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4 SPECIAL REFEREE

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

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COUNTY OF SAN BERNARDINO, RANCHO CUCAMONGA DIVISION

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CHINO BASIN MUNICIPAL WATER  
DISTRICT,

12

Plaintiff,

13

v.

14

THE CITY OF CHINO,

15

Defendants.

16

17

CASE NO. RCV 51010

Judge: Honorable J. Michael Gunn

Date: TBD

Time:

Dept:

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**SPECIAL REFEREE'S REPORT ON PROGRESS MADE ON  
IMPLEMENTATION OF THE WATERMASTER INTERIM PLAN  
FOR MANAGEMENT OF SUBSIDENCE**

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19 I. INTRODUCTION

20 A workshop was held May 25, 2005, as a follow-up to the workshop held August 29, 2002.  
21 The second workshop was originally scheduled to be held in 2003, pursuant to Court Order  
22 Concerning Watermaster's Interim Plan for Management of Subsidence, dated October 17, 2002  
23 ("2002 Order"). The second workshop was postponed until substantial data collection and analysis  
24 had been completed.

25 The scope of the workshop was limited to presentation of technical data and analysis  
26 completed to date related to the Watermaster Interim Plan for Management of Subsidence ("Interim  
27 Plan"). The presentation was made by Mr. Malone of Wildermuth Environmental, Inc., Watermaster  
28 Engineering Consultant. Mr. Malone, Mr. Wildermuth, and Mr. Riley addressed questions posed

1 by the Special Referee, technical expert Joe Scalmanini, and several others. Consistent with use of  
2 a workshop format, cross-examination was not allowed. A transcript of the workshop has been  
3 prepared and will be filed with the Court by Watermaster.

## 4 II. 2002 COURT ORDER

5 In the 2002 Order, Judge Gunn directed Watermaster to:

- 6 (1) Implement the Interim Plan Monitoring Program for subsidence, including all work  
7 related to piezometers, extensometers, ground-level monitoring, aquifer testing, and  
8 other actions to study, analyze, and interpret subsidence and fissuring in MZ1 and to  
9 determine causes in sufficient detail that they can be managed through a long-term  
10 plan;
- 11 (2) Continue the MZ1 Technical Committee work and have the Technical Committee  
12 serve in an advisory capacity to assist Watermaster in developing a long-term  
13 subsidence management plan for MZ1;
- 14 (3) Develop a long-term management plan by fiscal year 2004/2005;
- 15 (4) Submit quarterly reports to the court on all interim and long-term efforts to address  
16 MZ1 subsidence and fissuring problems, including documentation of participation,  
17 forbearance, impacts, and other "noteworthy details that pertain to the goal of  
18 forbearance to minimize subsidence and fissuring";
- 19 (5) Schedule a follow-up workshop for July 17, 2003; and
- 20 (6) File reports at least quarterly to apprise the court of any actions pending that could  
21 cause the "jurisdiction issue" to resurface.

## 22 III. COMPLIANCE WITH 2002 COURT ORDER

### 23 A. Regular Reports by Watermaster

24 Watermaster has regularly reported to the court, through its status reports, on the progress  
25 of all work related to Management Zone 1 ("MZ1") subsidence issues. Watermaster has also  
26 reported that it is not aware of any pending legal actions which have raised issues concerning the  
27 court's jurisdiction related to subsidence. The City of Chino ("Chino") has annually asked for  
28 continuances of its Paragraph 15 Motion. The process has been that Chino requests continuance  
after both Chino and the City of Chino Hills ("Chino Hills") have committed to forbear some  
pumping. (Our files reflect that Chino requested a continuance to September 1, 2005, but we do not  
have a copy of a court order approving that continuance.) Watermaster has reported that the MZ1  
Technical Advisory Committee has been actively meeting.

////

1 **B. Pumping Forbearance Agreements**

2 Annual forbearance agreements have been entered into for the past three years by Chino and  
3 Chino Hills. On April 28, 2005, Watermaster approved continuation of the forbearance agreements  
4 for a fourth year. The fourth year of forbearance will be fiscal year 2005/2006.

5 **C. Court Order and Deadlines**

6 Two of the deadlines set forth in the 2002 Order have not been met. First, a long-term  
7 management plan for MZ1 was to have been completed this fiscal year (by July 1, 2005). Second,  
8 a follow-up Special Referee workshop was not held in July 2003, but, instead, was postponed in  
9 order that a substantial body of work could be completed to study and assess the MZ1 issues.

10 **IV. INTERIM PLAN WORK**

11 **A. Technical Work Completed to Date**

12 The purpose of the second workshop was to hear a description of the work and study that has  
13 been done since the MZ1 Interim Plan was begun, to ascertain whether any conclusions have been  
14 reached, and to obtain a description of the activities that are being undertaken now and that remain  
15 to be done. Mr. Malone's presentation on the technical work and analysis to date formed the bulk  
16 of the workshop. He provided a very detailed description of the monitoring and other technical work  
17 that has been undertaken. Ongoing efforts have included installation of piezometers and an  
18 extensometer, installation of transducers to monitor water levels in a network of wells, and ground-  
19 level and InSAR monitoring for subsidence. Mr. Malone reported several discoveries which he  
20 characterized as significant, including discovery of a groundwater barrier at depth in a location  
21 approximately coincident with the fissuring that has occurred, and that there are two very distinct  
22 aquifer systems. (Reporter's Transcription ("RT") at pp. 44-47)

23 Mr. Malone also indicated that all of the potential causes of the subsidence and fissuring  
24 which had been previously suggested had been reviewed, but that the Interim Plan work has focused  
25 on the hypothesis that the subsidence and fissuring have been caused by subsurface fluid withdrawal:

26 We reviewed all these [other potential causes of subsidence], but what we zeroed in  
27 on was the subsurface withdrawal as our hypothesis. That's what we identified as the  
28 most likely cause of the subsidence that we had observed in the City of Chino . . . so  
our hypothesis was that the groundwater production caused land subsidence and  
fissuring in Chino Basin. . . We also noted that it was likely, or that we were

1 hypothesizing that the production from the confined aquifer system was the main  
2 cause of this recent episode of subsidence and fissuring that was measured in the  
3 early 1990's. So this is what we designed our monitoring program to test, whether  
4 or not this hypothesis was correct.

4 (RT at pp. 32-33) There was no further discussion on the record regarding the nature of the review  
5 that was done as to other potential causes of the subsidence and fissuring.

6 A primary focus of the technical work has been to determine at what point subsidence creates  
7 inelastic compaction versus subsidence which is elastic and can recover. Mr. Malone described the  
8 process to identify:

9 . . . the threshold where the deformation process transitions from elastic to inelastic.  
10 By doing that, we'd be defining the usable volume of the storage reservoir, under  
11 what range of water levels can we operate where we're not causing inelastic  
12 compaction. And that would be a very key finding to any long-term management  
13 plan that might develop out of this study.

12 (RT at pp. 43-44) The presentation included detailed descriptions of "stress-strain diagrams" which  
13 reflect data on the elastic versus inelastic response of the system to pumping. Mr. Malone drew  
14 attention to a "key point" that there appears to have been about two one-hundredths of a foot (0.02  
15 ft.) of permanent compaction over the 2004 pumping season. (RT at pp. 58-59) He indicated that  
16 the ". . . inelastic threshold was crossed at about 250 feet below ground surface during the latter part  
17 of the pumping season." (RT at p. 60) Mr. Malone made it very clear that it is necessary to wait for  
18 "fully recovered water levels" before drawing any final conclusions that the system transitions from  
19 elastic to inelastic compaction when water levels are somewhere below 250 feet below ground  
20 surface. (RT at p. 95)

21 In response to questions as to whether there are sufficient data available now to develop a  
22 long-term plan, Mr. Malone responded that:

23 . . . When we operate in the forbearance agreement where we pump during the  
24 pumping season, but we allow the system to recover during the wintertime months,  
25 . . . we've demonstrated that we're operating generally in an elastic range. . . And so  
26 to how far we can step out of that same pumping pattern and still operate within the  
27 elastic range, we have not determined that yet. But the models hold the promise of  
28 determining that.

27 (RT at p. 93)

28 Mr. Malone explained that the next step in the investigation is to create groundwater models

1 to "... simulate the groundwater production's effects on groundwater levels." (RT at p. 91) The  
2 model will: "... help us provide that linkage between groundwater production and groundwater  
3 levels that would provide a tool to evaluate any management plan that might come out of this." (RT  
4 at p. 107)

5 In response to a question, Mr. Malone indicated that there are not plans to do further testing  
6 in the southern part of MZ1:

7 We feel like if the stress-strain diagram goes to where it seems to be going, that  
8 we've identified this threshold of preconsolidation stress that is the transition  
9 between inelastic and elastic compaction. . . I don't think we have any further  
10 questions that we're trying to answer in this southern part of Management Zone 1.  
11 We're going to be developing the models that will help us provide that linkage  
12 between groundwater production and groundwater levels. . .

13 (RT at p. 107)

#### 14 **B. Recommended Additional Technical Work**

15 Mr. Malone recommended that technical work be continued in the southern part of MZ1 and  
16 that certain technical work be started in the central MZ1 area to the north. For the southern MZ1  
17 area, the recommendation is that monitoring continue (RT at pp. 97-99) and that some of the  
18 dedicated piezometers be replaced (RT at pp. 103-104). In addition, numerical models would be  
19 developed (a one-dimensional compaction model and a three-dimensional groundwater flow and  
20 subsidence model). The three-dimensional model would link:

21 ... the areal and vertical distribution of pumpage to water level fluctuations and then  
22 the ultimate deformation that occurs in the aquifer system. . . We've been working  
23 mostly on this link between water level fluctuation and deformation. The model will,  
24 then, now take us from that to include pumpage, how it affects water level  
25 fluctuations, and then how the water level fluctuations affect deformation.

26 (RT at pp. 99-100)

27 Mr. Malone also discussed expanding the investigation of subsidence, initially via  
28 monitoring, to the central region of MZ1, including the installation of water level transducers in  
existing wells. (RT p. 107) Mr. Malone characterized as speculative the potential need to construct  
a new monitoring facility or facilities in the central region, including a multi-piezometer and/or  
extensometer. (RT at p. 102) He clarified that ground-level survey data, InSAR data, and water-  
level data should be collected in the central MZ1 area before any conclusion would be reached on

1 the need for piezometers or an extensometer. (*Id.*) Expansion of the subsidence investigation into  
2 the central region of MZ1 is prompted by the observation of some historical subsidence in the area,  
3 confounded to some degree by the lack of any known local pumping in the immediate subsidence  
4 area. (RT at pp. 76, 80, 83-84, 87)

### 5 C. Long-Term Plan Schedule

6 There was not extensive discussion at the workshop on either a long-term plan or a schedule  
7 for completion of a plan. Mr. Malone indicated that InSAR surveys and ground surveys will be  
8 conducted in both fall 2005 and spring 2006. (RT at p. 104) The modeling would be completed in  
9 the spring of 2006, with a modeling report to follow that summer. (*Id.*) Mr. Wildermuth responded  
10 to a question regarding scheduling by indicating that several more years of studies and model  
11 development and analysis would be required, followed by 12 months to reach an agreement on a  
12 long-term plan. (RT at p. 109) This timing is consistent with the discussion in the 2002 workshop.  
13 At that workshop, in response to the question of how long it would take to start developing a long-  
14 term plan given optimal agreement by all parties, Mr. Wildermuth stated that he thought it would  
15 take three to five years (2002 Workshop Transcript at page 101.) Mr. Slater also clarified at the 2002  
16 workshop that Mr. Wildermuth's three to five years were for the "data development side" and that  
17 "the business deal probably follows soon thereon, and one would expect maybe twelve months to  
18 wrap that piece up." (2002 Workshop Transcript at p. 103.)

## 19 V. RECOMMENDATION OF SPECIAL REFEREE

### 20 A. Preparation of a Summary Report on MZ1 Technical Work

21 A substantial body of technical work has been completed in the southern MZ1 area.  
22 However, conclusions are still preliminary:

23 . . . With our stress-strain diagram . . . we're seeing that these head declines can  
24 induce permanent compaction. But again this is a preliminary conclusion because  
25 it is still pending fully recovered water levels. We're waiting for those water levels  
to be fully recovered to see if any inelastic compaction did occur over the last  
pumping season.

26 (RT at p. 95) When sufficient time has elapsed for water levels to have fully recovered, it is our  
27 view that a summary report on all of the work presented at the workshop would be extremely helpful.  
28 Even though no modeling has been completed, there appear to be sufficient data to conclude that



1 | there is a threshold depth to water that, if crossed, will likely lead to new inelastic compaction and  
2 | subsidence and ground fissuring. That information should be made available to the parties in a  
3 | summary report as soon as possible. Based on Mr. Malone's presentation, it should be feasible to  
4 | prepare such a report by the middle of August. When the three-dimensional model is prepared, a  
5 | modeling report will be written. In the meantime, there are important data and preliminary findings  
6 | that can be made available very soon that will be of immediate use to the pumpers within MZ1.

7 |         A further recommendation related to a summary report is that the summary report should also  
8 | address the other potential causes of subsidence and fissuring that have been suggested in the past.  
9 | If any of those items cannot be readily addressed, then the summary report should recommend how  
10 | they will be addressed. While the detailed monitoring and testing has been substantial, they have  
11 | not apparently addressed whether subsidence and fissuring might have been partially the result of  
12 | mechanisms other than deep groundwater pumping. The continuing possibility that other  
13 | mechanisms may also be responsible for subsidence is a potential impediment to development of the  
14 | long-term plan.

15 |         As part of this discussion, the summary report should discuss any information related to  
16 | whether any significant subsidence predated the notable subsidence and fissuring since the early  
17 | 1990's, and should describe the historical surveying investigation commissioned by Watermaster to  
18 | address that issue. An important outstanding question is whether any pre-1990's subsidence that  
19 | may have occurred correlates with, or can be attributed to, the large historical changes in  
20 | groundwater levels that predated the Judgment.

21 | **B. Watermaster Issuance of Guidance Criteria.**

22 |         Near the close of the workshop, there was some discussion of what would be included in a  
23 | long-term plan, including possibly expanding the study area to include the central MZ1 region. (RT  
24 | at pp. 123 *et seq.*) The concept of a long-term MZ1 management plan has been part of the  
25 | Watermaster program since it was first articulated in 1999 in the Optimum Basin Management  
26 | Program Phase 1 Report. A long-term management plan was to be formulated during the interim  
27 | plan period, and would be based on investigations, monitoring programs and data assessment. It  
28 | would be adaptive in nature. The workshop discussion noted that the technical work that has been

1 done and that will be done will form the basis for a long-term plan. Mr. Wildermuth indicated that:

2 . . . we haven't felt until very recently, last maybe six or eight months, that we were  
3 at a point where we are getting close to coming up with conclusions from which we  
4 could build a plan on, pull the parties together and talk about their deal making to  
5 implement a plan.

6 (RT at p. 125) As discussed, above, however, development of a long-term plan itself does not appear  
7 to be imminent.

8 In response to questions regarding the possibility of phasing the long-term plan, Mr.  
9 Wildermuth discussed the option of bifurcating the ". . . southern and central portion, try to get the  
10 southern portion going, and then based on the interests of the stakeholders, do something in the  
11 central area." (RT at p. 125) Mr. Wildermuth also suggested that Watermaster's long-term plan  
12 could range from being "guidance information" to something more aggressive. (RT at p. 108)

13 The concept of providing guidance criteria is a compelling one. It appears, based on the  
14 presentation at the workshop, that Watermaster can very soon alert pumpers in the southern MZ1  
15 area that there is a substantial risk that lowering water levels to below approximately 250 to 260 feet  
16 below ground surface will result in new inelastic compaction and subsidence. This type of  
17 information should formally be made available to the parties as soon as possible, presumably as soon  
18 as a summary report on the MZ1 technical work is completed. The guidance criteria would be issued  
19 by Watermaster in a timely fashion, to be followed by the long-term plan development which  
20 necessarily will require a longer period to complete.

### 21 C. Long-Term Plan and Schedule

22 It is incumbent upon Watermaster now to request that the court extend the period for  
23 completion of a long-term plan for MZ1. The overall testimony indicated that several more years  
24 of technical and modeling work will be required, followed by approximately a year of negotiations  
25 among the parties. The Watermaster should propose a schedule to the court which takes into account  
26 the continuation of data collection and modeling work in the main MZ1 area as well as technical  
27 work in the central MZ1 area. A date should be established for completion of a long-term plan.

28 Whether the long-term plan is ultimately characterized as a management plan is an issue for  
the parties to address. Based on presentation and discussion at the workshop, it is clear that, at the

1 | very least, an ongoing monitoring program by Watermaster will be required so that the parties have  
2 | full and sufficient information available to them to inform their decisions.

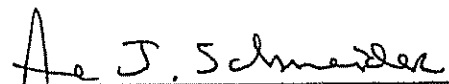
3 | **D. Expanded Monitoring in MZ1**

4 | The presentation at the workshop, while focused on monitoring and studies in the southern  
5 | MZ1 area, indicated that some monitoring work can and should be done in the central MZ1 area,  
6 | including installation of transducers in wells, and ground and InSar ground-level monitoring. More  
7 | costly and complex efforts involving piezometers and an extensometer would logically be held in  
8 | abeyance pending assessment of data collected. A phased long-term plan could include provision  
9 | for central MZ1 monitoring work and studies, with future efforts considered and scheduled on an  
10 | as-needed basis, while more definitive conclusions are drawn in the southern MZ1 area based on the  
11 | extensive work already focused in that area. As noted above, the central MZ1 area appears to  
12 | warrant additional investigation in light of detectable subsidence in spite of no significant pumping  
13 | stress in the immediate subsidence area. Such additional investigation would also appear important  
14 | in light of the overall concept of basin reoperation and hydraulic control, which could result in  
15 | locally lower groundwater levels in parts of the basin.

16 | **VI. CONCLUSION**

17 | The workshop was very productive. Mr. Malone's presentation was excellent. The  
18 | Watermaster does not require court approval to direct the preparation of a summary report on the  
19 | MZ1 technical work or to issue guidance criteria. The Watermaster, however, should file with the  
20 | court a motion for an order to set a schedule for the completion of a long-term plan.

21 | Dated: June 16, 2005

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24 | \_\_\_\_\_  
25 | Anne J. Schneider, Special Referee  
26 |  
27 |  
28 |

CHINO BASIN WATERMASTER  
Case No. RCV 51010  
Chino Basin Municipal Water District v. The City of Chino

PROOF OF SERVICE

I declare that:

I am employed in the County of San Bernardino, California. I am over the age of 18 years and not a party to the within action. My business address is Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California 91730; telephone (909) 484-3888.

On June 21, 2005 I served the following:

**Special Referee's Report on Progress Mad on Implementation of the Watermaster Interim Plan for Management of Subsidence**

BY MAIL: in said cause, by placing a true copy thereof enclosed with postage thereon fully prepaid, for delivery by United States Postal Service mail at Rancho Cucamonga, California, addresses as follows:

**See attached service list:**  
Mailing List 1

BY PERSONAL SERVICE: I caused such envelope to be delivered by hand to the addressee.

