

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

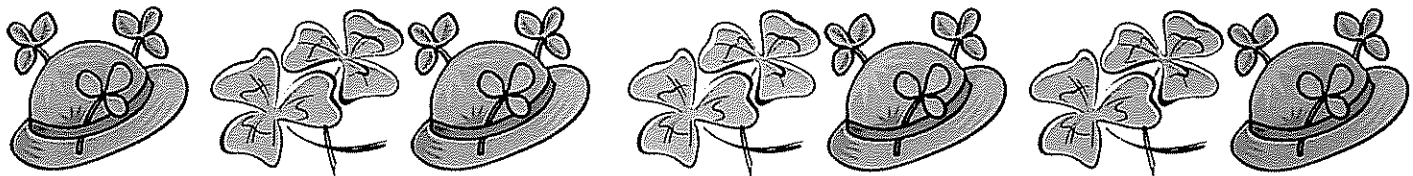
Thursday, March 23, 2006

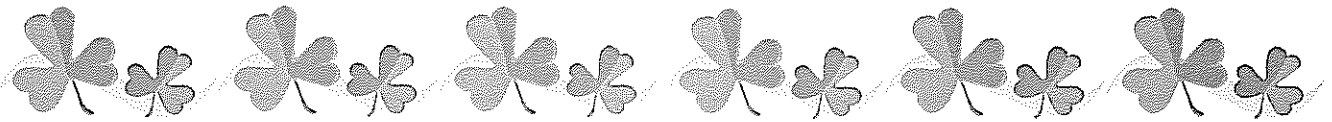
9:00 a.m. – Advisory Committee Meeting
11:00 a.m. – Watermaster Board Meeting

(Lunch will be served)

AT THE CHINO BASIN WATERMASTER OFFICES

9641 San Bernardino Road
Rancho Cucamonga, CA 91730
(909) 484-3888





CHINO BASIN WATERMASTER

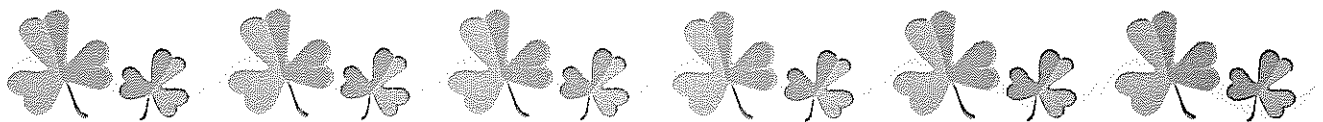
March 23, 2006

9:00 a.m. - Advisory Committee Meeting

11:00 a.m. - Watermaster Board Meeting

(Lunch will be served)

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

9:00 a.m. – March 23, 2006

At The Offices Of

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

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Advisory Committee Meeting held February 23, 2006 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2006 *(Page 13)*
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through January 31, 2006 *(Page 17)*
3. Treasurer's Report of Financial Affairs for the Period January 1, 2006 through January 31, 2006 *(Page 19)*
4. Profit & Loss Budget vs. Actual July through January 2006 *(Page 21)*

II. BUSINESS ITEMS

A. CONTRACT FOR DRILLING AND CONSTRUCTION OF A NESTED PIEZOMETER

Consider Approval of the Contract with Layne Christensen Company to Drill and Construct a Nested Piezometer at Ayala Park in Chino *(Page 23)*

B. IEUA/DWR GRANT FUNDING AGREEMENT

Consider Approval of the Agreement Regarding Recharge Facilities Improvements Matching Funds Cost Sharing Agreement between Inland Empire Utilities Agency and Chino Basin Watermaster Dated March, 2006 *(Page 29)*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney Manager Process/Discussion of Peace II Agreement

B. WATERMASTER ENGINEERING CONSULTANT REPORT

1. Update on Report on Balance of Recharge and Discharge

C. CEO/STAFF REPORT

- 1. USGS-GAMA Program
- 2. Legislative Update
- 3. SAW DMS Data Coordination *(Page 37)*
- 4. Department of Health Services Public Hearing on Recycled Water
- 5. Monthly Recharge Update

D. INLAND EMPIRE UTILITIES AGENCY

- 1. MWD Status Update
- 2. Phase 2 Chino Basin Recycled Water Groundwater Recharge Project
- 3. Regional Water Conservation Program and Proposed FY Budget
- 4. Recycled Water Update *(Page 41)*
- 5. Monthly Water Conservation Program Report *(Page 63)*
- 6. Monthly Imported Water Deliveries Report
- 7. State/Federal Legislation Reports *(Page 67)*
- 8. Public Relations Report *(Page 89)*
- 9. Groundwater Update *(Page 91)*

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

- 1. Newspaper Articles *(Page 93)*

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

March 23, 2006	9:00 a.m.	Advisory Committee Meeting
March 23, 2006	11:00 a.m.	Watermaster Board Meeting
March 23, 2006	11:00 a.m.	Watermaster Board Meeting
March 28, 2006	9:00 a.m.	GRCC Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – March 23, 2006

At The Offices Of

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

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A. MINUTES

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B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2006 *(Page 13)*
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1. USGS-GAMA Program
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3. SAW DMS Data Coordination (*Page 37*)
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5. Monthly Recharge Update

IV. INFORMATION

1. Newspaper Articles (*Page 93*)

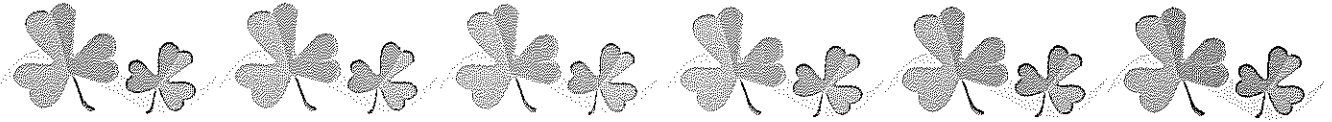
V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

March 23, 2006	9:00 a.m.	Advisory Committee Meeting
March 23, 2006	11:00 a.m.	Watermaster Board Meeting
March 23, 2006	11:00 a.m.	Watermaster Board Meeting
March 28, 2006	9:00 a.m.	GRCC Meeting

Meeting Adjourn



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting – February 23, 2006



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

February 23, 2006

The Annual Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on February 23, 2006 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Agricultural Pool

Bob Feenstra	Ag Pool/Dairy
Jeff Pierson	Ag Pool/Crops

Appropriative Pool

Ken Jeske	City of Ontario
Robert DeLoach	Cucamonga Valley Water District
Rich Atwater	Inland Empire Utilities Agency
Gerald J. Black	Fontana Union Water Company
Mike McGraw	Fontana Water Company
Rosemary Hoerning	City of Upland
Dave Crosley, serving Chair	City of Chino
Jim Taylor	City of Pomona
Bill Kruger	City of Chino Hills
Eunice Ulloa	Chino Basin Water Conservation District
Mark Kinsey	Monte Vista Water District
Bill Stafford	Marygold Mutual Water Company

Non-Agricultural Pool

Justin Scott-Coe	Vulcan Materials Company (Calmat Division)
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Watermaster Board Members Present

Ken Willis	West End Consolidated Water Company
John Anderson	Inland Empire Utilities Agency

Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	CFO/Asst. General Manager
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.
Andy Malone	Wildermuth Environmental Inc.

Others Present

Mohamad El-Amamy	City of Ontario
Chris Diggs	Fontana Water Company
Steven G. Lee	Ag Pool Legal Counsel
Bill Curley	City of Upland
Rick Hansen	Three Valleys Municipal Water District
Craig Stewart	CIM/Geomatrix
Frank Brommenschenkel	Frank B. & Associates

The Advisory Committee meeting was called to order by Chair Crosley at 9:07 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Annual Advisory Committee Meeting held January 26, 2006
2. Minutes of the Advisory and Watermaster Board Conference call held January 30, 2006

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of December 2005
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through November 30, 2005
3. Treasurer's Report of Financial Affairs for the Period November 1, 2005 through November 30, 2005
4. Profit & Loss Budget vs. Actual July through November 2005
5. Cash Disbursements for the month of January 2006
6. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through December 31, 2005
7. Treasurer's Report of Financial Affairs for the Period December 1, 2005 through December 31, 2005
8. Profit & Loss Budget vs. Actual July through December 2005

C. INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2005

Receive and File the Annual Audited Financial Statements for Fiscal Year Ended June 30, 2005

Motion by DeLoach, second by McGraw, and by unanimous vote

Moved to approve Consent Calendar Items A through C, as presented

II. BUSINESS ITEMS

There were no comments made regarding this item.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Attorney Manager Process/Discussion of Peace II Agreement
Counsel Fife stated this item regarding the Attorney Manager Process and the Peace II Agreement will be combined for discussion and/or review in item 2 – Court Hearing Update.
2. Court Hearing Update
Counsel Fife stated a hearing took place on February 9, 2006; on the back table there are copies of several of the pleadings which were filed at that hearing. There were a number of responses made to the Special Referee's report and a number of joinders in Watermaster's response ultimately resulting in the order that was given to counsel on February 9. Counsel Fife stated for those who have not had an opportunity to read the order; it commends Watermaster and the parties for all the good work that has been done over the past five years. The court was very specific given the nature of the pleadings that were filed to point out that the court believes Watermaster is doing a very good job; however, the order did articulate that similar to when it reappointed the nine member board in 2000, the court continues to have a concern about the implementation of the desalter element of the Optimum Basin Management Plan (OBMP). The court has not been privy to our internal discussions regarding the desalters and wishes to be kept informed and assured that Watermaster is moving forward to implement the OBMP and reach the OBMP goal of 40,000 acre-feet of desalting capacity in the southern end of the basin. Counsel Fife stated that while the court has indeed reappointed the nine member board for another five year term

term unconditionally, the court has ordered a workshop be held in July 2006 at which Watermaster and the parties are expected to present to the court, through the Special Referee, the plan for getting to the next increment of desalting capacity. No specific date as been selected for the July workshop to date, however it will be scheduled shortly. The desalting component is one of the items under discussion for the Peace II process and now that the issue of the nine member board has concluded the Peace II process needs to begin again. Counsel Fife stated the questions that were presented at the workshops in November 2005 which were to have responses drafted by Watermaster and Wildermuth Environmental will be completed and ready for release shortly and will kick off the next set of Peace II meetings.

B. WATERMASTER ENGINEERING CONSULTANT REPORT

1. Evaluation of the Cumulative Effects of Transfers Pursuant to the Peace Agreement

Mr. Wildermuth stated this item has been reported on at all pool meetings in detail and Mr. Wildermuth inquired if the parties today still wanted to be updated on this item. It was noted the committee members wanted to hear a brief update. Mr. Wildermuth stated he was going to combine this item with item no. 2 – Hydraulic Control since both items are related to each other. Mr. Wildermuth stated that Watermaster has an obligation every two years, ending in odd years, to prepare an analysis of the balance of recharge and discharge in every area and sub area of the basin as well as to evaluate the cumulative effect of transfers. As of July of 2005 those analyses have been completed as best as they could be at that time but because of the negotiations under Peace II, that work was put on hold. An administration draft report was produced which sat un-acted upon on until now. Since then, a lot of model work to analyze the balance of recharge and discharge in the basin in support of the Peace II process has taken place. That work is now complete and the final touches with maps are being completed and will be forthcoming. Internally there will be an administrative draft of that effort and shortly the report will be out for review by all parties. Inside of that report is the analysis of cumulative effect of transfers which can't be looked at independently because both the hydraulic control and the cumulative effect of transfers are used by Watermaster to figure out a supplemental water recharge plan. The purpose of the balance of recharge and discharge is for Watermaster to look at how the basin is functioning relative to pumping and to try and design a supplemental water recharge plan to bring the basin into balance hydrologically. This is an issue that came up also during the Peace I discussions by the Management Zone 1 pumpers. There is an excerpt in the meeting packet for review which is basically the same excerpt released in July of 2005. The cumulative effect of transfers has resulted in the avoidance of about 26,000 acre-feet of wet water recharge; that is primarily a result of transfers among parties and using water from storage accounts. The market system put into place by the Judgment which allows parties to buy water from under-producers and move it to over-producers has been a good thing overall. The conclusion is that there has been no material physical injury from the transfer process and the actual transfer process has been of benefit.

2. Hydraulic Control Update

This item was discussed under item 1 – Evaluation of the Cumulative Effects of Transfers Pursuant to the Peace Agreement.

C. CEO/STAFF REPORT

1. 85/15 Update

Mr. Manning noted this is a notification item only and this item is being addressed at the Appropriative Pool meetings by a request from the Appropriative Pool Members.

2. Volume Vote Update

Mr. Manning noted this is a notification item only and this item is being addressed at the Appropriative Pool meetings by a request from the Appropriative Pool Members.

3. Department of Water Resources Grant Financing Update
Mr. Manning stated that staff fully expects that next month the Pools, Advisory Committee, and Watermaster Board will be dealing with a contract wherein terms will be discussed relative to the financing of the Department of Water Resources (DWR) Grant – a grant that totals over \$10M; that is a 50/50 split between Chino Basin Watermaster (CBWM) and Inland Empire Utilities Agency (IEUA). Included at the back table is a handout which is a breakdown of the projects that are included within this DWR grant, it is a \$5M dollar grant with a \$5M dollar match; half paid by CBWM and half paid by IEUA, meaning that Watermaster is agreeing to contribute \$2.5M towards this grant. The terms of repayment are presently being worked out with IEUA. Mr. Atwater offered history on past funding agreements and debt services for improvements and noted the debt service for this new grant will be a policy issue brought through the Watermaster process in the near future.
4. San Diego County Water Authority RFP for Groundwater Conjunctive Use Project
Mr. Manning stated that the San Diego County Water Authority has released their RFP and staff has had the opportunity to review that proposal and staff is inclined to submit a proposal. Mr. Manning noted that San Diego is anxious to have Watermaster involved and staff feels they are willing to discuss terms with us.

Added Item:

Mr. Manning noted that available on the back table is an additional handout regarding supplemental and storm water recharge; it was asked at a past meeting that parties be kept informed on a monthly basis of how we are doing on recharge. As was noted by Mr. Treweek, we appear to be on target for our recharge goal, receiving supplemental than storm water at this point in time. This chart will be made available with updates each month.

Added Item:

Mr. Manning stated for advance notice a Personnel Committee meeting will be scheduled in April 2006.

Added Item:

Mr. Manning noted last week a number of members of the Chino Basin sponsored with IEUA and SAWPA a Legislative Update with members of the legislature, staff, and committees in Sacramento. This was a very successful endeavor and was well attended.

D. INLAND EMPIRE UTILITIES AGENCY

1. MWD Status Report – Richard Atwater
Mr. Atwater stated the Metropolitan board did select a new general manager Jeff Kightlinger and in speaking with him last week he seemed very interested in working with all the member agencies and the groundwater basin managers on local storage and local projects.
2. Recycled Water Implementation Schedule – Richard Atwater
Mr. Atwater stated that a discussion took place at the recent Agricultural Pool meeting and it was decided at that meeting that a presentation regarding recycled water would be given to the pools to give a more detailed description on activities at the March meetings.

Mr. Atwater noted a meeting was held with the Department of Health Services (DHS) and the Regional Water Quality Control Board about three weeks ago and the meeting went extremely well. A hearing date has been scheduled for April 20, 2006 at 10:00 a.m. here at the Chino Basin Watermaster office by the suggestion of DHS. Mr. Atwater asked that support be given asking DHS to grant a permit for Phase II. Mr. Wildermuth added

comment on the lack of reliability from state project water and because it is not 100% reliable for replenishment purposes larger basins or more capacity is needed so we will be able to take water when available. A discussion ensued with regard to reclaimed and recycled water.

3. Water-Energy NEXUS "CaLeep" Study – Martha Davis
Mt Atwater stated that at the recent leadership breakfast it was discussed that poor ties have been working with the Energy Commission over the last few years to minimize electric demands on Edison in purchasing natural gas. Mr. Atwater made note of the rising high costs of energy and how using energy efficient products shows a significant reduction in costs. One of the key points that is coming out of this new program is from water conservation standpoint the PUC is directing Edison to provide financial funding to water utilities to encourage energy conservation for both home owners and for agencies to utilize more efficient pumps.
4. Monthly Water Conservation Programs Report
No comment was made regarding this item.
5. Groundwater Operations Recharge Summary
No comment was made regarding this item.
6. Monthly Imported Water Deliveries Report
No comment was made regarding this item.
7. State/Federal Legislation Reports
No comment was made regarding this item.
8. Public Relations Report
No comment was made regarding this item.

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

Mr. Hansen stated one of the unions at Metropolitan has been without a contract since June 30, and they have now gone to mediation; there is a potential that not only Metropolitan agencies but also sub-agencies may be targeted for picketing – this is an advance possibility notice.

IV. INFORMATION

1. Newspaper Articles
There was no comment made regarding this item.

V. COMMITTEE MEMBER COMMENTS

Mr. Feenstra stated he wanted to express his thankfulness in the great work that Inland Empire Utilities Agency (IEUA) is doing for Agricultural endeavors in using recycled water for watering several areas. Mr. Feenstra commented on the recycled water programs that IEUA is involved with currently and in the future.

Mr. Bill Stafford from Marygold Mutual Water Company announced his retirement plans and noted that Mr. Justin Brokaw will be attending the meetings on a regular basis as of March 1, 2006. He thanked all the committee members for an exciting several years. All in attendance thanked Mr. Stafford for his years of dedication and commitment and wished him an enjoyable retirement.

VI. OTHER BUSINESS

There was no comment made regarding this item.

VII. FUTURE MEETINGS

February 23, 2006	9:00 a.m.	Advisory Committee Meeting
February 23, 2006	11:00 a.m.	Watermaster Board Meeting

March 9, 2006	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
March 21, 2006	9:00 a.m.	Agricultural Pool Meeting @ IEUA
March 23, 2006	9:00 a.m.	Advisory Committee Meeting
March 23, 2006	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee Meeting Adjourned at 9:40 a.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting –
February 23, 2006



Draft Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

February 23, 2006

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on February 23, 2006 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Ken Willis, Chair	West End Consolidated Water Company
Sandra Rose	Monte Vista Water District
John Anderson	Inland Empire Utilities Agency
Al Lopez	Western Municipal Water District
Bob Bowcock	Vulcan Materials Company
Paul Hofer	Agricultural Pool, Crops
Paul Hamrick	Jurupa Community Services District
Geoffrey Vanden Heuvel	Agricultural Pool, Dairy

Watermaster Staff Present

Kenneth R. Manning	Chief Executive Officer
Sheri Rojo	CFO/Asst. General Manager
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sheri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Scott Slater	Hatch & Parent
Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.
Andy Malone	Wildermuth Environmental Inc.

Others Present

Bill Kruger	City of Chino Hills
Rosemary Hoerning	City of Upland
Bill Curley	City of Upland
Terry Catlin	Inland Empire Utilities Agency
Ken Jeske	City of Ontario
Robert DeLoach	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Jeff Pierson	Ag Pool/Crops
Jim Taylor	City of Pomona
Carole McGreevy	Jurupa Community Services District
Dave Crosley	City of Chino
Manuel Carrillo	Senator Soto Office

The Watermaster Board Meeting was called to order by Mr. Willis at 11:00 a.m.

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Annual Watermaster Board Meeting held January 26, 2006
2. Minutes of the Advisory and Watermaster Board Conference call held January 30, 2006

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1. Cash Disbursements for the month of December 2005
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C. INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2005

Receive and File the Annual Audited Financial Statements for Fiscal Year Ended June 30, 2005

Motion by Bowcock, second by Anderson, and by unanimous vote

Moved to approve Consent Calendar Items A through C, as presented

II. BUSINESS ITEMS

There were no comments made regarding this item.

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. Attorney Manager Process/Discussion of Peace II Agreement**

Counsel Slater stated there are two items under the legal section and counsel noted he was going to be combining both items into one report. Counsel Slater noted there was a court hearing in front of Judge Gunn on February 9, 2006 and several of the Watermaster board members were in attendance. A copy of the order which Judge Gunn presented to counsel at that hearing is available on the back table. Counsel Slater stated he is pleased to report the court accepted, in total, the position of the Watermaster to reappoint the nine member board for another five year term. The court remains very concerned about the progress of Watermaster towards the implementation of the future desalters which were promised and committed to in the original Peace Agreement and the OBMP. There is a scheduled workshop in July of 2006 which will be a very important time for Watermaster to convince the court that the parties have come up with an appropriate plan to reach the next level of desalting. The court did have a few questions regarding some of the reporting items; however, all in all it was felt to be a very productive and ultimately uncontested motion on the part of Watermaster. Counsel Slater noted we are anticipating the technical analysis that was to be gathered by Wildermuth on the questions presented at the two workshops in November 2005 to be complete soon for presentation. A discussion ensued with regard to the court asking about our work on future desalters. Counsel Slater referred to the last page of the order on page 5 which stated, "The Court also accepts Watermaster's suggestion of a workshop and Special Referee is directed to conduct a workshop in July 2006, to address the concerns discussed above and to report on the development of a detailed plan to reach the OMBP goal of 40,000 acre-feet per year of desalting capacity, to be installed in the southern part of the basin by the year 2020". Counsel Slater stated we have the ongoing concern related to the desalters and noted items written on page 3 of the order which discusses the court's concerns related to desalting. Mr. Vanden Heuvel thanked all parties that attended

thanked all parties that attended the February 9, court hearing and noted it was a very orderly and peaceful hearing. Mr. Vanden Heuvel offered comment on the court order and noted he felt we have a tall order that has been placed on us, as Watermaster, by the court in this order. A discussion ensued with regard to replenishment water obligations. Mr. Vanden Heuvel asked that the Watermaster staff incorporate reporting monthly on the status of our replenishment obligations. Mr. Manning stated that he has already spoke to Counsel Slater on how staff is going to approach this issue and staff feels they do need to discuss with the parties the ramifications of non-implementations of the Peace II Agreement. A time will be set aside shortly to review those ramifications with the parties either at a workshop or incorporate the discussion into our regular meeting. Chair Willis inquired to the date the workshop will be held in July and Counsel Slater stated that has not yet been discussed. A brief discussion ensued with regard to the hearing location. Mr. Vanden Heuvel inquired if the Watermaster has an obligation to notify the Regional Board with regards to the desalter commitment of the court and Mr. Manning stated that we do indeed need to notify them and that has already been taken care of.

