

CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

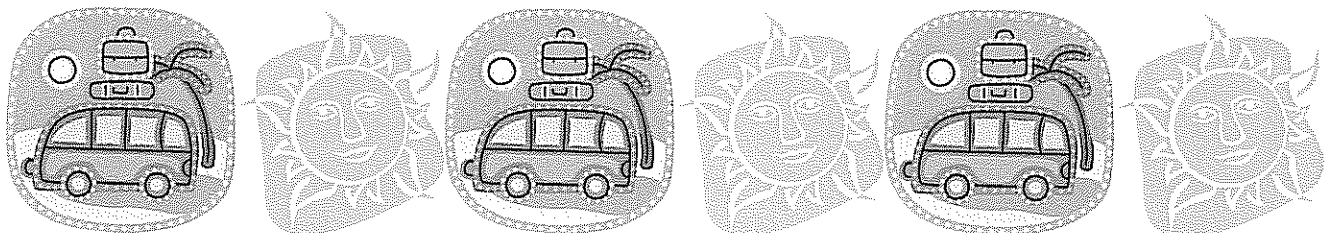
Thursday, August 23, 2007

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

(Lunch will be served)

AT THE CHINO BASIN WATERMASTER OFFICES

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





CHINO BASIN WATERMASTER

Thursday, August 23, 2007

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

(Lunch will be served)

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

9:00 a.m. – August 23, 2007

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 26, 2007 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2007 *(Page 13)*
2. Watermaster Visa Check Detail *(Page 17)*
3. Combining Schedule for the Period July 1, 2006 through June 30, 2007 *(Page 19)*
4. Treasurer's Report of Financial Affairs for the Period June 1, 2007 through June 30, 2007 *(Page 21)*
5. Profit & Loss Budget vs. Actual July 2006 through June 2007 *(Page 23)*

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The lease of 3,500 acre-feet, to be taken first from the fiscal year 2006/2007 allocation from the City of Pomona's net underproduction, if any, with any remainder from Pomona's local storage account in the Chino Basin, to be transferred to the Cucamonga Valley Water District storage account. Date of Application: June 7, 2007 *(Page 25)*
2. **Consider Approval for Notice of Sale or Transfer** – The City of Pomona has agreed to purchase from the City of Upland a portion of Upland's water in storage in the amount of 893 acre-feet for fiscal year 2006/2007. Date of Application: June 7, 2007 *(Page 43)*
3. **Consider Approval for Notice of Sale or Transfer** – The Santa Ana River Water Company lease and assigned Jurupa Community Services District the quantity of 2,000 acre-feet of corresponding annual production right fiscal year 2006/2007. Date of Application: June 28, 2007 *(Page 51)*

D. INTERVENTION – RIBOLI FAMILY/SAN ANTONIO WINERY

Intervention into Chino Basin Watermaster as a Non-Agricultural Pool Party *(Page 63)*

E. INTERVENTION – FUJI NATURAL FOOD INC.

Intervention into Chino Basin Watermaster as an Agricultural Pool Party *(Page 65)*

II. BUSINESS ITEMS

A. LEGAL INSTRUMENTS

Further Review and Discussion of Legal Instruments

B. HANSON AGGREGATES

Approve Filing of Complaint Against Hanson Aggregates (Page 69)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. MZ1 Filing
- 2. Sunding Report – Micro-Economic Study
- 3. Supplemental Filing Regarding May 24, 2007 Court Order (Page 81)

B. CEO/STAFF REPORT

- 1. Legislative Update
- 2. Recharge Update

C. ENGINEERING REPORT

- 1. State of the Basin Report Update

D. FINANCIAL REPORT

- 1. Assessment Package Update

E. INLAND EMPIRE UTILITIES AGENCY

- 1. Drought Planning Activities for 2008 - Oral
- 2. MWD DYY Potential Implementation in April 2008 – Oral
- 3. MWD DYY Expansion Studies, Schedule and Budget Work Plan - Oral
- 4. Current Regional Conservation Efforts - Oral
- 5. Monthly Water Conservation Programs (Page 87)
- 6. Monthly Imported Water Deliveries Report (Page 91)
- 7. State and Federal Legislative Report (Page 95)
- 8. Community Outreach/Public Relations Report (Page 133)

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

- 1. Newspaper Articles (Page 135)

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

August 21, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 23, 2007	9:00 a.m.	Advisory Committee Meeting
August 23, 2007	11:00 a.m.	Watermaster Board Meeting
September 13, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
September 18, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
September 27, 2007	9:00 a.m.	Advisory Committee Meeting
September 27, 2007	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

**CHINO BASIN WATERMASTER
BOARD MEETING**

11:00 a.m. – August 23, 2007

At The Offices Of

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

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

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Intervention into Chino Basin Watermaster as an Agricultural Pool Party *(Page 65)*

II. BUSINESS ITEMS

- A. **LEGAL INSTRUMENTS**
Further Review and Discussion of Legal Instruments
- B. **HANSON AGGREGATES**
Approve Filing of Complaint Against Hanson Aggregates *(Page*
- C. **ACWA REGION 9 MEMBER AGENCY BOARD PRESIDENT**
Election for the 2008-2009 ACWA Region 9 Officers and Board Members Who Will Represent and Serve the Members of Region 9 *(Page 79)*

III. REPORTS/UPDATES

- A. **WATERMASTER GENERAL LEGAL COUNSEL REPORT**
 - 1. MZ1 Filing
 - 2. Sunding Report – Micro-Economic Study
 - 3. Supplemental Filing Regarding May 24, 2007 Court Order *(Page 81)*
- B. **CEO/STAFF REPORT**
 - 1. Legislative Update
 - 2. Recharge Update
- C. **ENGINEERING REPORT**
 - 1. State of the Basin Report Update
- D. **FINANCIAL REPORT**
 - 1. Assessment Package Update

IV. INFORMATION

- 1. Newspaper Articles *(Page 135)*

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

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Meeting Adjourn



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting – July 26, 2007



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
July 26, 2007

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on July 26, 2007 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Ken Jeske, Chair	City of Ontario
Raul Garibay	City of Pomona
Dave Crosley	City of Chino
Anthony La	City of Upland
Robert DeLoach	Cucamonga Valley Water District
Mike McGraw	Fontana Water Company
J. Arnold Rodriguez	Santa Ana River Water Company
Bill Kruger	City of Chino Hills
Charles Moorrees	San Antonio Water Company

Non-Agricultural Pool

Bob Bowcock	Vulcan Materials Company (Calmat Division)
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Agricultural Pool

Bob Feenstra	Agricultural Pool, Dairy
Edward Gonsman	State of California CIM
Nathan deBoom	Ag Pool, Dairy
Jeff Pierson	Ag Pool, Crops
Nathan Mackamul	State of California CIW

Watermaster Board Members Present

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

Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental Inc.
Joe LeClaire	Wildermuth Environmental Inc.

Others Present

Gary Meyerhofer	Carollo Engineering
Marty Zvirbulis	Cucamonga Valley Water District
Robert Boytor	Aqua Capital Management
Phil Rosentrater	Western Municipal Water District
Steven G. Lee	Ag Pool Legal Counsel
Martha Davis	Inland Empire Utilities Agency
Rich Atwater	Inland Empire Utilities Agency

Chair Jeske called the Advisory Committee meeting to order at 9:01 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 28, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2007
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2006 through May 31, 2007
4. Treasurer's Report of Financial Affairs for the Period April 1, 2007 through May 31, 2007
5. Profit & Loss Budget vs. Actual July 2006 through May 2007

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company has agreed to purchase from the City of Upland water in storage in the amount of 10,000 acre-feet to satisfy a portion of the company's anticipated Chino Basin replenishment obligation for Fiscal Year 2006/2007
2. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District has agreed to purchase 500 acre-feet of West Valley Water District's stored Chino Basin groundwater. Date of application: May 24, 2007

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

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

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

1. Micro-Economic Analysis Update
Counsel Fife stated the micro-economic analysis is proceeding on schedule.
2. MZ1 Court Submittal Update
Counsel Fife stated last month the Watermaster Board did approve submitting the pleading that was presented in the meeting packet and by way of transmittal of the MZ1 Long Term Plan to the court, at the suggestion of the board a modification to the pleading was asked to be placed in the pleading. The modification was to indicate in the pleading how much money Watermaster has spent addressing the MZ1 subsidence issue; to give the court a sense of how much money the collective group has already spent. Legal counsel and staff have been compiling that information. Once that data search is complete, counsel will be adding it to the pleading which will go to the court at the end of July.
3. Hanson Aggregates
Counsel Fife stated there has been a long running issue with regard to the Lower Day Basin where at some point in time last year there was a discharge of sediment from the Hanson Aggregate (Hanson) plant which clogged up the Lower Day Basin. There were substantial expenses associated with that discharge which included cleaning out the basin and loss of recharge. Counsel and staff went to Hanson Aggregate staff and asked them to compensate both Chino Basin Watermaster (CBWM) and Inland Empire Utilities Agency (IEUA) for those costs. Discussions with Hanson have taken place for a very long time and are not moving at all towards a resolution. CBWM and IEUA staff at the urging of the GRCC committee members, feel that this issue needs to be taken to the next level and that we are serious about recouping these costs and losses by filing a law suit. IEUA will be the lead on the suit because they wrote the checks for clean up; CBWM will be working closely with them. Counsel does feel it will end up being a joint filing with CBWM and IEUA. This item might be brought forward with more substantial information as early as next month. A lengthy discussion regarding legalities and costs ensued.

4. Peace II Instruments

Counsel Fife stated that under the non-binding Term Sheet we are committed to turn the terms of the Term Sheet into legal instruments that would implement the agreements that were reached in the Term Sheet. Last month the schedule for completion of the whole Peace II process was distributed. According to that schedule staff was to have a draft of all of the legal instruments available for distribution within the month of July; staff has been working on the legal instruments and are prepared to pass those out to the Board Members today. At that meeting, staff will be asking the Board to instruct staff to distribute the documents to all and to schedule a workshop to begin discussions on the instruments. With the goal, that in the September time frame staff would come back to the pools for approval of all of these legal instrument documents. If that could be accomplished staff would have approval of everything by the end of September, be ready to file the appropriate documents with the court in October, and that would take us to a hearing date sometime in November. The last order from the court stated that we were to schedule a hearing sometime in November 2007 for approval of the Peace II items that required Judgment amendments, in particular, basin re-operation. Counsel Fife stated because of the replenishment obligations associated with the desalters, it is imperative we get basin re-operation approved by the end of this year. A workshop will be scheduled next week to review all the legal instruments. At this workshop staff is hoping to get everyone's input, suggestions, and recommended changes so that we can work on these documents for the next several weeks and get them through the Watermaster process in the September time frame. A discussion regarding the upcoming workshop ensued.

Mr. Garibay inquired as to the status of the micro-economic analysis report from Dr. Sunding. Counsel Fife stated the requirement of the non-binding Term Sheet is that the report be available for use by the parties in deciding whether they want to approve any final agreement and that Watermaster will not approve any final agreement until the economic analysis is done. Dr. Sunding has committed to have at least a draft of the economic analysis available in August. The latest indication from Dr. Sunding is that he is still on schedule with that date for his draft.

B. ENGINEERING REPORT

1. Water Quality/Plume Updates

It was decided since this report was given in its entirety at all the Pool meetings the water quality/plume update would not be given at today's meeting. Mr. Wildermuth noted the full report will be given today at the Watermaster Board meeting.

2. Balance of Recharge and Discharge Update

It was decided since this report was given in its entirety at all the Pool meetings the balance of recharge and discharge update would not be given at today's meeting. Mr. Wildermuth noted the full report will be given today at the Watermaster Board meeting.

C. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated at the hearing on SB 1002, a desire to add "no regrets" Delta projects to the bill was expressed and asked if the author would be willing to do that and bring the bill back to the Assembly of Water, Parks, and Wildlife if necessary. Senator Perata said yes, and further, that he is continuing to work with the administration and Senators Machado, Margett, Steinberg and Cogdill on further amendments. It is a work in progress.

Mr. Manning stated ACWA is opposed to section 83002 which directs \$200 million to groundwater management and clean-up efforts. Further, ACWA opposes the allocation of \$15 million to develop a plan for re-operating the state's water supply and flood control systems that will optimize the use of existing facilities and groundwater storage capacity. The California Groundwater Coalition strongly supports the funding provided for by SB

1002, which will assist local groundwater agencies and public water suppliers to better manage and improve the quality and reliability of our state's local groundwater resources. These investments are entirely consistent with the provisions of Proposition 84, and, are essential to promote conjunctive use of groundwater storage capacity to improve overall water supply and flood system operation.

Mr. Manning stated Metropolitan Water District Legislature Budget Conference Committee had their final meeting and the conference report would be sent to the floor of the Assembly and Senate later this week. It does seem that the budget zeroed out appropriators from Proposition 84. Currently, the budget has passed its statutory deadline of July 1, 2007. SCWC has opposed SB 1002 because the bill emphasizes a statutory obligation to re-operate existing reservoirs and groundwater storage facilities with the assumption that re-operating will result in greater efficiency and certainty.

2. Recharge Update

Mr. Manning stated the Chino Basin has recharged approximately 200 acre-feet of urban runoff and 12 acre-feet of recycled water last month and the monthly report is available on the back table.

3. Desalter Expansion Update

Mr. Meyerhofer stated the Watermaster Board obtained the services of Carollo Engineers in April, 2007; his purpose is to facilitate the expansion of the Chino Desalters. The presentation today is to show the parties what has been accomplished in the last three months. Mr. Meyerhofer stated in May the Chino Desalter Alternatives Evaluation Report was completed. Since then, meetings have continued with funding agencies, specifically, regarding a \$2.8 million dollar grant and a \$5 million grant. The Desalter Report objectives are as follows; 1) To achieve hydraulic control of the Chino Groundwater Basin overflow to the Santa Ana River, 2) to increase desalter groundwater pumping from the lower Chino Groundwater Basin to 40,000 acre-feet per year, and 3) to provide at least 10 mgd of additional drinking water. The Desalter Report recommendations are for raw water which will consist of constructing a new Chino Creek Well Field (CCWF), connect new CCWF to Chino I Desalter, and to transfer wells I-13, 14, and 15 to Chino II Desalter. Another recommendation for the actual Desalters is to expand Chino II Desalter by 10.5 mgd and to add VOC treatment to Chino I Desalter (when required). The last recommendation is for product water which will consist of new pipelines and pump stations to the City of Ontario, Jurupa Community Services District, and Western Municipal Water District. Mr. Meyerhofer reviewed the recommended facilities map in detail. A timeline chart of the preliminary project schedule was reviewed from 2007 to 2012. A lengthy discussion ensued with regard to Mr. Meyerhofer's presentation.

E. INLAND EMPIRE UTILITIES AGENCY

Mr. Atwater stated July 1, 2007 marked the start of the state's fiscal year, but budget negotiations are stalled on a number of fronts, including major water issues. There are numerous policy bills dealing with the implementation of bond fund expenditures for both these initiatives, but many of these bills are rumored to be included as part of budget trailer bills. Trailer bills are not heard in policy committees and receive very little scrutiny. Mr. Atwater stated with regard to AB 224 (Wolk) Water Supply and Climate Change bill, the measure, which requires state agencies and local water agencies to consider climate water planning, passed out of Senate Natural Resources and Water Committee this week on a bipartisan vote. Senator Margett voted for the measure, which is strongly supported by Inland Empire Utilities Agency, Metropolitan Water District, and SAWPA. AB 224 also requires the SWRCB to study the energy and greenhouse gas reductions associated with maximizing recycled water in all regions of California. Mr. Atwater discussed water conservation efforts that are currently taking place due to the lack of water this past year. A brief discussion regarding water rationing ensued.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

Mr. Rosentrater stated Friday, July 27, 2007 is the deadline for comment on the California Ocean Plan Amendments to be considered by the State Water Resources Control Board. In particular Western would like to call attention to Issue 10 – Desalination Facilities and Brine Disposal, as these amendments could have impacts on operations in the Chino Basin as well as other inland areas. Western has prepared a draft comment letter and would be happy to share with everyone, expressing support for staff Recommendation on Alternative 1, while addressing concerns with staff Alternative Recommendations 2 and 3. Essentially the staff report suggests marine life may be harmed by highly concentrated brine discharges and that this potential should be monitored, studied, or perhaps regulated outright with caps on discharge.

III. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

IV. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

V. OTHER BUSINESS

No comment was made regarding this item.

VI. FUTURE MEETINGS

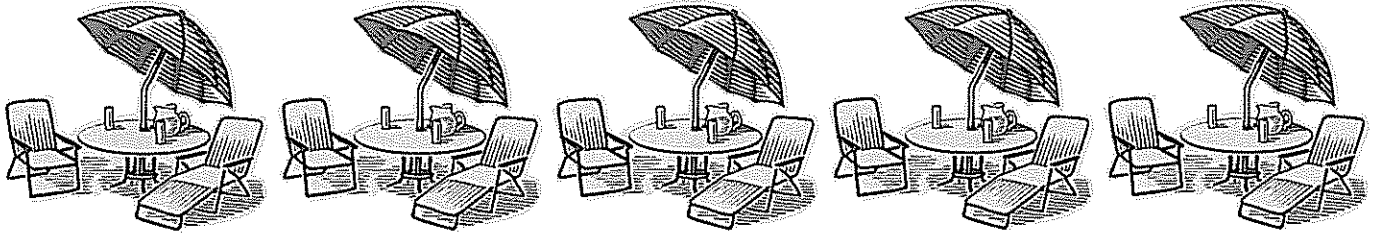
July 24, 2007	9:00 a.m.	GRCC Meeting
July 26, 2007	9:00 a.m.	Advisory Committee Meeting
July 26, 2007	11:00 a.m.	Watermaster Board Meeting
August 9, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
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August 23, 2007	9:00 a.m.	Advisory Committee Meeting
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The Advisory Committee meeting was dismissed by Chair Jeske at 9:45 a.m.

Secretary: _____

Minutes Approved: _____

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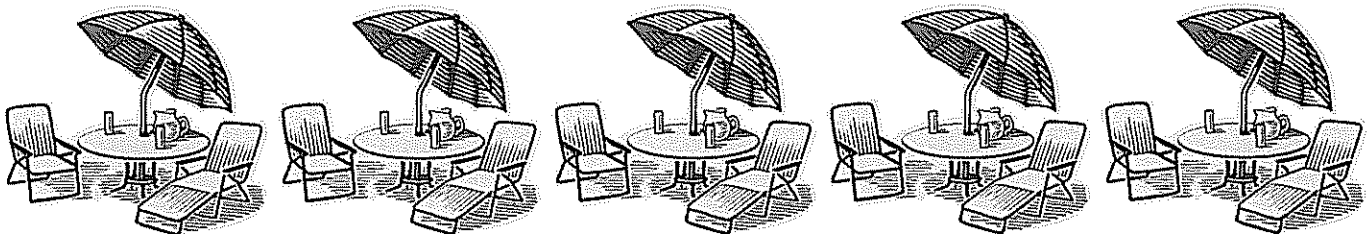


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting – July 26, 2007



Draft Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
July 26, 2007

The Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on July 26, 2007 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Ken Willis, Chair	West End Consolidated Water Company
Bob Kuhn	Three Valleys Municipal Water District
Terry Catlin	Inland Empire Utilities Agency
Sandra Rose	Monte Vista Water District
Jim Bowman	City of Ontario
Charles Field	Western Municipal Water District
Bob Bowcock	Vulcan Materials Company
Geoffrey Vanden Heuvel	Agricultural Pool, Dairy
Paul Hofer	Agricultural Pool, Crops

Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Joe LeClaire	Wildermuth Environmental Inc.
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Gary Meyerhofer	Carollo Engineering
Marty Zvirbulis	Cucamonga Valley Water District
David DeJesus	Three Valleys Municipal Water District
Robert DeLoach	Cucamonga Valley Water District
Dave Crosley	City of Chino Basin Watermaster
Robert Boytor	Aqua Capital Management
Jeff Pierson	Ag Pool
Henry Pepper	City of Pomona
Al Lopez	Western Municipal Water District
Raul Garibay	City of Pomona
Ken Jeske	City of Ontario

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

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

No comment was made regarding this item.

I. CONSENT CALENDAR**A. MINUTES**

1. Minutes of the Watermaster Board Meeting held June 28, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2007
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2. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District has agreed to purchase 500 acre-feet of West Valley Water District's stored Chino Basin groundwater. Date of application: May 24, 2007

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

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

II. BUSINESS ITEMS**A. Peace II Instruments – Board Only**

Mr. Manning stated in the Peace II Non-Binding Term Sheet schedule, staff has been discussing with the Watermaster Board members deliverable dates. One of those dates was for the draft Legal Instrument documents which needed to be developed for purposes of discussion before counsel goes to the court in November. Those documents are being handed out today and staff is asking for action from the Board to allow Watermaster staff to schedule a workshop. Mr. Manning stated each Board member has nine documents in a separate folder in their meeting folder that Counsel Fife will be reviewing at this time. Mr. Manning stated staff has received direction, staff will send the documents out to all the parties for their review prior to the Workshop. Counsel Fife stated in May, 2006 the Watermaster Board approved the stakeholder Non-Binding Term Sheet. That Term Sheet was a collection of substantive terms of agreement between the parties about how to resolve the various Peace II issues. Being a term sheet it was just a summary of substantive terms. One of the elements of the term sheet was a commitment that all of those terms would be translated into legal instruments that would implement the terms. Once the elements are completed there will need to be a discussion about the legal instruments and we are anticipating them being completed in August. Once those documents are reviewed and discussed, staff will be bringing the documents back through the Watermaster process in September, 2007. If approval takes place in September, we can submit them to the court in October with a thirty day notice period which would put us to a hearing for all of the documents in November for approval. The last court order which was sent by the court to Watermaster ordered Watermaster to schedule a hearing in November, 2007 on the Peace II Instruments; this will keep us in accordance with that order. Counsel Fife stated counsel and staff is asking from the Board members today is not approval of these documents, we are only asking for direction to staff to distribute these documents to the parties so they may begin looking at them and then schedule a workshop, with follow up workshops necessary. In order that the parties may continue to discuss substantive terms and refine the substance to whatever degree it needs to be refined, and bring this entire Peace II process to a close. Chair Willis inquired about the time and date of the possible workshop. Counsel Fife stated that in anticipation of Board approval, staff has secured a room at the Rancho Cucamonga Community Center from 1:00 p.m. to 5:00 p.m. on Wednesday, August 1, 2007. Counsel Fife briefly reviewed the nine documents. A lengthy discussion ensued with scheduling a workshop and

distributing the presented documents. It was decided the nine documents can be distributed to the parties and a workshop can be scheduled for August 1, 2007.

Motion by Bowman, second by Kuhn, and by unanimous vote

Moved to approve to direct staff to distribute the for stakeholder review, comment, and discussion and to schedule a workshop next week to discuss the Peace II Legal Instruments Documents, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Micro-Economic Analysis Update

Counsel Fife stated the micro-economic analysis is proceeding on schedule. Counsel Fife stated the requirement of the non-binding Term Sheet is that the report be available for use by the parties in deciding whether they want to approve any final agreement and that Watermaster will not approve any final agreement until the economic analysis is done. Dr. Sunding has committed to have at least a draft of the economic analysis available in August. The latest indication from Dr. Sunding is that he is still on schedule with that date for his draft.

2. MZ1 Court Submittal Update

Counsel Fife stated last month the Watermaster Board did approve submitting the pleading that was presented in the meeting packet and by way of transmittal of the MZ1 Long Term Plan to the court, at the suggestion of the board a modification to the pleading was asked to be placed in the pleading. The modification was to indicate in the pleading how much money Watermaster has spent addressing the MZ1 subsidence issue; to give the court a sense of how much money the collective group has already spent. Legal counsel and staff have been compiling that information. Once that data search is complete, counsel will be adding it to the pleading which will go to the court at the end of July.

3. Hanson Aggregates

Counsel Fife stated there has been a long running issue with regard to the Lower Day Basin where at some point in time last year there was a discharge of sediment from the Hanson Aggregate (Hanson) plant which clogged up the Lower Day Basin. There were substantial expenses associated with that discharge which included cleaning out the basin and loss of recharge. Counsel and staff went to Hanson Aggregate staff and asked them to compensate both Chino Basin Watermaster (CBWM) and Inland Empire Utilities Agency (IEUA) for those costs. Discussions with Hanson have taken place for a very long time and are not moving at all towards a resolution. CBWM and IEUA staff, and at the urging of the GRCC committee members feel that this issue needs to be taken to the next level and that we are serious about recouping these costs and losses by filing a law suit. IEUA will be the lead on the suit because they wrote the checks for clean up; CBWM will be working closely with them. Counsel does feel it will end up being a joint filing with CBWM and IEUA. This item might be presented with more substantial information as early as next month. A lengthy discussion regarding its legalities and costs ensued.

