

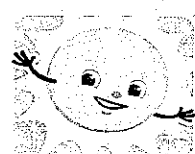


# CHINO BASIN WATERMASTER

## IV. REPORTS/UPDATES

### C. INLAND EMPIRE UTILITIES AGENCY

3. Monthly Water Conservation Programs Report
4. Groundwater Operations Recharge Summary
5. Monthly Imported Water Deliveries Report
6. State and Federal Legislative Reports
7. Public Relations Report



**CHINO BASIN WATERMASTER**

**ADVISORY COMMITTEE**

**June 22, 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:**

- Recycled Water Update – Oral Report
- CCWRF Salinity Report – Oral report

**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-June

### Water Resources Activities

- **2005 Urban Water Management Plan**- By request of the retail agencies, IEUA has amended the 2005 UWMP to extend projections an additional five years to 2030. A public hearing will take place on June 21<sup>st</sup>, followed by the adoption of the amendment by the board of directors.

### MWD Activities

- **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 have been developed and the new California Friendly campaign was kicked off on April 10, 2006, with TV advertisements, public service announcements, magazine advertisements, and other materials. The various types of advertisements will continue through July.

### Landscape Programs

- **"SmarTimer of Inland Empire" Program**- SmarTimer controllers were exchanged for residents' existing controllers at three local PDA classes over the months of spring, where approximately 50 controllers were successfully exchanged. In addition, the Conservation Partnership is holding a regional SmarTimer exchange event on July 22<sup>nd</sup> at the Chino Basin Water Conservation District, where they anticipate exchanging 200 controllers. Residents also have the opportunity to apply for a rebate if they personally purchase a qualifying SmarTimer controller.
- **Phase II Landscape Audit Program (05/06)** - The RFP for the 05/06 Landscape Audit Program was released April 18, 2006, and proposals were due May 4<sup>th</sup>. The Conservation Partnership will review the bids in June with anticipation to go to board with a recommendation for a contract in July.
- **Ontario Cares**- City of Ontario will implement a pilot project to integrate "California Friendly" into the city's program to improve existing neighborhoods. A 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 and then implement the "California Friendly" landscape designs.
- **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)**- At the April Conservation Partnership meeting, Honeywell presented an overview of their marketing strategies for the MWD service area, and more specifically IEUA's service area. Strategies for the IEUA service area include tailoring existing materials to target our area, new bill inserts, and to have representatives present at local chamber meetings, agency events and other significant events. Honeywell will implement their three month push strategy where they will send three mailers to customers and then call to entice participation. The following is a list of rebate activity for FY05/06 within the IEUA service area:
  - **High Efficiency Clothes Washers** - There were 12 clothes washer rebates for the month of March. To date 327 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** - 264 ULFTs were rebated in April bringing the total to 1,320 ULFs in our service area since FY 00/01.
  - **Waterless Urinals** - 4 waterless urinals were installed in the month of April. This was the first installation of waterless urinals rebated for in the IEUA service area.
  - **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 began in March and will end in December 2006.

### Residential Programs

- **Single-Family ULF Toilet Exchange Programs**- There will be no more ULF toilet exchange events. The Conservation Partnership is planning to conduct a pilot program for a single family direct install to begin late summer.

- **Multi-Family ULF Toilet Program**– Currently, through the direct install program approximately 5,047 toilets have been installed and 953 toilets remain. The remaining toilets are expected to be installed by June 30<sup>th</sup>. In the next round of the program 22,000 toilets will be retrofitted. On April 19<sup>th</sup> IEUA board of directors approved the contract with Bottom Line Utilities Solutions to implement this program, to begin in the summer.
- **High Efficiency Clothes Washer Rebate**- Approximately 110 rebates were issued during May, bringing the total for the current fiscal year to 1,234 rebates. This brings the total number of rebates to approximately 6,293 since the rebate program began in 2002.

#### School Education Programs

- **Garden in Every School**- Six gardens have been completed including Coyote Canyon in Rancho Cucamonga, Ranch View in Ontario, Foothill Knolls in Upland, Hidden Trials in Chino Hills, Newman in Chino and North Tamarind in Fontana. Three successful dedications took place in May and three more will occur in the beginning of June. Our Lady of Lourdes School Garden is being postponed till the summer. Applications for next year's program will be sent out early June.
- **National Theatre for Children**- The spring schedule is completed. The Conservation Partnership is currently discussing next year's program.
- **Groundwater Model**- Chino Hills' and IEUA's 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)** - The MWD Solar Cup event took place May 19<sup>th</sup> through May 21<sup>st</sup>, 2006. IEUA (as the member agency) was represented by three schools: Chino Hills High School and Ayala High School in Chino Hills, and Upland High School. 1<sup>st</sup> place was awarded to Diamond Bar High School. Chino Hill High School was awarded 2<sup>nd</sup> place, and 3<sup>rd</sup> place was awarded to Charter Oak High School.

#### Outreach

- **Water Fair**- The Water Fair committee has been meeting every month to plan a fair that will provide information on rebates and promote other ways to conserve water in our region. The event is set for October 14, 2006 and will take place at Montclair Plaza.
- **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)** - In April, the members of WEWAC discussed initiatives for the next year. The awards ceremony for the Annual Video Contest took place May 4<sup>th</sup> where Bonita High School was announced and recognized as the 1<sup>st</sup> place winner.
- **BMP Support Grants**- No new action.

#### Water Conservation Budget/Actual (As of 5/01/06)

<u>Revenues (est.)</u>	<u>Annual Budget</u>	<u>Est. Actual to date (FY05/06)</u>
Imported \$4/AF Surcharge	\$380,000	\$229,479
Retail Meter Revenue	\$54,863	\$45,719
Property Tax	\$75,000	\$62,500
Regional Sewage Fund Transfer	\$50,000	\$41,666
Interest	\$25,800	\$21,500
<b>Subtotal</b>	<b>\$583,663</b>	<b>\$400,864</b>
<b>Other Agency Funding</b>		
MWD (est. CCP Credits & Rebates)	\$668,000	\$325,210
<b>Subtotal</b>	<b>\$668,000</b>	<b>\$325,210</b>
<b>Total Budget</b>	<b>\$1,251,663</b>	<b>\$355,448</b>
<b>Expenditures</b>		
HECWs	\$110,000	\$127,177
ULFTs	\$830,700	\$618,632
Landscape Programs	\$148,000	\$11,054
CUWCC Dues	\$11,000	\$0

Education Programs	\$95,000	\$53,940
Agency Support	\$2,500	\$0
CII Marketing	\$27,000	\$0
BMP Partnership Funding	\$2,000	\$2,000
Public Information	\$56,000	\$9,000
<b>Totals</b>	<b>\$1,282,200</b>	<b>\$821,803</b>

**Upcoming Events**

**CALENDAR**

June 11 <sup>th</sup> -16 <sup>th</sup> , 2006	AWWA Annual Conference (San Antonio, TX)
July 22, 2006	SmarTimer Exchange Event (Chino Basin Water Conservation District)
October 14, 2006	Water Fair (Montclair Plaza)

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SUMMARY OF GROUNDWATER RECHARGE OPERATIONS							
Drainage System	Recharge Volume (AF)						
Basin	Jan 2006	Feb 2006	Mar 2006	Apr 2006	May 2006	Jun 2006	FY To Date
<b>San Antonio Channel Drainage System</b>							
College Heights East	182	207	233	291	105		1,592
College Heights West	397	395	290	538	236		3,457
Upland	555	704	566	597	914		5,416
Montclair 1, 2, 3 & 4	624	818	590	840	139		5,282
Brooks	257	393	215	261	301		3,199
Non-replenishment* (MVWD)	-	(44)	-	-	0		(156)
<b>West Cucamonga Channel Drainage System</b>							
8 <sup>th</sup> Street	66	187	216	153	31		905
7th Street	50	56	110	77	19		372
Ely	218	422	338	362	64		2,136
Non-replenishment* (GE)	(8)	(80)	-	-	(29)		(460)
<b>Cucamonga and Deer Creek Channel Drainage Systems</b>							
Turner 1 & 2	262	152	427	390	97		2,049
Turner 3 & 4	75	71	171	260	72		774
<b>Day Creek Channel Drainage System</b>							
Lower Day	357	306	205	246	124		3,304
<b>Etiwanda Channel Drainage System</b>							
Etiwanda Debris	214	221	276	297	307		2,210
Victoria	26	43	110	59	29		324
<b>San Sevaine Channel Drainage System</b>							
San Sevaine	968	1124	964	1187	1386		9,572
Banana	56	77	55	36	54		965
Hickory	95	114	27	43	77		1,624
<b>Declez Channel Drainage System</b>							
RP3	33	64	161	127	37		742
Declez	35	110	191	101	58		720
<b>Minor Drainage</b>							
Grove	-	-	75	41	17		133
Subtotals	4,463	5,337	5,176	5,873	4,037		44,085
<b>Recharge Water by Type</b>							
Storm Water (SW) w/ Local Runoff (LR)	762	1661	3,133	3,305	848		12,681
MWD Water (MWD)	3,548	3467	2,043	2,568	3190		30,173
Recycled Water (RW)	154	209	-	-	0		1,231
Subtotals (Month)	4,463	5,337	5,176	5,873	4,037		44,085
Subtotals (FY to Date)	23,661	28,999	34,174	40,048	44,085		FY To Date
<b>Notes</b>							
SW : Storm Water, LR : Local Runoff, MW: MWD Water, RW : Recycled Water							
- :No stormwater/local runoff, or basin not in use due to maintenance or testing.							
X : Turnouts not available - to be installed within future projects.							
N : Not Applicable or No turnout planned for installation.							
*Non-Replenishment (deduct) is groundwater pumped from Chino Basin and recharged back into the basin.							
Data are preliminary based on the data available at the time of this report preparation							