BY FACSIMILE: I transmitted said document by fax transmission from (909) 484-3890 to the fax number(s) indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting fax machine.

BY ELECTRONIC MAIL: I transmitted notice of availability of electronic documents by electronic transmission to the email address indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting electronic mail device.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on June 21, 2005 in Rancho Cucamonga, California.

  
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# CHINO BASIN WATERMASTER

## IV. REPORTS/UPDATES

### **D. INLAND EMPIRE UTILITIES AGENCY**

1. Monthly Water Conservation Programs Report
2. Groundwater Operations Recharge Summary
3. Monthly Imported Water Deliveries Report
4. State and Federal Legislative Reports
5. Community Outreach/Public Relations Report



**CHINO BASIN WATERMASTER**

**ADVISORY COMMITTEE**

**April 27, 2006**

**AGENDA**

**INTERAGENCY WATER MANAGERS' REPORT**

**Chino Basin Watermaster**

**9641 San Bernardino Road**

**Rancho Cucamonga, CA 91730**

**15-20 Minutes**

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**Discussion Items:**

None

**Written Updates:**

- Monthly Water Conservation Programs Report
- Groundwater Operations Recharge Summary
- Monthly Imported Water Deliveries Report
- State and Federal Legislative Reports
- Community Outreach/Public Relations Report

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# Regional Conservation Programs

## Monthly Report-March

### MWD Activities

- **Azusa Pipeline Agreement**- On February 14, 2006, the MWD Board approved the agreement with Three Valleys Municipal Water District and IEUA to allow emergency interconnections with the Azusa Pipeline to the Cucamonga Valley Water District Lloyd Michaels and WFA filtration plants. This will enhance significantly supply reliability throughout the IEUA service area.
- **California Friendly Marketing Campaign**- The "California Friendly" campaign is an effort by MWD and its member agencies to get people to conserve resources by using water and energy efficient products along with changing to water efficient landscapes. Marketing materials are being developed to carry out the new California Friendly campaign and will kick off on April 15, 2006 with TV advertisements, public service announcements, magazine advertisements, and other materials.
- **Regional Water Supplies**- Based on snow pack levels in the Sierras and the upper Colorado River watershed, MWD has indicated that "surplus" supplies of imported water will be available this year.

### Landscape Programs

- **"SmarTimer of Inland Empire" Irrigation Controller Program**- The final application form, product description, advertisement and other materials for the irrigation controllers have been created and were distributed at the January Regional Conservation Partnership Workgroup meeting. Materials are now available on the IEUA web site.
- **Phase II Landscape Audit Program (05/06)** - The RFP for the 05/06 Audit Program will be released in late March, 2006, and the program will commence in late 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 in spring, 2006.
- **Residential Landscape Classes**- Monte Vista District held a PDA class on March 11<sup>th</sup>, and the City of Upland held a PDA series of four classes on each Saturday in the month of March. SmarTimer Controllers were exchanged at both the MVWD class and the City of Upland classes. Approximately 20 controllers were exchanged. Cucamonga Valley Water District is holding a PDA class on April 8<sup>th</sup>. SmarTimer controllers will be exchanged at this class as well.
- **Landscape Collaborative**- IEUA staff met with city officials to consider the formation of a landscape task force to coordinate water efficient landscaping throughout the regions programs and policy recommendations.

### Commercial/Industrial/Institutional Program

- **(CII SAVE-A-BUCK)**- After Honeywell evaluated their marketing strategies for the MWD service area, they concluded that meeting face to face with commercial customers is much more effective than mass advertising and mailers. For IEUA's service area, Honeywell's new marketing strategies include tailoring existing materials to target our area, new bill inserts, and also by having representatives present at local chamber meetings, agency events and other significant events.  
The following is a list of rebate activity for our service area:
  - **High Efficiency Clothes Washers** - There were 10 clothes washer rebates for the month of February. To date 315 commercial high efficiency clothes washers have been installed in our service area since FY 00/01.
  - **Conductivity Controller Cooling Tower** - 1 controller was installed in FY 05/06 bringing the total to 15 conductivity controllers installed through the Save-a-Buck program since FY 00/01.
  - **ULF Toilets** - 234 ULFTs were rebated in February bringing the total to 445 ULFs in our service area since FY 00/01.
  - **Water Broom** - 114 water brooms were rebated in October bringing the total to 693 since FY 00/01.
- **Restaurant Spray Heads**- This program is being implemented by the CUWCC. Phase II was completed in December, 2005 with approximately 861 spray nozzles installed in our service area. To date approximately 1,192 spray heads have been installed. Phase III will begin in March and end in December, 2006.

### Residential Programs

- **Single-Family ULF Toilet Exchange Programs**- The Regional Conservation Workgroup decided at their January meeting to discontinue the exchange events with the exception of one local Upland event. The final Upland exchange event will take place April 1<sup>st</sup> with a return date of April 22<sup>nd</sup>. The group will re-evaluate the program for FY 07/08. During this time IEUA staff will collect information on HETs and direct install programs to guide the group in exploring alternate single family toilet programs.
- **Multi-Family ULF Toilet Program**- Currently, through the direct install program approximately 4,724 toilets have been installed and 1,161 have been confirmed for installation. The remaining toilets are expected to be installed within the next two months. The next round of the program will be funded by a DWR \$1.6 million grant for 22,000 toilets. The RFP went out in February and the bids are now in review. The program will begin in late spring, 2006.
- **High Efficiency Clothes Washer Rebate**- Approximately 126 rebates were issued during February, bringing the total for the current fiscal year to 901 rebates. This brings the total number of rebates to approximately 5,960 since the rebate program began in 2002.

### School Education Programs

- **Garden in Every School**- Irrigation is being completed at the schools. Plantings have taken place at Coyote Canyon in Rancho Cucamonga, Ranch View in Ontario, and Foothill Knolls in Upland. Plantings will take place through April with Dedications in May and June.
- **National Theatre for Children**- The spring schedule has been completed, with performances beginning in late March.
- **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 19<sup>th</sup> through May 21<sup>st</sup>, 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

- **Water Fair**- Members of the Conservation Partnership have formed a committee to plan a water fair for the customers within the IEUA service area. The committee has been meeting every month. The fair will provide information on rebates and promote other ways to conserve water. The event is tentatively set for October 14, 2006.
- **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)** - WEWAC participated in the Home and Garden Fair at the Pomona Fairplex on Friday, January 27<sup>th</sup>-Sunday, January 29<sup>th</sup> by having a garden exhibit full of drought tolerant plants and water conserving landscaping resources. In April they will discuss new initiatives for the next year.
- **BMP Support Grants**- No new action.

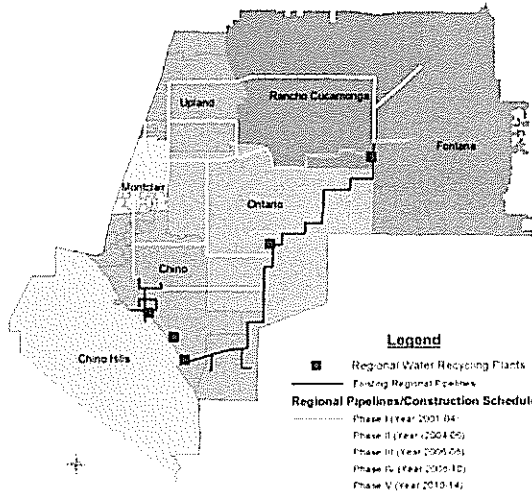
### Upcoming Events

## CALENDAR

March 30, 2006	CUWCC Landscape Committee Meeting (Sacramento)
April 1, 2006	Local ULF Toilet Distribution (City of Upland)
April 8, 2006	PDA "Water Wise" Gardening MiniClass (Cucamonga Valley Water District)
April 22, 2006	Local ULF Toilet Return (City of Upland)
April 24 <sup>th</sup> -28 <sup>th</sup> , 2006	CA-NV AWWA Spring Conference (Burlingame)
April 28 <sup>th</sup> -30 <sup>th</sup> , 2006	Lemon Festival (City of Upland)
May 3, 2006	CUWCC Steering Committee Meeting, (San Francisco)
May 9 <sup>th</sup> -12 <sup>th</sup> , 2006	ACWA Conference (Monterey)
May 13, 2006	Water Awareness Day (Cucamonga Valley Water District)
May 19 <sup>th</sup> -21 <sup>st</sup> , 2006	Solar Cup
June 7, 2006	CUWCC Plenary Session (San Diego)
June 11 <sup>th</sup> -16 <sup>th</sup> , 2006	AWWA Annual Conference (San Antonio, TX)

# 3RD QUARTER FY2005/06 RECYCLED WATER SUMMARY

## Capital Projects Summary



### PROJECTS COMPLETED

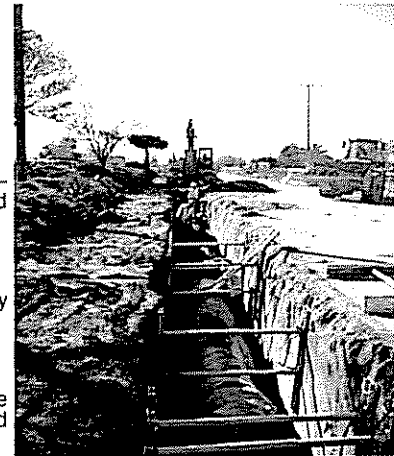
- RP-1/RP-4 Pump Station (Budget \$7,718,000)
- RP-1 Chlorination Tank (Budget \$4,817,200)
- Pine Avenue Intertie (Budget—Phase I & II \$1,066,000)
- Wineville Pipeline (Budget \$2,307,200)
- Reliant Pipeline (Budget \$1,115,476)
- Philadelphia Pipeline (Budget \$3,591,400)
- Whittram Pipeline (Budget \$3,621,000)
- RP-4 West Branch Phase I & II (Budget \$9,688,096)

**Total Budget — \$33,954,371**

### PROJECTS IN DESIGN AND CONSTRUCTION

- RP-4 Area 3 MG Regional Recycled Water Reservoir, Pipeline and Pump Station  
On-hold awaiting acquisition of property
- North Etiwanda Regional Water Pipeline and Pump Station  
On-hold awaiting acquisition of property
- RP-1 South Recycled Water Pump Station  
100% design complete.
- San Antonio Channel Recycled Water Pipeline  
There are two design segments; Segment A & B. Segment A—Design complete. Segment B—90% design complete. Segment B will extend through the City of Montclair providing recycled water to Bellevue Cemetery and parks and schools in Montclair.
- Wineville Recycled Water Pipeline Extension  
In design. This pipeline will serve major laundry facilities in Ontario as well as serving the City of Fontana.
- 7th & 8th St. Basin Pipeline  
100% design complete and a value engineering has been completed as well. This pipeline will bring recycled water to 7th and 8th Street Basins and also will serve a few schools and parks along the way.
- Edison Avenue Pipeline  
Construction of Edison-Eucalyptus Regional Recycled Water Transmission Pipeline is underway. This pipeline will interconnect the existing CCWRF and TP-1 Outfall system supplementing additional recycled water supply to meet the growing demand in southern service area serving major agricultural users in Ontario, College Parks in Chino and ultimately many parks and other landscaping customers.

**Projected Budget — \$70,300,000**



Edison Avenue Pipeline



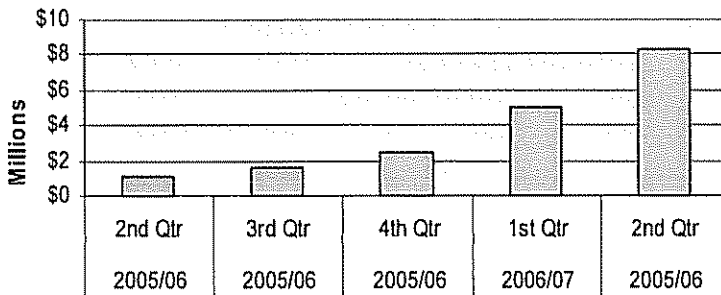
### Total Implementation Plan

ID	Task Name	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
1	Phase I	\$34,000,000.00												
2	Phase II	Complete				\$70,300,000.00								
3	Phase III							\$26,000,000.00						
4	Phase IV									\$23,000,000.00				
5	Phase V											\$22,000,000.00		

### Phase II & III Implementation Plan

ID	Task Name	2006												2007											
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
1	RP-1 Recycled Water South Pump Station	[Bar chart showing implementation from Apr to Dec]																							
2	San Antonio Channel Recycled Water Pipeline	[Bar chart showing implementation from Apr to Mar]																							
3	Wineville Avenue Pipeline Extension	[Bar chart showing implementation from Apr to Mar]																							
4	7th & 8th Street Basin Pipeline	[Bar chart showing implementation from Apr to Sep]																							
5	Edison Avenue Pipeline	[Bar chart showing implementation from Apr to Aug]																							
6	RP-4 Recycled Water Pipeline, Reservoir & Pump Station	[Bar chart showing implementation from Apr to Dec]												On-Hold											
7	North Etiwanda Recycled Water Pipeline, Reservoir & Pump Station	[Bar chart showing implementation from Apr to Dec]												On-Hold											

### Regional Recycled Water Phase II—Projected Cash Flow



Vellano Golf Course Development

### TYCIP Projects

- Twelve Significant Projects
- Serves 45,000 AFY
- Capital Cost \$117 million
- Grant Funding \$42.5 million
- State Loan Funds \$66.5 million
- Local Funding \$8 million

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

## Customer Development

### ■ Agricultural customers along the TP-1 Outfall line

There are six farm connections that staff is working closely with the Cities of Ontario and Chino to use recycled water. IEUA is providing service laterals to these farmers in order to expedite the conversion. By mid April, these farmers are expected to use recycled water. In addition, farming operation in Chino Airport, additional irrigation in CIM and three other farms in Ontario will be converted to use recycled water within a year. The combined total recycled water usage from these farms could exceed 5,000 AFY.

### ■ NRW (Non-Reclaimable Water) Customers

IEUA staff working closely with the retail agencies are targeting NRW customers. With passing of new pass through rate, these customers potentially save as much as 40% discount on the wastewater discharge in addition to the water bill by converting to use recycled water for their process and irrigation. Aramark, a commercial laundry, will be using 100% recycled water for their process once the operation begins. Staff is very optimistic that Aramark's use of recycled water would bring other commercial laundries such as Mission Linen, Crothall, and Cintas to use recycled water.

### ■ Targeted Major Customers in 2006

1. Empire Lakes Golf Course (CVWD)
2. Temple Inland (Ontario)
3. Guasti Park (Ontario)
4. Additional Farms on Outfall (Ontario & Chino)
5. Ontario Center Owners Association (Ontario)
6. California Co-generation (Chino)
7. Vellano Golf Course (Chino Hills)
8. Mission Linen (Chino)
9. Cintas I & II (Ontario)

### ■ Consulting services for recycled water program management services

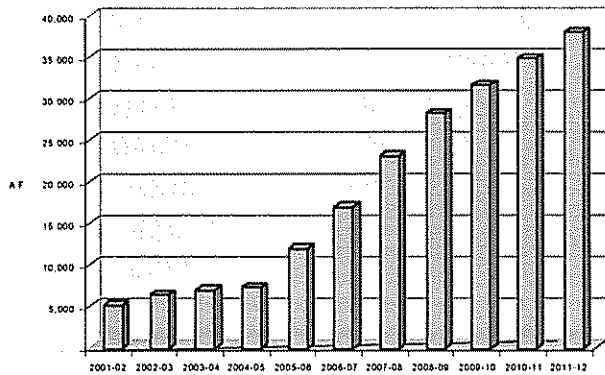
In order to expedite the approval process by DHS, IEUA staff and consultant are assisting the Cities with the Engineer's report as well as drafting a master engineer's report for each of the Cities.



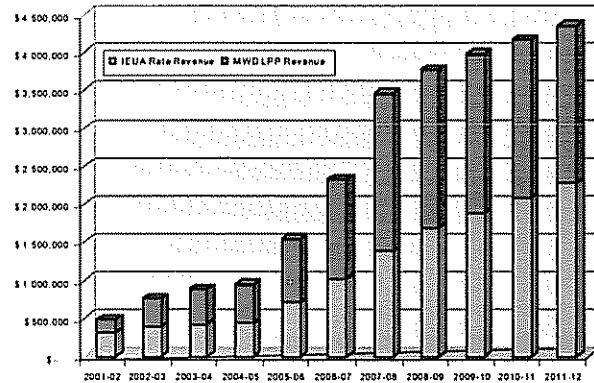
Chaparral Elementary School

## Projected Sales & Revenue

Projected Recycled Water Sales



Projected Recycled Water Revenue



## Regulatory/Permits

- CEQA—PEIR Certified June, 2002
- CBWM Article X Permit — *Approved* May, 2002
- SARWQCB Basin Plan "Maximum Benefit" — *Approved* January, 2004
- DHS Title 22 Report (Recharge) - *Approved* April, 2005
- SARWQCB Discharge Permit January 2005



CalPoly Pomona Farming in CIM

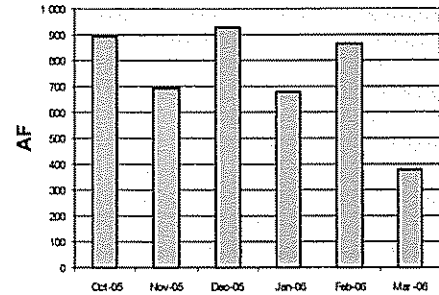
# Activity Summary

## New Customers in 2005

■ 8 new recycled water customers were connected:

	Estimated Usage (AFY)
Lewis Homes Phase II (4 connections)	100
Redwood Business Center	10
CalPoly Pomona in CIM	1,000
Chaparral Elementary School	20
Bubalo Construction	20
Campus Owners Corporation	5
Panattoni Construction	5
Ethan Ellen Inc.	10
<b>Total</b>	<b>1,170</b>

## Recycled Water Sales



## New Customers in 2006

	Expected Connection Date	Expected Usage (AFY)
Chino Hills High School and Wickman elementary school	August	30
Temple Inland	July	1,100
Kaiser Hospital	May	100
Lewis Homes Phase I (6 connections)	On-line	20
Empire Lakes Golf Course	April	800
Irrigation Customer along 6th Street	April-June	25
City Parks in Chino Hills	August	25
Bakken Property	May	2
El Prado Business Park	May	2
Fruit Growers Supply	May	20
Farmers in Ontario (6 connections)	April	2,000
Chad's Farm in Chino	April	150
Monte Vista Farm	April	200
<b>Total</b>		<b>4,474</b>

Delivery Period	2004/05	2005/06
3rd Quarter	736	1,917
Year to Date	736	1,917
FY Total	4,006	7,267
<b>Budget</b>		<b>8,290</b>

## Operation & Planning

- On March 13, there was a line break on TP-1 Outfall line at the intersection of Kimball Avenue and Flight Road. The repair was made and the line was back in service on the same day.

