- California Department of Water Resources
- Gregory Bourne, Managing Senior Mediator -- Center for Collaborative Policy, California State University, Sacramento
- Judie Talbot, Mediator -- Center for Collaborative Policy, California State University, Sacramento
- Fawzi Karajeh, Chief of the Water Recycling and Desalination Branch, Office of Water Use Efficiency -- California Department of Water Resources

The U.S. Bureau of Reclamation, in addition to participating on the Task Force, provided both technical and financial assistance to this effort.

Attachment A:

Summary of Task Force Meeting Schedule, Locations and Activities

- April 2003: Completion of Issues Assessment Report by the Center for Collaborative Policy (CSU-Sacramento)
- May 2003: First Task Force meeting in Sacramento to kick-off the collaborative process, identifying and clarifying the key issues to be addressed by the Task Force.
- June 2003: Second Task Force meeting in Carlsbad to address siting, feedwater and brine/concentrate discharge issues; included technical presentations by experts from Scripps Institute and University of California Santa Cruz; included a field trip to the San Diego Water Authority's pilot desalination project in Carlsbad; the first of three public workshops was held.
- July 2003: Third Task Force meeting in Sausalito to address energy, economics and technology issues; included technical presentations by experts from the University of California Santa Barbara and the California Energy Commission; included a field trip to the proposed site of the Marin County desalination facility located on San Francisco Bay; the second public workshop was held.
- Aug 2003: Fourth Task Force meeting in Monterey to address planning, permitting and public health issues; included field trips to the Monterey Aquarium desalination facility, the City of Marina beach well desalination facility and Elkhorn slough near the site of a desalination facility proposed at Moss Landing; the third public workshop was held.
- Sept 2003: Fifth Task Force meeting in Sacramento to revise and finalize findings and recommendations of the Task Force.

Attachment B:

AB2717 - Enabling Legislation for the Water Desalination Task Force

Assembly Bill No. 2717 CHAPTER 957

An act to add Section 12949.6 to the Water Code, relating to water, and making an appropriation therefor.

[Approved by Governor September 26, 2002. Filed
with Secretary of State September 27, 2002.]

I am signing Assembly Bill 2717, however, I am reducing the appropriation from the Renewable Resources Investment Fund to \$100,000.

This bill would require the Department of Water Resources to convene a Water Desalination task force to make recommendations related to potential opportunities for the use of seawater and brackish water desalination. The revenues from the Renewable Resources Investment Fund are below projections and the fund is expected to have a significant shortfall this year. At a time when the state is dealing with a \$24 billion shortfall, any available funds should be used for on-going environmental activities and programs now supported by the General Fund that would otherwise be reduced or eliminated.

Studying the potential opportunities and impediments for the use of water desalination is an important step toward helping the state meet its water needs. Therefore, I am directing the Department of Water Resources to explore funding partnerships with interested local and private entities to accomplish this goal.

GRAY DAVIS, Governor

LEGISLATIVE COUNSEL'S DIGEST

AB 2717, Hertzberg. Water: desalination: report.

(1) The Cobey-Porter Saline Water Conversion Law authorizes the Department of Water Resources, either independently or in cooperation with public or private entities to conduct a program of investigation, study, and evaluation in the field of saline water conversion, to provide assistance to persons or entities seeking to construct desalination facilities, and after submission of a written report and upon appropriation from the Legislature, to finance, construct, and operate saline water conversion facilities.

This bill would require the department, not later than July 1, 2004, to report to the Legislature, on potential opportunities and impediments for using seawater and brackish water desalination, and to examine what role, if any, the state should play in furthering the use of desalination technology. The bill would require the department to convene a Water Desalination Task Force, comprised of representatives from listed agencies and

interest groups, to advise the department in carrying out these duties and in making recommendations to the Legislature.

(2) Under existing law, the Bosco-Keene Renewable Resources Investment Fund is established for certain purposes. This bill would appropriate \$600,000 from the Bosco-Keene Renewable Resources Investment Fund to the department for the purpose of establishing the Water Desalination Task Force and preparing the report required by the bill.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares as follows:

- (a) There is a clear public interest in ensuring that land and facilities are available for cost-effective seawater desalination.
- (b) Recent advances in technology could make seawater desalination a more attractive option for increasing available water supplies.
- (c) Additional information is necessary to assess the potential opportunities for seawater desalination in California.
- (d) The activities of a water desalination task force are consistent with those activities for which the moneys in the Bosco-Keene Renewable Resources Investment Fund may be used pursuant to Section 34000 of the Public Resources Code.

SEC. 2. Section 12949.6 is added to the Water Code, to read:

- 12949.6. (a) Not later than July 1, 2004, the Department of Water Resources shall report to the Legislature on potential opportunities for the use of seawater and brackish water desalination in California. The report shall evaluate impediments to the use of desalination technology and shall examine what role, if any, the state should play in furthering the use of desalination in California.
- (b) The department shall convene a task force, to be known as the Water Desalination Task Force, to advise the department in implementation of subdivision (a), including making recommendations to the Legislature regarding the following:
 - (1) The need for research, development and demonstration projects for more cost effective and technologically efficient desalination processes.
 - (2) The environmental impacts of brine disposal, energy use related to desalination, and large-scale ocean water desalination.
 - (3) An evaluation of the current regulatory framework of state and local rules, regulations, ordinances, and permits to identify the obstacles and methods to creating an efficient siting and permitting system.
 - (4) Determining a relationship between existing electricity generation facilities and potential desalination facilities, including an examination of issues related to the amounts of electricity required to maintain a desalination facility.

- (5) Ensuring desalinated water meets state water quality standards.
- (6) Impediments or constraints, other than water rights, to increasing the use of desalinated water both in coastal and inland regions.
- (7) The economic impact and potential impacts of the desalination industry on state revenues.
- (8) The role that the state should play in furthering the use of desalination technology in California.
- (9) An evaluation of a potential relationship between desalination technology and alternative energy sources, including photovoltaic energy and desalination.
- (c) (1) The task force shall be convened by the department and be comprised of one representative from each of the following agencies:
 - (A) The department.
 - (B) The California Coastal Commission.
 - (C) The State Energy Resources Conservation and Development Commission.
 - (D) The California Environmental Protection Agency.
 - (E) The State Department of Health Services.
 - (F) The Resources Agency.
 - (G) The State Water Resources Control Board.
 - (H) The CALFED Bay-Delta Program.
 - (I) The Department of Food and Agriculture.
 - (J) The University of California.
 - (K) The United States Department of Interior, if that agency wishes to participate.
- (2) The task force shall also include, as determined by the department, one representative from a recognized environmental advocacy group, one representative from a consumer advocacy group, one representative of local agency health officers, one representative of a municipal water supply agency, one representative of urban water wholesalers, one representative from a regional water control board, one representative from a groundwater management entity, one representative of water districts, one representative from a nonprofit association of public and private members created to further the use of desalinated water, one representative of land development, and one representative of industrial interests.
- (d) The sum of \$600,000 is hereby appropriated from the Bosco-Keene Renewable Resources Investment Fund to the department for the purpose of establishing the task force and preparing the report required in subdivision (a).

O