B. ENGINEERING REPORT

1. Water Quality/Plume Updates

Mr. LeClaire stated he would be giving an update on the activities of the Ontario International Airport and the Chino Airport VOC plumes. Mr. LeClaire stated with regard to the Ontario Airport plume in May, 2007, the companies submitted the well installation and sampling work plan and Watermaster prepared comments to be submitted to the Regional Board which should be sent to them this week. In June, Geo Trans initiated work towards securing property access to install the four proposed monitoring wells and began developing plans and technical specifications for drilling and well construction. Access and permit packages will be submitted in July, 2007. Mr. LeClaire reviewed a detailed map of both VOC plumes. Mr. LeClaire stated with regard to the Chino plume, Tetra Tech initiated an

offsite plume characterization in early 2007. Watermaster needs to move forward with sighting and drilling of test wells for future desalter wells to achieve hydraulic control. Watermaster and the County are working on a cost-sharing agreement for a well field and treatment facilities to cleanup VOC contamination and also achieve hydraulic control. Mr. LeClaire stated staff is recommending an increase in sampling or adding a subsequent well in the Deer Creek area. Mr. Manning stated locating century wells would be the next logical step for us to better job of understanding when the CDA wells would be receiving VOC's. A lengthy discussion ensued with regard to this matter.

2. Balance of Recharge and Discharge Report

Mr. Manning stated the Peace Agreement calls for a report on the Balance of Recharge and Discharge to be available in July every other year. Mr. Wildermuth is here today and is one of the people working on the report to give an update on the status of that report. Mr. Wildermuth stated the report is not ready because the model is going to be calibrated in August and at that point in time Wildermuth staff will be performing the model runs to evaluate the balance of recharge and discharge. Mr. Vanden Heuvel inquired into the statement made by Mr. Wildermuth regarding putting too much water in one particular area for subsidence. Mr. Vanden Heuvel stated he thinks it is important to note that the reason Monte Vista Water District wanted the supplemental 6,500 acre-feet of water put in every year in 2000 was not because of subsidence; we are now focused on subsidence but six years ago they were looking at nitrate and blending issues. Mr. Wildermuth commented on Mr. Vanden Heuvel's comments and referred to a map to show the members exactly where he was talking about. Mr. Vanden Heuvel inquired about the Re-Operation Plan for the next twenty five years regarding draw down levels in the northern part of the MZ1 area. A discussion ensued with regard to water levels. Mr. Wildermuth stated the report on the Balance of Recharge and Discharge should be out in the September/October time frame. Part of this report is a recommendation on the Supplemental Recharge Water Plan; this is new information that will be distributed in the State of the Basin Report which should be coming out soon. Mr. Wildermuth reviewed a change in storage map in detail from 2003 to 2006. A discussion ensued with regard to Mr. Wildermuth's report.

C. **CEO/STAFF REPORT**

1. Legislative Update

Mr. Manning stated at the hearing on SB 1002, a desire to add "no regrets" Delta projects to the bill was expressed and asked if the author would be willing to do that and bring the bill back to the Assembly of Water, Parks, and Wildlife if necessary. Senator Perata said yes, and further, that he is continuing to work with the administration and Senators Machado, Margett, Steinberg and Cogdill on further amendments. It is a work in progress.

Mr. Manning stated ACWA is opposed to section 83002 which directs \$200 million to groundwater management and clean-up efforts. Further, ACWA opposes the allocation of \$15 million to develop a plan for re-operating the state's water supply and flood control systems that will optimize the use of existing facilities and groundwater storage capacity. The California Groundwater Coalition strongly supports the funding provided for by SB 1002, which will assist local groundwater agencies and public water suppliers to better manage and improve the quality and reliability of our state's local groundwater resources. These investments are entirely consistent with the provisions of Proposition 84, and, are essential to promote conjunctive use of groundwater storage capacity to improve overall water supply and flood system operation.

Mr. Manning stated Metropolitan Water District Legislature Budget Conference Committee had their final meeting and the conference report would be sent to the floor of the Assembly and Senate later this week. It does seem that the budget zeroed out appropriators from Proposition 84. Currently, the budget has passed its statutory deadline of July 1, 2007. SCWC has opposed SB 1002 because the bill emphasizes a statutory obligation to

re-operate existing reservoirs and groundwater storage facilities with the assumption that re-operating will result in greater efficiency and certainty.

2. Recharge Update

Mr. Manning stated the Chino Basin has recharged approximately 200 acre-feet of urban runoff and 12 acre-feet of recycled water last month and the monthly report is available on the back table.

3. Desalter Expansion Update

Mr. Meyerhofer stated the Watermaster Board obtained the services of Carollo Engineers in April, 2007; the purpose of that hire was to facilitate the expansion of the Chino Desalters. The presentation today is to show the parties what has been accomplished in the last three months. Mr. Meyerhofer stated in May the Chino Desalter Alternatives Evaluation Report was completed. Since then meetings have continued with funding agencies, specifically, the Department of Water Resources where Inland Empire Utilities Agency (IEUA) has a \$2.8 million dollar grant. The Stated Water Resources Control Board where Western Municipal Water District has a \$5 million grant. The Desalter Report objectives are as follows; 1) To achieve hydraulic control of the Chino Groundwater Basin overflow to the Santa Ana River, 2) to increase desalter groundwater pumping from the lower Chino Groundwater Basin to 40,000 acre-feet per year, and 3) to provide at least 10 mgd of additional drinking water. The Desalter Report recommendations are for raw water which will consist of constructing a new Chino Creek Well Field (CCWF), connect new CCWF to Chino I Desalter, and to transfer wells I-13, 14, and 15 to Chino II Desalter. Another recommendation for the actual Desalters is to expand Chino II Desalter by 10.5 mgd and to add VOC treatment to Chino I Desalter (when required). The last recommendation is for product water which will consist of new pipelines and pump stations to the City of Ontario, Jurupa Community Services District, and Western Municipal Water District. Mr. Meyerhofer reviewed the recommended facilities map in detail. A timeline chart of the preliminary project schedule was reviewed from 2007 to 2012. Mr. Manning stated this is a really good use of Watermaster's time and effort and we are also coordinating the administrative side. Mr. Manning stated with this large of a group there a number of agreements, contracts that have to be negotiated, and constructed, we are also coordinating those. A meeting was held yesterday with this group and we will be meeting every two weeks. At the meeting yesterday we were made aware that all the parties have signed their cooperative agreement and are moving together; things are moving forward on this project. Mr. Vanden Heuvel stated this was an outstanding report; very encouraging and easily understandable. A brief discussion ensued with regard to Mr. Meyerhofer's presentation.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. BOARD MEMBER COMMENTS

Ms. Rose thanked Mr. Manning for the detailed Board letter that was sent out earlier this week and noted how helpful and insightful it was. Mr. Manning stated this will be a monthly letter sent to the Board members starting this month.

Mr. Vanden Heuvel stated when we negotiated the Peace Agreement and the Peace II deal was basically blessed and then we had some items to be completed, one being the Scalmanini Report and the other was the economic analysis. There was also a third timing item which was a six month delay before Western Municipal Water District was going to move ahead and give opportunity to others who might be interested in participating in the Desalter expansion. Mr. Vanden Heuvel noted that in looking over the nine documents presented by counsel today, he did not see reference to the six month deadline for opting in to participate in the Desalter Expansion. Mr. Vanden Heuvel asked for an explanation, for the record, regarding the six month deadline. Counsel Fife stated in terms of the six month date, in reviewing the nine documents presented to you today we were going to be

putting in a recital into the resolution that the six month term has run its course. Counsel Fife stated the date of expiration will be put into the final document. A discussion regarding the six month term ensued.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

July 24, 2007	9:00 a.m.	GRCC Meeting
July 26, 2007	9:00 a.m.	Advisory Committee Meeting
July 26, 2007	11:00 a.m.	Watermaster Board Meeting
August 9, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
August 21, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 23, 2007	9:00 a.m.	Advisory Committee Meeting
August 23, 2007	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee meeting was dismissed by Chair Willis at 12:15 p.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2007
2. Watermaster Visa Check Detail
3. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2006 through July 30, 2007
4. Treasurer's Report of Financial Affairs for the Period June 1, 2007 through June 30, 2007
5. Profit & Loss Budget vs. Actual July 2006 through June 2007





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: August 9, 2007
August 21, 2007
August 23, 2007

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – July 2007

SUMMARY

Issue – Record of cash disbursements for the month of July 2007.

Recommendation – Staff recommends the Cash Disbursements for July 2007 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2006-07 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 2007 were \$3,555,055.18. The most significant expenditures during the month were Inland Empire Utilities Agency in the amount of \$3,039,321.91, Wildermuth Environmental Inc. in the amount of \$241,844.32, and Hatch and Parent in the amount of \$83,058.98.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
July 2007

Type	Date	Num	Name	Amount
Jul 07				
General Journal	7/1/2007	07/07/04	PAYROLL	-6,857.86
General Journal	7/1/2007	07/07/04	PAYROLL	-22,145.08
Bill Pmt -Check	7/10/2007	11509	ACWA SERVICES CORPORATION	-236.63
Bill Pmt -Check	7/10/2007	11510	AGWA	-1,000.00
Bill Pmt -Check	7/10/2007	11511	APPLIED COMPUTER TECHNOLOGIES	-3,066.10
Bill Pmt -Check	7/10/2007	11512	BOWCOCK, ROBERT	-250.00
Bill Pmt -Check	7/10/2007	11513	BOWMAN, JIM	-250.00
Bill Pmt -Check	7/10/2007	11514	COMPUTER NETWORK	-275.00
Bill Pmt -Check	7/10/2007	11515	DE BOOM, NATHAN	-375.00
Bill Pmt -Check	7/10/2007	11516	DURRINGTON, GLEN	-250.00
Bill Pmt -Check	7/10/2007	11517	FEENSTRA, BOB	-750.00
Bill Pmt -Check	7/10/2007	11518	Hettinga, Peter	-250.00
Bill Pmt -Check	7/10/2007	11519	HSBC BUSINESS SOLUTIONS	-271.51
Bill Pmt -Check	7/10/2007	11520	HUITSING, JOHN	-250.00
Bill Pmt -Check	7/10/2007	11521	KOOPMAN, GENE	-250.00
Bill Pmt -Check	7/10/2007	11522	KUHN, BOB	-250.00
Bill Pmt -Check	7/10/2007	11523	LA, ANTHONY	-125.00
Bill Pmt -Check	7/10/2007	11524	MEDIA JIM	-975.00
Bill Pmt -Check	7/10/2007	11525	MONTE VISTA WATER DIST	-250.00
Bill Pmt -Check	7/10/2007	11526	NORDBAK'S PROMOTIONAL PRODUCTS	-342.69
Bill Pmt -Check	7/10/2007	11527	OFFICE DEPOT	-795.16
Bill Pmt -Check	7/10/2007	11528	PARK PLACE COMPUTER SOLUTIONS, INC.	-4,275.00
Bill Pmt -Check	7/10/2007	11529	PAYCHEX	-191.02
Bill Pmt -Check	7/10/2007	11530	PIERSON, JEFFREY	-500.00
Bill Pmt -Check	7/10/2007	11531	REID & HELLYER	-5,980.91
Bill Pmt -Check	7/10/2007	11532	SAFEGUARD DENTAL & VISION	-13.32
Bill Pmt -Check	7/10/2007	11533	SOFTCHOICE	-11,644.06
Bill Pmt -Check	7/10/2007	11534	SOURCE 1 PRINTING, PACKAGING & MEDIA	-7,226.60
Bill Pmt -Check	7/10/2007	11535	STATE COMPENSATION INSURANCE FUND	-718.88
Bill Pmt -Check	7/10/2007	11536	U S POSTMASTER	-20.00
Bill Pmt -Check	7/10/2007	11537	UNION 76	-196.11
Bill Pmt -Check	7/10/2007	11538	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	7/10/2007	11539	VELASQUEZ JANITORIAL	-1,200.00
Bill Pmt -Check	7/10/2007	11540	VERIZON	-395.89
Bill Pmt -Check	7/10/2007	11541	YUKON DISPOSAL SERVICE	-134.72
Bill Pmt -Check	7/12/2007	11542	ARGENT COMMUNICATIONS GROUP	-545.00
Bill Pmt -Check	7/12/2007	11543	LIATTI & ASSOCIATES	-4,000.00
Bill Pmt -Check	7/12/2007	11544	SAN MARINO ENVIRONMENTAL ASSOCIATES	-12,436.41
Bill Pmt -Check	7/12/2007	11545	TELECOM SERVICES	-308.75
Bill Pmt -Check	7/12/2007	11546	THE FURMAN GROUP, INC.	-2,540.00
Bill Pmt -Check	7/12/2007	11547	UNITED PARCEL SERVICE	-763.23
Bill Pmt -Check	7/12/2007	11548	VERIZON WIRELESS	-405.62
Bill Pmt -Check	7/12/2007	11549	W.C. DISCOUNT MOBILE AUTO DETAILING	-72.00
General Journal	7/14/2007	07/07/6	PAYROLL	-7,367.93
General Journal	7/14/2007	07/07/6	PAYROLL	-23,591.39
Bill Pmt -Check	7/16/2007	11550	CREATIVE BENEFITS, INC.	-12,700.00
Bill Pmt -Check	7/18/2007	11551	BANK OF AMERICA	-1,937.31
Bill Pmt -Check	7/18/2007	11552	BERKELEY ECONOMIC CONSULTING, INC.	-7,102.30
Bill Pmt -Check	7/18/2007	11553	CALPERS	-3,058.44
Bill Pmt -Check	7/18/2007	11554	CAROLLO ENGINEERS	-7,533.00
Bill Pmt -Check	7/18/2007	11555	COMPUTER NETWORK	-4,600.93
Bill Pmt -Check	7/18/2007	11556	DE BOOM, NATHAN	-125.00
Bill Pmt -Check	7/18/2007	11557	DURRINGTON, GLEN	-125.00
Bill Pmt -Check	7/18/2007	11558	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	7/18/2007	11559	HATCH AND PARENT	-81,058.98
Bill Pmt -Check	7/18/2007	11560	Hettinga, Peter	-125.00
Bill Pmt -Check	7/18/2007	11561	HUITSING, JOHN	-125.00
Bill Pmt -Check	7/18/2007	11562	MCI	-822.18
Bill Pmt -Check	7/18/2007	11563	PIERSON, JEFFREY	-125.00
Bill Pmt -Check	7/18/2007	11564	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	7/18/2007	11565	PUMP CHECK	-1,635.00
Bill Pmt -Check	7/18/2007	11566	RICOH BUSINESS SYSTEMS-Lease	-4,480.25
Bill Pmt -Check	7/18/2007	11567	RICOH BUSINESS SYSTEMS-Maintenance	-1,046.00
Bill Pmt -Check	7/18/2007	11568	STAULA, MARY L	-136.61
Bill Pmt -Check	7/18/2007	11569	TELECOM SERVICES	-1,428.00
Bill Pmt -Check	7/18/2007	11570	VANDEN HEUVEL, ROB	-125.00
Bill Pmt -Check	7/18/2007	11571	WESTERN DENTAL SERVICES, INC.	-23.25
Bill Pmt -Check	7/18/2007	11572	WILDERMUTH ENVIRONMENTAL INC	-241,844.32

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
July 2007

Type	Date	Num	Name	Amount
Bill Pmt -Check	7/18/2007	11573	INLAND EMPIRE UTILITIES AGENCY	-2,230,948.91
Bill Pmt -Check	7/24/2007	11574	CITY OF RANCHO CUCAMONGA	-500.00
Bill Pmt -Check	7/26/2007	11575	INLAND EMPIRE UTILITIES AGENCY	-808,373.00
Bill Pmt -Check	7/26/2007	11576	EL TORITO	-222.90
Bill Pmt -Check	7/27/2007	11577	AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA	-47.00
Bill Pmt -Check	7/27/2007	11578	BLACK & VEATCH CORPORATION	-3,165.00
Bill Pmt -Check	7/27/2007	11579	CITY OF RANCHO CUCAMONGA	-90.00
Bill Pmt -Check	7/27/2007	11580	CREATIVE BENEFITS, INC.	-1,857.60
Bill Pmt -Check	7/27/2007	11581	CUCAMONGA VALLEY WATER DISTRICT	-5,340.00
Bill Pmt -Check	7/27/2007	11582	ELLISON, SCHNEIDER & HARRIS, LLP	-4,572.09
Bill Pmt -Check	7/27/2007	11583	ETIWANDA GARDENS	-1,000.00
Bill Pmt -Check	7/27/2007	11584	LOS ANGELES TIMES	-42.40
Bill Pmt -Check	7/27/2007	11585	MATHIS & ASSOCIATES	-375.00
Bill Pmt -Check	7/27/2007	11586	OFFICE DEPOT	-443.81
Bill Pmt -Check	7/27/2007	11587	OFFICE FURNITURE.COM	-2,189.60
Bill Pmt -Check	7/27/2007	11588	PITNEY BOWES CREDIT CORPORATION	-468.72
Bill Pmt -Check	7/27/2007	11589	R&D PEST SERVICES	-85.00
Bill Pmt -Check	7/27/2007	11590	RICOH BUSINESS SYSTEMS-Maintenance	-26.31
Bill Pmt -Check	7/27/2007	11591	SIERRA LAKES GOLF CLUB	-200.00
Bill Pmt -Check	7/27/2007	11592	STANDARD INSURANCE CO.	-591.13
Bill Pmt -Check	7/27/2007	11593	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	7/27/2007	11594	VISION SERVICE PLAN	-36.11
Bill Pmt -Check	7/27/2007	11595	W.C. DISCOUNT MOBILE AUTO DETAILING	-72.00
				-3,555,055.18

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CHINO BASIN WATERMASTER
Check Detail
July 2007

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	11551	7/18/2007	BANK OF AMERICA	1012 · Bank of America Gen'l Ckg	
Bill		6/30/2007		6909.1 · OBMP Meetings	-307.29
				6191 · Conferences	-1,373.27
				6212 · Meeting Expense	-101.79
				6312 · Meeting Expenses	-101.79
				6031.7 · Other Office Supplies	-53.17
TOTAL					-1,937.31

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2006 THROUGH JUNE 30, 2007

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2006-2007
Administrative Revenues										
Administrative Assessments			7,800,290		123,212				7,923,502	\$7,308,205
Interest Revenue			232,105	15,893	8,225			88	256,311	136,500
Mutual Agency Project Revenue		142,149							142,149	138,000
Grant Income		-							-	0
Miscellaneous Income									-	0
Total Revenues	-	142,149	8,032,395	15,893	131,437	-	-	88	8,321,962	7,582,705
Administrative & Project Expenditures										
Watermaster Administration	775,821								775,821	601,598
Watermaster Board-Advisory Committee	51,554								51,554	52,123
Pool Administration			21,947	90,413	6,053				118,413	118,245
Optimum Basin Mgmt Administration		2,373,383							2,373,383	1,855,795
OBMP Project Costs		5,234,522							5,234,522	5,089,269
Education Funds Use								375	375	375
Mutual Agency Project Costs	10,000								10,000	5,000
Total Administrative/OBMP Expenses	837,375	7,607,905	21,947	90,413	6,053			375	8,564,068	7,722,405
Net Administrative/OBMP Income	(837,375)	(7,465,756)								
Allocate Net Admin Income To Pools	837,375		645,608	176,053	15,714				-	0
Allocate Net OBMP Income To Pools		7,465,756	5,756,023	1,569,631	140,102				-	0
Agricultural Expense Transfer			1,825,248	(1,825,248)					-	0
Total Expenses			8,248,825	10,850	161,869	-	-	375	8,564,068	7,722,405
Net Administrative Income			(216,430)	5,043	(30,432)			(287)	(242,106)	(139,700)
Other Income/(Expense)										
Replenishment Water Purchases						2,690,983			2,690,983	0
MZ1 Supplemental Water Assessments									-	0
Water Purchases									-	0
MZ1 Imported Water Purchase									-	0
Groundwater Replenishment						(3,536,201)			(3,536,201)	0
Net Other Income			-	-	-	(845,218)	-	-	(845,218)	0
Net Transfers To/(From) Reserves			(216,430)	5,043	(30,432)	(845,218)	-	(287)	(1,087,324)	(139,700)
Working Capital, July 1, 2006			4,439,157	470,561	186,984	1,139,615	158,251	1,942	6,396,510	
Working Capital, End Of Period			4,222,727	475,604	156,552	294,397	158,251	1,655	5,309,186	
05/06 Assessable Production			124,315,140	33,899,960	3,025,832				161,240,932	
05/06 Production Percentages			77.099%	21.024%	1.877%				100.000%	

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JUNE 1 THROUGH JUNE 30, 2007**

DEPOSITORIES:

Cash on Hand - Petty Cash		\$	500
Bank of America			
Governmental Checking-Demand Deposits	\$	509,011	
Zero Balance Account - Payroll		-	509,011
Local Agency Investment Fund - Sacramento			4,325,449
TOTAL CASH IN BANKS AND ON HAND	6/30/2007		\$ 4,834,960
TOTAL CASH IN BANKS AND ON HAND	5/31/2007		5,378,841
PERIOD INCREASE (DECREASE)			<u>\$ (543,881)</u>

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable		\$	(217,041)
Assessments Receivable			37,929
Prepaid Expenses, Deposits & Other Current Assets			(2,026,022)
(Decrease)/Increase in Liabilities: Accounts Payable			1,796,231
Accrued Payroll, Payroll Taxes & Other Current Liabilities			36,091
Transfer to/(from) Reserves			(171,069)
PERIOD INCREASE (DECREASE)			<u>\$ (543,881)</u>

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 5/31/2007	\$ 500	\$ 252,892	\$ -	\$ 5,125,449	\$ 5,378,841
Deposits	-	414,078	-	-	414,078
Transfers	-	741,994	58,006	(800,000)	-
Withdrawals/Checks	-	(899,953)	(58,006)	-	(957,959)
Balances as of 6/30/2007	\$ 500	\$ 509,011	\$ -	\$ 4,325,449	\$ 4,834,960
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 256,119	\$ -	\$ (800,000)	\$ (543,881)

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JUNE 1 THROUGH JUNE 30, 2007**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
6/19/2007	Withdrawal	L.A.I.F.	\$ 800,000				
TOTAL INVESTMENT TRANSACTIONS			\$ 800,000	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 5.23% was the effective yield rate at the Quarter ended June 30, 2007

**INVESTMENT STATUS
June 30, 2007**

<u>Financial Institution</u>	<u>Principal Amount</u>	<u>Number of Days</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Local Agency Investment Fund	\$ 4,325,449			
TOTAL INVESTMENTS	\$ 4,325,449			

Funds on hand are sufficient to meet all foreseen and planned Administrative and project expenditures during the next six months.

All investment transactions have been executed in accordance with the criteria stated in Chino Basin Watermaster's Investment Policy.