## Potential Customers in 2006

- City of Chino  
Mission Linen, OLS Energy and College Park (2,500 homes, 2 schools, extension of Ayala Park over 435 acre)
- City of Chino Hills  
Vellano Golf Course and Western Hills Golf Course
- City of Ontario  
California Commerce North & South, Blue Beacon, Guasti Park, Bakken Property, Fruit Growers Supply, Longs Drug, Ontario Mills, Carlisle Tire & Wheel, Cintas I & II, Crothall Laundry, Danco Metal Surfacing, Unifirst, and Agricultural customers
- City of Rancho Cucamonga  
Metal Coaters of California, Steelscape, Tamco
- City of Fontana  
California Steel, California Speedway, Sierra Aluminum, and Pacific Forge



Cal Poly Pomona Farming in CIM



Inland Empire  
WATER RESOURCES AGENCY

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Date: April 19, 2006  
To: The Honorable Board of Directors  
Through: Public, Legislative Affairs and Water Resources Committee  
(4/12/06)  
From: Richard W. Atwater  
Chief Executive Officer/General Manager  
Submitted by: Martha Davis  
Executive Manager of Policy Development  
Subject: March Legislative Report from Copeland and Associates

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**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\06101 March 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, Heather McNatt and Susan Carr

**RE:** March 2006 Legislative Report

**DATE:** March 28, 2006

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IEUA and CLJ have had a busy month advocating for IEUA's Washington legislative agenda. March began with IEUA's visit to Washington in conjunction with the ACWA conference. During that visit, Rich Atwater and/or Martha Davis met with the following Hill offices: Senator Feinstein, Senator Boxer, Chairman Jerry Lewis, Congressman Gary Miller, Congresswoman Grace Napolitano, Congressman David Dreier and Congressman Ken Calvert. In each meeting, we educated Members and staff on IEUA's appropriations requests and asked for support in both the Energy and Water and Agriculture Appropriations bills. CLJ staff followed up with Hill offices to ensure that they had all the necessary information.

CLJ has also arranged a series of meetings with the Natural Resource Conservation Service at the US Department of Agriculture. Through those meetings, we hope to engage the Department on IEUA's Renewable Energy and Dairy Waste Treatment Initiative. On March 9<sup>th</sup>, Rich Atwater met with Barry Kintzer, the National Environmental Engineer, and George Cleek from USDA's Legislative Affairs Branch. When Rich returned to Washington with the Chino Basin Watermaster in late March, the group met with Tom Christensen, Deputy Chief of Programs, Harry Slawter, Director of the Financial Assistance Programs Division, and Felix Spinelli, Senior Economist at Resource Economics and Social Sciences Division to talk about IEUA's renewable energy efforts, programs, and projects.

Appropriations requests were submitted to the Energy and Water and Agriculture subcommittee on March 16<sup>th</sup>. Now that we are past the appropriations deadline, we have entered a wait-and-see phase. Over the next few weeks, committees will hold hearings and staff will begin to draft the bills. Our first chance to see the bills will be the subcommittee mark-ups, which should take place in May. CLJ will keep IEUA informed as the bill moves through the process.

### *Congressional Support for California Levees Funding*

On March 8<sup>th</sup>, the House Appropriations Committee considered the Supplemental Appropriations bill for FY'06. During that mark-up, Rep. John Doolittle offered an amendment to add \$41 million to the bill to speed up work on repairing the Sacramento and Delta levees. While the amendment was opposed for the supplemental spending bill, Chairman Lewis and Chairman Hobson of the Energy and Water Subcommittee agreed to support including the money in the regular FY '07 appropriations bill. The supporters of increased levee funding hope that it will be included when the Supplemental moves through the Senate.

### *Budget Update*

The Senate Budget Committee passed out its FY 07 budget resolution in mid-March by a party line vote of 11-10 after rejecting several Democratic amendments to boost the budget's discretionary spending cap. Some of those amendments involved increasing spending on homeland security, widows and orphans of soldiers, veterans' benefits, and flu pandemic preparations.

The panel did adopt an amendment to restore \$500 million in social services block grant funding that President Bush proposed to cut. In addition, it adopted an amendment by ranking Democrat Kent Conrad (D-ND) to create a \$1.75 billion reserve fund to pay for chronic care management under Medicare. However, his amendment to restore pay-as-you-go budget rules to tax cuts failed on a party-line vote. He plans to offer the amendment again on when the full Senate debates the resolution next week. The budget resolution also includes a provision that would allow drilling in the Arctic National Wildlife Refuge (ANWR). This provision is expected to be one of the most controversial votes when the full Senate debates the resolution.

Another point of controversy is the creation of a budget point of order against Medicare spending, should federal subsidies of the program exceed 45 percent of total program costs. While not constituting an immediate cut, some projections predict the subsidy rate will reach 45 percent within five years.

The full Senate will take up the budget resolution during the week of March 13th. The House Budget Committee has not yet begun markup of its budget resolution. The House leadership has stated that the full House will not begin debate until after the St. Patrick's Day recess. Majority Leader Boehner has said he would like the House to complete its work on the resolution by April 8.

### *Senate to Open Two Weeks of Immigration Debate*

The Senate is scheduled to begin debate on immigration reform legislation on Tuesday, as the Senate Judiciary Committee struggles to complete its markup of proposed legislation prior to that date.

Senate Majority Leader Bill Frist (R-TN) has introduced legislation focused solely on border and immigration enforcement and plans to bring that bill to the Senate floor on Tuesday, regardless of whether the Judiciary Committee has completed its work. When the Committee completes a bill, it will be offered as an amendment to the Frist legislation.

Among the issues remaining to be addressed in the Judiciary Committee are legal penalties for persons assisting undocumented aliens to remain in the country – an issue that has raised grave concerns among social services providers – and the precise structure of a proposed guest worker program.

In total, the Senate expects to devote most of the next two weeks prior to the Easter Recess to immigration reform.

The President continues to push publicly for a bill balanced between border security/immigration enforcement and a guest worker program that would allow some formal immigration status to workers who might otherwise immigrate illegally. The President's Saturday, 3/25, radio address will be devoted to the topic and the White House intends to hold at least one major public event on the subject during the week of March 27.

### *House Telecommunications Bill Delayed*

Negotiations over a possible House Energy and Commerce Committee draft on telecommunications reform collapsed this week, with rank and file Committee Members refusing to endorse a bipartisan bill negotiated by the Committee leadership. The major points of controversy were proposals to 1) require existing cable providers to wait until new competitors had captured 15 percent of the market in a franchise area before they could take advantage of a new, national, franchising mechanism, and 2) bar existing cable providers from dropping their rates in individual neighborhoods until new competitors had reached a 15 percent market penetration. Both of these provisions are likely to be dropped from the Republican bill to be introduced next week. A subcommittee hearing on the legislation is scheduled for Thursday, March 30.

### *Outlook for the Week of March 27, 2006*

The House and Senate will return from the St. Patrick's Day recess for a two week session prior to adjourning again for the Easter recess.

The Senate plans to return to its lobbying reform package on Monday, with a tentative goal of passing the legislation Monday night. Even if the Senate is unable to pass the bill, Majority Leader Frist plans to move to immigration and border security on Tuesday. The Senate is expected to debate its immigration legislation for the two weeks prior to the Easter Recess.

In addition, the Senate Appropriations Committee is expected to mark up its version of the supplemental appropriations bill during the week of April 3.

The House will take up the Higher Education Act authorization when it returns, and will then take up its Fiscal Year 2007 budget resolution and a package of lobbying and ethics reforms. Both the budget and lobbying reform bills will be marked up in committee during the week of March 27.



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Inland Empire  
UTILITIES AGENCY

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Date: April 19, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee  
(4/12/06)

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

Submitted by: Martha Davis  
Executive Manager of Policy Development

Subject: March Legislative Report from Agricultural Resources

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**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*

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

March 30, 2006

## Legislative Report

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

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

**SU:** Legislative Report, March 2006

**Highlights:**

- Senate Energy Committee, Recycling and Desalination Policy, Oversight Hearings
- Meeting, Commissioner Keys, Bureau of Reclamation
- Chino Basin Watermaster DC Meetings
- Interior Submits Draft Legislation, \$100 Million for Water 2025
- Perchlorate – Feinstein and Pombo Introduce Cleanup Legislation
- News and Notes
- IEUA Working Partners

*Senate Energy Committee and Water Recycling, Desalination Policy – Policy Oversight Hearings.* The Senate Water and Power Subcommittee held its long-awaited Policy Oversight hearing on February 28. The Administration – Commissioner John Keys – testified, as did Rich Atwater and OCWD’s Virginia Grebbien. The Library of Congress’ Congressional Research Service provided a technical witness and Tom Donnelly, National Water Resources Association also appeared. All were critical of the Bureau’s attitude towards Title XVI. Senator Lisa Murkowski, chair, Subcommittee on Water and Power chaired the hearing and was joined by

Senator Feinstein. Both Senators grilled the Commissioner and plainly, were dissatisfied with the responses. Commissioner Keys insisted that water agencies involved with the program had failed to provide environmental documentation and described – in a highly misleading manner – the necessary approval process within the Bureau. Immediately after the hearing, Senator Feinstein realized what happened and has directed her staff to work with the Energy Committee staff to address these matters – so the Energy Committee can then proceed with markup for both Rep. Gary Miller’s recycling bill as well as Rep. David Dreier’s bill.

***Meeting, Commissioner John Keys on Title XVI and Southern California***

***Comprehensive Study.*** Rich Atwater, Martha Davis and I met with Commissioner Keys, Deputy Assistant Secretary of the Interior, Water and Science, Jason Peltier, and several members of the Commissioner’s staff. It was a contentious meeting. Commissioner Keys and the Department insist that the Southern California water recycling feasibility study was NOT a feasibility study, and, moreover, none of the NEPA documentation has been prepared. The Commissioner and his office were not well informed, and are simply wrong on their facts. This was pointed out.

***Chino Basin Watermaster DC Trip*** Last year, the Chino Basin Watermaster came to DC to make “educational” rounds. I organized the trip and Rich Atwater participated, along with representatives from Cucamonga Valley and Ken Manning from the Watermaster. Meetings were organized with the congressional delegation, the Governor’s DC office, DOD, DOI and USDA. Two issues were highlighted – recycling and perchlorate. At the USDA, the issue of green energy and dairy cleanup were discussed.

***Interior Submits Draft \$100 Million Legislation for Water 2025.*** The Department of the Interior submitted draft legislation to authorize their Water 2025 program. Congress rejected a request for \$30 million last year, reducing it to \$5 million. No one in Congress understands the program or what it contributes that Title XVI doesn’t already do. The draft bill authorizes the program, open-ended, with a \$100 million authority (the very week IEUA was told that funds for Title XVI were non-existent). Interior has criticized Title XVI as having insufficient “criteria” for evaluation, but submitted their own Water 2025 program without “criteria.” The Committees are unimpressed with what Interior is doing, and how they’re going about it.

***Perchlorate.*** Last month, I reported that Senator Feinstein and Chairman Pombo introduced perchlorate cleanup legislation. This bill includes Rep. Joe Baca’s Southern California’s bill previously introduced and passed by the House. 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.

***News and Notes.*** **Commissioner Keys.** The Commissioner, it was announced, is retiring on April 14. **Massachusetts Perchlorate Standard.** MA became the first state to set an MCL and did it at 2ppb. Other states are expected to act in the next several months. **Farm Bill Opportunities.** Discussions are continuing with various groups, committees and interests. NAS

**Study on BuRec.** National Academy of Sciences Study on Bureau of Reclamation Organization. BuRec requests the NAS study. It is now completed, and will be the subject of a hearing that examines the “future” of the Bureau of Reclamation. Rich Atwater has been asked to testify in early April. **Congressional Earmarks** Discussions about “earmark” reform continue. Different proposals are presently being reviewed. 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. WaterReuse Association
- g. CALStart
- h. Orange County Water District (OCWD)
- i. Cucamonga Valley Water District (CVWD)
- j. Western Municipal Water District
- k. Chino Basin Watermaster

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Inland Empire  
WATER RESOURCES ASSOCIATION

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Date: April 19, 2006

To: The Honorable Board of Directors

Through: Public. Legislative Affairs and Water Resources Committee  
(4/12/06)

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

Submitted by: Martha Davis  
Executive Manager of Policy Development

Subject: March Legislative Report from Dolphin Group

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#### **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 – March 2006

#### ENERGY/REGULATORY

##### *Southern California Edison General Rate Case*

A tentative settlement has been reached in Southern California Edison's General Rate Case Phase II, which allocates revenues and makes rate design changes among the various customer classes.

As illustrated in the following table, the final settlement would see a 0.2% increase in agricultural and pumping rates, whereas the original settlement proposal from Edison requested a 5.0% increase for these customers. The far right column shows the cumulative effect of rising natural gas prices, Phase II rate changes and other regulatory changes for electric rates effective July 2006 versus electric rates in effect last year.

**SCE Electricity Rates**

<b>Customer Class</b>	<b>Current Average Rate (¢/kWh)</b>	<b>Phase II Average Rate (¢/kWh)</b>	<b>Percent Change</b>	<b>Original SCE Proposal</b>	<b>July 2006 vs Dec 05</b>
<b>Residential</b>	15.078	15.320	1.6	5.00%	23.3%
<b>Commercial</b>	16.077	15.855	-1.4%	-4.95%	18.6%
GS-1	18.181	17.714	-2.6%	-3.10%	21.9%
TC-1	13.413	12.990	-3.2%	4.88%	21.7%
GS-2	17.075	15.866	-7.1%	-4.04%	8.0%
TOU-GS-2	12.272	14.525	18.4%	25.50%	50.8%
<b>Industrial</b>	12.715	12.620	-0.7%	-0.64%	17.0%
TOU-8 (Sec)	13.965	14.069	0.7%	-1.50%	17.2%
TOU-8 (Pri)	13.225	13.148	-0.6%	-2.45%	17.0%
TOU-8 (Sub)	9.897	9.426	-4.8%	5.00%	16.6%
<b>Water Pumping</b>	10.918	10.941	0.2%	5.00%	22.7%
PA-1	18.135	17.660	-2.6%	5.00%	23.5%
PA-2	13.324	12.827	-3.7%	5.00%	23.3%
TOU-PA	9.534	9.978	4.6%	5.00%	22.2%
TOU-PA-5	9.260	9.123	-1.5%	5.00%	22.5%
<b>Total System</b>	14.727	14.427	0.0%	0.00%	20.3%

### *Critical Peak Pricing*

In February 2005, Southern California Edison, PG&E and customer groups reached a settlement on the implementation of Critical Peak Pricing. The terms of the settlement were as follows:

- CPP would be done on a strictly “opt-in” voluntary basis
- There would be no hedging premium for non-participants
- Participants would receive no participation credit

On March 23<sup>rd</sup>, the presiding Administrative Law Judge issued a draft decision rejecting the settlement. Instead the ALJ ordered parties to accept an alternative CPP structure for short-term introduction, or require the utilities to implement default CPP rates for all customers with demand over 200 kW in their next General Rate Case filings (2009 for SCE, 2010 for PG&E). Parties were given twenty days to inform the CPUC of their preference, and a conference call has been scheduled for March 30 for parties to consider the options.

The alternative structure for short-term introduction is as follows:

- Default CPP rates for all customers with demand over 200 kW on January 1, 2007
- Bill protection would be offered to all customers to mitigate risk
- Customers may return to normal time-of-use rates on January 1, 2008
- Bill analysis should be provided to all customers illustrating bill impacts achieved by 5%, 10%, and 20% usage reduction during peak times.
- Net metered customers must participate
- Interruptible and DA customers would be exempt

DGI is continuing to monitor this action and will provide updates as appropriate

### *Energy Efficiency Funds for Water Conservation Efforts*

On Thursday, March 30<sup>th</sup>, DGI will participate in the first meeting in San Francisco relating to expanding the utilities’ Energy Efficiency programs and demand response programs for water conservation efforts, recognizing the link between water and energy. Parties hope to provide recommendations to the CPUC by October 2006

A “spot bill” dealing with this issue has also been introduced in the State Legislature AB 2874 (Benoit).

*State Water/Energy Symposium*

On March 28<sup>th</sup>, the California Energy Commission hosted a symposium on the relationship between water and energy, as well as to provide guidance to the CEC and the CPUC on policy needs to promote conservation of both commodities. Central to many of the discussions was the opportunity for energy efficiency savings associated with cold water conservation efforts. The state’s main utilities are very supportive of expanding water/energy conservation programs.

CPUC Commissioner Dian Grueneich indicated that she would soon be the assigned commissioner on a rulemaking at the Commission to consider changes to the utilities’ energy efficiency portfolio, and stated that this issue will be considered within that proceeding in the coming months. Key to this proceeding will be the development of protocols for measuring, verifying and allocating upstream energy savings from water conservation efforts

**BOND ACTIVITY**

Throughout early March, the Capitol was striving to reach agreement on a series of bond measures aimed at improving California’s infrastructure. Faced with a deadline to submit the bonds in time to be approved for the June Primary Election, the bond measures eventually failed to pass both houses of the Legislature. Legislative leaders of both houses and the Governor failed to reach consensus on a complete package and the whole effort collapsed

Ultimately, the Senate did approve \$1 billion for levee repairs from the state’s reserve fund, but the Assembly has not yet taken action on that measure

All parties have indicated that they wish to continue discussions aimed at placing bonds on the November ballot. Meanwhile, the \$5.38 billion “Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006” infrastructure initiative (so-called “CAVES Initiative) has been approved for circulation and has nearly completed the process of collecting signatures to qualify for the November ballot.

**LEGISLATIVE ACTION**

*Sponsored by Chino Basin Coalition & SAWPA*

CA AB 1969	<b>AUTHOR:</b>	Yee [D]
	<b>TITLE:</b>	Public Water Agencies: Renewable Energy
	<b>LOCATION:</b>	Senate Energy, Utilities and Communications Committee
	<b>SUMMARY:</b>	Amends the Public Utilities Code to create a standard tariff (or contract) for renewable energy projects at 1 MW or less at public water and wastewater agencies. Under the 10-20 year contracts the tariffs would provide payment at the renewable market price referent (approximately 7-8 cents/kWh) set by the CPUC.

CA AB 2874      **AUTHOR:**                    Benoit [R]  
                    **TITLE:**                         Renewables Portfolio Standard  
                    **LOCATION:**                      ASSEMBLY  
                    **SUMMARY:**  
States the intent of the Legislature to establish a program to encourage water and wastewater agencies to develop renewable energy resources to help retail sellers of electricity meet the State's renewables portfolio standard. (This measure is currently a "spot bill", with no specific enabling language. It was introduced on behalf of CBC as a placeholder for potential use related to the utilization of energy public goods charge funds for water and energy conservation programs.)

*Other Legislation*

CA AB 2315      **AUTHOR:**                    McCarthy [R]  
                    **TITLE:**                         Renewable Energy Technologies  
                    **LOCATION:**                      ASSEMBLY  
                    **SUMMARY:**  
State that it is the intent of the Legislature to enact legislation to establish the Climate Neutral Combustion power Generation Program in order to complement the Renewable Energy resources Program administered by the State Energy Resources Conservation and Development Commission and to supplement the Renewables Portfolio Standard Program.