2. Court Hearing Update

This item was discussed/reviewed under item no. 1 - Attorney Manager Process/Discussion of Peace II Agreement.

B. WATERMASTER ENGINEERING CONSULTANT REPORT

1. Evaluation of the Cumulative Effects of Transfers Pursuant to the Peace Agreement

Mr. Wildermuth stated he was going to combine this item with item no. 2 – Hydraulic Control since both items are related to each other. Mr. Wildermuth stated that Watermaster has an obligation every two years, ending in odd years, to prepare an analysis of the balance of recharge and discharge in every area and sub area of the basin as well as to evaluate the cumulative effect of transfers. As of July of 2005 those analyses have been completed as best as they could be at that time but because of the negotiations under Peace II, that work was put on hold. An administrative draft report was produced which sat un-acted upon until now. Since then, a lot of model work to analyze the balance of recharge and discharge in the basin in support of the Peace II process has taken place. That work is now complete and the final touches with maps and such are being completed and will be forthcoming. Internally there will be an administrative review of the draft that effort and shortly the report will be out for review by all parties. Inside of that report is the analysis of cumulative effect of transfers which can't be looked at independently because both the hydraulic control and the cumulative effect of transfers are used by Watermaster to figure out a supplemental water recharge plan. The purpose of the balance of recharge and discharge is for Watermaster to look at how the basin is functioning relative to pumping and to try and design a supplemental water recharge plan to bring the basin into balance hydrologically. This is an issue that came up also during the Peace I discussions by the Management Zone 1 pumpers. There is an excerpt in the meeting packet for review which is basically the same excerpt released in July of 2005. The accumulative effect of transfers has resulted in the avoidance of about 26,000 acre-feet of wet water recharge; that is primarily a result of transfers among parties and using water from storage accounts. The market system put into place by the Judgment which allows parties to buy water from under-producers and move it to over-producers has been a good thing overall. The conclusion is that there has been no material physical injury from the transfer process and the actual transfer process has been of benefit to the basin.

2. Hydraulic Control Update

This item was discussed/reviewed under item no. 1 – Evaluation of the Cumulative Effects of Transfers Pursuant to the Peace Agreement.

C. CEO/STAFF REPORT1. 85/15 Update

Mr. Manning noted this is a notification item only and this item is being addressed at the Appropriative Pool meetings by a request from the Appropriative Pool Members.

2. Volume Vote Update

Mr. Manning noted this is a notification item only and this item is being addressed at the Appropriative Pool meetings by a request from the Appropriative Pool Members. Once this item has been resolved

3. Department of Water Resources Grant Financing Update

Mr. Manning stated that staff fully expects that next month the Pools, Advisory Committee, and Watermaster Board will be dealing with a contract wherein terms will be discussed relative to the financing of the Department of Water Resources (DWR) Grant – a grant that totals over \$10M; that is a 50/50 split between Chino Basin Watermaster (CBWM) and Inland Empire Utilities Agency (IEUA). Included at the back table is a handout which is a breakdown of the projects that are included within this DWR grant, it is a \$5M dollar grant with a \$5M dollar match; half paid by CBWM and half paid by IEUA, meaning that Watermaster is agreeing to contribute \$2.5M towards this grant. The terms of repayment are presently being worked out with IEUA.

4. San Diego County Water Authority RFP for Groundwater Conjunctive Use Project

Mr. Manning stated that the San Diego County Water Authority has released their RFP and staff has had the opportunity to review that proposal and staff is inclined to submit a proposal. Mr. Manning noted that San Diego is anxious to have Watermaster involved and staff feels they are willing to discuss terms with us.

Added Item:

Mr. Manning noted that available on the back table is an additional handout regarding supplemental and storm water recharge; it was asked at a past meeting that parties be kept informed on a monthly basis of how we are doing on recharge. As was noted by Mr. Treweek, we appear to be on target for our recharge goals with more supplemental than storm water at this point in time. This chart will be made available with updates each month.

Added Item:

Mr. Manning stated a Personnel Committee meeting will be scheduled in April 2006.

Added Item:

Mr. Manning stated a delegation from Watermaster in co-sponsorship with SAWPA and IEUA attended meetings in Sacramento last week. In attendance at those meetings were Mr. Anderson, Mr. Willis and Mr. Vanden Heuvel. At that event there were great opportunities for us to talk to members of legislature, staff, and committee staff about issues which are related to our interests here in the Chino Basin and including the upcoming bond issue. The time there was productive and a real opportunity was granted to lend an ear to the parties who could be of influence as the issues develop. Mr. Vanden Heuvel noted it was very timely for us to be in attendance; it was a great opportunity for the various SAWPA agencies and the Inland Empire to collectively tell our story. Chair Willis stated he felt it was interesting that some of the pending legislation is interested in exploring the idea of funding and/or shoring up the islands in the Delta but not in doing any kind of conveyance system around the channel. Mr. Manning stated at the legislative briefing there were also representatives attended from Cucamonga Valley Water District, both Mr. DeLoach and Mr. Neufeld were present; representatives from Western Municipal Water District and Mr. Rossi made a presentation, along with Eastern Municipal Water District who was able to make some pertinent comments.

IV. INFORMATION

1. Newspaper Articles

There were no comments made regarding this item.

V. BOARD MEMBER COMMENTS

Ms. Rose stated that she would be very interested in some sort of Watermaster Board orientation class/workshop as to what the board's responsibilities are, what our role is, what our authority is, etc. and noted how beneficial this would be to her personally coming onto this board as a new member. Chair Willis stated that is a very insightful request and has indeed recently spoke to Watermaster staff about setting something along those lines up for the board members. Chair Willis asked if Mr. Manning could head that gathering up and noted that Mr. Neufeld expressed an interest in participating also. Ms. Rose asked a time frame for this orientation and it was noted staff would try and pull something together for the end of April. Mr. Lopez stated he wanted to echo the compliments that given regarding the efforts that where made on behalf of legal counsel to get the nine member board reappointment through the system.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

February 23, 2006	9:00 a.m.	Advisory Committee Meeting
February 23, 2006	11:00 a.m.	Watermaster Board Meeting
March 9, 2006	9:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
March 21, 2006	9:00 a.m.	Agricultural Pool Meeting @ IEUA
March 23, 2006	9:00 a.m.	Advisory Committee Meeting
March 23, 2006	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board Meeting Adjourned at 11:40 a.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2006
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2005 through January 31, 2006
3. Treasurer's Report of Financial Affairs for the Period January 1, 2006 through January 31, 2006
4. Profit & Loss Budget vs. Actual July through January 2006





CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: March 9, 2006
March 21, 2006
March 23, 2006

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – February 2006

SUMMARY

Issue – Record of cash disbursements for the month of February 2006.

Recommendation – Staff recommends the Cash Disbursements for February 2006 be received and filed as presented.

Fiscal Impact – All funds disbursed were included in the FY 2005-06 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 February 2006 were \$1,324,400.49. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$897,752.90, Wildermuth Environmental Inc. in the amount of \$169,794.65, and Hatch and Parent in the amount of \$43,249.35.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
February 2006

Type	Date	Num	Name	Amount
Feb 06				
Bill Pmt -Check	2/2/2006	10215	APPLIED COMPUTER TECHNOLOGIES	-2,548.55
Bill Pmt -Check	2/2/2006	10216	COMPUSA. INC	-73.72
Bill Pmt -Check	2/2/2006	10217	CONRAD & ASSOCIATES, L L P.	-5,119.00
Bill Pmt -Check	2/2/2006	10218	DIRECTV	-74.98
Bill Pmt -Check	2/2/2006	10219	MEDIA JIM	-995.00
Bill Pmt -Check	2/2/2006	10220	OFFICE DEPOT	-403.95
Bill Pmt -Check	2/2/2006	10221	PURCHASE POWER	-2,016.99
Bill Pmt -Check	2/2/2006	10222	R&D PEST SERVICES	-85.00
Bill Pmt -Check	2/2/2006	10223	RICOH BUSINESS SYSTEMS-Maintenance	-848.18
Bill Pmt -Check	2/2/2006	10224	UNION 76	-155.99
Bill Pmt -Check	2/2/2006	10225	VELASQUEZ JANITORIAL	-1,200.00
Bill Pmt -Check	2/2/2006	10226	VERIZON	-41.44
Bill Pmt -Check	2/2/2006	10227	VIP AUTO DETAILING	-479.20
Bill Pmt -Check	2/2/2006	10228	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,062.16
Bill Pmt -Check	2/2/2006	10229	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	0.00
Bill Pmt -Check	2/2/2006	10230	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,063.83
Bill Pmt -Check	2/2/2006	10231	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,078.83
Bill Pmt -Check	2/2/2006	10232	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-5,202.67
Bill Pmt -Check	2/2/2006	10233	CITISTREET	-1,000.00
Bill Pmt -Check	2/2/2006	10234	CITISTREET	-975.68
Bill Pmt -Check	2/2/2006	10235	CITISTREET	-1,250.00
Bill Pmt -Check	2/2/2006	10236	CITISTREET	-4,217.38
Bill Pmt -Check	2/2/2006	10237	CITISTREET	-2,750.00
Bill Pmt -Check	2/2/2006	10238	CALIFORNIA PUBLIC EMPL RETIREMENT SYSTEM	-1,487.00
Bill Pmt -Check	2/2/2006	10239	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-1,548.70
Bill Pmt -Check	2/2/2006	10240	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-1,548.70
Bill Pmt -Check	2/2/2006	10241	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-1,548.70
Bill Pmt -Check	2/2/2006	10242	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-61.70
Bill Pmt -Check	2/2/2006	10243	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-1,182.86
General Journal	2/5/2006	06/02/4	PAYROLL	-6,440.84
General Journal	2/5/2006	06/02/4	PAYROLL	-20,905.55
Bill Pmt -Check	2/9/2006	10244	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-35.75
Bill Pmt -Check	2/9/2006	10245	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-35.76
Bill Pmt -Check	2/9/2006	10246	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-35.74
Bill Pmt -Check	2/9/2006	10247	AWWA	-150.00
Bill Pmt -Check	2/9/2006	10248	BOWCOCK, ROBERT	-375.00
Bill Pmt -Check	2/9/2006	10249	COSTCO WHOLESALE MEMBERSHIP	-205.00
Bill Pmt -Check	2/9/2006	10250	FRANKLIN COVEY	-8.06
Bill Pmt -Check	2/9/2006	10251	HAMRICK, PAUL	-125.00
Bill Pmt -Check	2/9/2006	10252	HSBC BUSINESS SOLUTIONS	-381.13
Bill Pmt -Check	2/9/2006	10253	INLAND COUNTIES INSURANCE SERVICES, INC.	-477.14
Bill Pmt -Check	2/9/2006	10254	INLAND EMPIRE UTILITIES AGENCY	-897,752.90
Bill Pmt -Check	2/9/2006	10255	KRUGER, W. C. "BILL"	-250.00
Bill Pmt -Check	2/9/2006	10256	KUHN, BOB	-375.00
Bill Pmt -Check	2/9/2006	10257	NEUFELD, ROBERT	-875.00
Bill Pmt -Check	2/9/2006	10258	PARK PLACE COMPUTER SOLUTIONS, INC.	-2,200.00
Bill Pmt -Check	2/9/2006	10259	PAYCHEX	-354.12
Bill Pmt -Check	2/9/2006	10260	QUILL	-58.92
Bill Pmt -Check	2/9/2006	10261	REID & HELLYER	-4,347.68
Bill Pmt -Check	2/9/2006	10262	RICOH BUSINESS SYSTEMS-Maintenance	-40.00
Bill Pmt -Check	2/9/2006	10263	ROSE, SANDRA	-250.00
Bill Pmt -Check	2/9/2006	10264	SAN BERNARDINO COUNTY FLOOD CONTROL DI...	-36.00
Bill Pmt -Check	2/9/2006	10265	UNITED PARCEL SERVICE	-552.04
Bill Pmt -Check	2/9/2006	10266	VANDEN HEUVEL, GEOFFREY	-375.00
Bill Pmt -Check	2/9/2006	10267	VERIZON	-340.85
Bill Pmt -Check	2/9/2006	10268	WILDERMUTH ENVIRONMENTAL INC	-5,938.00
Bill Pmt -Check	2/9/2006	10269	WILLIS, KENNETH	-375.00
Bill Pmt -Check	2/15/2006	10270	ACWA SERVICES CORPORATION	-256.12
Bill Pmt -Check	2/15/2006	10271	BANK OF AMERICA	-1,008.10
Bill Pmt -Check	2/15/2006	10272	CA SOCIETY OF MUNICIPAL FINANCE OFFICERS	-100.00
Bill Pmt -Check	2/15/2006	10273	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	2/15/2006	10274	HATCH AND PARENT	-43,249.35
Bill Pmt -Check	2/15/2006	10275	MCI	-908.17
Bill Pmt -Check	2/15/2006	10276	RICOH BUSINESS SYSTEMS-Lease	-3,591.31
Bill Pmt -Check	2/15/2006	10277	STATE COMPENSATION INSURANCE FUND	-1,132.85
Bill Pmt -Check	2/15/2006	10278	STAULA, MARY L	-136.61
Bill Pmt -Check	2/15/2006	10279	THE FURMAN GROUP, INC.	-2,625.00
Bill Pmt -Check	2/15/2006	10280	WHEELER METER MAINTENANCE	-900.00

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
February 2006

Type	Date	Num	Name	Amount
Bill Pmt -Check	2/15/2006	10281	RICOH BUSINESS SYSTEMS-Lease	-888.94
Bill Pmt -Check	2/15/2006	10282	CUCAMONGA VALLEY WATER DISTRICT	-5,076.00
Bill Pmt -Check	2/15/2006	10283	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-123.84
Bill Pmt -Check	2/22/2006	10284	A & R TIRE	-466.26
Bill Pmt -Check	2/22/2006	10285	EXCEL LANDSCAPE	-407.00
Bill Pmt -Check	2/22/2006	10286	MATHIS & ASSOCIATES	-978.30
Bill Pmt -Check	2/22/2006	10287	PUMP CHECK	-5,291.55
Bill Pmt -Check	2/22/2006	10288	UNITEK TECHNOLOGY INC.	-231.66
Bill Pmt -Check	2/22/2006	10289	WILDERMUTH ENVIRONMENTAL INC	-169,794.65
Bill Pmt -Check	2/23/2006	10290	JAMES JOHNSTON	-1,295.00
General Journal	2/24/2006	06/02/7	PAYROLL	-5,733.22
General Journal	2/24/2006	06/02/7	PAYROLL	-19,447.59
Bill Pmt -Check	2/24/2006	10291	VIP AUTO DETAILING	-299.40
Bill Pmt -Check	2/24/2006	10292	CALPERS	-2,650.83
Bill Pmt -Check	2/24/2006	10293	CITISTREET	-1,750.00
Bill Pmt -Check	2/24/2006	10294	ELLISON, SCHNEIDER & HARRIS, LLP	-34,715.71
Bill Pmt -Check	2/24/2006	10295	IDEAL GRAPHICS	-694.00
Bill Pmt -Check	2/24/2006	10296	OFFICE DEPOT	-678.20
Bill Pmt -Check	2/24/2006	10297	PRE-PAID LEGAL SERVICES, INC	-129.50
Bill Pmt -Check	2/24/2006	10298	PRINTING RESOURCES	-70.37
Bill Pmt -Check	2/24/2006	10299	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-6,692.71
Bill Pmt -Check	2/24/2006	10300	RICOH BUSINESS SYSTEMS-Maintenance	-274.48
Bill Pmt -Check	2/24/2006	10301	SPRINT	-600.80
Bill Pmt -Check	2/24/2006	10302	STANDARD INSURANCE CO.	-579.88
Bill Pmt -Check	2/24/2006	10303	STATE COMPENSATION INSURANCE FUND	-1,133.45
Bill Pmt -Check	2/24/2006	10304	CITISTREET	-2,850.00
Bill Pmt -Check	2/24/2006	10305	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-6,692.70
Bill Pmt -Check	2/24/2006	10306	PUMP CHECK	-5,506.25
				-1,324,400.49

Feb 06

CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2005 THROUGH JANUARY 31, 2006

	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 2004-05
Administrative Revenues										
Administrative Assessments			4,781,347		66,160				4,847,507	\$3,984,888
Interest Revenue			100,514	9,255	3,278			37	113,084	78,330
Mutual Agency Project Revenue		29,763							29,763	0
Grant Income									-	0
Miscellaneous Income									-	0
Total Revenues	-	29,763	4,881,861	9,255	69,438	-	-	37	4,990,354	4,063,218
Administrative & Project Expenditures										
Watermaster Administration	302,376								302,376	621,784
Watermaster Board-Advisory Committee	32,525								32,525	37,018
Pool Administration			12,087	74,889	2,846				89,822	91,153
Optimum Basin Mgmt Administration		799,322							799,322	1,019,183
OBMP Project Costs		1,017,024							1,017,024	3,733,694
Education Funds Use								375	375	375
Mutual Agency Project Costs	18,380								18,380	80,004
Total Administrative/OBMP Expenses	353,281	1,816,346	12,087	74,889	2,846			375	2,259,824	5,583,211
Net Administrative/OBMP Income	(353,281)	(1,786,583)								
Allocate Net Admin Income To Pools	353,281		274,340	73,946	4,994				-	0
Allocate Net OBMP Income To Pools		1,786,583	1,387,371	373,955	25,257				-	0
Agricultural Expense Transfer			516,640	(516,640)					-	0
Total Expenses			2,190,438	6,150	33,098	-	-	375	2,259,824	5,583,211
Net Administrative Income			2,691,423	3,105	36,340			(338)	2,730,530	(1,519,993)
Other Income/(Expense)										
Replenishment Water Purchases						6,635,065			6,635,065	0
MZ1 Supplemental Water Assessments									-	2,179,500
Water Purchases									-	0
MZ1 Imported Water Purchase									-	(2,278,500)
Groundwater Replenishment						(4,007,547)			(4,007,547)	0
Net Other Income						2,627,518			2,627,518	(99,000)
Net Transfers To/(From) Reserves			2,691,423	3,105	36,340	2,627,518		(338)	5,358,048	(1,618,993)
Working Capital, July 1, 2005			4,450,869	464,653	187,298	3,580,499	158,251	2,238	8,843,808	
Working Capital, End Of Period			7,142,292	467,758	223,638	6,208,017	158,251	1,900	14,201,856	
04/05 Production			127,810.967	34,450.449	2,326.836				164,588.252	
04/05 Production Percentages			77.655%	20.931%	1.414%				100.000%	

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JANUARY 1 THROUGH JANUARY 31, 2006**

DEPOSITORIES:

Cash on Hand - Petty Cash		\$	500
Bank of America			
Governmental Checking-Demand Deposits	\$	180,974	
Savings Deposits		9,685	
Zero Balance Account - Payroll		<u>-</u>	190,659
Vineyard Bank CD - Agricultural Pool			415,275
Local Agency Investment Fund - Sacramento			<u>12,345,566</u>
TOTAL CASH IN BANKS AND ON HAND	1/31/2006		\$ 12,952,000
TOTAL CASH IN BANKS AND ON HAND	12/31/2005		3,692,630
PERIOD INCREASE (DECREASE)			<u>\$ 9,259,370</u>

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable	\$	667,277
Assessments Receivable		8,874,166
Prepaid Expenses, Deposits & Other Current Assets		-
(Decrease)/Increase in Liabilities: Accounts Payable		54,461
Accrued Payroll, Payroll Taxes & Other Current Liabilities		57,739
Transfer to/(from) Reserves		<u>(394,273)</u>
PERIOD INCREASE (DECREASE)		<u>\$ 9,259,370</u>

<u>SUMMARY OF FINANCIAL TRANSACTIONS:</u>	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Savings	Vineyard Bank	Local Agency Investment Funds	Totals
Balances as of 12/31/2005	\$ 500	\$ 493,387	\$ (25,393)	\$ 9,685	\$ 413,970	\$ 2,800,481	\$ 3,692,630
Deposits	-	9,506,241	-	-	1,305	45,085	9,552,631
Transfers	-	(9,552,651)	52,651	-	-	9,500,000	-
Withdrawals/Checks	-	(266,003)	(27,258)	-	-	-	(293,261)
Balances as of 1/31/2006	\$ 500	\$ 180,974	\$ -	\$ 9,685	\$ 415,275	\$ 12,345,566	\$ 12,952,000
PERIOD INCREASE OR (DECREASE)	\$ -	\$ (312,413)	\$ 25,393	\$ -	\$ 1,305	\$ 9,545,085	\$ 9,259,370

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JANUARY 1 THROUGH JANUARY 31, 2006**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
1/15/2006	Interest	L.A.I.F.	\$ 45,085				
1/12/2006	Deposit	L.A.I.F.	\$ 9,500,000				
TOTAL INVESTMENT TRANSACTIONS			\$ 9,545,085	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 3.63% was the effective yield rate at the Quarter ended December 31, 2005