Jun. 06, 06



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3RD QUARTER FY2005/06  
 RECYCLED WATER SUMMARY

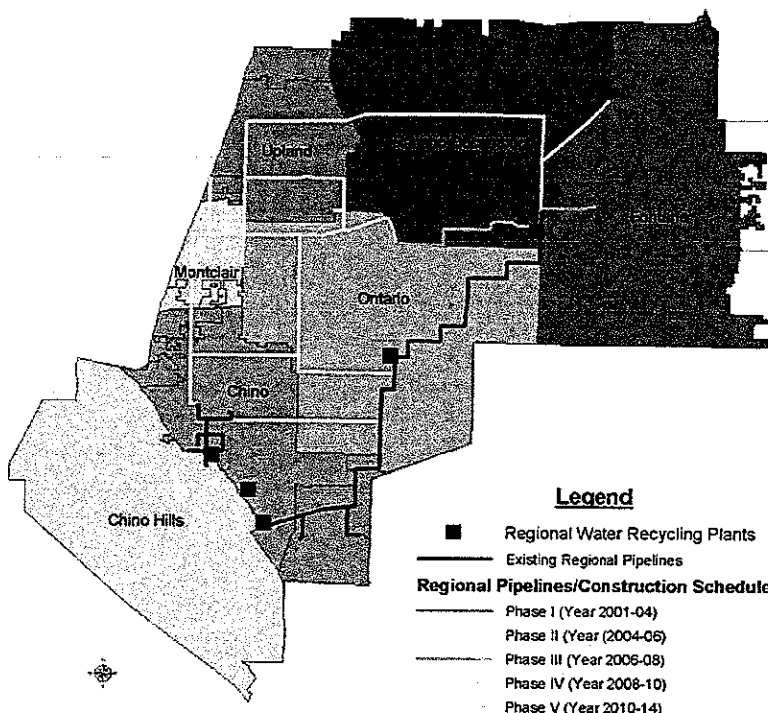
# Capital Projects Summary

## PROJECTS IN DESIGN AND CONSTRUCTION

- RP-4 Area 3 MG Regional Recycled Water Reservoir, Pipeline and Pump Station  
 50% design complete. This project will establish two different pressure zones: northern half and southern half. In addition, the reservoir would be filled during low energy periods and off-peak hours to meet the demand and to conserve energy.
- North Etiwanda Regional Water Pipeline and Pump Station  
 On-hold awaiting property acquisition
- RP-1 South Recycled Water Pump Station  
 100% design complete. This pump station will pressurize the existing 30" gravity line to allow additional flow to growing demands in the area south of RP-1.
- San Antonio Channel Recycled Water Pipeline  
 There are two design segments; Segment A & B. Segment A—Design complete. Segment B—90% design complete. Segment A will extend from the Cucamonga Channel to Benson Avenue. Segment B will extend through the City of Montclair providing recycled water to Bellevue Cemetery and parks and schools in Montclair.



Edison Avenue Pipeline



- Wineville Recycled Water Pipeline Extension  
 90% design complete. This pipeline will serve industries including several major laundry facilities in Ontario as well as serving the City of Fontana.

- 7th & 8th St. Basin Pipeline  
 90% design complete and value engineering has been completed. This pipeline will bring recycled water to 7th and 8th Street Basins and will serve schools and parks along the alignment.

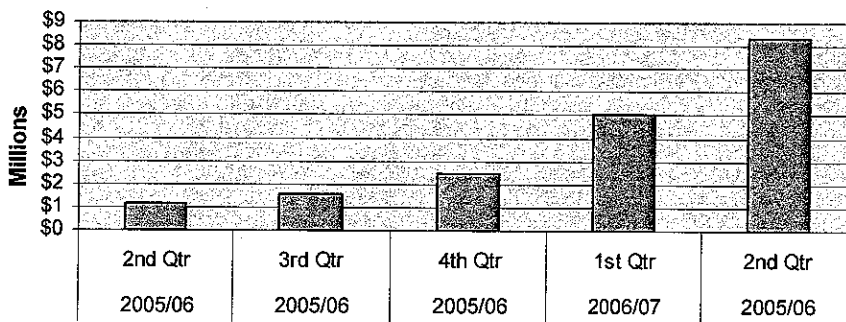
- Edison Avenue Pipeline  
 Construction of Edison-Eucalyptus Regional Recycled Water Transmission Pipeline is underway. This pipeline will interconnect the existing CCWRF and TP-1 Outfall system providing additional recycled water supply to meet the growing demand in the southern service area. It will serve major agricultural users in Ontario, College Park in Chino and ultimately many parks and other landscape irrigation customers.

Projected Budget — \$70,300,000

### Current Implementation Plan

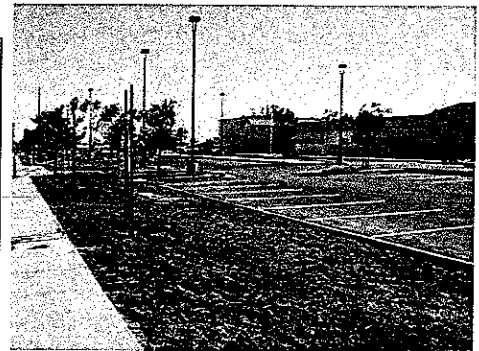
D	Task Name	2006												2007												
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
1	RP-1 Recycled Water South Pump Station	[Bar chart showing activity from Feb to Dec]												\$4,800,000												
2	San Antonio Channel Recycled Water Pipeline	[Bar chart showing activity from Feb to Dec]												\$12,400,000												
3	Wineville Avenue Pipeline Extension	[Bar chart showing activity from Feb to Dec]												\$6,600,000												
4	7th & 8th Street Basin Pipeline	[Bar chart showing activity from Feb to Dec]												\$3,300,000												
5	Edison Avenue Pipeline	[Bar chart showing activity from Feb to Dec]												\$9,100,000												
6	RP-4 Recycled Water Pipeline, Reservoir & Pump Station	[Bar chart showing activity from Feb to Dec]												\$11,500,000												
7	North Etowanda Recycled Water Pipeline, Reservoir & Pump Station	[Bar chart showing activity from Feb to Dec]												\$21,000,000												

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



### Financing Plan (2006-2016)

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>



Chaparral Elementary School



Vellano Golf Course Development

### TYCIP Projects (2006-2016)

- Capital Cost \$117 million
- Grant Funding \$42.5 million
- State Loan Funds \$66.5 million
- Local Funding \$8 million

## Customer Development

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

Six service connections in Ontario and one for the City of Chino have been made for the farmers. Two more farm connections in Chino and three others in Ontario will be completed in June 2006. Although most of these farmers need to use booster pumps to irrigate, with the completion of the RP-1 South Pump Station next summer, those pumps would not be necessary. The combined total recycled water usage from these farms could exceed 7,000 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. Companies such as Coca-Cola USA and Metal Coaters of CA have already signed the letter of commitment to use recycled water. The other NRW Customers such as Ecolochem, Frito-Lay, and Sierra Aluminum I & II are ready to commit to use recycled water.