CA SB 1727      **AUTHOR:**                    Kehoe [D]  
                    **TITLE:**                         Public Utilities: Electrical Corporations  
                    **LOCATION:**                      Senate Energy, Utilities and Communications  
  Committee  
                    **SUMMARY:**  
Creates an exception from the definition of an electrical corporation where electricity is generated on private real property and privately distributed across a highway to an immediately adjacent private real property owned or otherwise controlled by the corporation or person, solely for its own use or the use of its tenants and not for sale or transmission to others make conforming changes to specific exceptions for certain persons or corporations using co generation technology.

CA AB 2062      **AUTHOR:**                    Richman [R]  
                    **TITLE:**                         Electricity: Core, Noncore and Core-Elect Market  
                    **COMMITTEE:**                 Assembly Utilities and Commerce Committee  
                    **HEARING:**                      04/03/2006 3:00 pm  
                    **SUMMARY:**  
Relates to reformation of electrical restructuring in order to implement a core, noncore and core-elect market structure. Requires adoption of rules under which noncore customers must elect whether to procure the electricity they consume from an electric service provider, elect to receive commodity service from the electrical corporation under a procurement plan for a minimum period of 3 years or receive default commodity service from the corporation.



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Inland Empire  
UTILITIES AGENCY

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Date: April 19, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee  
(4/12/06)

From: Richard W Atwater  
Chief Executive Officer/General Manager

Submitted by: Martha Davis  
Executive Manager of Policy Development

Subject: March 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\06103 March Leg Report from Geyer



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## MEMORANDUM

TO: Rich Atwater and Martha Davis

FROM: Jennifer West

DATE: March 30, 2006

RE: March Legislative Report

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### **Legislature Still May Pass Bond for November**

After two months of policy committee hearings and negotiations, the Governor's infrastructure bond proposal for June failed passage earlier this month. There continues to be wide speculation as why and who was *really* to blame. One very apparent problem with the water component of the bond was that the water community could not agree on a set of bond priorities. Legislators were understandably frustrated. There were various efforts to develop such a proposal, including one by IEUA to develop agreement on a set of bond priorities within Southern California. Unfortunately, this and a number of other similar efforts failed. However, IEUA's insistence that recycled water and water use efficiency be included as separately funded programs in the bond seems to have resonated. The final version of the bond that failed in the Senate contained \$200 million for both these programs.

There is still a significant chance that the Legislature will pass a bond that will contain water and habitat funding for the November ballot. IEUA has been working with ACWA, MWD and others to try to develop a united water proposal that will meet with approval by legislators. One of the seemingly intractable problems is that Democratic leadership and Assembly Republicans have fundamentally different views on surface storage. Without surface storage, Assembly Republicans, even in Southern California were not willing to vote for the bond. It is unclear whether this can be overcome.

If the water/habitat component is to be part of the package, the Legislature will likely need to pass the measure by mid-April. That is approximately the time the "Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006" will be qualified for the November ballot. The measure, developed by the proponents of Proposition 50, contains a variety of grant programs, including \$114 million in the IRWM program for the Santa Ana Region and \$45 million for the development of a Santa Ana Parkway.

After this initiative is placed on the ballot, it is likely that the Legislature will decide to focus their bond efforts on education, transportation and housing. However, coming to any agreement, even on these less controversial topics will become more difficult as we move into the election season and the budget negotiations begin to heat up.

## Inland Empire Utilities Agency

### Positions List

March 30, 2006

	<b>Summary</b>	<b>Status</b>	<b>Position</b>
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.		Support
AB 2396 (Calderon) Metropolitan Water Districts	States the intent of the Legislature to enact legislation to change the composition of MWD's board of directors and to provide for the direct election of members of the board of directors by voters residing in the service area of a metropolitan water district. Sponsored by AFSCME.		Oppose
AB 2397 (Calderon)	This bill, with a certain exception, would prohibit MWD from entering into a contract for permanent or temporary services, skilled or unskilled, if those services, in the judgment of the district, are of a kind that persons selected through its civil service system could perform adequately and competently. Sponsored by AFSCME.		Oppose
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
SB 1317 (Torlakson) Property Tax	Would alter the manner in which certain property tax revenue is allocated within a county. Sponsored by Southern California	Senate Local Government	Recommend Oppose

	Edison. 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.		
SB 1640 (Kuehl) Water	Almost exactly the same as the final version of SB 820 (Kuehl), which IEUA supported last year, but which was vetoed by the Governor because of its groundwater requirement. SB 1640 only has a placeholder for the groundwater reporting provisions. Kuehl has begun working with the agricultural interests to try to resolve their problems with the bill.	Senate Natural Resources 4/25	Recommend Support
<b>Watch List</b>			
<b>Bill #</b>	<b>Summary</b>	<b>Status</b>	
<b>Water Conservation</b>			
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.  IEUA may want to explore the opportunities to encourage the use of compost in this bill as a water saving technique.		
AB 2496 (Laird) Low flush water closets	Requires all new buildings constructed in the state to use urinals and water closets that meet recent performance standards established by the American Society of Mechanical Engineers.		Assembly Housing 4/26
AB 2515 (Ruskin) Water Conservation	Prohibits a water supplier from receiving state bond funds unless it has adopted BMPs in accordance with the MOU regarding urban water conservation or the MOU regarding agriculture water use efficiency.  Requires the Energy Commission to establish water efficiency standards for residential and commercial water-using appliances and other products and report to the legislature.		Water Parks and Wildlife 4/25
SB 1608 (Simitian) Water	Requires that any transit district that receives state funds that will be used for landscaping shall design the landscaping using California native plants and other water-saving plants.		Senate Transportation 4/18

Landscape	in consultation with the local native plant society or the Resources Agency.	
SB 1817 (Torlakson) Water Conservation	Spot bill on water conservation	
<b>Groundwater</b>		
SB 1425 (Kuehl) Groundwater	Makes minor changes to the recordation action that applies to five counties in Southern California	Senate Natural Resources
SB 1795 (Machado) Groundwater Recharge	Declares that the recharging of a groundwater basin for the purpose of storage, and related diversions for the purpose, is a beneficial use of water, if the recharge is consistent with management objectives set forth in a local agency's groundwater management plan.	Senate Natural Resources 4/25
<b>Floods and Delta</b>		
AB 2208 (Jones) Delta Levee Fees	Declares legislative intent to impose fees on water users who benefit from the delta levee and conveyance system, and to fund system improvements, in accordance with the "beneficiary pays" principle	
SB 1251 (Alquist) Floods	Requires DWR, not later than 2007, to convene a task force to prepare a comprehensive statewide flood and storm water management plan with prescribed components and a financing strategy for the implementation of the plan.	Senate Natural Resources
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
SB 1574 (Kuehl) Delta Exports	Current law requires DWR and DFG to determine the principal options for the Delta. This bill would require one of those principal options to be designed to reduce dependence on the delta for water supply through greater investments in local water supplies, water use efficiency, water recycling, demand management programs, and other actions outside the delta. The bill would substantially revise those objectives relating to the delta and Sacramento and San Joaquin river systems. The bill would require the Department of Water Resources and the Department of Fish and Game, on or before July 1, 2007, to provide a draft joint report to the Independent Science Board of the California Bay-Delta Authority, or its successor. The bill would require that board to provide the Department of Water Resources with an independent peer review of the draft report. The bill would require the Department of Water Resources to revise the draft joint report to reflect the comments of the peer review in the joint report.	Senate Natural Resources 4/25

<b>Miscellaneous</b>		
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.	
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	Senate Natural Resources

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8 SPECIAL REFEREE

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
10 COUNTY OF SAN BERNARDINO, RANCHO CUCAMONGA DIVISION

11 CHINO BASIN MUNICIPAL WATER )  
12 DISTRICT, )

13 Plaintiff, )

14 v. )

15 THE CITY OF CHINO, )

16 Defendants. )

CASE NO. RCV 51010

Judge: Honorable J. Michael Gunn

Date: TBD

Time:

Dept:

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19  
20 SPECIAL REFEREE'S REPORT ON PROGRESS MADE ON  
21 IMPLEMENTATION OF THE WATERMASTER INTERIM PLAN  
22 FOR MANAGEMENT OF SUBSIDENCE  
23  
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SUPERIOR COURT OF THE STATE OF CALIFORNIA

9

COUNTY OF SAN BERNARDINO, RANCHO CUCAMONGA DIVISION

10

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CHINO BASIN MUNICIPAL WATER  
DISTRICT,

12

Plaintiff,

13

v.

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THE CITY OF CHINO,

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Defendants.

16

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CASE NO. RCV 51010

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SPECIAL REFEREE'S REPORT ON  
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I. INTRODUCTION

20

A workshop was held May 25, 2005, as a follow-up to the workshop held August 29, 2002.

21

The second workshop was originally scheduled to be held in 2003, pursuant to Court Order

22

Concerning Watermaster's Interim Plan for Management of Subsidence, dated October 17, 2002

23

("2002 Order"). The second workshop was postponed until substantial data collection and analysis

24

had been completed.

25

The scope of the workshop was limited to presentation of technical data and analysis

26

completed to date related to the Watermaster Interim Plan for Management of Subsidence ("Interim

27

Plan"). The presentation was made by Mr. Malone of Wildermuth Environmental, Inc., Watermaster

28

Engineering Consultant. Mr. Malone, Mr. Wildermuth, and Mr. Riley addressed questions posed

1 by the Special Referee, technical expert Joe Scalmanini, and several others. Consistent with use of  
2 a workshop format, cross-examination was not allowed. A transcript of the workshop has been  
3 prepared and will be filed with the Court by Watermaster.

## 4 II. 2002 COURT ORDER

5 In the 2002 Order, Judge Gunn directed Watermaster to:

- 6 (1) Implement the Interim Plan Monitoring Program for subsidence, including all work  
7 related to piezometers, extensometers, ground-level monitoring, aquifer testing, and  
8 other actions to study, analyze, and interpret subsidence and fissuring in MZ1 and to  
9 determine causes in sufficient detail that they can be managed through a long-term  
10 plan;
- 11 (2) Continue the MZ1 Technical Committee work and have the Technical Committee  
12 serve in an advisory capacity to assist Watermaster in developing a long-term  
13 subsidence management plan for MZ1;
- 14 (3) Develop a long-term management plan by fiscal year 2004/2005;
- 15 (4) Submit quarterly reports to the court on all interim and long-term efforts to address  
16 MZ1 subsidence and fissuring problems, including documentation of participation,  
17 forbearance, impacts, and other "noteworthy details that pertain to the goal of  
18 forbearance to minimize subsidence and fissuring";
- 19 (5) Schedule a follow-up workshop for July 17, 2003; and
- 20 (6) File reports at least quarterly to apprise the court of any actions pending that could  
21 cause the "jurisdiction issue" to resurface.

## 22 III. COMPLIANCE WITH 2002 COURT ORDER

### 23 A. Regular Reports by Watermaster

24 Watermaster has regularly reported to the court, through its status reports, on the progress  
25 of all work related to Management Zone 1 ("MZ1") subsidence issues. Watermaster has also  
26 reported that it is not aware of any pending legal actions which have raised issues concerning the  
27 court's jurisdiction related to subsidence. The City of Chino ("Chino") has annually asked for  
28 continuances of its Paragraph 15 Motion. The process has been that Chino requests continuance  
after both Chino and the City of Chino Hills ("Chino Hills") have committed to forbear some  
pumping. (Our files reflect that Chino requested a continuance to September 1, 2005, but we do not  
have a copy of a court order approving that continuance.) Watermaster has reported that the MZ1  
Technical Advisory Committee has been actively meeting.

////

1 **B. Pumping Forbearance Agreements**

2 Annual forbearance agreements have been entered into for the past three years by Chino and  
3 Chino Hills. On April 28, 2005, Watermaster approved continuation of the forbearance agreements  
4 for a fourth year. The fourth year of forbearance will be fiscal year 2005/2006.

5 **C. Court Order and Deadlines**

6 Two of the deadlines set forth in the 2002 Order have not been met. First, a long-term  
7 management plan for MZ1 was to have been completed this fiscal year (by July 1, 2005). Second,  
8 a follow-up Special Referee workshop was not held in July 2003, but, instead, was postponed in  
9 order that a substantial body of work could be completed to study and assess the MZ1 issues.

10 **IV. INTERIM PLAN WORK**

11 **A. Technical Work Completed to Date**

12 The purpose of the second workshop was to hear a description of the work and study that has  
13 been done since the MZ1 Interim Plan was begun, to ascertain whether any conclusions have been  
14 reached, and to obtain a description of the activities that are being undertaken now and that remain  
15 to be done. Mr. Malone's presentation on the technical work and analysis to date formed the bulk  
16 of the workshop. He provided a very detailed description of the monitoring and other technical work  
17 that has been undertaken. Ongoing efforts have included installation of piezometers and an  
18 extensometer, installation of transducers to monitor water levels in a network of wells, and ground-  
19 level and InSAR monitoring for subsidence. Mr. Malone reported several discoveries which he  
20 characterized as significant, including discovery of a groundwater barrier at depth in a location  
21 approximately coincident with the fissuring that has occurred, and that there are two very distinct  
22 aquifer systems. (Reporter's Transcription ("RT") at pp. 44-47)

23 Mr. Malone also indicated that all of the potential causes of the subsidence and fissuring  
24 which had been previously suggested had been reviewed, but that the Interim Plan work has focused  
25 on the hypothesis that the subsidence and fissuring have been caused by subsurface fluid withdrawal:

26 We reviewed all these [other potential causes of subsidence], but what we zeroed in  
27 on was the subsurface withdrawal as our hypothesis. That's what we identified as the  
28 most likely cause of the subsidence that we had observed in the City of Chino . . . so  
our hypothesis was that the groundwater production caused land subsidence and  
fissuring in Chino Basin. . . We also noted that it was likely, or that we were

1 hypothesizing that the production from the confined aquifer system was the main  
2 cause of this recent episode of subsidence and fissuring that was measured in the  
3 early 1990's. So this is what we designed our monitoring program to test, whether  
4 or not this hypothesis was correct.

4 (RT at pp. 32-33) There was no further discussion on the record regarding the nature of the review  
5 that was done as to other potential causes of the subsidence and fissuring.

6 A primary focus of the technical work has been to determine at what point subsidence creates  
7 inelastic compaction versus subsidence which is elastic and can recover. Mr. Malone described the  
8 process to identify:

9 . . . the threshold where the deformation process transitions from elastic to inelastic.  
10 By doing that, we'd be defining the usable volume of the storage reservoir, under  
11 what range of water levels can we operate where we're not causing inelastic  
12 compaction. And that would be a very key finding to any long-term management  
13 plan that might develop out of this study.

12 (RT at pp. 43-44) The presentation included detailed descriptions of "stress-strain diagrams" which  
13 reflect data on the elastic versus inelastic response of the system to pumping. Mr. Malone drew  
14 attention to a "key point" that there appears to have been about two one-hundredths of a foot (0.02  
15 ft.) of permanent compaction over the 2004 pumping season. (RT at pp. 58-59) He indicated that  
16 the ". . . inelastic threshold was crossed at about 250 feet below ground surface during the latter part  
17 of the pumping season." (RT at p. 60) Mr. Malone made it very clear that it is necessary to wait for  
18 "fully recovered water levels" before drawing any final conclusions that the system transitions from  
19 elastic to inelastic compaction when water levels are somewhere below 250 feet below ground  
20 surface. (RT at p. 95)

21 In response to questions as to whether there are sufficient data available now to develop a  
22 long-term plan, Mr. Malone responded that:

23 . . . When we operate in the forbearance agreement where we pump during the  
24 pumping season, but we allow the system to recover during the wintertime months,  
25 . . . we've demonstrated that we're operating generally in an elastic range. . . And so  
26 to how far we can step out of that same pumping pattern and still operate within the  
27 elastic range, we have not determined that yet. But the models hold the promise of  
28 determining that.

27 (RT at p. 93)

28 Mr. Malone explained that the next step in the investigation is to create groundwater models

1 to "... simulate the groundwater production's effects on groundwater levels." (RT at p. 91) The  
2 model will: "... help us provide that linkage between groundwater production and groundwater  
3 levels that would provide a tool to evaluate any management plan that might come out of this." (RT  
4 at p. 107)

5 In response to a question, Mr. Malone indicated that there are not plans to do further testing  
6 in the southern part of MZ1:

7 We feel like if the stress-strain diagram goes to where it seems to be going, that  
8 we've identified this threshold of preconsolidation stress that is the transition  
9 between inelastic and elastic compaction. . . I don't think we have any further  
10 questions that we're trying to answer in this southern part of Management Zone 1.  
11 We're going to be developing the models that will help us provide that linkage  
12 between groundwater production and groundwater levels. . .

13 (RT at p. 107)

#### 14 **B. Recommended Additional Technical Work**

15 Mr. Malone recommended that technical work be continued in the southern part of MZ1 and  
16 that certain technical work be started in the central MZ1 area to the north. For the southern MZ1  
17 area, the recommendation is that monitoring continue (RT at pp. 97-99) and that some of the  
18 dedicated piezometers be replaced (RT at pp. 103-104). In addition, numerical models would be  
19 developed (a one-dimensional compaction model and a three-dimensional groundwater flow and  
20 subsidence model). The three-dimensional model would link:

21 ... the areal and vertical distribution of pumpage to water level fluctuations and then  
22 the ultimate deformation that occurs in the aquifer system. . . We've been working  
23 mostly on this link between water level fluctuation and deformation. The model will,  
24 then, now take us from that to include pumpage, how it affects water level  
25 fluctuations, and then how the water level fluctuations affect deformation.

26 (RT at pp. 99-100)

27 Mr. Malone also discussed expanding the investigation of subsidence, initially via  
28 monitoring, to the central region of MZ1, including the installation of water level transducers in  
existing wells. (RT p. 107) Mr. Malone characterized as speculative the potential need to construct  
a new monitoring facility or facilities in the central region, including a multi-piezometer and/or  
extensometer. (RT at p. 102) He clarified that ground-level survey data, InSAR data, and water-  
level data should be collected in the central MZ1 area before any conclusion would be reached on

1 the need for piezometers or an extensometer. (*Id.*) Expansion of the subsidence investigation into  
2 the central region of MZ1 is prompted by the observation of some historical subsidence in the area,  
3 confounded to some degree by the lack of any known local pumping in the immediate subsidence  
4 area. (RT at pp. 76, 80, 83-84, 87)

### 5 C. Long-Term Plan Schedule

6 There was not extensive discussion at the workshop on either a long-term plan or a schedule  
7 for completion of a plan. Mr. Malone indicated that InSAR surveys and ground surveys will be  
8 conducted in both fall 2005 and spring 2006. (RT at p. 104) The modeling would be completed in  
9 the spring of 2006, with a modeling report to follow that summer. (*Id.*) Mr. Wildermuth responded  
10 to a question regarding scheduling by indicating that several more years of studies and model  
11 development and analysis would be required, followed by 12 months to reach an agreement on a  
12 long-term plan. (RT at p. 109) This timing is consistent with the discussion in the 2002 workshop.  
13 At that workshop, in response to the question of how long it would take to start developing a long-  
14 term plan given optimal agreement by all parties, Mr. Wildermuth stated that he thought it would  
15 take three to five years (2002 Workshop Transcript at page 101.) Mr. Slater also clarified at the 2002  
16 workshop that Mr. Wildermuth's three to five years were for the "data development side" and that  
17 "the business deal probably follows soon thereon, and one would expect maybe twelve months to  
18 wrap that piece up." (2002 Workshop Transcript at p. 103.)