Respectfully submitted,



Sheri M. Rojo, CPA
Chief Financial Officer & Assistant General Manager
Chino Basin Watermaster

CHINO BASIN WATERMASTER
Profit & Loss Budget vs. Actual
July 2006 through June 2007

	<u>Jul '06 - Jun 07</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	142,150	138,000	4,150	103.01%
4110 · Admin Asmnts-Approp Pool	7,800,290	7,227,619	572,671	107.92%
4120 · Admin Asmnts-Non-Agri Pool	123,212	80,586	42,626	152.9%
4700 · Non Operating Revenues	256,310	136,500	119,810	187.77%
Total Income	<u>8,321,962</u>	<u>7,582,705</u>	<u>739,257</u>	<u>109.75%</u>
Gross Profit	8,321,962	7,582,705	739,257	109.75%
Expense				
6010 · Salary Costs	584,436	447,037	137,399	130.74%
6020 · Office Building Expense	102,192	102,000	192	100.19%
6030 · Office Supplies & Equip.	38,737	45,000	-6,263	86.08%
6040 · Postage & Printing Costs	96,898	78,500	18,398	123.44%
6050 · Information Services	129,556	112,500	17,056	115.16%
6060 · Contract Services	126,521	131,000	-4,479	96.58%
6080 · Insurance	15,338	25,210	-9,872	60.84%
6110 · Dues and Subscriptions	21,362	16,750	4,612	127.53%
6140 · WM Admin Expenses	2,945	6,500	-3,555	45.32%
6150 · Field Supplies	1,215	4,000	-2,785	30.37%
6170 · Travel & Transportation	24,312	19,350	4,962	125.65%
6190 · Conferences & Seminars	26,448	22,500	3,948	117.55%
6200 · Advisory Comm - WM Board	15,451	15,168	283	101.87%
6300 · Watermaster Board Expenses	36,103	36,955	-852	97.7%
8300 · Appr PI-WM & Pool Admin	21,947	15,918	6,029	137.88%
8400 · Agri Pool-WM & Pool Admin	21,170	18,633	2,537	113.62%
8467 · Ag Legal & Technical Services	58,393	65,000	-6,607	89.84%
8470 · Ag Meeting Attend -Special	10,850	12,000	-1,150	90.42%
8500 · Non-Ag PI-WM & Pool Admin	6,053	6,694	-641	90.43%
6500 · Education Funds Use Expens	375	375	0	100.0%
9400 · Depreciation Expense	29,118	0	29,118	100.0%
9500 · Allocated G&A Expenditures	<u>-423,257</u>	<u>-408,749</u>	<u>-14,508</u>	<u>103.55%</u>
Subtotal G&A Expenditures	946,164	772,341	173,823	122.51%
6900 · Optimum Basin Mgmt Plan	2,212,979	1,713,780	499,199	129.13%
6950 · Mutual Agency Projects	10,000	5,000	5,000	200.0%
9501 · G&A Expenses Allocated-OBMP	<u>160,405</u>	<u>142,015</u>	<u>18,390</u>	<u>112.95%</u>
Subtotal OBMP Expenditures	2,383,383	1,860,795	522,588	128.08%
7101 · Production Monitoring	88,082	61,565	26,517	143.07%
7102 · In-line Meter Installation	30,561	64,904	-34,343	47.09%
7103 · Grdwtr Quality Monitoring	173,674	149,713	23,961	116.01%
7104 · Gdwtr Level Monitoring	218,912	191,953	26,959	114.04%
7105 · Sur Wtr Qual Monitoring	44,515	32,247	12,268	138.04%
7107 · Ground Level Monitoring	136,769	160,984	-24,215	84.96%
7108 · Hydraulic Control Monitoring	350,397	268,258	82,139	130.62%
7109 · Recharge & Well Monitoring Prog	169,645	146,350	23,295	115.92%
7200 · PE2- Comp Recharge Pgm	1,486,755	1,472,997	13,758	100.93%
7300 · PE3&5-Water Supply/Desalte	11,513	4,676	6,837	246.22%

CHINO BASIN WATERMASTER
Profit & Loss Budget vs. Actual
July 2006 through June 2007

	<u>Jul '06 - Jun 07</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7400 · PE4- Mgmt Plan	583,651	578,762	4,889	100.85%
7500 · PE6&7-CoopEfforts/SaltMgmt	298,846	310,507	-11,661	96.24%
7600 · PE8&9-StorageMgmt/Conj Use	19,936	6,698	13,238	297.64%
7690 · Recharge Improvement Debt Pymt	1,358,415	1,358,000	415	100.03%
7700 · Inactive Well Protection Prgm	0	14,921	-14,921	0.0%
9502 · G&A Expenses Allocated-Projects	262,852	266,734	-3,882	98.55%
Subtotal Implementation Project Expenses	<u>5,234,521</u>	<u>5,089,269</u>	<u>145,252</u>	<u>102.85%</u>
Total Expense	<u>8,564,068</u>	<u>7,722,405</u>	<u>841,663</u>	<u>110.9%</u>
Net Ordinary Income	-242,106	-139,700	-102,406	173.3%
Other Income/Expense				
Other Income				
4210 · Approp Pool-Replenishment	2,683,974	0	2,683,974	100.0%
4220 · Non-Ag Pool-Replenishment	7,009	0	7,009	100.0%
Total Other Income	<u>2,690,983</u>	<u>0</u>	<u>2,690,983</u>	<u>100.0%</u>
Other Expense				
5010 · Groundwater Replenishment	3,536,201	0	3,536,201	100.0%
9999 · To/(From) Reserves	-1,087,324	-139,700	-947,624	778.33%
Total Other Expense	<u>2,448,877</u>	<u>-139,700</u>	<u>2,588,577</u>	<u>-1,752.95%</u>
Net Other Income	<u>242,106</u>	<u>139,700</u>	<u>102,406</u>	<u>173.3%</u>
Net Income	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The lease of 3,500 acre feet, to be taken first from the FY 2006/2007 allocation from the City of Pomona's net underproduction, if any, with any remainder from Pomona's local storage account in the Chino Basin, to be transferred to the Cucamonga Valley Water District storage account.

2. **Consider Approval for Notice of Sale or Transfer** – The City of Pomona has agreed to purchase from the City of Upland a portion of Upland's water in storage in the amount of 893 acre feet for fiscal year 2006/2007.

3. **Consider Approval for Notice of Sale or Transfer** – The Santa Ana River Water Company leased and assigned Jurupa Community Services District the quantity of 2,000 acre-feet of corresponding annual production right for fiscal year 2006/2007



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 20, 2007

This notice is to advise interested persons that the attached application(s) will come before the Watermaster Board on or after 30 days from the date of this notice.

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **June 7, 2007**

Date of this notice: **June 20, 2007**

Please take notice that the following Application has been received by Watermaster:

- A. Notice of Sale or Transfer – The lease of 3,500 acre feet, to be taken first from the FY 2006/2007 allocation from the City of Pomona’s net underproduction, if any, with any remainder from Pomona’s local storage account in the Chino Basin, to be transferred to the Cucamonga Valley Water District storage account.

This *Application* will first be considered by each of the respective pool committees on the following dates:

Appropriative Pool:	July 12, 2007
Non-Agricultural Pool:	July 12 2007
Agricultural Pool:	July 17, 2007

This *Application* will be scheduled for consideration by the Advisory Committee *no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days* after the last pool committee reviews it.

After consideration by the Advisory Committee, the *Application* will be considered by the Board.

Unless the *Application* is amended, parties to the Judgment may file *Contests* to the *Application* with Watermaster *within seven calendar days* of when the last pool committee considers it. Any *Contest* must be in writing and state the basis of the *Contest*.

Watermaster address:

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

Tel: (909) 484-3888
Fax: (909) 484-3890

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: June 20, 2007

A party to the Judgment has submitted a proposed transfer of water for Watermaster approval. Unless contrary evidence is presented to Watermaster that overcomes the rebuttable presumption provided in Section 5.3(b)(iii) of the Peace Agreement, Watermaster must find that there is "no material physical injury" and approve the transfer. Watermaster staff is not aware of any evidence to suggest that this transfer would cause material physical injury and hereby provides this notice to advise interested persons that this transfer will come before the Watermaster Board on or after 30 days from the date of this notice. The attached staff report will be included in the meeting package at the time the transfer begins the Watermaster process (comes before Watermaster).

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CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: June 20, 2007
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary -

There does not appear to be a potential material physical injury to a party or to the basin from the proposed transaction as presented.

Issue -

- Notice of Sale or Transfer – The lease of 3,500 acre feet, to be taken first from the FY 2006/2007 allocation from the City of Pomona's net underproduction, if any, with any remainder from Pomona's local storage account in the Chino Basin, to be transferred to the Cucamonga Valley Water District storage account.

Recommendation –

1. Continue monitoring as planned in the Optimum Basin Management Program.
2. Use all new or revised information when analyzing the hydrologic balance and report to Watermaster if a potential for material physical injury is discovered, and
3. Approve the transaction as presented.

Fiscal Impact –

- None
- Reduces assessments under the 85/15 rule
- Reduce desalter replenishment costs

Background

The Court approved the Peace Agreement, the Implementation Plan and the goals and objectives identified in the OBMP Phase I Report on July 13, 2000, and ordered Watermaster to proceed in a manner consistent with the Peace Agreement. Under the Peace Agreement, Watermaster approval is required for applications to store, recapture, recharge or transfer water, as well as for applications for credits or reimbursements and storage and recovery programs.

Where there is no material physical injury, Watermaster must approve the transaction. Where the request for Watermaster approval is submitted by a party to the Judgment, there is a rebuttable presumption that most of the transactions do not result in Material Physical Injury to a party to the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

The following application for water transaction is attached with the notice of application.

- Notice of Sale or Transfer – The lease of 3,500 acre feet, to be taken first from the FY 2006/2007 allocation from the City of Pomona's net underproduction, if any, with any remainder from Pomona's local storage account in the Chino Basin, to be transferred to the Cucamonga Valley Water District storage account.

Notice of the water transaction identified above was mailed on June 20, 2007 along with the materials submitted by the requestors.

DISCUSSION

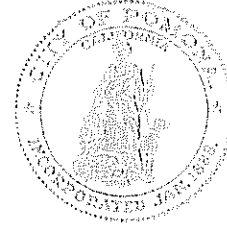
Water transactions occur each year and are included as production by the respective entity (if produced) in any relevant analyses conducted by Wildermuth Environmental pursuant to the Peace Agreement and the Rules & Regulations. There is no indication additional analysis regarding this transaction is necessary at this time. As part of the OBMP Implementation Plan, continued measurement of water levels and the installation of extensometers are planned. Based on no real change in the available data, we cannot conclude that the proposed water transaction will cause material physical injury to a party or to the Basin.

THE CITY OF
POMONA

Utility Services Department

HENRY PEPPER
Utility Services Director

VIA TELEFAX (909) 484-3890 AND US MAIL



June 7, 2007

Mr. Kenneth Manning
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

RE: Lease of Water in the Chino Basin, FY 2006/2007

Dear Mr. Manning:

This letter is to notify Watermaster of the lease of 3,500 acre feet, to be taken first from the FY 2006/2007 allocation from the City's net underproduction, if any, with any remainder from Pomona's local storage account in the Chino Basin, to be transferred to the Cucamonga Valley Water District storage account. Since the appropriate forms have been delivered to your office, please agendize the proposed purchase at the earliest possible opportunity.

If you have any questions or require additional information concerning this matter, please contact me at (909) 620-2283. Thank you.

Sincerely,

Henry Pepper
Utility Services Director

HP:gc

cc: Robert DeLoach, General Manager, Cucamonga Valley Water District
Meg McWade, Utility Business Services Manager
Jim Taylor, Water/Wastewater Operations Manager

I:\usadmin\Henry\KM Lease of Water in CB FY 06-07

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APPLICATION FOR SALE OR TRANSFER OF RIGHT TO PRODUCE WATER FROM STORAGE

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

City of Pomona

May 14, 2007

Date Requested

_____ Date Approved

505 S. Garvey Avenue

3500 Acre-feet

Street Address Amount Requested

_____ Acre-feet

Amount Approved

Pomona

CA

91766

City

State

Zip Code

Telephone: (909) 620-2283

Facsimile: (909) 620-2030

Henry Pepper, Utility Services Director
Applicant

TRANSFER TO:

Cucamonga Valley Water District

Attach Recapture Form 4

Name of Party

10440 Ashford Street

Street Address

Rancho Cucamonga

CA

91730

City

State

Zip Code

Telephone: (909) 987-2591

Facsimile: (909) 476-8032

Have any other transfers been approved by Watermaster between these parties covering the same fiscal year? Yes [] No [X]

WATER QUALITY AND WATER LEVELS

What is the existing water quality and what are the existing water levels in the areas that are likely to be affected?

Static water levels vary from 432' to 569'. Of the wells routinely pumped, nitrate levels vary from a low of 3.8 ppm to a high of 29 ppm.

MATERIAL PHYSICAL INJURY


Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


Henry Pepper, Utility Services Director
Applicant City of Pomona

6/7/07

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE

APPLICANT

Cucamonga Valley Water District
Name of Party

May 14, 2007
Date Requested

Date Approved

10440 Ashford Street
Street Address

3500 Acre-feet
Amount Requested

Acre-feet
Amount Approved

Rancho Cucamonga CA 91730
City State Zip Code

Varies
Projected Rate of Recapture

July 1, 2006 - June 30, 2007
Projected Duration of Recapture

Telephone: (909) 987-2591

Facsimile: (909) 476-8032

IS THIS AN AMENDMENT TO A PREVIOUSLY APPROVED APPLICATION? [] YES [X] NO
IF YES, ATTACH APPLICATION TO BE AMENDED

IDENTITY OF PERSON THAT STORED THE WATER: City of Pomona

PURPOSE OF RECAPTURE

- [] Pump when other sources of supply are curtailed
[X] Pump to meet current or future demand over and above production right
[] Pump as necessary to stabilize future assessment amounts
[] Other, explain

METHOD OF RECAPTURE (if by other than pumping) (e.g. exchange)

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

Within Cucamonga Valley Water District's service area (see attached map) Management Zone 2

LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT FROM REGULAR PRODUCTION FACILITIES).

N/A

WATER QUALITY AND WATER LEVELS

What is the existing water quality and what are the existing water levels in the areas that are likely to be affected?

Static water levels vary from 432' to 569. Of the wells routinely pumped, nitrate levels vary from a Low of 3.8 ppm to a high of 26 ppm.

MATERIAL PHYSICAL INJURY

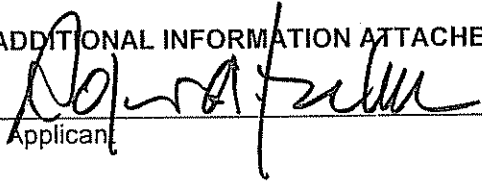
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]


Applicant

TO BE COMPLETED BY WATERMASTER

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2006 - 2007

Commencing on July 1, 2006 and terminating on June 30, 2007, City of Pomona ("Transferor") hereby transfers to Cucamonga Valley Water District ("Transferee") the quantity of 3500 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

- (1) Transferee shall exercise said right on behalf of Transferor under the terms of the Judgment and the Peace Agreement and for the period described above. The first water produced in any year shall be that produced pursuant to carry-over rights defined in the Judgment. After production of its carry-over rights, if any, the next (or first if no carry-over rights) water produced by Transferee from the Chino Basin shall be that produced hereunder.
- (2) Transferee shall put all waters utilized pursuant to said Transfer to reasonable beneficial use.
- (3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred.
- (4) Any Transferee not already a party must intervene and become a party to the Judgment.

TO BE EXECUTED by both Transferor and Transferee, and to be accompanied by a general description of the area where the Transferred water was to be Produced and used prior to the Transfer, and where it will be Produced and used after the Transfer. This general description can be in the form of a map.

WATER QUALITY AND WATER LEVELS

What is the existing water quality and what are the existing water levels in the areas that are likely to be affected?

Static water levels vary from 432' to 569'. Of the wells routinely pumped, nitrate levels vary from a low of 3.8 ppm to a high of 29 ppm.

MATERIAL PHYSICAL INJURY

Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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

N/A

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

[Signature] 6/7/07
Transferor

[Signature]
Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

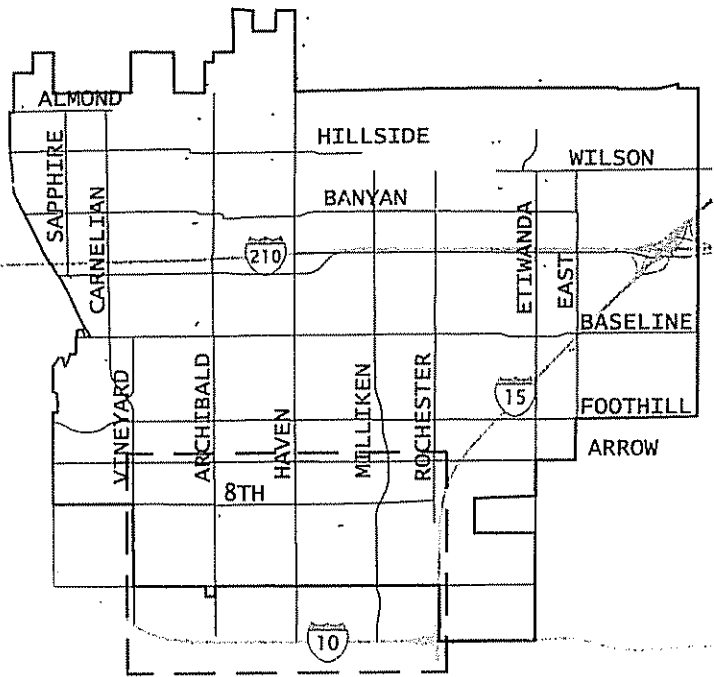
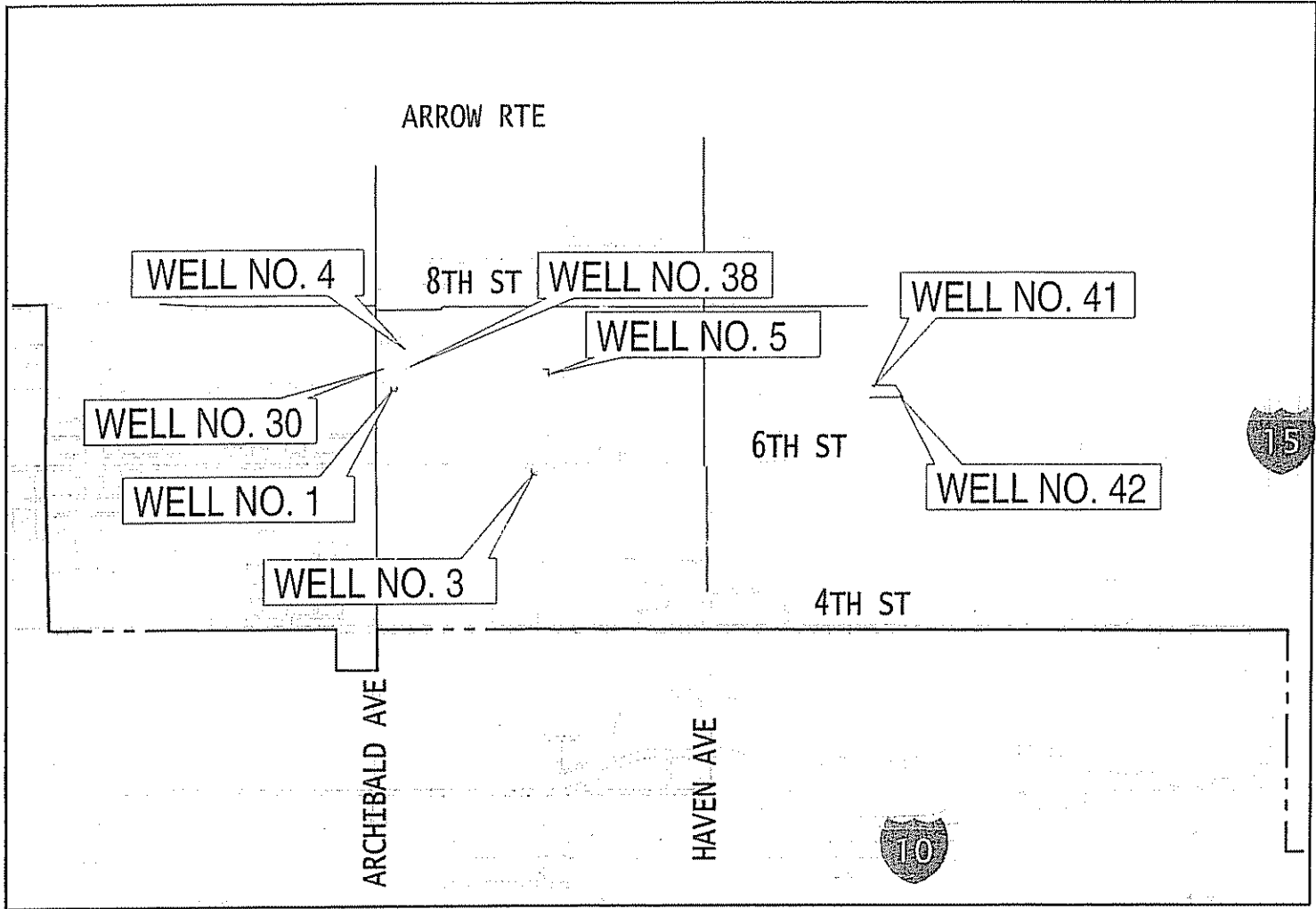
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HEARING DATE, IF ANY: _____

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Cucamonga Valley
Water District

CHINO BASIN WELLS

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 20, 2007

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NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **June 7, 2007**

Date of this notice: **June 20, 2007**

Please take notice that the following Application has been received by Watermaster:

- A. Notice of Sale or Transfer – The City of Pomona (Pomona) has agreed to purchase from the City of Upland (Upland) a portion of Upland’s water in storage in the amount of 893 acre-feet for fiscal year 2006/2007.

This *Application* will first be considered by each of the respective pool committees on the following dates:

Appropriative Pool:	July 12, 2007
Non-Agricultural Pool:	July 12 2007
Agricultural Pool:	July 17, 2007

This *Application* will be scheduled for consideration by the Advisory Committee *no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days* after the last pool committee reviews it.

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Watermaster address:

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9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Tel: (909) 484-3888
Fax: (909) 484-3890

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: June 20, 2007

A party to the Judgment has submitted a proposed transfer of water for Watermaster approval. Unless contrary evidence is presented to Watermaster that overcomes the rebuttable presumption provided in Section 5.3(b)(iii) of the Peace Agreement, Watermaster must find that there is "no material physical injury" and approve the transfer. Watermaster staff is not aware of any evidence to suggest that this transfer would cause material physical injury and hereby provides this notice to advise interested persons that this transfer will come before the Watermaster Board on or after 30 days from the date of this notice. The attached staff report will be included in the meeting package at the time the transfer begins the Watermaster process (comes before Watermaster).

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CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: June 20, 2007
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary -

There does not appear to be a potential material physical injury to a party or to the basin from the proposed transaction as presented.

Issue -

- Notice of Sale or Transfer –The City of Pomona (Pomona) has agreed to purchase from the City of Upland (Upland) a portion of Upland's water in storage in the amount of 893 acre feet for Fiscal Year 2006/2007.

Recommendation –

1. Continue monitoring as planned in the Optimum Basin Management Program.
2. Use all new or revised information when analyzing the hydrologic balance and report to Watermaster if a potential for material physical injury is discovered, and
3. Approve the transaction as presented.

Fiscal Impact –

- None
- Reduces assessments under the 85/15 rule
- Reduce desalter replenishment costs

Background

The Court approved the Peace Agreement, the Implementation Plan and the goals and objectives identified in the OBMP Phase I Report on July 13, 2000, and ordered Watermaster to proceed in a manner consistent with the Peace Agreement. Under the Peace Agreement, Watermaster approval is required for applications to store, recapture, recharge or transfer water, as well as for applications for credits or reimbursements and storage and recovery programs.

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DISCUSSION

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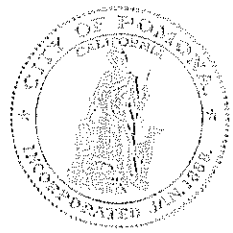
1201 06 2007

THE CITY OF POMONA

Utility Services Department

HENRY PEPPER
Utility Services Director

Via Fax 909-484-3890 and US Mail



June 7, 2007

Mr. Kenneth Manning
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Subject: Purchase of Water from Upland's Storage: Fiscal Year 2006/2007

Dear Mr. Manning:

The City of Pomona (Pomona) has agreed to purchase from the City of Upland (Upland) a portion of Upland's water in storage in the amount of 893 acre-feet for fiscal year 2006/2007. Water acquired through this transaction is to be placed in Pomona's Local Storage account with the Chino Basin Watermaster (Watermaster). This water is to be held in storage by Pomona for possible production, participation in a storage and recovery program, or for potential resale/exchange with other Basin producers. A Form 4 Recapture Plan will be submitted to the Watermaster if Pomona decides to produce this water from the Basin.

Enclosed is the executed Form 3 application for the sale or transfer of right to produce water from storage for consideration by the Watermaster. Please schedule the proposed purchase on the June 14, 2007 Joint Appropriative and Non-Agricultural Pool meeting agenda and the subsequent meetings thereafter.

Please feel free to contact either Jim Taylor, Water/Wastewater Operations Manager, at (909) 620-2251, or Raul Garibay, Supervising Utility Engineer, at (909) 620-2239, if you should require additional information regarding this issue.

Sincerely,

Henry Pepper
Utility Services Director

Enclosure

cc: Anthony La, City of Upland

I:\usadmin\Henry\KM Purchase water from Upland storage

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APPLICATION FOR
SALE OR TRANSFER OF RIGHT TO PRODUCE WATER FROM STORAGE

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

City of Upland
Name of Party

3/22/2007
Date Requested Date Approved

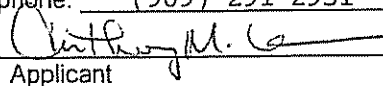
P.O. Box 460
Street Address

893 Acre-feet _____ Acre-feet
Amount Requested Amount Approved

Upland CA 91785
City State Zip Code

Telephone: (909) 291-2931

Facsimile: (909) 931-4274



Applicant

Anthony La, Public Works Director

TRANSFER TO:

City of Pomona
Name of Party
505 South Garey Avenue
Street Address

Attach Recapture Form 4

Pomona CA 91768
City State Zip Code

Telephone: (909) 620-2283

Facsimile: (909) 620-2030

Have any other transfers been approved by Watermaster
between these parties covering the same fiscal year? Yes [] No

WATER QUALITY AND WATER LEVELS

What is the existing water quality and what are the existing water levels in the areas that are likely to be affected?