### ■ Targeted Major Customers in 2006

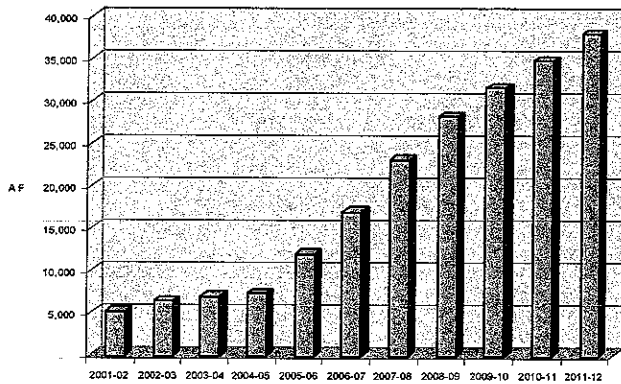
1. Empire Lakes Golf Course (CVWD) - On-line
2. Temple Inland (Ontario)
3. Guasti Park (Ontario)
4. Additional Farms on Outfall (Ontario & Chino) - two On-line
5. Ontario Center Owners Association (Ontario)
6. California Co-generation (Chino)
7. Vellano Golf Course (Chino Hills)
8. Mission Linen (Chino)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

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

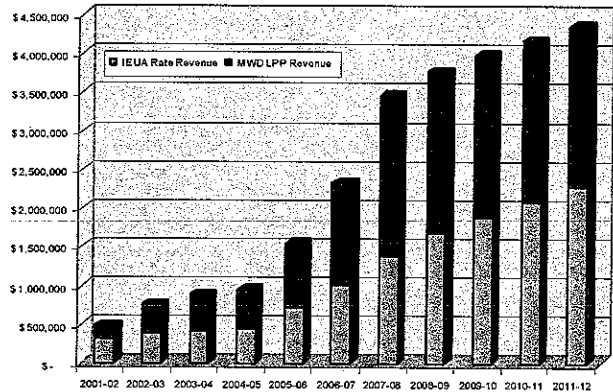
In order to expedite the approval process by DHS, IEUA staff and consultant are assisting the Cities with the Engineer's report as well as drafting a master engineer's report for each of the Cities.

## 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 Recharge Permit—*Approved* March 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>

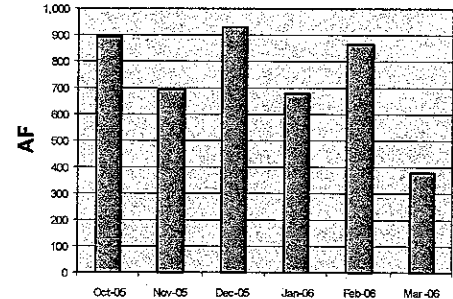
## New Customers in 2006

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

## 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

## Recycled Water Sales



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

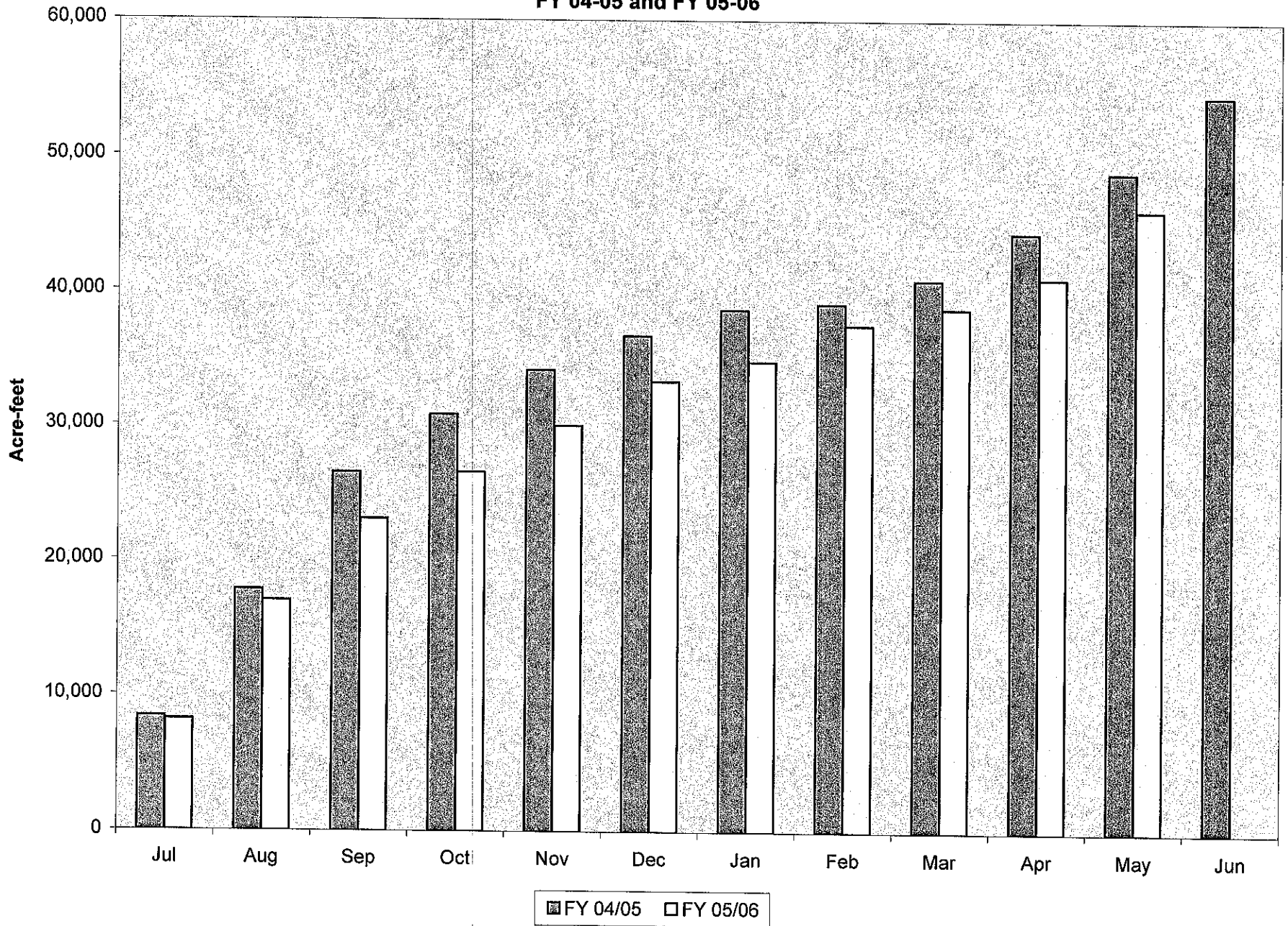
## Operation & Planning

- 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.

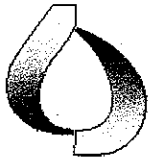


Cal Poly Pomona Farming in CIM

**Cumulative Monthly Full Service Imported Water Deliveries  
Within IEUA's Service Area  
FY 04-05 and FY 05-06**



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Inland Empire  
UTILITIES AGENCY

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Date: June 21, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (6/14/06)

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

Submitted by: Martha Davis  
Executive Manager of Policy Development

Subject: May 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.

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## MEMORANDUM

TO: Rich Atwater and Martha Davis

FROM: Jennifer West

DATE: June 1, 2006

RE: May Legislative Report

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### **House of Origin Deadline**

This week marks the deadline for bills to pass out of their "house of origin." Those Assembly or Senate bills that failed to move to the opposite house will be considered dead for the year. As indicated in the attached bill list, a number of bills IEUA is tracking failed to pass out of the Appropriations committee. Those bills that made it to their respective floors generally passed. The one exception was SB 1242 (Lowenthal), which made significant changes to the Integrated Regional Water Management program, by limiting participation in the program and the types of agencies that could receive future bond funds. SAWPA and other water agencies were opposed to the bill and were successful in helping to convince Senator Lowenthal to drop SB 1242.

### **Budget Conference Committee Begins**

The Governor released his revision to the 2006-7 spending plan on May 12. The revised spending plan reflects a significant improvement in the state's fiscal condition, largely due to higher than anticipated 05-06 revenue collections. The May Revision proposes to use these revenues to pre-pay debt, boost school spending, increase the state's reserve and augment spending for various programs. Some highlights include:

- \$500 million for immediate levee and improvement of levees;
- \$100 million to local flood control agencies as payment toward outstanding claims for water channel improvement and levee projects.

The outstanding budget issues that were not resolved in the budget subcommittees are now being considered by the Budget Conference Committee. With the additional revenues, many legislators have predicted that the budget will be on time. IEUA will be following the budget process and the "budget trailer bills" closely. Trailer bills are introduced right after the passage of the budget and do not go through the regular policy

committees, even though they often contain significant policy issues. There is likely to be a trailer bill on Cal-Fed, for example.