## 19 V. RECOMMENDATION OF SPECIAL REFEREE

### 20 A. Preparation of a Summary Report on MZ1 Technical Work

21 A substantial body of technical work has been completed in the southern MZ1 area.  
22 However, conclusions are still preliminary:

23 . . . With our stress-strain diagram . . . we're seeing that these head declines can  
24 induce permanent compaction. But again this is a preliminary conclusion because  
25 it is still pending fully recovered water levels. We're waiting for those water levels  
to be fully recovered to see if any inelastic compaction did occur over the last  
pumping season.

26 (RT at p. 95) When sufficient time has elapsed for water levels to have fully recovered, it is our  
27 view that a summary report on all of the work presented at the workshop would be extremely helpful.  
28 Even though no modeling has been completed, there appear to be sufficient data to conclude that

1 | there is a threshold depth to water that, if crossed, will likely lead to new inelastic compaction and  
2 | subsidence and ground fissuring. That information should be made available to the parties in a  
3 | summary report as soon as possible. Based on Mr. Malone's presentation, it should be feasible to  
4 | prepare such a report by the middle of August. When the three-dimensional model is prepared, a  
5 | modeling report will be written. In the meantime, there are important data and preliminary findings  
6 | that can be made available very soon that will be of immediate use to the pumpers within MZ1.

7 |         A further recommendation related to a summary report is that the summary report should also  
8 | address the other potential causes of subsidence and fissuring that have been suggested in the past.  
9 | If any of those items cannot be readily addressed, then the summary report should recommend how  
10 | they will be addressed. While the detailed monitoring and testing has been substantial, they have  
11 | not apparently addressed whether subsidence and fissuring might have been partially the result of  
12 | mechanisms other than deep groundwater pumping. The continuing possibility that other  
13 | mechanisms may also be responsible for subsidence is a potential impediment to development of the  
14 | long-term plan.

15 |         As part of this discussion, the summary report should discuss any information related to  
16 | whether any significant subsidence predated the notable subsidence and fissuring since the early  
17 | 1990's, and should describe the historical surveying investigation commissioned by Watermaster to  
18 | address that issue. An important outstanding question is whether any pre-1990's subsidence that  
19 | may have occurred correlates with, or can be attributed to, the large historical changes in  
20 | groundwater levels that predated the Judgment.

21 | **B. Watermaster Issuance of Guidance Criteria.**

22 |         Near the close of the workshop, there was some discussion of what would be included in a  
23 | long-term plan, including possibly expanding the study area to include the central MZ1 region. (RT  
24 | at pp. 123 *et seq.*) The concept of a long-term MZ1 management plan has been part of the  
25 | Watermaster program since it was first articulated in 1999 in the Optimum Basin Management  
26 | Program Phase 1 Report. A long-term management plan was to be formulated during the interim  
27 | plan period, and would be based on investigations, monitoring programs and data assessment. It  
28 | would be adaptive in nature. The workshop discussion noted that the technical work that has been



1 done and that will be done will form the basis for a long-term plan. Mr. Wildermuth indicated that:

2 . . . we haven't felt until very recently, last maybe six or eight months, that we were  
3 at a point where we are getting close to coming up with conclusions from which we  
4 could build a plan on, pull the parties together and talk about their deal making to  
5 implement a plan.

6 (RT at p. 125) As discussed, above, however, development of a long-term plan itself does not appear  
7 to be imminent.

8 In response to questions regarding the possibility of phasing the long-term plan, Mr.  
9 Wildermuth discussed the option of bifurcating the ". . . southern and central portion, try to get the  
10 southern portion going, and then based on the interests of the stakeholders, do something in the  
11 central area." (RT at p. 125) Mr. Wildermuth also suggested that Watermaster's long-term plan  
12 could range from being "guidance information" to something more aggressive. (RT at p. 108)

13 The concept of providing guidance criteria is a compelling one. It appears, based on the  
14 presentation at the workshop, that Watermaster can very soon alert pumpers in the southern MZ1  
15 area that there is a substantial risk that lowering water levels to below approximately 250 to 260 feet  
16 below ground surface will result in new inelastic compaction and subsidence. This type of  
17 information should formally be made available to the parties as soon as possible, presumably as soon  
18 as a summary report on the MZ1 technical work is completed. The guidance criteria would be issued  
19 by Watermaster in a timely fashion, to be followed by the long-term plan development which  
20 necessarily will require a longer period to complete.

### 21 C. Long-Term Plan and Schedule

22 It is incumbent upon Watermaster now to request that the court extend the period for  
23 completion of a long-term plan for MZ1. The overall testimony indicated that several more years  
24 of technical and modeling work will be required, followed by approximately a year of negotiations  
25 among the parties. The Watermaster should propose a schedule to the court which takes into account  
26 the continuation of data collection and modeling work in the main MZ1 area as well as technical  
27 work in the central MZ1 area. A date should be established for completion of a long-term plan.

28 Whether the long-term plan is ultimately characterized as a management plan is an issue for  
the parties to address. Based on presentation and discussion at the workshop, it is clear that, at the

1 very least, an ongoing monitoring program by Watermaster will be required so that the parties have  
2 full and sufficient information available to them to inform their decisions.

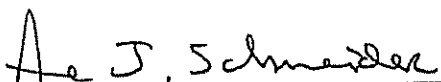
3 **D. Expanded Monitoring in MZ1**

4 The presentation at the workshop, while focused on monitoring and studies in the southern  
5 MZ1 area, indicated that some monitoring work can and should be done in the central MZ1 area,  
6 including installation of transducers in wells, and ground and InSar ground-level monitoring. More  
7 costly and complex efforts involving piezometers and an extensometer would logically be held in  
8 abeyance pending assessment of data collected. A phased long-term plan could include provision  
9 for central MZ1 monitoring work and studies, with future efforts considered and scheduled on an  
10 as-needed basis, while more definitive conclusions are drawn in the southern MZ1 area based on the  
11 extensive work already focused in that area. As noted above, the central MZ1 area appears to  
12 warrant additional investigation in light of detectable subsidence in spite of no significant pumping  
13 stress in the immediate subsidence area. Such additional investigation would also appear important  
14 in light of the overall concept of basin reoperation and hydraulic control, which could result in  
15 locally lower groundwater levels in parts of the basin.

16 **VI. CONCLUSION**

17 The workshop was very productive. Mr. Malone's presentation was excellent. The  
18 Watermaster does not require court approval to direct the preparation of a summary report on the  
19 MZ1 technical work or to issue guidance criteria. The Watermaster, however, should file with the  
20 court a motion for an order to set a schedule for the completion of a long-term plan.

21 Dated: June 16, 2005

22  
23   
24 Anne J. Schneider, Special Referee  
25  
26  
27  
28

CHINO BASIN WATERMASTER  
Case No. RCV 51010  
Chino Basin Municipal Water District v. The City of Chino

PROOF OF SERVICE

I declare that:

I am employed in the County of San Bernardino, California. I am over the age of 18 years and not a party to the within action. My business address is Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California 91730; telephone (909) 484-3888.

On June 21, 2005 I served the following:

**Special Referee's Report on Progress Mad on Implementation of the Watermaster Interim Plan for Management of Subsidence**

BY MAIL: in said cause, by placing a true copy thereof enclosed with postage thereon fully prepaid, for delivery by United States Postal Service mail at Rancho Cucamonga, California, addresses as follows:

**See attached service list:**  
Mailing List 1

BY PERSONAL SERVICE: I caused such envelope to be delivered by hand to the addressee.

BY FACSIMILE: I transmitted said document by fax transmission from (909) 484-3890 to the fax number(s) indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting fax machine.

BY ELECTRONIC MAIL: I transmitted notice of availability of electronic documents by electronic transmission to the email address indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting electronic mail device.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on June 21, 2005 in Rancho Cucamonga, California.

  
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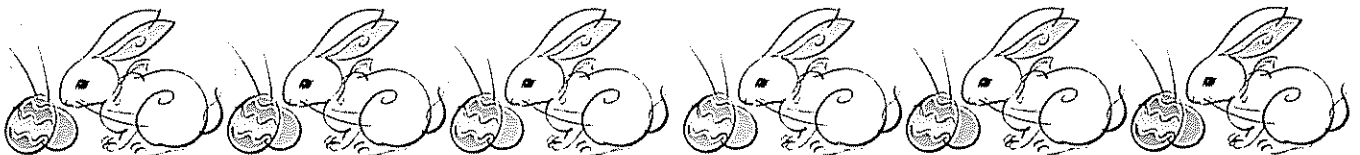


# CHINO BASIN WATERMASTER

## IV. REPORTS/UPDATES

### D. INLAND EMPIRE UTILITIES AGENCY

1. Monthly Water Conservation Programs Report
2. Groundwater Operations Recharge Summary
3. Monthly Imported Water Deliveries Report
4. State and Federal Legislative Reports
5. Community Outreach/Public Relations Report



**CHINO BASIN WATERMASTER**

**ADVISORY COMMITTEE**

**April 27, 2006**

**AGENDA**

**INTERAGENCY WATER MANAGERS' REPORT**

**Chino Basin Watermaster**

**9641 San Bernardino Road**

**Rancho Cucamonga, CA 91730**

**15-20 Minutes**

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**Discussion Items:**

None

**Written Updates:**

- Monthly Water Conservation Programs Report
- Groundwater Operations Recharge Summary
- Monthly Imported Water Deliveries Report
- State and Federal Legislative Reports
- Community Outreach/Public Relations Report

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# Regional Conservation Programs

## Monthly Report-March

### MWD Activities

- **Azusa Pipeline Agreement**- On February 14, 2006, the MWD Board approved the agreement with Three Valleys Municipal Water District and IEUA to allow emergency interconnections with the Azusa Pipeline to the Cucamonga Valley Water District Lloyd Michaels and WFA filtration plants. This will enhance significantly supply reliability throughout the IEUA service area.
- **California Friendly Marketing Campaign**- The "California Friendly" campaign is an effort by MWD and its member agencies to get people to conserve resources by using water and energy efficient products along with changing to water efficient landscapes. Marketing materials are being developed to carry out the new California Friendly campaign and will kick off on April 15, 2006 with TV advertisements, public service announcements, magazine advertisements, and other materials.
- **Regional Water Supplies**- Based on snow pack levels in the Sierras and the upper Colorado River watershed, MWD has indicated that "surplus" supplies of imported water will be available this year.

### Landscape Programs

- **"SmarTimer of Inland Empire" Irrigation Controller Program**- The final application form, product description, advertisement and other materials for the irrigation controllers have been created and were distributed at the January Regional Conservation Partnership Workgroup meeting. Materials are now available on the IEUA web site.
- **Phase II Landscape Audit Program (05/06)** - The RFP for the 05/06 Audit Program will be released in late March, 2006, and the program will commence in late 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 in spring, 2006.
- **Residential Landscape Classes**- Monte Vista District held a PDA class on March 11<sup>th</sup>, and the City of Upland held a PDA series of four classes on each Saturday in the month of March. SmarTimer Controllers were exchanged at both the MVWD class and the City of Upland classes. Approximately 20 controllers were exchanged. Cucamonga Valley Water District is holding a PDA class on April 8<sup>th</sup>. SmarTimer controllers will be exchanged at this class as well.
- **Landscape Collaborative**- IEUA staff met with city officials to consider the formation of a landscape task force to coordinate water efficient landscaping throughout the regions programs and policy recommendations.

### Commercial/Industrial/Institutional Program

- **CII SAVE-A-BUCK**- After Honeywell evaluated their marketing strategies for the MWD service area, they concluded that meeting face to face with commercial customers is much more effective than mass advertising and mailers. For IEUA's service area, Honeywell's new marketing strategies include tailoring existing materials to target our area, new bill inserts, and also by having representatives present at local chamber meetings, agency events and other significant events.  
The following is a list of rebate activity for our service area:
  - **High Efficiency Clothes Washers** – There were 10 clothes washer rebates for the month of February. To date 315 commercial high efficiency clothes washers have been installed in our service area since FY 00/01.
  - **Conductivity Controller Cooling Tower** – 1 controller was installed in FY 05/06 bringing the total to 15 conductivity controllers installed through the Save-a-Buck program since FY 00/01.
  - **ULF Toilets** – 234 ULFTs were rebated in February bringing the total to 445 ULFs in our service area since FY 00/01.
  - **Water Broom** – 114 water brooms were rebated in October bringing the total to 693 since FY 00/01.
- **Restaurant Spray Heads**- This program is being implemented by the CUWCC. Phase II was completed in December, 2005 with approximately 861 spray nozzles installed in our service area. To date approximately 1,192 spray heads have been installed. Phase III will begin in March and end in December, 2006.

### Residential Programs

- **Single-Family ULF Toilet Exchange Programs**- The Regional Conservation Workgroup decided at their January meeting to discontinue the exchange events with the exception of one local Upland event. The final Upland exchange event will take place April 1<sup>st</sup> with a return date of April 22<sup>nd</sup>. The group will re-evaluate the program for FY 07/08. During this time IEUA staff will collect information on HETs and direct install programs to guide the group in exploring alternate single family toilet programs.
- **Multi-Family ULF Toilet Program**- Currently, through the direct install program approximately 4,724 toilets have been installed and 1,161 have been confirmed for installation. The remaining toilets are expected to be installed within the next two months. The next round of the program will be funded by a DWR \$1.6 million grant for 22,000 toilets. The RFP went out in February and the bids are now in review. The program will begin in late spring, 2006.
- **High Efficiency Clothes Washer Rebate**- Approximately 126 rebates were issued during February, bringing the total for the current fiscal year to 901 rebates. This brings the total number of rebates to approximately 5,960 since the rebate program began in 2002.

### School Education Programs

- **Garden in Every School**- Irrigation is being completed at the schools. Plantings have taken place at Coyote Canyon in Rancho Cucamonga, Ranch View in Ontario, and Foothill Knolls in Upland. Plantings will take place through April with Dedications in May and June.
- **National Theatre for Children**- The spring schedule has been completed, with performances beginning in late March.
- **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 19<sup>th</sup> through May 21<sup>st</sup>, 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

- **Water Fair**- Members of the Conservation Partnership have formed a committee to plan a water fair for the customers within the IEUA service area. The committee has been meeting every month. The fair will provide information on rebates and promote other ways to conserve water. The event is tentatively set for October 14, 2006.
- **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)** – WEWAC participated in the Home and Garden Fair at the Pomona Fairplex on Friday, January 27<sup>th</sup>-Sunday, January 29<sup>th</sup> by having a garden exhibit full of drought tolerant plants and water conserving landscaping resources. In April they will discuss new initiatives for the next year.
- **BMP Support Grants**- No new action.

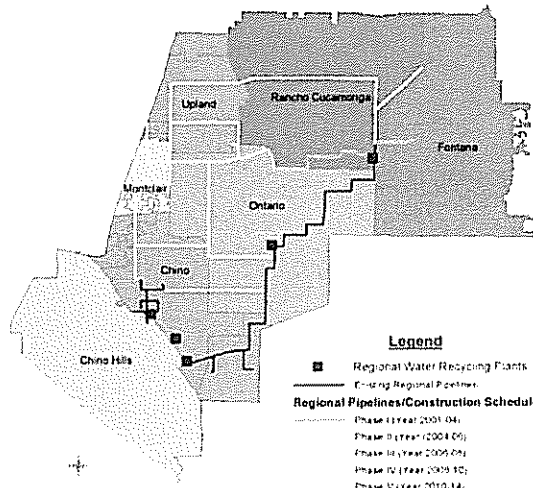
### Upcoming Events

## CALENDAR

March 30, 2006	CUWCC Landscape Committee Meeting (Sacramento)
April 1, 2006	Local ULF Toilet Distribution (City of Upland)
April 8, 2006	PDA "Water Wise" Gardening MiniClass (Cucamonga Valley Water District)
April 22, 2006	Local ULF Toilet Return (City of Upland)
April 24 <sup>th</sup> -28 <sup>th</sup> , 2006	CA-NV AWWA Spring Conference (Burlingame)
April 28 <sup>th</sup> -30 <sup>th</sup> , 2006	Lemon Festival (City of Upland)
May 3, 2006	CUWCC Steering Committee Meeting, (San Francisco)
May 9 <sup>th</sup> -12 <sup>th</sup> , 2006	ACWA Conference (Monterey)
May 13, 2006	Water Awareness Day (Cucamonga Valley Water District)
May 19 <sup>th</sup> -21 <sup>st</sup> , 2006	Solar Cup
June 7, 2006	CUWCC Plenary Session (San Diego)
June 11 <sup>th</sup> -16 <sup>th</sup> , 2006	AWWA Annual Conference (San Antonio, TX)

3RD QUARTER FY2005/06  
RECYCLED WATER SUMMARY

# Capital Projects Summary



## PROJECTS COMPLETED

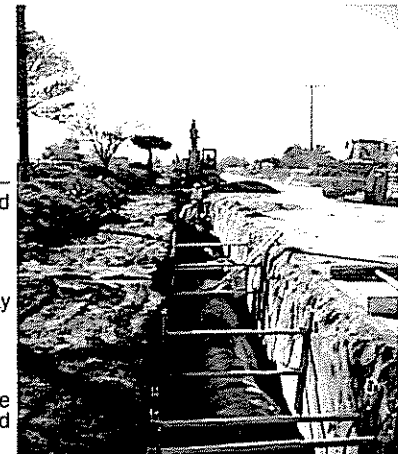
- RP-1/RP-4 Pump Station (Budget \$7,718,000)
- RP-1 Chlorination Tank (Budget \$4,817,200)
- Pine Avenue Intertie (Budget—Phase I & II \$1,066,000)
- Wineville Pipeline (Budget \$2,307,200)
- Reliant Pipeline (Budget \$1,115,476)
- Philadelphia Pipeline (Budget \$3,591,400)
- Whittram Pipeline (Budget \$3,621,000)
- RP-4 West Branch Phase I & II (Budget \$9,688,096)

Total Budget — \$33,954,371

## PROJECTS IN DESIGN AND CONSTRUCTION

- RP-4 Area 3 MG Regional Recycled Water Reservoir, Pipeline and Pump Station  
On-hold awaiting acquisition of property
- North Etiwanda Regional Water Pipeline and Pump Station  
On-hold awaiting acquisition of property
- RP-1 South Recycled Water Pump Station  
100% design complete.
- San Antonio Channel Recycled Water Pipeline  
There are two design segments; Segment A & B. Segment A—Design complete Segment B—90% design complete. Segment B will extend through the City of Montclair providing recycled water to Bellevue Cemetery and parks and schools in Montclair.
- Wineville Recycled Water Pipeline Extension  
In design. This pipeline will serve major laundry facilities in Ontario as well as serving the City of Fontana.
- 7th & 8th St. Basin Pipeline  
100% design complete and a value engineering has been completed as well. This pipeline will bring recycled water to 7th and 8th Street Basins and also will serve a few schools and parks along the way.
- Edison Avenue Pipeline  
Construction of Edison-Eucalyptus Regional Recycled Water Transmission Pipeline is underway. This pipeline will interconnect the existing CCWRF and TP-1 Outfall system supplementing additional recycled water supply to meet the growing demand in southern service area serving major agricultural users in Ontario, College Parks in Chino and ultimately many parks and other landscaping customers.