**INVESTMENT STATUS
January 31, 2006**

<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	\$ 12,345,566			
TOTAL INVESTMENTS	\$ 12,345,566			

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
Chief Financial Officer & Assistant General Manager
Chino Basin Watermaster

	<u>Jul '05 - Jan 06</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 - Local Agency Subsidies	29,762.50	132,000.00	-102,237.50	22.55%
4110 - Admin Asmnts-Approp Pool	4,781,346.88	4,804,121.00	-22,774.12	99.53%
4120 - Admin Asmnts-Non-Agri Pool	66,160.17	73,425.00	-7,264.83	90.11%
4700 - Non Operating Revenues	113,084.36	78,330.00	34,754.36	144.37%
Total Income	<u>4,990,353.91</u>	<u>5,087,876.00</u>	<u>-97,522.09</u>	<u>98.08%</u>
Gross Profit	4,990,353.91	5,087,876.00	-97,522.09	98.08%
Expense				
6010 - Salary Costs	279,041.35	404,153.00	-125,111.65	69.04%
6020 - Office Building Expense	50,086.74	97,850.00	-47,763.26	51.19%
6030 - Office Supplies & Equip.	13,786.45	47,500.00	-33,713.55	29.02%
6040 - Postage & Printing Costs	46,215.33	75,700.00	-29,484.67	61.05%
6050 - Information Services	74,192.64	103,500.00	-29,307.36	71.68%
6060 - Contract Services	7,057.98	130,500.00	-123,442.02	5.41%
6080 - Insurance	-691.20	24,210.00	-24,901.20	-2.86%
6110 - Dues and Subscriptions	2,752.40	14,000.00	-11,247.60	19.66%
6140 - WM Admin Expenses	1,031.77	6,500.00	-5,468.23	15.87%
6150 - Field Supplies	-1,826.63	4,050.00	-5,876.63	-45.1%
6170 - Travel & Transportation	45,468.29	45,200.00	268.29	100.59%
6190 - Conferences & Seminars	7,317.75	17,500.00	-10,182.25	41.82%
6200 - Advisory Comm - WM Board	8,524.68	14,082.00	-5,557.32	60.54%
6300 - Watermaster Board Expenses	24,000.54	29,782.00	-5,781.46	80.59%
8300 - Appr PI-WM & Pool Admin	12,086.73	15,347.00	-3,260.27	78.76%
8400 - Agri Pool-WM & Pool Admin	11,122.52	18,756.00	-7,633.48	59.3%
8467 - Agri-Pool Legal Services	57,616.53	45,000.00	12,616.53	128.04%
8470 - Ag Meeting Attend -Special	6,150.00	10,000.00	-3,850.00	61.5%
8500 - Non-Ag PI-WM & Pool Admin	2,845.50	7,423.00	-4,577.50	38.33%
6500 - Education Funds Use Expens	375.00	375.00	0.00	100.0%
9500 - Allocated G&A Expenditures	-222,056.43	-378,284.00	156,227.57	58.7%
Subtotal G&A Expenditures	<u>425,097.94</u>	<u>733,144.00</u>	<u>-308,046.06</u>	<u>57.98%</u>
6900 - Optimum Basin Mgmt Plan	724,032.30	996,767.00	-272,734.70	72.64%
6950 - Mutual Agency Projects	18,380.00	75,000.00	-56,620.00	24.51%
9501 - G&A Expenses Allocated-OBMP	<u>75,289.70</u>	<u>109,541.00</u>	<u>-34,251.30</u>	<u>68.73%</u>
Subtotal OBMP Expenditures	<u>817,702.00</u>	<u>1,181,308.00</u>	<u>-363,606.00</u>	<u>69.22%</u>
7101 - Production Monitoring	39,734.82	68,755.00	-29,020.18	57.79%
7102 - In-line Meter Installation	20,486.87	97,954.00	-77,467.13	20.92%
7103 - Grdwtr Quality Monitoring	45,619.48	66,503.00	-20,883.52	68.6%
7104 - Gdwtr Level Monitoring	63,027.90	184,812.00	-121,784.10	34.1%
7105 - Sur Wtr Qual Monitoring	7,663.28	90,223.00	-82,559.72	8.49%
7106 - Wtr Level Sensors Install	0.00	5,734.00	-5,734.00	0.0%
7107 - Ground Level Monitoring	80,586.93	554,825.00	-474,238.07	14.53%
7108 - Hydraulic Control Monitoring	155,853.25	495,368.00	-339,514.75	31.46%
7109 - Recharge & Well Monitoring Prog	109,265.65	133,061.00	-23,795.35	82.12%
7200 - PE2- Comp Recharge Pgm	187,302.28	759,105.00	-571,802.72	24.67%

	<u>Jul '05 - Jan 06</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7300 · PE3&5-Water Supply/Desalte	338.93	12,548.00	-12,209.07	2.7%
7400 · PE4- Mgmt Plan	106,973.70	1,081,014.00	-974,040.30	9.9%
7500 · PE6&7-CoopEfforts/SaltMgmt	46,555.90	255,769.00	-209,213.10	18.2%
7600 · PE8&9-StorageMgmt/Conj Use	6,848.56	77,268.00	-70,419.44	8.86%
7690 · Recharge Improvement Debt Pymt	0.00	300,000.00	-300,000.00	0.0%
7700 · Inactive Well Protection Prgm	0.00	12,128.00	-12,128.00	0.0%
9502 · G&A Expenses Allocated-Projects	146,766.71	268,742.00	-121,975.29	54.61%
Subtotal Special Project Expenditures	<u>1,017,024.26</u>	<u>4,463,809.00</u>	<u>-3,446,784.74</u>	<u>22.78%</u>
Total Expense	<u>2,259,824.20</u>	<u>6,378,261.00</u>	<u>-4,118,436.80</u>	<u>35.43%</u>
Net Ordinary Income	2,730,529.71	-1,290,385.00	4,020,914.71	-211.61%
Other Income/Expense				
Other Income				
4231 · MZ1 Assigned Water Sales	0.00	600,000.00	-600,000.00	0.0%
4210 · Approp Pool-Replenishment	6,635,065.45			
Total Other Income	<u>6,635,065.45</u>	<u>600,000.00</u>	<u>6,035,065.45</u>	<u>1,105.84%</u>
Other Expense				
5010 · Groundwater Replenishment	4,007,546.70	699,000.00	3,308,546.70	573.33%
9999 · To/(From) Reserves	5,358,048.46	-1,389,385.00	6,747,433.46	-385.64%
Total Other Expense	<u>9,365,595.16</u>	<u>-690,385.00</u>	<u>10,055,980.16</u>	<u>-1,356.58%</u>
Net Other Income	<u>-2,730,529.71</u>	<u>1,290,385.00</u>	<u>-4,020,914.71</u>	<u>-211.61%</u>
Net Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>



CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

- A. CONTRACT FOR DRILLING
AND CONSTRUCTION OF
NESTED PIEZOMETER





CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: March 9, 2006
March 21, 2006
March 23, 2006

TO: Committee Members
Watermaster Board Members

SUBJECT: Contract for Drilling and Construction of a Nested Piezometer

SUMMARY

Issue – A nested set of piezometers needs to be drilled and constructed to replace a malfunctioning set of piezometers that are used for monitoring and management of subsidence in MZ-1. Through a competitive bidding process, Layne Christensen Company of Fontana has been selected as the drilling contractor, and pending approval of Watermaster, is ready to sign the contract and begin work.

Recommendation – Approve the contract with Layne Christensen Company to drill and construct a nested piezometer.

Fiscal Impact – The cost to Watermaster (i.e. the contract amount of the lump sum bid) is \$292,000. Watermaster's approved budget for FY 2005-06 has a line-item for this work in the amount of \$342,000.

BACKGROUND

Accurate, depth-specific water level data is necessary to effectively monitor and manage land subsidence in the southern portion of MZ-1. A nested set of piezometers located at Ayala Park in the Chino were designed to monitor water levels in the deep portions of the aquifer system. These piezometers have periodically malfunctioned, and need to be replaced (a consensus decision of the MZ-1 Technical Committee).

The piezometer replacement process will include the drilling of a 1,200 foot borehole, the construction of two, 4-inch, stainless steel piezometers, and a well-head completion within an underground vault. The park property that is impacted during the drilling and construction process will be restored to pre-project conditions to the satisfaction of the City of Chino.

Through a competitive bidding process, Layne Christensen Company of Fontana (Layne) has been selected as the drilling contractor, and pending approval of Watermaster, is ready to sign the contract and begin work. Layne was the drilling contractor for (1) the highly-sophisticated extensometer facility at Ayala Park in 2003, (2)

the nine monitoring wells that were constructed in the southern Chino Basin to support the Hydraulic Control Monitoring Program in 2005, and (3) the recently-completed monitoring wells that are down-gradient of recharge basins that percolate recycled water in Chino Basin. These construction projects, performed for Watermaster and/or IEUA, have been completed satisfactorily and within budget.

The contract for the drilling and construction of the piezometers at Ayala Park is based on the contracts executed for all prior work with Layne referenced above. Watermaster staff and legal counsel has reviewed and approved contract and all supporting documents and construction specifications. The contract is attached. A complete set of contract documents is available for review at the Watermaster's office.

SECTION IV

CONTRACT

THIS CONTRACT and AGREEMENT, made and entered into this ___ day of ____, 2006, by and between Layne Christensen Company, Fontana, California hereinafter referred to as "Contractor," and The Chino Basin Watermaster, Rancho Cucamonga, California, hereinafter referred to as "Watermaster".

WITNESSETH:

That for and in consideration of the promises and agreements hereinafter made and exchanged, the Watermaster and the Contractor agree as follows:

1. Contractor agrees to perform and complete in a workmanlike manner all work required under the bidding schedule of said Watermaster's specifications entitled SPECIFICATIONS FOR One Nested Piezometer in accordance with the specifications and drawings. Therefore, to furnish at their own expense all labor, materials, equipment, tools, and services necessary, except such materials, equipment, and services as may be stipulated in said specifications to be furnished by said Watermaster, and to do everything required by this Contract and the said specifications and drawings.

2. For Furnishing all said labor, materials, equipment, tools, and services, furnishing and removing all plant, temporary structures, tools and equipment, and doing everything required by this Contract and the said specifications and drawings; also for all loss and damage arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties which may arise during the prosecution of the work until its acceptance by said Watermaster, and for all risks of every description connected with the work; also for all expenses resulting from the suspension or discontinuance of work, except as in the said specifications are expressly stipulated to be borne by said Watermaster; and for completing the work in accordance with the requirements of said specifications and drawings, said Watermaster will pay and said Contractor shall receive, in full compensation therefore, the price(s) set forth in this Contract.

3. That the Watermaster will pay the Contractor progress payments and the final payment, in accordance with the provisions of the contract documents, with warrants drawn on the appropriate fund or funds as required, at the prices bid in the Bid Forms (Part 1, Section III) and accepted by the Watermaster, and set forth in this Contract.

Lump Sum Bid \$292,000.00: Two Hundred Ninety Two Thousand Dollars and Zero Cents

If this is not a lump sum bid and the contract price is dependent upon the quantities constructed, the Watermaster will pay and said Contractor shall receive, in full compensation for the work the prices named in the Bid Forms (Part 1, Section III).

4. The Watermaster hereby employs the Contractor to perform the work according to the

November 2 ,2005

PROHIBITION OF DISCRIMINATION

terms of this Contract for the above-mentioned price(s), and agrees to pay the same at the time, in the manner, and upon the conditions stipulated in the said specifications; and the said parties for themselves, their heirs, executors, administrators, successors, and assigns, do hereby agree to the full performance of the covenants herein contained.

5. The Notice Inviting Bids, Instructions to Bidders, Bid Forms, Information Required of Bidder, Performance Bond, Payment Bond, Warranty Form, Contractors License Declaration, Specifications, Drawings, and all addenda issued by the Watermaster with respect to the foregoing prior to the opening of bids, are hereby incorporated in and made part of this Contract, as if fully set forth.

6. The Contractor agrees to commence work under this Contract on or before the date to be specified in a written "Notice To Proceed" and to complete said work to the satisfaction of the Watermaster, Sixty (60) calendar days after award of the Contract. All work shall be completed before final payment is made.

7. Time is of the essence on this Contract.

8. Contractor agrees that in case the work is not completed before or upon the expiration of the contract time, damage will be sustained by the Watermaster, and that it is and will be impracticable to determine the actual damage which the Watermaster will sustain in the event and by reason of such delay, and it is therefore agreed that the Contractor shall pay to the Watermaster the amount of (\$1,200) dollars for each day of delay, which shall be the period between the expiration of the contract time and the date of final acceptance by the Watermaster, as liquidated damages and not as a penalty. It is further agreed that the amount stipulated for liquidated damages per day of delay is a reasonable estimate of the damages that would be sustained by the Watermaster, and the Contractor agrees to pay such liquidated damages as herein provided. In case the liquidated damages are not paid, the Contractor agrees that the Watermaster may deduct the amount thereof from any money due or that may become due to the Contractor by progress payments or otherwise under the Contract, or if said amount is not sufficient, recover the total amount.

In addition to the liquidated damages, which may be imposed if the Contractor fails to complete the work within the time agreed upon, the Watermaster may also deduct from any sums due or to become due the Contractor, liquidated damages in accordance with the General Requirements (Part 2, Section II), Paragraph 46, "Violations", for any violation of the Instructions to Bidders (Part 1, Section II), Paragraph 6, "Wage Rates"; Contract (Part 1, Section IV), Paragraphs 9 through 11; General Conditions (Part 2, Section I), Paragraph 3.2, "Labor, Materials and Equipment"; General Conditions (Part 2, Section I), Paragraph 3.11, "Safety and Protection" or General Conditions (Part 2, Section I), Paragraph 8.11, "Disturbance of the Peace".

9. That the Contractor will pay, and will require subcontractors to pay, employees on the work a salary or wage at least equal to the prevailing salary or wage established for such work as set forth in the wage determinations and wage standards applicable to this work, contained in or referenced in the contract documents.

November 2 ,2005
PROHIBITION OF DISCRIMINATION

10. That, in accordance with Section 1775 of the California Labor Code, Contractor shall forfeit to the Watermaster, as a penalty, not more than Fifty (\$50.00) Dollars for each day, or portion thereof, for each worker paid, either by the Contractor or any subcontractor, less than the prevailing rates as determined by the Director of the California Department of Industrial Relations for the work.

11. That, except as provided in Section 1815 of the California Labor Code, in the performance of the work not more than eight (8) hours shall constitute a day's work, and not more than forty (40) hours shall constitute a week's work; that the Contractor shall not require more than eight (8) hours of labor in a day nor more than forty hours of labor in a week from any person employed by the Contractor or any subcontractor; that the Contractor shall conform to Division 2, Part 7, Chapter 1, Article 3 (Section 1810, et seq.) of the California Labor Code; and that the Contractor shall forfeit to the Watermaster, as a penalty, the sum of Twenty-Five (\$25.00) Dollars for each worker employed in the execution of the work by Contractor or any subcontractor for each day during which any worker is required or permitted to labor more than eight (8) hours in violation of said Article 3.

12. That the Contractor shall carry Workers' Compensation Insurance and require all subcontractors to carry Workers' Compensation Insurance as required by the California Labor Code.

13. That the Contractor shall have furnished, prior to execution of the Contract, two bonds approved by the Watermaster, one in the amount of one hundred (100) percent of the contract price, to guarantee the faithful performance of the work, and one in the amount of one hundred (100) percent of the contract price to guarantee payment of all claims for labor and materials furnished.

14. The Contractor hereby agrees to protect, defend, indemnify and hold the Watermaster and its employees, agents, officers, directors, servants and volunteers free and harmless from any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (including employees of the Watermaster and the Contractor) and damage to property, arising directly or indirectly out of the obligation herein undertaken or out of the operations conducted by the Contractor, its employees agents, representatives or subcontractors under or in connection with this Contract, whether or not there is concurrent, passive or active negligence on the part of the Watermaster or its employees, agents, officers, directors, servants and volunteers.

The Contractor further agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands or suit at the sole expense of the Contractor.

15. That this Contract, by reference, includes the contract documents defined in the General Conditions (Part 2, Section I).

IN WITNESS WHEREOF, The Contractor and the Chairman of the Board of Directors, Chino Basin Watermaster, thereunto duly authorized, have caused the names of said parties to be affixed hereto, each in triplicate, the day and year first above written.

Chino Basin Watermaster,
San Bernardino County, California.

Contractor

By _____
Chief Executive Officer/General Manager

By _____
Title

November 2 ,2005
PROHIBITION OF DISCRIMINATION



CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. IEUA GRANT FUNDING AGREEMENT





CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: March 9, 2006
March 21, 2006
March 23, 2006

TO: Committee Members
Watermaster Board Members

SUBJECT: DWR Grant Funding Cost Sharing Agreement with IEUA

SUMMARY

Issue – In January 2005, IEUA received a \$15,500,000 grant from DWR for use in funding IEUA's Chino Basin Conjunctive Use Expansion Program. IEUA has proposed using \$5,250,000 of this money to fund a second phase of improvements to the recharge basins in Chino Basin. It is proposed that Watermaster will pay one-half of the local cost share required by the DWR grant. Assuming total project cost of \$10,500,000, Watermaster's share will be \$2,625,000.

Recommendation – Staff recommends approval of the Cost Sharing Agreement

BACKGROUND

In January 2005, Inland Empire Utilities Agency ("IEUA") received a grant of \$15,500,000 from the Department of Water Resources ("DWR") through the Proposition 13 Groundwater Recharge and Storage Programs. (Contract E90020.) The purpose of this grant was to fund IEUA's Chino Basin Conjunctive Use Expansion Program. The total project cost for this program was estimated to be \$39,026,300, with the local share being funded through IEUA's Water and Sewer Rate revenue and a combination of various State and Federal funds.

In 2002, a separate grant of Proposition 13 money was given to IEUA that was used to fund implementation of Watermaster's Recharge Master Plan. That project involved a total cost of approximately \$40 million. One half of this project cost was paid through grant funds, and the one-half local share was split evenly between IEUA and Watermaster.

Through the initial implementation of the Recharge Master Plan, most, but not all, of the identified recharge basin improvements were constructed. The available funding fell short of being able to fund all of the identified

improvements. In addition, additional improvement work was identified as necessary over the course of initial project construction and over the past year of use of the facilities.

Because of this, IEUA has proposed using a portion of the most recent grant funding to perform further improvement work on the recharge basins. IEUA has proposed using \$5,250,000 of grant money for this purpose, using the same cost sharing arrangement that was used for the grant money that was used for initial implementation of the Recharge Master Plan.

Summary of Agreement

Staff from IEUA and Watermaster met on January 16, 2006 and developed a list of additional projects that would be beneficial to implement. This list was distributed as a handout at the February 2006 Pool meetings, and at the February Advisory Committee and Board meetings. A final version of this list will be attached to the cost sharing agreement as Exhibit "A".

The Agreement calls for a simple split of the local share costs of construction of the projects listed in Exhibit A. Since the amount of the grant funding is fixed at \$5,250,000, any variation in costs from the amount estimated in Exhibit A, will change the amount of the local share of funding. Under the Agreement, Watermaster must approve any changes to either the projects to be constructed, or any changes that change the estimated cost of construction of the projects. So long as the changes do not amount to an increase of 10% of the cost of the project to Watermaster, the Watermaster CEO may approve the change. After the 10% point is reached, any further changes must be approved through the Watermaster process.

The Agreement spreads Watermaster's portion of the costs over a three year period. Watermaster will pay IEUA \$1,000,000 at the end of the first year, \$1,000,000 at the end of the second year, and whatever remains of its portion of the local share of costs at the end of the third year. If the total cost of the project does not vary from the amount estimated, then Watermaster's share in the third year will be \$625,000.

Since this financial relationship is not a loan, there is no interest or financing cost to Watermaster.

**AGREEMENT REGARDING RECHARGE FACILITIES IMPROVEMENTS
MATCHING FUNDS COST SHARING AGREEMENT**
between
INLAND EMPIRE UTILITIES AGENCY
and
CHINO BASIN WATERMASTER

March, 2006

WHEREAS, the Program Element 2 of the Optimum Basin Management Program calls for the implementation of the Recharge Master Plan to enhance the physical recharge capacity in the Chino Basin.

WHEREAS, grant funding in combination with funding from Inland Empire Utilities Agency ("IEUA") and the Chino Basin Watermaster ("Watermaster") financed the first phase of implementation of the Recharge Master Plan.

WHEREAS, the local share of the funding for the first phase of implementation of the Recharge Master Plan was shared equally between IEUA and Watermaster.

WHEREAS, additional funding has been obtained by IEUA from the Department of Water Resources ("DWR") that can be used to implement further portions of the Recharge Master Plan.

WHEREAS, IEUA is willing to make this grant funding available to Watermaster under the same cost sharing arrangement that was utilized for the local share of implementation of the first phase of the Recharge Master Plan.

NOW THEREFORE IT IS AGREED THAT:

1. IEUA will make \$5,250,000 of DWR grant money ("Grant Money") available for project construction costs.
2. The Grant Money shall be used to construct projects as described in Exhibit "A" to this agreement.
3. The total cost of all projects proposed for construction under Exhibit "A" is anticipated to be approximately \$10,500,000. Any changes to the proposed list of projects or to the anticipated total cost of all projects shall require agreement by both IEUA and Watermaster.
4. Watermaster's share of the total cost of the projects proposed for construction on Exhibit "A" shall be one half of the total cost that is not paid with the Grant Money. For example, if the total cost is \$10,500,000, then \$5,250,000 of that total will be paid with the Grant Money, and Watermaster's share of the remaining cost will be \$2,625,000.