#### **Marketing Incentives for Compost**

Since January, IEUA and the Association of Compost Producers (ACP) have been exploring possible legislative and administrative changes to increase the use of compost in the state. This week IEUA organized a meeting with the Secretary of Food and Agriculture to discuss how the Department of Agriculture (CDFA) could allow compost labels to communicate its benefits to the consumer. CDFA agreed that compost use statewide would probably increase if changes were made in the labeling law and existing regulations with regard to compost. IEUA and ACP will be working with CDFA over the next few months to develop a compost-specific labeling section in the statute for possible introduction as legislation in 2007.

## Inland Empire Utilities Agency

### Positions List

June 1, 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. The bill will permit the interconnection of up to 1 MW of renewable energy generated by a water/wastewater agency to the grid with minimum problems and maximum value per kwh generated.	Senate	Support
AB 1881 (Laird) Water Conservation	Will codify all the AB 2717 taskforce recommendations. Currently it does the following:  Requires DWR to update the model local water landscape ordinance, including restriction on overspray and runoff, by Jan. 2009.  Requires local agencies to adopt either the model ordinance or one that is at least as effective by Jan. 2010.  Requires public water systems to install, or require installation of water meters for landscaped areas exceeding 5,000 sq feet for non-single family residence.	Passed to Senate	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	Not set	Oppose

	AFSCME.		
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.	Senate Local Gov. 6/21	Oppose
AB 2928 (Laird) Green Building Guidelines	Requires the CIWMB to adopt voluntary green building guidelines for residential construction by 2008 which include, but are not limited to: a) Energy efficiency measures; b) Water efficiency measures; c) Materials efficiency measures; d) Indoor environmental quality measures; e) A method for determining the life-cycle costs of green buildings. Directs the CIWMB to consult with appropriate state agencies, the building and construction industry, environmental organizations, local government, and other interested parties when developing the guidelines. Directs the CIWMB to consider all relevant guidelines relating to residential green buildings, including, but not limited to: The US Green Building Council's Leadership in Energy and Environmental Design for Homes (LEED for Homes) rating system.	Passed to Senate	Recommend Support
SB 153 (Chesbro) Resources Bond	2006 Park and Water bond measure. Contains \$200 million for the Integrated Regional Water Management Program and other coastal and water quality funding. This was one of the bond measures under consideration for inclusion in the Governor's resources bond or in Senator Perata's infrastructure bond.	Assembly	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 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	Passed to Senate	Oppose

	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. <u>As recently amended, it would only impact enterprise special districts.</u>		
SB 1345 (Chesbro) Compost: Caltrans	Requires Caltrans to increase its use of compost on state highways. By 2010 Caltrans would be required to use more than 1 million tons of compost per year.	Held in Senate Approps.	Support
SB 1640 (Kuehl) Water	SB 1640 is very similar to the final version of SB 820 (Kuehl), which IEUA supported last year, but which was vetoed by the Governor because of its groundwater reporting requirements. However, bill's groundwater language is still a "work in progress." The Senator has begun working with all interests to try to resolve the outstanding issues regarding groundwater reporting. The bill requires DWR to collect groundwater data statewide. Southern California counties have been required to report groundwater data to the SWRCB since the late 1950s.  IEUA is participating in these discussions to ensure that adjudicated basins and others in Southern California are not required to do any more reporting than is now required.	Passed to Assembly	Support
SB 1795 (Machado) Groundwater	On May 24 the bill was completely amended. It now states the Legislature's intent to identify the placement of surface storage water into a groundwater basin for the purposes of repelling saline intrusion and recovering groundwater basin levels in order to improve water quality as a beneficial use of water.	Passed to Assembly	Support if amended
<b>Watch List</b>			
<b>Bill #</b>	<b>Summary</b>	<b>Status</b>	
<b>Water Conservation</b>			
AB 2496 (Laird) Low flush water closets	Requires all new buildings constructed in the state after 2009 to use urinals and water closets that meet recent performance standards established by the American Society of Mechanical Engineers.	Senate Transportation and Housing	
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.	Passed to Senate	

	Requires the Energy Commission to establish water efficiency standards for residential and commercial water-using appliances and other products and report to the legislature.	
SB 1608 (Simitian) Water Landscape	Requires Cal-Trans and all local transportation agencies that receive state funds to use California native plants and other water-saving plants in consultation with the local native plant society or the Resources Agency.	Held in Senate Approps.
<b>Groundwater</b>		
SB 1425 (Kuehl) Groundwater	Makes minor changes to the groundwater Recordation Act that applies to four counties in Southern California.	Assembly Water Parks and Wildlife
<b>Floods and Delta</b>		
AB 2208 (Jones) Delta Levee Fees	Requires DWR to conduct a study to recommend which Delta beneficiaries should pay for Delta levee improvements and the conveyance system. Requires DWR to recommend, in accordance with the "beneficiary pays" principle, who should pay a Delta user fee for Delta levee and conveyance system improvements.	Passed to the Senate
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.	Held in Senate Approps.
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 DWR and DFG by 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 DWR with an independent peer review of the draft report. The bill would require DWR to revise the draft joint report to reflect the comments of the peer review in the joint report.	Assembly Water Parks and Wildlife
<b>Compost</b>		

<p>SB 1778 (Alarcon) Compost</p>	<p>Sponsored by Californians Against Waste (CAW), the bill phases out the use of alternative daily cover and includes incentives for the use of compost. The bill was held on suspense in the Appropriations Committee because it represented a significant general fund impact to the state and there was significant opposition from local government.</p>	<p>Held in Senate Approps.</p>
<p><b>Integrated Regional Water Management Program</b></p>		
<p>SB 1242 (Lowenthal) IRWMP</p>	<p>Sponsored by Long Beach Water Department. Significantly revises the governance structure of the IRWMP. Restricts the groups that can develop an IRWMP to water management agencies. Specifies that only water management agencies should have final approval over the contents of the plan. Long Beach has indicated that they are willing to add additional kinds of groups into the IRWMP planning process, but feel that the water management agencies need to retain final approval over what is contained in the plan. They are also interested in "grandfathering" existing plans such as SAWPA's.</p> <p>The bill was held on the Senate Floor because of opposition from SAWPA and other groups. ACWA has convened a task force to look at possible needed changes to the IRWMP. SAWPA is participating in this process.</p>	<p>Held on Senate Floor</p>



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# ACWA STATE LEGISLATIVE OUTREACH ADVISORY

Association of California Water Agencies • 916.441.4545 • fax 916.325.2306 • [www.acwa.com](http://www.acwa.com)

June 1, 2006

ACWA State Legislative Advisory 06-06

## CONGRATULATIONS! AB 2951 (GOLDBERG) CAPITAL FACILITIES FEES BILL PASSES OUT OF THE ASSEMBLY

Final Vote 50-22 - Next Stop - State Senate

AB 2951 was heard on the Assembly floor yesterday, May 31. We knew it would be a tough fight right before the election, but thanks to the effective contact from our members with their legislators, we were successful in getting the bill passed on the Assembly floor. Thank you to all of our Outreach Network participants who took the time necessary to get the job done. The next stop will be the Senate where the fight will be even tougher.

The passage of AB 2951 (Goldberg) is critically important in clarifying the law as to the rights and responsibilities of local agency public utilities and the public institutions they serve. It would preserve the authority of local public agency utilities to charge commodity rates that include a capital component to pay for the costs of ongoing capital improvements needed to serve all customers. This bill will not have a fiscal impact on public agencies. The bill is needed in light of recent legal challenges seeking to undermine the authority of public utilities to include continuing capital costs in their monthly rates and impose those rates on other public entities, particularly public schools and educational institutions and state agencies.

### Things to keep in mind:

AB 2951 is currently awaiting referral to a Senate policy committee.

When referred, we will be asking outreach participants to contact the Senate members of the policy committee to urge their support for AB 2951.

### Please be ready!

AB 2951 will not make it through the Senate by itself. We will have to fight to get it through.

Be sure to thank representatives who supported AB 2951.

The following page provides information on how individuals in the Assembly voted. If appropriate, please contact your representatives to thank them for their vote and to offer your agency as a resource for future water policy discussions.

For more information, please contact ACWA Legislative Advocate Whitnie Henderson at (916) 441-4545 or by email at [whitnieh@acwa.com](mailto:whitnieh@acwa.com).