N/A

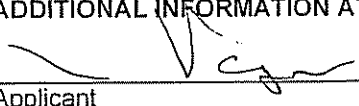
MATERIAL PHYSICAL INJURY

Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that
may be caused by the action covered by the application? Yes [] No

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

ADDITIONAL INFORMATION ATTACHED

Yes [] No [XX]



Applicant

Henry Pepper, Utility Services Director

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

CHINO BASIN WATERMASTER

NOTICE
OF
APPLICATION(S)

Received for

WATER TRANSACTIONS – ACTIVITIES

DATE OF NOTICE:

July 6, 2007

This notice is to advise interested persons that the attached application(s) will come before the Watermaster Board on or after 30 days from the date of this notice.

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **June 28, 2007**

Date of this notice: **July 6, 2007**

Please take notice that the following Application has been received by Watermaster:

- A. Notice of Sale or Transfer – Santa Ana River Water Company lease and assigned Jurupa Community Services District the quantity of 2,000 acre-feet of corresponding annual production right 2006-2007.

This *Application* will first be considered by each of the respective pool committees on the following dates:

Appropriative Pool: July 12, 2007

Non-Agricultural Pool: July 12, 2007

Agricultural Pool: July 17, 2007

This *Application* will be scheduled for consideration by the Advisory Committee *no earlier than thirty days from the date of this notice and a minimum of twenty-one calendar days* after the last pool committee reviews it.

After consideration by the Advisory Committee, the *Application* will be considered by the Board.

Unless the *Application* is amended, parties to the Judgment may file *Contests* to the *Application* with Watermaster *within seven calendar days* of when the last pool committee considers it. Any *Contest* must be in writing and state the basis of the *Contest*.

Watermaster address:

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

Tel: (909) 484-3888
Fax: (909) 484-3890

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: July 06, 2007

A party to the Judgment has submitted a proposed transfer of water for Watermaster approval. Unless contrary evidence is presented to Watermaster that overcomes the rebuttable presumption provided in Section 5.3(b)(iii) of the Peace Agreement, Watermaster must find that there is "no material physical injury" and approve the transfer. Watermaster staff is not aware of any evidence to suggest that this transfer would cause material physical injury and hereby provides this notice to advise interested persons that this transfer will come before the Watermaster Board on or after 30 days from the date of this notice. The attached staff report will be included in the meeting package at the time the transfer begins the Watermaster process (comes before Watermaster).

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CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730
Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: July 06, 2007
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary -

There does not appear to be a potential material physical injury to a party or to the basin from the proposed transaction as presented.

Issue -

- Notice of Sale or Transfer – Santa Ana River Water Company lease and assigned Jurupa Community Services District the quantity of 2,000 acre-feet of corresponding annual production right 2006-2007.

Recommendation –

1. Continue monitoring as planned in the Optimum Basin Management Program.
2. Use all new or revised information when analyzing the hydrologic balance and report to Watermaster if a potential for material physical injury is discovered, and
3. Approve the transaction as presented.

Fiscal Impact –

- None
- Reduces assessments under the 85/15 rule
- Reduce desalter replenishment costs

Background

The Court approved the Peace Agreement, the Implementation Plan and the goals and objectives identified in the OBMP Phase I Report on July 13, 2000, and ordered Watermaster to proceed in a manner consistent with the Peace Agreement. Under the Peace Agreement, Watermaster approval is required for applications to store, recapture, recharge or transfer water, as well as for applications for credits or reimbursements and storage and recovery programs.

Where there is no material physical injury, Watermaster must approve the transaction. Where the request for Watermaster approval is submitted by a party to the Judgment, there is a rebuttable presumption that most of the transactions do not result in Material Physical Injury to a party to the Judgment or the Basin (Storage and Recovery Programs do not have this presumption).

The following application for water transaction is attached with the notice of application.

- Notice of Sale or Transfer – Santa Ana River Water Company lease and assigned Jurupa Community Services District the quantity of 2,000 acre-feet of corresponding annual production right 2006-2007.

Notice of the water transaction identified above was mailed on July 06, 2007 along with the materials submitted by the requestors.

DISCUSSION

Water transactions occur each year and are included as production by the respective entity (if produced) in any relevant analyses conducted by Wildermuth Environmental pursuant to the Peace Agreement and the Rules & Regulations. There is no indication additional analysis regarding this transaction is necessary at this time. As part of the OBMP Implementation Plan, continued measurement of water levels and the installation of extensometers are planned. Based on no real change in the available data, we cannot conclude that the proposed water transaction will cause material physical injury to a party or to the Basin.

Kenneth J. McLaughlin, President
R.M. "Cook" Barela, Vice-President
Paul E. Hamrick, Director
James C. Huber, Director
Jack E. Smith, Director



June 28, 2007

Ms. Sherrie Rojo
Chino Basin Water Master
9461 San Bernardino Rd.
Rancho Cucamonga, CA 91730

RE: LEASE PURCHASE OF WATER RIGHTS BETWEEN JURUPA CSD AND
SANTA ANA RIVER WATER COMPANY FOR FISCAL 2006-2007

Dear Ms. Rojo:

Attached please find the application for transfer of the annual production rights (safe yield) between JCSD and Santa Ana River Water Company in the amount of 2,000 acre feet for the fiscal year 2006-2007 for approval by Watermaster.

If you have any question please contact me at the number below.

Sincerely,

A handwritten signature in cursive script that reads "Kenneth Waring".

Kenneth Waring
Finance Manager

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Form 3

APPLICATION FOR
SALE OR TRANSFER OF RIGHT TO PRODUCE WATER FROM STORAGE

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

06/12/2007

Santa Ana River Water Company
Name of Party

Date Requested

Date Approved

10530 54th Street
Street Address

2000 Acre-feet
Amount Requested

Acre-feet
Amount Approved

Mira Loma Ca 91752
City State Zip Code

Telephone: 951-685-6503

Facsimile: (951)685-1978 _____


Applicant

J Arnold Rodriguez General Manager

TRANSFER TO:
Jurupa Community Services District

Recapture Plan on file

Name of Party
11201 Harrel Street

Street Address

Mira Loma CA 91752
City State Zip Code

Telephone: 951-685-7434

Facsimile: _951-685-1153

Have any other transfers been approved by
Watermaster between these parties covering the same
fiscal year?

Yes [] No [x]

WATER QUALITY AND WATER LEVELS

What is the existing water quality and what are the existing water levels in the areas that are likely to be affected?

These wells do not exceed the MCL for nitrates and are used to blend with other wells within the Districts service area that do exceed the MCL for nitrates. All wells are perforated to a depth of between 300 - 400 feet

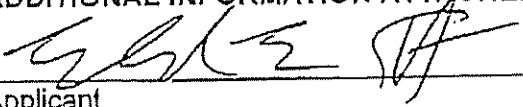
MATERIAL PHYSICAL INJURY

Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

Form 3 (cont.)

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

ADDITIONAL INFORMATION ATTACHED Yes [] No [X] On file


Applicant

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2006 - 2007

Commencing on July 1, 2006 and terminating on June 30, 2007, Santa Ana River Water Company ("Transferor") hereby transfers to Jurupa Community Services District ("Transferee") the quantity of 2,000 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

- (1) Transferee shall exercise said right on behalf of Transferor under the terms of the Judgment and the Peace Agreement and for the period described above. The first water produced in any year shall be that produced pursuant to carry-over rights defined in the Judgment. After production of its carry-over rights, if any, the next (or first if no carry-over rights) water produced by Transferee from the Chino Basin shall be that produced hereunder.
- (2) Transferee shall put all waters utilized pursuant to said Transfer to reasonable beneficial use.
- (3) Transferee shall pay all Watermaster assessments on account of the water production hereby Transferred.
- (4) Any Transferee not already a party must intervene and become a party to the Judgment.

TO BE EXECUTED by both Transferor and Transferee, and to be accompanied by a general description of the area where the Transferred water was to be Produced and used prior to the Transfer, and where it will be Produced and used after the Transfer. This general description can be in the form of a map.

WATER QUALITY AND WATER LEVELS

What is the existing water quality and what are the existing water levels in the areas that are likely to be affected?

These wells do not exceed the MCL for nitrates and are used to blend with other wells within the Districts service area that do exceed the MCL for nitrates . All wells are perforated to a depth of between 300 - 400 feet

MATERIAL PHYSICAL INJURY

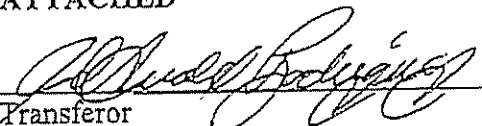
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application?

Yes [] No [X]

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

ADDITIONAL INFORMATION
ATTACHED

Yes [x] No []


Transferor


Transferee

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

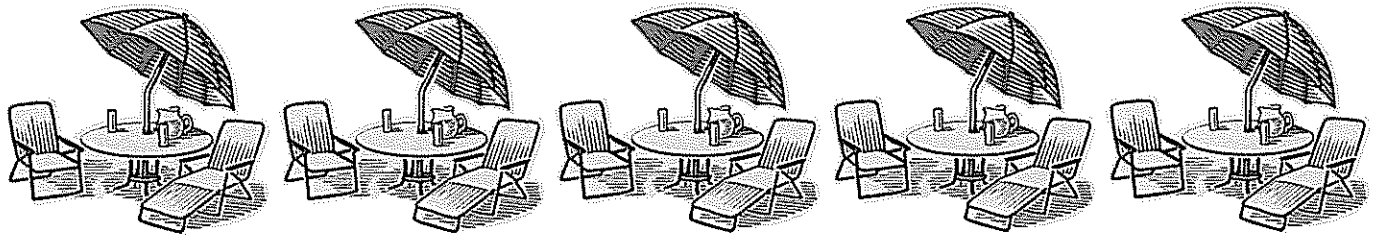
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

D. INTERVENTION – RIBOLI FAMILY SAN ANTONIO WINERY





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: August 9, 2007
August 21, 2007
August 23, 2007

TO: Committee Members
Watermaster Board Members

SUBJECT: Intervention into Non-Agricultural Pool

SUMMARY

Recommendation – Staff recommends approval of the intervention of the Riboli Family/San Antonio Winery into the Non-Agricultural Pool.

BACKGROUND

According to Paragraph 60 of the Judgment:

"[Any] person newly proposing to produce water from the Chino Basin may become a party to this Judgment upon filing a petition in intervention. Said intervention must be confirmed by order of this Court. Such intervener shall thereafter be a party bound by this judgment and entitled to the rights and privileges accorded under the Physical Solution herein, through the pool to which the Court shall assign such intervener."

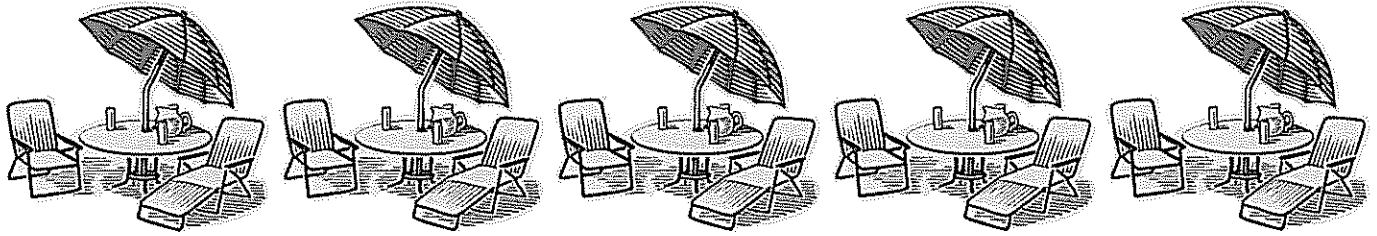
According to Watermaster's Rules and Regulations section 2.27:

"Watermaster will receive and make recommendations regarding petitions for intervention and accumulate them for filing with the Court from time to time (Judgment paragraph. 60 and Order re Intervention Procedures, July 14, 1978.)"

Watermaster has received a petition in intervention from the Riboli Family, owners of the San Antonio Winery. The San Antonio Winery produces water from one well within the City of Ontario, which is used for landscape irrigation and for other uses associated with the location's restaurant in an amount of approximately 2 acre-feet per year. It is staff's understanding that this production has been ongoing, but its existence has only recently come to Watermaster's attention.

Staff recommends approval of the intervention into the Non-Agricultural Pool with no share of the Safe Yield.

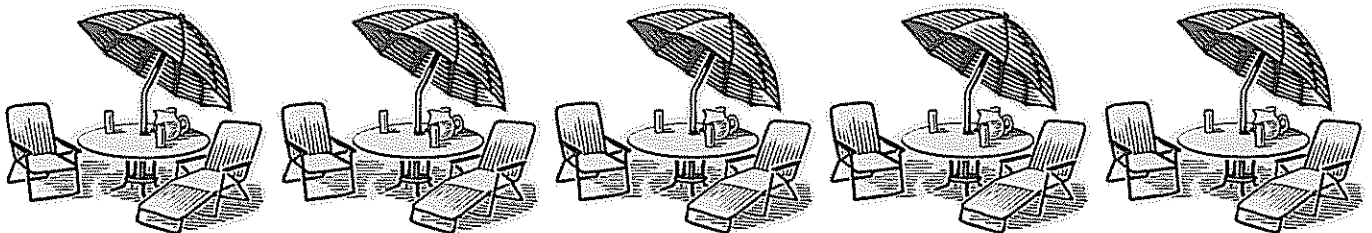
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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

E. INTERVENTION – FUJI NATURAL FOOD INC.





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: August 9, 2007
August 21, 2007
August 23, 2007

TO: Committee Members
Watermaster Board Members

SUBJECT: Intervention into Agricultural Pool

SUMMARY

Recommendation – Staff recommends approval of the intervention of Fuji Natural Foods into the Agricultural Pool.

BACKGROUND

According to Paragraph 60 of the Judgment:

"[Any] person newly proposing to produce water from the Chino Basin may become a party to this Judgment upon filing a petition in intervention. Said intervention must be confirmed by order of this Court. Such intervener shall thereafter be a party bound by this judgment and entitled to the rights and privileges accorded under the Physical Solution herein, through the pool to which the Court shall assign such intervener."

According to Watermaster's Rules and Regulations section 2.27:

"Watermaster will receive and make recommendations regarding petitions for intervention and accumulate them for filing with the Court from time to time (Judgment paragraph. 60 and Order re Intervention Procedures, July 14, 1978.)"

Watermaster has received a petition in intervention from Fuji Natural Foods which pumps water for use on its agricultural operation. It is staffs' understanding that this production has been ongoing, but its existence has only recently come to Watermaster's attention.

Staff recommends approval of the intervention into the Agricultural Pool.

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KM, SK, DM, JTI

Date: 7-13-07

Chino Basin Watermaster
9641 San Bernardino Rd.
Rancho Cucamonga, CA 91730
Attn: Kenneth R. Manning, CEO

Subject: Intervention into Chino Basin Watermaster as an Agricultural Pool Party

Dear Mr. Manning:

I, or the company I represent (see below), request intervention into the Chino Basin Watermaster Judgment as a member of the Agricultural Pool. I/we request that the Watermaster attorneys process the Intervention paperwork through the Court.

Number of wells: 4

Location(s) of wells (including addresses, parcel numbers, and landmarks): _____

Bld (A) East Well, West Well
Bld (B) North Well, South Well

Property Owner (Well Owner) Information:

Name: Fuji Natural Foods, Inc.
Address: 13500 MILLIKEN AVE. ONTARIO CA 91761
Phone: 909-947-1008 Email: _____

Property Occupant (Well User) Information (if different from Owner):

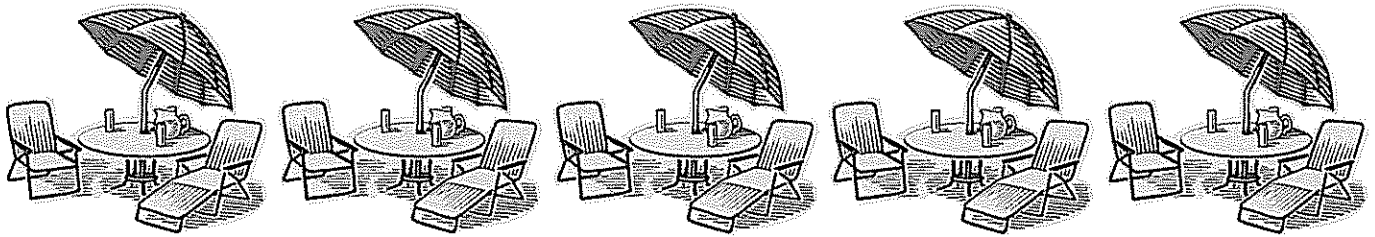
Name: _____
Address: _____
Phone: _____ Email: _____

Representative Handling Intervention:

Name: SATO MASANORI Title: MANAGER
Address: 13500 MILLIKEN AVE ONTARIO CA 91761
Phone: 909-947-1008 Email: _____

Sincerely, _____
Signed: [Signature] Printed: SATO MASANORI

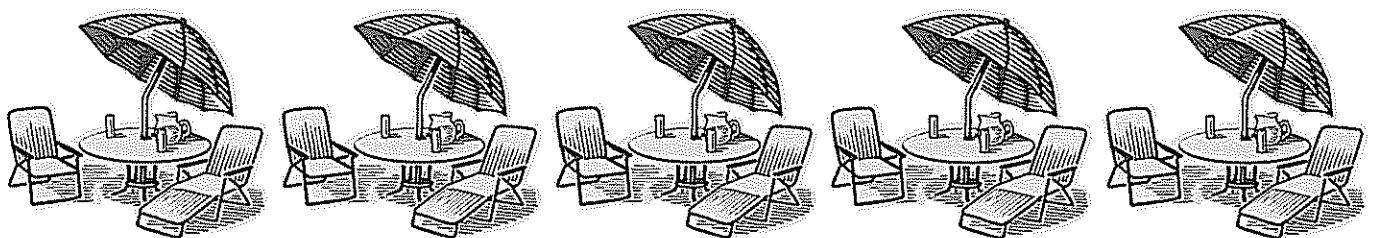
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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B. HANSON AGGREGATES



1 **JEAN CIHIGOYENETCHE (SBN # 105227)**
2 **CIHIGOYENETCHE, GROSSBERG & CLOUSE**
3 8038 Haven Avenue, Suite E
4 Rancho Cucamonga, California 91730
5 (909) 483-1850
6 (909) 483-1840-Fax

Exempt from Filing Fee
Pursuant to Gov. Code §6103

5 **MICHAEL FIFE (SBN # 203025)**
6 **HATCH & PARENT**
7 21 E Carrillo Street
8 Santa Barbara, CA 93101-2782
9 (805) 963-7000
10 (805) 965-4333- Fax

11 Attorney for Plaintiffs,
12 INLAND EMPIRE UTILITIES AGENCY and CHINO BASIN WATERMASTER

13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
14 **FOR THE COUNTY OF SAN BERNARDINO- RANCHO CUCAMONGA DISTRICT**

15 INLAND EMPIRE UTILITIES AGENCY,)
16 a Municipal Water District; CHINO BASIN)
17 WATERMASTER,)

CASE NO.:

COMPLAINT FOR DAMAGES:

18 Plaintiffs,)

- 1) PUBLIC NUISANCE;
- 2) PRIVATE NUISANCE;
- 3) TRESPASS;
- 4) NEGLIGENCE;
- 5) NEGLIGENCE *PER SE*.

19 v.)

20 HANSON PLC; HANSON AGGREGATES)
21 PACIFIC SOUTHWEST, INC.; HANSON)
22 AGGREGATES NORTH AMERICA and)
23 DOES 1 through 100, Inclusive,)

24 Defendants.)

25 COME NOW, the Plaintiffs, INLAND EMPIRE UTILITIES AGENCY, a Municipal
26 Water District, and CHINO BASIN WATERMASTER, who for a cause of action against
27 Defendants, and each of them, allege as follows:

28 ///

///

GENERAL ALLEGATIONS

1
2 1. The Plaintiff, INLAND EMPIRE UTILITIES AGENCY, a Municipal Water
3 District (“AGENCY”) is, and at all times herein mentioned was, a Municipal Water District
4 organized and existing pursuant to the California Municipal Water District Law of 1911,
5 California Water Code Section 71000 et seq. AGENCY is a member of the Metropolitan Water
6 District of Southern California and, pursuant to contract, provides for the sale of imported water
7 to its member agencies consisting of the cities of Chino, Chino Hills, Montclair, Fontana,
8 Ontario, Upland, as well as Cucamonga Valley Water District and Monte Vista Water District.
9 AGENCY further provides wastewater treatment services for its member agencies serving a
10 population of almost 800,000 people. As hereinafter alleged, AGENCY, in cooperation with
11 WATERMASTER, is also involved in the control, operation, and maintenance of a network of
12 storm water retention basins and related facilities for the purpose of catching storm water runoff,
13 snow melt, recycled water and imported water within retention basins so as to allow said water to
14 percolate into the Chino Basin Groundwater Aquifer, thereby replenishing the region’s
15 groundwater supplies for municipal, commercial and agricultural use.

16 2. Plaintiff, CHINO BASIN WATERMASTER (“WATERMASTER”) is, and at all
17 times herein mentioned was, a quasi public agency created by a judgment of the Superior Court
18 in the case of *Chino Basin Municipal Water District v. City of Chino, et al.*, Case No. 164327 in
19 the Superior Court of the State of California for the County of San Bernardino.
20 WATERMASTER is charged with responsibility of overseeing the Chino Basin Groundwater
21 Aquifer and to ensure that the terms and conditions of the above-cited judgment are complied
22 with. WATERMASTER, in cooperation with AGENCY, is also involved in the control,
23 operation and maintenance of a network of groundwater recharge basins and related facilities for
24 the purpose of catching storm water runoff, snow melt, recycled water and imported water within
25 retention basins so as to allow said water to percolate into the Chino Basin Groundwater Aquifer,
26 thereby replenishing the region’s groundwater supplies for municipal, commercial and
27 agricultural use.

28 ///

1 3. Plaintiffs are informed and believe and on that basis allege that Defendant
2 HANSON PLC is a foreign business enterprise, the nature of which is unknown to the Plaintiffs
3 and which is the parent company to Defendants HANSON AGGREGATES PACIFIC
4 SOUTHWEST, INC. and HANSON AGGREGATES NORTH AMERICA, doing business in
5 California.

6 4. Plaintiffs are informed and believe and on that basis allege that Defendant
7 HANSON AGGREGATES PACIFIC SOUTHWEST, INC. is, and all times mention herein was,
8 a Delaware corporation, in good standing and licensed to do business within the State of
9 California. Plaintiffs are informed and believe and on that basis allege that said Defendants
10 principal place of business is Irving, Texas. Plaintiffs are informed and believe and on that basis
11 allege that said Defendant is a subsidiary of Defendant HANSON PLC.

12 5. Plaintiffs are informed and believe and on that basis allege that Defendant
13 HANSON AGGREGATES NORTH AMERICA is a business entity, the nature of which is
14 unknown, doing business as Inland Quarry, with its principal place of business being 12000
15 Banyan Street, Rancho Cucamonga, California. Plaintiffs are informed and believe and on that
16 basis allege that said Defendant is a subsidiary of Defendant HANSON PLC.

17 6. Plaintiffs are ignorant of the true identities of those Defendants named herein as
18 Does 1 through 100, Inclusive and, therefore, sues said Defendants under such fictitious names.
19 Plaintiffs are informed and believe and on that basis allege that each of the Defendants named
20 herein as Does 1 through 100, Inclusive, were the subsidiaries, agents, and employees of the
21 remaining Defendants named herein and, in doing the acts herein alleged, were acting on behalf
22 and with the consent of the remaining named Defendants.

23 7. At all times herein mentioned, each of the Defendants named herein were the
24 subsidiaries, agents and employees of the remaining Defendants named herein and, in doing the
25 acts herein alleged, were acting on behalf, and with the consent of the remaining named
26 Defendants.

27 ///

28 ///

1 8. At all times herein mentioned, Defendants, and each of them, were in the business
2 of operating a rock-crusher, construction sand and gravel processing plant and concrete batch
3 plant, among other things, on real property leased from the County of San Bernardino and
4 located at 12000 Banyan Street, Rancho Cucamonga, California.

5 9. Plaintiffs, by joint contract with San Bernardino County Flood Control District and
6 San Bernardino County Conservation District operate, manage and control a network of water
7 retention basins and related facilities which include basins more commonly known as the Day
8 Basins ("BASINS") and which are located in the City of Rancho Cucamonga and south of the
9 Defendants' business described in Paragraph 8 above.

