



NOTICE OF MEETINGS

Thursday, August 24, 2006

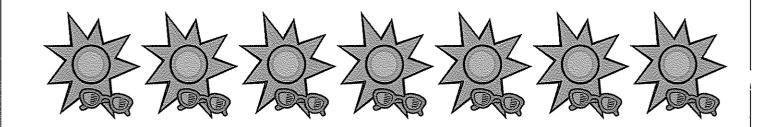
9:00 a.m. – Advisory Committee Meeting 11:00 a.m. – Watermaster Board Meeting

(Lunch will be served)

AT THE CHINO BASIN WATERMASTER OFFICES

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





Thursday, August 24, 2006

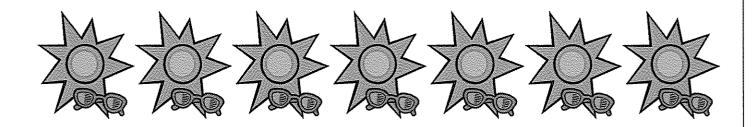
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AGENDA PACKAGE



CHINO BASIN WATERMASTER ADVISORY COMMITTEE MEETING

9:00 a.m. – August 24, 2006
At The Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Advisory Committee Meeting held July 27, 2006 (Page 1)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2006 (Page 13)

II. BUSINESS ITEMS

A. STATUS REPORT 2006-01

Consider Approval to File Status Report 2006-01 With the Court (Page 17)

B. ANNUAL MONITORING PROGRAM AGREEMENT BETWEEN IEUA & CBWM

Consider Approval of the Annual Monitoring Program Agreement between Inland Empire Utilities Agency and Chino Basin Watermaster (Page 25)

C. UPDATE OF RESOLUTION 01-01

Consider Updating Resolution 01-01 Cost Structure (Page 31)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. Goodrich Subpoena
- 2. Stakeholder Non-Binding Term Sheet
- 3. Vulcan Assignment to San Antonio Water Company (Page 35)

B. WATERMASTER ENGINEERING REPORT

1. Basin Outflows Regarding the Chino Airport Plume

C. CEO/STAFF REPORT

- 1. Storm Water/Recharge Report (Page 39)
- 2. Legislative/Bond Update

- 3. Hanson Aggregate Update
- 4. Budget vs. Actual Update
- 5. IEUA Landscaping Alliance (Page 45)

C. INLAND EMPIRE UTILITIES AGENCY

- 1. Monthly Water Conservation Programs Report (Page 51)
- 2. Monthly Imported Water Deliveries Report (Handout)
- 3. State and Federal Legislative Reports (Page 55)
- 4. Community Outreach/Public Relations Report (Page 83)

D. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

- 1. Newspaper Articles (Page 85)
- 2. IE PAN Invitation (Page 95)

V. COMMITTEE MEMBER COMMENTS

VI. <u>OTHER BUSINESS</u>

VII. FUTURE MEETINGS

August 24, 2006 9:00 a.m. Advisory Committee Meeting
August 24, 2006 11:00 a.m. Watermaster Board Meeting
August 29, 2006 9:00 a.m. GRCC Meeting

Meeting Adjourn

CHINO BASIN WATERMASTER WATERMASTER BOARD MEETING

11:00 a.m. – August 24, 2006
At The Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

AGENDA

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PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

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V. BOARD MEMBER COMMENTS

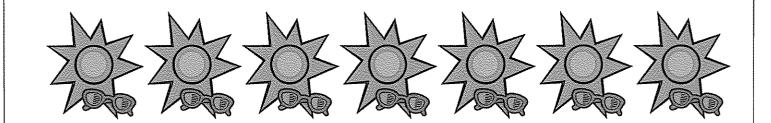
VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION

VIII. FUTURE MEETINGS

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August 24, 2006	11:00 a.m.	Watermaster Board Meeting
August 29, 2006	9:00 a.m.	GRCC Meeting

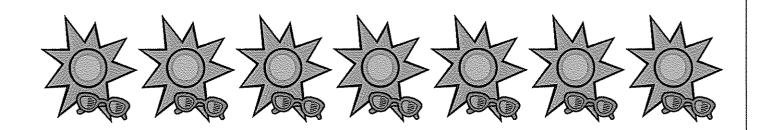
Meeting Adjourn



I. CONSENT CALENDAR

A. MINUTES

 Advisory Committee Meeting – July 27, 2006



Draft Minutes CHINO BASIN WATERMASTER ADVISORY COMMITTEE MEETING

July 27, 2006

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on July 27, 2006 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Agricultural Pool

Nathan deBoom, Chair Ag Pool/Dairy
Pete Hettinga Ag Pool

Appropriative Pool

Mohamad El Amamy City of Ontario

Mike McGraw Fontana Water Company
Chris Diggs Fontana Union Water Company

Dave Crosley City of Chino
Mike Maestas City of Pomona

Charles Moorrees San Antonio Water Company
Marty Zvirbulis Cucamonga Valley Water District
Justin Brokaw Marygold Mutual Water Company

Rosemary Hoerning City of Upland

Non-Agricultural Pool

Justin Scott-Coe Vulcan Materials Company (Calmat Division)

Watermaster Staff Present

Kenneth R. Manning
Chief Executive Officer
Sheri Rojo
CFO/Asst. General Manager
Gordon Traweek
Project Engineer

Gordon Treweek Project Engineer
Danielle Maurizio Senior Engineer
Sherri Lynne Molino Recording Secretary

Watermaster Consultants Present

Michael Fife Hatch & Parent

Mark Wildermuth Environmental Inc.

Others Present

Steven G. Lee Ag Pool Legal Counsel
Martha Davis Inland Empire Utilities Agency

Bob Bowcock Vulcan Materials Company (Calmat Division)
Eunice Ulloa Chino Basin Water Conservation District
Rick Hansen Three Valleys Municipal Water District

Bill Kruger City of Chino Hills

The Advisory Committee meeting was called to order by Chair deBoom at 9:20 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held June 23, 2006

B. FINANCIAL REPORTS

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

C. WATER TRANSACTION

- Consider Approval for Transaction of Notice of Sale or Transfer the lease of 2,500 acre-feet of water, first from the City of Pomona's (Pomona) net underproduction, if any, from its FY 2005/2006 allocation, with any remainder from Pomona's local storage account in the Chino Basin, to the Cucamonga Valley Water District. Date of application: May 30, 2006
- Consider Approval for Transaction of Notice of Sale or Transfer Fontana Water Company has agreed to purchase from Cucamonga Valley Water District water in storage in the amount of 2,500 acre-feet to satisfy a portion of the Company's anticipated Chino Basin replenishment obligation for Fiscal Year 2005/2006. Date of application: May 11, 2006
- Consider Approval for Transaction of Notice of Sale or Transfer The one-year lease
 of 5,350 acre-feet of water from the City of Chino's annual production rights to the
 Cucamonga Valley Water District. This lease is made first from Chino's net
 underproduction in Fiscal Year 2005-2006, with any remainder to be recaptured from
 storage. Date of application: May 10, 2006

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

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

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

Workshop with Special Referee

Counsel Fife stated the referee's workshop was held yesterday which went well. There are materials that were used and handed out at that workshop available on the back table. An email went out this morning stating the four presentations that were given at the workshop are posted on the Watermaster ftp site for viewing and/or printing. From the workshop the referee will comprise a report providing guidance in what the referee and the court thinks that we would need to do in order to gain assurances we will progress without any insurmountable hurdles and then to also provide guidance on what steps we will need to take to gain court approval of all the various items. The referee and the court will be particularly interested in the judgment amendments that will be necessitated by the Peace Il Agreement. The economic analysis will be continued; comments and recommendations were made regarding Professor Sunding's work about some issues that were not presented in his analysis that he had not considered. Professor Sunding will continue to work on the economic analysis which is required by the non-binding term sheet. Chair deBoom inquired to the time frame for comments to be submitted for the economic analysis. Counsel Fife stated this has not yet been discussed and that Professor Sunding was pressed for time to compile/review enough data to provide a presentation at the workshop. Comments should be submitted in a timely manner so that it allows ample time for changes and it does not run into the decision making process for what is the project that we want to be advancing towards and how we are going to present that project to the court which will also influence the CEQA analysis we do. Mr. Manning noted that Anne Schneider will most likely want Professor Sunding's final report prior to her filing her report.

Added Item:

Counsel Fife noted there is a copy of a subpoena that has been served on Watermaster. This item just came up this week which is why it is not on officially on the agenda. This

has to do with the Rialto/Colton Basin. It is not an issue that Watermaster's otherwise is involved in. This is for information at this point in time.

B. CEO/STAFF REPORT

1. Storm Water/Recharge Report

Mr. Treweek stated there is a handout on the back table which summarizes the year end recharge totals. We have recharged 49,000 acre-feet from all sources, imported, storm, and recycled water. A plan for fiscal year 06-07 has been drawn up and is available on the back table. The first page is on imported water, the second page is on storm water, the third page recycled water plan, and the fourth is a summary; we anticipate 60,000 acre-feet of recharge for the next fiscal year. There were two assumptions made in drawing up the new plan, that MWD would continue to provide replenishment water and that we will have an average rainfall year. This year our rainfall was about 20% below average. Our Phase II design consultant has been brought under contract and will design our Phase II improvements this fiscal year with the idea that in July of 2007 the Phase II improvements will be designed and constructed and that will add 15,000 acre-feet to the total replenishment. Watermaster staff has already identified some additional basins that we want to either lease or purchase; the Etiwanda Conservation Ponds, Victoria Basins South. and improvements to the Upland Basin that would constitute as a Phase III design for fiscal year 08-09. We are anticipating in the year 2008 we will be able to report that we can recharge 80,000 acre-feet.

2. Legislative/Bond Update

Mr. Manning thanked Rich Atwater and Martha Davis for the work they are doing in the legislative area. Regarding Proposition 84, Inland Empire Utilities Agency and Metropolitan Water District have both taken positions of favor on Prop 84. It is an issue that all the agencies should be looking at. Chair DeLoach asked that Mr. Manning explain what Prop 84 entails. Mr. Manning stated this is the Caves initiative which is a \$5.4 billion dollar bond issue that is a water bond broken down into a \$2.7 billion dollar water bond and \$2.7 billion dollar environmental bond and it does provide money for the Santa Ana regions. There is a lot of discussion on this proposition.

3. Hanson Aggregate

Mr. Manning stated this item has now been in the newspaper a few times and some of those articles are in the meeting packet under information. Mr. Manning noted last month a letter was sent to Hanson Aggregate which was signed by Rich Atwater and himself informing Hanson that we have silt build up in our Lower Day Basin which is just below the 210 freeway. The letter stated that preliminary investigations have pointed to the fact that we suspect Hanson was the cause of the silt from illegal discharges from their Hanson plant. A few weeks ago the Daily Bulletin phoned and scheduled an appointment with us go out with them to look at the damaged area and at Hanson facilities. Watermaster staff met with the Daily Bulletin staff at the site and showed them the problems first hand. We received a letter from Hanson Aggregate yesterday which informed us that they firmly believe they did not cause any of this damage because they practice Best Management Practices and this type of incident could not take place. Watermaster is now looking at our options as to how to proceed next and staff will keep the parties apprised. Mr. Manning stated the Daily Bulletin has taken this event on and feels it is news worthy material; they are spending a lot of time and resources on following up on this item. Mr. Manning stated we are looking at approximately \$1.2 million dollars in losses and that figure is going up almost every day. There are several meetings regarding this issue scheduled within the next few weeks. A lengthy discussion ensued with regard to this issue.

4. Annual Monitoring Program Agreement between IEUA & CBWM

Mr. Manning stated this is actually a notification item that this agreement is being worked on and will be coming up for approval through the Watermaster process in August.

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C. INLAND EMPIRE UTILITIES AGENCY

Monthly Water Conservation Programs Report

Ms. Davis noted there are several written reports included in the package for review; however, there are three items not included which she will be reporting on today. Ms. Davis stated IEUA is going to be submitting comments next week to the Public Utilities Commissioner regarding water conservation projects.

Within the last week there was a report from the Department of Water Resources (DWR) on them doing their first cut at trying to understand the potential impacts of climate changes in the State of California with a very specific focus on the State Water Project and the Central Valley Project. We are very concerned about the potential for significantly reduced water supplies to the State of California in addition to impacts on the Bay Delta. They are looking at a five million acre-feet reduction in the amount of water that will be available through the state systems. This is an issue that will need to be watched very carefully and be thinking through carefully in an era of climate change in having to do planning for the future. Ms. Davis stated that IEUA was approached by RAND who are the people who did the modeling work for DWR to do something similar for the Chino Basin. What RAND did was modeled global results for climate changes for the next several years and they can actually take and model to a local specific area. IEUA is talking with their staff to schedule three workshops in the fall after Chino Basin Watermaster's Strategic Planning Conference in October. Ms. Davis stated that one of the key things we want to do for these workshops because RAND is very interested in collecting data on how people respond, we would like to get a core group of people who are committed to attending all three workshops. The workshops will be available to all parties and if you can't make all three workshops maybe you can send a representative from your facility to attend for you. We will try and make these workshops on Friday's to accommodate people's busy work schedules. Mr. Manning stated that during discussions with Ms. Davis it was noted how important it would be to have the planning staffs from the agencies attend. The scoping meeting, which will be the first workshop, is going to be critical.

Ms. Davis stated Mr. Willis and Mr. Troxel were able to attend a workshop on the use of porous concrete that was offered by the Concrete Association of Southern California. There is an opportunity in using porous concrete to perform on site recharge. That association has offered to come and do a workshop for the Inland Empire so that we can explore the many uses and benefits in using porous concrete for recharge. An update will be given on this item once more information is gathered.

- 2. <u>Monthly Imported Water Deliveries Report</u> No comment was made regarding this item.
- State and Federal Legislative Reports
 No comment was made regarding this item.
- Community Outreach/Public Relations Report No comment was made regarding this item.

D. OTHER METROPOLITAN MEMBER AGENCY REPORTS

Mr. Hanson stated he has an uplifting report regarding the relationships between Western Municipal Water District, Inland Empire Utilities Agency, Three Valleys Municipal Water District, Chino Basin Watermaster, and Metropolitan Water District. Metropolitan Water District is going through area studies and are looking at needed and necessary facilities to be built for future demands. Meetings with Metropolitan have been set up to meet with the new general manager to look at storage within Chino Basin and to possibly opening up the Dry Year Yield Program and expanding that program.

III. <u>INFORMATION</u>

1. Newspaper Articles

No comment was made regarding this item.

IV. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

V. <u>OTHER BUSINESS</u>

No comment was made regarding this item.

VI. <u>FUTURE MEETINGS</u>

LOIONE MEETINGS		
July 25, 2006	9:00 a.m.	GRCC Meeting
July 26, 2006	11:00 a.m.	Workshop for Peace II w/ Special Referee
July 27, 2006	9:00 a.m.	Advisory Committee Meeting
July 27, 2006	11:00 a.m.	Watermaster Board Meeting
	July 25, 2006 July 26, 2006	July 25, 2006 9:00 a.m. July 26, 2006 11:00 a.m. July 27, 2006 9:00 a.m.

The Advisory Committee Meeting Adjourned at 9:50 a.m.

	Secretary:	<u> </u>
Minutes Approved:		

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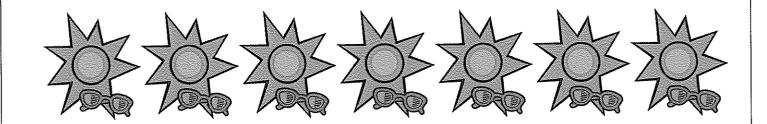
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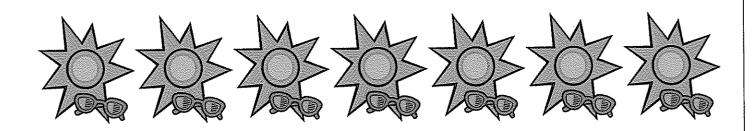
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I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting - July 27, 2006



Draft Minutes CHINO BASIN WATERMASTER WATERMASTER BOARD MEETING

July 27, 2006

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California, on July 27, 2006 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Ken Willis, Chair West End Consolidated Water Company

Sandra Rose Monte Vista Water District
Terry Catlin Inland Empire Utilities Agency

Bob Kuhn Three Valleys Municipal Water District

Justin Scott-Coe Vulcan Materials Company
Paul Hofer Agricultural Pool, Crops

Paul Hamrick Jurupa Community Services District

Geoffrey Vanden Heuvel Agricultural Pool, Dairy

Al Lopez Western Municipal Water District

Watermaster Staff Present

Kenneth R. Manning Chief Executive Officer
Sheri Rojo CFO/Asst. General Manager

Gordon Treweek Project Engineer
Danielle Maurizio Senior Engineer
Sherri Lynne Molino Recording Secretary

Watermaster Consultants Present

Scott Slater Hatch & Parent Michael Fife Hatch & Parent

Mark Wildermuth Wildermuth Environmental Inc.

Others Present

Mark Kinsey Monte Vista Water District

Bill Kruger City of Chino Hills
Ash Dhingra City of Pomona

Eunice Ulloa Chino Basin Water Conservation District Rick Hansen Three Valleys Municipal Water District

Charles Moorrees Santa Antonio Company

Rosemary Hoerning City of Upland Dave Crosley City of Chino

David DeJesus Three Valleys Municipal Water District

The Watermaster Board Meeting was called to order by Mr. Willis at 11:05 a.m.