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**Martha Davis**

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**From:** Richard Atwater  
**Sent:** Sunday, May 28, 2006 3:22 PM  
**To:** Martha Davis; Michael Boccadoro; Jennifer West  
**Subject:** FW: CSDA Legislative Update - May 26, 2006

FYI

Rich

---

**From:** Geoffrey Neill [mailto:gneill@csga.net]  
**Sent:** Friday, May 26, 2006 5:32 PM  
**To:** Richard Atwater  
**Subject:** CSDA Legislative Update - May 26, 2006

**Committees Pass Bills on Eminent Domain, Property Tax Reallocation, Others**

With the California Legislature racing toward the June 2 deadline for bills to pass their house of introduction, this was a busy week. Additionally, the Senate and Assembly Appropriations Committees considered their suspense files yesterday. Presented below are summaries of bills of interest that received action this week. You can search for the text of these bills, committee analyses of them and other important information in the 'Legislation & Action' section of the CSDA members website

Assembly Bill 3050 (Committee on Judiciary) : This is the bill that would hold local governments jointly liable for flood-related damages in many circumstances. The bill failed on the Assembly Floor Thursday on a 35 to 34 vote. 41 votes were needed and the bill received reconsideration and will be considered again next week. CSDA opposes AB 3050.

Senate Bill 1650 (Kehoe) : One of the major eminent domain reform bills, SB 1650 passed the Senate Floor on vote of 38 to 0. Sen. Tom McClintock, a supporter of stronger reforms including the initiative that is almost certain to qualify for the November ballot, voted for the bill, but cautioned senators that the voters of California will have the final say on "real" reforms this November.

Senate Bill 1317 (Torlakson) : This bill would provide incentives to cities and counties to site certain energy facilities by shifting the unitary property tax revenues from enterprise special districts to the city or county who sites the facility. The bill passed the Senate Appropriations Committee Thursday and will be considered by the full Senate next week. CSDA strongly opposes SB 1317.

Senate Bill 1431 (Cox) : This bill would have granted authority to all cities, counties and special districts to use the design-build method of engineering and construction contracting, which supports claim saves both time and money. The bill was held (defeated) in the Senate Appropriations Committee on Thursday. CSDA supports SB 1431.

Assembly Bill 1899 (Wolk) : This bill requires cities and counties to include environmental assessments for new development relating to flood protection. The bill passed, as amended, the Assembly Appropriations Committee on Thursday. CSDA is watching AB 1899.

Assembly Bill 2402 (Ruskin) : This bill would require the Department of Health Services to identify treatment methods, technologies and other management options that reduce or eliminate the need to add disinfectants or additives to drinking water. The bill was held in the Assembly Appropriations Committee. CSDA is watching AB 2402.

Assembly Bill 2699 (Emmerson) : AB 2699 is a comprehensive bill relating to habitat mitigation. The bill was substantially amended and passed by the Assembly Appropriations Committee. The amendments may address CSDA concerns.

Assembly Bill 2951 (Goldberg) : The bill would clarify that municipal utilities have the authority to charge schools and other public agencies capital facilities fees was passed by the Assembly Appropriations Committee. CSDA is a co-sponsor of AB 2951.

Assembly Bill 3003 (LaMalfa) : This measure relates to capping bond administrative expenses by the Department of Water Resources and was amended to place that cap at 5%. Prior version of the bill capped the expenses at 3%. The bill passed the Assembly Appropriations Committee. CSDA is watching AB 3003.

#### **CSDA Selects New Executive Director**

The CSDA board of directors has selected Neil McCormick as CSDA's new executive director. McCormick has served as CSDA's deputy director since 2002 and has been responsible for all member services, member recruitment and retention, education and conferences, marketing and the CSDA Finance Corporation. He holds bachelor of science and master of business administration degrees from California State University, Sacramento and has an extensive background in association management.

"Neil has been instrumental in the phenomenal growth of CSDA over the past four years," said Sherry M. Sterrett, CSDA president and board member of the Pleasant Hill Recreation and Park District. "The board unanimously supported Neil's selection and remains confident in CSDA's leadership role in California's local government community under Neil's direction."

Neil's first day as executive director was Monday, May 22, 2006.

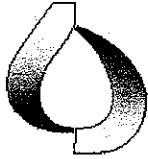
#### **Email Updates Available for All Member Agencies' Officials and Employees**

Legislative Updates are emailed every Friday that the California Legislature is in session. Past and current updates are available in the Legislation & Action section of the CSDA member's website. If anyone else at your agency would like to receive these updates by email, or if you would like to stop receiving these updates, let us know by calling toll-free (877) 924-CSDA or by emailing

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California Special Districts Association  
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CSDA Finance Corporation

1112 I Street, Suite 200, Sacramento, CA 95814

6/3/2006



Date: June 21, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (6/14/06)

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

Submitted by: Martha Davis  
Executive Manager of Policy Development

Subject: May 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 Boccadoro 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 – May 2006

### ASSEMBLY BILL 1969

CA AB 1969

**AUTHOR:** Yee [D]  
**TITLE:** Electrical Corporations; Water Agencies  
**INTRODUCED:** 02/09/2006  
**LAST AMEND:** 05/04/2006  
**DISPOSITION:** Pending  
**FILE:** 43  
**LOCATION:** Assembly Third Reading File  
**SUMMARY:**

Requires every electrical corporation to file with the Public Utilities Commission a standard tariff for renewable energy output produced at an electric generation facility that is an eligible renewable energy resource. Requires the corporation to make this tariff available to public water or wastewater agencies that own and operate an electric facility on a first-come-first-served basis, until the combined statewide cumulative rated capacity reaches a specified total amount of megawatts.

**This measure recently passed out of the Assembly on a 55-7 bipartisan vote**

**Position:** Support

This measure is sponsored by IEUA and SAWPA. The bill seeks to remove barriers and obstacles and encourage the full potential of renewable energy generation by the state's water and wastewater agencies. AB 1969 will help offset demand while increasing environmentally friendly renewable energy production to meet the state's goals.

Specially, AB 1969 will:

- Require electrical corporations to create tariffs (standard contract) for the purchase of renewable energy developed by water and wastewater agencies;
- Limit individual facilities to 1 MW and the cumulative statewide capacity to 250 MW; and
- Help electrical corporations meet the renewables energy procurement standard and resource adequacy requirements

Benefits include:

- Adding renewable energy generation resources;
- Helping the state meet its Renewable Portfolio Standard (RPS) goals;
- Addressing current transmission constraints;
- Improving the environment through a reduction in greenhouse gases; and
- Offsetting rising water treatment and water delivery costs



## ENERGY/REGULATORY

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

On May 24, the California Public Utilities Commission issued a scoping memo in the proceeding that will, in part, consider expanding the electric utilities' energy efficiency portfolios to include water conservation efforts. The scoping memo sets out the schedule as well as the issues for consideration in the proceeding.

Specifically, the scoping memo split the proceeding into six phases. Phase III will solely address the eligibility, verification and methodology for including embedded (upstream) energy savings associated with water conservation measures. An informal workshop, to be coordinated by PG&E and the Natural Resources Defense Council (NRDC) will take place in the first half of July. Testimony on this issue is due on July 24<sup>th</sup>.

One major issue scoped by the judge in the proceeding is whether such savings should be incorporated into the current 2006-2008 EE funding cycle or the next 2009-2011 cycle.

DGI has intervened in the case on behalf of IEUA, and will attend the workshop and offer comments and briefs, as appropriate, in this proceeding. The scoping memo stated it is the intent of the Commission to rule on Phase III by early 2007.

### *Critical Peak Pricing*

The bizarre tale of Critical Peak Pricing continued on May 25, when the CPUC adopted a decision deferring consideration of default critical peak pricing until 2009 for customers of Southern California Edison. Critical Peak Pricing charges very high on-peak energy rates during periods of extreme demand on the electrical systems to discourage usage. In exchange, energy rates are lowered during other time periods to avoid an increase in total cost.

The Commission decided to reject a settlement among parties to bolster the current voluntary CPP program and reject any default CPP enrollment. An alternate decision by Commissioner Bohn to accept the settlement was voted down 1-4.

The decision ordered SCE to refile a proposal to implement default CPP rates at part of their next General Rate Case filing. That filing is expected to be made in late 2008, and will be litigated in 2009. This will mark the third time that this issue will be litigated by parties without resolution.

In late 2005 the Commission instituted a proceeding and testimony was offered, but the Commission declined to adopt mandatory CPP rates at that time. The utilities were again ordered to file proposals for default CPP rates in early 2006. After testimony was offered again, a settlement was reached among parties to simply bolster the current voluntary CPP program. By rejecting that settlement in this decision, all parties will again have to litigate this issue for a third time.