5. Watermaster shall reimburse IEUA for Watermaster's share of the total cost over a period of three years according to the following schedule:

- A. End of FY 2005-2006: \$ 1,000,000
- B. End of FY 2006-2007 \$ 1,000,000
- C. End of FY 2007-2008 Remainder of Watermaster share.

Reimbursements by Watermaster under this schedule shall be paid by the 31st of January following the end of the fiscal year.

6. So long as changes to the proposed list of projects or to the cost of such projects do not cause Watermaster's share of the total costs to increase by a cumulative total of 10%, then approval of such changes may be made in writing by the Watermaster CEO. If Watermaster's share of the total costs increases by more than 10%, then any further changes shall require approval by the Watermaster Board after consideration by the Pools and the Advisory Committee.

7. This agreement shall be specifically enforceable in the Court maintaining continuing jurisdiction over the case *Chino Basin Municipal Water District v. City of Chino*, San Bernardino Superior Court Case No. RCV 51010. In any dispute under this agreement, each party shall bear its own legal costs and expenses.

Signed:

For Chino Basin Watermaster

For Inland Empire Utilities Agency

Exhibit “A”

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RECHARGE FACILITIES IMPROVEMENTS - PROPOSED GRANT FUNDED PROJECTS
BASED ON IEUA/CBWM EQUAL SPLIT OF MATCHING FUNDS TO DWR \$5,280,000 GRANT
 For discussion purposes, developed from direction at Jan 16, 2006 meeting between IEUA and CBWM

DWR GRANT PHASE 2A PROJECTS				
Monitoring Wells, Lysimeters, and Recycled Water Connections				
Total Grant Participation	(Grantee/Grantor/Total)		\$	\$
			24,456	1,530,544
				\$ 1,555,000
Facility	Description	Status	Completion Schedule	Estimated Cost
Banana	Lysimeter Cluster	Completed		\$ 50,000
Hickory	Lysimeter Cluster, two sets	Completed		\$ 100,000
Banana-Hickory	Monitoring Well	Completed		\$ 180,000
Turner 1	Monitoring Well	Completed		\$ 180,000
Turner 1	Lysimeter Cluster	Completed		\$ 50,000
Turner 4	Monitoring Well	Completed		\$ 180,000
Turner 4	Lysimeter Cluster	Completed		\$ 50,000
RP3	Monitoring Well	Pending	Summer 2008	\$ 180,000
RP3	Lysimeter Cluster	Pending	Spring 2007	\$ 50,000
Decdez	Monitoring Well	Pending	Summer 2008	\$ 180,000
Decdez	Lysimeter Cluster	Pending	Spring 2007	\$ 50,000
Ely	Lysimeter Cluster (Replacement)	Pending	Spring 2007	\$ 50,000
Elgith	Lysimeter Cluster	Pending	Spring 2007	\$ 50,000
Elgith	Monitoring Well	Pending	Summer 2006	\$ 180,000
All Sites	Completion - Data Report - Asbults	Pending	Fall 2007/2007	\$ 25,000
				Subtotal \$ 1,555,000

DWR GRANT - PHASE 2B				
SCADA Improvements (Prioritized List Developed by AC, BK, GT)				
Total Grant Participation	(Grantee/Grantor/Total)		\$	\$
			487,353	382,647
				\$ 870,000
Rank	Facility	Description	Status	Completion Schedule
1a	San Sevaline 5	Add level transmitter, mechanical actuator, and SCADA control to outlet gate	Pending	Fall 2007
1b	San Sevaline 1 & 2	Add level transmitter, mechanical actuator, and SCADA control to interbasin gate	Pending	Fall 2007
2a	Montclair 1	Add level transmitter to wet well and report flow rate per flume curve	Pending	Fall 2006
2b	Montclair 1	Add mechanical actuator and SCADA control inlet gate	Pending	Fall 2006
3	Various	DCS programming, security package, and bandwidth expansion	Pending	Fall 2007
4	Lower Day 3	Add mechanical actuator and SCADA control to outlet gate	Pending	Fall 2006
5	Upland	Add a level transmitter to basin	Pending	Fall 2006
6	Brooks	Add mechanical actuator and SCADA control to inlet gate on West State Street Storm Drain	Pending	Fall 2007
7	Turner 1 & 2	Add level transmitter to Turner 2 and mechanical actuator and SCADA control to interbasin gate	Pending	Fall 2007
8	RP3	Add level transmitters, mechanical actuator, and SCADA control to two diversion channel gates	Pending	Fall 2007
9	Montclair 1 & 2	Add mechanical actuator and SCADA control to interbasin gate	Pending	Fall 2007
10	8th Street N & S	Add mechanical actuator and SCADA control to interbasin gate	Pending	Fall 2007
				Subtotal \$ 870,000

DWR GRANT - PHASE 2C				
NEW MWD TURNOUT/8TH STREET BASIN PIPELINE				
Total Grant Participation	(Grantee/Grantor/Total)		\$	\$
			800,412	699,588
				\$ 1,500,000
Facility	Description	Status	Completion Schedule	Estimated Cost
New MWD Turnout	Add a new turnout to Rialto Feeder for 8th Str Basin (and Ely Basins), add short pipeline to route water to storm drain feeding West Cucamonga Channel, add GWR SCADA Controlled Valve and metering.	Discussing with MWD and RFP preparation	Fall 2007	\$ 1,500,000

DWR GRANT - PHASE 2D ALTERNATE PROJECTS					
Total Grant Participation		(Grantee/Grantor/Total)	\$ 3,967,779	\$ 2,160,618	\$ 6,128,397
MWD TURNOUT/VICTORIA BASIN PIPELINE					
Facility	Description	Status	Completion Schedule	Estimated Cost	
New MWD Turnout	Add a new turnout to Elwanda Interle for Victoria Basin (and possible other new basin), add pipeline to route water to basin(s). add GWR SCADA Controlled Valve and metering.	Discussing with MWD and RFP preparation	Fall 2007	\$ 2,000,000	
BERM HEIGHTENING AND HARDENING					
Rank	Facility	Description	Feasibility Study Completed, preparing scope for RFP	Fall 2008 to Fall 2007	\$ 2,628,397
1	Hickory	Conservation berm harden	Design hardened wide spill over point for all basins and heightening of rest of berm. Build those berm improvements for allowable budget	Fall 2006	\$ 800,000
2	Ely	Outlet berms to Basins 1 and 2 harden and heighten		Fall 2006	\$ 300,000
3	Eighth	Internal Berm Harden		Fall 2006	\$ 300,000
4	Declerz	Internal Berm Harden		Fall 2007	\$ 800,000
5	Jurupa	Conservation Berm Harden (soil berm not yet constructed)		Fall 2007	\$ 600,000
6	San Sevalhe	Conservation Berm Harden		Not a part	\$ 500,000
7	Victoria	Internal Berm Harden	Not a part	\$ 300,000	
8	Lower Day	Internal Berm Harden	Not a part	\$ 600,000	
9	Elwanda SO	Outlet Berms Harden (basin not yet constructed)	Not a part	\$ 600,000	
MONTECLAIR 2 AND 3 INLET					
Facility	Description	Preparing scope for RFP	Fall 2007	\$ 750,000	
San Antonio Ch	In San Antonio Channel, build a new inlet (drop or rubber dam)				
Montclair 2	Build inlet pipe and vault with gates and flowmeter. Inlet to basin. add inlet controls, gates and flow meter to GWR SCADA				
Montclair 3	Build a transfer pipe under City street and inlet to basin				
BASIN CLEANING VEHICLE DEVELOPMENT					
Various Develop Hood Device and Clarifier		Development	Fall 2007	\$ 750,000	
Other Misc. DWR Grant funding for Phase 2					
2A-2C Construction Contingency		\$ -	\$ 502,203	\$ 502,203	
2A-2C Land Costs		\$ -	\$ 4,400	\$ 4,400	
Total of All Projects		\$ 5,280,000	\$ 5,280,000	\$ 10,560,000	



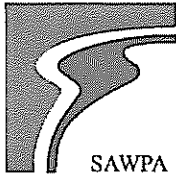
CHINO BASIN WATERMASTER

III. REPORTS AND UPDATES

C. CEO/STAFF REPORT

3. SAW DMS Data Coordination





Santa Ana Watershed Project Authority

COMMISSION FOR THE PROJECT AUTHORITY
EASTERN MUNICIPAL WATER DISTRICT
INLAND EMPIRE UTILITIES AGENCY
ORANGE COUNTY WATER DISTRICT
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
WESTERN MUNICIPAL WATER DISTRICT

GENERAL MANAGER
DANIEL B. COZAD

February 15, 2006

Danielle Maurizio
Chino Basin Water Master
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Subject: Data Collection & Coordination: Santa Ana Watershed Data Management System

Dear Santa Ana Watershed Stakeholder:

The Santa Ana Watershed Project Authority (SAWPA) received funding from the State Water Resources Control Board to develop Phase II of the Santa Ana Watershed Data Management System (SAW DMS). This system is currently under development to hold watershed-wide data needed for a variety of purposes. Phase II of the project will focus on supporting the following essential watershed activities:

- The triennial recalculation of Ambient Water Quality Standards for nitrogen and total dissolved solids, as required by the Santa Ana Watershed Water Quality Control Plan (or Basin Plan) as amended in 2004
- Preparation of the Annual Report of Santa Ana River Water Quality, Reaches 2, 4, & 5 as required by the Basin Plan,
- Water quality monitoring for Total Maximum Daily Load (TMDL) standards in the Middle Santa Ana River area (pathogens) and Lake Elsinore/Canyon Lake (nutrients) as required by the Basin Plan.

One of the goals of SAW DMS is to make data collection and management for these projects easier and less expensive in the future by developing standardized data collection methods and formats. It is our understanding, based on previous efforts for these projects, that your agency is a source of essential data for one or more of these projects.

We and our consultants will be contacting you shortly to request a meeting with you and/or the appropriate staff at your agency. At this meeting, we would like to:

- Interview you regarding what data you have and how you manage it
- Discuss collection of specific data associated with one or more of the three projects listed above
- Discuss means/methods/benefits of standardized data formats



- Discuss mechanisms to allow for and to streamline future data collection efforts supporting these long-term projects
- Listen to you so that we may better understand your perspective on potential benefits and potential issues
- Discuss the project's Technical Advisory Committee.

We appreciate your time and cooperation discussing these matters with us and highly value your inputs.

Sincerely

A handwritten signature in black ink that reads "Gregory T. Duecker". The signature is written in a cursive style with a large, prominent initial 'G'.

Greg Duecker
Information Systems & Technology Manager

Cc: RWQCB Support Letter



California Regional Water Quality Control Board

Santa Ana Region



Alan C. Lloyd, Ph.D.
Agency Secretary

3737 Main Street, Suite 500, Riverside, California 92501-3348
Phone (951) 782-4130 • FAX (951) 781-6288 • TDD (951) 782-3221
www.waterboards.ca.gov/santaana

Arnold Schwarzenegger
Governor

February 9, 2006

Dear Santa Ana Watershed Stakeholder:

The Santa Ana Regional Water Quality Control Board (RWQCB) staff requests your support of efforts being performed by the Santa Ana Watershed Project Authority (SAWPA) in developing the Santa Ana Watershed Data Management System (SAW DMS). This pilot program is key to making the collection and management of this data easier and less expensive in the future. This effort, funded by Proposition 13 funds by the State Water Resources Control Board, is focusing on developing new methods to collect and standardize water-related data for several very important projects throughout the Santa Ana Watershed. The SAW DMS will be used to support the following essential watershed activities:

- The triennial recalculation of nitrogen and total dissolved solids ambient groundwater quality, as required by the Santa Ana River Basin Water Quality Control Plan (or Basin Plan) as amended in 2004,
- Preparation of the Annual Report of Santa Ana River Water Quality, Reaches 2, 4, & 5 as required by the Basin Plan,
- Water quality monitoring for Total Maximum Daily Loads (TMDLs) in the Middle Santa Ana River area (pathogens) and Lake Elsinore/Canyon Lake (nutrients) as required by the Basin Plan.

Each of these projects is a high priority for the RWQCB and we appreciate SAWPA's efforts in the development of SAW DMS. This work is critical for accomplishing water quality improvements and preserving beneficial uses of water in the Santa Ana Watershed.

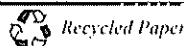
Your agency has been identified as a source of essential data valuable to one or more of these projects. SAWPA and their consultants will be contacting your agency in relation to the SAW DMS.

We encourage your agency's cooperation with SAWPA in providing data, in working to develop standard data exchange formats, and in coordinating future data collection activities. We believe communication and cooperation in the early stages of the project will ensure smoother, easier data exchange in the future and will create more reliable data and reduced costs.

Sincerely,

for Gerard J. Thibeault
Executive Officer
Santa Ana Regional Water Quality Control Board

California Environmental Protection Agency



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CHINO BASIN WATERMASTER

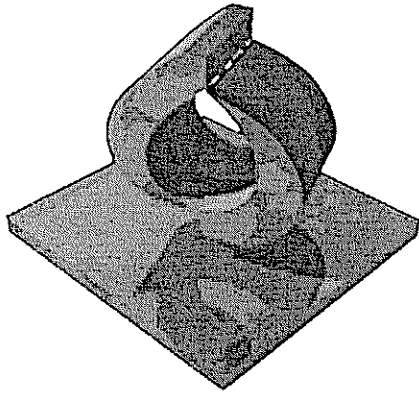
IV. REPORTS/UPDATES

D. INLAND EMPIRE UTILITIES AGENCY

4. Recycled Water Update
5. Monthly Water Conservation Program Report
6. Monthly Imported Water Deliveries Report
7. State and Federal Legislative Reports
8. Community Outreach/Public Relations Report
9. Groundwater Update



Recycled Water on Agricultural Land in Chino Basin



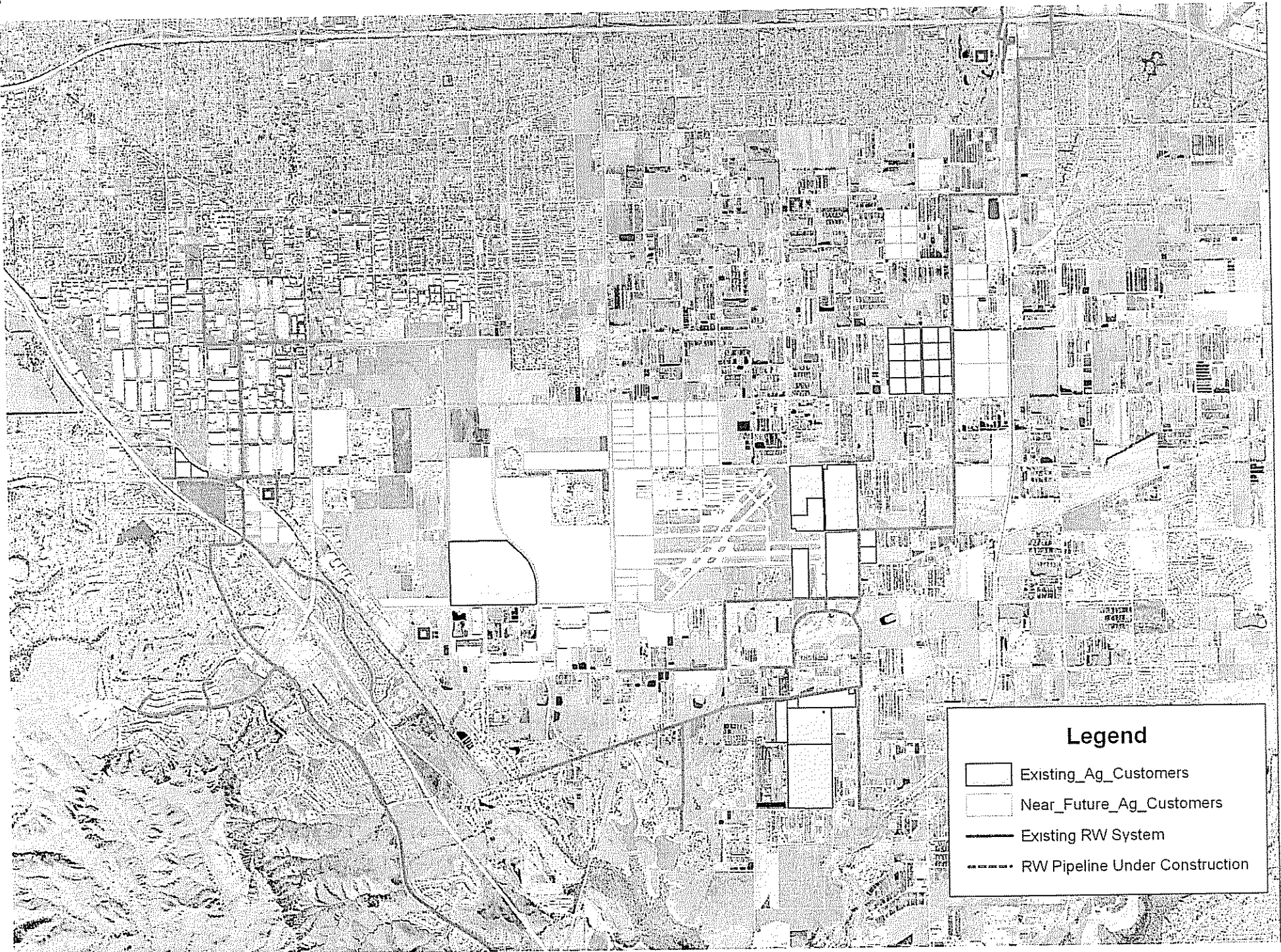
March 23, 2006

Existing Ag. Customers

- CW Farm I, II, and III (500 AFY)
- CalPoly Pomona (1,000 AFY)
- Garcia Farm (100 AFY)
- Cottonwood Dairy (50 AFY)
- Murai Farm (350 AFY)

Near Future Ag. Customers (within 2006 CY)

- Chad's Farm (3 Locations) – 1,150 AFY
- Li's Farm (3 Locations) – 800 AFY
- Chuong's Farm (Chino Hills) – 150 AFY
- So. Cal Ag. Foundation (3 Locations) – 500 AFY
- CalPoly Pomona (Remaining area in CIM) – 2,400 AFY
- Chino Airport Farm – 600 AFY

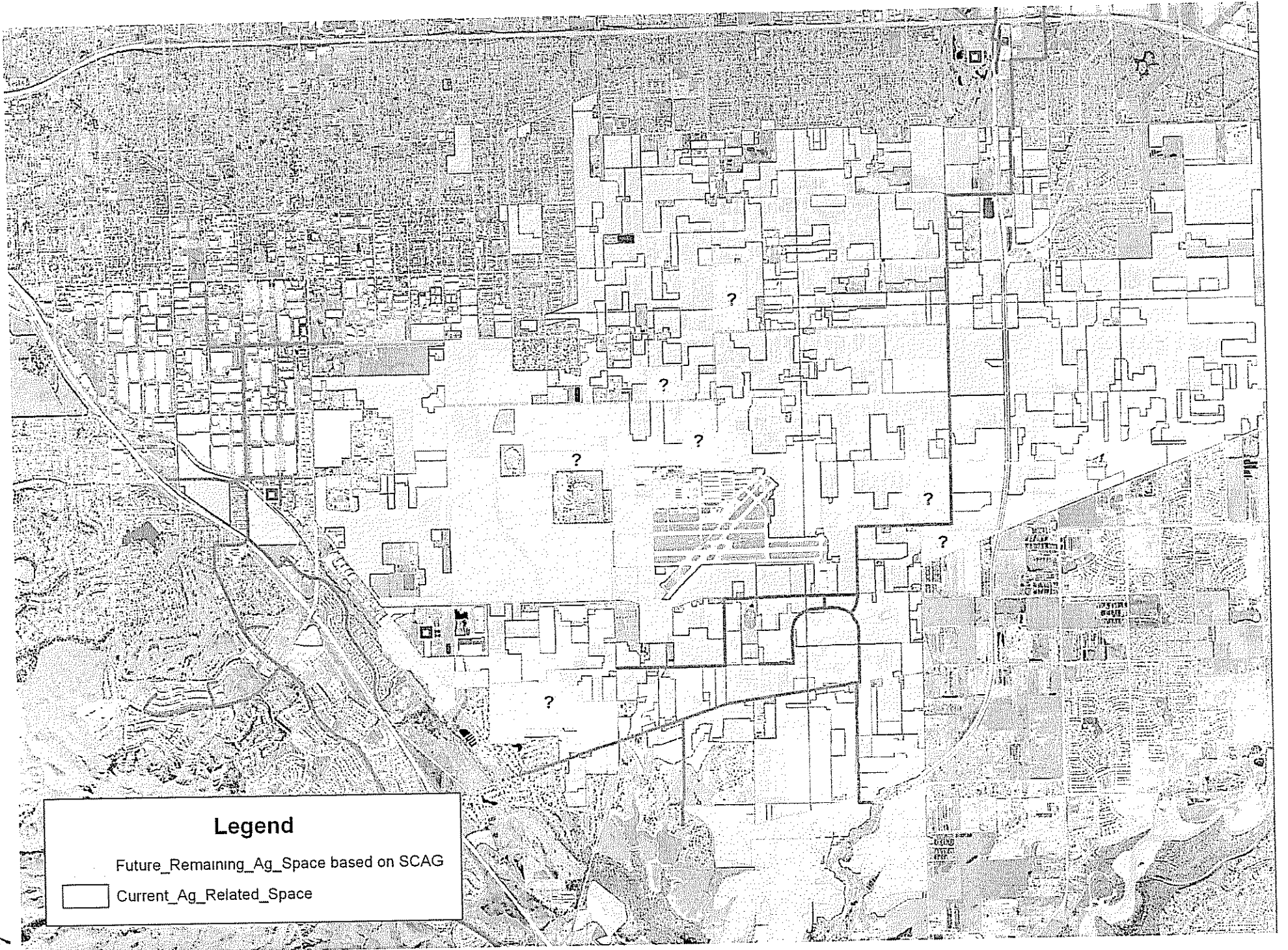


Total Use by Existing & Near Future Ag. Customers

- Existing Customers
 - Over 630 Acres
 - 2,000 AFY
- Near Future Customers (Within a year)
 - 1,600 Acres
 - 5,600 AFY of Potential Use
- Combined Total of 7,600 AFY of Recycled Water (not pumped) for Agricultural Use