10 10. Plaintiffs operate the BASINS so as to capture storm water runoff, snow melt
11 runoff, imported water and recycled water within the BASINS and allow the captured water to
12 percolate through the soil, into the Chino Basin Groundwater Aquifer ("RECHARGE") thereby
13 replenishing the Chino Basin Groundwater supplies which provides potable water for municipal
14 uses.

15 11. In or about November and December 2005, during the course of normal
16 RECHARGE operation at the BASINS, Plaintiffs noticed a gradual accumulation of mud in the
17 Day Creek Channel. Plaintiffs assumed the mud was windblown in origin and cleaned the
18 channel accordingly.

19 12. In or about early March 2006, and continuing through April 2006, Plaintiffs noted
20 significantly muddy water flowing into the BASINS while snow melt was being captured from
21 Day Creek. Plaintiffs traced the source of muddy water to silt retention ponds on Defendants'
22 property which are used to prevent wastewater and silt, byproducts of Defendants' operations
23 from escaping Defendants' property and flowing downstream. Further, Plaintiffs' inspections
24 revealed that the silt retention ponds on Defendants' property had been intentionally breached by
25 Defendants. Plaintiffs were advised by an employee of Defendants that the silt retention ponds
26 are breached so as to increase silt retention volume in the ponds.

27 ///

28 ///

1 THIRD CAUSE OF ACTION

2 TRESPASS

3 26. Plaintiffs refer to Paragraphs 1 through 14 and incorporate them herein as though
4 fully set forth.

5 27. At all times herein mentioned, Defendants, and each of them, intentionally,
6 recklessly or negligently caused mud, silt and waste water to flow from silt retention ponds upon
7 their property downstream and into the BASINS controlled, operated and managed by the
8 Plaintiffs herein.

9 28. At no time herein mentioned did the Plaintiffs give permission to discharge mud,
10 silt, and wastewater into the BASINS.

11 29. As a direct and proximate result of the trespass by the Defendants, and each of
12 them, Plaintiffs suffered damage to the BASINS incurring significant expense to repair same,
13 and losing a significant opportunity to RECHARGE in excess of a value of \$1,000,000.00 and
14 according to proof at time of trial.

15 30. The conduct of the Defendants as alleged herein was intentional
16 malicious, wanton, and without regard to the rights of downstream property owners, such as the
17 Plaintiffs herein, in that the Defendants, and each of them, intentionally breached the silt
18 retention ponds on their property knowing that such acts were in violation of law. An employee
19 of the Defendant stated that the silt ponds are regularly breached intentionally, so as to increase
20 silt retention volume. As a result of the Defendants' intentional, reckless, and wanton conduct,
21 Plaintiffs are entitled to punitive and exemplary damages according to proof at time of trial.

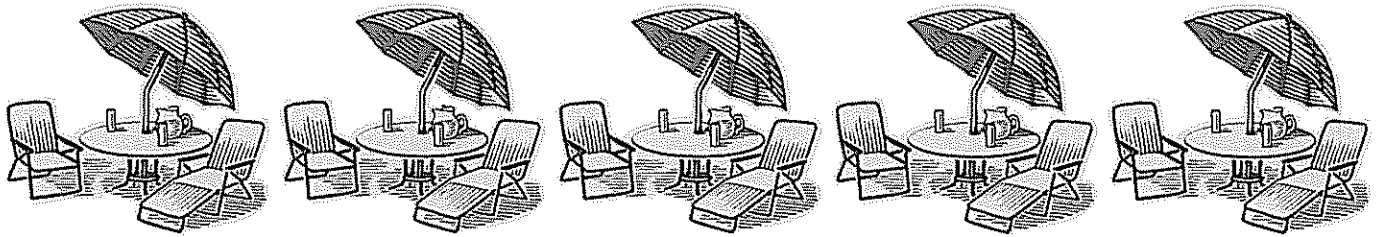
22 FOURTH CAUSE OF ACTION

23 NEGLIGENCE

24 31. Plaintiffs refer to Paragraphs 1 through 14 and incorporate them herein as though
25 fully set forth.

26 32. At all times herein mentioned, Defendants, and each of them, owed a duty to the
27 Plaintiffs to ensure that mud, silt and wastewater would not flow from Defendants' silt ponds
28 downstream and into Plaintiffs' BASINS.

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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

C. ACWA REGION 9 MEMBER AGENCY BOARD PRESIDENT



RECEIVED

AUG 15 2007

MEMORANDUM

August 10, 2007

CHINO VALLEY CITY WATER

TO: ACWA REGION 9 MEMBER AGENCY BOARD PRESIDENT

FROM: TIFFANY GIAMMONA, ACWA FIELD REPRESENTATIVE

**SUBJECT: REGION 9 ELECTION FOR 2008-2009 TERM
BALLOTS DUE BY SEPTEMBER 30, 2007**

It is time to elect the 2008-2009 ACWA Region 9 officers and board members who will represent and serve the members of Region 9. Enclosed, you will find the official ballot which includes the Region 9 Nominating Committee's recommended slate as well as individual candidates running for the Region 9 Board.

Your agency is entitled to cast only one vote for each of the Region 9 positions. Please review the enclosed ballot and have your agency's authorized representative cast its vote for either the slate as recommended by the Region 9 Nominating Committee or a Region 9 chair, vice chair and five board members. THEN:

Return the ballot to ACWA by SEPTEMBER 30, 2007

Attention Tiffany Giammona
Please FAX to: (916) 325-2316

Or MAIL the completed ballot to:
Association of California Water Agencies
c/o Tiffany Giammona
910 K Street, Suite 100
Sacramento, CA 95814

REMEMBER: YOUR VOTE IS IMPORTANT. Region 9 board members are elected to represent the issues, concerns and needs of your region. The Region 9 chair and vice chair will serve on ACWA's board of directors for the next two-year term of office beginning January 1, 2008. Additionally, the newly elected chair and vice chair will make the Region 9 committee appointment recommendations to the ACWA president for the 2008-2009 term. They will also hold one seat on the ACWA Finance Committee.

If you have questions about the ballot or voting process, please contact your field representative, Tiffany Giammona at (916) 441-4545 or by e-mail at tiffanyg@acwa.com. Thank you for your careful consideration and participation in the Region 9 election process.

Enclosure: ACWA Region 9 Ballot

Official Region 9 Board Ballot 2008-2009 Term

Please return completed ballot by September 30, 2007.

Mail: **OR** Fax: 916-325-2316
ACWA
910 K Street
Suite 100
Sacramento, CA 95814

Agency Name _____
Authorized Representative _____
Board President Signature X _____
Date _____

I concur with the Region 9 Nominating Committee's recommended slate below.

Region 9 Nominating Committee's Recommended Slate

Chair: Steve Robbins, Coachella Valley Water District

Vice Chair: Ben Wicke, Elsinore Valley Municipal Water District

Board Members:

Manuel Aranda, San Bernardino Valley Water Conservation District

Joseph Kuebler, Eastern Municipal Water District

Richard Larson, San Geronio Pass Water Agency

John Rossi, Western Municipal Water District

General Voting Instructions:

1. Please fill out your agency information above. The authorized representative is determined by your agency in accordance with your agency's policies and procedures. Region 9 Rules and Regulations "require the Board President's signature for approval."
2. You may either vote for the slate recommended by the Region 9 Nominating Committee or vote for individual region board members. Please mark the appropriate bubble to indicate your decision.

I do not concur with the Region 9 Nominating Committee's recommended slate. I will vote for individual candidates below as indicated.

Region 9 Board Candidate Nominations

Please note: Region 9 Rules and Regulations require that "The Chair and Vice Chair shall be elected, one from each area, and the positions shall be rotated between the two following designated areas of Region 9": The western area and the arid area.

Candidates for Chair (Choose one)

Steve Robbins, Coachella Valley Water District

Candidates for Vice Chair (Choose One)

Manuel Aranda, San Bernardino Valley Water Conservation District

Richard Larsen, San Geronio Pass Water Agency

Ben Wicke, Elsinore Valley Municipal Water Dist.

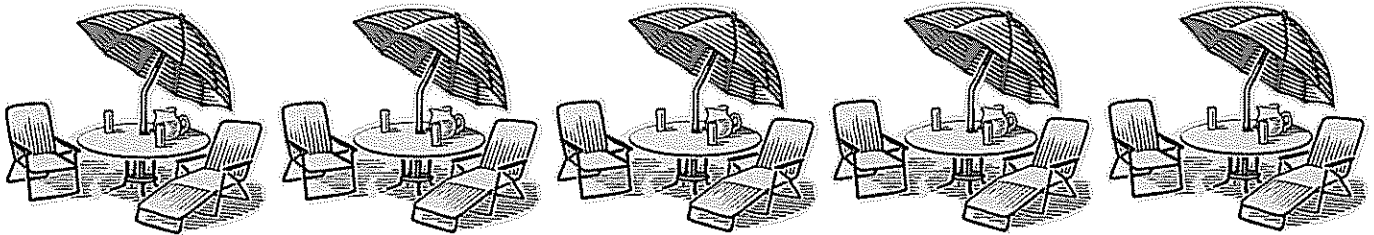
Candidates for Board Member (Choose three to five)

Manuel Aranda, San Bernardino Valley Water Conservation District

Joseph Kuebler, Eastern Municipal Water District

Richard Larsen, San Geronio Pass Water Agency

John Rossi, Western Municipal Water District

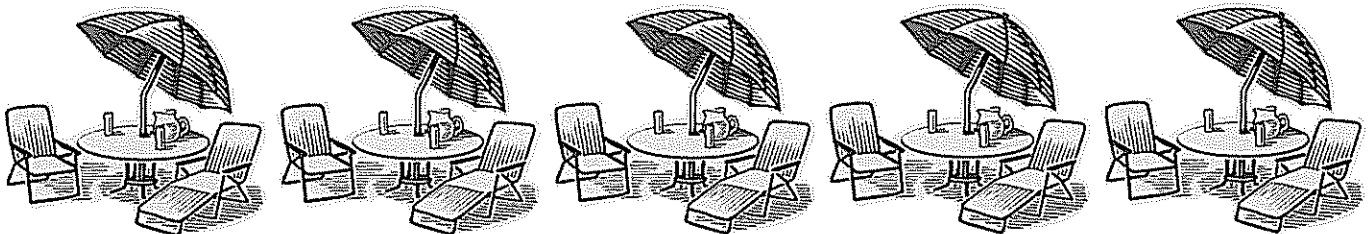


CHINO BASIN WATERMASTER

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

3. Supplemental Filing Regarding May 24, 2007 Court Order



1 SCOTT S. SLATER (State Bar No. 117317)
MICHAEL T. FIFE (State Bar No. 203025)
2 **HATCH & PARENT, A LAW CORPORATION**
21 East Carrillo Street
3 Santa Barbara, CA 93101
Telephone No: (805) 963-7000
4 Facsimile No: (805) 965-4333

5 **Attorneys For**
CHINO BASIN WATERMASTER

6
7
8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF SAN BERNARDINO**

10 CHINO BASIN MUNICIPAL WATER
11 DISTRICT

12 Plaintiff,

13 vs.

14 CITY OF CHINO, ET AL.

15 Defendant.
16
17

Case No. RCV 51010

[Assigned for All Purposes to the Honorable
MICHAEL GUNN]

SUPPLEMENTAL FILING
RE: MAY 24, 2007 ORDER

Hearing Date: None

18
19
20 In its May 24, 2007 Order, the Court directed Watermaster to:

21 “[S]ubmit a supplemental filing, explaining the relationship between achieving hydraulic
22 control to benefit from the Santa Ana Regional Water Quality Control Board Basin Plan Amendment
23 and obtaining court approval to re-operate Chino Basin as envisioned in the Peace II agreement
24 process. To the extent that commencing hydraulic control re-operation would not be consistent with
25 the Judgment, Watermaster is to confirm that is has not and will not commence hydraulic control re-
26 operation of Chino Basin without Court approval.”

27 (May 24, 2007 Order, p.3.)
28

1 This supplemental filing is intended to provide a basic response to the request by the Court,
2 however, it should be noted that this issue will be subject to more complete briefing by Watermaster
3 as part of the filings made in connection with the Peace II process. Thus, Watermaster will defer a
4 detailed explanation of the subject and submittal of lengthy supporting documentation until those
5 filings.

6 The most recent amendments to the Regional Water Quality Control Board's ("RWQCB")
7 Basin Plan for the Santa Ana Region incorporate what have come to be called "maximum benefit
8 objectives." These amendments were approved in RWQCB Resolution R8-2004-0001, which
9 received final approval from the State Water Resources Control Board on September 30, 2004. For
10 the Chino Basin, these maximum benefit standards are water quality objectives that were established
11 based on a joint demonstration by the Chino Basin Watermaster and the Inland Empire Utilities
12 Agency ("IEUA") that such objectives would promote the maximum beneficial use of the waters
13 available to the Chino Basin, primarily through the ability to use recycled water. Watermaster and
14 IEUA are co-permittees with respect to the recharge of recycled water.

15 In order to gain access to the maximum benefit objectives, Watermaster and IEUA must
16 fulfill multiple commitments. One of these commitments is to achieve Hydraulic Control. Hydraulic
17 Control is defined as the reduction to de minimus levels of the outflow of water from the Chino
18 North Management Zone to the Santa Ana River. Watermaster technical evaluations have suggested
19 that the best way to achieve Hydraulic Control is through the proposed Re-Operation of the Basin.
20 However, a precise definition of Basin Re-Operation is still under development through the Peace II
21 process.

22 At this time, Watermaster believes that at least some aspect of Basin Re-Operation will
23 require an amendment to the Judgment. To the extent that such an amendment is necessary,
24 Watermaster will come to Court with a motion to amend the Judgment prior to implementation of
25 the project. Watermaster is currently in the process of preparing such a motion, as well as
26 documentation for the other aspects of the Peace II process. As part of this documentation, the Court
27 will be presented with the Basin Plan Amendments and all of the many other documents that will be
28 necessary to fully and completely explain Hydraulic Control and Basin Re-Operation. Watermaster

1 anticipates bringing these issues to the Court in November, as was directed in the May 24, 2007
2 Order.

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DATED: August _____, 2007

By _____
Scott S. Slater
Michael T. Fife
Attorneys for Chino Basin Watermaster

HATCH AND PARENT
21 East Carrillo Street
Santa Barbara, CA 93101

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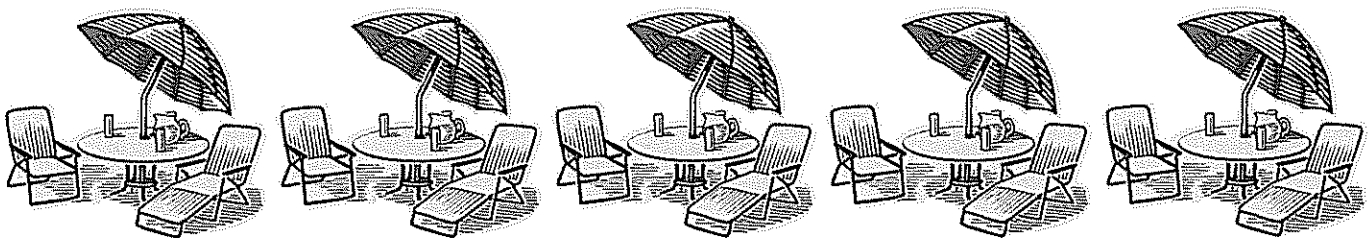


CHINO BASIN WATERMASTER

III. REPORTS / UPDATES

E. INLAND EMPIRE UTILITIES AGENCY

6. Monthly Water Conservation Programs Report
7. Monthly Imported Water Deliveries Report (handout)
8. State and Federal Legislative Reports
9. Community Outreach/Public Relations Report



CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

August 23, 2007

AGENDA

INTERAGENCY WATER MANAGERS' REPORT

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

15-20 Minutes

Discussion Items:

- Drought Planning Activities for 2008 - **Oral**
- MWD DYY Potential Implementation in April 2008 - **Oral**
- MWD DYY Expansion Studies, Schedule and Budget Work Plan - **Oral**
- Current Regional Conservation Efforts (eg MWD ad Campaign and IUEA Efforts) - **Oral**
- Recycled Water Three (3) year Business Plan and Accelerated Implementation Workshops - **Oral**

Written Updates:

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

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Regional Conservation Programs

Monthly Report – July, 2007

MWD Activities

- **California-Friendly[®] Marketing Campaign** - The California Friendly[®] labeling campaign has been placed on hold until next year.
- **PAC Recommendations** - On July 10, 2007, the MWD Board of Directors approved all CII devices that were recommended through the PAC group which includes funding for high efficiency/multi-load clothes washers, high efficiency urinals, synthetic turf the CII sector as well as residential customer, dry vacuum pumps and high efficiency rotator nozzles for large landscapes such as golf courses.
- **MWD Water Conservation Programs** - MWD is developing a new Public Sector Water Conservation Partnership Demonstration Program and an enhanced conservation advertising campaign in response to the extreme dry conditions in southern California and the uncertainties over the State Water project Operations. These proposed programs will be presented to MWD Board of Directors in August.

Landscape Programs

- **Landscape Audit Program** - HydroEarth has completed 118 field audits to date and 22 draft reports are under review by IEUA. There have been 54 approved final audit reports completed, and posted to the FTP site. HydroEarth has completed 15 residential field audits. The program consists of 150 commercial audits and 50 large landscape residential audits to be completed by September 2007.
- **Ontario Cares** - The City of Ontario is implementing a pilot project to integrate California-Friendly[®] landscapes into the city's existing Ontario Cares program to improve the aesthetics of their neighborhoods. Final design modifications and layout for the first California-Friendly[®] landscape retrofit were finalized and sent to the Ontario Redevelopment Agency for staff to obtain contractor bids. Contractors bid were received and as a result of the revisions, the CA Friendly proposed site came in under the standard budget for a traditional landscaped site. The bid was approved for eligible costs through USBR and the retrofit should be completed during the month of August.
- **Landscape Retrofit Rebate and Educational Program** - An RFP for Consulting Services for an experienced Water Use Efficiency Consultant to manage, market, supply, administer and assess the Landscape Retrofit Rebate and Education Program was posted on the network on June 22, 2007 and closed July 16, 2007. Two proposals were received by IEUA: both bids were incomplete and exceeded the project budget by approximately \$300,000. The Ad-Hoc Committee determined to reject all bids and post a revised RFP eliminating the program management section (which would be delegated to IEUA). The Committee would also like to explore collaborating with CBWCD.
- **Inland Empire Landscape Alliance** - During the summer months, workshops are being held on landscape topics identified as being of interest by city and agency staff. Workshops on California Friendly[®] Landscapes, water runoff, medians, parkway BMP's, and IRWD's rate structures were covered in the last two months. *The July workshop will be held at IEUA on Wednesday the 25th, from 8:30 a.m.-10:30 a.m.* and will feature Western Municipal Water District's experience in implementing conservation ordinances including the new Riverside County water conserving landscape ordinance. The next formal meeting for the Landscape Alliance will be held at IEUA on September 13, at 4:00 p.m. Staff will continue to address landscape issues raised by the cities and continue developing landscape policy and program recommendations, including a regional landscape ordinance.
- **California Friendly[®] Landscape Classes (formerly PDA)** - Requested classes have been scheduled through December 31, 2007. All current teacher contracts will expire on December 31, 2007. For those agencies requesting classes for January-June 2008, the scheduling for them are on hold until MWD completes their RFP submittal reviews, makes the new teacher selections and executes the new contracts. This is expected to be completed in the fall. Once the new contracts have been executed then requested class schedules will be confirmed for January-June 2007.

Commercial/Industrial/Institutional Program

- **(CII SAVE-A-BUCK)** - There were 630 CII rebates this fiscal year. The following is a list of the most recent rebate activity within the IEUA service area:
 - **High Efficiency Clothes Washers** -The total for FY 06/07 is 74. To date, 409 commercial high efficiency clothes washers have been installed in our service area since FY 00/01.
 - **Conductivity Controller Cooling Tower** - A total of 3 conductivity controllers were installed in June. A total of 19 conductivity controllers have been installed through the Save-a-Buck program since FY 00/01.
 - **ULF Toilets** - No ULFTs were rebated in May. The total number rebated is, 1,884 ULFTs in our service area since FY 00/01.
 - **HET—Toilets**- One toilet was rebated in the month of May. A total of 67 HET Toilets have been rebated in our service area since FY 06/07.
 - **Waterless Urinals** - A total of 17 waterless urinals were installed in June. A total of 101 waterless urinals have been installed in the IEUA service area since FY 00/01.

- **ULFT Flushometers** – To date, 4 flushometers have been rebated in IEUA's service area.
- **Water Broom** – To date, 695 water brooms have been rebated in IEUA's service area since FY 00/01.
- **SmarTimer Controllers** – No SmarTimer Controllers were rebated April or May.
- **X-Ray Recirculation**- To date 11 X-ray recirculation devices were rebated in the IEUA service area.
- **Pre-Rinse Spray Head-(PRSH)** One spray head has been rebated in our service area.

Residential Rebate Programs

- **ULFT and HET Rebate Program** - Effective February 1, 2007, IEUA began processing the ULFT and HET rebates. In the month of June, 57 ULFT rebates were processed. This brings the total number of rebates processed for FY 06/07 to 267; since the start of the program in 2002, a total of 4,486 rebates have been processed.
- **High Efficiency Clothes Washer Rebate** - The total number of rebates processed in June was 133 bringing the number of rebates issued for FY 06/07 to 1367. The total number of rebates processed since the rebate program began in 2002 is approximately 7,791
- **"SmarTimer of Inland Empire" Program** - The program began in April 2006. To date, 28 SmarTimer Irrigation Controller rebates have been processed, with a total of 254 controllers placed since October 2006.
- **Rotating Nozzles for Pop-up Spray Heads** - The new rebate program for rotating nozzles commenced late January 2007. The incentive is \$4 per rotating nozzle to be replaced. The rotating nozzles save up to 6,600 gallons of water over five years. To date, 158 Rotating Nozzles have been placed.

Other Residential Programs

- **Multi-Family ULFT Program** - The Multi-Family Direct Installation Program began ULFT retrofits in October 2006. To date, there have been 10,132 ULFTs retrofitted within IEUA's service area. During the month of June, there were 843 retrofits completed.

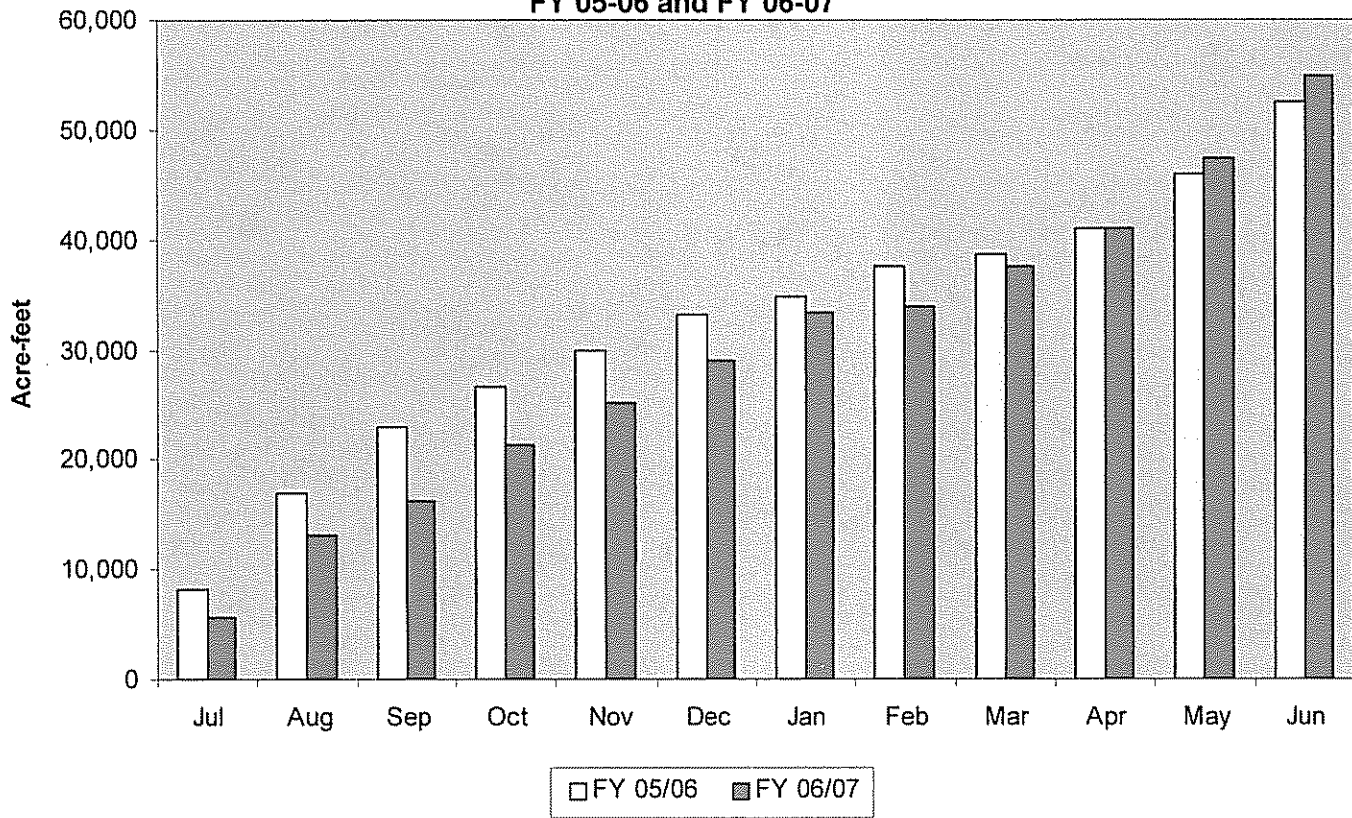
School Education Programs

- **Garden in Every School** - Schools that applied but were not previously selected are being contacted to see if they are still interested in participating in the 07/08 program. Contact is also being renewed with past participants to help maintain the gardens and with the plan of creating a support network between all of the GIES schools.
- **National Theatre for Children** - The schedule for 07/08 school year is currently being developed.
- **Chino Youth Museum** - Over the past year the Chino Youth Museum along with the City of Chino, MVWD, Chino Basin Water Conservation District and IEUA have been meeting to rejuvenate and improve the water exhibit that was constructed in 2002. The planning committee has received drawings from the consultant for the design of the new exhibit. Construction of the exhibit will begin in early summer.