**LEGISLATIVE ACTION**

CA AB 2778    **AUTHOR:**                    Lieber [D]  
                  **TITLE:**                        Electricity: Self-Generation Incentive Program  
                  **INTRODUCED:**                02/24/2006  
                  **DISPOSITION:**                Pending  
                  **LOCATION:**                     Assembly Second Reading File  
                  **SUMMARY:**  
                  Requires the Public Utilities Commission, in consultation with the Energy Commission, to administer a self-generation incentive program for distributed generation resources in the same form that exists on 1/1/04.

**This measure passed out of the Assembly Appropriations Committee on a 7-0 vote**

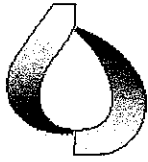
CA AB 2315    **AUTHOR:**                    McCarthy [R]  
                  **TITLE:**                        Energy: Renewables Portfolio Standard Program  
                  **INTRODUCED:**                02/22/2006  
                  **LAST AMEND:**                04/03/2006  
                  **DISPOSITION:**                Pending  
                  **LOCATION:**                     Assembly Utilities and Commerce Committee  
                  **SUMMARY:**  
                  Makes nonsubstantive clarifying changes to the requirements placed upon the Energy Commission under the state Renewables Portfolio Standard Program. States the Intent of the Legislature to enact legislation to establish the Climate Neutral Combustion Power Generation Program to complement the Renewable Energy Resources Program and to supplement the Renewables Portfolio Standard Program.

**The author pulled this bill and it will not be considered this year.**

CA SB 1727    **AUTHOR:**                    Kehoe [D]  
                  **TITLE:**                        Public Utilities: Electrical Corporations  
                  **INTRODUCED:**                02/24/2006  
                  **DISPOSITION:**                Pending  
                  **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.

**The author pulled this bill and it will not be considered this year.**

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**Inland Empire**  
UTILITIES AGENCY

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Date: June 21, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (6/14/06)

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

Submitted by: Martha Davis  
Executive Manager of Policy Development

Subject: May 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*

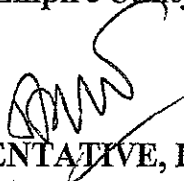
635 Maryland Avenue, N.E.  
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(202) 546-4472-fax  
[agresources@erols.com](mailto:agresources@erols.com)

May 29, 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, May 2006

### Highlights:

- House Appropriates \$1 million for IEUA Recycling Program
- Recycling "Summit" Convened
- WaterReuse Prepares, Submits Draft "Reform" Bill to Congress
- Napolitano Reacts to Bureau Submission of Southern California Report (Projects Declared Infeasible)
- Baca Perchlorate Provision Approved by House
- News and Notes
- IEUA Working Partners

*Appropriations Begin in House, Energy and Water Provides \$ 1 million for IEUA.* The House Appropriators provided \$1 million for IEUA's water recycling program in the CALFED account. This is the second year of funding for this program. The Energy and Water bill was brought to the House Floor and passed. The bill is pending in the Senate and is expected to be considered in June or July.

*The House and Senate Water Subcommittees Convene Recycling "Summit" With WaterReuse, IEUA Participates.* In early May, the House and Senate Subcommittee on Water and Power (majority and minority on a bi-partisan basis) met, with representatives from WaterReuse, IEUA, Orange County Water District as well as representatives from Nevada and Florida to discuss changes in the Title XVI "organic" act. IEUA's Rich Atwater attended. It was a comprehensive discussion of the program, the law, water recycling policy and implementation by the Bureau. Senator Feinstein's office recommended some "improvements" to the Act. WaterReuse agreed to prepare a draft for the committees and Senator Feinstein. This meeting occurred less than a week after the Bureau of Reclamation submitted the "so-called" Southern California Comprehensive Water Reclamation and Reuse "Feasibility" Study to Congress (five years late) and determined that the program determined by the Bureau to be feasible in 2001 somehow failed to be feasible a half-decade later. The House and Senate Committees are not pleased with the Bureau's conduct regarding this program. When agreement is reached on a draft bill, then it is expected to be introduced by Senators Feinstein and Murkowski. Then, the Senate Committee has signaled that it will take up some of the pending water recycling bills, including the Dreier and Gary Miller/Feinstein project bills.

*WaterReuse Draft Bill.* A drafting committee consisting of OCWD and WaterReuse's Eric Sapirstein, MWD's Gary Ellsworth and myself took the Feinstein Title XVI criteria and fashioned it into appropriate legislative language. The decision was made not to create a stand-alone bill, but to amend the existing law (much of the Feinstein-proposed criteria was already found in the 1992 Act). Policy recommendations were largely based on Rich Atwater's testimony last February before the Senate Energy Committee when they held their water recycling oversight hearing. After the draft recommendations were submitted to the Committees, briefings for staff and others were conducted.

*Napolitano Reacts to Bureau of Reclamation Declaration that Southern California Water Recycling Projects were Not Feasible.* No Member of Congress has been more vigorous in defense of the water recycling program than Rep. Grace Napolitano. From her position as Ranking Member, Subcommittee on Water and Power, she has persistently and consistently challenged the Bureau over the studies, policies and missed deadlines. When informed that the Bureau found the 34 projects in the Southern California feasibility study "not feasible," she was disbelieving. She has sent letters to involved water agencies and is asking a new round of questions.

*Baca Perchlorate Study Provision Included in Defense Bill.* Rep. Joe Baca advanced an amendment to the DOD Authorization bill requiring DOD to undertake studies at FUDS (Formerly Used Defense Sites). Bill passed the House and is now pending in the Senate. It's a companion bill to his perchlorate cleanup bill (which passed the House and is pending in the Senate).

*News and Notes.* DOI Secretary Dirk Kempthorne. Early May, Senate Energy Committee held confirmation hearings. He was confirmed by the Senate immediately prior to the Memorial

Day break. **Bureau of Reclamation – Replacement for Commissioner Keys.** The White House began interviewing candidates for the Commissionership, BuRec. Reportedly, Acting Commissioner Bill Rinne is under consideration, and so is Jason Peltier, the Deputy Assistant Secretary for Water and Power. Former Congressman Jay Rhodes is under consideration and so is Bob Johnson, the Regional Director from the region that covers Southern California.

**Oversight Hearing, Senate Energy on Bureau Future.** Senator Murkowski held an oversight hearing on the future of the Bureau based on the recently published National Academy study.

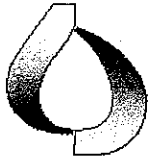
**Budget.** The House finally approved a budget. **Drought Legislation.** Senators Domenici and Nelson of Nebraska have introduced a drought planning bill advanced by the Western Governors Association. Hearings are expected shortly.

***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**  
UTILITIES AGENCY

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Date: June 21, 2006  
To: The Honorable Board of Directors  
Through: Public, Legislative Affairs and Water Resources Committee (6/14/06)  
From: Richard W. Atwater  
Chief Executive Officer/General Manager  
Submitted by: Martha Davis  
Executive Manager of Policy Development  
Subject: May 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.

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Copeland Lowery Jacquez Denton & White LLC  
Specializing in Government Relations

MEMORANDUM

**TO:** Rich Atwater and Martha Davis  
Inland Empire Utilities Agency

**FROM:** Letitia White and Heather McNatt  
Copeland Lowery Jacquez Denton & White

**DATE:** May 12, 2006

**RE:** May Monthly Legislative Report

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IEUA's Washington legislative agenda has made significant progress during the past month. CLJ learned yesterday that the House Energy and Water Subcommittee included \$1 million for IEUA in the CALFED account. In a lean budget year like this one, it was very good to see that money was provided for worthwhile projects that benefit the region like IEUA's. Also, Title 16 is receiving renewed interest on the Hill, which we hope will result in Senate passage of IEUA's authorization bill in the coming few weeks.

Congress has ended the third week of a five week stretch in Washington. The Senate has completed work on a FY06 supplemental appropriations bill and may turn back to immigration before the Memorial Day recess. Last week the House passed its lobbying reform legislation and has now turned to its FY07 appropriations bills. In addition, the House may still attempt to pass an FY07 Budget Resolution. The lobbying reform and FY06 supplemental appropriations bills are now both in conference, with the supplemental appropriations bill expected to be sent to the President before Memorial Day.

**FY '07 Energy and Water Appropriations**

The Energy and Water Appropriations bill passed the House subcommittee on Thursday, May 11<sup>th</sup> and contains significant funding reductions for the agencies it funds. The bill reduces total earmarks by \$200 million, or 16 percent, compared to last year's House bill. The full committee is scheduled to consider the bill on Tuesday, May 16<sup>th</sup>. It contains a total of \$30 billion in budget authority for the U.S. Army Corps of Engineers-Civil Works, the Department of Interior including the Bureau of Reclamation, the Department of Energy, and several Independent Agencies. This bill is \$172 million below last year's level and \$546 million above the President's request.