Long-term Agricultural Land

- Current - Apprx. 13,900 Acres
- Future – Apprx. 2,400 Acres
 - (based on 2004 SCAG Land Use)



Legend

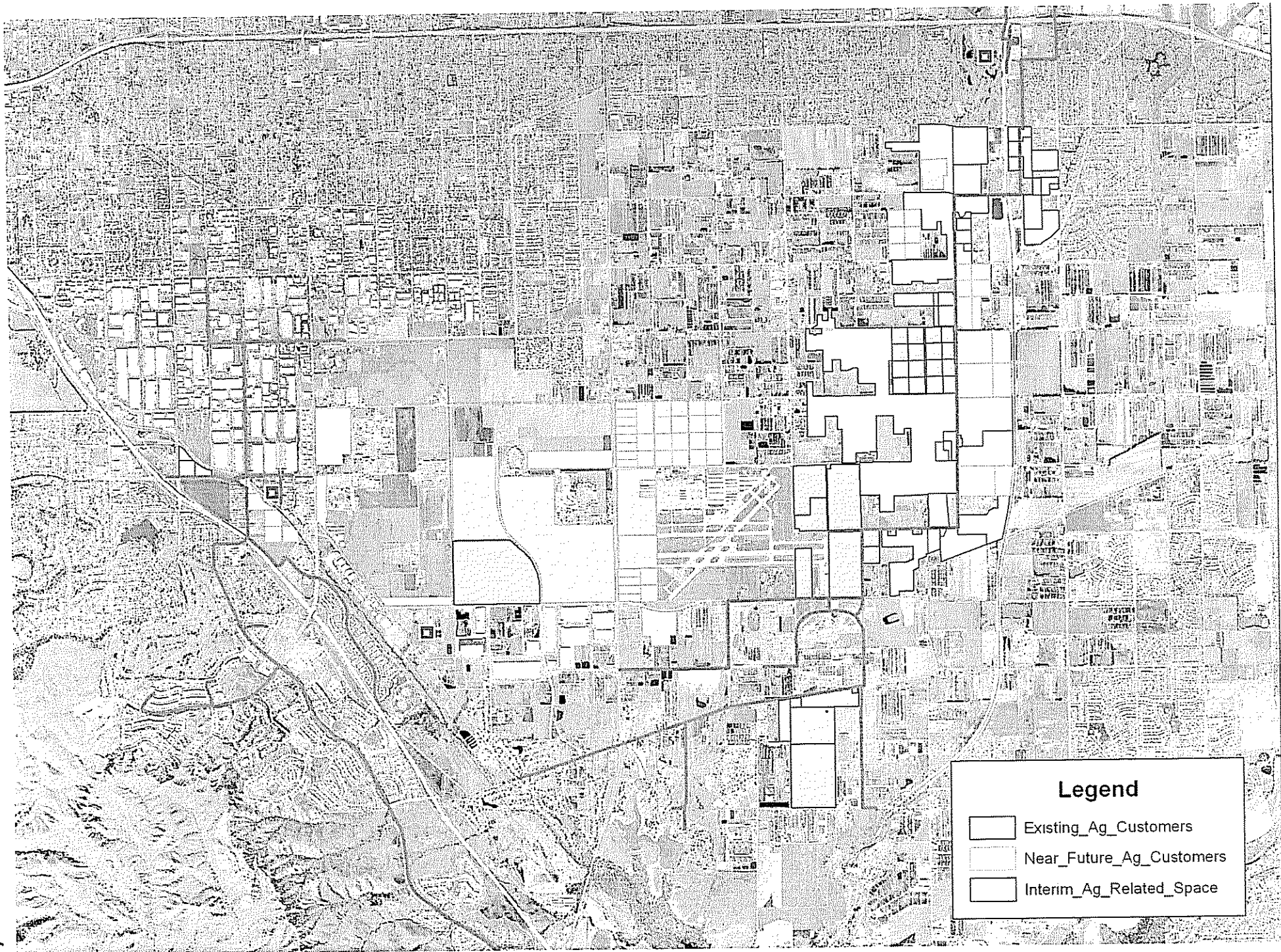
Future_Remaining_Ag_Space based on SCAG






Current_Ag_Related_Space

Interim Ag Use

- 1,360 Acres of Existing Agricultural Land near the existing recycled water system and the pipelines under construction
- Totaling over additional 4,700 AFY of potential recycled water use
- Some areas require local laterals but when being developed, it could be used for construction water and in the future would provide recycled water to street medians and parkways.



Legend

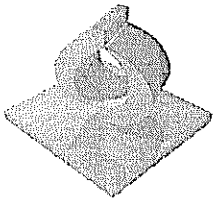
-  Existing_Ag_Customers
-  Near_Future_Ag_Customers
-  Interim_Ag_Related_Space

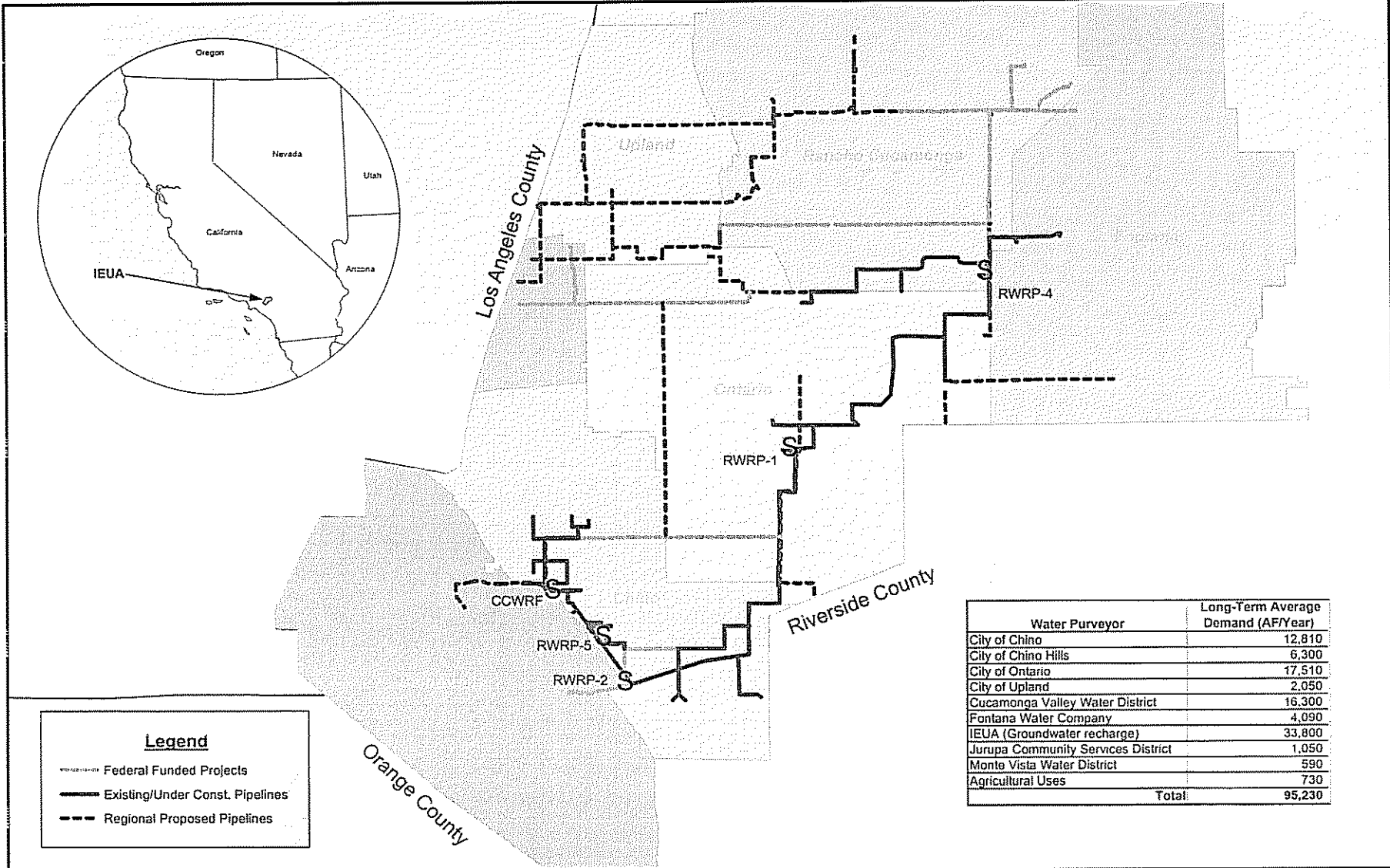
Customer Development Action Plan

- IEUA Drafting a Master Agricultural Engineer's Report for each cities to expedite the connections
- RP-1 South Pump Station nearing 100% design to pressurize the TP-1 Outfall
- Customer turnouts being constructed by IEUA
- Cooperative Customer Development Team with the Cities of Ontario and Chino

Regional Recycled Water Program Short Term Implementation Plan

March 2006





Water Purveyor	Long-Term Average Demand (AF/Year)
City of Chino	12,810
City of Chino Hills	6,300
City of Ontario	17,510
City of Upland	2,050
Cucamonga Valley Water District	16,300
Fontana Water Company	4,090
IEUA (Groundwater recharge)	33,800
Jurupa Community Services District	1,050
Monte Vista Water District	590
Agricultural Uses	730
Total	95,230



Inland Empire Utilities Agency Recycled Water Projects



January 2005

Regional Recycled Water Program Summary

Program Phase	Number of Customers	Demand (AFY)	Capital Cost (millions)
Existing System	100*	7,420*	-
2003/05 (Phase I)	110	13,100	\$27
2004-2006	190	16,200	\$43
2004-2008	220	13,200	\$37
2008-2010	440	10,000	\$30
2010-2012	210	13,900	\$35
2012-2014	140	14,580	\$25
Beyond 2014	350	6,600	TBD
Total	1,900	95,000	\$197

* Includes potential customers near existing facilities. Current demand 12,000 AFY.

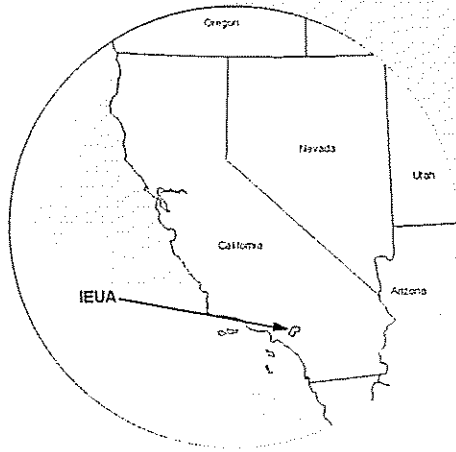
FY 2006 Accomplishments

- Deliveries Doubled to 12,000 AFY
- Edison Ave. Pipeline (August 2006)
- Bickmore Ave. Pipelines (March 2006)
- Phase II Recharge Permit (April 2006)

TYCIP Projects

- Twelve Significant Projects
- Serves 45,000 AFY
- Capital Cost \$126 million
- Grant Funding \$43.5 million
- State Loan Funds \$70.5 million
- Local Funding \$12 million

Project No.	Project Description (projected completion date)	Budgeted Cost (\$ Millions)	State Grant Funding	Federal Grant Funding	SRF Loan	Total Grant/ Loan Funding
1	San Antonio Channel Pipeline (Mar. 2007)	13	3		10	13
2	TP-1 South Zone Pump Station (Feb. 2007)	5	1		4	5
3	RP-4 Reservoir and Pump Station (Oct. 2007)	12		5	7	12
4	Edison Avenue Pipeline (Jun. 2006)	9	7			7
5	Wineville Avenue Pipeline Extension (Oct. 2007)	7	1.5		5.5	7
6	7th and 8th St. Basin Pipeline (Mar. 2007)	3	2			2
7	Etiwanda Ave. Pipeline, Reservoir, Pump Station (2008)	21		10	11	21
8	RP-1 Outfall Parallel (2010)	10		5	5	10
9	San Sevaine, Etiwanda Basin Pipelines (2010)	22	4		18	22
10	Etiwanda Pipeline South (2009)	4	2		2	4
11	Chino/Chino Hills Zone 800 (2010)	11	3		8	11
12	RP-5/2 Recycled Water Pipelines (Apr. 2006)	3.8				
	Land	5				
	Total (\$ Millions)	126	23.5	20	70.5	114



Los Angeles County

Upland

Riverside-Silamona

Ontario

RWRP-1

RWRP-4

CCWRF

RWRP-5

RWRP-2

Riverside County

Orange County

Water Purveyor	Long-Term Average Demand (AF/Year)
City of Chino	12,810
City of Chino Hills	6,300
City of Ontario	17,510
City of Upland	2,050
Cucamonga Valley Water District	16,300
Fontana Water Company	4,090
IEUA (Groundwater recharge)	33,800
Jurupa Community Services District	1,050
Monte Vista Water District	590
Agricultural Uses	730
Total	95,230

Customer Development

- **200** New Customers by 2007 – 18,000 AFY
- Coordination with Agencies
 - Contact with Customers
 - Coordination of Regional and Local Facility Construction
- Technical Support and Financing
 - DHS Engineering Reports
 - Consultant Expertise in Industrial Process and Irrigation
 - Financing of On-site Retrofit
 - Financing of Local Laterals and Facilities

Current Marketing Activities

- 30 Significant Customers Targeted in 2006
 - Recharge
 - Phase I Basins 7,700 AFY – RWQCB Permit on 4/15
 - Phase II Basins 17,000 AFY – Permit Application 7/05
 - Agricultural Customers
 - CIM (1,000 AFY) – October 2005 – Connected
 - Chad's Farms (1,150 AFY) – March 2006
 - Li's Farms (800 AFY) – March 2006
 - Chung's Farm (150 AFY) – March 2006
 - Chino Airport West End (600 AFY) – June 2006
 - So. Cal. Ag. Foundation (500 AFY) – July 2006

Current Marketing Activities

Continued

- **Industrial Customers**

- Inland Paper Board (1,400 AFY) - July 2006
- OLS Energy @ CIM (250 AFY) – December 2006
- Mission Linen (500 AFY) – December 2006
- Cintas Laundry (250 AFY) – June 2007
- Crothall Laundry (120 AFY) – April 2007
- CSI (900 AFY) – TBD
- Other NRW Customers

- **Irrigation Customers**

- Empire Lakes Golf Course (600 AFY) – March 2006
- Kaiser Hospital in Ontario (25 AFY) – April 2006
- 20 CVWD Customers (100 AFY) – Spring 2006
- CIM, CIW, and Youth Facility (500 AFY) – July 2006
- Vellano Golf Course (500 AFY) – December 2006
- 10 Additional Irrigation Customers (90 AFY) – December 2006

Customer Development Action Plan

- Develop Local Facility Plans & Budgets
- IEUA Financing as Needed
- Cooperative Customer Development Team
- Resource Sharing

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Regional Conservation Programs

Monthly Report-February

Highlights

- **Urban Water Management Plan**- The IEUA UWMP was formally adopted at the Board of Directors meeting on November 16th, 2005. It can be viewed on the IEUA website.
- **Urban Water Management Plans for Water Facilities Authority (WFA) & Chino Desalter Authority (CDA)** – The WFA UWMP was adopted at the WFA Board Meeting on November 17th, 2005. The CDA UWMP was adopted after a public hearing on December 8th. Both can be viewed on the IEUA website.

MWD Activities

- **MWD Incentive Rate**- At its December 13th board meeting MWD adopted a new conservation incentive rate of \$195/AF up to 100% of the cost of a device. The new rate is effective immediately.

Landscape Programs

- **“SmarTimer of Inland Empire” Weather-Based “ET” Irrigation Controller Rebate Program**- The final application form and product description for the irrigation controllers have been created and were distributed at the December Conservation Group meeting. They will be available on the IEUA web site in January, 2006.
- **Phase II Landscape Audit Program (05/06)** - The RFP for the 05/06 Audit Program will be released in January, 2006, and the program will commence in spring.
- **Ontario Cares**- City of Ontario will implement a pilot project to integrate “California Friendly” into the city’s program to improve existing neighborhoods. MWD consultant presented “California Friendly” templates to Ontario Cares inspection staff and landscape contractors. MWD will test templates and marketing materials on 4-5 houses and report back with results. The group will finalize materials at the next meeting. Implementation of the “California Friendly” landscape will begin February, 2006.
- **Residential Landscape Classes**- MWD has extended its support of the “PDA” residential landscape classes through FY 2005-06. The next Regional PDA class is February 11, 2006 at the IEUA Event Center.

Commercial/Industrial/Institutional Program

- **(CII SAVE-A-BUCK)**- At the December meeting the Conservation Workgroup agreed to add \$27,000 to the rebate incentives. The group plans to have Honeywell target our retail area in early 2006 with the increased rebates and test how long it takes to expend \$27,000. Honeywell will analyze which devices benefited from the rebate increase, and from those results the group will adjust the program to make it more effective in the future.
- **Conductivity Controller Cooling Tower**- This is a program being implemented by Honeywell/DMC through MWD. To date 15 conductivity controllers have been installed in our service area since the program began in FY00/01.
- **Restaurant Spray Heads**- This is a program being implemented by Honeywell/DMC through MWD. To date 2 spray nozzles have been installed in our service area since the program began in FY00/01.
- **Commercial High Efficiency Clothes Washers**- 15 high efficiency clothes washers were installed in November; two at an apartment Laundromat in Montclair, and 13 at a coin Laundromat in Ontario. To date 305 commercial high efficiency clothes washers have been installed in our service area since the program began in FY00/01.

Residential Rebates

- **Single-Family ULF Toilet Exchange Programs**- The Conservation Workgroup has been discussing alternate options on how to proceed with the ULF toilet exchanges for spring, 2006. This will be a key discussion item for the January 10th meeting.
- **Multi-Family ULF Toilet Program**- Currently, through the direct install program approximately 4,724 toilets have been installed, of which 3,000 were completed between July and November, 2005. The remaining toilets are expected to be installed early 2006. The next round of the program will be funded by a DWR \$1.6 million grant for 22,000 toilets.

- **High Efficiency Clothes Washer Rebate**- Approximately 120 rebates were issued during December, bringing the total for the current fiscal year to 632 rebates. This brings the total number of rebates to approximately 5,691 since the rebate program began in 2002

School Education Programs

- **Garden in Every School**- Notifications to the selected schools were sent out December 1st and then announced at the December 7th Board meeting. Garden design and irrigation systems will begin in January.
- **National Theatre for Children**- The fall school schedule has been completed. NTC is currently working on the spring schedule.
- **Groundwater Model**- Chino Hills' and IEUA staffs are now in the process of learning how to operate the Model. Once this is done meetings to see the model demonstrated will be set up with interested agencies.
- **Solar Cup (2006)** - MWD announced the schedule for the Solar Cup 2006 event. The event will occur May 19th through May 21st, 2006. IEUA (as the member agency) will be represented by three schools: Chino Hills High School and Ayala High School in Chino Hills, and Upland High School.

Outreach

- **Conservation Ads (monthly and special)** - Conservation tips are printed in the Daily Bulletin monthly (on Sundays at the end of each month).
- **Water Education Water Awareness Committee (WEWAC)** – Edugrant applications were reviewed at the December 6th meeting and ten grants were awarded in mid-December. The next meeting is January 24, 2006.
- **BMP Support Grants**- No new action.

Water Conservation Budget/Actual

<u>Revenues (est.)</u>	<u>Annual Budget</u>	<u>Est. Actual to date (FY05/06)</u>
Imported \$4/AF Surcharge	\$380,000	\$206,568
Retail Meter Revenue	\$54,863	\$27,480
Property Tax	\$75,000	\$37,500
Regional Sewage Fund Transfer	\$50,000	\$25,000
Interest	\$25,800	\$12,900
Subtotal	\$583,663	\$309,448

<u>Other Agency Funding</u>		
MWD (est. CCP Credits & Rebates)	\$668,000	\$46,000
Subtotal	\$668,000	\$46,000
Total Budget	\$1,251,663	\$355,448

<u>Expenditures</u>	<u>Budget</u>	<u>Actual</u>
HECWs	\$110,000	\$70,071
ULFTs	\$830,700	\$603,534
Landscape Programs	\$148,000	\$11,054
CUWCC Dues	\$11,000	\$0
Education Programs	\$95,000	\$27,494
Agency Support	\$2,500	\$0
CII Marketing	\$27,000	\$0
BMP Partnership Funding	\$2,000	\$0
Public Information	\$56,000	\$9,000
Totals	\$1,282,200	\$721,153

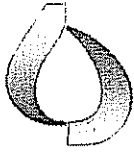
Upcoming Events

CALENDAR

January 26 th -29 th , 2006	WEWAC Display @ Home & Garden Expo. (Pomona Fair Grounds)
February 4, 2006	PDA "Water Wise" Gardening MiniClass (Cucamonga Valley Water District)

February 11, 2006	Regional PDA "Water Wise" Gardening MiniClass (IEUA)
March 4, 2006	Landscape Design Basics PDA Class (4)(City of Upland)
March 11, 2006	PDA "Water Wise" Gardening MiniClass (Monte Vista Water District)
March 11, 2006	California Friendly & Native Plants PDA Class (4)(City of Upland)
March 18, 2006	Landscape Sprinkler Systems PDA Class (4)(City of Upland)
March 22, 2006	Kids Water Awareness Day (Cucamonga Valley Water District)
March 25, 2006	Soils, Watering, & Fertilizers PDA Class (4) (City of Upland)
April 28 th -30 th , 2006	Lemon Festival (City of Upland)
May 13, 2006	Water Awareness Day (Cucamonga Valley Water District)
May 19 th -21 st , 2006	Solar Cup

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Inland Empire
UTILITIES AGENCY

Date: March 15, 2006
To: Honorable Board of Directors
Through: Public, Legislative Affairs & Water Resources Committee (3/8/06)
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: February Legislative Report from Dolphin Group

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

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 – February 2006

ENERGY/REGULATORY

Southern California Edison General Rate Case

All parties involved in Phase II of Edison's General Rate Case have engaged in settlement discussions over the last few weeks in hopes of resolving all issues without litigation. Phase II allocates Edison's revenue requirement among the various classes, and also resolves rate design issues.