Outreach

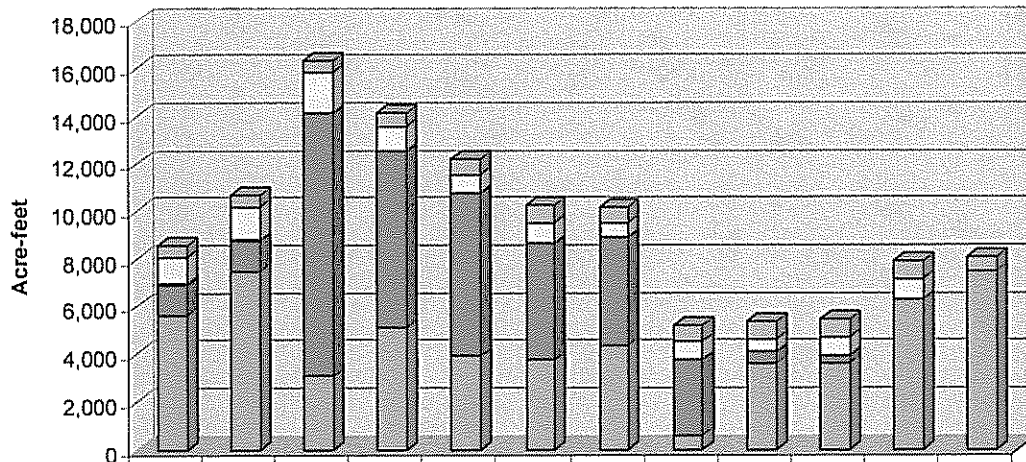
- **Water Fair** - The planning committee for the Water Fair 2007 is meeting monthly. Water Fair 2007 will be held Saturday, October 20, 2007, from 10:00 a.m. to 2:00 p.m., at Montclair Plaza, inside lower level Main entrance. The event will promote water conservation and educate customers on the various rebates and programs that exist in their area. There will be a water show and activities for kids.
- **Water Education Water Awareness Committee (WEWAC)** - WEWAC is developing its fiscal 07/08 programs.
- **Pervious Concrete Workshop** - On Thursday, July 26, 2007, 8:00 a.m. to 4:00 p.m. IEUA is sponsoring a "hands-on" "how-to" Pervious Concrete Workshop in partnership with the California Construction and Industrial Materials Association. RSVP to Larry Maes at 714-932-7782.

**Cumulative Monthly Full Service Imported Water Deliveries
Within IEUA's Service Area
FY 05-06 and FY 06-07**



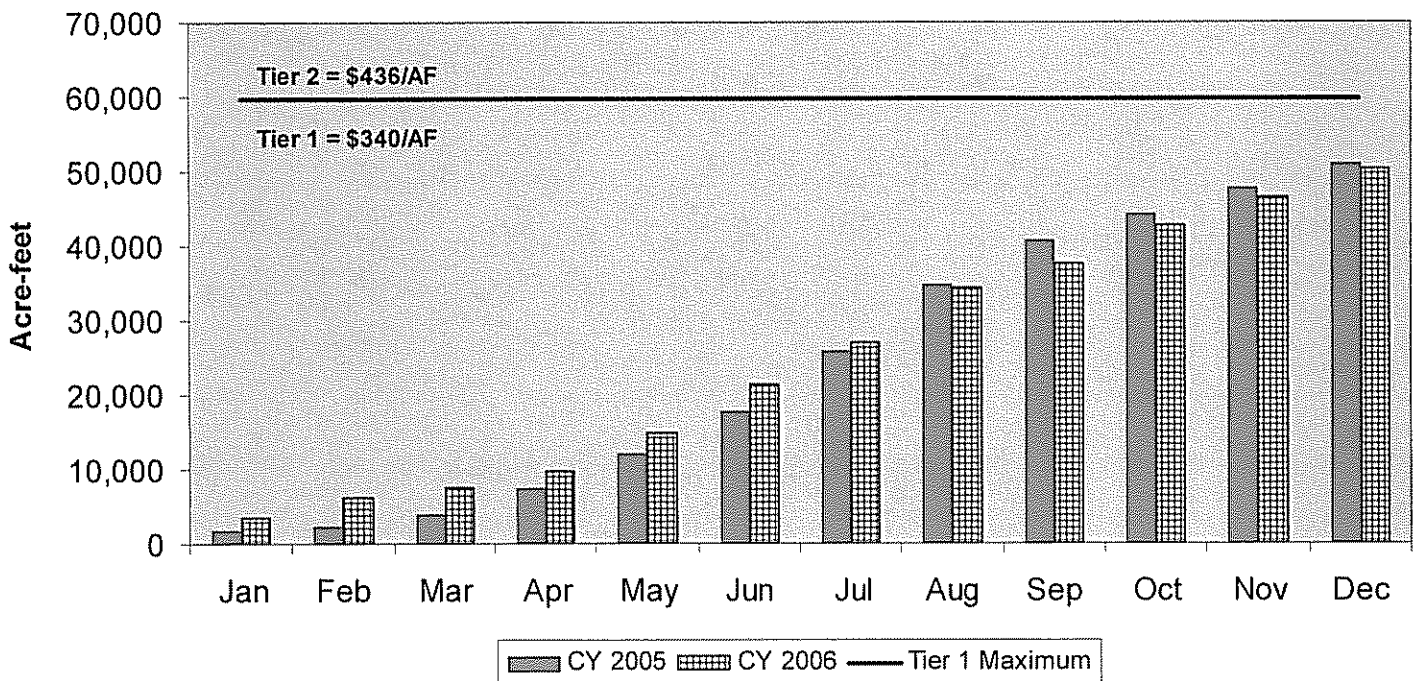
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FY 06/07 Monthly Water Production From Within IEUA's Service Area Imported, Desalter, and Recycled Sources

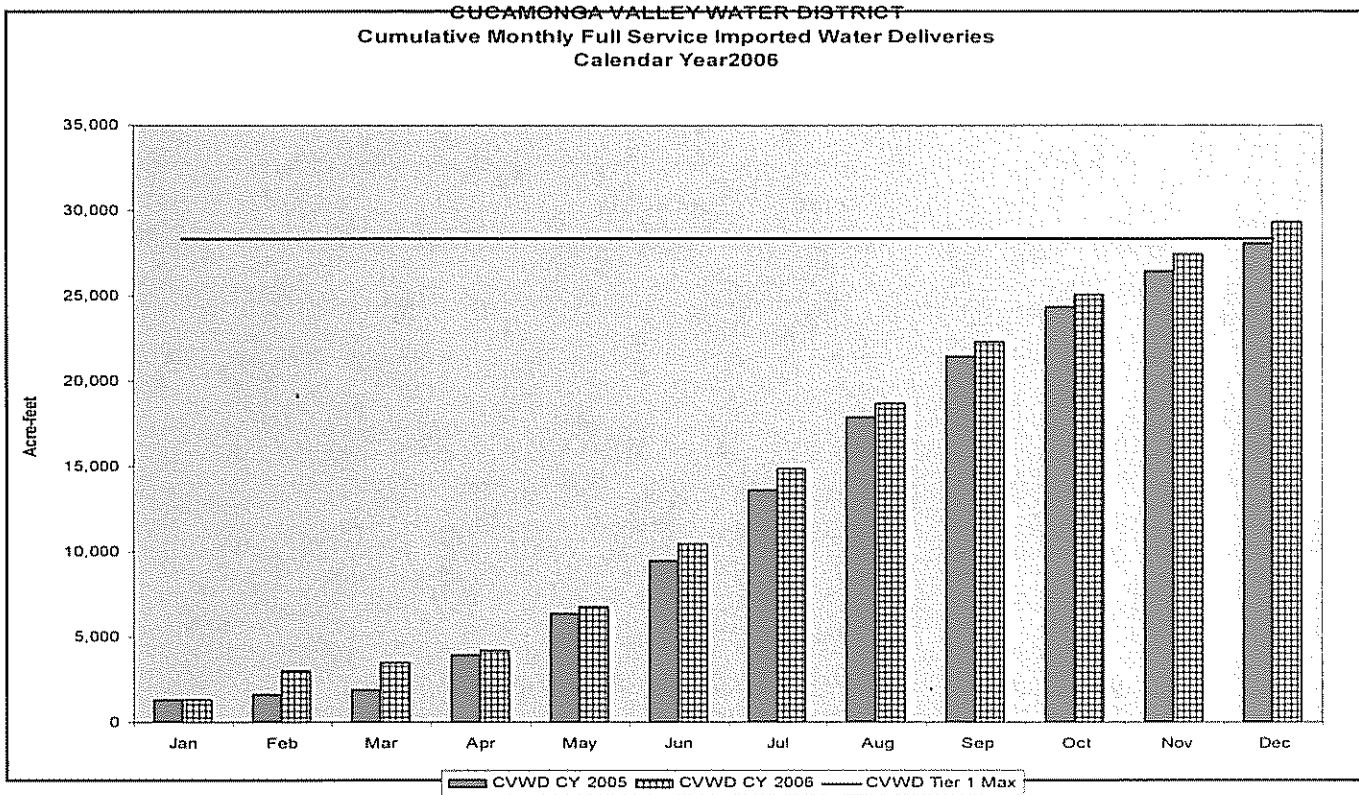


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
■ CDA - Desalter Water	506.6	505.2	501.6	653.6	723.2	726.5	735.9	692.2	771.2	724.1	794.5	585.8
□ IEUA - Recycled Water	1103.5	1360.6	1724	1010.7	736.2	849.2	553.4	772	512.5	754.4	786.3	
□ MWD - Agricultural Cert	22.9	22	17.1	7.3	10.6	6.6	13.7	2.3	4.9	2.8		
■ MWD - Conj. Use Cert.	1300	1300	11050	7351.5	6857.2	4932.1	4529.2	3194.3	499.4	373.1		
■ MWD - Full Service Cert.	5621.1	7468.8	3057.4	5150.5	3895.1	3729.4	4381.1	573.8	3620.5	3568.6	6330.8	7486

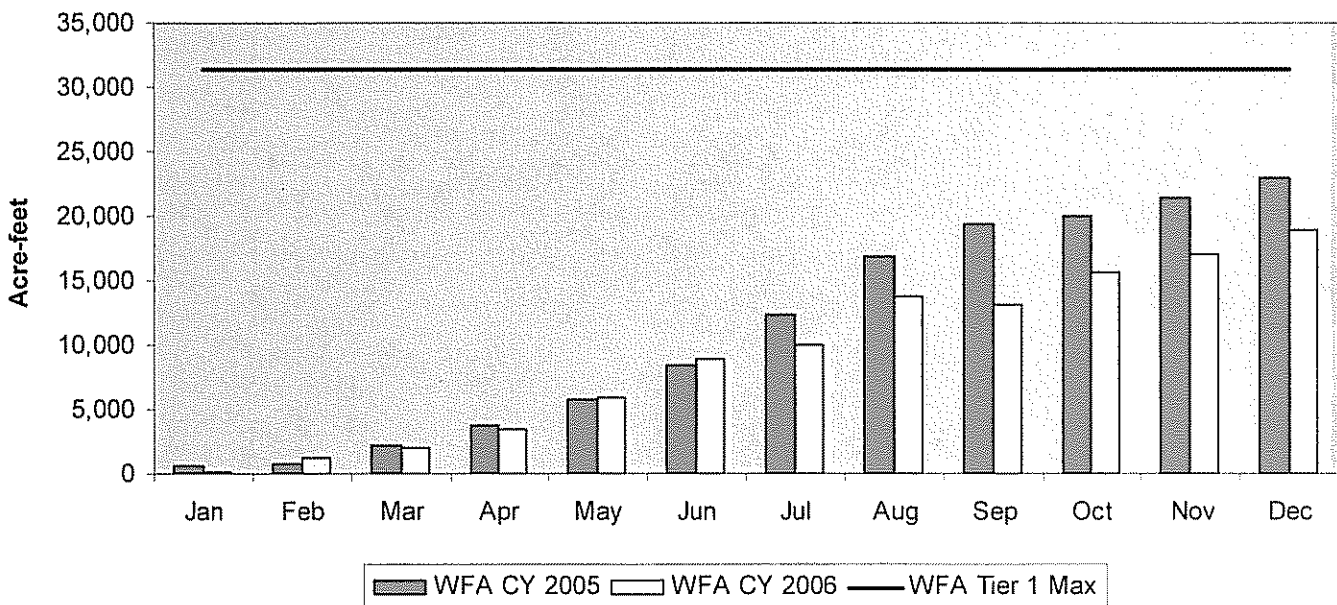
IEUA
Cumulative Monthly Full Service Imported Water Deliveries
Calendar Year 2005 and Calendar Year 2006



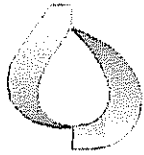
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WATER FACILITIES AUTHORITY
Cumulative Monthly Full Service Imported Water Deliveries
Calendar Year 2006



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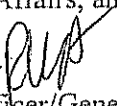



Inland Empire
UTILITIES AGENCY

Date: July 18, 2007

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (07/11/07)

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

Submitted by: Martha Davis 
Executive Manager of Policy Development

Subject: June 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

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BILL GEYER
JENNIFER WEST



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

MEMORANDUM

TO: Richard W. Atwater and Martha Davis
FROM: Jennifer West
DATE: June 28, 2007
RE: Sacramento Legislative Report

California State Budget

July 1 marks the end of the state's fiscal year, but budget negotiations are stalled on a number of fronts, including major water issues. Extensive trailer bill implementation language is being discussed and developed for a number of funding categories for both Propositions 84 and 1E. There are numerous policy bills dealing with the implementation of bond fund expenditures for both these initiatives, but many of these bills are rumored to be included as part of budget trailer bills. Trailer bills are not heard in policy committees and receive very little scrutiny. In the past, Legislative leadership has discouraged the use of budget trailer bills to implement major policies.

In addition, some area legislators have begun informal discussions about the parameters of a new water bond and what Southern California might need in this bond.

Proposition 84 and IE Implementation

AB 1489 (Huffman) has now become the primary implementation bill for the Integrated Regional Water Management Program for Prop. 84. Major amendments will be incorporated into this bill in the next few days that will codify existing Prop. 50 guidelines for the program and delete the former IRWM program that was established by former Senator Costa. IEUA should work closely with SAWPA to ensure that these amendments will not negatively impact SAWPA's IRWMP.

SB 378 (Steinberg) creates grant guidelines for the \$290 million for flood corridor program in Prop. 1E for the Central Valley only. The bill does not contain any north/south split or give any indication that the funding could be spent outside of the Central Valley. Since most of Prop. 1E (\$3.8 billion) is earmarked for the Central Valley, there is concern that this \$290 million would also all be spent by DWR in the Central Valley.

IEUA and SAWPA have been working with Senate Leadership and the regional delegation to specify in statute that a portion of the Prop. 1E flood corridor and stormwater funds be allocated for competitive grants for Orange, Riverside and San Bernardino counties.

AB 224 (Wolk) Water Supply and Climate Change

The measure, which requires state agencies and local water agencies to consider climate in water planning, passed out of Senate Natural Resources and Water Committee this week on a bipartisan vote. Senator Margett (R) voted for the measure, which is strongly supported by IEUA, MWD and SAWPA. In addition to requiring agencies to plan for climate change, AB 224 also requires the SWRCB to study the energy and greenhouse gas reductions associated with maximizing recycled water in all regions of California.

Inland Empire Utilities Agency Legislative Tracking 6/29/07 (Prepared by Geyer Associates)		
Bond Funding/Prop. 84 and 1E	Bill Summary	Status
SB 59 (Cogdill) Water Bond 08	<p><u>Authorizes a \$3.9 billion water bond for the 2008 ballot. Includes \$2 billion for two surface storage facilities.</u></p> <p>The Governor has vowed to reopen this issue as part of the budget, or end of session negotiations.</p>	Senate Nat. Resources Two year bill
SB 167 (Negrete McLeod) General Plans: planning grants	Establishes grant and loan program at the Office of Planning and Research for Prop. 84 (Chapter 9(c) \$90 million). Allows cities and counties to apply for funding to update their general plans.	Senate Approp. Two year bill
SB 292 (Wiggins) State Bond Funds: allocation	Requires Cal-EPA and the Resource Agency to develop grant criteria for the urban greening funding in Prop. 84, which contains \$90 million.	Senate Approp. Two year bill
SB 378 (Steinberg) Flood Prevention Bond Act 2006	Specifies that the \$300 million in Prop. 1E for stormwater management would be made available through a joint SWRCB and DWR grant program. The bill authorizes the agencies to prepare guidelines by March 2008. The agencies are required to conduct outreach to disadvantaged communities. There are no north/south split provisions mentioned in the bill.	Assembly WPW
SB 732 (Steinberg) Prop. 84	Amendments were taken in the last policy committee to delete the references to the IRWMP "statewide criteria." Now the bill deals with implementing the sustainable communities section of Prop. 84.	Assembly Local Gov
SB 1002 (Perata) Prop. 84	Senate Leadership alternative to Governor's bond proposal. Appropriates various Prop. 84 and Prop. 1E monies to different water supply grant monies. This includes \$22 million for water recycling grants. It also requires that \$200 million in IRWMP funding be used for groundwater projects.	Assembly WPW 7/2

AB 739 (Laird) Stormwater Discharge	Establishes criteria by which SWRCB and DWR award grants for stormwater management projects funded by a portion of the proceeds of Prop 1E flood bonds and Prop 84.	Senate Enviro. Quality 7/2
AB 783 (Arambula) Drinking Water Improvements	Makes changes to DHS grant funding in Prop. 84 for small and disadvantages communities. (Chapter 2, Section 7022)	Senate Enviro. Quality 7/2
AB 909 (Wolk) Mercury Monitoring	Allows stormwater grant funds in Prop. 84 to be used for grants to public agencies for addressing mercury contamination.	Two year bill
AB 1297 (Arambula) IRWMP	IRWMP implementation bill.	Two year bill
AB 1303 (Smyth) Urban Greening Act 2007	Establishes an urban greening grant program for Prop. 84 funds. (Chapter 9, (a)).	Assembly Approp. Two year bill
AB 1489 (Huffman & Wolk) Resource Bond Funds	Primary IRMWP implementation bill. Proposed amendments would codify the Prop. 50 guidelines for the IRWMP and delete the references to the 2000 Costa bill.	Senate Natural Resource 7/10
AB 1602 (Nunez) Sustainable Communities & Urban Greening	Establishes a grant program in the Resources Agency "Sustainable Communities and Urban Greening Grant Program." There is \$90 million in Prop. 84 for this purpose.	Senate Enviro. Quality
Flood Control/Delta Conveyance		
SB 5 (Machado) Flood Management	Comprehensive flood management legislation backed by Senate leadership. It establishes the roles and responsibilities for the state of California, local governments and landowners in flood management.	Assembly Local Gov. 7/3
SB 17 (Florez) Reclamation Board and Powers	Gives the "Central Valley Flood Protection Board" new authority over flood control activities in the Central Valley. The bill is backed by Senate leadership.	Assembly WPW 7/3

SB 34 (Torlakson) Delta User Fee	Requires the strategic financing plan for the Delta include recommendations in accordance with a "beneficiaries pay" principle, as to persons and entities on which a fee would be imposed, and proposed fee categories in order to create a dedicated revenue stream to pay for maintenance and improvements to delta levees, project levees, and the levee conveyance system.	Assembly Approps.
AB 5 (Wolk) Flood Protection	Gives priority for state funds to be given to local agencies that have adopted a local plan of flood protection. Prohibits local governments in the Central Valley from approving new development within high-risk flood prone areas, unless adequate flood protection is assured.	Senate Judiciary
AB 1507 (Emmerson) Floodplain Management	Requires DWR to establish an Alluvial Fan Task Force.	Assembly Approp. Two year bill
Urban Water Management Plans/Conservation/Recycling		
SB 862 (Kuehl/ Steinberg) UWMP	Requires the UWMP to assess energy consumption and Bulletin 160. Contains all of the provisions of SB 1640 (Kuehl), 2006, except for the groundwater provisions. SB 1640 was vetoed last year because of the groundwater reporting language.	Assembly WPW 7/3
AB 1420 (Laird) Water Demand Management	Conditions water bond funding on whether an agency has implemented water demand management measures in the UWMP. IEUA has been working with MWD to try to address concerns.	Senate Natural Resources 7/10
AB 1435 (Salas) Water Charges	Requires a local water purveyor that supplies water to retail customers to institute a conservation rate structure based on the amount of water used for other than agricultural purposes for each customers that has a service connection for which a water meter has been installed.	Senate Natural Resources 7/10
Groundwater		

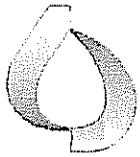
SB 178 (Steinberg and Kuehl) Groundwater	Established a statewide groundwater elevation monitoring program. Under the provisions of the program, DWR would be required to receive and evaluate qualifications of those seeking to conduct the required monitoring. If there is no entity willing to do the monitoring, DWR would be required to step in. Contains the groundwater components that were in SB 1640 from last year. That measure was vetoed.	Assembly WPW 7/3
Water Quality/Water Supply		
AB 559 (Ruskin) Public Water Systems	Asks the University of California (UC) to direct the UC Center for Water Resources to study the potential adverse affects on human health of compounds used to disinfect drinking water and byproducts resulting from disinfection, with emphasis on chloramine use by the San Francisco Public Utilities Commission, and to report the center's findings to the Legislature by July 1, 2009.	Assembly Approps. Two year bill
AB 640 (De La Torre) WDR waivers	Requires a water replenishment district that serves more than one groundwater basin to compute its groundwater replenishment assessment on a per basin amount.	Senate Natural Resource 7/10
AB 690 (Jones) Water Corp. Rates/Contamin ation	States that if a private water corporation receives monetary compensation for damage resulting from contamination of the utility's water supply, the PUC shall require the utility to equitably allocate the compensation between the ratepayers and investors of the utility.	Senate Approps.
AB 1127 (Carter) Perchlorate	Would authorize DSH to contract with SAWPA for the purposes of assessing and treating drinking water for perchlorate contamination in and around the City of Rialto.	Assembly E.S. & T.M. Two year bill
Compost		
SB 697 (Wiggins) Compost	Would require compost be used by the Department of Transportation and all persons contracting with the Department.	Assembly Natural Resources 7/2
Green Buildings/Climate Change		