Projected Budget — \$70,300,000



Edison Avenue Pipeline

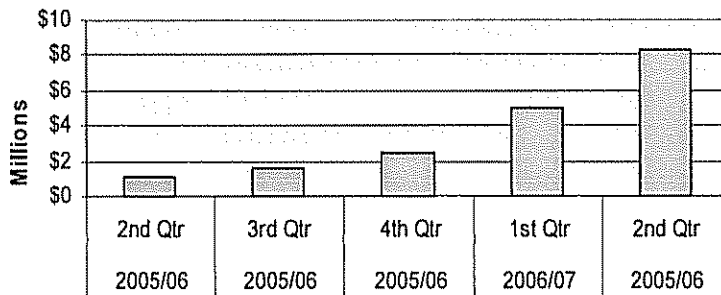
### Total Implementation Plan

ID	Task Name	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1	Phase I	\$34,000,000.00											
2	Phase II	Complete			\$70,300,000.00								
3	Phase III					\$25,000,000.00							
4	Phase IV						\$23,000,000.00						
5	Phase V								\$22,000,000.00				

### Phase II & III Implementation Plan

ID	Task Name	2006												2007											
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
1	RP-1 Recycled Water South Pump Station																								
2	San Antonio Channel Recycled Water Pipeline																								
3	Wineville Avenue Pipeline Extension																								
4	7th & 8th Street Basin Pipeline																								
5	Edison Avenue Pipeline																								
6	RP-4 Recycled Water Pipeline, Reservoir & Pump Station																								
7	North Etiwanda Recycled Water Pipeline, Reservoir & Pump Station																								

### Regional Recycled Water Phase II—Projected Cash Flow



Vellano Golf Course Development

### TYCIP Projects

- Twelve Significant Projects
- Serves 45,000 AFY
- Capital Cost \$117 million
- Grant Funding \$42.5 million
- State Loan Funds \$66.5 million
- Local Funding \$8 million

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



## Customer Development

### ■ Agricultural customers along the TP-1 Outfall line

There are six farm connections that staff is working closely with the Cities of Ontario and Chino to use recycled water. IEUA is providing service laterals to these farmers in order to expedite the conversion. By mid April, these farmers are expected to use recycled water. In addition, farming operation in Chino Airport, additional irrigation in CIM and three other farms in Ontario will be converted to use recycled water within a year. The combined total recycled water usage from these farms could exceed 5,000 AFY.

### ■ NRW (Non-Reclaimable Water) Customers

IEUA staff working closely with the retail agencies are targeting NRW customers. With passing of new pass through rate, these customers potentially save as much as 40% discount on the wastewater discharge in addition to the water bill by converting to use recycled water for their process and irrigation. Aramark, a commercial laundry, will be using 100% recycled water for their process once the operation begins. Staff is very optimistic that Aramark's use of recycled water would bring other commercial laundries such as Mission Linen, Crothall, and Cintas to use recycled water.

### ■ Targeted Major Customers in 2006

1. Empire Lakes Golf Course (CVWD)
2. Temple Inland (Ontario)
3. Guasti Park (Ontario)
4. Additional Farms on Outfall (Ontario & Chino)
5. Ontario Center Owners Association (Ontario)
6. California Co-generation (Chino)
7. Vellano Golf Course (Chino Hills)
8. Mission Linen (Chino)
9. Cintas I & II (Ontario)

### ■ Consulting services for recycled water program management services

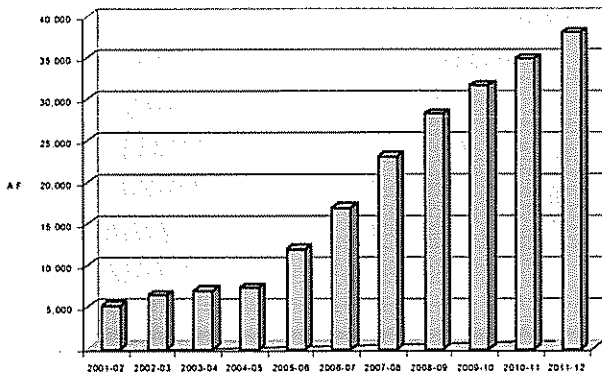
In order to expedite the approval process by DHS, IEUA staff and consultant are assisting the Cities with the Engineer's report as well as drafting a master engineer's report for each of the Cities.



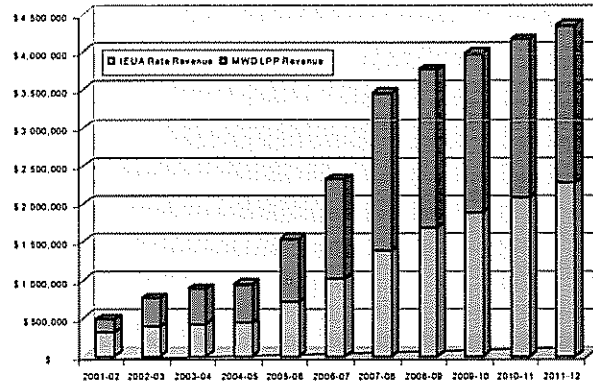
Chaparral Elementary School

## Projected Sales & Revenue

Projected Recycled Water Sales



Projected Recycled Water Revenue



## Regulatory/Permits

- CEQA—PEIR Certified June, 2002
- CBWM Article X Permit — *Approved* May, 2002
- SARWQCB Basin Plan "Maximum Benefit" — *Approved* January, 2004
- DHS Title 22 Report (Recharge) - *Approved* April, 2005
- SARWQCB Discharge Permit January 2005



CalPoly Pomona Farming in CIM

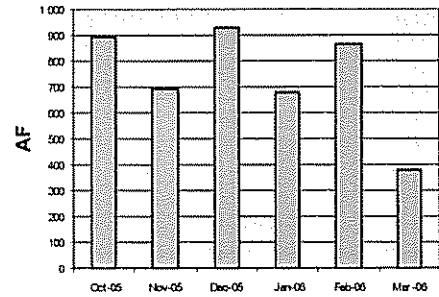
# Activity Summary

## New Customers in 2005

■ 8 new recycled water customers were connected:

	Estimated Usage (AFY)
Lewis Homes Phase II (4 connections)	100
Redwood Business Center	10
CalPoly Pomona in CIM	1,000
Chaparral Elementary School	20
Bubalo Construction	20
Campus Owners Corporation	5
Panattoni Construction	5
Ethan Ellen Inc.	10
<b>Total</b>	<b>1,170</b>

## Recycled Water Sales



## New Customers in 2006

	Expected Connection Date	Expected Usage (AFY)
Chino Hills High School and Wickman elementary school	August	30
Temple Inland	July	1,100
Kaiser Hospital	May	100
Lewis Homes Phase I (6 connections)	On-line	20
Empire Lakes Golf Course	April	800
Irrigation Customer along 6th Street	April-June	25
City Parks in Chino Hills	August	25
Bakken Property	May	2
El Prado Business Park	May	2
Fruit Growers Supply	May	20
Farmers in Ontario (6 connections)	April	2,000
Chad's Farm in Chino	April	150
Monte Vista Farm	April	200
<b>Total</b>		<b>4,474</b>

Delivery Period	2004/05	2005/06
3rd Quarter	736	1,917
Year to Date	736	1,917
FY Total	4,006	7,267
<b>Budget</b>		<b>8,290</b>

## Operation & Planning

- On March 13, there was a line break on TP-1 Outfall line at the intersection of Kimball Avenue and Flight Road. The repair was made and the line was back in service on the same day.

## Potential Customers in 2006

- City of Chino  
Mission Linen, OLS Energy and College Park (2,500 homes, 2 schools, extension of Ayala Park over 435 acre)
- City of Chino Hills  
Vellano Golf Course and Western Hills Golf Course
- City of Ontario  
California Commerce North & South, Blue Beacon, Guasti Park, Bakken Property, Fruit Growers Supply, Longs Drug, Ontario Mills, Carlisle Tire & Wheel, Cintas I & II, Crothall Laundry, Danco Metal Surfacing, Unifirst, and Agricultural customers
- City of Rancho Cucamonga  
Metal Coaters of California, Steelscape, Tamco
- City of Fontana  
California Steel, California Speedway, Sierra Aluminum, and Pacific Forge



Cal Poly Pomona Farming in CIM



Inland Empire  
UTILITY SERVICES

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Date: April 19, 2006  
To: The Honorable Board of Directors  
Through: Public, Legislative Affairs and Water Resources Committee  
(4/12/06)  
From: Richard W. Atwater  
Chief Executive Officer/General Manager  
Submitted by: Martha Davis  
Executive Manager of Policy Development  
Subject: March Legislative Report from Copeland and Associates

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**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\06101 March 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, Heather McNatt and Susan Carr

**RE:** March 2006 Legislative Report

**DATE:** March 28, 2006

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IEUA and CLJ have had a busy month advocating for IEUA's Washington legislative agenda. March began with IEUA's visit to Washington in conjunction with the ACWA conference. During that visit, Rich Atwater and/or Martha Davis met with the following Hill offices: Senator Feinstein, Senator Boxer, Chairman Jerry Lewis, Congressman Gary Miller, Congresswoman Grace Napolitano, Congressman David Dreier and Congressman Ken Calvert. In each meeting, we educated Members and staff on IEUA's appropriations requests and asked for support in both the Energy and Water and Agriculture Appropriations bills. CLJ staff followed up with Hill offices to ensure that they had all the necessary information.

CLJ has also arranged a series of meetings with the Natural Resource Conservation Service at the US Department of Agriculture. Through those meetings, we hope to engage the Department on IEUA's Renewable Energy and Dairy Waste Treatment Initiative. On March 9<sup>th</sup>, Rich Atwater met with Barry Kintzer, the National Environmental Engineer, and George Cleek from USDA's Legislative Affairs Branch. When Rich returned to Washington with the Chino Basin Watermaster in late March, the group met with Tom Christensen, Deputy Chief of Programs, Harry Slawter, Director of the Financial Assistance Programs Division, and Felix Spinelli, Senior Economist at Resource Economics and Social Sciences Division to talk about IEUA's renewable energy efforts, programs, and projects.

Appropriations requests were submitted to the Energy and Water and Agriculture subcommittee on March 16<sup>th</sup>. Now that we are past the appropriations deadline, we have entered a wait-and-see phase. Over the next few weeks, committees will hold hearings and staff will begin to draft the bills. Our first chance to see the bills will be the subcommittee mark-ups, which should take place in May. CLJ will keep IEUA informed as the bill moves through the process.

### *Congressional Support for California Levees Funding*

On March 8<sup>th</sup>, the House Appropriations Committee considered the Supplemental Appropriations bill for FY'06. During that mark-up, Rep. John Doolittle offered an amendment to add \$41 million to the bill to speed up work on repairing the Sacramento and Delta levees. While the amendment was opposed for the supplemental spending bill, Chairman Lewis and Chairman Hobson of the Energy and Water Subcommittee agreed to support including the money in the regular FY '07 appropriations bill. The supporters of increased levee funding hope that it will be included when the Supplemental moves through the Senate.

### *Budget Update*

The Senate Budget Committee passed out its FY 07 budget resolution in mid-March by a party line vote of 11-10 after rejecting several Democratic amendments to boost the budget's discretionary spending cap. Some of those amendments involved increasing spending on homeland security, widows and orphans of soldiers, veterans' benefits, and flu pandemic preparations.

The panel did adopt an amendment to restore \$500 million in social services block grant funding that President Bush proposed to cut. In addition, it adopted an amendment by ranking Democrat Kent Conrad (D-ND) to create a \$1.75 billion reserve fund to pay for chronic care management under Medicare. However, his amendment to restore pay-as-you-go budget rules to tax cuts failed on a party-line vote. He plans to offer the amendment again on when the full Senate debates the resolution next week. The budget resolution also includes a provision that would allow drilling in the Arctic National Wildlife Refuge (ANWR). This provision is expected to be one of the most controversial votes when the full Senate debates the resolution.

Another point of controversy is the creation of a budget point of order against Medicare spending, should federal subsidies of the program exceed 45 percent of total program costs. While not constituting an immediate cut, some projections predict the subsidy rate will reach 45 percent within five years.

The full Senate will take up the budget resolution during the week of March 13th. The House Budget Committee has not yet begun markup of its budget resolution. The House leadership has stated that the full House will not begin debate until after the St. Patrick's Day recess. Majority Leader Boehner has said he would like the House to complete its work on the resolution by April 8.

### *Senate to Open Two Weeks of Immigration Debate*

The Senate is scheduled to begin debate on immigration reform legislation on Tuesday, as the Senate Judiciary Committee struggles to complete its markup of proposed legislation prior to that date.

Senate Majority Leader Bill Frist (R-TN) has introduced legislation focused solely on border and immigration enforcement and plans to bring that bill to the Senate floor on Tuesday, regardless of whether the Judiciary Committee has completed its work. When the Committee completes a bill, it will be offered as an amendment to the Frist legislation.

Among the issues remaining to be addressed in the Judiciary Committee are legal penalties for persons assisting undocumented aliens to remain in the country – an issue that has raised grave concerns among social services providers – and the precise structure of a proposed guest worker program.

In total, the Senate expects to devote most of the next two weeks prior to the Easter Recess to immigration reform.

The President continues to push publicly for a bill balanced between border security/immigration enforcement and a guest worker program that would allow some formal immigration status to workers who might otherwise immigrate illegally. The President's Saturday, 3/25, radio address will be devoted to the topic and the White House intends to hold at least one major public event on the subject during the week of March 27.

### ***House Telecommunications Bill Delayed***

Negotiations over a possible House Energy and Commerce Committee draft on telecommunications reform collapsed this week, with rank and file Committee Members refusing to endorse a bipartisan bill negotiated by the Committee leadership. The major points of controversy were proposals to 1) require existing cable providers to wait until new competitors had captured 15 percent of the market in a franchise area before they could take advantage of a new, national, franchising mechanism, and 2) bar existing cable providers from dropping their rates in individual neighborhoods until new competitors had reached a 15 percent market penetration. Both of these provisions are likely to be dropped from the Republican bill to be introduced next week. A subcommittee hearing on the legislation is scheduled for Thursday, March 30.

### ***Outlook for the Week of March 27, 2006***

The House and Senate will return from the St. Patrick's Day recess for a two week session prior to adjourning again for the Easter recess.

The Senate plans to return to its lobbying reform package on Monday, with a tentative goal of passing the legislation Monday night. Even if the Senate is unable to pass the bill, Majority Leader Frist plans to move to immigration and border security on Tuesday. The Senate is expected to debate its immigration legislation for the two weeks prior to the Easter Recess.

In addition, the Senate Appropriations Committee is expected to mark up its version of the supplemental appropriations bill during the week of April 3.

The House will take up the Higher Education Act authorization when it returns, and will then take up its Fiscal Year 2007 budget resolution and a package of lobbying and ethics reforms. Both the budget and lobbying reform bills will be marked up in committee during the week of March 27.

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Inland Empire  
*UTAH'S WATER*

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Date: April 19, 2006  
To: The Honorable Board of Directors  
Through: Public, Legislative Affairs and Water Resources Committee  
(4/12/06)  
From: Richard W. Atwater  
Chief Executive Officer/General Manager  
Submitted by: Martha Davis  
Executive Manager of Policy Development  
Subject: March Legislative Report from Agricultural Resources

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**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*

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

March 30, 2006

## Legislative Report

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

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

**SU:** Legislative Report, March 2006

### Highlights:

- Senate Energy Committee, Recycling and Desalination Policy, Oversight Hearings
- Meeting, Commissioner Keys, Bureau of Reclamation
- Chino Basin Watermaster DC Meetings
- Interior Submits Draft Legislation, \$100 Million for Water 2025
- Perchlorate – Feinstein and Pombo Introduce Cleanup Legislation
- News and Notes
- IEUA Working Partners

*Senate Energy Committee and Water Recycling, Desalination Policy – Policy Oversight Hearings.* The Senate Water and Power Subcommittee held its long-awaited Policy Oversight hearing on February 28. The Administration – Commissioner John Keys – testified, as did Rich Atwater and OCWD’s Virginia Grebbien. The Library of Congress’ Congressional Research Service provided a technical witness and Tom Donnelly, National Water Resources Association also appeared. All were critical of the Bureau’s attitude towards Title XVI. Senator Lisa Murkowski, chair, Subcommittee on Water and Power chaired the hearing and was joined by

Senator Feinstein. Both Senators grilled the Commissioner and plainly, were dissatisfied with the responses. Commissioner Keys insisted that water agencies involved with the program had failed to provide environmental documentation and described – in a highly misleading manner – the necessary approval process within the Bureau. Immediately after the hearing, Senator Feinstein realized what happened and has directed her staff to work with the Energy Committee staff to address these matters – so the Energy Committee can then proceed with markup for both Rep. Gary Miller’s recycling bill as well as Rep. David Dreier’s bill

***Meeting, Commissioner John Keys on Title XVI and Southern California***

***Comprehensive Study.*** Rich Atwater, Martha Davis and I met with Commissioner Keys, Deputy Assistant Secretary of the Interior, Water and Science, Jason Peltier, and several members of the Commissioner’s staff. It was a contentious meeting. Commissioner Keys and the Department insist that the Southern California water recycling feasibility study was NOT a feasibility study, and, moreover, none of the NEPA documentation has been prepared. The Commissioner and his office were not well informed, and are simply wrong on their facts. This was pointed out.

***Chino Basin Watermaster DC Trip.*** Last year, the Chino Basin Watermaster came to DC to make “educational” rounds. I organized the trip and Rich Atwater participated, along with representatives from Cucamonga Valley and Ken Manning from the Watermaster. Meetings were organized with the congressional delegation, the Governor’s DC office, DOD, DOI and USDA. Two issues were highlighted – recycling and perchlorate. At the USDA, the issue of green energy and dairy cleanup were discussed.

***Interior Submits Draft \$100 Million Legislation for Water 2025.*** The Department of the Interior submitted draft legislation to authorize their Water 2025 program. Congress rejected a request for \$30 million last year, reducing it to \$5 million. No one in Congress understands the program or what it contributes that Title XVI doesn’t already do. The draft bill authorizes the program, open-ended, with a \$100 million authority (the very week IEUA was told that funds for Title XVI were non-existent). Interior has criticized Title XVI as having insufficient “criteria” for evaluation, but submitted their own Water 2025 program without “criteria.” The Committees are unimpressed with what Interior is doing, and how they’re going about it.