### *Corps of Engineers*

FY '07 will be another extremely tight budget year for the Corps. The bill contains \$5 billion for the Corps of Engineers Civil Works program. That level is \$251 million above the President's request and \$345 million below last year's level, when adjusted for emergency supplemental spending bills. Continuing the trend that has prevailed in recent years, the emphasis in the bill is to focus the Corps' limited resources on completing high priority projects.

### *Bureau of Reclamation*

The committee funded the Bureau at \$900,779,000, which is \$7 million above the President's budget request and \$124 million below the FY '06 enacted level. Like the Corps, the Bureau is facing a substantial budget crunch. The bill contains limitations on the Bureau's ability to reprogram funds, and it refuses to fund the Bureau's Water 2025 Initiative because the program is not authorized. CALFED is funded at \$40,110,000, which is an increase of \$1.5 million over the President's budget request. The bill includes \$6 million to assess existing and future flood risks in the California Bay-Delta area near Sacramento and a five-year budget planning requirement for the Bureau.

### **California Levee Funding in the FY '06 Emergency Supplemental Spending Bill**

As we reported last month, the Senate version of the FY '06 emergency supplemental spending bill contains \$37 million in funding for California levee repair and flood control projects. That bill passed the Senate on May 4<sup>th</sup> at a total cost of \$108.9 billion, which is about \$14 billion more than the original White House request. Both the House and the White House have expressed serious opposition to the Senate bill, with the President threatening to veto any bill that costs over \$94.5 billion. The next step for the bill will be a contentious House/Senate conference, and the California funding will be an item for the debate. The House leadership has stated it will not support a bill that is \$1 more than what the President has asked. We will continue to monitor the levee funding as the bill moves forward.

### **FY07 Appropriations**

House appropriators are moving forward with the FY07 appropriations bills. As of today, the Agriculture, Interior and Environment and Military Quality of Life Appropriations bills have been passed by the full committee. Additionally, the Homeland Security and Energy and Water subcommittees have passed their bills. The Senate is unlikely to begin work on appropriations bills until after Memorial Day.

### *House 302(b) Allocations*

Chairman Jerry Lewis and the House Appropriations Committee approved the FY07 allocations for spending bills on May 9<sup>th</sup>. With those allocations in place, the rest of the appropriations process can now move forward. Total discretionary spending for FY07 is \$872.8 billion; \$475 million less than the President's budget request, and \$39.5 billion more than FY06. The FY07 allocations are attached for your review. The allocations shift \$7.4 billion from defense and foreign operations to domestic programs in an effort

to relieve some of the pressure that budget restrictions have been placing on labor, health and education programs.

#### *House Agriculture*

The House Appropriations Committee approved its FY07 appropriations bill on Tuesday, May 9<sup>th</sup>. The bill provides \$18.4 billion in discretionary spending, \$564 million more than the President requested. The legislation provides \$80 million to avian flu vaccine development and preparedness -- double the amount appropriated in FY06 but \$33 million below the President's request.

#### *House Interior and Environment*

The Interior and Environment bill totals \$25.9 billion in discretionary spending for the Interior Department and EPA -- \$418 million more than requested by the President. The Interior Department would receive \$9.7 billion, \$211 million less than last year but \$40 million more than the President requested. EPA would receive \$7.56 billion, \$55 million below last year, but \$254 million more than the President requested. An amendment approved during full committee mark-up will lift a 25-year-old congressional ban on offshore natural gas exploration. This provision will probably be a point of contention as the bill goes forward. State and Tribal Assistance (STAG) Grants, which protect public health by helping states and communities comply with the Clean Water and the Safe Drinking Water Act, are funded at \$3 billion, \$209 million below last year and \$207 million above the President's request.

#### **FY07 Budget Resolution**

The House has ended another week without reaching agreement on the FY07 Budget Resolution. As reported earlier, the Senate approved its version of a Fiscal Year 2007 Budget Resolution by a narrow vote of 51-49 on Thursday, March 16. Overall, the Senate version calls for \$2.8 trillion in total spending for FY 2007.

The House Republican leadership was forced to pull the FY07 Budget Resolution off the floor on April 6 after it was clear it did not have the votes to pass the legislation. A struggle ensued between conservatives, moderates and appropriators within the Republican Party. Majority Leader Boehner is continuing to negotiate with House Members. The leadership has still not scheduled floor time for the budget resolution, making it less relevant as appropriators move forward with their FY07 appropriations bills.

Even if the House is able to pass a budget, it will be very difficult to reach a final deal with the Senate, who added roughly \$16 billion to the domestic discretionary spending level recommended by the President.

#### **Lobbying Reform**

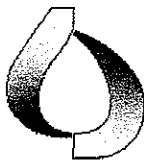
The House passed its legislation (H.R. 4975) for overhauling the way Members interact with the lobbying community on May 3<sup>rd</sup> by a vote of 217-213 after the Republican

leadership was able to win the support of Republican appropriators. The bill calls for earmarks in appropriations bills to be listed by sponsor and would create a budget point of order against earmarks added to conference reports. However, appropriators wanted the language to apply to appropriations, tax and authorization bills and would not support the legislation until they had a firm commitment from the leadership to do so in House-Senate conference. The Republican leadership agreed to this stipulation and the bill passed the House with the appropriators support.

The measure differs from the Senate lobbying bill which passed that chamber on March 29 by a vote of 90-8. The Senate bill applies earmark restrictions not only to appropriations bills, but also to authorization and tax bills. As mentioned above, the House bill applies only to appropriations bills. The two bills will now go to conference.

### Immigration

Senate Majority Leader Bill Frist (R-TN) and Senate Minority Leader Harry Reid (D-NV) have agreed on a deal that will allow for Senate consideration of immigration reform next week. Although the substance of the bill was agreed upon in April, Democrats and Republicans disagreed on several procedural points. The deal sets the terms of the conference committee and the number of amendments that will be allowed. Once the Senate has passed the bill, it faces a difficult conference to reconcile it with the House version.



Date: June 21, 2006

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee  
(6/12/06)

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**

- Thursday, June 29, 2006, Chino Hills State of the City Address from 5pm to 7pm at Los Serranos Country Club.

#### **Outreach/Education Inland Valley Daily Bulletin Newspaper Campaign**

- May 2006, two page Water Awareness Month ad.
- May 2006, four page Living Here Magazine ad.

### **PRIOR BOARD ACTION**

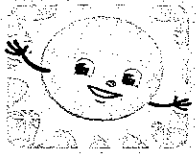
None.

### **IMPACT ON BUDGET**

None.



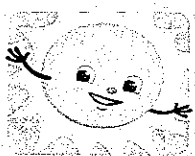
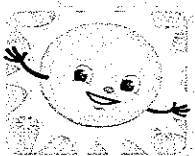
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# CHINO BASIN WATERMASTER

## V. INFORMATION

1. Newspaper Articles



# INLAND VALLEY Daily Bulletin

MONDAY | MAY 29, 2006

## THE MAIL

### Public TV series to feature water issues

**GET** a kick out of watching Huell Howser on KCET or PBS. He has an uncanny way of telling stories about some of the most curious things in California.

And, he gets people talking about his discoveries and their thoughts in such a basic, conversational way that you sometimes feel you are overhearing a private conversation.

Huell is producing a new series. It's called "California Water." It got my attention because I am involved in the water business, but also because I have always wished I could better tell the public about water - how we get it, manage it and need to conserve it.

Huell hit the nail on the head as he introduced this series, which is being broadcast throughout the state on PBS stations.

He said most people know very little about water and the system that ultimately gets it to them. And he said that as your population grows, and business and industry expands, more water will be needed in the future.

He promises to report on opportunities to enhance our water supplies and ensure that the needs of cities, farms and industries can be met.

Huell makes it basic and interesting, describing nature's process as water is taken up to the skies through evaporation and comes back to ground

as precipitation in rain and snow, where it might percolate through the Earth to be stored in an aquifer deep underground before it resurfaces in a brand new use.

Huell has a lot of ideas for the series. He is going to open our eyes and ears to such things as flood control, the fragile and essential Bay-Delta, how we can clean contaminants from water, and how we get our water from one part of the state to another.

I am proud that the Association of California Water Agencies and Inland Empire Utilities Agency are helping Huell get the story of California's Water to you on PBS. It's in everyone's best interest. You will find this to be an educational and entertaining series the whole family can enjoy.