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Watermaster Board Meeting held June 23, 2006

1

B. FINANCIAL REPORTS

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

C. WATER TRANSACTION

- Consider Approval for Transaction of Notice of Sale or Transfer the lease of 2,500 acre-feet of water, first from the City of Pomona's (Pomona) net underproduction, if any, from its FY 2005/2006 allocation, with any remainder from Pomona's local storage account in the Chino Basin, to the Cucamonga Valley Water District. Date of application: May 30, 2006
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 of 5,350 acre-feet of water from the City of Chino's annual production rights to the
 Cucamonga Valley Water District. This lease is made first from Chino's net
 underproduction in Fiscal Year 2005-2006, with any remainder to be recaptured from
 storage. Date of application: May 10, 2006

Motion by Rose, second by Hofer, and by unanimous vote

Moved to approve Consent Calendar Items A, B1 through B3, and C, as presented

This item was pulled for discussion and separate motion:

4. Profit & Loss Budget vs. Actual July through May 2006

Ms. Rose inquired into the items that are presented in item 4 that are over 100% of the budgeted amounts and to understand what the process is for doing a mid-year update on the budget for items that are over budget. Mr. Manning stated we generate financial statements on a monthly basis, and staff attempts to update each one of the elements within the budget and there are a couple of line items over budget presently. One item is 200% over budget and the organization that is involved has been notified of the overage. On the monthly reporting we try and keep parties involved in the understanding of where we are at as far as under or over budget. Ms. Rojo stated in the administrative section of the budget, items that are over budget need to be addressed and our Rules and Regulations state if we are 20% more in one category it should be brought forward to the group. The Appropriative Pool has questioned account 8467 related to Agricultural Pool expenses. In the section for the OBMP expenditures and special project expenditures in the 7000 thousand accounts updated to reflect amounts expended to be reimbursed by Inland Empire Utilities Agency. Before we finish the year end financials, the amount that is billed to IEUA is part of the cost sharing will be pulled out and a lot of those expenses will end up being reduced in the next month's financial statement. For the most part we have not had much of any type of budget variances that we have brought before the pools. Ms. Rose stated that it was her understanding that if an item goes over by 20% then that item should come back through the Watermaster process for approval. Ms. Rojo stated that was correct in that the item should be brought to attention; however, there is not a written process in place as to how to bring that forward. Mr. Manning stated he read that section in the Rules and Regulations several weeks ago and it is not 100% clear on exactly what the process would be. Staff will be working on a policy internally about how to deal with this issue and will bring back a recommendation through the Watermaster process.

Motion by Rose, second by Catlin, and by unanimous vote

Moved to approve Consent Calendar Item B4, as presented

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Workshop with Special Referee

Counsel Slater stated the workshop with the special referee and her assistant was held vesterday at the Watermaster offices. The purpose of the workshop was to inform the referee with regard to our proposed Peace II Term Sheet, we had three witnesses on behalf of Watermaster, counsel who was in charge of summarizing, and we offered two experts, Mr. Wildermuth and Dr. Sunding. Mr. Wildermuth was responsible for describing the technical analysis that had occurred to date, which is supportive of the Peace II Term Sheet, in the sense that the proposed new Watermaster goal of hydraulic control was indeed supportable by the technical work and modeling. And secondly, the strategy of securing hydraulic control through basin re-operation was also prudent. The strategy for this could be carried out without causing material physical injury or harm to the basin. Doctor Sunding gave his presentation last who did a cost benefit analysis and submitted his initial draft report. Dr. Sunding moved through his conclusions and generally is of the opinion that we are looking at a several hundred million dollar benefit associated with implementing this new strategy that is embedded in the new Peace II Term Sheet. There were comments from the public on specific issues in the presentation. Mr. Scalmanini, who is the assistant to the special referee made his report with regard to where he is on his progress in initially testing the model that has been prepared by Wildermuth and then laid out a schedule for his completion of that review. Counsel Slater stated that it is his impression of the workshop that it was very instructive, it was useful for the referee, and we covered a lot of ground; we made a particularly good record for our case. The referee did indicate there are certain areas that we need to shore up in terms of laying a foundation of a context for what we want to accomplish. Specifically Ms. Schneider has suggested that a narrative be prepared which would describe the circumstances that have changed from between the date the judgment was approved in 1978 and the present time. She also suggested a schedule for her compilation of a referee report and it is the view of counsel that it would be important to have the Sunding report completed before the referee finalizes her report. We have a summary and a tentative opinion from Dr. Sunding; there were some suggestions regarding some of the items he needed to consider; although, we would like to see that report completed and sent through the Watermaster process soon so we can insure that report becomes part of the record and is considered in the special referee's report. We have approximately sixty days to receive Dr. Sunding's report, prepare a narrative, and offer any further updates that we want to provide to the referee. It was asked if Dr. Sunding's report was going to be run through the entire Watermaster process or would it just go to the Watermaster Board. Counsel Slater stated that as a matter of custom, it would be run through the entire Watermaster process for full discussion and adoption. Counsel Slater noted that if any party has comments for Dr. Sunding regarding his recent report to submit those by email or writing as quickly as possible; Dr. Sunding has been asked to revise his report within seven to ten days for submission. A discussion ensued with regard to Dr. Sunding's report. Mr. Vanden Heuvel stated he was very impressed by the workshop and felt there was a tremendous amount of information presented. Chair Willis concurred with Mr. Vanden Heuvel's comments and noted the presentations were very informative and the workshop was well organized.

Added Item:

Counsel Slater stated Watermaster has been served with a subpoena arising out of some litigation that is involving the Colton Basin, a party that represents BF Goodrich has requested several documents. Counsel has conferred with Watermaster staff and this raises legal issues whether Watermaster is subject to a subpoena and whether we are

willing to provide documents that are requested and under what process. After meeting with staff it was noted there is a rule on file that states that if anybody effectively wants to secure Watermaster documents they must pay Watermaster costs. And by policy, your staff has directed legal counsel to use what the San Bernardino court uses as far as copying costs which as the rate of \$.50 cents per copy plus costs and that is what we will be informing them as to the costs in preparing their request for documents. We are also going to be conferring with their counsel and seeking to get the subpoena resented.

B. CEO/STAFF REPORT

1. Storm Water/Recharge Report

Mr. Treweek stated there is a handout on the back table which summarizes the year end recharge totals. We have recharged 49,000 acre-feet from all sources, imported, storm, and recycled water. A plan for fiscal year 06-07 has been drawn up and is available on the back table.. The first page is on imported water, the second page is on storm water, the third page recycled water plan, and the fourth is a summary; we anticipate 60,000 acre-feet of recharge for the next fiscal year. There were two assumptions made in drawing up the new plan, that MWD would continue to provide replenishment water and that we will have an average rainfall year. This year our rainfall was about 20% below average. Our Phase II design consultant has been brought under contract and will design our Phase II improvements this fiscal year with the idea that in July of 2007 the Phase II improvements will be designed and constructed and that will add 15,000 acre-feet to the total replenishment. Watermaster staff has already identified some additional basins that we want to either lease or purchase; the Etiwanda Conservation Ponds, Victoria Basins South, and improvements to the Upland Basin that would constitute as a Phase III design for fiscal year 08-09. We are anticipating in the year 2008 we will be able to report that we can recharge 80,000 acre-feet. Mr. Vanden Heuvel inquired if this report was the final report for the fiscal year. Mr. Treweek stated this was the final for the year. Mr. Vanden Heuvel stated he wanted to note for the record there is a total for storm water at 12,940 acre-feet and subtracted from that is the baseline of 5,600 acre-feet, so in new storm water new yield for fiscal 05/06 is 7,340 acre-feet which is short of the 12,000 acre-feet allocated. This will be the second year an adjustment will need to be made. Mr. Manning stated this year was a below average rain year and there is a five year adjustment that we will do at the end of the five year period. Mr. Vanden Heuvel inquired to the handout regarding the forecast for next year; the plan is for 15,000 acre-feet which would again leave us short if we hit the plan which causes concern. A discussion ensued with regard to Mr. Vanden Heuvel's questions and comments. Mr. Treweek noted next year we are hoping to have an average rain fall year which we did not have this year; we have added capacity but again we are counting on have at least an average rain fall year. Mr. Vanden Heuvel stated the 12,000 acre-feet that was approved was not completely uncontested at the time. Based on an above average last year, where we just got the 12,000 and then a below average this year and a plan for an average year next year; it looks like the 12,000 on this five year plan did seem on the optimistic side then and now. Mr. Wildermuth stated an average rain fall year will not produce an average run off. An average rainfall year will produce below average recharge; super average years is where we will make up those low numbers.

2. Legislative/Bond Update

Mr. Manning thanked Rich Atwater and Martha Davis for the work they are doing in the legislative area. Regarding Proposition 84, Inland Empire Utilities Agency and Metropolitan Water District have both taken positions of favor on Prop 84. It is an issue that all the agencies should be looking at. Mr. Manning described the details of Prop 84 and stated this is the Caves initiative which is a \$5.4 billion dollar bond issue that is a water bond broken down into a \$2.7 billion dollar water bond and \$2.7 billion dollar environmental bond and it does provide money for the Santa Ana regions. There is a lot of discussion on this proposition. A discussion ensued with regard to legislation issues.

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3. Hanson Aggregate

Mr. Manning stated this item has now been in the newspaper a few times and some of those articles are in the meeting packet under information. Mr. Manning noted last month a letter was sent to Hanson Aggregate which was signed by Rich Atwater and himself informing Hanson that we have silt built up in our Lower Day Basin which is just below the 210 freeway. The letter stated that preliminary investigations have pointed to the fact that we suspect Hanson was the cause of the silt from illegal discharges from their Hanson plant. A few weeks ago the Daily Bulletin phoned and scheduled an appointment with us go out with them to look at the damaged area and at Hanson facilities. Watermaster staff met with the Daily Bulletin staff at the site and showed them the problems first hand. We received a letter from Hanson Aggregate yesterday which informed us that they firmly believe they did not cause any of this damage because they practice Best Management Practices and this type of incident could not take place. Watermaster is now looking at our options as to how to proceed next and staff will keep the parties apprised. Mr. Manning stated the Daily Bulletin has taken this event on and feels it is news worthy material, they are spending a lot of time and resources on following up on this item. Mr. Manning stated we are looking at approximately \$1.2 million dollars in losses and that figure is going up almost every day. A discussion ensued with regard to this issue.

Annual Monitoring Program Agreement between IEUA & CBWM
 Mr. Manning stated this is actually a notification item that this agreement is being worked on and will be coming up for approval through the Watermaster process in August.

III. INFORMATION

Newspaper Articles

No comment was made regarding this item.

IV. BOARD MEMBER COMMENTS

No comment was made regarding this item.

V. OTHER BUSINESS

No comment was made regarding this item.

VI. FUTURE MEETINGS

July 25, 2006	9:00 a.m.	GRCC Meeting
July 26, 2006	11:00 a.m.	Workshop for Peace II w/ Special Referee
July 27, 2006	9:00 a.m.	Advisory Committee Meeting
July 27, 2006	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board Meeting Adjourned at 11:50 p.m.

	Secretary:	
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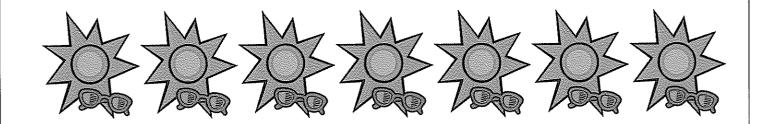
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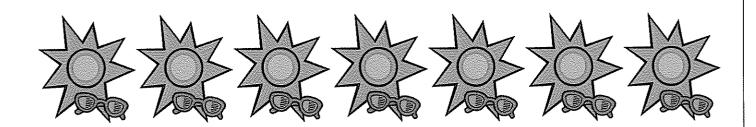
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I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2006





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

KENNETH R. MANNING Chief Executive Officer

STAFF REPORT

DATE:

August 10, 2006

August 15, 2006

August 24, 2006

TO:

Committee Members

Watermaster Board Members

SUBJECT:

Cash Disbursement Report - July 2006

SUMMARY

Issue - Record of cash disbursements for the month of July 2006.

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

Fiscal Impact – All funds disbursed were included in the FY 2005-06 Watermaster Budget.

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of July 2006 were \$514,600.32. The most significant expenditures during the month were Wildermuth Environmental Inc. in the amount of \$248,184.17, Monte Vista Irrigation Company in the amount of \$25,387.71, and Hatch & Parent in the amount of 47,394.38.

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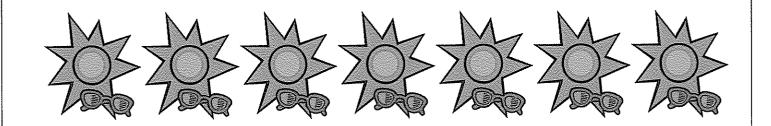
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CHINO BASIN WATERMASTER Cash Disbursement Detail Report July 2006

Туре	Date	Num	Name	Amount
Jul 06				
General Journal	7/5/2006	07/06/3	PAYROLL	-5,802.64
General Journal	7/5/2006	07/06/3	PAYROLL	-20,090.79
Bill Pmt -Check	7/6/2006	10617	APPLIED COMPUTER TECHNOLOGIES	-1,743.20
Bill Pmt -Check	7/6/2006	10618	CA-NV-AWWA	-75.00
Bill Pmt -Check	7/6/2006	10619	CITISTREET	-3,400.00
Bill Pmt -Check	7/6/2006	10620	GLOBAL PRESENTER.COM	-5,920.86
Bill Pmt -Check	7/6/2006	10621	HSBC BUSINESS SOLUTIONS	-543.98
Bill Pmt -Check	7/6/2006	10622	MEDIA JIM	-885.00
Bill Pmt -Check	7/6/2006	10623	PAYCHEX	-182.52
Bill Pmt -Check	7/6/2006	10624	REID & HELLYER	-3,917.59
Bill Pmt -Check	7/6/2006	10625	SOFTCHOICE	-2,116.83
Bill Pmt -Check	7/6/2006	10626	SOURCE 1 PRINTING, PACKAGING & MEDIA	-6,660.31
Bill Pmt -Check	7/6/2006	10627	THE FURMAN GROUP, INC.	-2,565.00
Bill Pmt -Check	7/6/2006 7/6/2006	10628 10629	UNION 76 UNITED PARCEL SERVICE	-283.19 -328.26
Bill Pmt -Check	7/6/2006	10630	VELASQUEZ JANITORIAL	-328.26 -1,200.00
Bill Pmt -Check Bill Pmt -Check	7/6/2006	10631	VERIZON	-418.43
Bill Pmt -Check	7/6/2006	10632	WATER EDUCATION FOUNDATION	-275.00
Bill Pmt -Check	7/6/2006	10633	YUKON DISPOSAL SERVICE	-134.72
Bill Pmt -Check	7/6/2006	10634	CITISTREET	-2,900.00
Bill Pmt -Check	7/11/2006	10635	PETTY CASH	-732.78
Bill Pmt -Check	7/12/2006	10636	ACWA SERVICES CORPORATION	-198.95
Bill Pmt -Check	7/12/2006	10637	COMPUSA, INC.	-5,079,23
Bill Pmt -Check	7/12/2006	10638	HATCH AND PARENT	-47,394.38
Bill Pmt -Check	7/12/2006	10639	LAYNE CHRISTENSEN COMPANY	-14,850.00
Bill Pmt -Check	7/12/2006	10640	RICOH BUSINESS SYSTEMS-Maintenance	-1,042.00
Bill Pmt -Check	7/12/2006	10641	STANTEC CONSULTING, INC.	-1,758.23
Bill Pmt -Check	7/12/2006	10642	STATE COMPENSATION INSURANCE FUND	-793.28
Bill Pmt -Check	7/12/2006	10643	UNITEK TECHNOLOGY INC.	-5,448.65
Bill Pmt -Check	7/12/2006	10644	WHEELER METER MAINTENANCE	-1,050.00
Bill Pmt -Check	7/12/2006	10645	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	0.00
Bill Pmt -Check	7/12/2006	10646	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-6,739.51
Bill Pmt -Check	7/12/2006	10647	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-6,736.44
Bill Pmt -Check	7/12/2006	10648	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-6,739.51
Bill Pmt -Check	7/14/2006	10649	CARPET CARE CONNECTION	-212.32
Bill Pmt -Check	7/17/2006	10650	ROUTE 66 SUBS	-153.05
Bill Pmt -Check	7/17/2006	10651	VIP AUTO DETAILING	-499.20
Bill Pmt -Check	7/19/2006	10663	A & R TIRE	-778.54
Bill Pmt -Check	7/19/2006	10664	BANK OF AMERICA	-3,250.59
Bill Pmt -Check	7/19/2006	10665	DCSE MCI	-5,048.33
Bill Pmt -Check Bill Pmt -Check	7/19/2006 7/19/2006	10666 10667	RICOH BUSINESS SYSTEMS-Lease	-908.17 -3,591.31
Bill Pmt -Check	7/19/2006	10668	STAULA, MARY L	-3,591.31 -136.61
Bill Pmt -Check	7/19/2006	10669	WESTECH	-1,000.00
Bill Pmt -Check	7/19/2006	10670	RICOH BUSINESS SYSTEMS-Lease	-888.94
Bill Pmt -Check	7/19/2006	10671	RICOH BUSINESS SYSTEMS-Maintenance	-0.27
Bill Pmt -Check	7/19/2006	10652	A & R TIRE	-410.22
Bill Pmt -Check	7/19/2006	10653	CALPERS	-2,427.95
Bill Pmt -Check	7/19/2006	10654	ELLISON, SCHNEIDER & HARRIS, LLP	-4,735.22
Bill Pmt -Check	7/19/2006	10655	EWINS	0.00
Bill Pmt -Check	7/19/2006	10656	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	7/19/2006	10657	MEDIA JIM	-450.00
Bill Pmt -Check	7/19/2006	10658	NORDBAK'S PROMOTIONAL PRODUCTS	-415.40
Bill Pmt -Check	7/19/2006	10659	PITNEY BOWES CREDIT CORPORATION	-468.72
Bill Pmt -Check	7/19/2006	10660	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	7/19/2006	10661	PUMP CHECK	-3,315.95
Bill Pmt -Check	7/19/2006	10662	SOFTCHOICE	-58.16
Bill Pmt -Check	7/20/2006	10672	WILSON, JANINE ELLEN	-1,298.76
General Journal	7/20/2006	06/07/3	PAYROLL	-6,245.83
General Journal	7/20/2006	06/07/3	PAYROLL DED HILL CENEDAL STORE	-21,683.89
Bill Pmt -Check	7/21/2006	10673	RED HILL GENERAL STORE PUBLIC EMPLOYEES' RETIREMENT SYSTEM	0.00
Bill Pmt -Check Check	7/25/2006 7/26/2006	10674 10675	MONTE VISTA IRRIGATION COMPANY	-6,739.51 -25,387.71
Check	7/26/2006	10676	SANTA ANA RIVER WATER COMPANY	-25,387.71 -13,290.53
Bill Pmt -Check	7/26/2006	10677	ARROWHEAD MOUNTAIN SPRING WATER	-13,290.53 -49.00
Bill Pmt -Check	7/26/2006	10678	BLACK & VEATCH CORPORATION	-1,842.50
Bill Pmt -Check	7/26/2006	10679	CA-NV-AWWA	-330.00
Bill Pmt -Check	7/26/2006	10680	COMPUSA, INC.	-1,094.72