***Perchlorate.*** Last month, I reported that Senator Feinstein and Chairman Pombo introduced perchlorate cleanup legislation. This bill includes Rep. Joe Baca’s Southern California’s bill previously introduced and passed by the House. 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.

***News and Notes.*** **Commissioner Keys.** The Commissioner, it was announced, is retiring on April 14. **Massachusetts Perchlorate Standard.** MA became the first state to set an MCL and did it at 2ppb. Other states are expected to act in the next several months. **Farm Bill Opportunities.** Discussions are continuing with various groups, committees and interests. NAS

**Study on BuRec.** National Academy of Sciences Study on Bureau of Reclamation Organization. BuRec requests the NAS study. It is now completed, and will be the subject of a hearing that examines the “future” of the Bureau of Reclamation. Rich Atwater has been asked to testify in early April. **Congressional Earmarks.** Discussions about “earmark” reform continue. Different proposals are presently being reviewed. 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

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Inland Empire  
WATER RESOURCES AUTHORITY

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Date: April 19, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee  
(4/12/06)

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

Submitted by: Martha Davis  
Executive Manager of Policy Development

Subject: March Legislative Report from Dolphin Group

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### **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 – March 2006

#### ENERGY/REGULATORY

##### *Southern California Edison General Rate Case*

A tentative settlement has been reached in Southern California Edison's General Rate Case Phase II, which allocates revenues and makes rate design changes among the various customer classes.

As illustrated in the following table, the final settlement would see a 0.2% increase in agricultural and pumping rates, whereas the original settlement proposal from Edison requested a 5.0% increase for these customers. The far right column shows the cumulative effect of rising natural gas prices, Phase II rate changes and other regulatory changes for electric rates effective July 2006 versus electric rates in effect last year.

**SCE Electricity Rates**

<b>Customer Class</b>	<b>Current Average Rate (c/kWh)</b>	<b>Phase II Average Rate (c/kWh)</b>	<b>Percent Change</b>	<b>Original SCE Proposal</b>	<b>July 2006 vs Dec 05</b>
<b>Residential</b>	15.078	15.320	1.6	5.00%	23.3%
<b>Commercial</b>	16.077	15.855	-1.4%	-4.95%	18.6%
GS-1	18.181	17.714	-2.6%	-3.10%	21.9%
TC-1	13.413	12.990	-3.2%	4.88%	21.7%
GS-2	17.075	15.866	-7.1%	-4.04%	8.0%
TOU-GS-2	12.272	14.525	18.4%	25.50%	50.8%
<b>Industrial</b>	12.715	12.620	-0.7%	-0.64%	17.0%
TOU-8 (Sec)	13.965	14.069	0.7%	-1.50%	17.2%
TOU-8 (Pri)	13.225	13.148	-0.6%	-2.45%	17.0%
TOU-8 (Sub)	9.897	9.426	-4.8%	5.00%	16.6%
<b>Water Pumping</b>	<b>10.918</b>	<b>10.941</b>	<b>0.2%</b>	<b>5.00%</b>	<b>22.7%</b>
PA-1	18.135	17.660	-2.6%	5.00%	23.5%
PA-2	13.324	12.827	-3.7%	5.00%	23.3%
TOU-PA	9.534	9.978	4.6%	5.00%	22.2%
TOU-PA-5	9.260	9.123	-1.5%	5.00%	22.5%
<b>Total System</b>	14.727	14.427	0.0%	0.00%	20.3%

### *Critical Peak Pricing*

In February 2005, Southern California Edison, PG&E and customer groups reached a settlement on the implementation of Critical Peak Pricing. The terms of the settlement were as follows:

- CPP would be done on a strictly “opt-in” voluntary basis
- There would be no hedging premium for non-participants
- Participants would receive no participation credit

On March 23<sup>rd</sup>, the presiding Administrative Law Judge issued a draft decision rejecting the settlement. Instead the ALJ ordered parties to accept an alternative CPP structure for short-term introduction, or require the utilities to implement default CPP rates for all customers with demand over 200 kW in their next General Rate Case filings (2009 for SCE, 2010 for PG&E). Parties were given twenty days to inform the CPUC of their preference, and a conference call has been scheduled for March 30 for parties to consider the options.

The alternative structure for short-term introduction is as follows:

- Default CPP rates for all customers with demand over 200 kW on January 1, 2007
- Bill protection would be offered to all customers to mitigate risk
- Customers may return to normal time-of-use rates on January 1, 2008.
- Bill analysis should be provided to all customers illustrating bill impacts achieved by 5%, 10%, and 20% usage reduction during peak times.
- Net metered customers must participate
- Interruptible and DA customers would be exempt

DGI is continuing to monitor this action and will provide updates as appropriate.

### *Energy Efficiency Funds for Water Conservation Efforts*

On Thursday, March 30<sup>th</sup>, DGI will participate in the first meeting in San Francisco relating to expanding the utilities’ Energy Efficiency programs and demand response programs for water conservation efforts, recognizing the link between water and energy. Parties hope to provide recommendations to the CPUC by October 2006.

A “spot bill” dealing with this issue has also been introduced in the State Legislature AB 2874 (Benoit)

*State Water/Energy Symposium*

On March 28<sup>th</sup>, the California Energy Commission hosted a symposium on the relationship between water and energy, as well as to provide guidance to the CEC and the CPUC on policy needs to promote conservation of both commodities. Central to many of the discussions was the opportunity for energy efficiency savings associated with cold water conservation efforts. The state’s main utilities are very supportive of expanding water/energy conservation programs.

CPUC Commissioner Dian Grueneich indicated that she would soon be the assigned commissioner on a rulemaking at the Commission to consider changes to the utilities’ energy efficiency portfolio, and stated that this issue will be considered within that proceeding in the coming months. Key to this proceeding will be the development of protocols for measuring, verifying and allocating upstream energy savings from water conservation efforts.

**BOND ACTIVITY**

Throughout early March, the Capitol was striving to reach agreement on a series of bond measures aimed at improving California’s infrastructure. Faced with a deadline to submit the bonds in time to be approved for the June Primary Election, the bond measures eventually failed to pass both houses of the Legislature. Legislative leaders of both houses and the Governor failed to reach consensus on a complete package and the whole effort collapsed.

Ultimately, the Senate did approve \$1 billion for levee repairs from the state’s reserve fund, but the Assembly has not yet taken action on that measure.

All parties have indicated that they wish to continue discussions aimed at placing bonds on the November ballot. Meanwhile, the \$5.38 billion “Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006” infrastructure initiative (so-called “CAVES Initiative) has been approved for circulation and has nearly completed the process of collecting signatures to qualify for the November ballot.

**LEGISLATIVE ACTION**

*Sponsored by Chino Basin Coalition & SAWPA*

CA AB 1969	<b>AUTHOR:</b>	Yee [D]
	<b>TITLE:</b>	Public Water Agencies: Renewable Energy
	<b>LOCATION:</b>	Senate Energy, Utilities and Communications Committee
	<b>SUMMARY:</b>	Amends the Public Utilities Code to create a standard tariff (or contract) for renewable energy projects at 1 MW or less at public water and wastewater agencies. Under the 10-20 year contracts the tariffs would provide payment at the renewable market price referent (approximately 7-8 cents/kWh) set by the CPUC.

CA AB 2874     **AUTHOR:**                    Benoit [R]  
**TITLE:**                                    Renewables Portfolio Standard  
**LOCATION:**                                ASSEMBLY  
**SUMMARY:**  
States the intent of the Legislature to establish a program to encourage water and wastewater agencies to develop renewable energy resources to help retail sellers of electricity meet the State's renewables portfolio standard. (This measure is currently a "spot bill", with no specific enabling language. It was introduced on behalf of CBC as a placeholder for potential use related to the utilization of energy public goods charge funds for water and energy conservation programs.)

*Other Legislation*

CA AB 2315     **AUTHOR:**                    McCarthy [R]  
**TITLE:**                                    Renewable Energy Technologies  
**LOCATION:**                                ASSEMBLY  
**SUMMARY:**  
State that it is the intent of the Legislature to enact legislation to establish the Climate Neutral Combustion power Generation Program in order to complement the Renewable Energy resources Program administered by the State Energy Resources Conservation and Development Commission and to supplement the Renewables Portfolio Standard Program.

CA SB 1727     **AUTHOR:**                    Kehoe [D]  
**TITLE:**                                    Public Utilities: Electrical Corporations  
**LOCATION:**                                Senate Energy, Utilities and Communications  
    Committee  
**SUMMARY:**  
Creates an exception from the definition of an electrical corporation where electricity is generated on private real property and privately distributed across a highway to an immediately adjacent private real property owned or otherwise controlled by the corporation or person, solely for its own use or the use of its tenants and not for sale or transmission to others make conforming changes to specific exceptions for certain persons or corporations using co generation technology.

CA AB 2062     **AUTHOR:**                    Richman [R]  
**TITLE:**                                    Electricity: Core, Noncore and Core-Elect Market  
**COMMITTEE:**                            Assembly Utilities and Commerce Committee  
**HEARING:**                                04/03/2006 3:00 pm  
**SUMMARY:**  
Relates to reformation of electrical restructuring in order to implement a core, noncore and core-elect market structure. Requires adoption of rules under which noncore customers must elect whether to procure the electricity they consume from an electric service provider, elect to receive commodity service from the electrical corporation under a procurement plan for a minimum period of 3 years or receive default commodity service from the corporation.

CA SB 1368

**AUTHOR:** Perata [D]  
**TITLE:** Electricity: Emissions of Greenhouse Gases  
**COMMITTEE:** Senate Energy, Utilities and Communications  
Committee  
**HEARING:** 04/04/2006 9:30 am  
**SUMMARY:**

Prohibits any load serving entity, including electrical corporations, community choice aggregators, electric service providers, and local publicly owned electric utilities, from entering into, and the PUC from approving, a long-term financial commitment for baseload generation, unless that baseload generation complies with a greenhouse gases emission performance standard established by the State Energy Resources Conservation and Development Commission.

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Inland Empire  
UTILITIES AGENCY

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Date: April 19, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee  
(4/12/06)

From: Richard W Atwater  
Chief Executive Officer/General Manager

Submitted by: Martha Davis  
Executive Manager of Policy Development

Subject: March Legislative Report from Geyer and Associates

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### **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\06103 March Leg Report from Geyer

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## MEMORANDUM

TO: Rich Atwater and Martha Davis

FROM: Jennifer West

DATE: March 30, 2006

RE: March Legislative Report

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### **Legislature Still May Pass Bond for November**

After two months of policy committee hearings and negotiations, the Governor's infrastructure bond proposal for June failed passage earlier this month. There continues to be wide speculation as why and who was *really* to blame. One very apparent problem with the water component of the bond was that the water community could not agree on a set of bond priorities. Legislators were understandably frustrated. There were various efforts to develop such a proposal, including one by IEUA to develop agreement on a set of bond priorities within Southern California. Unfortunately, this and a number of other similar efforts failed. However, IEUA's insistence that recycled water and water use efficiency be included as separately funded programs in the bond seems to have resonated. The final version of the bond that failed in the Senate contained \$200 million for both these programs.

There is still a significant chance that the Legislature will pass a bond that will contain water and habitat funding for the November ballot. IEUA has been working with ACWA, MWD and others to try to develop a united water proposal that will meet with approval by legislators. One of the seemingly intractable problems is that Democratic leadership and Assembly Republicans have fundamentally different views on surface storage. Without surface storage, Assembly Republicans, even in Southern California were not willing to vote for the bond. It is unclear whether this can be overcome.

If the water/habitat component is to be part of the package, the Legislature will likely need to pass the measure by mid-April. That is approximately the time the "Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006" will be qualified for the November ballot. The measure, developed by the proponents of Proposition 50, contains a variety of grant programs, including \$114 million in the IRWM program for the Santa Ana Region and \$45 million for the development of a Santa Ana Parkway.

After this initiative is placed on the ballot, it is likely that the Legislature will decide to focus their bond efforts on education, transportation and housing. However, coming to any agreement, even on these less controversial topics will become more difficult as we move into the election season and the budget negotiations begin to heat up.

## Inland Empire Utilities Agency

### Positions List

March 30, 2006

	<b>Summary</b>	<b>Status</b>	<b>Position</b>
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.		Support
AB 2396 (Calderon) Metropolitan Water Districts	States the intent of the Legislature to enact legislation to change the composition of MWD's board of directors and to provide for the direct election of members of the board of directors by voters residing in the service area of a metropolitan water district. Sponsored by AFSCME.		Oppose
AB 2397 (Calderon)	This bill, with a certain exception, would prohibit MWD from entering into a contract for permanent or temporary services, skilled or unskilled, if those services, in the judgment of the district, are of a kind that persons selected through its civil service system could perform adequately and competently. Sponsored by AFSCME.		Oppose
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
SB 1317 (Torlakson) Property Tax	Would alter the manner in which certain property tax revenue is allocated within a county. Sponsored by Southern California	Senate Local Government	Recommend Oppose

	Edison. 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.		
SB 1640 (Kuehl) Water	Almost exactly the same as the final version of SB 820 (Kuehl), which IEUA supported last year, but which was vetoed by the Governor because of its groundwater requirement. SB 1640 only has a placeholder for the groundwater reporting provisions. Kuehl has begun working with the agricultural interests to try to resolve their problems with the bill.	Senate Natural Resources 4/25	Recommend Support

**Watch List**

Bill #	Summary	Status
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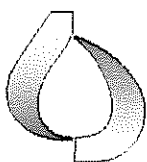
**Water Conservation**

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.  IEUA may want to explore the opportunities to encourage the use of compost in this bill as a water saving technique.	
AB 2496 (Laird) Low flush water closets	Requires all new buildings constructed in the state to use urinals and water closets that meet recent performance standards established by the American Society of Mechanical Engineers.	Assembly Housing 4/26
AB 2515 (Ruskin) Water Conservation	Prohibits a water supplier from receiving state bond funds unless it has adopted BMPs in accordance with the MOU regarding urban water conservation or the MOU regarding agriculture water use efficiency.  Requires the Energy Commission to establish water efficiency standards for residential and commercial water-using appliances and other products and report to the legislature.	Water Parks and Wildlife 4/25
SB 1608 (Simitian) Water	Requires that any transit district that receives state funds that will be used for landscaping shall design the landscaping using California native plants and other water-saving plants.	Senate Transportation 4/18

Landscape	in consultation with the local native plant society or the Resources Agency	
SB 1817 (Torlakson) Water Conservation	Spot bill on water conservation.	
<b>Groundwater</b>		
SB 1425 (Kuehl) Groundwater	Makes minor changes to the recordation action that applies to five counties in Southern California.	Senate Natural Resources
SB 1795 (Machado) Groundwater Recharge	Declares that the recharging of a groundwater basin for the purpose of storage, and related diversions for the purpose, is a beneficial use of water, if the recharge is consistent with management objectives set forth in a local agency's groundwater management plan.	Senate Natural Resources 4/25
<b>Floods and Delta</b>		
AB 2208 (Jones) Delta Levee Fees	Declares legislative intent to impose fees on water users who benefit from the delta levee and conveyance system, and to fund system improvements, in accordance with the "beneficiary pays" principle.	
SB 1251 (Alquist) Floods	Requires DWR, not later than 2007, to convene a task force to prepare a comprehensive statewide flood and storm water management plan with prescribed components and a financing strategy for the implementation of the plan.	Senate Natural Resources
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
SB 1574 (Kuehl) Delta Exports	Current law requires DWR and DFG to determine the principal options for the Delta. This bill would require one of those principal options to be designed to reduce dependence on the delta for water supply through greater investments in local water supplies, water use efficiency, water recycling, demand management programs, and other actions outside the delta. The bill would substantially revise those objectives relating to the delta and Sacramento and San Joaquin river systems. The bill would require the Department of Water Resources and the Department of Fish and Game, on or before July 1, 2007, to provide a draft joint report to the Independent Science Board of the California Bay-Delta Authority, or its successor. The bill would require that board to provide the Department of Water Resources with an independent peer review of the draft report. The bill would require the Department of Water Resources to revise the draft joint report to reflect the comments of the peer review in the joint report.	Senate Natural Resources 4/25

<b>Miscellaneous</b>		
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.	
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	Senate Natural Resources

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Date: April 19, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee  
(4/12/06)

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

Submitted by: Sondra Elrod  
Public Information Officer

Subject: Public Outreach and Communications

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### **RECOMMENDATION**

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

### **BACKGROUND**

#### **Outreach/Tours**

None.

#### **Calendar of Upcoming Events**

- April 12, 2006, State of the County Address, 11am Ontario Convention Center
- April 13, 2006, MWD's legislative briefing breakfast with Senator Dutton and Assembly Member Emmerson at the DoubleTree Hotel, Ontario, 7:30am
- April 19, 2006, Reception for MWD General Manager Jeff Kightlinger, 3pm South Coast Winery Resort and Spa, Temecula
- April 20, 2006, DHS Public Hearing Recycled Water Recharge project, 9:30am to 11:30am, Chino Basin Watermaster
- May 13, 2006, Cucamonga Valley Water Awareness Day, 11am to 2pm
- May 17, 2006, League of California Cities Legislative Dinner, Chops Restaurant, Sacramento, beginning at 7:30pm
- May 30, 2006, Service Awards lunch following board meeting

**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
- April 2006, two page Earth Day ad
- May 2006, two page Water Awareness Month ad
- May 2006, four page Living Here Magazine ad

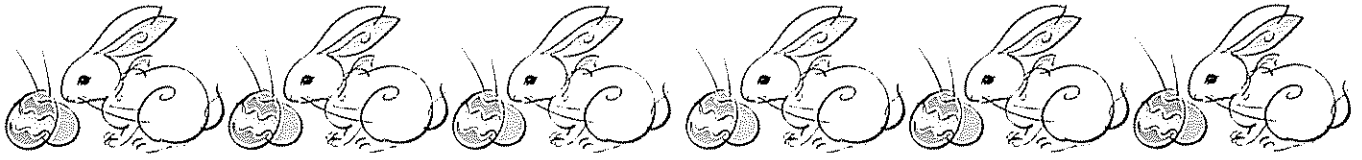
**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

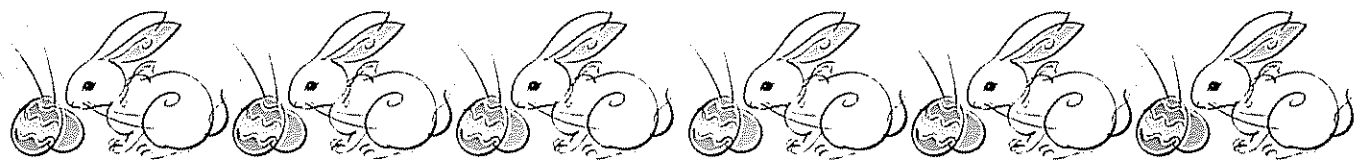




# CHINO BASIN WATERMASTER

## V. INFORMATION

1. Newspaper Articles





The Sacramento Bee

This story is taken from News at [sacbee.com](http://sacbee.com).