Please check your KCET channel for the air dates. The upcoming programmed segments will be aired at 7:30 p.m. on June 4 and at 6 p.m. on June 19 covering the Flood Fight of 2006.

**GENE KOOPMAN**  
Inland Empire Utilities Agency  
Board of Directors

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# Doubts Still Swirl to Surface

Recycled wastewater's 'yuck!' factor slows push to recharge aquifers for drinking supplies.

By BETTINA BOXALL  
Times Staff Writer

The talk was of psychology, dead cockroaches and disgust. A small gathering of water managers and consultants met in the South Bay for an unusual session a couple of years ago. They were seeking insight into the resounding public "yuck!" that has thwarted efforts to turn the steady stream from Californians' toilets, showers and kitchen sinks into drinking water.

In a semi-arid region such as Southern California, where most of the water is piped in from far-flung rivers, recycled water — a.k.a. treated sewage — is in many ways a utility's dream.

It's locally produced. As long as people keep flushing and bathing, it will keep flowing. Agencies would like to use more reclaimed water, not just on freeway landscaping and golf courses but for drinking supplies, by pumping it into groundwater basins and surface reservoirs.

Parts of Southern California have been doing that, without controversy, for a long time. Some 5 million people drink from regional aquifers partly re-

[See Wastewater, Page B12]

# It's Tough to Counter the Bathroom Imagery

[Wastewater, from Page B1]

charged with treated wastewater. But over the last decade, similar projects in the San Fernando Valley, San Diego and Northern California have triggered a collective gag reflex from the public.

In early 2004, the research arm of the nonprofit WaterReuse Assn., a national group that promotes water reclamation and desalination, convened a panel of psychologists at a South Bay water agency to understand why.

One of the speakers, Paul Rozin, a University of Pennsylvania psychology professor and expert on contagion, related an experiment he has conducted numerous times.

In front of a group of students, he briefly dips a dead cockroach into a glass of juice. Then he offers the students a sip. Everyone refuses. He tells them the bug has been sterilized with the same kind of equipment hospitals use to clean surgical tools. Still no drinkers.

"They say it's because they think cockroaches are vectors of disease, but of course since it's sterilized, that can't be," Rozin recalled. "It's the idea that a cockroach was in there. That sense does not go away with time."

Recycled water can't escape its past, despite stringent state regulation and assurances by officials that today's sophisticated treatment technology can scrub sewage to better-than-drinking-water standards.

Settling tanks, sand filtration, chemical disinfection and naturally occurring bacteria are conventionally used to clean wastewater. Those methods do not remove all traces of the pharmaceutical products that researchers are finding in sewage. But studies indicate that more advanced treatment, consisting of reverse osmosis — pushing the water through ultra-thin membranes — and disinfection with ultraviolet light and peroxide can reduce such contaminants to undetectable levels.

Even then, it's against state policy to send reclaimed water directly to household taps. It must make an intermediate stop in a reservoir or aquifer, where it is mixed with other water sources.

But that's still not enough to counter the bathroom imagery.

"I just look at what goes down my toilet," said Mary Quartiano, spokeswoman for the Revolking Grandmas, a San Diego civic organization that opposed a late 1990s proposal to pump purified wastewater into a city reservoir.

*'All the water we have is all the water we've ever had or ever will have. This is from Napoleon's last bath.'*

Earle Hartling, water reuse coordinator of the County Sanitation Districts of Los Angeles County

A local advisory group has tentatively revived the idea, but if the city pursues it, Quartiano predicted, "it will get shot down again."

Said Rozin: "People say they're worried about the safety of recycled water. But a good part of it is not the safety, it's the idea — like the cockroach."

He and several other researchers led by Brent Haddad, an associate professor of environmental studies at UC Santa Cruz, are embarking on a project, commissioned by the WaterReuse organization, to study ways of making reclaimed water more palatable to the public.

"In a sense it's a battle for minds," Rozin said. "How do you change the way people think?"

Along with Texas, Florida and Arizona, California is a national leader in using reclaimed water. Still, less than 2% of the state's urban and agricultural water is recycled. And most of that is used to irrigate farmland and landscaping. A 2003 task force concluded that if California quadrupled its reclaimed use over the next 30 years, the water saved would amount to as much as half the supplies needed to satisfy the demands of projected population growth during that period.

"The potential for reusing water in California is enormous," said Peter Gleick, president of the Pacific Institute, an Oakland-based think tank. "We spend billions capturing water we've used for some purpose, treating it to a very high standard and then throwing it away. We can no longer afford to do that."

The most economical way to use large amounts of recycled water is to "put it into a groundwater basin," said Virginia Greblien, general manager of the Orange County Water District.

Her agency began using reclaimed water in the 1970s to recharge a coastal basin threat-

ened by seawater intrusion. In a major expansion of that project, the district plans by the end of next year to send 70 million gallons a day of cleansed sewage into an aquifer used by more than 2 million people in north-central Orange County.

There has been no significant opposition, thanks in part, backers say, to an exhaustive outreach program. The district's staff made 120 presentations a year for seven years, to a wide range of groups in Orange County, including the Daffodil Society, Kiwanis clubs and PTAs.

"This is the future. More will follow," district communications director Ron Wildermuth said of the recharge project.

Actually, the future began in 1962 in southeast Los Angeles County, when sanitation districts started to use treated wastewater to partly replenish an aquifer that provides drinking water to 3 million people.

That program, too, has been largely free of controversy, though more than a decade ago Miller Brewing Co. sued, with partial success, to block an expansion that the company claimed would have tainted the underground water source for its Irwindale plant.

Water reclamation was discussed as early as 1948, when local officials started talking about "mining the sewers," said Earle Hartling, water reuse coordinator of the County Sanitation Districts of Los Angeles County.

"All the water we have is all the water we've ever had or ever will have," Hartling mused as he dipped a glass flask into a treatment tank at a reclamation plant near Whittier that sends releases downstream to aquifer spreading grounds. "This is from Napoleon's last bath."

Still, the public seems to prefer that nature do the recycling.

When local opposition killed a plan by the Dublin-San Ramon Services District to inject a relatively small amount of treated wastewater into a drinking water aquifer in the Bay Area in the late 1990s, general manager Bert Michalczyk puzzled over the reaction.

After all, he pointed out to a friend, a good deal of California's municipal water comes from rivers, such as the Sacramento and Colorado, that are at the end of the outlet pipe from big-city sewage-treatment plants.

"It's OK if Mother Nature has touched it," his friend explained. "But going right from your treatment plant, Mother Nature has not touched that and blessed it."

Indeed, Haddad says a way of gaining acceptance may be to use more visible natural processes in water reclamation — mimicking, for instance, river flows.

He doubts that sanitized phrases like "showers to flowers" will change many minds.

Not that language isn't powerful. In Los Angeles, three little words — "toilet to tap" — were effectively used by critics who in 2001 helped quash a \$55-million plan to use treated wastewater to partly recharge an east San Fernando Valley aquifer that provides roughly 15% of L.A.'s water.

"Makes me gag," "outrageous," "aesthetically offensive" and "gross" were some of the public comments that appeared in newspaper coverage of the proposal.

David Spath, who until he retired late last year headed the state health department's drinking water and environmental management division, said there are legitimate issues associated with supplementing drinking supplies with reclaimed water.

Treatment equipment can break down. The proportion of wastewater mixed into groundwater basins or reservoirs is often greater than the percentage of sewage in big rivers like the Colorado.

Still, Spath concluded, the risks "are essentially — I won't say nonexistent — but no greater and probably in some cases better than what people may be drinking from river systems around the country..."

"[It] continues to be more an emotional/political issue than a technical one."

MAY 7, 2006  
L.A. TIMES

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## Perchlorate study in bill

Staff Report  
San Bernardino County Sun

The Department of Defense would have to study former defense sites for possible perchlorate contamination under an amendment to the defense authorization act approved Thursday by the House of Representatives.

The bill and the amendment still need to get through the Senate.

Rep. Joe Baca, D-Rialto, introduced the amendment Wednesday night.

Perchlorate, a rocket-fuel ingredient known to reduce thyroid function, has contaminated groundwater in Redlands, Rialto, Colton and Fontana.

No water with perchlorate is being served to customers. Wells are either shut down or have treatment equipment on them.

It's not clear the amendment will make much difference locally, said Kurt Berchtold of the Santa Ana Regional Water Quality Control Board.

Defense officials have already said the federal government is not responsible for the contamination originating in Rialto, he said.

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