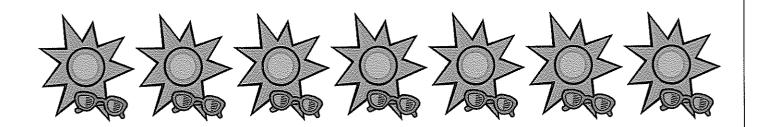
CHINO BASIN WATERMASTER Cash Disbursement Detail Report July 2006

Туре	Date	Num	Name	Amount
Bill Pmt -Check	7/26/2006	10681	GBT DELIVERY	-275.00
Bill Pmt -Check	7/26/2006	10682	PETTY CASH	-641.72
Bill Pmt -Check	7/26/2006	10683	SPRINT	-390.20 -248,184.17
Bill Pmt -Check	7/27/2006 7/28/2006	10684 10685	WILDERMUTH ENVIRONMENTAL INC EL TORITO	-246,164.17 -95.82
Bill Pmt -Check Bill Pmt -Check	7/31/2006	10686	ROUTE 66 SUBS	-67.13
<u></u>	770 112000	,0000		E44 C00 22
Jul 06				-514,600.32



I. CONSENT CALENDAR

A. STATUS REPORT 2006-01





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

KENNETH R. MANNING Chief Executive Officer

STAFF REPORT

DATE:

August 10, 2006

August 15, 2006 August 24, 2006

TO:

Committee Members

Watermaster Board Members

SUBJECT:

Status Report 2006-01

SUMMARY

Recommendation - Approve Status Report 2006-01 for filing with the Court

BACKGROUND

On February 9, 2006, the Court re-appointed the Watermaster Board for a further five-year term. The completion of the first full five-year term of the nine-member Watermaster board also marked the completion of the original OBMP Status Report schedule. In the February 9, 2006 Order (page 5), the Court directed Watermaster to continue filing OBMP Status Reports every six months.

Status Report 2006-01 is the first status report under this new reporting schedule. Status Report 2006-01 covers the period of January 1, 2006 through June 30, 2006.

Staff recommends approval of the report for filing with the Court.

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Optimum Basin Management Program

Status Report 2006-1: January to June 2006

Status Report 2006 – 1: Covers activities from January 1 through June 30, 2006.

Program Element 1: Develop and Implement a Comprehensive Monitoring Program

Groundwater Level Monitoring

Watermaster has three active groundwater level monitoring programs operating in the Chino Basin: 1) A semiannual basin-wide well monitoring program, 2) A key well monitoring program associated with the Chino I/II Desalter well fields and the Hydraulic Control Monitoring Program (HCMP), and 3) A piezometric monitoring program associated with land subsidence and ground fissuring in Management Zone 1 (MZ-1). The frequency of groundwater level monitoring varies with each program; depending on the needs of the data analyst. These groundwater level monitoring programs also rely on municipal producers, other government agencies, and private entities to supply their groundwater level measurements on a cooperative basis. Watermaster digitizes all these measurements and combines them into a relational database for general usage. During this period, Watermaster purchased and installed approximately 18 pressure transducers/data loggers at key wells; principally in the northern portions of Chino Basin where more detailed groundwater level data are needed.

Groundwater Quality Monitoring

No samples were collected from the key wells during the reporting period—these wells are anticipated to be sampled in July and August 2006. Watermaster continues a comprehensive data collection program whereby water quality data from other sources are routinely collected, QA/QC'd, and loaded into Watermaster's database.

Watermaster and the Inland Empire Utilities Agency (IEUA) are working closely with the Appropriative Pool members and their state-certified laboratories to obtain water quality data as an electronic data deliverable (EDD), which can be entered directly into Watermaster's relational database.

Groundwater-Production Monitoring

As of June 2006, Watermaster had installed 349 new or rehabilitated meters at active agricultural wells. The remaining 81 currently active wells were not metered because it is believed that they will become inactive within 6 to 12 months as a result of urban development in southern Chino Basin. Watermaster reads the production data from the meters on a quarterly basis and enters these data into Watermaster's relational database.

Surface Water Monitoring

Water Quality and Quantity in Recharge Basins. Watermaster measures the quantity and quality of storm and supplemental water entering the recharge basins. Pressure transducers or staff gauges are used to measure water levels during recharge operations. In addition to these quantity measurements, imported water quality values for State Water Project water are obtained from the Metropolitan Water District of Southern California (MWDSC) and recycled water quality values for the RP1 and RP4 treatment plant effluents are obtained from IEUA. Watermaster monitors the storm water quality in the eight major channels (San Antonio, West Cucamonga, Cucamonga, Deer Creek, Day Creek, San Sevaine, West Fontana, and Declez) usually after each major storm event. Combining the measured flow data with the respective water qualities enables the calculation of the blended water quality in each recharge basin, the "new yield" to the Chino Basin, and the adequate dilution of recycled water.

Surface Water Monitoring in Santa Ana River (SAR). Watermaster measures the discharge of the river and selected water quality parameters to determine those reaches of the SAR that are gaining flow from Chino Basin and/or, conversely, those reaches that are losing flow into the Chino Basin. These bi-weekly flow and water quality measurements are combined with discharge data from permanent USGS and Orange County Water District (OCWD) stream gauges and discharge data from publicly owned treatment works (POTWs). These data are used in groundwater modeling to assess the extent of hydraulic control.



HCMP Annual Report

In January of 2004, the RWQCB amended the Water Quality Control Plan (Basin Plan) for the Santa Ana River Basin to incorporate an updated total dissolved solids (TDS) and nitrogen management plan. The Basin Plan Amendment includes both "antidegradation" and "maximum benefit" objectives for TDS and nitrate-nitrogen for the Chino and Cucamonga groundwater management zones. The application of the "maximum benefit" objectives relies on Watermaster and the IEUA's implementation of a specific program of projects and requirements, which are an integral part of the OBMP. On April 15 2005, the RWQCB adopted resolution R8-2005-0064; thus approving the Surface Water Monitoring Program and Groundwater Monitoring Program in support of maximum benefit commitments in the Chino and Cucamonga Basins. Watermaster and the IEUA completed the 2005 Annual Report, which summarizes the results for those two programs, and submitted it to the RWQCB on April 14, 2006 in partial fulfillment of maximum benefit commitments.

Chino Basin Recycled Water Groundwater Recharge Program

The IEUA, Watermaster, Chino Basin Water Conservation District, and San Bernardino County Flood Control District jointly sponsor the Chino Basin Recycled Water Groundwater Recharge Program. This is a comprehensive water supply program to enhance water supply reliability and improve the groundwater quality in local drinking water wells throughout the Chino Groundwater Basin by increasing the recharge of stormwater, imported water, and recycled water. The recharge program is regulated under RWQCB Order No. R8-2005-0033 and Monitoring and Reporting Program No. R8-2005-0033.

Recharge Activities. Recycled water recharge in the Banana and Hickory Basins began in 2005. Recycled water recharge in Turner Basin will begin in July 2006.

Monitoring Activities. Watermaster and the IEUA collect weekly and bi-weekly water quality samples from basins that are actively recharging recycled water and from lysimeters installed within those basins. During this reporting period, approximately 600 basin and lysimeter samples were collected. Monitoring wells located downgradient of the recharge basins were sampled every two weeks during the reporting period for a total of about 100 samples.

Construction Activities. Lysimeters and monitoring wells associated with the Banana, Hickory, and Turner Basins were installed in 2005. No other construction activities related to the monitoring the recharge program occurred during this reporting period. Lysimeters and monitoring wells are expected to be constructed at the RP-3, Declez, and Ely Basins in fiscal year (FY) 2006/07.

Reporting. Watermaster and the IEUA completed the following required reports concerning the recharge program during the reporting period:

- Turner Start-Up Protocol Plan February 2006
- · Banana Start-Up Report Not yet submitted
- Hickory Start-Up Report Not yet submitted
- 4Q05 Quarterly Report February 2006
- 1Q06 Quarterly Report May 2006

Land Surface Monitoring

Watermaster developed a multifaceted land surface monitoring program to develop data for a long-term management plan for land subsidence in Management Zone 1 (MZ-1). The monitoring program consisted of three main elements:

- An aquifer system monitoring facility consisting of multiple depth piezometers and a dual bore extensometer.
- The application of synthetic aperture radar interferometry (InSAR) to measure historical land surface deformation.
- Benchmark surveys to measure land surface deformation, "ground truth" the InSAR data, and evaluate effectiveness of the long term management plan.

Following two years of data collection and analysis, Watermaster submitted the MZ-1 Summary Report in October 2005, which contained Guidance Criteria to minimize subsidence and fissuring. The Guidance Criteria included a listing of Managed Wells and their owners subject to the criteria, a map of the so-called Managed Area, an initial threshold water level (Guidance Level) of 245 feet below the top of the PA-7 well casing, and a plan for ongoing monitoring and notification. Since October 2005, the MZ-1 Summary Report and the Guidance Criteria contained therein have been discussed extensively by the parties involved, and were adopted by the Watermaster Board at its May 2006 Meeting .



The MZ-1 monitoring program has continued unabated. Water level monitoring has been expanded to the central regions of MZ-1 with the installation of transducers/data loggers at selected wells owned by the City of Chino, the Monte Vista Water District, and the City of Pomona. This expansion of the water level monitoring program is the initial effort to better understand the mechanisms behind ongoing land subsidence in this region.

Program Element 2: Develop and Implement a Comprehensive Recharge Program

Construction on the Chino Basin Facilities Improvement Project (CBFIP) Phase I was completed by December 31, 2005 at a cost of \$38M; 50% from a SWRCB Proposition 13 Grant, and 25% each from Watermaster and the IEUA. A CBFIP Phase II list of projects was developed by Watermaster and the IEUA, including monitoring wells, lysimeters, recycled water connections, SCADA system expansions, three MWDSC turnouts, and berm heightening and hardening. At a cost of approximately \$10M, these Phase II facilities will be purchased through a 50% Grant from DWR and 25% each from Watermaster and the IEUA.

In FY 2005-2006, the CBFIP Phase I facilities were able to recharge 49,000 AF of storm and supplemental water; an improvement of 36,000 AF over the historical recharge before the CBFIP. With the completion of the Phase II facilities in FY 2006-2007, the operating plan calls for the recharge of 75,000 AF of storm and supplemental water. By the start of FY 2007-2008, most of the basins will be operating on a 12 months per year basis with only occasional downtime for silt and organic growth removal. Operations and basin planning are coordinated through the Groundwater Recharge Coordinating Committee (GRCC) which meets monthly.

Program Element 3: Develop and Implement water Supply Plan for the Impaired Areas of the Basin; and

Program Element 5: Develop and Implement Regional Supplemental Water Program

Construction on the Chino I Desalter Expansion and the Chino II Desalter facilities was completed in February 2006 and an application has been made for \$1.6 M in Proposition 50 funds to add 8 MGD of ion exchange capacity to the Chino II Desalter. As currently configured, the Chino I Desalter provides 2.6 MGD of treated (air stripping for VOCs) water from Wells 1-4, 4.9 MGD of treated (ion exchange for nitrate removal) water from Wells 5-15, and 6.7 MGD of treated (reverse osmosis for nitrate and TDS removal) water from Wells 5-15 for a total of 14.2 MGD (16,000 AFY). The Chino II Desalter provides 4.0 MGD of ion exchange treated water and 6.0 MGD of reverse osmosis treated water from 8 additional wells for a total of 10.0 MGD (11,000 AFY).

Watermaster has been conducting modeling investigations of various desalter expansion alternatives including the expansion of Chino I and II. The initial work was submitted by Wildermuth Environmental to Watermaster in April 2006. Black and Veatch developed reconnaissance-level engineering plans and costs for these desalter alternatives. Additional modeling work has been completed for a new set of alternatives with the desalter wells located between the Central Avenue fault and Chino I Well No. 5. The latter alternatives can be used to mitigate the Chino Airport plume and meet the hydraulic control objective of Watermaster.

Program Element 4: Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1

In October 2005, Watermaster completed the MZ-1 Summary Report, including the Guidance Criteria. Over the following 6 months, the impacted parties have had numerous meetings in an effort to transform the Summary Report into a long-term management plan. The Summary Report and the Guidance Criteria were adopted by the Watermaster Board in May 2006. Presently, additional data are being developed by the impacted parties in an effort to achieve acceptable resolution of issues arising from the Guidance Criteria.

The Cities of Chino and Chino Hills have each submitted forbearance certifications through June 30, 2006 of achieving their goals of 1500 AF forbearance for FY 2005/06.



Program Element 6: Develop and Implement Cooperative Programs with the Regional Water Quality Control Board, Santa Ana Region (Regional Board) and Other Agencies to Improve Basin Management; and

Program Element 7: Develop and Implement a Salt Management Program

Two Water Quality Committee meetings (January 16, 2006 and April 20, 2006) were held during this six-month period to discuss the status of the investigations of the three major water quality plumes in the Basin. In addition, Watermaster collected samples from several wells for perchlorate isotope analyses. Lastly, Watermaster continued to monitor the activities of General Electric's (GE) continuing remediation at the Flat Iron facility.

MZ-3 Monitoring Program.

The former Kaiser plume has been incorporated into an overall monitoring program for the MZ-3 area. The MZ-3 monitoring program is also assessing the groundwater quality impairment from total dissolved solids (TDS), nitrate, and perchlorate. The perchlorate may have originated from the Mid-Valley Landfill (in Rialto Basin, across the Rialto-Colton fault) or it may be a non-point source that resulted from the historical application of Chilean fertilizer. Two rounds of quarterly samples were collected from 22 wells, including former Kaiser wells that Watermaster previously renovated: MP2 and KOFS. The MP2 cluster of wells (four depths) was in the heart of the Kaiser plume when the well was constructed; while KOFS was just beyond the leading edge of the plume. MP2 continues to show an impact from the Kaiser plume and the KOFS well is now impacted. Based on the analytical results, tentative locations were identified for two new monitoring wells. Negotiations were successfully concluded with the City of Ontario to locate one of the wells in a street right-of-way. Construction of that monitoring well has now been included in a bid package for the construction of monitoring wells at recharge basins, so that Watermaster can obtain a more competitive bid based on economies of scale.

Ontario International Airport (OIA) Volatile Organic Chemical Plume.

Watermaster met with the consultant to the PRPs, Lynne Preslo/GeoEco, on March 22, 2006. After the meeting, Watermaster provided a water quality and water level database consisting of data from more than 400 private wells and 200 public wells to the RWQCB, which in turn forwarded the database to the PRPs pursuant to their request. In addition to the database, the PRPs requested that they have access to the Chino Basin groundwater model developed by Wildermuth Environmental, Inc. (WEI). Watermaster and WEI agreed to share their modeling expertise with consultants from the PRPs in WEI's office. After the PRPs have had an opportunity to review the data and model, Watermaster will propose to the RWQCB that a follow-up meeting be held to discuss future activities towards remediating the plume.

Chino Airport VOC Plume.