AB 35 (Ruskin) State Green Buildings	Requires the California Integrated Waste Management Board by 2009 to adopt regulations for sustainable building standards for the construction or renovation of state buildings.	Senate Enviro. Quality 7/2
Positions/Recommended Positions		
SB 55 (Florez) Biosolids	<p>Broadly defines "biosolids" to include any product with human waste, which would include some compost.</p> <p>Requires POTWs to certify to the regional boards that biosolids meet "the requirements and standards for any pollutant listed in the waste discharge requirement for the POTW, including, but not limited to, any requirements of standards governing the 126 priority toxic pollutants listed in 40 CFR 131.38." This list is designed for surface water issues and includes many compounds not found in biosolids.</p> <p>The bill was held in the Senate Appropriations Committee.</p>	<p>Oppose</p> <p>Senate Approps.</p> <p>Two year bill</p>
SB 201 (Florez) Recycled Water Leafy Green	<p>We asked that a section of the bill be deleted that requires extra field testing for recycled water.</p> <p>The Assembly Agriculture Committee did not like the approach of the bill and it was held in committee with no discussion of the recycled water issue.</p>	<p>Oppose unless amended</p> <p>Assembly Ag. Two year bill</p>
SB 220 (Corbett) Bottled Water	Establishes a system for the regulation and inspection of water vending machines and imposes additional labeling requirements on water bottlers and vendors.	<p>Support</p> <p>Assembly Toxics 7/3</p>
SB 1029 (Ducheny) Drinking water regulations	Places a time limit on the Department of Finance of 60 days to review drinking water regulations that are already adopted on the federal level. ACWA is the sponsor.	<p>Support</p> <p>Assembly Approps.</p>
AB 224 (Wolk) Climate Change/Water Supply	Requires DWR to assess the possible affects of climate change on water supply. Requires that this information be incorporated into state and local water planning documents. States that if DWR	<p>Support</p> <p>Senate Enviro</p>

Planning	does not provide the information the requirement does not apply. Requires SWRCB to conduct a study on the energy savings and GHG reductions associated with increased use of recycled water and water conservation.	Quality 7/10
AB 503 (Swanson) Overtime Notice/public agencies	Would have prohibited an agency from requiring any employee entitled to receive overtime compensation pursuant to any federal statute or regulation to perform services outside the employee's normal work schedule unless a minimum of 8 hours' written notice of that work assignment has been provided to the employee. Recently amended to a study only, looking at issues related to requiring state and local agencies to provide eight-hours' prior written notice when requiring an employee to work overtime.	Oppose to Neutral Senate Rules
AB 662 (Ruskin) Water use efficiency	Requires the California Energy Commission (CEC) to prescribe cost effective measures to promote the use of water efficient appliances.	Support Senate Energy 7/3
AB 566 (Plescia) Landscape Water Conservation	Requires the model landscape ordinance to include climate information for irrigation scheduling based on the California Irrigation Management Information System. IRWD sponsor.	Support Senate Approps 7/9
AB 715 (Laird) Low-flush Water Closets	Phases in requirements that water closets and water-using urinals have lower flush volumes, requiring manufacturers to produce an increasing percentage of high-efficiency models until 2014 when all new water closets and urinals would have to meet the high-efficiency definition. Allows cities and counties to enact ordinances that would exempt them from this requirement if it was determined that an older system would result in more water being used.	Support Senate Approps.
AB 885 (Calderon) MWD Board Composition	Requires that the current make up of the MWD Board be the same as those members who serve on the Board as of January 1, 2007. Also requires that MWD study the manner in which members of the Board are designated and selected and the criteria that it uses for determining the number of directors allocated to each member public agency. Requires MWD, based on the study, to	Oppose Senate Local Gov. 7/11

	recommend reforms to the Legislature by January 1, 2009.	
AB 888 (Lieu & Laird) Green Building Standards	Requires CalEPA to develop and adopt building standards for commercial construction that meet or exceed the Leadership in Energy and Environmental Design (LEED) Gold Standard. Requires that by 2012 all new commercial buildings, 50,000 square feet or larger, meet these new standards. Small newly constructed buildings can waive this requirement for economic purposes.	Support Senate Envio. Quality 7/2
AB 1260 (Caballero) Taxes and Fees	Clarifies how a public agency may provide notice when proposing a new, or increasing an existing, property-related fee or charge, and establishes a 120-day statute of limitations for any challenges to any property-related fee or charge. This bill is sponsored by ACWA and was introduced in response to the <u>Big Horn</u> decision last fall.	Support Senate Floor
AB 1404 (Laird) Water use Reporting	Establishes comprehensive system for reporting water use. Specifically, it requires DWR, the SWRCB and DPH to develop a coordinated water use reporting database.	Support Senate Natural Resources 7/10
AB 1406 (Huffman) Recycled Water in Condos	Allows the use of recycled water in toilets and urinals in condominiums. Sponsored by IRWD.	Support Senate Approps. 7/9
AB 1481 (De LaTorre) Water Recycling General Permit	Sponsored by LADWP. Requires that SWRCB prepare a general permit by 2010 for water recycling for landscape irrigation.	Support Senate Enviro Quality 7/2
AB 1560 (Huffman) Building Standards	Requires the CEC to prescribe by regulation, water conservation design standards for new residential construction.	Support Senate Energy 7/3

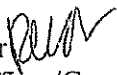
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Date: July 18, 2007

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (07/11/07)

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

Submitted by: Martha Davis 
Executive Manager of Policy Development

Subject: June 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

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June 29, 2007

To: Chino Basin/OBMP Coalition

From: Michael Boccadoro
Senior Vice President

RE: June Status Report

Please find attached the status report from The Dolphin Group for the month of June 2007.

In June, the Public Utilities Commission took a strong step forward in implementing AB 1969, a measure sponsored by IEUA. In addition to proposing to implement the measure consistent with IEUA's position, the CPUC additionally proposed to use AB 1969 as a model to promote more renewable contracts for all types of customers.

On the legislative front, the Capitol was largely busy this month on two fronts. When not negotiating a state budget required to be in place when the fiscal year begins on July 1, legislators also held many policy committee hearings on bills that originated in the other legislative house.

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Chino Basin / OBMP Coalition

Status Report – January 2007

ENERGY/REGULATORY

Energy Efficiency Funding for Water Conservation Efforts

All parties have requested to delay the filing of supplemental information in this proceeding to allow for the Division of Ratepayer Advocates (DRA) and The Utility Reform Network (TURN) to resolve issues related to pilot projects.

Under the new schedule, the utilities will file their supplemental information regarding the water conservation pilot programs on July 11th, with comments due from parties on July 18th. Additionally, another prehearing conference is scheduled to occur at the Commission on August 1st.

DGI will continue to monitor this proceeding, review the supplemental information from the utilities when it is filed and submit comments as necessary.

AB 1969 Implementation

On June 27th, the presiding Administrative Law Judge issued his proposed decision that would implement AB 1969 and determine the language of the standard contracts and tariffs offered by the utilities.

DGI supplied comments to the Commission on behalf of IEUA, and also attended a workshop with the judge and the utilities on the implementation.

In the draft decision, the judge largely sided with IEUA on the vast majority of issues of contention. Specifically, the judge ruled:

- Utilities would not be able to discount the Market Price Referent (PG&E had proposed to only pay 90% of the MPR for eligible renewable power)
- The Commission will “preapprove” all projects up to 1.5 MW in size. The original language of AB 1969 ordered the Commission to consider additional criteria for projects larger than 1.0 MW, and this decision rules there is no special treatment needed for projects between 1.0 and 1.5 MW.
- The decision permits the option of a “buy-all/sell-all” export program, or permitting the customer to first offset on-site usage before exporting to the utility.

The one issue with which the Commission did not agree with IEUA was the option of offering a flat-MPR rate that was not adjusted for time-of-use factors. The Commission argued that offering a flat payment option is inconsistent with their goal of promoting on-peak renewable energy production.

The Commission also took the additional step of permitting PG&E and Southern California Edison to offer a “sister program” to all customers. Like the program for public water and wastewater agencies, participation will be capped at 250 MW, keeping all the eligibility requirements the same.

The decision also failed to resolve issues related to how greenhouse gas and emission credits are exchanged specific to biogas digesters. While all parties, including IEUA, reached conceptual agreement on how to treat these attributes, the decision fails to resolve language stemming from a previous Commission decision that is ambiguous. In July, DGI intends to file a petition to modify a previous Commission decision that would remove the ambiguous language and codify the working assumptions that the utilities and customer-groups have agreed to.

The Commission is expected to vote on this decision in late July, and the tariffs are expected to become effective in early August.

2007-08 STATE BUDGET

The state constitution's deadline for the Legislature to send a budget bill to the governor was June 15, but lawmakers continued the tradition of ignoring the due date. Although both sides remain optimistic—at least in public—few are counting on a quick resolution to this year's budget process.

For all practical purposes, the actual deadline is midnight June 30, the end of the fiscal year. However, a number of factors have all but ensured that deadline will be missed as well.

The Budget Conference Committee has not met recently. In the meantime, there have been some meetings between the Legislative leadership (the “Big Four”), but little real progress. Negotiations were further complicated by the recent absence of the Governor who has been traveling extensively on the East Coast and Europe.

Democrats cannot pass the budget bill without Republican votes to provide a two-thirds majority.

LEGISLATION

With the state budget still not approved, the Legislature spent most of June considering legislation that originated in the other legislative house. Policy committees have until July 13th to approve measures before the Legislature enters a recess on July 20th, provided a state budget has been approved by that date.

Senators and Assemblymembers will reconvene on August 20th, with all measures required to be submitted to the Governor by September 14th.

SB 463- Dairy Biogas Net Metering

This measure, sponsored by IEUA, will allow an investor-owned utility to purchase surplus generation from an eligible biogas net metering customer. This allowance currently exists in the net metering statute for solar and wind self-generation. The measure was unanimously approved by the full Senate on a 38-0 vote.

While in the Assembly, the first hearing scheduled for June 26th was delayed as the Committee weighed a number of issues related to net metering and power purchase contracts.

CA SB 463	AUTHOR:	Negrete McLeod [D]	
	TITLE:	Energy: Biogas Digester Customer-Generator	
	INTRODUCED:	02/21/2007	
	LAST AMEND:	05/01/2007	
	DISPOSITION:	Pending	
	LOCATION:	Assembly Utilities and Commerce Committee	
	SUMMARY:	Relates to existing law that provides if the electricity generated by the eligible biogas digester customer-generator exceeds the electricity supplied by an electrical corporation over a specified period, the customer-generator is a net electricity producer and the corporation retains any excess kilowatthours generated over the specified period. Provides the customer-generator would not be owed compensation for excess kilowatthours unless there is an agreement. Imposes a limit on kilowatt hour price.	
	VOTES:		
	04/24/2007	Senate Energy, Utilities and Communications Committee	P 8-0
	05/17/2007	Senate Floor	P 38-0
	Position:	Support	

Other Legislation

CA AB 109	AUTHOR:	Nunez [D]	
	TITLE:	Global Warming Solutions Act of 2006: Annual Report	
	INTRODUCED:	01/05/2007	

DISPOSITION: Pending
COMMITTEE: Senate Environmental Quality Committee
HEARING: 07/10/2007 9:30 am
SUMMARY:

Requires the State Air Resources Board to report to the Legislature annually the status and progress of implementing the Global Warming Solutions Act of 2006. Requires the state to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions levels in 1990 to be achieved by 2020.

VOTES:

04/23/2007 Assembly Natural Resources Committee P 7-1
05/31/2007 Assembly Appropriations Committee P 12-5
06/04/2007 Assembly Floor P 58-16
Position: Watch

CA AB 118

AUTHOR: Nunez [D]
TITLE: Alternative Fuels and Vehicle Technologies: Funding
INTRODUCED: 01/09/2007
LAST AMEND: 06/26/2007
DISPOSITION: Pending
COMMITTEE: Senate Transportation and Housing Committee
HEARING: 07/03/2007 1:30 pm
SUMMARY:

Creates the Air Quality Improvement Program to fund air quality improvement projects relating to fuel and vehicle technologies and the Alternative Renewable Fuel, Vehicle Technology, Carbon Reduction, and Clean Air Program to provide grants and revolving loans to specified entities to develop innovative technologies that transform the state's fuel and vehicle types. Requires the establishment of a related advisory board. Increases driver's license and motor vehicle registration related fees.

VOTES:

04/23/2007 Assembly Transportation Committee P 9-4
05/31/2007 Assembly Appropriations Committee P 12-5
06/05/2007 Assembly Floor P 48-29
Position: Watch

CA AB 140

AUTHOR: Garcia [R]
TITLE: Desert Water Agency
INTRODUCED: 01/16/2007
LAST AMEND: 04/12/2007
DISPOSITION: Pending
FILE: 55
LOCATION: Senate Third Reading File
SUMMARY:

Authorizes the Desert Water Agency to construct, operate, and maintain facilities for the generation of electricity that are hydroelectric or specified eligible renewable energy resources for the control, conservation, diversion, and transmission of water, and for the construction, treatment, and disposal of sewage, and to enter into contracts for the sale of electricity generated by the agency for a specified term.

VOTES:

04/09/2007 Assembly Utilities and Commerce P 12-0
Committee
04/17/2007 Assembly Environmental Safety and Toxic P 7-0
Materials Committee
04/23/2007 Assembly Floor P 73-0
06/12/2007 Senate Natural Resources and Water P 7-0
Committee

Position: Watch

CA AB 578

AUTHOR: Blakeslee [R]
TITLE: Energy: Distributed Energy Generation: Study
INTRODUCED: 02/21/2007
LAST AMEND: 06/01/2007
DISPOSITION: Pending
COMMITTEE: Senate Energy, Utilities and Communications
Committee
HEARING: 07/03/2007 9:30 am

SUMMARY:

Requires the Energy Resources Conservation and Development Commission, in consultation with the Independent System Operator, to study and submit a report to the Legislature and the Governor, on the impacts of distributed energy generation on the state's distribution and transmission grid.

VOTES:

04/09/2007 Assembly Utilities and Commerce P 11-0
Committee
05/31/2007 Assembly Appropriations Committee P 17-0
06/05/2007 Assembly Floor P 79-0

Position: Watch

CA AB 739

AUTHOR: Laird [D]
TITLE: Stormwater Discharge
INTRODUCED: 02/22/2007
LAST AMEND: 06/19/2007
DISPOSITION: Pending
COMMITTEE: Senate Environmental Quality Committee
HEARING: 07/02/2007 1:30 pm

SUMMARY:

Requires the Department of Water Resources to develop project selection and evaluation guidelines to implement a specified stormwater flood management grant program. Provides the design and construction of projects for specified combined municipal sewer and stormwater system are eligible for the program. Requires the state Water Resources Control Board to develop program guidelines. Requires coordination with regard to the development of project selection and evaluation guidelines. Requires a task force.

VOTES:

05/01/2007 Assembly Environmental Safety and Toxic P 6-0
Materials Committee
05/31/2007 Assembly Appropriations Committee P 12-0
06/05/2007 Assembly Floor P 58-6

Position: Watch
CA AB 938 **AUTHOR:** Calderon C [D]
TITLE: Regional Water Management
INTRODUCED: 02/22/2007
LAST AMEND: 06/20/2007
DISPOSITION: Pending
LOCATION: Senate Environmental Quality Committee
SUMMARY:
 Authorizes a county or city to convene one or more watershed water quality committees to develop and facilitate cooperation in achieving local water quality solutions. Requires a committee to use reasonable efforts to prepare and submit a watershed management plan that addresses major sources of stormwater, urban runoff, and nonpoint source pollution within the region. Requires a city or county that provides certain utilities to provide facilities for returning captured waters to receiving bodies.
VOTES:
 04/24/2007 Assembly Water, Parks and Wildlife Committee P 13-0
 05/09/2007 Assembly Local Government Committee P 7-0
 05/31/2007 Assembly Appropriations Committee P 17-0
 06/04/2007 Assembly Floor P 78-0
Position: Watch

CA AB 1428 **AUTHOR:** Galgiani [D]
TITLE: Energy: Biogas Digester and Manure Customer-Generator
INTRODUCED: 02/23/2007
LAST AMEND: 06/26/2007
DISPOSITION: Pending
LOCATION: Senate Rules Committee
SUMMARY:
 Relates to existing law that requires electrical corporations with net energy metering to provide eligible biogas digester customer-generators, that commence operations by a specified date, with net energy metering, under a pilot program. Replaces the existing pilot program for eligible biogester customer-generators with a net energy metering program for eligible customer-generators that use agricultural residues, animal wastes, or animal renderings to generate electricity and meet certain requirements.
VOTES:
 04/09/2007 Assembly Utilities and Commerce Committee P 12-0
 04/23/2007 Assembly Natural Resources Committee P 7-0
 05/23/2007 Assembly Appropriations Committee P 16-0
 05/29/2007 Assembly Floor P 77-0
 06/19/2007 Senate Energy, Utilities and Communications Committee P 7-0
Position: Watch

CA AB 1470 **AUTHOR:** Huffman [D]

TITLE: Solar Energy: Solar Hot Water Heat and Efficiency Act
INTRODUCED: 02/23/2007
LAST AMEND: 06/26/2007
DISPOSITION: Pending
COMMITTEE: Senate Energy, Utilities and Communications Committee
HEARING: 07/03/2007 9:30 am
SUMMARY:

Requires the Public Utilities Commission to establish eligibility criteria for the solar water heating systems receiving gas customer funded incentives. Specifies only solar heating technologies that displace electricity are eligible for a portion of Solar Initiative Funds. Specifies that the consumer rebate decline over time and be structured to reduce the cost of solar water heating technologies. Specifies the percentage of funds for installation of such system for specified affordable housing projects.

VOTES:

04/23/2007 Assembly Natural Resources Committee P 6-3
 05/31/2007 Assembly Appropriations Committee P 12-5
 06/06/2007 Assembly Floor P 44-34
Position: Watch

CA AB 1506

AUTHOR: Arambula [D]
TITLE: Greenhouse Gas Emissions
INTRODUCED: 02/23/2007
LAST AMEND: 06/04/2007
DISPOSITION: Pending
COMMITTEE: Senate Environmental Quality Committee
HEARING: 07/10/2007 9:30 am
SUMMARY:

Requires the Business, Transportation and Housing Agency to conduct a study of the most effective ways for the state to provide incentives to businesses to reduce greenhouse gas emissions and increase our energy independence, and to report its findings and recommendations to the Legislature.

VOTES:

04/17/2007 Assembly Jobs, Economic Development and The Economy Committee P 6-0
 04/23/2007 Assembly Revenue and Taxation Committee P 8-1
 05/31/2007 Assembly Appropriations Committee P 12-5
 06/06/2007 Assembly Floor P 76-0
Position: Watch

CA AB 1613

AUTHOR: Blakeslee [R]
TITLE: Energy: Waste Heat and Carbon Emissions Reduction
INTRODUCED: 02/23/2007
LAST AMEND: 06/27/2007
DISPOSITION: Pending
COMMITTEE: Senate Energy, Utilities and Communications Committee
HEARING: 07/03/2007 9:30 am

SUMMARY:

Enacts the waste heat and carbon emissions reduction act. Requires a load-serving entity to purchase the incidental electricity generated by eligible customers utilizing distributed generation that employs combined heat and power technology that comply with the regulations, or interim guidelines. Requires that the rates be time or use rates that encourage energy conservation and net generation of electricity during periods of peak system demand. Relates to state building energy efficiency.

VOTES:

04/23/2007 Assembly Utilities and Commerce P 12-0
Committee
05/31/2007 Assembly Appropriations Committee P 16-1
06/06/2007 Assembly Floor P 77-0
Position: Watch

CA SB 9

AUTHOR: Lowenthal [D]
TITLE: Trade Corridor Improvement: Transportation Project
INTRODUCED: 12/04/2006
LAST AMEND: 06/04/2007
DISPOSITION: Pending
COMMITTEE: Assembly Transportation Committee
HEARING: 07/02/2007 1:30 pm
SUMMARY:

Relates to the Trade Corridor Improvement Transportation Project. Requires inclusion in a regional transportation plan. Requires for funding emphasis to be on consideration of specified emissions associated with the construction and operation of the project and the project's potential to reduce emissions associated with trade activity. Requires inclusion of a plan to mitigate emissions associated with their projects. Requires funds to be used only for construction costs.

VOTES:

04/17/2007 Senate Transportation and Housing P 7-3
Committee
05/31/2007 Senate Appropriations Committee P 10-6
06/07/2007 Senate Floor P 24-12
Position: Watch

CA SB 19

AUTHOR: Lowenthal [D]
TITLE: Trade Corridor: Projects to Reduce Emissions:
Funding
INTRODUCED: 12/04/2006
LAST AMEND: 04/10/2007
DISPOSITION: Pending
COMMITTEE: Assembly Transportation Committee
HEARING: 07/02/2007 1:30 pm
SUMMARY:

Relates to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Specifies a list of projects eligible for this funding. Require that the Air Resources Board ensure that these funds are supplemented and matched with funds from federal, state, local, and private sources to the maximum extent feasible. Requires applicants for

this funding to include with their application for funding a plan to reduce emissions associated with goods movement activity.

VOTES:

04/17/2007 Senate Transportation and Housing Committee P 6-4
05/31/2007 Senate Appropriations Committee P 10-6
06/04/2007 Senate Floor P 24-14
Position: Watch

CA SB 55

AUTHOR: Florez [D]
TITLE: Water Quality: Sewage Sludge
INTRODUCED: 01/10/2007
LAST AMEND: 04/30/2007
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY:

Relates to water quality and sewer sludge. Prohibits the treatment or land application of specified sewage sludge in violation of federal regulations. Requires a supplier of sludge to submit samples to a certified laboratory for testing. Relates to polluting chemicals including agricultural, industrial, personal care products and pharmaceuticals that may act as endocrine disrupters. Relates to pathogens.

VOTES:

04/24/2007 Senate Environmental Quality Committee P 6-1
Position: Watch, Watch

CA SB 210

AUTHOR: Kehoe [D]
TITLE: Greenhouse Gas Emissions: Fuel Standard
INTRODUCED: 02/08/2007
LAST AMEND: 04/30/2007
DISPOSITION: Pending
COMMITTEE: Assembly Transportation Committee
HEARING: 07/02/2007 1:30 pm
SUMMARY:

Requires the State Air Resources Board to adopt, implement, and enforce, a low-carbon fuel standard that achieves the maximum technologically feasible and cost-effective greenhouse emissions reductions, and at least a 10% reduction in greenhouse gas emissions.

VOTES:

03/27/2007 Senate Transportation and Housing Committee P 7-4
04/24/2007 Senate Environmental Quality Committee P 4-2
05/31/2007 Senate Appropriations Committee P 10-6
06/04/2007 Senate Floor P 21-15
Position: Watch

CA SB 375

AUTHOR: Steinberg [D]
TITLE: Transportation Planning: Travel Models: Reviews
INTRODUCED: 02/21/2007
LAST AMEND: 06/27/2007
DISPOSITION: Pending
COMMITTEE: Assembly Local Government Committee

HEARING: 07/03/2007 9:00 am

SUMMARY:

Relates to guidelines for travel demand guidelines used in regional transportation plans, the requirement a regional transportation plan include a preferred growth scenario designed to achieve goals for the reduction of vehicle miles in the region, an environmental document under the Environmental Quality Act that examines specific impacts of a transportation project located in a local jurisdiction that has amended its general plan and the legislative body finds the project meets specified criteria.

VOTES:

04/24/2007	Senate Environmental Quality Committee	P 5-2
04/26/2007	Senate Transportation and Housing Committee	P 7-1
05/31/2007	Senate Appropriations Committee	P 10-6
06/07/2007	Senate Floor	P 21-15
Position:	Watch	

CA SB 411

AUTHOR: Simitian [D]
TITLE: Energy: Renewable Energy Resources
INTRODUCED: 02/21/2007
LAST AMEND: 04/18/2007
DISPOSITION: Pending
COMMITTEE: Assembly Utilities and Commerce Committee
HEARING: 07/02/2007 3:00 pm
SUMMARY:

Requires a retail seller of electricity to increase its total procurement of eligible renewable resources so that at least 33% of its retail sales are procured from eligible renewable energy resources no later than specified date, in furtherance of achieving the greenhouse gas emissions limit adopted pursuant to the California Global Warming Solutions Act of 2006.

VOTES:

04/24/2007	Senate Energy, Utilities and Communications Committee	P 5-3
04/26/2007	Senate Environmental Quality Committee	P 5-1
05/17/2007	Senate Floor	P 21-15
Position:	Watch	

CA SB 451

AUTHOR: Kehoe [D]
TITLE: Renewable Energy Resource Customer-Generator
INTRODUCED: 02/21/2007
LAST AMEND: 06/26/2007
DISPOSITION: Pending
COMMITTEE: Assembly Utilities and Commerce Committee
HEARING: 07/02/2007 3:00 pm
SUMMARY:

Requires every electrical corporation to make the standard contracts created by last year's AB 1969 available to any customer generators on a first-come, first-served basis, until the corporation meets its proportionate share of a combined statewide cumulative rated generated capacity of those electric generation facilities of 1,000 megawatts.

Provides the electricity generated by a facility counts toward the corporation's renewables portfolio standard and resource adequacy requirements. Defines customer generators.