Hearings and further testimony have been postponed by the presiding Administrative Law Judge for a few weeks to allow parties further opportunity to reach a settlement. It is anticipated that litigation of the case will resume in early March if parties cannot reach a consensus on Phase II issues.

CPUC Issues Decision on Utility Greenhouse Gas Emissions

In response to the Governor's Executive Order calling for statewide greenhouse gas emission reductions, as well as reports issued by the state Climate Action Team, the California Public Utilities Commission has issued a decision calling for future capping of utilities greenhouse gas emissions from generation facilities.

While the decision lacks any real detail, it references the Governor's executive order that 1990 emissions levels be used as a base-line, and calls for the future development of a "cap-and-trade" system of regulation of the utilities.

BOND ACTIVITY

Discussions continue in earnest at the Capitol as the Legislature weighs Governor Schwarzenegger \$222 billion infrastructure investment plan. While parties have been hopeful to have a proposal ready for consideration by the voters by the June Primary election, a March 10 deadline is looming and the Conference Committee process is just getting underway.

Democrat and Republican legislators have balked at the amount of bond indebtedness in the Governor's proposal, and the Assembly Republicans have floated an "pay-as-you-go" investment plan using current state revenue sources. Democratic lawmakers have also questioned the size of the Governor's plan, and have highlighted additional needs and priorities such as mass transit, education, hospitals, parks and resources and affordable housing.

LEGISLATIVE ACTION

One measure, sponsored by the Chino Basin Coalition, has been drafted and introduced in the Legislature for consideration in 2006.

- **AB 1969 (Yee D-South San Francisco) Municipal Self-Generation**

This measure does not yet have enabling language, but will soon be amended to pertain to removing barriers to the development of renewable energy sources by municipal water and wastewater agencies.

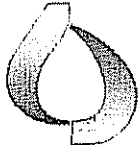
ELECTRIC ENERGY EFFICIENCY FUNDING FOR WATER CONSERVATION

In response to recent broad discussions relating to the possible funding of water conservation efforts by urban water agencies using electric utility energy efficiency programs, DGI, on behalf the Chino Basin Coalition, has investigated possible avenues to broaden current CPUC policy to include such projects.

Currently, California Public Utilities Commission policy only allows for these funds to be used for hot water projects, such as water heater replacements. Cold water projects are not eligible for funding.

In late 2005, the CPUC issued an interim decision denying eligibility of such projects, but did so on the basis of a weak record. The Commission ordered the judge in the energy efficiency policy ratemaking proceeding to set a schedule for consideration of cold water conservation projects. While the judge has not yet issued a ruling on this topic, the CPUC is expected to address it in the coming months.

DGI will monitor this proceeding, and offer testimony and information as necessary. DGI is also considering the introduction of legislation to possibly spur action on this issue at the CPUC. A spot bill preserving this opportunity will be introduced by the February 24 deadline.



Inland Empire
UTILITIES AGENCY

Date: March 15, 2006
To: Honorable Board of Directors
Through: Public, Legislative Affairs & Water Resources Committee (3/8/06)
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: February Legislative Report from Copeland and Associates

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

BACKGROUND

Letitia White provides a monthly report on their federal activities on behalf of IEUA.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD:jbs
G:\board-rec\2006\06063 February Leg Report from Copeland and Associates

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Copeland Lowery Jacquez Denton & White LLC
Specializing in Government Relations

Memorandum

TO: Rich Atwater and Martha Davis
FROM: Letitia White and Heather McNatt
Copeland Lowery Jacquez Denton & White
DATE: February 23, 2006
RE: Monthly Legislative Report

CLJ has been busy this month preparing IEUA's appropriations requests for Capitol Hill and planning for the IEUA delegation to visit Washington during the ACWA conference next week. CLJ staff drafted new white papers and appropriations forms for the IEUA request from the Bureau of Reclamation, and we continue to look for opportunities for funding in the Agriculture Appropriations bill. We have also worked to arrange meetings with key Hill staff to make sure that the Congressional delegation is aware of IEUA's needs for FY '07.

Congress is out of session for the President's Day recess this week, but they return to work next week. Capitol Hill continues to react to news of the Bush Administration's plan to contact with a company from Dubai for port security. Hearings, and possibly floor action, on the Dubai contract are expected when Congress returns. Behind the scenes, the appropriations committees are working on the White House's latest supplemental spending request to fund operations in Iraq and Afghanistan. At a price tag of \$70 billion, the request will again focus the Hill's attention on America's continued involvement in the Middle East. Costs to repair and replace equipment in Iraq and Afghanistan total almost \$20 billion of the request. A separate supplemental request of \$18 billion for hurricane recovery is expected on the Hill soon.

President Bush's FY '07 Budget

The President's Budget was released on Monday, February 6th, marking the official beginning of the '07 appropriations season. The Hill is still digesting the President's budget request, and hearings in the House and Senate are underway. The House and Senate Budget Committees will soon begin work on budget plans of their own for Congress' review.

The \$2.77 trillion budget proposal would cap the growth of overall discretionary spending at \$870.7 billion, a 3.2% increase over last year. Spending unrelated to defense and homeland security would be cut by 0.5%, and education, health and social services spending would be cut by \$4 billion, or nearly 3%. The budget also proposes terminating

141 domestic programs for a savings of approximately \$15 billion. Funding for the Pentagon would rise by 7% to \$439.3 billion and homeland security spending would increase by approximately 3% to \$33.1 billion. The President is seeking to cut the federal budget deficit in half by 2009, mainly through spending restraint. About \$1.7 trillion of the total budget — or 63% of expected spending — will be mandatory spending. The Congressional Budget Office's (CBO) baseline for fiscal 2007 projects that mandatory spending for entitlements such as Social Security, Medicare and Medicaid will rise to \$1.5 trillion, while interest on the national debt will rise 12% to \$244 billion.

The Bureau of Reclamation section of the President's Budget includes the Water 2025 initiative. Under that program, the Bureau of Reclamation is supposed to use existing resources to prevent crises and conflict over water in the West. The 2007 Budget requests \$15 million to continue the Water 2025 initiative. These funds are supposed to help achieve the program's newly established long-term goals, which focus resources on Hot Spot areas likely to experience water conflicts in the next 20 years. These goals include diversifying water supplies, such as through improving technology and infrastructure and supporting water markets; increasing water supply certainty and flexibility; and providing added environmental benefits to watersheds in Hot Spot areas. It remains to be seen how the Hill will treat the Bureau of Reclamation for FY '07, but CLJ will continue to monitor the process.

We emailed an overview of the budget to our clients on February 6. If you would like another copy, or did not receive it, please send an email to cstrobel@clj.com and we will forward it to you.

Clerical Error May Force Another Vote on Deficit Reduction Act

As a result of a clerical error in the Senate, S. 1932, the Deficit Reduction Act of 2005 is now under something of a legal cloud and an additional vote on the measure may be necessary. It was revealed this week that, after Senate passage of S. 1932 in December 2005, a Senate clerk made an error in transcribing the bill, inadvertently changing from 13 months to 36 months the amount of time Medicare would pay rental fees on certain medical equipment. As a result, the bill sent to the House for a final vote on February 1, 2006 was not identical to the bill as passed by the Senate. After House passage of S. 1932, the Senate clerk corrected the error before it was sent to the President for signature. As a result, the bill signed by the President on February 8, 2006 was not identical to the bill passed by the House.

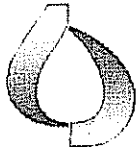
The validity of the measure has been called into question in the wake of this revelation. In response, the Senate adopted a resolution on February 8 (S. Con Res. 80) declaring that the bill as signed by the President reflects the intent of the Congress. However, when the measure was brought to the House floor for a vote under a unanimous consent request, Democrats objected. As of today, Democrats had not announced their intentions and some legal scholars were questioning whether the Senate resolution would be enough to head off a court ruling declaring the law invalid.

Further Lobbying Reform Developments Expected Shortly

Following the election of Rep. John Boehner (R-OH) as the new House Majority Leader, House Republicans convened their annual legislative retreat to consider their policy agenda for 2006. Among the issues expected to be addressed following the retreat is a proposal for lobbying reform and changes to House gift rules. House Rules Committee Chairman David Dreier (R-CA) has previously indicated he hopes to present a reform package to the full House by early March.

Majority Leader Frist has asked both the Senate Rules and Homeland Security and Governmental Affairs Committees to hold mark ups and vote the week of February 27th on lobbying legislation and Senate rules changes regarding earmarks, member travel and gifts. He then hopes to schedule floor time shortly after the committees vote on the different proposals.

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Inland Empire
UTILITIES AGENCY

Date: March 15, 2006
To: Honorable Board of Directors
Through: Public, Legislative Affairs & Water Resources Committee (3/8/06)
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: February Legislative Report from Agricultural Resources

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

BACKGROUND

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

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

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Agricultural Resources

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Washington, D.C. 20002-5811
(202) 546-5115
(202) 546-4472-fax
agresources@erols.com

February 23, 2006

Legislative Report

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

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

SU: Legislative Report, February 2006

Highlights:

- Administration Budget Submitted To Congress – Title XVI Slashed
- Senate Energy Committee, Recycling and Desalination Policy, Oversight Hearings to Occur February 28
- DWR B-160 Report Released, Recycled Water, Desalination are Major Features of California's Water Future
- Subcommittee on Water and Power (House) – Budget Hearing, Call For Questions on Title XVI, Related Issues
- Colorado River, Shortage Allocation Negotiations – Title XVI Questions
- Perchlorate – Feinstein and Pombo Introduce Cleanup Legislation
- President Bush's State of the Union Speech – Alternative Energy Emerges as New Priority
- News and Notes
- IEUA Working Partners

Administration Budget Submitted to Congress, Title XVI Slashed. On February 6, the Bush Administration submitted to Congress its proposed budget for the fiscal year beginning October 1. The Bureau of Reclamation is continuing its policy of defunding Title XVI. This

continues the trend of the last several years. Committees and members are “not happy” with this development. Look for this to emerge as an issue as the Budget and Funding process continues.

Senate Energy Committee and Water Recycling, Desalination Policy – Policy Oversight Hearings. The Senate Water and Power Subcommittee is holding an oversight hearing on February 28. This has been long-awaited and is part of the on-going Title XVI policy review initiated by the House and Senate Resource and Energy Committees. Rich Atwater is testifying on behalf of WaterReuse, Virginia Grebbien, OCWD is testifying and so is Tom Donnelly, National Water Resources Association. Donnelly and his organization have traditionally not been involved in Title XVI issues, but reportedly are not pleased with the Bureau of Reclamation or their attitude towards the program. Rich Atwater will be meeting with Assistant Secretary of the Interior for Water and Science, Mark Limbaugh, and his Deputy, Jason Peltier and the Commissioner, Bureau of Reclamation, John Keys the morning of the hearing. We’re also now anticipating that Chairman Domenici will direct that Josh Johnson assume Committee responsibility for this program beginning next week. Johnson, you may recall, worked on the House Water and Power Subcommittee for two different chairs – Doolittle and Calvert – and is very familiar with the Title XVI program.

DWR B-160 Report Released – Water Recycled, Desalination Major Part of California’s “New Water” Future. Every five years, since 1957, DWR publishes a major water planning study called Bulletin-160. DWR concluded work on the current study in December, 2005 and published the results this month. DWR identified eight categories of “new water” for the State and considered it “two ways,” a low and a high estimate. It also considered 2030 as its planning and implementation horizon. The low estimate says that California will produce more than three (3) million acre-feet and the high estimate is more than six (6) million acre-feet. Of the low estimate, water recycling, urban water use efficiencies, desalination and groundwater storage are the “big producers.” CALFED storage, by contrast, is expected to produce only 75,000 acre-feet in the next two and a half decades. IEUA’s recycling program is, by itself, greater than the proposed storage program. This study is getting wide circulation and attention here in Washington.

Subcommittee on Water and Power – Budget Hearing, Call For Questions on Title XVI. The staff to Resources Committee Chair, Richard Pombo and Subcommittee on Water and Power Subcommittee, Rep. George Radanovich, have called for “questions” on Title XVI to be prepared and submitted for them to ask at the up-coming early March hearing on the Bureau of Reclamation’s proposed budget. They are signaling that they want to ask tough questions about the program and have asked all the water agencies for help. This is another signal that DOI and the Bureau of Reclamation are out of step with ALL western interests and members. Look for both Chairman Radanovich and Ranking Member Napolitano to be at the forefront of asking these questions.

Colorado River – Shortage Allocation Negotiations – Progress and Title XVI

Questions. Pursuant to demands from Secretary Norton, Assistant Secretary Limbaugh, Commissioner Keys and the Interior Department and the Bureau of Reclamation, MWD, the State of California, Southern California water users and their Colorado River partners, have taken the first step to adopt Colorado River “shortage allocations.” Congressional staff is now discussing a review of these allocations and want to ask Interior how Title XVI can be used to stretch local supplies throughout the Basin. Remember, Secretary Lujan, in the Bush I Administration in August 1991, initiated what is now known as Title XVI and considered the water to be produced “replacement water” for California reducing its Colorado River water from 5.2 to 4.4 MAF.

Perchlorate. Senator Feinstein, Chairman Pombo introduced legislation in House and Senate to establish a California perchlorate cleanup program. This legislation, long-awaited, was introduced. It proposes to provide authority and funding for perchlorate cleanup in both Southern California (Santa Ana River Basin Watershed) and Santa Clara Valley. The immediate question – will hearings be held and when. No answer yet, but efforts are underway to negotiate that with the committees.

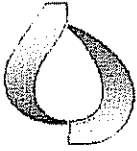
President Bush’s State of the Union Speech – Alternative Energy Emerges as a Priority. The State of the Union speech made headlines with the “addicted to oil” statement. More significantly, the President made “alternative energy” a priority, including biogas. IEUA will be meeting with Administration officials and others to pursue this opportunity.

News and Notes. **Commissioner Keys.** The Commissioner has let it be known than he will step down later this Spring. This will cap an almost four decade career with the Bureau. **ACWA’s Matt Maucieri (ACWA’s DC office).** Matt has left ACWA to join the Bureau of Reclamation’s DC staff. **State of the Union.** New opportunities for 2007 Farm Bill. Preliminary discussions are already underway. **USGS – New Study on Western Water.** The Geological Study just published a new study on Western Water. **NAS Study on BuRec.** National Academy of Sciences Study on Bureau of Reclamation Organization. **EPA Extends CAFO Permit Application Deadline.** In February, EPA announced that the CAFO permit deadlines were being extended. **Congressional Earmarks.** Discussions about “earmark” reform are underway. This is the process by which congressional appropriators define funding priorities. There are proposals to limit earmarks and to increase “transparency.” Not clear when or how this will be resolved.

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

- a. Metropolitan Water District of Southern California (MWD)
- b. Milk Producer's Council (MPC)
- c. Santa Ana Watershed Project Authority (SAWPA)
- d. Water Environment Federation (WEF)
- e. Association of California Water Agencies (ACWA)
- f. WateReuse Association
- g. CALStart

- h. Orange County Water District (OCWD)
- i. Cucamonga Valley Water District (CVWD)
- j. Western Municipal Water District
- k. Chino Basin Watermaster



Inland Empire
UTILITIES AGENCY

Date: March 15, 2006
To: Honorable Board of Directors
Through: Public, Legislative Affairs & Water Resources Committee (3/8/06)
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: February Legislative Report from Geyer and Associates

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

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\2006\06065 February Leg Report from Geyer

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BILL GEYER
JENNIFER WEST



CONSULTING AND ADVOCACY IN CALIFORNIA GOVERNMENT 1029 K ST., SUITE 33, SACRAMENTO, CA 95814 (916) 444-9346 FAX: (916) 444-7484 EMAIL: geyernw@pacbell.net

MEMORANDUM

TO: Rich Atwater and Martha Davis
FROM: Jennifer West
DATE: February 23, 2006
RE: Legislative Report

Water Bond Negotiations Kick Into High Gear

The Governor's proposed water bonds, and his other infrastructure bond measures, continue to dominate the political landscape in Sacramento. Throughout the month of February, policy committees in both the Assembly and Senate reviewed the various components of the proposal, as well as the other water/resources bonds that are being considered by the Legislature. Tomorrow both policy committees will submit majority and minority reports to the Bond Conference Committee for their consideration.

A few of the major policy questions include:

- Should the bond be for 2006 and 2010 or just for 2006?
- Should the bond include funding for surface storage and if so, how much?
- Does the IRWMP warrant a \$1 billion allocation in the bond for 2006?
- Should the Legislature include funding for habitat in the proposed measure and if so, how much?
- Should a Water Resources Investment Fund (a statewide water tax) be included in the proposal and if so, how should it be structured?
- If the Northern California levee system is to be funded, should land use restrictions be required in floodable areas?

It is expected that these and other major policy decisions outlined in the committee reports will be decided by the "Big Five" – who are the Governor, the Assembly Speaker Fabian Nunuz, Assembly Republican Leader Kevin McCarthy, Senator pro Tempore Don Perata and Senate Republican Leader Dick Ackerman. If the Legislature is going to place a water bond on the June 2006 ballot, the measure must be passed and signed no later than March 10. If this fails to happen, then the Legislature will have until mid-July to pass a measure in time to make the November 2006 ballot.

IEUA Priorities in Bond Measure

IEUA and WaterReuse have been working together to try to insert funding for water recycling in the Governor's bond. We have had numerous meetings with legislators, staff and the Governor's office about the issue. It is expected that the inclusion of recycled water funding will be one of the recommendations coming out of the majority reports in both committees.

IEUA and SAWPA have also expressed their opposition to the Governor's proposed water fee/tax, as written. The proposal, which is currently linked to the bond, calls for a \$3 per month water fee on residents, \$10 per month fee on commercial and \$10 per month fee on large agricultural operations. These funds would be collected from all retail water agencies by the BOE. Half of the amount would be used by the state for projects of "statewide concern", while the other half would go to fund IRWMP entities -- in our region to SAWPA. Agencies within SAWPA would then submit local project applications and compete for these funds within the region.

Bond Politics

At this point, it is very difficult to tell how or whether the Legislature and Governor can craft a deal on the bond that will garner a two-thirds vote. There are so many factions within the Legislature and constituency groups, each with opposing ideologies on all the major policy issues within the bond.

Meanwhile, "The Safe Drinking Water, Water Quality and Supply, Flood Control River and Coastal Protection Bond Act of 2006" has begun circulating for the needed signatures to place it on the November 2006 ballot. This initiative was drafted by the proponents of Proposition 50. It is a \$5.8 billion bond measure, which contains approximately \$3 billion for water related projects and \$2.8 billion for habitat/park projects. The proponents have said they will drop this initiative if the Legislature passes a similar measure.