Watermaster met with the RWQCB, the San Bernardino County Department of Airports, and their consultant Tetra Tech on March 17, 2006 to discuss a joint remediation of the VOC plume from the airport. Such a joint remediation would help address other issues in the southwestern portion of Chino Basin such as maintenance of hydraulic control and the provision of high quality drinking water in an area of increasing demand. As a result of the meeting, Watermaster agreed to provide a database containing well construction information, water quality, water levels, and production for wells located southwest of the Chino airport. In addition, Watermaster agreed to sample all the wells in this location that could still be sampled to provide up-to-date analytical data on all the possible contaminants in these wells. Twenty-five wells were sampled by Watermaster in May and June of 2006. Once the analytical results are obtained from the laboratory, uploaded into Watermaster's relational database, and data releases are obtained from the private well owners, these data will be reviewed with Tetra Tech to begin the engineering of appropriate remedial actions.

Perchlorate Isotope Study.

Neil Sturchio, Professor and Head of the Department of Earth and Environmental Sciences at the University of Illinois at Chicago, has developed a technique for using stable isotopes of chloride and oxygen to distinguish the origin of perchlorate (man-made vs. naturally occurring). There are several per mil shifts in isotopes of both ions between the two sources. He has tested several samples of leachate from fertilizer nitrogen (from the Atacama Desert in Chile) and rocket fuel sources. One of the innovations that Professor Sturchio has developed is the use of a flow-through column with an anion-exchange resin. These bifunctional anion exchange resins were originally developed at Oak Ridge National Laboratory and the University of Tennessee to selectively sorb the pertechnetate ion TcO₄ (technetium is mobile with a long half-life, much like perchlorate). A resin



regeneration step is added to recover the perchlorate ion. The exchange resin is required to concentrate the typically low levels of perchlorate in groundwater so that the perchlorate can be analyzed isotopically. Watermaster sampled 15 wells in Chino and Cucamonga Basins and submitted samples to a commercial laboratory for general mineral, general physical, and perchlorate analyses. The resin columns were sent to Professor Sturchio's laboratory at the University of Illinois.

GE Flat Iron Remediation.

Finally, with respect to the GE Flat Iron remediation, GE conducted a screening of options for the disposal of treated effluent from their operational pump and treat facilities. Currently, GE discharges their effluent into the Ely Basins, where it percolates back into the groundwater. However, this operation limits Watermaster's ability to recharge recycled water into the Ely Basins and, consequently, Watermaster has asked that GE develop alternative disposal means. As a result of their screening, GE has decided to investigate, in detail, the construction of groundwater injection wells that would be operated in conjunction with their own recharge basin. GE will complete their planning by the fourth quarter 2006 and begin detailed design upon the RWQCB's approval of the concept.

TDS and Nitrogen Monitoring Pursuant to the 2004 Basin Plan Amendment

Pursuant to the 2004 Basin Plan Amendment and the Watermaster/IEUA permit to recharge recycled water, Watermaster and the IEUA have conducted groundwater and surface water monitoring programs. Quarterly HCMP reports that summarize data collection efforts were submitted to the RWQCB in February and April of 2006. An annual HCMP report for 2005 was submitted to the RWQCB in April 2006.

Program Element 8: Develop and Implement a Groundwater Storage Management Program; and

Program Element 9: Develop and Implement a Storage and Recovery Program

In March 2006, Watermaster submitted a proposal to the San Diego County Water Authority regarding SDCWA use of storage in the Chino Basin. Subsequently, in May 2006, Watermaster staff and legal counsel attended a meeting with SDCWA staff to discuss Watermaster's proposal. SDCWA will make a decision in the second half of 2006 regarding Watermaster's proposal.

The Watermaster/IEUA/Metropolitan Dry Year Yield (DYY) program continued on during the reporting period. As of June 30, 2006, about 60,500 acre-ft had been stored in the Basin in Metropolitan's DYY account. The construction statuses of local facilities included in the DYY program for the participating parties are as follows:

- City of Ontario Wellhead treatment facility: final design began in April 2006. DYY Wells: Drilling on well no. 45 complete, pump testing on no. 47 complete, and drilling on well no. 46 underway.
- Cucamonga Valley Water District Six new wells (nos. 39-42, 44, and 45): designs completed for well nos. 39-42 and pre-designs and CEQA documentations completed for well nos. 44 and 45.
- City of Upland New IX treatment facility constructed and online.
- City of Pomona Expansion of existing IX treatment facility: final design complete.
- · City of Chino Hills Refurbish Pellisier well and construct new treatment facility: design underway
- Monte Vista Water District Well no. 31: design will be in completed July 2006. Well no. 33 and treatment facility (joint MVWD/Chino project): Well construction is underway and treatment facility design will commence upon the completion of the well.
- Jurupa Community Services District Expansion of the Teagarden IX facility: scheduled for completion in October 2006.



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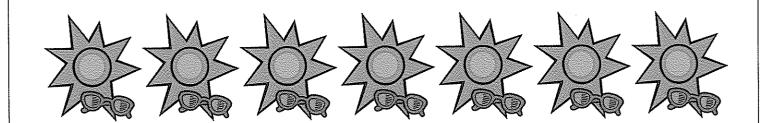
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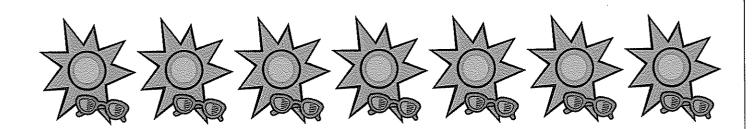
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II. BUSINESS ITEMS

B. ANNUAL MONITORING
PROGRAM AGREEMENT
BETWEEN IEUA AND CBWM





KENNETH R. MANNING Chief Executive Officer

STAFF REPORT

DATE:

August 10, 2006

August 15, 2006 August 24, 2006

TO:

Committee Members

Watermaster Board Members

SUBJECT:

Memorandum of Agreement, 2006-2007 Annual Monitoring Plan and Budget

SUMMARY

Issue – Watermaster and the IEUA have commitments to perform ground and surface water monitoring programs to support other various programs that each is implementing and some that are being jointly implemented. The proposed Agreement between the Chino Basin Watermaster and the IEUA is intended to reduce the aggregate monitoring requirements and cost by sharing monitoring efforts and data and by equitably sharing the cost of these programs. Watermaster and the IEUA entered into a cooperative agreement in fiscal 2004/05 (2004 Agreement) to fund certain monitoring programs. This agreement requires Watermaster and the IEUA to annually prepare a memorandum of understanding (MOU) that describes the monitoring activities, cost, and cost sharing. The attached MOU has been prepared pursuant to the 2004 Agreement.

Recommendation - Approve and execute the MOU.

Fiscal Impact – The cost outlined in the attached MOU is identical to the cost included in the Watermaster-approved budget for fiscal 2006/07.

BACKGROUND

Watermaster and the IEUA have joint interests that are served by the monitoring programs that have been incorporated into the OBMP, including groundwater level, groundwater quality, and hydraulic control. Watermaster and the IEUA are co-permitees for the recharge of recycled water and are jointly responsible for all monitoring required under the maximum benefit provisions of the 2004 Basin Plan Amendment. Pursuant to the 2004 Agreement, Watermaster and the IEUA have constructed nine new monitoring wells and have implemented vadose zone, groundwater, and surface water monitoring. All monitoring activities conducted thus far and the monitoring activities proposed in the MOU meet the requirements of the OBMP, the Regional Board, and the Department of Health services.

MEMORANDUM OF AGREEMENT 2006-2007 ANNUAL MONITORING PLAN AND BUDGET

Introduction

This Annual Monitoring Plan (AMP) and Budget, was developed jointly by Chino Basin Watermaster (Watermaster) and the Inland Empire Utilities Agency (IEUA) pursuant to the Agreement for Cooperative Efforts, Common Monitoring Programs dated June 2004. This Agreement created an Operating Committee whose purpose is the development, execution, and management of the monitoring programs conducted by Watermaster and IEUA.

Table 1 summarizes the work to be done during the 2006-2007 AMP and the share of cost between Watermaster and IEUA. These efforts and cost are described below.

Comprehensive Monitoring Program

Watermaster will conduct groundwater quality monitoring pursuant to the requirements of the Basin Plan amendment approved by the Santa Ana Regional Water Quality Control Board in 2004 (R8-2004-0001). Watermaster will perform its customary QA/QC procedures and maintain this information in Data X. Watermaster will provide this information for use in subsequent Basin Planning efforts.

- Groundwater Quality Monitoring (Cost Share 50 percent Watermaster and 50 percent IEUA). Watermaster and IEUA will perform groundwater quality monitoring and characterization as part of the Comprehensive Monitoring Program.
- Groundwater Level Monitoring (50 percent Watermaster and 50 percent IEUA). Watermaster and IEUA will perform groundwater level monitoring as part of the Comprehensive Monitoring Program.
- Hydraulic Control Monitoring Program (50 percent Watermaster and 50 percent IEUA). Watermaster and IEUA will perform the third year of monitoring per the HCMP Work Plan and as described in the Agreement.

Recharge and Well Monitoring Program

Use of recycled water for groundwater recharge has been made an integral part of the Chino Basin Watermaster "Peace Agreement" implementing the Chino Basin OBMP and IEUA's Urban Water Management Plan. Recycled water projects across Chino Basin are vital to the protection and enhancement of the safe yield and water quality of groundwater basin.

- Collected and Analyze Lysimeter and Well Samples at Recycled Water Recharge Basins (25 percent Watermaster and 75 percent IEUA Cost Share). IEUA and Watermaster will collect and analyze groundwater and lysimeter samples related to the Recycled Water Recharge Program.
- All other tasks related to the Recycled Water Recharge Program (100% IEUA Cost Share for all other tasks including well and lysimeter installation). IEUA will perform all other



Inland Empire

tasks including support of the recycled water groundwater recharge permit and installation of wells and lysimeter for the Recycled Water Recharge Program.

Non-Watermaster Monitoring Activities

There are several activities that are not part of Watermaster monitoring activities including the construction of monitoring wells near the recharge basins that recharge recycled water, construction of lysimeters, tracer tests, compliance analyses, and reporting to the Regional Board and DHS. These activities will be conducted by a consultant and funded by IEUA. The consultant for these activities may be Wildermuth Environmental, Inc. (WEI). If IEUA uses WEI, then WEI will provide these services to IEUA working within their existing business arrangement with Watermaster and Watermaster will be reimbursed by IEUA. The activities done by construction contractors will be contracted directly by IEUA.

Operating Committee and Tracking Cost

The Operating Committee will meet at least quarterly to review activities conducted under the AMP. Watermaster and IEUA will keep records of their expenditures and provide copies to each other at the end of each calendar quarter. Watermaster and IEUA will review and approve these records. Watermaster and IEUA will each be responsible for their share of costs identified in Table 1. Based on the total cost incurred by each party and the cost sharing percentages identified in Table 1, Watermaster and IEUA will make financial arrangements to ensure that cost sharing is achieved.

The term of this AMP will run from July 1, 2006 through June 30, 2007.

Approved:







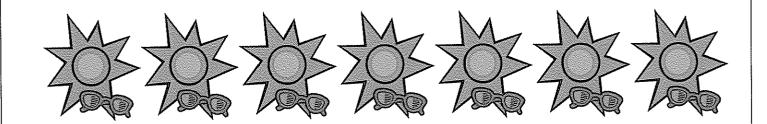
Table I: Summary of Annual Monitoring Plan and Budget FY 2006/2007 Watermaster and IEUA Cost Share

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7,037	PEI/GWQMP	202	\$05	Characterize Groundwater Quality Conditions and Frends	00762\$	20	\$14,700	\$14,760	\$79.403
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7104.3	PELICWLMP	502	\$0\$	GWLMP. Groundwater Level Honzoring Program	\$113,800	\$55,700	\$84,750	\$84,750	DOC.415
7104 Hydrauk Central Mondaing Program	toutering Program				\$182,040	\$680,300	\$48,170	\$401,170	017946
7108.2	THE PERSON NAMED IN	205	205	Acquare DEM of Southern Chino Basin	\$4,940	\$200	\$2,350	\$2580	25,150
7108.3	ENCHOR:	5	50%	PEITHCHP, Task J. SAR Disdurge Measurement and Grab WQ Samples	\$43,280	\$123,300	\$53.270	\$41.290	\$166.500
7109.7	PEINOW	202	20%	PERFICHP. Tank 4. Acquire Suca. Plan & Speca. Drill and Construct 4 Wells About SAR	\$41.240	\$5,600	\$23.520	\$21.570	\$47,040
7108.2	FERMOND	20%	203	PEHHOMP Task 4. Montor HOMP, NAWQA SANWC, and Four New Wells	\$36,520	\$67,300	\$61,910	\$61,910	\$123.600
7109.2	FEIRCME	20%	205	PELINGHP. Task 6. Interpretation of PELINGMP Data	\$51,320	\$1,100	\$26.210	\$26.210	\$52,420
710217	RINGS.	55	203	PEHNCME. Task 7. Dua Analyzer. Compartion with Merica	\$51,320	\$1,100	\$26.210	\$26.230	\$52.420
7103.2	PENHCHP	50%	101	PEIMCHP. Task & Reports	\$30.040	\$700	\$15.370	\$15,770	\$30,740
7108.2	PEINCMP	305	305	PEI/HCMP, Meetings	\$23,360	goes	\$12050	\$12.000	224,160
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10012	PERMANNE	É	į į	PELINWRMS Colors and Analyze Well Samples at Berneled Water Recharge Basins	\$78,600	\$314,400	\$48.250	\$144,750	\$191,000
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2502	PELIRWRMP	1001	8	Monton Wells Associated with Ely Basin on Behalf of EUA	\$10,920	\$16,100	8	\$27,220	\$27,720
7109.3	PE1/RWRMP	95	, K	Quarterly Report for Climo Sayin Groundwater Redurge Program	\$47,840	\$1,400	\$0	\$49.240	\$19,240
7109.3	PELAWAMP	1001	g	San-Up Report for Turner Busin	\$14,650	\$200	R	\$15.460	\$15,460
7109.3	PELIRYYRMP	1003	8	Araul Report for the Chino Groundwater Recharge Propert	\$76,780	\$700	ន	\$16,950	\$76,950
7109.3	PEHRVANP	100.	8	FEIRWRMP. IEUAWEI Coordinaten Meetugs on Redurge Bogram Activities	\$18,400	\$600	æ	\$19,000	2003/13
7109.3	PEURWRMP	100	80	knsall Replacement Lysimeters in Ely Darin	\$9,420	\$5,000	8	\$54,420	\$14,470
7107.5	PELIAWRMP	1,001	g	install Replacement Lystometers in Ely Basis - Outside Pro (Ordies)	8	\$12.000	0\$	\$12,000	\$12,000
7109.3	PEHRWRMP	.00	ģ	FEIRWAMP Pure (- brall process at RF.) Basa	29,420	\$15,200	0,	514,670	\$24,04U
7109.5	PELAWRYP	1001	ž	PEHRYRMP Puse I - knall Lysmeters at RP-3 Bren - Outside Pro (Order)	Ç.	\$12,000	3 (27,700	200777
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7109.3	FEI/RWALFP	00	K.	FERRAMMY: Place 1 - Install Lyteneters at Detect Burns	075/20	007/64	; ⊊	\$12.050	\$12,050
7109.5	PE J/RVVRMP	200	g :	PERCENTION TRACE I - Initial Lysenergy at Occide bases - Custone and (Lysing)	207	500775	. 5	\$36.280	\$16.250
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110017	DESTRICT	200	5 6	PERSONAL Process 2 a forced Wells at Species Busin	565.540	\$16,000	S	\$42,360	\$42,360
7100.5	PERMEMB	100	: 8	PERRWRYP Place 2 - Insull Wells at Brooks Barn - Outside Pro (Drager)	Ç.	\$480,000	8	\$480,000	\$480,000
7109.3	PELIXWALLE	.00	: 15	PESIRWAMP. Place 2 - Snead Lythreters at 7th & 8th Speec Bash	\$9,420	\$10.200	8	\$19,620	\$19,620
2109.5	PELIRWAMP	1001	ž	PEHRWAMP. Pluse Z . fratal Lyimeters at 7th & 8th Street Bash . Outside Pro (Drate)	\$0	\$24,000	\$	\$24,000	\$24,000
7109.3	PELIRVYRMP	1001	g	FEIMWAMP. Plusa I - Insail Wells at 7th & 8th Surect Basin	\$45,560	\$16,500	20	\$82,169	\$62,360
7109.5	PELIRWAMP	1,001	8	FEIRWAMP Plute 2 - Inaul Wells at Ith & But Street Usin . Outside Pro (Drider)	2	\$504,000	2	\$504.000	\$504,000

Annual Monitoring Plan and Budget Totals
Total Cost Total Cost Stare
AMP Total \$1840.515 -Wheemater \$785.718 10%
IEUA \$1054.798 60%

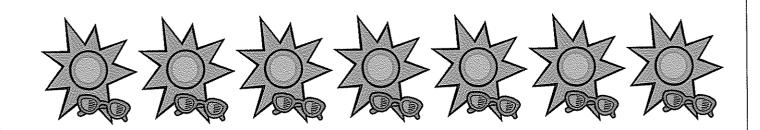






II. BUSINESS ITEMS

C. WATERMASTER POLICY – COSTS FOR DATA REQUESTS





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

KENNETH R. MANNING Chief Executive Officer

STAFF REPORT

DATE:

August 10, 2006

August 15, 2006

August 24, 2006

TO:

Committee Members

Watermaster Board Members

SUBJECT:

Update of Resolution 01-01

SUMMARY

Recommendation – Staff recommends adoption of the proposed fee revisions to bring Watermaster's copy policy up to date with that of the San Bernardino Superior Court

Fiscal Impact – None for parties to the Judgment since the policy waives such costs for parties to the Judgment. Cost savings to parties to the Judgment to the extent that they do not subsidize providing information to third parties.