## Valley levees remain in peril

**A storm expected to drench the San Joaquin River system shifts south instead, but the danger won't end when the rain stops.**

**By Deb Kollars -- Bee Staff Writer**

***Published 2:15 am PDT Monday, April 10, 2006***

Worries about levee breaks along the San Joaquin River system will linger for weeks, if not months, as a filled-to-the-brim flood control system faces not only the likelihood of more rain but also runoff from a whopper of a snowpack in the mountains.

"The water will be on those levees for a long time to come," said Gary Bardini, chief of hydrology and flood operations for the state Department of Water Resources.

State flood control officials and crews continued their vigil on the San Joaquin River system Sunday. Crews monitored weak spots on the levees, piling up sandbags, stretching out tarps, and putting in emergency seepage berms to keep the swelling waterway from flooding.

Sunday brought a bit of good news in the ongoing San Joaquin Valley flood battle.

The National Weather Service announced that the massive storm system that had been expected to bring heavy rain to the San Joaquin system had shifted course and now is expected to hit much farther south when it moves inland late in the week.

"Mother Nature has backed off," Elizabeth Morse, meteorologist in charge at the National Weather Service in Sacramento, said Sunday. "We are looking at slightly better conditions in the forecast."

The large, moisture-laden storm, which is drifting over the Pacific, is expected to hit coastal areas of Central and Southern California by late Tuesday at the earliest. It likely will move inland by Friday and bring significant rainfall to Southern California, Morse said.

Some moisture from the system will reach the Sacramento region Tuesday or Wednesday, with heavy rain likely. Sacramento's flood control system is expected to be able to handle the extra rainfall.

"This will be mostly a Southern California event," Morse said. "It is still a very wet storm. It is still a very dangerous storm."

The storm, originally predicted to sweep across the San Joaquin Valley this week, had state

flood control officials bracing for possible levee breaks.

Filled from recent storms and flows from numerous tributaries, the San Joaquin River's water levels were approaching those reached in 1997, when multiple levee breaks occurred in the region.

The San Joaquin system has smaller reservoirs and channels than the Sacramento River system to the north and cannot handle as much water. A flood surge from recent rains slowly has been making its way toward the Delta.

In a major pre-emptive effort, crews have been working round-the-clock since late last week, using some of the money Gov. Arnold Schwarzenegger recently allocated - under an emergency declaration - for repairs on 24 critically eroded Central Valley levees.

On Sunday, the Department of Water Resources announced that flood control operators had managed, through a careful dance of reservoir releases, to bring down slightly the high water flows on the San Joaquin River.

At Vernalis, a farming community and key measuring point south of Tracy and Manteca, the surge of flood-threatening waters is expected to hit the "danger" stage of 29.5 feet Tuesday morning, then either level off or possibly rise another few inches and peak on Thursday. Danger stage is generally about a foot above flood stage and is greater than the maximum design capacity of the channel.

"We have bought a foot or more at Vernalis," Bardini said. "We hopefully can pass this flood wave without significant property damage."

Late Friday, the flood surge caused levees to breach at Newman on the west side of Stanislaus County, flooding agricultural lands.

Residents of two low-lying trailer parks had to evacuate, one in Mossdale and one near the Twin Rivers Road area west of Manteca.

No heavily populated areas have flooded.

The San Joaquin River, which runs south to north, continued to flow at extremely high levels Sunday, and water officials cautioned that levee breaks still were possible.

The heavy strain on the levees will create a risk for many weeks ahead, as an unusually high mountain snowpack - now more than 150 percent of normal - starts to melt, said Arthur Hinojosa, chief of Water Resources' hydrology branch.

"Spring flooding is a real possibility," agreed Sue Sims, public affairs director of the department.

State and local emergency officials continued their recommendation that people living in flood-prone areas of the San Joaquin Valley be prepared with extra food and water, safety supplies and an evacuation plan in case of a sudden levee break.

On Sunday, crews worked to shore up vulnerable spots on the system in sparsely populated locations, including Vernalis, the small community of Firebaugh in Fresno County, the Twin Rivers area near Manteca, and Mossdale, Sims said.

To the north, the flood control system in the Sacramento area was operating smoothly Sunday.

The forecast for the Sacramento region calls for cloudy skies and a chance of rain today "possibly enough to spoil the mud on your windshield," said National Weather Service forecaster Don Noxon.

There is also a chance of scattered thunderstorms today. If they materialize, they could bring one-tenth to 1 inch of rain in localized spots, Noxon said.

By Tuesday, heavier rain - possibly 1 to 2 inches - is likely for the Sacramento area from the big storm system currently drifting over the ocean.

Clouds and a chance of light rain are in the forecast for the remainder of the week, Noxon said. "I wish I could give you a sunshine story, but at this point it doesn't look like it," he said.

### **About the writer:**

- The Associated Press contributed to this report. The Bee's Deb Kollars can be reached at (916) 321-1090 or [dkollars@sacbee.com](mailto:dkollars@sacbee.com).

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Article Launched: 4/08/2006 12:00 AM

## MWD workers weigh strike over 'take-backs'

By Shirley Hsu Staff Writer  
Pasadena Star-News

Angry over what they say are "take-backs" in worker rights and healthcare benefits, employees of the Metropolitan Water District, which supplies much of the Pasadena area, are moving toward their first-ever strike against the agency.

MWD imports water from the Colorado River and Northern California, and provides 60 percent of Pasadena's annual supply. The rest comes from local groundwater supplies.

Local water suppliers say plans are in place to ensure water service would not be interrupted in case of a strike at the 78-year-old agency.

"The MWD has informed us they will try to keep their system running even if there is a strike," said Shan Kwan, water division director of Pasadena Water and Power.

On a normal day, the agency has a three-day supply of water on hand, but because of the cool weather, there may be four days' worth, Kwan said. In addition, the agency doesn't use its wells to full capacity because it only has rights to pump a certain amount of water each year. But in case of emergency, it can pump more to meet short-term demands and balance the remaining amount later, he said.

MWD's employee union, Local 1902 of the American Federation of State, County and Municipal Employees, AFL-CIO, has been bargaining with the district for almost 10 months over a new contract. Union members voted Monday to reject a mediator's proposal.

Union leaders said a 50-percent increase in employee-paid premiums for the preferred provider organization, PersCare, would add \$100 a month to the \$200 employees pay, based on current rates. About 150 employees are enrolled in that plan, they said.

Union officials said the changes are motivated by anti-union sentiment in the district's board, not by fiscal need.

"If MWD was facing financial downturns, we would all be doing whatever we could to make it work. The real story is that this is an agency that is very stable financially - one of the most stable in the state," said Michelle Haight, executive vice president of the union.

About 1,600 employees are union members, she said. The district has 1,840 active employees, according to Gilbert Ivey, MWD Chief Administrative Officer.

Ivey said the district would continue to pay 90 percent of the PPO for the next two years, and would still be paying 85 percent in the third year, he said. The agreement would mean no change for 87 percent of members who choose either healthcare option, he said.

"We're disappointed to hear the union failed to ratify the compromise suggested by the mediator," he said. "We believe it is a very solid package."

Union representatives said MWD has spent more money fighting the issue than it would cost to keep the current benefits. They also disagree with contract changes that would make it easier for employees to be relocated and for the agency to hire employees externally rather than promote from within, Haight said.

"They've made it clear they are trying to set the stage for more and more takeaways," she said.

Union representatives will meet with MWD officials once more next week.

Those threatening to strike include both blue- and white-collar workers: welders, machinists, chemists, microbiologists and

"everyone that's not in management or a supervisor," said Robert Reeves, president of Local 1902, who said the 15-year-old union has never been this close to a strike.

Still, Reeves said a strike was a last resort.

Ivey said MWD in February settled with management employees with a similar package.

Kwan said there is no need to stock up on bottled water, although people should keep emergency supplies of water on hand anyway in case of disasters.

"We should not have to worry," he said.

Pasadena's water division serves about 165,000 customers in Pasadena and surrounding unincorporated areas, he added.

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## YUMA AND REGION

# NASA scientists say wet weather likely next winter

ASSOCIATED PRESS

ALBUQUERQUE — One of the country's leading climate scientists is using a powerful warming in the Pacific Ocean as an indicator the Southwest will have a wet winter.

NASA researcher James Hansen said there's a good chance this year for a "super El Nino," the Albuquerque Journal

reported Saturday.

In a draft paper circulated to colleagues, Hansen argued that ocean conditions now, including a significant warming off the coast of Peru, are similar to those that preceded the extreme El Nino in the winter of 1997-1998.

In the U.S., California felt the brunt of El Nino's wrath, suffering massive flooding. New

Mexico received above-average precipitation.

Hansen, head of NASA's Goddard Institute for Space Studies in New York City, blames global warming for increasing the chance of an extreme El Nino.

Scientists questioned Hansen's global warming link, noting researchers' predictions on the subject vary widely.



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**DailyBreeze.com** **PRINTTHIS**

Today is Monday, March 20, 2006

Originally published Sunday, March 19, 2006

Updated Sunday, March 19, 2006

Late-season storms leave California's water tank full

By The Associated Press

SAN FRANCISCO -- A series of late winter storms that blanketed the Sierra Nevada with snow has left California flush with water for the foreseeable future, according to meteorologists and hydrologists.

The Sierra Nevada snowpack, which serves as a holding tank for California, contains more water than last year, which also saw above-average snowfall.

Donner Summit, for example, has seen 390 inches of snow, compared with an average of 313 inches for this time of year, according to data compiled by Randall Osterhauber, a research scientist for the University of California, Berkeley.

Donner has 120 inches of snow on the ground, compared with 71 at this time last year, according to Osterhauber's statistics.

"If it stopped right now, we would have enough water in storage for two years of drought," said Mike Pechner, staff meteorologist for KCBS Radio. "They have already had an entire season's worth of accumulated rain and snow."

The situation has surprised many hydrologists and meteorologists who didn't expect such a flush year after the New Year got off to a balmy start. More rain than snow fell during the Christmas and New Year's storms, followed by a warm, dry February.

Almost all the major snowfall has come since March 1.

"As long as I've been keeping records, we haven't had a similar cold snap this late in the season," Pechner said. "The snowpack in the Sierra more than doubled in 17 days."

Most reservoirs are so full that officials are releasing water to make room for the snowmelt.

"We've got good reservoir storage and good snowpack," said Frank Gehrke, chief of snow surveys for the California Department of Water Resources.

**Find this article at:**<http://www.dailybreeze.com/news/regstate/articles/2489301.html>

Chino  
Champion

## Van Dam takes over milk panel

**By Melodie Henderson**

The director of the Chino based Milk Producers Council left his recently acquired position on Wednesday to pursue other projects. He has been replaced on an interim basis by Bill Van Dam, who began his dairy career in Southern California and now commutes from Meridian, Idaho.

Nathan DeBoom, 29, stepped into the manager's position when Bob Feenstra resigned in October 2005, after a 38-year career with the council. Mr. DeBoom plans to take on some short-term programs in environmental permitting, working out of his home in Brea.

"I've been with the council for 7½ years, and I'm fairly mobile right now. I want to take advantage of some opportunities that have been offered to me, and try some new things," Mr. DeBoom said.

Mr. Van Dam, 62, began a six-month interim stint as manager of the council on Monday. During the week he stays at his brother's dairy in Chino, which was recently sold.

"My brother has relocated to New Mexico, but the house is still here until October, so I'm with the family," Mr. Van Dam said.

"The dairy industry is moving north," he said. "Many dairies are also heading to Texas and New Mexico, too. They are looking for space that they don't have in Chino."

Mr. Van Dam said, in Chino, the dairy industries are approaching the end of an era.

"It's time for the organization to do some soul searching," he said.

The uncertainty of the council may be the reason for Mr. Van Dam's short contract.

"At this point, the council wasn't willing to commit to a longer contract, and it fit my schedule nicely," he said.

# Ontario councilman dies



Bois

Gerald DuBois, 57, stood firm in his vision for community, government

By Mason Stockstill  
Staff Writer

ONTARIO — Councilman Gerald DuBois, who served on the Ontario City Council for nine years, died

Tuesday morning from complications of a genetic disorder. He was 57.

The veteran councilman was described by many as a champion of Ontario's historic homes and other buildings and as a man who stood up

for his own vision of how the city should be run.

"Jerry was extremely loved by those in the community," Mayor Paul Leon said. "He loved Ontario with all his soul. He was entrenched in our city."

DuBois, who also owned DuBois Advertising Agency in Ontario, had worked on City Council campaigns and served on the Planning Com-

## INSIDE

Reflections: Columnist David Allen shares thoughts and memories of Gerald DuBois Page A3

Rancho Cucamonga: Former councilman Richard M. Dahl died Sunday Page A3

mission before he was appointed to the City Council in 1997. He was

elected the following year and re-elected in 2002.

During his time on the council, he was active in efforts to increase business opportunities for Ontario, including traveling to China on the city's trade missions. He also served on the board of directors of Ontario Heritage, a neighborhood group

See DUBOIS / page A6

## DuBois

continued from page A1

focused on historic preservation.

Councilwoman Sheila Mautz, who was involved in the Ontario Kiwanis and Planning Commission with DuBois, said she was relieved the Tuesday night council meeting had been canceled, because it would have been painful for her to sit next to DuBois' empty chair.

The councilman appeared to have been in ill health in recent weeks, Mautz said, but he hadn't said anything to other council members about his condition.

"I can tell you I will miss him sorely," she said. "He loved the city passionately."

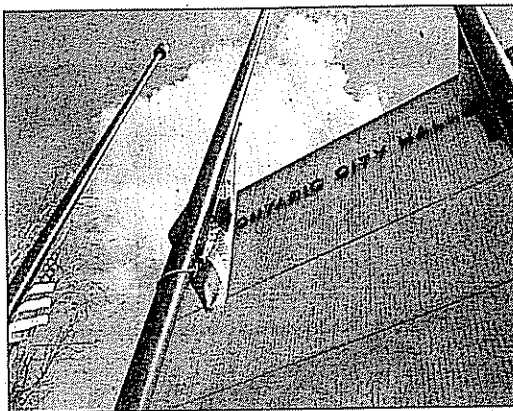
DuBois suffered from hemochromatosis, an inherited disease in which the body absorbs too much iron, causing organ damage, said his brother, Joe DuBois. He had been diagnosed with the illness in January and was hospitalized before dying Tuesday.

Born in North Carolina, DuBois moved to Ontario with his mother when he was 7 years old and lived with his aunt and uncle. He attended schools in Ontario and went to Chaffey College and San Diego State University.

As a business owner, he was involved with the Downtown Revitalization Association and the Downtown Business and Professional Association, and was integral to an effort to build a bandstand in the median of Euclid Avenue.

The structure was dedicated in 1997, after DuBois had been appointed to the council to fill the term of his mentor, Ray Wiltsey, who also died while in office.

"Jerry had always been known as an in-house historian," said



Therese Tran/Staff photographer

Flags outside Ontario City Hall fly at half-staff Tuesday in honor of Councilman Gerald DuBois, who died Tuesday morning from complications of a genetic disorder. He was 67.

was on the council for DuBois' entire nine years. "He knew the history of every single building in the city. And not just with buildings, but with people in the city as well."

He also played a strong role in building Ontario's image, said Councilman Jason Anderson. As an intelligent business owner, DuBois brought a level of professionalism to the council while avoiding drawing attention to himself, he said.

"He was really involved in a lot more than people might know about," Anderson said, citing examples such as supporting the renovation of the Gardiner Spring Auditorium at Chaffey High School. "He wasn't a grandstanding type of guy. He did things and let his actions speak for themselves, which was refreshing."

Many recalled DuBois' spirited efforts to support Ontario's history, both before he became a member of the City Council and after.

San Bernardino County Su-

on the council with DuBois, lauded his colleague's drive to "safeguard Ontario's history and the historical perspective of the downtown area."

Gino Filippi of the Joseph Filippi Winery in Rancho Cucamonga also said DuBois would be remembered for his work to preserve historic resources in the region.

Leon recalled DuBois as a force to be reckoned with: "He was the first guy to get in your face, and the first guy to run to your rescue."

DuBois' term would have ended in November, so the City Council will decide whether to appoint someone to fill the remainder of his term or leave it open until the election.

In addition to his brother, DuBois is survived by his wife, Sue, and their sons, Jared and Steven. Funeral arrangements were pending.

Mason Stockstill can be reached by e-mail at [mason.stockstill@dailybulletin.com](mailto:mason.stockstill@dailybulletin.com), or by phone

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## Water anyone? Agreement on perchlorate cleanup near

By Andrew Silva, Staff Writer  
Inland Valley Daily Bulletin

Stop it from spreading; clean up what's there; make sure there's plenty of water for everybody.

That's the gist of a \$106 million plan to clean a rocket fuel ingredient from the groundwater in Rialto, Colton and Fontana.

"We got all the engineers together and decided if we're going to clean this up, how would we do it," said Peter Wulfman, manager of the county's solid waste division.

With five different agencies involved, getting all of them to agree on a common strategy for addressing the problem is a major step.

Paying for it is the tricky part, but the deal should make it easier to lobby for money, officials said.

"The word from legislators was, come to us with a collective effort and you have a better chance of receiving support," said Eric Fraser, Colton's director of water and wastewater.

Colton has had three wells contaminated by perchlorate, but all three have wellhead treatment facilities to remove the contaminant before it's delivered to customers.

North Rialto is the source of a plume of underground contamination that has spread about six miles to the southeast, affecting 22 wells, and could lead to water shortages unless the mess is cleaned up.

Perchlorate can limit thyroid function and is thought to be potentially dangerous to developing fetuses and small children. The salt is used in rocket fuel, fireworks, flares and certain munitions, all of which have been stored or manufactured by numerous businesses in north Rialto.

Nine of those 22 wells already have wellhead treatment facilities to remove the perchlorate and the others remain out of service. No residents are being served water with perchlorate in it.

The county waste division is involved because when it bought land to expand the Mid-Valley Landfill in Rialto, the land was right on top of one of the heaviest concentrations of perchlorate.

The county Board of Supervisors and the Rialto and Colton city councils are scheduled to vote today on an agreement tied to the plan.

The agreement, which also must be signed by the West Valley Water District and the Fontana Water Co., says the five agencies agree on the cleanup plan and will seek federal money to help pay for it.

The federal government has kicked in several million dollars toward the cleanup, and Goodrich Corp., which once operated in the area, paid \$4 million to the affected agencies a few years ago and plans to spend up to \$10 million more.

The county is almost ready to start up a new treatment plant near Rialto Municipal Airport that will treat water with the heaviest concentrations of perchlorate, Wulfman said.

Eventually, a "picket fence" of wells will intercept the contamination before it can spread farther, he said.

At the same time, the remaining production wells need to get treatment facilities on them to ensure a steady water supply.

The estimated cost for 10 wellhead treatment systems plus five years of maintenance and operations is \$45.2 million.

Five years of operation and maintenance, plus the cost of installation, on the existing treatment facilities is tagged at \$28.8 million.

The cost for the wells designed to intercept the contamination is estimated at \$32.2 million.

Sen. Dianne Feinstein has introduced a bill that would provide \$50 million for cleaning up perchlorate.

Rialto and Colton have also sued the Department of Defense and numerous businesses that operated in the areas in an attempt to recover the cleanup costs.