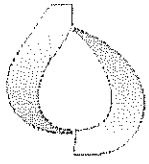
Inland Empire Utilities Agency

Positions List

February 23, 2006

	Summary	Status	Position
AB 371 (Goldberg) Recycled Water	Sponsored by WaterReuse. Makes a number of changes recommended by the Water Recycling Task Force. Some water agencies had concerns with the bill and it was stripped of numerous controversial provisions. WaterReuse continues to try to work out the remaining problems with the bill.	Senate Floor	Support
AB 1421 (Laird) Contamination	Sponsor said that they do not intend to pursue the bill in 2006. Would have given a RWQCB the authority to issue a cease and desist order for any degradation of water quality – even if it involved recycled water.	Senate E.Q.	Oppose unless amended
AB 1969 (Yee) Energy	IEUA sponsored. Helps offset demand while increasing environmentally friendly renewable energy production to meet the state's goals.	New introduction	Support
SB 153 (Chesbro) Resources Bond	2006 Park and Water bond measure. Contains \$200 million for the Integrated Regional Water Management Program and other coastal and water quality funding. This will be one of the bond measures under consideration for inclusion in the Governor's resources bond or in Senator Perata's infrastructure bond.	Bond Conference Committee	Support
AB 1839/ SB 1166 Governor's Water Bond	See cover memo for details on the water bond.	Bond Conference Committee	Support if amended on Bond Oppose unless amended on WRIF
SB 1317 (Torlakson) Property Tax	Would alter the manner in which certain property tax revenue is allocated within a county. Sponsored by Southern California Edison. Existing law requires the Board of Equalization (BOE) to annually assess unitary property taxes and requires county auditors to allocate revenues from state-assessed unitary property to local jurisdictions based on the prior year's share of unitary property tax revenues. BOE annually assesses every electric	New introduction	Recommend Oppose

	<p>generation facility that is owned and operated by an electrical corporation that has a generating capacity of 50 megawatts or more. Revenues derived from state assessment of specified electrical generation facilities are to be allocated as though the facilities were locally-assessed. Sponsors of the bill say that it would encourage the development of electric substation and generation facilities by allocating all of the property tax revenue from the property to the county in which the facilities are built. After school entities and county entities receive the amount of property tax they have received in prior years, the remaining tax would be allocated to the city or county (depending upon the location) in which the facility is built. Special districts are left out of the equation.</p>		
Watch List			
Bill #	Summary	Status	
AB 1881 (Laird) Landscape Conservation	Spot bill on water conservation in landscaping. This will be the vehicle to implement the recommendations of the water conservation landscape advisory taskforce.	New introduction	
AB 2160 (Lieu) Green Buildings	Intent language to require state agencies to develop voluntary model statewide residential green building guidelines and to provide information to local jurisdictions on how to evaluate and use different green building strategies.	New introduction	
SB 956 (Simitian) Bay Delta	Spot bill on the Bay-Delta.	New introduction	
SB 1242 (Lowenthal) UWMP	Intended to reduce duplicative requirements in the preparation of an UWMP. Allows an urban water supplier to satisfy the requirements of the UWMP law by adopting, by resolution of its governing board, an area wide UWMP. Sponsored by Long Beach Water Department.	New introduction	
SB 1251 (Alquist) Floods	Requires DWR, not later than 2007, to convene a task force to prepare a comprehensive statewide flood and stormwater management plan with prescribed components and a financing strategy for the implementation of the plan.	New introduction	
SB 1446 (Torlakson) Delta Fees	Legislative intent to authorize the Reclamation Board, in consultation with DWR, to establish a "beneficiary pays system" and to collect user fees and assessments for levee maintenance and other flood control purposes in the Delta.	New introduction	



Date: March 15, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs & Water Resources Committee (3/8/06)

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

Submitted by: Sondra Elrod
Public Information Officer

Subject: Public Outreach and Communications

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

Outreach/Tours

- March 9, 2006, Metropolitan Water District Tour, sponsored by Director Timothy F. Brick 7:00 am to 5:30 pm

Calendar of Upcoming Events

- March 7, 2006, Fontana Arbor Day 10:00 am to 1:00 pm Mary Vagel Nature Museum
- March 7, 2006, "Inland Empire Legislative Reception" in Sacramento, 5:30 pm to 7:30 pm
- March 20, 2006, IEUA hosted Special District dinner at Panda Inn, Ontario, 6:00 pm
- March 22, 2006, CVWD's Kid's Day 9:00 am to 2:00 pm
- April 13, 2006 time and place TBD, MWD's legislative briefing breakfast

Outreach/Educational Inland Valley Daily Bulletin Newspaper Campaign

- February 28, 2006, eight-page piece to showcase IEUA, CBWM, CBWCD, 3 Valleys MWD and Western MWD
- March 31, 2006, two-page Civic Leadership ad

PRIOR BOARD ACTION

None.

Public Outreach and Communications
March 15, 2006
Page Two

IMPACT ON BUDGET

None.

Groundwater Recharge Status

- Operations
 - Storm Season has been mild, recharge = approx. 4,000 AF (Dec. 05 thru Feb 06)
 - Imported Water Recharge has made up for mild storm season, 10,600 AF (Dec. 05 thru Feb 06)
- Recycled Water
 - Phase 2 Permit Public Hearing on April 20,'06
 - Phase 1 Start-Up Completed for Banana and Hickory Basins
 - Phase 1 Start-Up for Turner Basins Follows Storm Season
 - RW Recharged totals 1,231 AF, FY to date

Recharge Summary By Basin

Drainage System	Recharge Volume (AF)									
	Basin	Jul 2005	Aug 2005	Sep 2005	Oct 2005	Nov 2005	Dec 2005	Jan 2006	Feb 2006	Total
San Antonio Channel Drainage System										
College Heights East	-	-	-	228	141	205	182	207	963	
College Heights West	92	122	383	437	313	256	397	395	2,394	
Upland	-	-	454	607	630	390	555	704	3,339	
Montclair 1, 2, 3 & 4	848	-	-	78	489	856	624	818	3,713	
Brooks	33	175	684	127	390	363	257	393	2,422	
Non-replenishment* (MVWD)	(33)	-	-	-	(60)	(20)	-	(44)	(156)	
West Cucamonga Channel Drainage System										
8 th Street	-	-	60	73	60	60	66	187	505	
7th Street	-	-	-	60	-	-	50	56	166	
Ely	-	-	-	336	146	249	218	422	1,372	
Non-replenishment* (GE)	-	-	-	(106)	(131)	(107)	(8)	(80)	(432)	
Cucamonga and Deer Creek Channel Drainage Systems										
Turner 1 & 2	-	-	89	95	179	359	262	152	1,136	
Turner 3 & 4	-	-	-	-	-	124	75	71	270	
Day Creek Channel Drainage System										
Lower Day	159	511	545	310	277	265	357	306	2,730	
Etiwanda Channel Drainage System										
Etiwanda Debris	102	127	102	108	248	208	214	221	1,330	
Victoria	-	-	-	49	-	9	26	43	127	
San Sevaine Channel Drainage System										
San Sevaine	469	213	558	575	1,142	986	968	1124	6,035	
Banana	212	254	129	54	8	29	56	77	820	
Hickory	265	487	269	115	92	39	95	114	1,477	
Declez Channel Drainage System										
RP3	31	31	60	78	60	60	33	64	417	
Declez	11	11	30	114	30	30	35	110	371	
Subtotals	2,189	1,930	3,363	3,340	4,013	4,362	4,463	5,337	28,999	



CHINO BASIN WATERMASTER

V. INFORMATION

1. Newspaper Articles





Water agency is no model of accord

OPPOSED: The governor visits today to tout a regional authority that disagrees with his plans.

08:39 AM PST on Friday, February 17, 2006

By **JIM MILLER / Sacramento Bureau**

The Inland agency held as the model for the regional approach envisioned in Gov. Schwarzenegger's \$29 billion waterworks plan has come out against a key part of the legislation.

Schwarzenegger is scheduled to visit Prado Dam near Corona today to praise the Santa Ana Watershed Project Authority and encourage other water agencies to take similar approach.

The authority, formed in the early 1970s, includes five agencies providing water and wastewater services to parts of Riverside, San Bernardino and Orange counties. Administration officials consider the authority a statewide template for tackling waterworks problems on a regional basis instead of each agency acting independently.

Earlier this week, however, the authority voiced its opposition to a major piece of Schwarzenegger's water plan -- a proposed monthly charge on every water user in the state that would raise an estimated \$5 billion for water projects over 10 years.

Inland officials complain that the charge would take an estimated \$50 million in local money and send it to Sacramento.

"Right now you want the money without any assurances we're going to get a reliable statewide water supply," said Geoffrey T. Vanden Heuvel, a Chino dairyman and member of the Chino Basin Water Conservation District, which also opposes the monthly user charge.

The water proposal is part of the governor's \$222.6 billion plan for new roads, levees and other infrastructure improvements, which includes \$68 billion in borrowing.

Schwarzenegger has said he wants the first installment of bonds -- totaling \$25.2 billion -- to go on the June ballot. To do that, the Legislature would have to approve a bond package by March 10. The governor has said he also is open to a November bond measure.

Democratic and Republican lawmakers object to the size of the governor's proposed bond package, calling it too large.

In addition, Republicans have called for changes to environmental and union-labor rules, while

Democrats want nonprofit hospitals, parks and affordable housing to be part of any borrowing proposal.

The conference committee crafting the bond legislation met for the first time Thursday. It heard testimony from administration officials and the Legislature's nonpartisan fiscal analyst but made no decisions.

Reach Jim Miller at (916) 445-9973 or jmiller@PE.com

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Online at: http://www.pe.com/localnews/corona/stories/PE_News_Local_M_sawpa17.1d26bf03.html



Water agencies say they'll go with flow

PACT: Districts agree to settle how Seven Oaks Dam water will be split -- if the state says it's OK.

08:12 AM PST on Wednesday, January 25, 2006

By JENNIFER BOWLES / The Press-Enterprise

Inland water agencies involved in a long-standing dispute have agreed how they would like to divvy up what could be billions of gallons of water that stockpiles behind the towering Seven Oaks Dam near Highland.

But officials at the State Water Resources Control Board said Tuesday that they'll have to give that agreement their stamp of approval as they weigh who will get the rights and how much additional water actually exists in the Santa Ana River.

"We won't put something in a permit that we can't enforce ourselves," said Jim Kassel, assistant chief of the board's water-rights division.

The construction of the 550-foot dam, dedicated six years ago, created a new opportunity to collect river water that otherwise would wash toward the Pacific Ocean.

Agencies say an extreme rainy season could result in 65 billion gallons of rain and snowmelt collected behind the barricade, enough to serve 400,000 homes for a year.

The extra water, which could be served as far away as western Riverside County, is seen as crucial for the growing Inland region and is far cheaper and typically of better quality than imported water.

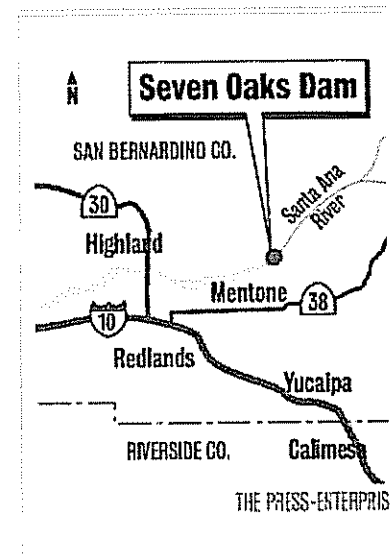
Under the settlement agreement, San Bernardino Valley Water Conservation District will reduce the amount of water it's seeking from a state permit and withdraw its protest of efforts by Riverside-based Western Municipal Water District and the San Bernardino Valley Municipal Water District to get their own state-issued rights to water.

In exchange, the water agencies will not contest the conservation district's historic use of the water.

Since 1910, the conservation district has taken water from the river and nearby Mill Creek and stored it in an adjacent aquifer known as the Bunker Hill basin, where it can be pumped for later use.

"In essence, we agreed to not disagree," said Bob Reiter, general manager of the San Bernardino Valley Municipal Water District, whose effort to get the water right dates back to 1991.

Tom Crowley, assistant general manager of the conservation district, said his agency agreed last August to



withdraw its protest after getting assurances that the Bunker Hill basin would be the first priority for the water behind the dam before any water was sent to another storage facility or aquifer.

The conservation district, Crowley said, will also allow the other water agencies to build pipelines and other facilities on its property near the dam.

Melodie Johnson, a spokeswoman for Western Municipal, said the agreement allows for the potential to transport some of that water in a proposed 28-mile pipeline so it can be served to residents in Riverside, Corona, Rubidoux, Jurupa, Norco and Lake Elsinore.

Crowley said all sides were motivated to reach an agreement before going before the state water board.

"We didn't want to go to the state board in an adversarial environment," he said.

Before the state issues any water rights, environmental laws will have to be met, said Jane Farwell, an environmental scientist with the state board.

She said those include determining how much of the dam's water will be needed to maintain the downstream habitat of three endangered species -- two plants and a kangaroo rat -- which requires regular flooding.

In the summer of 2004, Reiter's agency and Western reached similar deals with six historic users of the river's water -- including the city of Redlands -- in which they also agreed to withdraw protests.

Reach Jennifer Bowles at 951-368-9548 or jbowles@pe.com

Online at: http://www.pe.com/localnews/pass/stories/PE_News_Local_C_dam25.12f56184.html

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Lawmakers want \$50M for rocket-fuel cleanup

By Amy Frye, Staff Writer
Inland Valley Daily Bulletin

New legislation introduced Thursday in the House and the Senate could bring \$50 million to California to clean up rocket-fuel contamination.

The bill would give priority to contaminated areas in San Bernardino and Riverside counties because they are heavily affected by perchlorate contamination.

Perchlorate is a major ingredient in rocket fuel. Contaminated soil and water is known to impair thyroid function and could be potentially harmful for children and developing fetuses.

The California Perchlorate Contamination Remediation Act was introduced by Democratic Sen. Dianne Feinstein and Republican Rep. Richard Pombo of Stockton.

"So far, both the Defense Department and the Environmental Protection Agency have failed to recognize the gravity of perchlorate contamination. In the meantime, communities in California have been forced to suffer the financial burden of trying to provide safe drinking water for their residents," Feinstein said in a press release Thursday.

In addition to providing cleanup grants, the bill asks for \$8 million to develop more efficient and less expensive perchlorate cleanup technologies.

Feinstein and Pombo are asking the Environmental Protection Agency to set a national standard for perchlorate in drinking water.

The contaminant has been detected in Norco where the state is currently conducting an investigation into and cleanup of Wyle Laboratories, a munitions and aerospace testing facility that operated in the city from the 1950s to the 1990s.

Residents concerned with the impact contamination from Wyle is having on their health have been pushing the state for a faster cleanup and more comprehensive investigation.

Tony Mauro, a biologist who sits on the Citizens Advisory Group to help residents understand the status of the Wyle cleanup, praised the proposed bill.

"The problem is the equipment to clean up perchlorate is expensive and the operation of the equipment is expensive, so if they could do something to make that process faster, that's great," Mauro said.

He added that so far Riverside County has been very successful in reducing the levels of perchlorate in drinking water, but this money would help them even more.

In Rialto, Fontana and Colton, perchlorate was found in at least 20 wells and has been seeping into the cities' water supply since World War II. The contamination is thought to come from old ammunition bunkers and fireworks companies near the Mid-Valley Landfill in Rialto.

Rialto has filed lawsuits against the Department of Defense, which manufactured munitions in the area, San Bernardino County and 39 companies believed to be responsible.

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Board sides with Claremont

Vulcan Company's request for mining project denied

By Caroline An
Staff Writer

CLAREMONT — The state Mining and Geology Board on Wednesday backed the city in its dispute with Vulcan Materials Co. about its request to mine sand and gravel in the city's northeast section, but not without some criticism.

In the 4-3 vote, the board found enough evidence to support the city's denial in issuing an amendment in its General Plan that would have allowed mining in an area designated as open space.

"Vulcan is understandably disappointed with the state Mining and Geology Board's ruling last night. We are, however, pleased that the Board acknowledged its disappointment with the city's lack of responsibility and failure to implement SMARA," said Vulcan officials

in a statement released Thursday.

Throughout the deliberations, some board members were critical of several missteps made by the city, including its failure to adopt a Surface Mining and Reclamation Act (SMARA) ordinance. State law requires that cities adopt this regulation regarding the use of any land after a mining operation is completed.

"The city hasn't taken responsibility to regulate mining, allowing us to step in," said Robert Griego, a state board member. "The city has to adopt an ordinance as soon as possible."

The city, however, argues that a mining ordinance isn't necessary if mining doesn't exist. Once a mining permit is submitted, the city's logic follows, then an ordinance has to be adopted.

Derek Cole, a city lawyer,

noted that the city wasn't barring Vulcan from mining, but that they wanted to solve the zoning issue.

Vulcan's initial efforts involved a request for a zoning change for the area from open space to business/industrial park.

"We believed that the zoning issue should be addressed first," Cole said. "We are going forward with the ordinance now in light of the board's comments."

A draft of a mining ordinance that will put the city in compliance with SMARA is expected to be reviewed by the City Council this spring.

Councilmembers note that they have started the process of developing an ordinance — and last night's decision speeds up the timetable.

"In hindsight, we should have gone ahead and done it when Vulcan first approached the city," Mayor Sandy Baldonado said.

Councilmember Peter Yao felt that the board criticism was understandable.

"We were aware that we had

valuable resources in the 1980s. We should have proposed the SMARA plan and yet we failed to do so," he said.

"We didn't do it, and they were justifiable in terms of saying, 'You should have done it. There's no excuse for not doing it.'"

The area in which Vulcan wanted to mine is 214 acres at the north end of the San Antonio Spreading Grounds in front of San Antonio Dam. In 1987, the state designated the property as an area of significant mineral resources. Vulcan has leased the property from the Pomona Valley Protective Association since 1973 with the intention of mining there once its nearby Upland site was exhausted.

The plan called for operating the mine for more than 10 years.

In his statements, Vulcan attorney Joel Deutsch faulted the city for approving in 1990 Baldy View Estates, an adjacent housing development, in an area with mineral resources. In addition, he said that the city didn't prepare an impact analysis report on that development.

City staff noted that an im-

pact report was developed and sent to state agencies, including the mining board, for comment.

The city received no comments, said Greg Gubman, senior planner.

Community presence at Wednesday's meeting was estimated at nearly 300 people. Many who attended feared for their quality of life if mining were to begin in their neighborhood.

"This project is putting fear into the community," said resident Michael Kunce.

While the board decision is a victory, a civil suit brought by Vulcan against the city is still pending, and the city is mindful that Vulcan may again seek permission to mine at the site.

"We're waiting for the next shoe to drop," Baldonado said. "There's probably a lot of legs with a lot of feet so there will be a lot of shoes coming down."

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Medications Discovered in Aquifers

LA
TIMES

1/30/04

Various drugs are detectable in local water supplies that have been derived from treated sewage. The health risk, if any, is unknown.

By MARLA CONE
Times Staff Writer

Behind a tangle of willows, every second of every day for almost half a century, recycled sewage has gushed into an El Monte creek and nourished one of Los Angeles County's most precious resources: the drinking water stored beneath the San Gabriel Valley.

Cleansed so thoroughly that it is considered pure enough to drink, this flow from the Whittier Narrows reclamation plant meets all government standards. Yet county officials now report that they have found some potent — and until recent months undetected — ingredients in the treated waste: prescription drugs.

As new technology enables detection of infinitesimally smaller doses of chemicals in the environment, Southern California water-quality officials have learned that an array of hardy pharmaceuticals are defying even the most sophisticated sewage treatments in use.

Around the world, waterways and groundwater basins are virtual drugstores, awash in low doses of hundreds of prescription drugs excreted by people and flushed down drains.

Wherever there is sewage, there are traces of whatever pills people have popped: antibiotics and antipsychotics, birth-control hormones and beta blockers, Viagra and Valium.

"There is no place on Earth exempted from having pharmaceuticals and steroids in its wastewater," said Shane Snyder, head toxicologist at Las Vegas' water provider, the Southern Nevada Water Authority, and one of the nation's leading experts on pharmaceuticals in water. "This is clearly an issue that is global, and we're going to see more and more of these chemicals in the environment; no doubt about it."

Locally, small amounts of medicines for depression, seizures, high cholesterol, anxiety, infections, inflammation and pain — among other ailments — have been detected in the wastewater that flows into California streams and seeps into drinking-water aquifers. The contamination raises questions about the safety of reclaimed water consumed by the public and the health of wild creatures that inhabit waterways.

The concentrations are so minuscule — in parts per trillion, or a few drops in an Olympic-sized swimming pool — that scientists suspect there is little or no human danger. They acknowledge, however, that no one knows the effects of ingesting tiny doses of multiple drugs continuously over

a lifetime

So far, concerns have focused mostly on the ecological threat. Biologists studying frogs on Prozac, insects dosed with anti-seizure drugs, algae killed by antibiotics and fish feminized by birth-control pills have discovered that some streams contain pharmaceuticals and synthetic estrogen at levels harmful to aquatic life.

"All the data we have compiled indicates these concentrations are trivial to public health. Even putting massive safety factors on this, it still wouldn't have a [human] impact," Snyder said. "Now for wastewater — that's a different story. When you have a fish or endangered species that is exposed 24 hours a day, we do need to look at this."

[See Water, Page B8]

Military Family Aid Fund Untapped

The National Guard is blamed for a lack of awareness but says the rules are too restrictive.

By RONE TEMPEST
Times Staff Writer

SACRAMENTO — A year after it was launched to help activated National Guard families suffering financial hardships, the California Military Family Relief Fund has been a major disappointment to its sponsors.

In 2005, the fund paid out only \$7,687 to just three families from among the 7,000 soldiers activated for federal duty in Iraq, Afghanistan and other postings that year. The emergency fund was designed to help National Guard families facing unexpected bills, such as food, housing, child care, utilities, medical services and insurance.

In comparison, a similar fund in Illinois but which also includes military reservists called up for duty paid \$1.1 million to 2,682 families in its first year of operation. At least half of those who were helped, said Illinois program director Eric Schuller, were members of the Illinois National Guard.

Disturbed by the California relief program's performance, Lt. Gov. Cruz Bustamante, the fund's initial sponsor and primary advocate, wrote a Jan. 2 letter to National Guard Maj. Gen. William H. Wade, requesting an explanation.

"To find that a year later that we have served only a few people is very disappointing. It's shameful," Bustamante said in an interview. "The program is not being used. It's not being utilized."

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Traces of Drugs Are Found in Water Supply

Water, from Page B1

With about 2,000 varieties of prescription and over-the-counter drugs being sold, there are no government standards restricting any of them in drinking water or in effluent released into streams or lakes.

Water and sewage agencies aren't even required to look for them — and most don't. Testing of drinking water for drugs has been so infrequent that no one knows how much people are ingesting. A national association of wastewater agencies warned in November that pharmaceuticals are a "potential sleeping giant."

Los Angeles and Orange counties are among the world's leaders in recycling sewage to replenish water supplies, and officials there worry that the public's perception of the water supply will be tainted.