BACKGROUND

On February 15, 2001, the Watermaster Board adopted Resolution 01-01 which made effective the Chino Basin Watermaster Procedure, Guidelines and Fee Schedule for Release of Information and Documents.

Because Watermaster is an arm of the San Bernardino Superior Court, its policy regarding the release of documents and fees is generally the same as that of the San Bernardino Superior Court.

According to this policy, fees will be waived for parties of the Watermaster and public agencies who reciprocate with a similar waiver of fees. Because of this, Watermaster does not often have the need to formally utilize the policy, and since 2001 the policy has fallen out of date with respect to the policies of the San Bernardino Superior Court.

In order to update the policy and make it current with the policy of the Court, Watermaster staff recommends a revision of the fee schedule to indicate that Photocopies shall be provided at a cost of \$0.50 per page, and electronic data/text equal to one (1) printed page shall also be provided at a cost of \$0.50 per page. Facsimiles shall be provided at a cost of \$1.00 per page. These costs preserve the proportionality of the 2001 policy, and conform to the Court's current policy of charging \$0.50 cents per page for photocopies (the Court does not provide electronic documents nor facsimiles).

The policy will remain the same in all other respects, including the waiver of these costs for parties to the Judgment.

CHINO BASIN WATERMASTER PROCEDURE, GUIDELINES AND FEE SCHEDULE FOR RELEASE OF INFORMATION AND DOCUMENTS

I. PURPOSE

The purpose of this procedure is to delineate the procedure to be used, the guidelines to follow and the fees to be charged for costs associated with the release of information and documents. This procedure is effective upon adoption of Resolution 01-01.

II. PROCEDURE

A. GENERAL

Watermaster staff will attempt to respond to written requests for copies of documents within 10 working days following receipt of the request.

B. FORMS

A Request for Information Form will be completed and appropriately approved prior to responding to a request for information. Certain information and documents described in III.C below will require the Requestor to provide a "signed release" from an individual, company or agency.

III. GUIDELINES

Watermaster staff will consider requests for information and documents on a case-by-case basis, subject to the following guidelines:

- A. The Requestor must provide Watermaster staff with the reason or purpose for their request for information.
- B. The following records will be generally made available:

These records reflect actions taken by Watermaster. Reproduction of these records will be subject to the limitations set forth in the following paragraph.

- 1. Agendas
- 2. Minutes
- 3. Resolutions
- 4. Published Committee Reports
- Annual Reports
- C. The following records will generally not be available:
 - 1. Discussions of or references to pending, threatened or on-going matters of litigation;
 - 2. Discussions of or references to pending contract negotiations (including internal drafts of contracts);
 - 3. Attorney or engineer records concerning the topics identified in subparagraphs B.1 or B.2;
 - Attorney work papers;
 - 5. Recommendations of attorney or engineer prior to public Watermaster discussion or
 - 6. Personnel, or personal information regarding Watermaster members, staff and/or employees; and

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- 7. Unpublished drafts and working copies of committee reports; and
- Materials received by Watermaster stamped "Confidential" by the sender.

D. Signed Release

If a request is made specifically relating to a particular individual, company or agency that would require a release for information which has not previously been made public or which contains the status or operations of a particular individual, company or agency, the Requestor must provide a "signed release" form from the individual, the company or the agency allowing Watermaster to release the information being requested. Any such release shall be subject to the limitations stated in these guidelines.

E. Confidential Pool Information

In the event information is given to Watermaster and must be returned or has been authorized by the Agricultural Pool representatives to be released to consultants or other public agencies, such information shall be provided with a stamped endorsement on each page that such information is confidential and shall be maintained confidential by the recipient.

F. Inspection of Watermaster Records

Due to limited space and limited staff, inspection of Watermaster records may be allowed only through prior arrangement and will be subject to the guidelines outlined above.

G. Waiver of Required Fees

Fees will be waived for parties of the Watermaster and public agencies who reciprocate with a similar waiver of fees.

IV. FEE SCHEDULE

A. Copies will be made available subject to the procedures and guidelines outlined and upon payment of reasonable fees to cover the costs associated with copying and handling.

An additional fee will be charged, as necessary, for actual costs associated with any request for information requiring special research or input.

B. Watermaster shall charge the following reasonable fees:

1. Photocopies (8 ½" x 11" or 8 ½" x 14)

2. Facsimiles

3. Board or Committee agendas only

4. Board or Committee full agenda packages

5. Electronic data/text equal to one (1) printed page

6. Computer diskette

7. CD Rom

8. Mailing

9. Information requiring special research or input

\$ 0.50 per page, \$5.00 minimum

\$ 1.00 per page

\$ 40.00 annually

\$ 500.00 annually

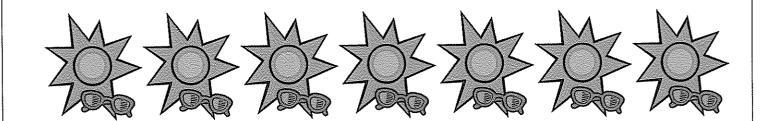
\$ 0.50 per page

\$ 0.60 each

\$ 2.00 each

Applicable First-class Postal Rate

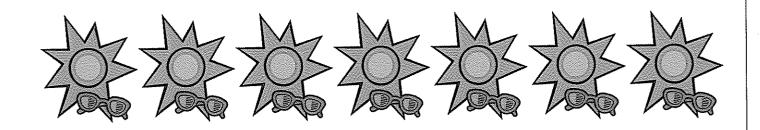
Direct Costs



III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

3. Vulcan Assignment to San Antonio Water Company





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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE:

August 10, 2006

TO:

Committee Members

SUBJECT:

CalMat Assignment to San Antonio Water Company

SUMMARY

Recommendation - None

Fiscal Impact - None

BACKGROUND

Watermaster's Rules and Regulations section 9.7 provides that an Appropriator may take an assignment of rights from a Non-Agricultural Pool member, but only to the extent necessary to provide water service to said overlying lands. The Rules provide that any assignment shall be ineffective unless provided on the standard form approved by Watermaster and filed with Watermaster. This form is Form 10. This provision is based on the Judgment Exhibit "G" paragraph 6, and Exhibit "H" paragraph 13.

CalMat Company ("CalMat") and San Antonio Water Company ("SAWCO") have submitted a Form 10 to Watermaster in the amount of 317.844 acre-feet per year. The form indicates that this arrangement has been in effect between CalMat and SAWCO since 1980, and thus the Application requests Watermaster to revise its records to indicate that the transfer has been occurring over this period of time. This will result in a reduction of approximately 8264 AF (317.844 x 26) from the amount held in storage by CalMat, and a corresponding increase in water held in storage by SAWCO.

Since SAWCO has not participated in the 85/15 rule as an overproducer during this period, it does not appear that this revision would have had any impact on past assessment packages.

Form 10 indicates that Watermaster's role with regard to transfers of this type is to receive and file the form. Watermaster however, will not allow a transfer under conditions where such a transfer would be contrary to sound basin management or detrimental to the rights or operations of other producers. (Judgment Exhibit "H" paragraph 13.) Watermaster knows of no reason why this transfer would be contrary to sound basin management nor detrimental to the rights and operations of other producers.

However, under normal circumstances, other producers have an opportunity to review assignments on a year to year basis when they are submitted to Watermaster and appear in the assessment package. Because of the nature of this proposed assignment, other producers have not had that opportunity for the past 26 years. Thus, Watermaster is providing special notification of this proposal to the parties in order to receive comments from other producers. No approval of this proposal is required.

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AUG 07 2006

JHINO BASIN WATERMASTER

NOTICE REGARDING

PROVISION OF SERVICE TO A NON-AGRICULTURAL POOL PARTY BY AN APPROPRIATIVE POOL PARTY

PLEASE TAKE NOTICE that pursuant to Paragraph 6 of Exhibit "G" of the Judgment entered on January 27, 1978 in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327) and the Peace Agreement dated June 29, 2000, San Antonio Water Company ("Appropriative Pool Party") is directly or indirectly undertaking to provide water service to CalMat Company ("Non-Agricultural Pool Party"), commencing on July 1, 1980 and continuing in effect until further notice, the quantity of water necessary to provide water service to said Non-Agricultural Pool Party for use on its overlying lands in each fiscal year. Said water is only for use on Non-Agricultural Pool Party's overlying lands. Watermaster is hereby requested to reduce (assign) the Production reported for the Appropriative Pool Party by a corresponding quantity of water each year, up to the Non-Agricultural Pool Party's share of Safe Yield, which quantity is 317.844, and to record such Production as Production by the Non-Agricultural Pool Party.

To be valid, appropriate meters must be installed and this form must be signed by the Non-Agricultural Pool Party and the Appropriative Pool Party.

NON-AGRICULTURAL POOL PARTY

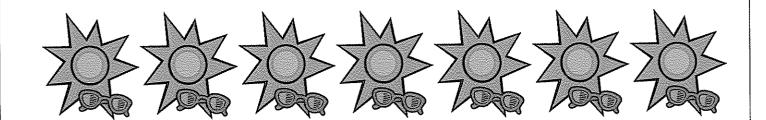
APPROPRIATIVE POOL PARTY

Robert W Bowcock

Charles Moorrees

Watermaster Received & Filed

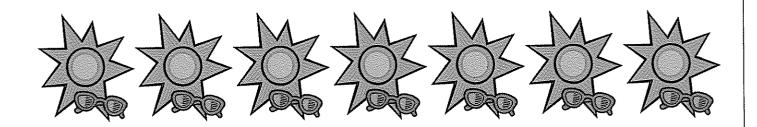
Date:



III. <u>REPORTS/UPDATES</u>

C. CEO/STAFF REPORT

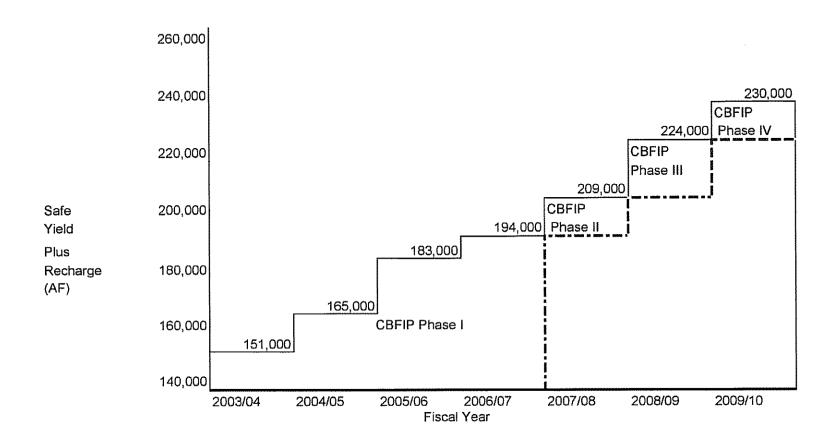
1. Storm Water/Recharge Report



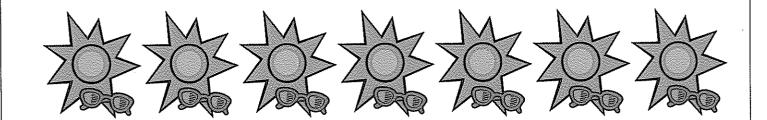
FUTURE CBFIP FACILITIES

CBFIP PHASE	Basins Enhanced to 12 mo/yr Operation	Program Costs (\$M)	Construction Period (FY)	New Yield (AF)	Full Operation (FY)
I	College Heights East & West, Upland, Montclair 1-4, Brooks, Ely 1-3, Turner 1&2, Turner 3&4, Lower Day, San Sevaine 1&2, Hickory, Banana	40	2003-2005	54,000	2006-2007
	8th Street, 7th Street, Etiwanda Debris, Victoria, San Sevaine 3-5, Jurupa, RP3, DeClez	10	2006-2007	15,000	2007-2008
111	Etiwanda Conservation Ponds, Victoria South, Upland Phase II	10 ⁽¹⁾	2007-2008	15,000	2008-2009
IV	Vulcan Pit, Upper Day Basins, Grove	10 ⁽¹⁾	2008-2009	6,000	2009-2010

⁽¹⁾ Does not include land acquisition or leasing



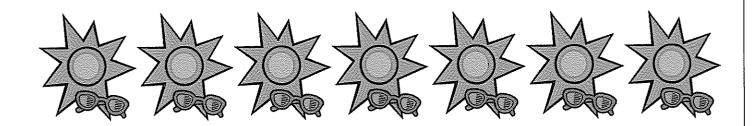
SCHEDULE OF YIELD FOR CBFIP FACILITIES



III. <u>REPORTS/UPDATES</u>

C. CEO/STAFF REPORT

5. IEUA Landscaping Alliance



Proposal for Establishment of the Inland Empire Landscaping Alliance

Purpose of the Inland Empire Landscaping Alliance:

The purpose of the Inland Empire Landscaping Alliance is to make recommendations for the coordination and implementation of policies, programs and actions that will improve landscape water use efficiency within the communities of the Chino Basin. These improvements will help ensure a reliable water supply for our residents, as well as, increase the quality and sustainability of our communities' landscapes.

Rational for Creating the Inland Empire Landscaping Alliance:

- Water supply within the Chino Basin, along with all of California, is limited and under increasing pressure, especially with continued population growth;
- Water is a precious resource that must be used wisely by all Californians;
- Water use efficiency both promoting the wise use of water and reducing wasteful use of water – is essential to developing a reliable water supply for our communities and for all of California;
- Urban landscapes are vital to the quality of life and the economy of our Chino Basin communities;
- Improving landscape water use efficiency is especially important to the Chino Basin since an estimated 60% of all water used within our communities is dedicated to outdoor landscaping;
- Improved landscape water use efficiency will result in additional benefits for our communities including:
 - o reduced storm water run off;
 - improved water quality and compliance with current and future water quality objectives within the Chino Basin;
 - o improved flood control;
 - o enhanced local groundwater infiltration;
 - o enhanced drought preparedness;
 - o enhanced cost savings for pumping and treating water supplies;
 - o identification of opportunities for use of recycled water and locally produced compost;
 - o development of more economical and reliable water supplies; and
 - o reduced costs and more value-added services for rate payers.

- Future growth in our communities will benefit from landscaping water use efficiency policies and programs that are coordinated among all of the cities and water agencies within the region; and
- The Inland Empire Landscaping Alliance will serve as a model for interagency coordination and integration of water use efficiency programs and decisions within the region and in California.

Benefits of Inland Empire Landscaping Alliance to Local Agencies:

- Support the review and coordination of landscaping related policies so that the region can speak with one voice on what can and should be done to improve water efficiency;
- Develop information and prepare cost-benefit evaluations of water use efficiency practices to identify the long-term cost savings along with the value of the multiple benefits to the region from the implementation of these practices; and
- Identify funding opportunities including state and federal grant programs that will support development of pilot projects and implementation of comprehensive programs.

Proposed Structure for the Inland Empire Landscaping Alliance:

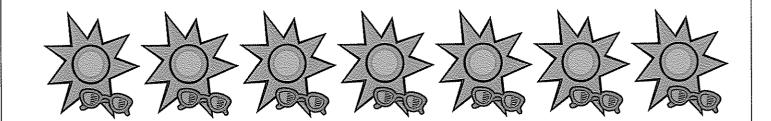
- The Inland Empire Landscaping Alliance is proposed to be comprised of designated representatives from each of the city councils and water agencies within the Inland Empire Utility Agency Service area. These include:
 - o Chino
 - o Chino Hills
 - o Fontana
 - Montclair
 - o Ontario
 - o Rancho Cucamonga
 - o Upland
 - o Inland Empire Utilities Agency
 - Monte Vista Water District
 - o Cucamonga Valley Water District
 - o Chino Basin Water Conservation District
 - o Three Valleys Municipal Water District
 - o Fontana Water Company
 - San Antonio Water Company

Proposal for Establishment of the Inland Empire Landscaping Alliance August 16, 2006
Page 3

- The Inland Empire Landscaping Alliance would meet on a regular schedule, proposed to be once every other month;
- Staffing for the Inland Empire Landscaping Alliance will be provided by the Inland Empire Utilities Agency; and
- Funding to support specific projects, such as consultants to review landscape ordinances, would be provided through the regional conservation budget and augmented with grant funds where possible.

Potential Projects:

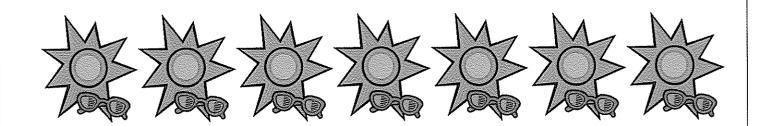
- Review existing city landscaping ordinances and policies and develop recommendations for coordinated region-wide ordinances;
- Work with Metropolitan Water District of Southern California to develop a "California Friendly" designation for cities and lead southern California in being the first region to be designated as "California Friendly";
- Develop region-wide education and outreach programs to increase awareness of the importance of landscape water use efficiency and what can be done to improve landscape choices;
- Identify and develop a list of qualified professionals who can assist residents, businesses and government agencies plan and install water efficient landscapes;
- Develop programs for working with targeted constituencies including property owner associations, trade groups, schools and large commercial landscapes to improve water use efficiency; and
- Identify water and related savings from conversion of median strips to efficient landscaping and conduct a pilot project to demonstrate the savings.



IV. REPORTS/UPDATES

C. INLAND EMPIRE UTILITIES AGENCY

- 1. Monthly Water Conservation Programs Report
- 2. Monthly Imported Water Deliveries Report
- 3. State and Federal Legislative Reports
- 4. Community Outreach/Public Relations Report



ADVISORY COMMITTEE

August 24, 2006

AGENDA

INTERAGENCY WATER MANAGERS' REPORT

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

15-20 Minutes

Discussion Items:

Written Updates:

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

Regional Conservation Programs

Monthly Report-August 2006

Water Resources Activities

O 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 took place on June 21st, 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. The 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 continued through July. In the fall the second phase of the marketing campaign will begin.

Landscape Programs

- SmarTimer of Inland Empire" Program—The Conservation Partnership held its first regional SmarTimer exchange event on July 22nd at the Chino Basin Water Conservation District. A total of 230 appointments were made and approximately 178 controllers were exchanged. In addition to the controllers exchanged at the event, 43 more controllers have been distributed through IEUA staff bringing the total to 221. Due to the high interest expressed by many additional residents, IEUA staff is drafting up scenarios for an additional exchange event to be considered by the workgroup. Residents also have the opportunity to apply for a rebate if they personally purchase a qualifying SmarTimer controller.
- O Phase II Landscape Audit Program The Conservation Partnership reviewed bids for this program in June and agreed on the recommendation of a contract with HydroEarth to conduct the program. The proposal for this contract will go to board on August 16, 2006 for approval, and the program will begin in September.
- 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)- Honeywell brainstormed marketing strategies for the IEUA service which 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 recent rebate activity within the IEUA service area:
 - High Efficiency Clothes Washers There was 1 clothes washer rebate for the month of July. To date 336 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.
 - <u>ULF Toilets</u> 161 ULFTs were rebated in June bringing the total to 1,502 ULFTs in our service area since FY 00/01.
 - o <u>Waterless Urinals</u> 6 waterless urinals were installed in the month of July. This was the second installation of waterless urinals rebated for in the IEUA service area bringing the total to 10.
 - Water Broom 1 water broom was rebated in June bringing the total to 694 since FY 00/01.
 - SmarTimer Controllers 14 SmarTimer Controllers were rebated in July. This brings the total to 36 SmarTimers installed and rebated through the CII program in the IEUA service area.
- 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 is currently underway and will end in December 2006.

- Language ...

Residential Programs

- Multi-Family ULF Toilet Program— The new round of the Multi-family ULFT program will consist of 22,500 retrofits conducted by Bottom Line Utilities, Inc. (BLUS). BLUS met with IEUA staff and the Conservation Partnership in July to discuss marketing strategies and program procedures. BLUS has begun marketing and will begin retrofitting toilets early fall.
- O Toilet Rebates In addition to the current ULFT (Ultra Low Flush Toilet) Rebate for a toilet that uses 1.6 gallons of water or less per flush, the Conservation Workgroup is now offering an HET (High Efficiency Toilet) Rebate for toilets that use 1.3 gallons of water or less per flush. The new rebate offers residents a reimbursement of \$150 if they purchase a qualifying HET.
- O <u>High Efficiency Clothes Washer Rebate</u>- The total number of rebates processed in FY 05/06 were 1,365. 127 rebates were issued during July, bringing the total number of rebates to approximately 6,551 since the rebate program began in 2002.

School Education Programs

- Ontario has been rescheduled for September 16th. Applications will be due September 29th and the program will kick off in October.
- o <u>National Theatre for Children</u>- The Conservation Partnership has approved to continue the contract with the National Theatre for Children (NTC) for FY 06/07. NTC will begin scheduling fall performances in September.
- O Groundwater Model- Staff from Chino Hills and IEUA 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.
- O Solar Cup (2006) The MWD Solar Cup event took place May 19th through May 21st, 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. 1st place was awarded to Diamond Bar High School. Chino Hill High School was awarded 2nd place, and 3rd 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. Letters asking for commitment of participation were sent out to the retail agencies in July. 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).
- O Water Education Water Awareness Committee (WEWAC) The WEWAC committee is currently preparing for the LA County Fair, where they have a demonstration garden consisting of CA friendly plants and water efficient landscaping. The garden will be viewed by the public through the duration of the fair.
- o BMP Support Grants- No new action.

Upcoming Events

CALENDAR

September 6, 2006	CUWCC Plenary Session (Santa Rosa)
September 16, 2006	Garden in Every School Workshop @ Ranch View Elementary School (Ontario)
September 22, 2006	City of Chino Hills Day @ LA County Fair
September 23, 2006	PDA Mini Landscape Class (Cucamonga Valley Water District)
October 4, 2006	CVWD Learning Center Dedication
October 6-7, 2006	Grape Harvest Festival (Rancho Cucamonga)
October 14, 2006	Water Fair (Montclair Plaza)
October 18, 2006	WEWAC Project WET Workshop (Rancho Cucamonga)
November 8, 2006	CUWCC Steering Committee Meeting (San Jose)
December 13, 2006	CUWCC Plenary Session (MWD)



Date:

August 16, 2006

To:

The Honorable Board of Directors

Through:

Public, Legislative Affairs and Water Resources Committee (08/09/06)

From:

Richard W. Atwater

Chief Executive Officer/General Manager

Submitted by:

Martha Davis

Executive Manager of Policy Development

Subject:

July Legislative Report from Dolphin Group

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.

RWA:MD:mef

Enclosure



July 26, 2006

To:

Chino Basin/OBMP Coalition

From:

Michael Boccadoro

Senior Vice President

Re:

July Status Report

Please find attached the status report from The Dolphin Group for the month of July, 2006.

Chino Basin / OBMP Coalition Status Report – July 2006

DGI has been engaged on a number of regulatory fronts on behalf of the Chino Basin Coalition throughout July. The CPUC is considering a number of policy changes that will affect energy efficiency and demand response programs for public water agencies. These discussions were particularly timely in light of the massive heat wave that struck California as electrical demand in the state reached new heights.

The Legislature, on the other hand, spent the month in recess. DGI is preparing for their return in August, during which lawmakers will complete their legislative session and push for the adoption of new laws in a variety of policy areas.

ENERGY/REGULATORY

Energy Efficiency Funding for Water Conservation Efforts

On July 17th, a workshop was held in Downey, California to discuss whether utility energy efficiency programs should be expanded to included cold water conservation efforts by water utilities. Over 50 people attended, including representatives of the various investor-owned utilities, numerous water agencies and water wholesalers, CPUC representatives, as well as the Natural Resources Defense Counsel. DGI attended the workshop on behalf of IEUA.

Central to the discussions were how, and when, upstream electric savings can be quantified and verified as part of the utilities existing EE portfolios. Although various ideas and approaches were discussed, no parties indicated that cold water conservation efforts should not eventually be integrated into the utilities' EE programs.

In response to the workshop, and at the request of parties including IEUA, the presiding Administrative Law Judge delayed the filing of comments by one week. Originally due on July 24th, comments will now be due on July 31st.

DGI is coordinating with IEUA and will file comments on their behalf, as well as reply comments in mid-August as appropriate.

Demand Response for Water Agencies

On June 28th, the Association of California Water Agencies will be holding a workshop to develop recommendations to the California Public Utilities Commission on how to bolster demand response programs for public water agencies. DGI was in attendance at the meeting.

The utilities are now considering various recommendations made by water agencies, and are expected to hold another meeting in August. The working group, comprised of utilities, the Association of California Water Agencies (ACWA) and other parties are required to submit recommendations to the CPUC by October 2006.

CAISO Report Record Energy Demand

The California Independent System Operator, responsible for coordinating over 80% of the state's electricity grid, reported record electricity demand during the heat wave in late July. Total demand on the grid repeatedly broke records on almost every weekday between July 17th and July 24th. The peak demand on Monday the 24th, in excess of 50,000 megawatts, far exceeded the previous record of 45,000 set in July of 2005.

CAISO also issued a Stage Two emergency on July 24th, meaning that the state's energy reserves had dipped below 5%. Customers on interruptible rates were asked to curtail usage as a result.

ASSEMBLY BILL 1969

The Sacramento Capitol was unusually quiet this July, as lawmakers enjoyed a rare five-week break from the legislative session. After having approved the state budget on June 27th, the Legislature adjourned for summer recess on June 29th.

August, however, promises a flurry of activity. Legislators will return to Sacramento on August 7th, with a deadline to submit all legislation to the Governor on August 31st. Governor Schwarzenegger will have until September 30th to sign or veto bills passed by the Legislature. Major policy issues still to be debated when legislators return include greenhouse gas regulation, cable TV service expansion and prison expansion. Political posturing will start to increase as the November election approaches.

CA AB 1969

AUTHOR:

Yee [D] Electrical Corporations: Water Agencies

TITLE: INTRODUCED:

02/09/2006

LAST AMEND:

06/14/2006

DISPOSITION:

Pending

LOCATION:

Senate Floor

SUMMARY:

Requires every electrical corporation to file with the Public Utilities Commission a standard tariff for the purchase of renewable energy from small projects (< 1 MW). Requires the corporation to make this tariff available to public water or wastewater agencies that own and operate a generation project on a first-come-first-served basis, until the combined statewide cumulative rated capacity reaches 250 megawatts.

This bill will not have to be considered by the Senate Appropriations Committee, and was sent directly to the Senate Floor for final approval by the upper house.

Position:

Support

AB 1969 is sponsored by IEUA and SAWPA. The measure 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
- O Help electrical corporations meet the renewable energy procurement standards and resource adequacy requirements

Benefits include:

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

OTHER LEGISLATIVE ACTION

CA AB 32

AUTHOR:

Nunez [D]

TITLE:

Greenhouse Gases: Global Warming Solutions Act

INTRODUCED:

12/06/2004 06/22/2006

LAST AMEND:

Pending

DISPOSITION:

enaing

LOCATION: SUMMARY:

Senate Appropriations

Enacts the Global Warming Solutions Act of 2006. Requires the State Air

........

Resources Board to adopt regulations establishing a program to require the reporting and verification of statewide green house gas emission. Requires the board to develop an emissions baseline and monitor and enforce compliance. Provide the board is the agency charge with monitoring the regulating of sources and reducing emission that cause global warming. Requires an update of its inventory of such emission by the Energy Commission.

This bill passed out of the Senate Environmental Quality Committee on a <u>5-2</u> vote

Position:

Watch

CA AB 2778

AUTHOR:

Lieber [D]

TITLE:

Electricity: Self-Generation Incentive Program

INTRODUCED:

02/24/2006 06/15/2006

LAST AMEND: DISPOSITION:

Pending

LOCATION:

Senate Appropriations

SUMMARY:

Requires the Public Utilities Commission, in consultation with the Energy Commission, to administer a self-generation incentive program for distributed generation resources applicable to all eligible technologies except for photovoltaic technologies, which the commission would be required to administer separately. Requires the commission to report with an evaluation of the self-generation incentive program. Provides eligibility requirements under the program.

This bill passed out of the Senate Energy, Utilities & Communications Committee on as <u>7-3</u> vote.



Date:

August 16, 2006

To:

The Honorable Board of Directors

Through:

Public, Legislative Affairs and Water Resources Committee (08/09/06)

From:

Richard W. Atwater

Chief Executive Officer/General Manager

Submitted by:

Martha Davis

Executive Manager of Policy Development

Subject:

July Legislative Report from Innovative Federal Strategies, LLC

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:mef

Enclosure

Innovative Federal Strategies LLC

Comprehensive Government Relations

MEMORANDUM

To:

Rich Atwater and Martha Davis

From:

Letitia White and Heather McNatt

Date:

July 27, 2006

Re:

July Monthly Legislative Update

IEUA's Washington legislative agenda has made striking progress in July. The Senate hearing taking place today is the culmination of years of work by IEUA's staff and consultants. IFS has closely monitored the introduction of S. 3638, S. 3639 and H.R. 5768. In the weeks leading up to the introduction of those bills, IFS remained in close contact with Hill staff and IEUA about travel to Washington, progress on the Senate bills and scheduling of meetings with Hill staff. We also monitored WRDA as it moved through the Senate and sent updates on its progress. Susan Carr has also remained in contact with USDA to ensure that IEUA will be able to meet with them at a convenient time.

Congress returned from the July 4th recess on Monday, July 10th. Pressure to move legislation is always intense in July, and both chambers tried to pass as many bills as possible. In election years, July is often the last chance to pass substantive authorizing legislation because politics inhibits the process in September. Neither chamber has accomplished as much as they had hoped to. The House will recess at the end of this week for the August recess, but the Senate will work for one more week. Both chambers are scheduled to return to Washington after Labor Day, on September 5th.

Title XVI Reform

The Senate Subcommittee on Water and Power held a hearing today on S. 3639, Senator Feinstein's bill to reform Title XVI. Chairwoman Murkowski led the hearing, which included testimony from Larry Todd, Deputy Commissioner of the Bureau of Reclamation, Rich Atwater of the Water Reuse Association and Joe Grindstaff from CALFED. At the end of February, the subcommittee held an oversight hearing on Title XVI, which we sent you information on at that time. The record of testimony from the February hearing was the basis for the bill language and criteria contained in S. 3639.

Both Senators Murkowski and Feinstein made opening statements today that gave strong support to federal involvement in water supply projects. But they also acknowledged that changes are necessary to make sure that Title XVI remains useful and relevant. Senator Feinstein noted that because the program's resources are limited, it is critical that those resources be used in the best possible way.

Suite 800 • 525 Ninth Street, NW • Washington, DC 20004 • 202-347-5990 • Fax 202-347-5941

Innovative Federal Strategies

Deputy Commissioner Todd testified that the Bureau could not currently support S. 3639 but pledged that the Bureau would work with Congress to arrive at a compromise. The Administration is concerned that S. 3639 as it is now written weakens the level of review for Title XVI projects. During questioning from Senator Murkowski, he acknowledged that there is a great deal of common ground between the criteria listed in S. 3639 and the ones the Bureau currently purports to use.

The Senators seem highly motivated to move quickly on S. 3639, and they obtained a pledge from Deputy Commissioner Todd that the Bureau would work with them during the August recess to reach common ground. Senator Feinstein made the point several times that Title XVI projects are cost effective and beneficial, and she especially wants to see progress made on the bill. Today's hearing was an important step for Title XVI reform, and we will continue to keep you updated as the bill moves forward.

WRDA

The Senate passed its long-stalled version of the Water Resources Development Act on July 19th. Although WRDA is supposed to pass every two years, 2000 was the last time a WRDA bill was enacted. Several Senators had grown frustrated with the delays in WRDA's movement and felt that it was crucial to pass it. They did not want recovery in the Gulf and other Corps projects moving forward without the benefit of changes in some Corps processes. The Senate bill carries a price tag of over \$13 billion, a number that the White House opposes as too high. There is an estimated \$50 billion backlog of Army Corps projects, which many lawmakers feel the Corps can not address without reforming the agency. On a 54-46 vote, senators approved an amendment that requires independent reviews of projects that either cost over \$40 million or that the Army Corps secretary believes is controversial.

The House passed their version of WRDA last summer that authorizes roughly \$10 billion in projects, a cost the White House also opposes as too high. House Members are equally concerned with reforming the Corps of Engineers and conservative Republicans may be even more eager to curtail costs and insert oversight than the Senate. The House passed its version of WRDA before the Gulf hurricanes struck. There is no official timeline for a conference committee, although we are hearing that staff could complete their work during the August recess and the conference report could come up in September.

Appropriations Update

The Senate made extensive progress on their appropriations bills this month. For the first time in 18 years, the Senate Appropriations Committee has finished work on all of its annual spending bills before the August recess. Having all of the bills through the committee process means that all are ready for floor consideration as soon as leaders are able to schedule time for them and neutralize whatever political opposition exists. With only a few weeks of legislative time available between now and the end of the fiscal year, it is doubtful that many of them will pass before the election. To date, the Senate has only passed one appropriations bill – Homeland Security – which passed last week.

With the committee's work completed, the full Senate is expected to pass their version of the Department of Defense and Military Quality of Life Appropriations bills next week. When the chambers return in September, they hope to pass the Conference Reports for the Defense, Homeland Security and Military Quality of Life Appropriations bills. Completing those three

Innovative Federal Strategies us

bills, deemed the most vital, before the end of the fiscal year would give both political parties a sense of relief as they head into the elections.

In a concession to House Conservatives, House Republican leaders have decided to pass a rule change in the House and require that sponsors of legislative earmarks be named. With the Lobbying Reform bill stalled, this rule change is seen as a way to neutralize conservatives' threats to logjam the appropriations process with endless amendments to remove individual projects. Appropriations Chairman Jerry Lewis supports the change as long as it is applied to authorization bills as well as appropriations bills.