The Whittier Narrows plant, which has operated in El Monte since 1962, was the nation's first reclamation plant. Since then,

Robert Horvath, the district's technical services director, said tiny doses of over-the-counter drugs aren't that worrisome, but other less common medications can amount to an involuntary though "extremely low" public exposure. The agency, which operates 10 reclamation plants, is one of a few with the ability to test for pharmaceuticals.

"It's such a large list of compounds that even the testing is a lot of work — just teasing out which ones are important. So far, we have no [federal or state] goals to shoot for," Horvath said.

Orange County is spending \$500 million to build the world's most advanced sewage-recycling plant. When operating in 2007, it is expected to bring pharmaceuticals and other contaminants to undetectable levels.

Christian Daughton, chief of environmental chemistry at the EPA's National Exposure Research Laboratory branch in Las Vegas, has said that drugs rival

pesticides but unlike such conventional pollutants, they are unregulated and flow continuously into waterways from sewage treatment plants. The U.S. Geological Survey found one or more pharmaceuticals in 80% of 139 streams tested in 2002.

In a 1999 report, Daughton warned that medications "could lead to cumulative, insidious, adverse impacts" on aquatic ecosystems — such as declining reproduction and survival rates — that "can accumulate over time to ultimately yield truly profound changes," even in protected areas such as national parks.

Fish, frogs and other creatures live, feed and breed in waterways — exposed to the drugs from birth to death.

Collecting carp and other fish in a Dallas stream fed by treated sewage, Baylor University toxicologist Bryan Brooks found fluoxetine, an ingredient of Prozac and other antidepressants. In all fish sampled

In laboratory frogs, Prozac slows growth and metamorphosis, leaving tadpoles more vulnerable to predation, according to research by University of Georgia ecotoxicologist Marsha Black. In fish, it causes lethargy and delays reproduction, and in crustaceans and shellfish, reproductive rates drop.

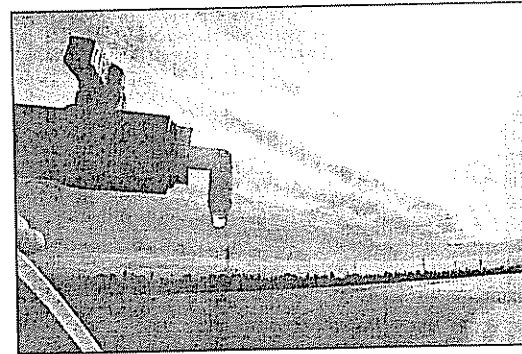
The most striking discovery is feminized fish. Male fish in British rivers, Nevada's Lake Mead, the Potomac River and elsewhere are growing female ovarian tissues from continuous exposure to birth-control estrogens and natural hormone



Photographs by ROBERT GAUTHIER/Los Angeles Times
CONTAMINANTS: Ted Johnson, chief hydrologist for the Water Replenishment District of Southern California, sits near a pipe where effluent treated at the Whittier Narrows treatment plant runs into the Rio Hondo. Fish and other aquatic life are particularly vulnerable.

'There's a question of which pharmaceuticals may be persistent in the environment, which have the greatest potential for adverse effects.'

Michael Wehner, the Orange County Water District



HEALTH: A national association of wastewater agencies has warned that pharmaceuticals are a "potential sleeping giant."

excretions in treated sewage.

Many popular medications, such as acetaminophen and ibuprofen, are eliminated during sewage treatment. But some pass out of the plants unaltered and are released into streams, oceans and groundwater basins.

"Most pharmaceuticals are designed to be tough because they have to get through your body to have a therapeutic effect," said Margaret Nellor, an environmental consultant who specializes in reclaimed water.

Two widely used anti-epileptic medications — carbamazepine and primidone — survive not only Arizona's advanced, tertiary treatment but also filtration through aquifers' soil. Even after eight years underground, they still contaminate well water used to irrigate parks in Mesa and Tucson, Drewes said.

Yet experts suspect that the millions of Americans who drink reclaimed water — which includes virtually everyone in Los

Angeles County — would experience no effects.

Drugs in wastewater are detected in nanograms though they usually are administered by doctors in milligrams, a unit 1 million times larger.

"People would have to drink the water for many hundreds of years to get a dose of a pharmaceutical equivalent to therapy," said Drewes.

Still, the public exposure is widespread, and some drugs share a common mode of action. When combined, they could lead to significant exposure.

Because some pills are intentionally flushed down toilets, Los Angeles and Orange counties will begin distributing cards to pharmacies in March advising customers to take unwanted drugs to hazardous waste round-ups or wrap them and put them in the trash.

Water agencies predict that soon they will have to tackle this new generation of contaminants

Drugs in the environment

Tests of raw and treated sewage at Los Angeles County's Whittier Narrows Reclamation Plant show that some pharmaceuticals are resistant even to advanced treatment and are released into the San Gabriel Valley's groundwater basin in ultra-low levels.

Drugs in sewage and in treated water
 (Parts per trillion)

	Entering plant	Discharged into groundwater
Estrogens (female sex hormones)	69-6	4-6
Triclosan (antibiotic)	610-667	51-74
Acetaminophen (analgesic)	20 300-35 200	under 10
Naproxen (analgesic)	3 780-5 100	35-74
Ibuprofen (analgesic)	4 720-6 630	43-52
Hydrocodone (pain killer)	31-52	34-50
Sulfamethoxazole (antibiotic)	320-882	742-919
Meprobamate (anti-anxiety)	194-241	219-294
Dilantin (anti-convulsant)	39-48	98-120
Carbamazepine (anti-seizure, analgesic)	58-95	93-133
Diclofenac (arthritis)	22-30	40-63
Trimethoprim (antibiotic)	178-591	231-337
Erythromycin (antibiotic)	205-299	419-517
Gemfibrozil (anti-cholesterol)	2 300-3 020	733-1 110
Fluoxetine (anti-depressant)	under 10	13-18

*The tests of the incoming sewage and the outgoing waste were made at different times, which explains why some effluent is more contaminated than the incoming waste.

Source: Los Angeles County Sanitation Districts Nov. 2005

Los Angeles Times

The EPA is likely to add a few pharmaceuticals to a new candidate list, which could initiate monitoring of water in 2008.

In the meantime, the newest technology can detect chemicals in parts per quintillion — equivalent to one tablespoon in the Mississippi River.

"The analytical capability has really, really outstripped our ability to understand what it means," said Michael Wehner of the Orange County Water Dis-

trict, which taps a basin replenished by the Santa Ana River composed almost entirely of treated sewage.

"There's a question of which pharmaceuticals may be persistent in the environment, which have the greatest potential for adverse effects," he said. "The information is still sketchy compared to the traditional contaminants. There's some good we going on to help us get a hand on it, but it's still early."

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A10 Tuesday, January 31, 2006

Traces of prescription drugs found in recycled Los Angeles-area water

Associated Press

LOS ANGELES — Water quality officials have found traces of resilient prescription drugs in wastewater that has been filtered and recycled into a Southern California aquifer for eventual use as drinking water, but the amounts are so small that the health effects are unclear, a Los Angeles newspaper reported Monday.

Drugs including antibiotics, antipsychotics, birth-control hormones, Viagra and Valium routinely turn up in wastewater all over the world because people flush them down their toilets. But medications have also ended up in Los Angeles County's water supplies because of the region's aggressive efforts to turn treated sewage into drinking water.

Nearly half a trillion gallons of sewage from three treatment plants have replenished the Central Basin aquifer beneath the San Gabriel Valley east of Los Angeles, which supplies 4 million people with water.

Southern California sewage undergoes some of the world's most rigorous cleansing to remove bacteria and nitrogen, and recycled wastewater added to the drinking water supply meets all government standards. But water officials are discovering the medications as they become capable of detecting smaller amounts of chemicals.

Among the medicines found in local water supplies are small amounts of prescription drugs to treat depression, seizures, high cholesterol, anxiety, infections, inflammation and pain.

Because the medications have been found in very small amounts — the equivalent of a few drops in an Olympic-sized swimming pool — scientists suspect there is little or no human danger. But they say no one knows if there are health hazards from ingesting small doses of drugs continuously over a lifetime.

What's more clear are the health effects for fish, frogs and other creatures that spend their entire lives in waterways exposed to drugs.

Christian Daughton, chief of environmental chemistry at the EPA's National Exposure Research Laboratory branch in Las Vegas, said in a 1999 report that medications "could lead to cumulative, insidious, adverse impacts" on aquatic ecosystems, including declining reproduction and survival rates.

In British rivers, Nevada's Lake Mead, the Potomac River and elsewhere, male fish are growing female ovarian tissues from exposure to birth-control estrogens and natural hormone excretions in treated sewage.

In November, the Los Angeles County Sanitation Districts reported high levels of ibuprofen, naproxen and acetaminophen in raw sewage entering its Whittier Narrows plant, and small concentrations going out.

Because some people deliberately flush pills, Los Angeles and Orange counties will begin distributing cards to pharmacies in March advising customers to get rid of drugs at hazardous waste roundups or wrap them and put them in the trash.

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POLITICS:

Column: Water stalemate a symptom of California's governance crisis

Sacramento Bee – 2/19/06

By Dan Walters, Bee columnist

As expostulated in this space previously - perhaps ad nauseam - California faces any number of long-range political issues that stem from its rapid population growth and equally dramatic social and economic evolution, but those same factors also block responses to those issues.

California's growth and ever-increasing diversity - it's already the most complex society in the history of humankind - dissipate social cohesion and undermine the consensus necessary for political decision-making.

When journalists and academics talk or write about California's crisis of governance, they're not referring to Gov. Arnold Schwarzenegger's up-and-down governorship or the antics of legislators, but about the sclerosis that's afflicted the entire system of political government and made Californians increasingly cynical about those they elect to public office.

It explains why the governor and lawmakers this year are publicly acknowledging the ill repute in which they are held and are pledging to work together on universally recognized problems, such as the state's chronic lack of investment in highways, levees, schools and other forms of public infrastructure.

Whether they succeed is, in effect, a test of whether California's political system is irretrievably broken and the state has, as many suggest, become ungovernable or whether there is hope for resurrection.

There are any number of examples of how cultural and economic diversity interact with the "checks and balances" of American-style government to create political gridlock in California, but few are starker, or more important, than an adequate supply of clean water, on which the state's human and economic well-being depend.

As with highways and other infrastructure systems, California is living off the decisions that earlier generations of voters and politicians made on water during the two decades that followed World War II. We have one of the

planet's most extensive systems for moving water from where it originates - in the mountains of Northern California, mostly - to where it's needed and used. The federal government, the state government and local water agencies operate pieces of the system.

It has, for the most part, served us well, but with age, changes in the farm economy (which consumes much of the water), population growth, and other factors, the system needs expansion and upgrading. A major problem is that the State Water Plan, first written nearly a half-century ago, has never been completed. Most of the water that's being shipped from Northern California to Southern California via the California Aqueduct is still being pulled out of the Sacramento-San Joaquin Delta, which is suffering much environmental degradation as a result, rather than being routed around the Delta, as the state plan envisioned.

The Department of Water Resources has just unveiled a new version of the plan, emphasizing regional cooperation on water-related issues, a more activist approach by the state government (including a big chunk of Schwarzenegger's infrastructure bonds) and a fresh look at the Delta's problems.

It's a welcome start after decades of wheel-spinning, but water, like government in general, suffers from a lack of broad consensus.

Those who want to develop more water and reservoirs to hold it have been locked in an epic, decades-long battle with those who believe that water development despoils the environment and encourages more population growth. In the 1980s, the clash derailed the Peripheral Canal that was supposed to carry water around the Delta, and later it stalled the much-trumpeted "CalFed process" that was to find cooperative solutions to the Delta's problems without a Peripheral Canal. On those and other water-related issues, the lack of consensus led directly to political stalemate.

DWR Director Lester Snow, a veteran of the CalFed wars, is still hopeful that with a carrot-and-stick approach, the state can persuade local and regional water agencies to come together - but he and Schwarzenegger must first persuade the Legislature to even try to resolve its own conflicts, as well as those of outside interest groups. Water is, indeed, symptomatic of California's larger crisis of governance.

Article Last Updated: 1/28/2006 12:13 AM

Water, water everywhere

Researchers look into rainwater for irrigation

Mason Stockstill, Staff Writer
San Bernardino County Sun

ONTARIO - Millions of gallons of water are wasted each year here, and a group of former engineering students from UC Riverside believe they have a way to save it.

The source of the water is rain, and the group's idea is as old as the concept of irrigation: Catch the water falling from the sky, and use it to water our lawns.

As simple as it sounds, storage and irrigation systems using harvested runoff could save the region millions of dollars in utility costs, according to the group's research.

"The main thing is to see how clean the water is," said Greg Guillen, one of the researchers. "Hopefully, we can just catch it, fill it and put it on the lawn."

The group of five came up with the project while they were undergraduates in the university's engineering program. The idea was that as Southern California becomes paved over with more streets and buildings, more rainwater is diverted into storm drains that eventually run to the ocean.

If the water sliding off the roofs of large buildings is clean enough, the students figured, there's no reason why it shouldn't be put to use.

"This is not necessarily a big source of water," said Mark Matsumoto, associate dean of the engineering department and the group's adviser. "But if the idea is to save as much water as possible, this is one way to do it."

The project has several components. First, the students built a catch basin outside a building on campus to collect rainwater as it is funneled off the roof.

They later tested the water quality, which is particularly important for the "first flush" that is, the water that hits the roof during the first rainfall of the season.

"If you can imagine how dirty the roof is at the end of the summer after it hasn't rained for months, we want to measure what that rainwater's like coming off there the first time," Guillen said.

That data will determine what the water can be used for and whether it needs to be treated, Guillen said.

In addition, the researchers used computer models to calculate how much water could be saved and re-used. They chose Ontario because of the high number of warehouses and other buildings (such as Ontario Mills) with large roof areas.

"They looked at the space in terms of rooftop area in a couple of areas, and thought that Ontario was one that would benefit from catching the rainwater from the rooftop," said Kawai Tam, a lecturer at UC Riverside involved with the project.

The computer models found that harvesting rainwater in Ontario could yield as much as 2,200 acre-feet of water each year more than 700 million gallons, enough to meet the annual household needs of nearly 10,000 people.

Though it sounds simple, saving rainwater will take some work. Individual property owners would need to install plumbing systems and storage tanks to hold all the water, and then connect them to existing irrigation systems such as lawn sprinklers.

The group has already won grants from the Metropolitan Water District and the U.S. Environmental Protection Agency to continue the research and come up with ways to make the project feasible.

Guillen envisions a system, one day, where runoff is diverted into a central supply so that individual properties won't be relying only on their own irrigation systems.

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Article Last Updated: 1/26/2006 10:20 PM

Critics rip EPA well-water standard

California proposes tougher standards for perchlorate

Andrew Silva, Staff Writer
San Bernardino County Sun

The U.S. Environmental Protection Agency on Thursday proposed a cleanup standard for a rocket fuel ingredient that's four times weaker than the level proposed by California and is woefully inadequate to protect fetuses and children, critics said.

Perchlorate has contaminated numerous wells in San Bernardino County and elsewhere in California, leading to cleanup projects that will cost tens of millions of dollars and take decades to complete.

The EPA has proposed a preliminary goal of 24.5 parts per billion, compared to a health goal of 6 parts per billion in California. Many experts argue the standard should be set at 1 part per billion.

"A precautionary approach would be to not allow any," said Penny Newman, director of the Riverside-based Center for Community Action and Environmental Justice. "This is rocket fuel. To set a level of 24 is unconscionable."

Perchlorate, a salt that provides the oxygen to propel rockets, flares, fireworks, air bags and other products, can reduce thyroid function and is thought to be dangerous to fetuses and young children.

Sen. Barbara Boxer, D-Calif., slammed the Bush administration for the proposal.

"This standard fails to protect pregnant women, children and other vulnerable individuals from this dangerous health hazard," she said in a written statement. "EPA's standard also ignores new and mounting evidence that this toxic chemical is more prevalent in food than previously thought."

Perchlorate has been found in breast milk of nursing women, cow milk and lettuce.

The EPA proposal is based on a review of the current science by the National Academy of Sciences. Previously, the agency recommended a level of 4 to 18 parts per billion.

The recommendation is designed to protect a 154-pound person who consumes two liters of water per day.

The proposed level is one-tenth the dose at which any ill effects are seen "to protect the most sensitive population, the fetuses of pregnant women who might have hypothyroidism or iodide deficiency, it is also protective of other sensitive populations, such as (newborns) and developing children," wrote Susan Parker Bodine, assistant administrator, in the memo that went out to regional EPA offices.

A former rocket plant in Mentone is the source of a major plume of contamination that has been moving west for years. Aerospace giant Lockheed Martin has spent millions to clean up the contaminated groundwater and is the target of a lawsuit by Redlands residents.

Rialto, Colton and Fontana are also wrestling with roughly 20 wells closed because of perchlorate. The contamination is thought to have originated from old munitions bunkers and fireworks manufacturers near the county-owned Mid-Valley Landfill in Rialto.

Though California has a health goal of 6 parts per billion, that is not an enforceable drinking water standard. The state is two years behind a statutory deadline to establish a standard.

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Huntington Beach OKs Desalination Plant on PCH

By JEAN O. PASCO
Times Staff Writer

A controversial proposal to build what would be the largest desalination plant in the nation along the Huntington Beach coast was approved early Tuesday after months of consideration.

Poseidon Resources Corp.'s plans to build a \$250-million desalination facility next to the AES power station on Pacific Coast Highway at the city's southern edge were approved by the Huntington Beach City Council on a 4-3 vote.

The plant would produce as much as 50 million gallons of fresh water daily by tapping ocean water already pumped into the power station to cool the huge electrical facility.

The plant still must receive approvals from the California Coastal Commission, the state Regional Water Quality Control Board and the State Lands Commission.

Most of the water would be sold to as-yet-unknown buyers, although Huntington Beach has agreed to buy a modest amount — 3.2 million gallons a day — at a rate less than what it now pays for imported water from the Metropolitan Water District. About a third of the city's water is imported; the rest is groundwater. The city uses about 34 million gallons a day.

"Obviously, I'm pleased with the vote regardless of the numbers," Poseidon Senior Vice President Billy Owens said after the council voted following hours of debate. "After all of this time, we have a good relationship with

the city. We're not going to cause any problems. We just need our chance."

The vote was a huge victory for Poseidon, a small, privately held firm based in Connecticut that has fought for two years to build a landmark desalination plant on the Southern California coast. The company's plant in Tampa Bay, Fla. — half the size of the one approved for Huntington Beach — was taken over by a public water agency and has been beset by financial and technical problems.

Another Poseidon facility proposed in Carlsbad is expected to go before the City Council there in May.

The desalination proposal was vigorously opposed by some residents and environmental groups, who lamented the building of more industrial plants along the city's tourist-heavy beaches. They also cautioned that the plant's briny discharge could kill sea life. Other critics said the project was an improper use of a public resource — the ocean — for private profit.

"Frankly, it would be irresponsible of us to make our city a guinea pig for this," said Mayor Dave Sullivan, who joined Councilwomen Jill Hardy and Debbie Cook in opposing the permits.

More than 100 people spoke at a meeting packed with four times that many spectators. Reaction was mixed, though many who spoke for the project belong to labor unions that would benefit from construction jobs.

Other supporters praised desalination as a proven technology for giving Southern California a source of fresh water other

Salt-free effort

The Huntington Beach City Council approved development permits for a proposed desalination plant across from Huntington State Beach. The \$250-million facility would be the largest desalination plant in the nation.

□ Proposed desalination facilities ○ Existing storage tank



Sources: Poseidon Resources of Connecticut; city of Huntington Beach

Los Angeles Times

than groundwater and the Colorado River. Though the Metropolitan Water District has said water supplies are adequate through 2030, several speakers urged the city to plan ahead.

"We live in a desert, and we need all the sources of fresh water that we can develop," said Councilwoman Cathy Green, who supported the project with council members Keith Bohr, Gil Coerper and Don Hansen.

In September, the city narrowly approved an environmental review of the plant, following a five-hour hearing at which nearly 80 residents, environmen-

talists and experts spoke. It was the second attempt for Poseidon, whose earlier environmental study was rejected because the council said it understated the potential effects on marine life.

Poseidon offered several incentives to the city, including building a 10-million-gallon storage tank for emergency water use; paying \$2 million to the city; and providing another \$1.9 million for street improvements.

One point of contention wasn't resolved with Tuesday's vote: The city contends the company must pay a tax on its electric use amounting to \$840,000 a

year; Poseidon says its share would be only \$50,000 a year.

The company is banking that water prices will surge in coming years, making the high electric cost of producing its water worth the investment. It plans to sell its water for about \$1,000 an acre-foot, company officials said. Groundwater from an aquifer costs about \$200 an acre-foot; imported water is about \$500 an acre-foot. An acre-foot is roughly the amount that two families use in a year.

Cook argued that the plant was relying on an expensive energy source — natural gas. Future energy shortages could push prices so high, she said, that no one would buy the desalted water.

Hardy said she was opposed because most of the water would be shipped elsewhere, particularly to fuel development in southern Orange County, where 90% of water is imported.

The firm wants to build its Huntington Beach and Carlsbad plants next to power stations to use their cooling water pipes, which range from 12 to 25 feet in diameter, to draw in ocean water for their operations.

Piggy-backing on the electric plants has drawn additional opposition from environmentalists who say the facilities are outdated eyesores that kill fish, plankton and crustaceans by sucking in millions of gallons of seawater.

Environmentalists are pressuring the state to phase out all ocean cooling pipes for coastal power plants by 2020.

Times staff writer Sara Lin contributed to this report.

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