Tax Cuts and Pension Reform

The fate of pension reform legislation, tax cut extenders and estate tax reform are entangled as Congressional leaders search for a way to pass all of those important measures. Estate tax reform is a key issue for Republicans in the upcoming election. However, abolishing it entirely is both expensive and controversial. Members had considered combining estate tax reform with a package of business tax cut extenders and other expiring tax cuts, but the presence of the estate tax component could doom the other tax provisions. Businesses have lobbied intensely for extensions of their tax cuts, and Members feel intense pressure to deliver for them.

The pension overhaul measure currently in conference committee is seen as a must-pass bill, making it an attractive vehicle for carrying some other priorities. The pension overhaul bill imposes rules requiring companies to cease the practice of underfunding their pension plans. House Majority Leader Boehner has been deeply involved in the bill, which he began promoting in his former role as Chairman of the Education and the Workforce Committee. Concerns about the nation's pension laws arose after a series of high-profile and expensive bankruptcy filings forced the Pension Benefit Guaranty Corporation, the federal pension insurer, to fund pensions when corporate resources were unable to do so. Members of leadership are threatening a rare Saturday legislative session this week if it is necessary to complete the pension reform bill.



Date:

July 19, 2006

To:

The Honorable Board of Directors

Through:

Public, Legislative Affairs and Water Resources Committee (08/09/06)

From:

Richard W. Atwater

Chief Executive Officer/General Manager

Submitted by:

Martha Davis W

Executive Manager of Policy Development

Subject:

July 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:mef

Enclosure



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

MEMORANDUM

TO:

Rich Atwater and Martha Davis

FROM:

Jennifer West

DATE:

July 27, 2006

RE:

July Legislative Report

Proposition 1 E

The Board may consider supporting Proposition 1E, the flood control initiative placed on the November 2006 ballot by the Legislature. Of the \$4.1 billion in the bond, \$3 billion would go toward repairs and improvements in the Delta and to the state-federal project levees located in the Central Valley. Proposition 1E also includes \$1.09 billion for projects outside of the Central Valley. As detailed below, San Bernardino County and the Chino Basin specifically, would be eligible for significant funding from the bond.

- \$500 million for statewide flood control subventions. Of this amount, San Bernardino County would receive approximately \$6.1 million in flood subventions funds.
- \$300 million for grants to local government for storm water control projects. The projects must have a non-state cost share of not less than 50 percent; and must be designed to manage storm water runoff to "reduce flood damage and where feasible, provide other benefits, including groundwater recharge, water quality improvement, and ecosystem restoration."
- \$290 million available upon Legislative appropriation for the following activities:
 - Acquiring easements and other interests in real property to protect or enhance flood protection corridors and bypasses while preserving or enhancing the agricultural use of the real property and the wildlife value of the property.
 - O Construction of new levees necessary for the establishment of a flood protection corridor or bypass.

These funds may be useful in advancing the Chino Creek Project.

Inland Empire Utilities Agency Positions List July 27, 2006

noitieoq	Status	Summary	
Support	Senate Floor	Sponsored by WaterReuse. Makes a number of changes recommended by the Water Recycling Task Force. The sponsors have said that they will remove the provision in the bill that would require the SWRCB to adopt a general permit for water recycling. Some local agencies had concerns that the general permit would end up being more onerous for water recycling than an individual permit issued by a RWQCB.	AB 371 Goldberg) Recycled Water
əsoqqO zeəlnu bəbnəms	Senate E.Q.	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.	AB 1421 (Laird) Contamination
JioddnS	Senate Floor	IEUA sponsored. Helps offset demand while increasing environmentally friendly renewable energy. The bill will permit the interconnection of up to I MW of renewable energy generated by a water/wastewater agency to the grid. Amendments are pending that will expand the interconnection cap to 1.5 MW so that the agency's facilities can qualify for the program.	АВ 1969 (Үее)
Support	Senate Approps.	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 lan. 2009.	AB 1881 (Laird) Water Conservation
		Requires local agencies to adopt either the model ordinance or one that is at least as effective by lan. 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.	
Oppose	Assembly Local Gov.	States that it is the intent of the Legislature 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.	AB 2396 (Calderon) Metropolitan Water Districts
Oppose	Senate Local Government	This bill, with a certain exception, would prohibit MWD from entering into a contract for permanent or temporary services, skilled or unskilled services. Sponsored by AFSCME.	AB 2397

	Because MWD has made some progress in its labor negotiations, the sponsors are not expected to move the bill this year.		
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.	Senate Approps.	Support
AB 2951 (Goldberg) Capital Facility Fees	Requires schools and state agencies to pay monthly rates based on the same criteria and methodology applied to all other comparable customers. This would allow water agencies to include the capital costs for facilities when they calculate other public agencies' service rates — as they do for their private customers. Inclusion of the capital facility fees has been subject to repeated court challenges by the education community.	Senate Education 8/9	Recommend Support
SB 1317 (Torlakson) Property Tax	Would shift unitary property tax revenues away from enterprise special districts only to cities within the same county in order to allow cities to offer financial incentives for siting energy facilities. According to the sponsors, Southern California Edison, this is their top priority bill. It is strongly supported by all the utilities, the League of Cities and the county association. The measure needs a 2/3 vote to pass because it amends the provisions of Prop. 1A. IEUA, SAWPA and other water agencies have been opposing the bill.	Assembly Appros. 8/9	Oppose
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.	Senate Approps.	Support
SB 1640 (Kuehl) Water	SB 1640 is similar to the final version of SB 820 (Kuehl), which IEUA supported last year.	Assembly Approps.	Support

	Floods and Delta	
ACA 30 (Laird)	Existing law prohibits an agency from approving an assessment if there is a majority protest. This measure would provide that, for the purpose of levying a new assessment or increasing an assessment on or after the effective date of this measure to maintain, operate, repair, relocate, or upgrade a flood control levee, which levee was in existence before November 6, 1996, a majority protest exists if, upon the conclusion of the hearing and in accordance with that weighted tabulation, ballots submitted in opposition to the assessment represent a majority of the ballots mailed to affected property owners.	Assembly Floor
AB 798 (Wolk)	This bill extends the sunset on the current state funding formula for levee maintenance or improvement projects in the Delta to 2008, subject to certain conditions.	Senate Approps.
AB 802 (Wolk)	Amends the General Plan law to require consideration of flood safety in land use decisions. Applies to all counties in the state.	Senate Approps.
AB 1528 (Jones)	Provides that the state is entitled to rights of indemnity and contribution against any local public entity whose actions contribute, or whose failure to act contributes, to the failure of a flood control project when that failure causes property damage or personal injury. Would subject a local public entity to joint liability and the state's rights of indemnity and contribution to the extent that the local public entity increases the amount of property damage sustained in a flood by approving new development in a previously undeveloped area.	Senate Rules 6/21/06
AB 1665 (Laird)	This bill would authorize DWR to provide support to persons during emergency flood periods, to develop mitigation banking program for the department, Reclamation Board, and local districts, and to advance funds to the federal government or perform flood control and environmental restoration project planning. It would than require DWR to provide flood risk mapping for the Sacramento River and San Joaquin River and to prepare a flood control system status report. It would also require DWR to give notification to landowners whose properties was determined to be in the levee flood protection zone, maps for the levee flood protection zone would also have to be maintained and periodically updated. DWR is also required to prepare, with local agency assistance, flood management reports to the board. The bill would require the state to pay 50% of the nonfederal share of environmental enhancement.	Senate Approps.
AB 1899 (Wolk)	The bill applies to the Sacramento and San Joaquin River system. It prohibits the approval of a tentative map for a project that is subject to the bill's provisions unless the board verifies compliance with the 100-year standard, as defined in the bill, and other requirements are met. Requires that within 10 years communities would need to increase their flood protection to 200 years before a tentative map could be approved.	Senate Approps.

SB 1795 (Machado) Groundwater	The author is accepting amendments from IEUA that specify how watermasters would report groundwater data to DWR. The amendments are intended to make the reporting no more onerous than the current reporting process. These amendments will go into the bill before it is heard in the Assembly Appropriations Committee. 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.	Assembly, Held at de		Support if amended
	Watch List	<u> </u>		
Bill #	Summary		Sta	tus
	Water Conservation/Green Buildings		T =	
AB 1337 (Ruskin) Green Buildings	Requires CIWMB to adopt "green building standards" for state constructed or renovation after 2008. These standards will include and energy conservation measures.	buildings ude water	Sen	ate Approps.
AB 2496 (Laird) Low flush water closets	Requires all new buildings constructed in the state after 2009 to urinals and water closets that meet recent performance standard established by the American Society of Mechanical Engineers.	o use ls	Sen	ate Approps.
AB 2515 (Ruskin) Water Conservation	Prohibits a water supplier from receiving state bond funds unlead adopted BMPs in accordance with the MOU regarding urban we conservation or the MOU regarding agriculture water use efficiency for residential and commercial water-using appliances and other and report to the legislature.	rater iency. standards	Sen	ate Approps.
SB 1608 (Simitian) Water Landscape	Requires Cal-Trans and all local transportation agencies that re funds to use California native plants and other water-saving pla consultation with the local native plant society or the Resource	ınts in	Ser	ate Approps.
	Groundwater			
SB 1425 (Kuehl) Groundwater	Makes minor changes to the groundwater Recordation Act that four counties in Southern California.	applies to	ŧ.	sembly props.
SB 775 (Cox) Watermasters	Allows judges to appoint a public agency to replace DWR as a watermaster. It has no effect on all the other ways that a judge appoint a watermaster. However, the bill does place in statute a for wastermaster appointments that differs from the way the Cl watermaster was appointed.	may model	1	sembly props. 8/9

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.	Senate Approps.
AB 2500 (Laird)	This bill would prohibit the state from allocating or expending funds for the upgrade of a project levee that protects an urban area in which more than 10,000 people reside, unless the beneficiary city or county enters into an agreement with the department pursuant to which the city or county agrees to adopt a safety plan within three years. Defines a "safety plan" to include a flood preparedness plan and a flood evacuation plan.	Senate Approps.
AB 3022 (Umberg) Flood notification 5/11	The bill would require that the notice of intention as to any subdivided lands offered for sale or lease on or after July 1, 2007, and until January 1, 2012, that contain "qualifying real property," as defined, contain a statement that the property is located nearby a levee and subject to a risk of flooding. Also would require, that every contract for the sale of "qualifying real property" entered into on or after July 1, 2007, and until January 1, 2012, contain specified provisions relative to levee failure and flooding. Sponsored by CBIA.	Senate Approps.
SB 1574 (Kuehl) Delta Strategic Plan 6/22	Creates a cabinet-level committee chaired by the Secretary of Resources to develop a "blueprint for a sustainable Delta". Requires the blueprint to address the following: a) Sustainable ecosystem functions, including aquatic and terrestrial flora and fauna. b) Sustainable land use and land use patterns c) Sustainable transportation uses, including streets, roads and highways, and waterborne transportation. d) Sustainable utility uses, including aqueducts, pipelines, and power transmission corridors. e) Sustainable water supply uses. f) Sustainable recreation uses, including current and future recreational and tourism uses. g) Sustainable flood management strategies. h) Other aspects of sustainability deemed desirable by the committee. Requires the committee to submit to the Legislature and Governor the sustainable Delta plan no later than December 31, 2008. Similar language was passed in AB 1803, the resources budget trailer bill.	Assembly Approps. 8/9
SB 1796 (Florez) Reclamation Board 6/22	Renames and restructures the State Reclamation Board. Requires the board to establish levee standards, review and comment on local and regional land use plans and flood control plans and requires it to produce a report on the status of the flood control system. The bill separates the board from DWR.	Assembly Approps. 8/9

·	Water Quality	
SB 187 (Soto)	Requires DHS in determining the economic feasibility of implementing a maximum contaminate level (MCL) to consider the likely number of deaths, illnesses, and disabilities that may result from the adoption of a primary drinking water standard that is less stringent than the public health goal, utilizing the risk characterization contained in the risk assessment prepared by the Office of Environmental health Hazard Assessment (OEHHA) pursuant to existing law. Requires DHS and OEHHA to review and consider the MCLs imposed by other states when adopting or updating public health goals (PHGs) or MCLs, providing those standards and levels are not less stringent than existing state law.	Assembly Appropriations
SB 475 (Runner)	Authorizes Santa Clarita Valley Sanitation District to require the removal of all residential water softening or conditioning appliances that discharge into the community sewer system if the district makes specified findings and adopts a specific ordinance. Requires a majority vote of qualified voters in the service area to approve this at the next election. If the ordinance is passed by the electorate, it specifies that the ban will not take effect until 2009. Supported by WaterReuse, CASA and LA County Sanitation Agency.	Assembly Appropriations
SB 729 (Simitian) SWRCB	Authorizes the SWRCB to carry out the investigative authority granted in current law to the RWCQBs if, after consulting with the appropriate RWQCB, the SWRCB determines that it will not duplicate the efforts of the RWQCB. Requires each RWQCB to coordinate with the SWRCB and other state agencies with respect to water quality matters and report rates of compliance with state water quality laws. IEUA worked with CASA to stop an amendment from going into the bill that would have deleted the provision in law that requires economics to be considered by a RWQCB when a waste discharge permit is issued. This would have negatively impacted recycled water delivery.	Assembly Appropriations
SB 1070 (Kehoe) Water monitoring	Requires the SWRCB to establish a website that posts all water quality information in a single location. This includes WDRs, basin plans and enforcement actions. Established the California Water Quality Monitoring Council administered by the SWRCB. The Council would review and recommend coordination and additional water quality monitoring activities. They would make recommendations that "ensure that water quality improvement projects financed by the state provide specific information necessary to track project effectiveness with regard to achieving clean water." Local agencies could participate on the Council.	Assembly Floor
	Compost	
SB 1778 (Alarcon) Compost	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.	Held in Senate Approps. 5/1/06

	Integrated Regional Water Management Program	
SB 1242 (Lowenthal) IRWMP	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.	Senate Floor
	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.	



Date:

August 16, 2006

To:

The Honorable Board of Directors

Through:

Public, Legislative Affairs and Water Resources Committee (08/09/06)

From:

Richard W. Atwater

Chief Executive Officer/General Manager

Submitted by:

Martha Davis W

Executive Manager of Policy Development

Subject:

July Legislative Report from Agricultural Resources

RECOMMENDATION

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

BACKGROUND

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

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD:mef

Enclosure

Agricultural Resources

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

July 26, 2006

Legislative Report

TO: Richard W. Atwater

General Manager, Inland Empire Utility Agency

FR: David M. Weiman

Agricultural Resources

LEGISLATIVE REPRESENTATIVE, IEUA

SU: Legislative Report, July 2006

Highlights:

- Title XVI Water Recycling Legislation Introduced
- Senate Energy Committee Water Recycling Hearing July 27
- Administration Testimony, Position(s)
- Baca Perchlorate Cleanup Bill Passed House
- News and Notes
- IEUA Working Partners

Title XVI Water Recycling Legislation Introduced – Senate. Senators Lisa Murkowski (R-AK) and Dianne Feinstein (D-CA), introduced legislation to streamline the Title XVI process, address issues raised by the Administration, and impose strict project review and project reporting deadlines on the Bureau of Reclamation. This bill is the result of several months of talks, meetings and discussions.

Senate Energy Committee, Water Recycling Hearing, July 27. The Senate Energy Committee announced that hearings will be held on the Murkowski-Feinstein bill and on five individual bills, three from Southern California and two from Texas. The Gary Miller and David Dreier bills, plus a Calvert bill, will produce, between them, some 300,000 acre-feet of new

.

water annually. Senator Feinstein is touting this new water supply, and understands that it benefits the Colorado River basin, the Bay Delta and others dependent on the Delta (San Joaquin Valley). CALFED's Joe Grindstaff was invited to testify on behalf of the three Southern California project bills and IEUA's Rich Atwater will be representing the WateReuse Association. We are also advised that Rep. David Dreier will be testifying.

Administration Testimony – Senate Recycling Hearing. During the past month, we participated in meetings with the Interior Department, Bureau of Reclamation and OMB on Title XVI, on the IEUA recycling project as well as the other regional recycling projects. Previous Administration statements and assertions have been riddled with inaccuracies, incomplete or misleading statements and we are working to eliminate them. At a meeting with OMB staff, it became obvious that the Bureau of Reclamation's characterization of the IEUA recycling program (as well as the other projects) did not include positive "Federal" benefits – for the Delta, Colorado River and/or "energy policy."

Perchlorate. The House passed 20-title mini-omnibus bill (framed around a Senate bill) that included the Pombo and Baca perchlorate remediation bills. Both bills are now pending in the Senate. The Senate will try and move this package prior to the recess, but given larger issues on the Senate agenda, it's unclear whether or not the package can be cleared.

News and Notes. Congressional Recess. The House adjourns July 28 until Labor Day. The Senate will remain in session through the first week of August. DOI Secretary Dirk Kempthorne. Last month, he was sworn in. This month, he broke an ankle. He's hobbling around. President Nominates Bob Johnson to be Commissioner. Bob Johnson, the current Regional Director, Bureau of Reclamation for the Lower Colorado Region (which includes IEUA), has been nominated to be Commissioner, Bureau of Reclamation. Johnson is a supporter of the Title XVI water recycling program. It is our hope that his knowledge of the water recycling program leads to positive policy changes. Appropriations. The House and Senate consideration of the annual funding bills has slowed. Most funding bills will be finalized after the November election. DC Trip, IEUA and Western. Rich Atwater and John Rossi came to DC for congressional meetings as well as meetings at the Interior Department. Lame Duck Session. It is all but a virtual certainty that Congress will require a Lame Duck (post-election).

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)

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



Date: August 9, 2006

To: The Honorable Board of Directors

From: Richard W. Atwater

Chief Executive Officer/General Manager

Submitted by: Sondra Elrod

Public Information Officer

Subject: Public Outreach and Communications

RECOMMENDATION

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

Outreach/Tours

Calendar of Upcoming Events

- August 17, 2006, Three Valleys MWD Leadership Breakfast 7:30 Sheraton Fairplex
- October 14, 2006, Water Fair at the Montclair Plaza 10am to 2pm
- November 3, 4, 5, 2006 IEUA/MWD Colorado River Aqueduct Inspection Trip

OUTREACH/EDUCATIONAL INLAND VALLEY DAILY BULLETIN NEWSPAPER CAMPAIGN

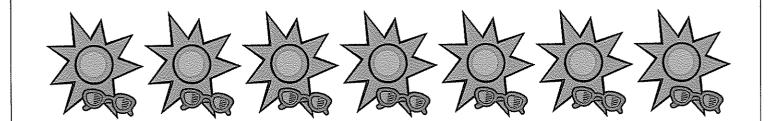
- August 2006, two-page Safety Awareness
- September 2006, two-page Think Environment
- September 2006, one-page LA County Fair
- December 2006, one-page Health Beat

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

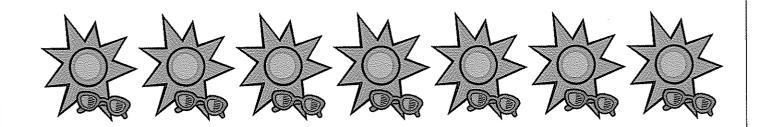
None.



CHINO BASIN WATERMASTER

IV. INFORMATION

1. Newspaper Articles



Article Launched: 7/20/2006 12:00 AM

Task force seeks funds to begin work

George Watson, Staff Writer San Bernardino County Sun

It's been nearly two years since Gov. Arnold Schwarzenegger formed a task force whose job is to educate leaders and contractors about the dangers of building in flood-prone areas.

Now 21 months later, the Alluviai Fan Task Force is still waiting for funding so it can actually begin its work.

"We thought we'd be rolling by the first of the year, but now here we are in July," said Susan Lien Longville, director of the Water Resources Institute, which is coordinating the effort. "Everyone agrees that we are anxious to get rolling because there are tremendous benefits to what will come out of it."

Both the state and the Federal Emergency Management Agency have committed to funding the task force's \$800,000 budget. FEMA will pay 75 percent of the costs, with the state Department of Water Resources picking up the rest.

Longville blamed the hold-up on bureaucratic red tape caused by too much paperwork.

The goal of the task force is to show elected leaders, on a local level, and builders how dangerous it can be to construct houses on or near alluvial fans. Officials estimate that 60 percent of population growth and development through 2020 will occur on alluvial floodplains.

Given the damage from the recent fires that blazed through 62,000 acres in the desert - and the expected building growth that is spilling throughout the desert - now could be a good time for the lessons.

"We want to show them what fans are, how they behave under a series of scenarios," Longville said. "And we can show them there are things we can do if they are determined to build there."

Frank Williams, executive officer of the Building Industrial Association's Baldy View chapter, initially supported the formation of the task force.

"The more I hear about it, the more I have changed my mind," Williams said. "I think it was created to add another level of government, another level of bureaucracy, and I think it will be used as a tool to slow down growth."

Local planning departments already have the competency to review building plans, he said, and contractors aren't going to build in unsafe conditions.

Alluvial fans are the build-up of sediment that flows off of mountains. They become particularly dangerous after wildfires. During rainstorms, the denuded slopes allow water to rush down the hills, leading to floods and mudslides.

For example, Upland, Rancho Cucamonga, Fontana, Rialto, San Bernardino and Highland were built on them. Much of the large residential construction projects in these cities are expected to be built in areas closest to the hillsides, which in the past had been left alone.

But the ever-expanding surge of population has called for growth into these areas.

Experts say the power of a debris flow - which is a mishmash of rolling water, dirt, brush, trees and boulders - can be 40 times greater than in areas where there have been no burns.

This area witnessed the deadly power of debris flows on Christmas Day 2003, when heavy rains slammed into the San Bernardino Mountains, which had been burned heavily in the Old Fire two months earlier. As the flow raced downward, 16 people were killed.

In response, then-Assemblyman John Longville, D-San Bernardino, sponsored legislation that created the task force.

Schwarzenegger, whose office did not return a call for comment Wednesday, signed the bill into law in late September 2004.

Susan Longville, who is married to John Longville, has been one of the torch bearers for the effort. Her organization, the Water Resources Institute, is based at Cal State San Bernardino.

She is currently having someone build "a map unlike any map" that takes data from FEMA and the Department of Water Resources and cross-references it with soil and sediment studies.

Better building in alluvial floodplains is critical not just for directly saving lives, Susan Lien Longville said. Each time it rains, the runoff is supposed to recharge aquifers.

Floodplains with poor construction can alter the runoff, causing additional sediment or other materials to mix in, potentially contaminating water supplies.



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Article Launched: 7/14/2006 12:00 AM

County approves \$16M Fontana project

Inland Valley Daily Bulletin

A \$16 million construction project along San Sevaine Creek from Slover Avenue to the Jurupa Basin in Fontana was approved Tuesday by the county.

The Board of Supervisors backed the project, which will be a link in a large scale flood control project, while also giving local water agencies the ability to restock water supplies.

The project is part of the San Sevaine and Etiwanda Creek Flood Control project that will eventually provide 100-year flood protection, with the total cost estimated at \$150 million.

- Edward Barrera, (909) 483-9356.

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Article Launched: 7/09/2006 12:00 AM

Criminal probe launched into debris in Day Creek

Edward Barrera, Staff Writer San Bernardino County Sun

RANCHO CUCAMONGA - State officials have started a criminal investigation into possible environmental violations on county-owned land north of the city.

The Department of Fish and Game is waiting for lab results of water samples from the Day Creek Channel to see if muddy water found there came from other-than-natural causes.

Two local water agencies have accused a rock and gravel company, Hanson Aggregates West Inc., of allowing silt from its site to flow off into the channel and muck up water-restocking efforts at a nearby basin.

"A criminal investigation has begun," said Lt. Ernie Acosta of the Department of Fish and Game. "The lab results will really get the ball rolling. If they violated their permit, then I can go after them."

Acosta said the review would focus on water-pollution violations.

The Santa Ana Regional Water Quality Control Board is conducting the lab work on the water samples. A spokesman said it was completed Friday.

"I can't comment on the lab results while the investigation is ongoing," said Kurt Berchtold, the water board's assistant executive officer. "We have the results, but that's not the only piece of evidence we are working on. We have more work to do on the case."

Berchtold said the investigation should be done this week.

The Hanson plant is on land leased from the San Bernardino County Flood Control District north of Banyan Street and east of Milliken Avenue - just outside Rancho Cucamonga's city limits.

Company lawyers refute the allegations, saying the debris would have had to travel more than a mile from the plant over unpaved terrain and past barriers before it reached the channel. They blame the damage on natural causes.

"The capacity of our silt ponds . . . is dwarfed by the quantity of what they say was deposited there," said Kenneth Ehrlich, Hanson's lawyer, on Friday. "There is no way this conduit allowed this much material to get in their basin."

Silt ponds on the site are created by the plant to wash unusable sediment from rock and gravel.

The company is doing its own internal investigation of the problem. Hanson officials also said they hadn't been contacted by Fish and Game.

But the Inland Empire Utilities Agency and the Chino Basin Watermaster - two agencies that oversee water supplies in the Inland Empire - charge that the company is the culprit.

In a June letter, water-agency officials wrote:

"Hanson Inland Plant muddy discharges to Day Creek have resulted in coating the floor (of lower Day Creek Basin) as high as 10 feet up the basin slopes with (one-quarter to one-half) inches of mud."

Friday, Andy Campbell, groundwater recharge coordinator for the Inland Empire Utilities Agency, said his agency has photo documentation of silt entering the lower Day Creek Basin and that staff tracked it back to the plant site.

"We had an employee, starting from the basin, first drive to Banyan Street, then walk through a culvert, straight to the plant,"

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Campbell said.

The silt has sealed the basin, stopping water from being absorbed to replenish local water supplies, officials said.

Acosta said that when his investigation is completed, he will most likely forward it to the District Attorney's Office to see if it wants to prosecute the case. Acosta also has the option of sending it to the state Attorney General's Office.

The district attorney could file either a criminal or civil case, Acosta said. Any case would be handled by the county's specialized prosecution group, said Deputy District Attorney Charles Umeda.

"We rely on the agencies to investigate and will be awaiting their reports," Umeda said.

Hanson is already involved in a lawsuit with the county over its lease. The county said the company allowed its lease to expire in 2004. Hanson officials contend the lease is valid until 2019.

The site is part of 1,137 acres that the county now says it no longer needs for flood control.

Last year, a portion of the land was part of a potential settlement with developers of the Colonies project. The developers and the county are fighting over a 67-acre flood-control facility on an Upland property.

The deal was eventually scuttled. Both sides now say the land near Day Creek has not been part of settlement discussions.

County Supervisor Paul Blane, who represents the 2nd District, said several weeks ago the county is working on a development plan with Rancho Cucamonga leaders that will include annexing the land to the city.

SignOnSamDiago.com



UNION-TRIBUNE EDITORIAL

Yuck!

San Diego should flush "toilet to tap" plan

July 24, 2006

Your golden retriever may drink out of the toilet with no ill effects. But that doesn't mean humans should do the same.

San Diego's infamous "toilet to tap" plan is back once again, courtesy of Water Department bureaucrats who are prodding the City Council to adopt this very costly boundoggle. The project was rightly shelved seven years ago amid a public outcry over potential health hazards and the fact that some of San Diego's least affluent neighborhoods were to be the recipients of the treated wastewater.

You know the zealots behind the "toilet to tap" initiative are trying to put something over on you when they change the name to "reservoir augmentation" — a euphemism intended to obscure the nasty fact that the project would take heavily contaminated sewage water, purify it and send it through your tap for human consumption.

Put aside for a moment the reality that most San Diegans do not want their water rates raised through the stratosphere to pay for this \$238 million plan to dump treated sewage water into the San Vicente Reservoir. Regardless of public opinion, there are far better ways for San Diego to boost its water supply.

For example, the landmark San Diego-Imperial Valley water transfer, to be accomplished by lining the All-American Canal and other conservation measures, will provide an additional 200,000 acre-feet a year for the region. That's enough water for 1.6 million San Diegans. And the cost of this supply is roughly one-third that of "toilet to tap" water.

Another promising, much less expensive source of additional water is desalination. Both the County Water Authority and the city of Carlsbad are moving forward with seawater desalination plans that would create up to 50 million gallons a day of safe drinking water. What's more, this source too will cost consumers only about one-third what "toilet to tap" water would cost.

Yet another, more sensible option is to use reclaimed wastewater for irrigation and some industrial uses. The level of treatment needed for these purposes is much less expensive than that needed to convert sewage water into drinking water.

In a key study, the respected National Research Council concluded that turning toilet water to tap water should be only "an option of last resort" because "many uncertainties are associated with assessing the potential health risks of drinking reclaimed water." The study also noted that "one concern about potable reuse of reclaimed water is the potential health risk from little known or unknown pathogens."

San Diegans do not need to run the risks associated with drinking toilet water. The City Council should reject this project once and for all.

»Next Story»

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The California Institute For Federal Policy Research California Capitol Hill Bulletin Volume 13, Bulletin 22 -- July 28, 2006

SENATE ENERGY & NATURAL RESOURCES CONSIDERS WATER BILLS The Senate Energy & Natural Resources Subcommittee on Water and Power held a hearing on Thursday, July 27, 2006 on three California water bills, S. 3639 and S. 3638. S. 3639, Reclaiming the Nation's Water Act, amends Title XVI to provide standards and procedures for the review of water reclamation and reuse projects. It was introduced by Sens. Dianne Feinstein and Lisa Murkowski (AK). Rep. Grace Napolitano (Norwalk) has introduced a companion bill in the House, H.R. 5768. S. 3638, The Water Recycling and Riverside-Corona Feeder Act of 2006, was also introduced by Sen. Feinstein. It too amends the Reclamation Wastewater and Groundwater Study and Facilities Act (Title XVI) to encourage projects to treat impaired surface water, reclaim and reuse impaired groundwater, and provide brine disposal in the State of California. H.R. 177, authored by Rep. Gary Miller (Diamond Bar) would authorize Prado Basin Natural Treatment System Project, and the Lower Chino Dairy Area desalination demonstration and reclamation project.

The Subcommittee heard from several witnesses, including Larry Todd, Deputy Commissioner for Policy, Administration, and Budget at the U.S. Bureau of Reclamation; Joe Grindstaff, Director of the California Bay-Delta Authority; and Richard Atwater with the WateReuse Association.

In addition, Rep. David Dreier (San Dimas) appeared before the panel in support of the California recycling bills and his commitment to Title XVI reform. He Inland Empire Water Recycling Initiative has met with success, authorizing \$30 million for water recycling projects that have resulted in 100,000 acre feet annually in new water supply.

In her opening remarks, Sen. Feinstein detailed how the bills will provide an efficient procedure for evaluation and selection of water projects under the bill, establishing specific deadlines and criteria for project reviews. She noted that the two California bills before the Subcommittee would provide 300,000 acre feet of new water annually for California, which would help substantially to offset the reduction in Colorado River water allocated to the state.

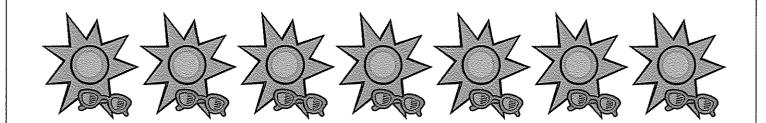
Mr. Todd testified that the Administration did not support S. 3639 at this time, but expressed the desire to work with the subcommittee to work out differences. He noted several areas of concern, focusing on the need for clear standards to evaluate the merits of projects and to prioritize projects especially in light of the federal funding that would be needed. He stated that BOR, at this point, felt that S. 3639 would weaken the level of review that Title XVI projects would go through prior to the Secretary making a recommendation to Congress. With regard to S. 3638, Commissioner Todd testified that S. 3638 had not yet met three of the nine necessary feasibility requirements and until such time as they were met, BOR could not support the project authorized by the bill.

During questioning, Sen. Feinstein offered to sit down with BOR to go over S. 3638 and H.R. 177 to make sure that all the parties understood what the problems were and how to resolve them. Commissioner Todd said he would be happy to do that. Also in response to Sen. Feinstein's suggestion, Todd agreed to work with staff over the upcoming August recess to resolve problems with S. 3639.

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Mr. Grindstaff explained how the bills would fit in with the California Water Plan Update 2005. He supported the California bills, as well as S. 3639, the national approach, and noted that they fit well with the goals of the California Water Plan and the policy of multilevel governmental partnerships. Mr. Atwater testified in support of S. 3639 and committed to continue to work with the subcommittee staff and the Administration to resolve differences over the bill. Regarding the specific water projects authorized by the other bills, he did note that a lot of time and effort had been spent reviewing and evaluating those projects and he hoped there would not be a lot of redundancy in order to obtain BOR approval.

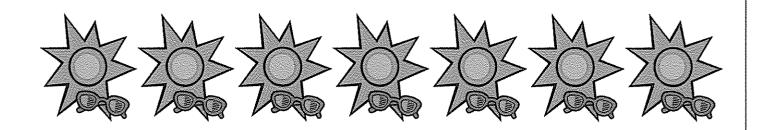
For the complete testimony, visit the Committee's website at: $\frac{\text{http://www.energy.senate.gov}}{\text{http://www.energy.senate.gov}} \; .$

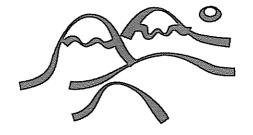


CHINO BASIN WATERMASTER

IV. <u>INFORMATION</u>

2. IE PAN Invitation





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Please join the Inland Empire Public Affairs Network (PAN) for their Quarterly Luncheon

Featured Speaker Gary G. Miller

Congressman Gary G. Miller was elected to the U.S. House of Representatives in 1998 to represent California's 42nd Congressional District. Mr. Miller serves on the House Financial Services Committee, which oversees the United States' banks, stock exchanges, real estate market and insurance industry, and the House Transportation and Infrastructure Committee, which oversees the nation's highways, railroads, airports and water infrastructure. As a member of these committees and a former business owner, Mr. Miller brings real-world experience to address the transportation, water and housing needs of the 42nd district.

Mr. Miller is chairman of the Building a Better America Caucus, a congressional organization promoting quality growth. He is also a member of the Republican leadership team as assistant whip.

Mr. Miller and his wife, Cathy reside in the city of Diamond Bar.

Friday, September 8, 2006

11:30 a.m. Registration Noon Lunch

DoubleTree Hotel Ontario Airport

Lake Gregory Room 222 North Vineyard Ontario, California 91764

PLEASE RSVP BY: AUGUST 25th

To: Janine Wilson

909-484-3888 x 222 Email: jwilson@cbwm.org

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