VOTES:

04/24/2007 Senate Energy, Utilities and P 8-0
Communications Committee
05/29/2007 Senate Appropriations Committee P 15-0
05/31/2007 Senate Floor P 39-0
Position: Oppose_Unless

CA SB 494

AUTHOR: Kehoe [D]
TITLE: Vehicular Air Pollution Control: Clean Alternative
INTRODUCED: 02/22/2007
LAST AMEND: 06/26/2007
DISPOSITION: Pending
COMMITTEE: Assembly Transportation Committee
HEARING: 07/02/2007 1:30 pm
SUMMARY:

Relates to vehicular air pollution control. Requires the Air Resources Board to develop and adopt regulations that will ensure that an unspecified percentage of new passenger vehicles and light-duty trucks sold in the state each year are clean alternative vehicles, and that commencing by a specified date, a percentage of new passenger vehicles and light-duty trucks sold in the state each year are clean alternative vehicles.

VOTES:

03/27/2007 Senate Transportation and Housing P 6-4
Committee
04/24/2007 Senate Environmental Quality Committee P 5-2
05/31/2007 Senate Appropriations Committee P 10-6
06/04/2007 Senate Floor P 22-16
Position: Watch

CA SB 1001

AUTHOR: Perata [D]
TITLE: Regional Water Quality Control Boards
INTRODUCED: 02/23/2007
LAST AMEND: 04/17/2007
DISPOSITION: Pending
COMMITTEE: Assembly Environmental Safety and Toxic Materials
Committee
HEARING: 07/03/2007 8:00 am
SUMMARY:

Relates to regional water boards and their responsibilities under the federal Clean Water Act and Porter-Cologne. Requires the State Water Resources Control Board, with the Department of Finance, to prepare a detailed report on the financial basis and programmatic effectiveness of its water quality programs. Requires the board to prepare and adopt regulations for each regional board to ensure compliance with water quality laws. Establishes procedures for the removal of a regional board from the programs.

VOTES:

04/24/2007 Senate Environmental Quality Committee P 5-2

05/31/2007 Senate Appropriations Committee P 10-6
06/07/2007 Senate Floor P 22-15
Position: Watch

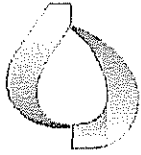
CA SB 1036

AUTHOR: Perata [D]
TITLE: Energy: Renewable Energy Resources
INTRODUCED: 02/23/2007
DISPOSITION: Pending
COMMITTEE: Assembly Utilities and Commerce Committee
HEARING: 07/02/2007 3:00 pm
SUMMARY:

Repeals provisions providing for the New Renewable Resources Account within the Renewable Resource Trust Fund. Deletes the requirement that the Energy Commission award the production incentives and allocate and award supplemental energy payments to eligible renewable energy resources to cover above-market costs of renewable energy. Requires the Commission to terminate production incentives unless the project began generating electricity by a certain date.

VOTES:

04/24/2007 Senate Energy, Utilities and P 8-0
Communications Committee
05/07/2007 Senate Appropriations Committee P 17-0
06/04/2007 Senate Floor P 39-0
Position: Watch



Inland Empire
UTILITIES AGENCY

Date: July 18, 2007

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (07/11/07)

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

Submitted by: Martha Davis *MD*
Executive Manager of Policy Development

Subject: June 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

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Innovative Federal Strategies LLC

Comprehensive Government Relations

MEMORANDUM

To: Rich Atwater and Martha Davis, IEUA

From: Letitia White and Alex Shockey

Date: June 29, 2007

Re: June Monthly Legislative Update

The month of June saw the fiscal year 2008 appropriations process begin in earnest. Leadership in the House had hoped to have all of the appropriations bills passed off the House floor before the Independence Day recess began. But June 29th has come and only five FY08 appropriations bills - - Homeland Security, Military Construction, Foreign Operations, Interior, and Financial Services - - have cleared the House floor. (Energy and Water Appropriations has been fully debated on the floor although not passed. It has been laid aside, awaiting inclusion of earmarks.) This means that it will be next to impossible for the House and Senate to pass and conference all of the twelve bills before the end of fiscal year 2007 on September 30th. In addition to this, President Bush has threatened to veto many of the bills because they call for higher spending levels than he requested in his budget. Many on Capitol Hill are already bracing themselves for another train wreck come October!

One of the main reasons for the slow progress on appropriations has been the sticky issue of earmarks. Chairman of the House Appropriations Committee David Obey (D - WI) announced at the beginning of the committee process that House Member earmarks would not be included in appropriations bills until the final analysis, during House- Senate conference committee. He reasoned that his plan would give staff more time to review all earmark requests to ensure that no bad, unseemly projects were included. Detractors of his proposal balked saying that such a plan would not provide the "transparency" to the earmark process that the new Congress had promised and that the plan would provide, in fact, far less transparency than in years past. So, on the House floor, the detractors brought the first appropriations bill to a total standstill with a deluge of amendments. Eventually, a deal was struck and Chairman Obey agreed to include earmarks in the committee reports if Members would stop their stalling tactics.

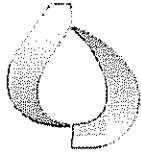
So we are starting to see some earmarks in some of the early appropriations bills. Chairman Obey had warned Members that there would be 50% fewer earmarks and 50% less money slated for earmarks than in years past. True to his word, that is about what we are seeing thus far.

As you know, the Senate always follows the House in passing appropriations bills. While the Senate has started its appropriations process with most of the bills sailing through committee, it has not yet debated any of its bills on the Senate floor. The Senate has been consumed with the immigration reform bill, enormously controversial legislation, which is now fundamentally dead for the year.

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Innovative Federal Strategies LLC

July 4th recess will last until Monday, July 9th when the House and Senate reconvene. Both chambers are slated to pound through additional appropriations bills in the hope that they can finish most, if not all of the bills and avoid a year-end train wreck. As always, we will keep you posted!



Inland Empire
UTILITIES AGENCY

Date: July 18, 2007

To: The Honorable Board of Directors

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

Submitted by: Martha Davis *MD*
Executive Manager of Policy Development

Subject: June 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

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Agricultural Resources

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

June 30, 2007

Legislative Report

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

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

SU: Legislative Report, June 2007

Highlights:

- ! New Scientific Reports – New Justifications for Title XVI
- ! House Passes Santa Ana Watershed Recycling, Water Bills
- ! Appropriations Status – Title XVI
- ! People, Coming and Going
- ! Delta Pumps Shut Down, Maybe Again, Title XVI Implication
- ! Senate Energy Committee to Take up Recycling Dreier-Feinstein and Other Water Recycling Bills in July
- ! House-Senate Action on Farm Bill, Begins Markups – July Target for Reporting Bill – Floor Fight Expected
- ! News and Notes
- ! IEUA Working Partners

New Science Reports, New Justification for Title XVI. Scientists at the University of Colorado's National Snow and Ice Center released a study indicating that "dust" in the West is

speeding up the snow melt, resulting in an accelerated “snow melt-profile” in the Colorado River watershed. What did the scientists find? Dust, resulting from wind-blown drought-impacted lands, landed on the snow-pack. The “dark” dust absorbed heat, and actually sped up the snow melt – by between 24-35 days earlier than last year. This is another example of how climate change is impacting the western United States and specifically the Colorado River Basin. In the past, maybe four such storms depositing “red and orange grit” occurred annually.

House Passes Water Recycling Bills For Orange County, Riverside. The full House passed two major water bills in the Santa Ana River watershed. The first provides for additional funding authority for the OCWD project. The other, authorizes the Riverside-Corona Feeder Canal and groundwater project.

Appropriations – Title XVI. The Appropriations Committee is finally considering annual funding bills. As reported last month, because of “*continued conflicts over ‘earmarking’ rules, the Committee did not specify the amount of funding for Title XVI and will not prior to conference (could be July – more likely September). Funds for the overall program – or for IEUA – will not be addressed until the end of the legislative process.*”

People, Coming and Going. This past month, people were on the move, among them: **OMB.** OMB Director and former House Member from Ohio, Bob Portman, unexpectedly resigned. President nominated Jim Nussle, former Iowa congressman and former Chair, Budget Committee, to serve as Director, OMB. The position requires confirmation. **Interior.** Jason Peltier, Principal Deputy Assistant Secretary, Water and Science resigned, is returning to California and has joined the staff of the Westlands Water District where he will work on Delta-related issues. Peltier’s decision to join Westlands has already created controversy – with questions being asked by Resources Committee Chairman Rahall. No replacement yet. His decision to leave was not a surprise. Jason was among the finalists for the head ACWA position and when he didn’t get it, he immediately resigned from Interior. Mark Limbaugh, Assistant Secretary of the Interior, Water and Science, announced that he was stepping down in mid-July to join a Washington DC-based lobby firm. This was a surprise. Limbaugh, like Secretary Kempthorne, is from Idaho and was expected to complete his appointment through January 2009. No replacement has been nominated. It is not clear who will serve as “Acting Assistant Secretary” after his departure. The position of Assistant Secretary requires Senate confirmation. The position of Principal Deputy Assistant Secretary does not. **ACWA.** ACWA’s Board of Directors announced that MWD’s Tim Quinn will assume the role of ACWA’s Executive Director, replacing Steve Hall, who stepped down due to illness. **Senator Craig Thomas Died.** Wyoming’s senior senator unexpectedly died this month of leukemia. He was a senior member of the Senate Energy Committee and chaired, for the GOP, the Parks Subcommittee.

DWR Delta Pumps Shut Down – Resulting from Delta Ecosystem Collapse – Title XVI Implication. The Delta pumps were shut down for nine days in June. There are indications that additional shut downs will be imposed. As previously reported, these risks provide additional “justification” for Title XVI.

Title XVI Bills – Senate Hearings Anticipated in June – Now July. Hearings on water recycling bills were not scheduled in June as hoped. Now, we're being advised that the hearings will be held in July.

Congressional Action on Farm Bill Underway. Beginning in late May, the House Agriculture Committee Chair, Rep. Collin Peterson (D-MN) began releasing sections of his proposed bill and began marking it up. Markups continued throughout June. As previously reported, the current Farm Bill expires September. It's the Committee's intention to complete committee action by mid-July.

From last month's report – still accurate, each still pending as an issue.

- * The bill advanced for markup is very controversial – and “may” not be in a form that it can pass the House floor.
- * The bill provides all sorts of policy and programmatic provisions without funding for them. Peterson is putting pressure on his own leadership to lift budget caps and waive the budget rules. Peterson's own leadership is not happy. Those with policy or regional marker bills are largely “frozen” out of the bill. Peterson has signaled that these issues can only be addressed in conference, but that doesn't satisfy other members. While this is unfolding, Peterson protected “Title I” – the traditional farm program subsidies.
- * Rep. Ron Kind (D-WI) introduced a bill with a significant “renewable energy” provision and a provision making non-farmers eligible (like IEUA) for funding digesters and manure management. California's Dennis Cardoza and Maryland's Chris Van Hollen have also introduced what are being called “marker bills.” Between the three bills, they have some 200 co-sponsors.
- * AWWA, ACWA, AMWA and others submitted a letter to the Committee supporting the Regional Water Enhancement Program (RWEP), a proposed new provision in the conservation title. IEAU and Cucamonga Valley Water District signed the letter.

Either the leadership will step in and force changes in the bill OR there will be a huge floor fight. No one can see the outcome (way too many variables). In the House, one option, modify the bill in Rules Committee, before it is brought to the Floor. Or, put the bill on the floor and do it with an open rule – allowing the amendment process to work its will.

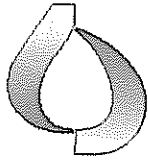
The Senate is moving slower than the House, and is confronting similar problems. As reported last month, it's not clear that Peterson can move a bill through the House.

Benefits only go to individual farmers. Providing benefits to a third party (a co-op, group of farmers, a public utility) who might own and operate a digester was not within USDA's thinking at the time.

News and Notes. Senate Energy – Water and Power Subcommittee to Hold Hearing on “Climate” Impacts on the Southwest. MWD Board Chair, Tim Brick, provided an excellent statement to the Committee and was well received. ***Lake Mead Water Way Down.*** A colleague reports that the water pool at Hoover Dam is “down” more than 109’. That’s a lot of water “not there.” ***Drought in West.*** Other western states, up and down the Rocky Mountains, experiencing drought. Some 13 of the 17 Western states are still indicating some level of drought. Southern California and Southwest Arizona are experiencing drought characterized by USDA and NOAA as “extreme.” ***Friant (San Joaquin Valley) Settlement Proposal.*** Major issues remain unresolved. No change. ***Westlands Proposal on Valley Ag Drainage Prompts Senator Feinstein to Holds “All Hands” Meeting.*** The previously announced meeting took place in Washington. The several hour meeting did not produce agreement, and the State’s DWR leader, Lester Snow, led a chorus of “there are competing priorities.” DWR, MWD and others are expressing concerns. It’s a multi-billion dollar proposal. Some members believe available funds should be first targeted to/at resolving the Delta issues. ***Senator Tim Johnson, Chair, Subcommittee on Water and Power Continues Making Progress.*** Senator Johnson is now expected to return to the Senate after Labor Day – at least part time. He is making measured progress.

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

- a. Metropolitan Water District of Southern California (MWD)
- b. Milk Producer's Council (MPC)
- c. Santa Ana Watershed Project Authority (SAWPA)
- d. Water Environment Federation (WEF)
- e. Association of California Water Agencies (ACWA)
- f. WaterReuse Association
- g. CALStart
- h. Orange County Water District (OCWD)
- i. Cucamonga Valley Water District (CVWD)
- j. Western Municipal Water District
- k. Chino Basin Watermaster



Date: August 15, 2007

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (08/08/07)

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

During the month of July, the Agency conducted one tour of the RP-5 Solids Handling Facility, two tours of the LEED headquarters, and hosted four workshops.

Calendar of Upcoming Events

- August 9, 2007, San Bernardino County 2007 Water Conference, 8:00 a.m. to 2:00 p.m., Ontario Convention Center.
- August 23, 2007, Integrated Waste/Cal Trans Compost workshop, 7:00 a.m. to 5:00 p.m.
- September 7 – 30, 2007, ECO Now Exhibit at LA County Fair.
- September 12, 2007, Chino Day at the LA County Fair. **(Anderson)**
- September 14 – 16, 2007, IEUA/MWD Director Koopman's State Water Project Tour
- September 21, 2007, Chino Hills Day at the LA County Fair. **(Anderson)**
- September, 26, 2007, IEUA Picnic, 11:30 a.m., Grand Park, Chino Hills.
- October 20, 2007, annual regional Water Fair, Montclair Plaza, 10:00 a.m. to 2:00 p.m.
- Agency staff is working with the CBWCD to plan 'California Friendly' events during the month of October.

**OUTREACH/EDUCATIONAL INLAND VALLEY DAILY BULLETIN NEWSPAPER
CAMPAIGN**

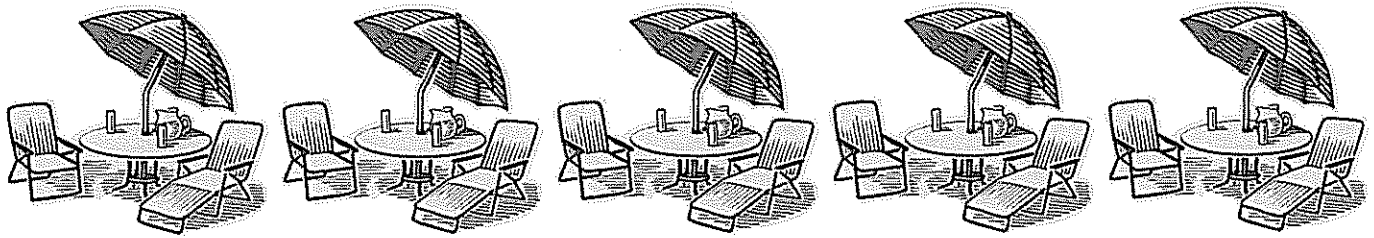
- Safety Issue expected to run August 29, 2007.
- During August and September IEUA will utilize some of our 'run-of-press' pages in the Daily Bulletin to run a 'water conservation' campaign to get the message out on the importance of water conservation this summer. The theme of the campaign is "It's time to get serious" (to be consistent with MWD's message). The ads will offer water-saving tips and the number of "gallons" saved, which will be consistent with San Diego's 20-gallon challenge tips and numbers.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

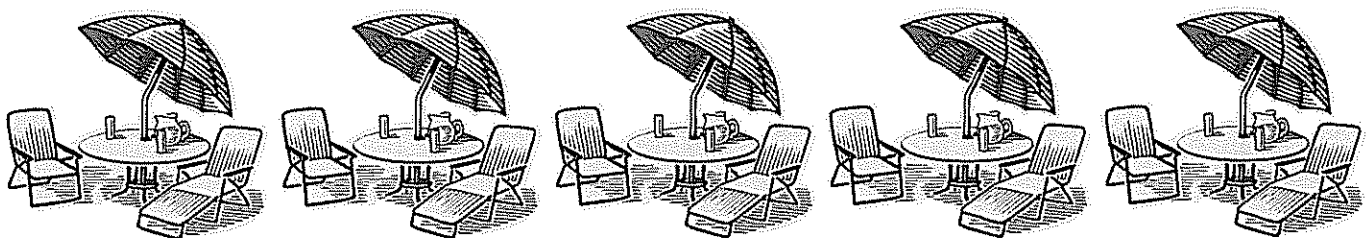
None.



CHINO BASIN WATERMASTER

IV. INFORMATION

1. Newspaper Articles



Rialto banking on wrong strategy

Our view: City's legal battle over perchlorate just isn't paying off.

Article Launched:07/16/2007 12:00:00 AM PDT

When is enough enough? When should the city pack it in and call in the big dogs? Rialto has been fighting for a decade to get suspected polluters, including major corporations and the Pentagon, to pay the costs of cleaning up perchlorate that has contaminated the city's wells. But the extended legal battle has cost more than \$18 million to date and could edge up a lot higher.

And while Rialto's city attorney seems content to play David to the suspected polluters' Goliath - albeit, with the help of a cadre of top-notch lawyers - it's chiefly customers of the city's water utility that have had to bear the burden, and the brunt of the costs, which roughly equal the Police Department's annual budget.

The city's water agency serves about half of Rialto. Fontana Water Co. and West Valley Water serve the rest. And so, it is about half of Rialto residents who are footing the bill for the city's legal juggernaut. The surcharge on ratepayers' water bills starts at \$6.85 a month, and rises from there.

If Rialto eventually wins its case in court, resident ratepayers will be reimbursed. But that could be a long time in coming. Meanwhile, the total for actual cleanup could amount to \$300 million. As the fight drags on, even the council has become leery, without seeing much in the way of results.

And although the city is entirely justified in wishing to see the actual polluters pay for the cleanup - and ultimately pay back city ratepayers - it is dumbfounding how the city has allowed things to get this far, without calling in the cavalry.

Why won't Rialto ask the feds for help? Why has the city insisted on going it alone, without bringing in the resources of the Environmental Protection Agency? We're sure city ratepayers would like to know the same thing - why Rialto has been so reluctant to do the obvious thing.

"I think going with EPA and the Superfund program is probably the strongest mechanism a city or community has," said Penny Newman, executive director of the Center for Community Action and Environmental Justice. "I'm always amazed that people - communities - shy away from that."

Indeed, Rialto has become almost territorial in pursuing the fight on its own. It's almost as if time and money were no object. But heck, why not, if the ratepayers are paying for it?

The city's attitude is getting perturbing. With the price tag reaching into the millions, it's time to regroup. The city needs to take a more regional approach, and pronto. And spread out the costs.

Rialto, to its credit, initially considered going with the EPA. But after looking at a variety of Superfund projects, and finding that each took 17 to 27 years to start cleanup, the city felt it would take too long, said City Attorney Bob Owen.

So, this is any better? How long does the city expect ratepayers to keep fronting litigation costs? Hopefully, not up to the \$300 million mark of actually cleaning up the perchlorate.

The state Water Resources Control Board plans hearings in August. At that time, it could order three suspected polluters - Goodrich, Pyro Spectaculars and Emhart Industries, parent company of Black and Decker - to remove the contamination.

Then again, those companies all have been fighting long and hard to delay any consequences.

"It's gone from bad to worse, to untenable," said Michael Whitehead, president of the San Gabriel Valley Water Co., which owns Fontana Water Co. Whitehead and Anthony "Butch" Araiza, general manager of the West Valley Water District, both have urged Rialto go with a regional coalition that joins hands with the EPA.

Rialto has been fighting for cleanup of the Rialto-Colton Basin, without regard for pollution of West Valley and Fontana wells. And while a fault separates them, making it more difficult to prove who caused the contamination of the other wells, it's all the more reason for a regional approach.

Yet Rialto persists in its one-sided struggle. "This city's involved in possibly its largest legal battle ever in its history," Owen said as if in self-defense. "Now is not the time to blink."

That strategy is entirely too myopic. Rialto needs to open its eyes, for the sake of city ratepayers. Better to lean on the EPA - and save residents the money, and the aggravation.

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JCSD board declines to respond to Grand Jury findings

By Jesse B. Gill, Special to the Daily Bulletin
Inland Valley Daily Bulletin

Article Launched: 07/10/2007 12:31:34 AM PDT

Several residents Monday night demanded that the Jurupa Community Services District board of directors respond to a Grand Jury report last week stating that the board violated state law in a sale of public land to Rep. Ken Calvert.

The land in question is a 4-acre parcel off Limonite Avenue, which was sold to Calvert, R-Riverside, and his partners for \$1.2 million.

The grand jury cited the district for illegally selling the land without first offering it to other public agencies, such as the Jurupa Area Recreation and Park District. The report also recommended that the district turn over the \$1.2 million gained in the sale to the Park district.

Resident Stephen Anderson criticized the sale of the land, saying it could have been used to construct Little League baseball fields, which do not currently exist in Jurupa.

"What a gravy train you guys have!" Anderson told the board. "What a nice gift for Ken Calvert ... "There is no public service in your name," he continued. "It's all about being strong to hold on for your own self-interest."

The board's vice president, R.M. "Cook" Bareia, sought to make a statement regarding the grand jury reports, but was voted down by the rest of the board, who preferred to examine the legal ramifications of such an action.

The board said they plan to release an official statement within the next two weeks.

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The most dry year of 130 on record

By Joe Blackstock
Inland Valley Daily Bulletin

Article Launched:06/30/2007 11:27:36 PM PDT

Not a drop of rain fell in June this year, meaning the rain season that ended Saturday was the driest in the Inland Valley in the 130 years that records have been kept here.

Of course, that's no surprise to anybody who had to pour water on lawns to keep them green this winter.

Only 4.49 inches have fallen since last July 1 in Pomona, where records have been kept since Rutherford B. Hayes was president, breaking the record low set five years ago of five inches.

Ironically, this dry year comes only two years after the wettest season ever, 2004-05, when 4 feet of rain fell in Pomona.

Throw in the fact we hit 114 degrees one day last July, mix in a sub-30-degree frost and a surprising snowfall this winter, and you gotta ask: What's going on here?

Sure, it's easy to blame all these extremes on El Niño or La Niña, global warming, the ozone layer or some kind of voodoo, but in those 130 years, dry years like these have hardly been unusual.

Take, for instance, the winter of 1924. Agriculture then was dependent on rain and runoff from the mountains. When less than an inch fell in January and February - our two wettest months - people started to panic.

Churches offered prayers. Indians near Banning put on dances and rituals hoping to attract precipitation.

On Feb. 25, ranchers from the west end of San Bernardino County pleaded with the Board of Supervisors to hire rainmaker Charles M. Hatfield, a self-styled "moisture accelerator."

He claimed he could brew up a cauldron of chemicals that when released to the air would bring rain. Nine years earlier in San Diego, he was hired to do his magic, and within a few weeks that area was flooded. At question, of course, was whether it came from his wizardry or maybe he was just lucky.

Despite the urging to do something about the lack of rain, supervisors dragged their feet deciding about Hatfield.

Fortunately, Mother Nature helped the board with its decision when she delivered a belated and wetter-than-normal March and April.

Remember 1977? Southern California was in the throes of a drought, with four straight years of below-average rainfall.

Gov. Jerry Brown asked Californians to voluntarily reduce water use by 25 percent. Ironically, while the south part of the state was hurting, it was places like Marin County, in the usually wetter north, that was worst hit.

A year before, Chino-area dairy farmers began selling off some of their herds because of a shortage of water and feed.

And then, just when people were talking about the "Dust Bowl" conditions, the skies opened up. From January to March of 1978, 31 inches of rain soaked the parched Inland Valley.

This dry winter probably won't require mandatory water rationing, but it's happened a couple of times in our history.

I can remember severe restrictions put in place in 1990 and 1991 in Upland at the tail end of four years of below-average rainfall.

Originally, the city said outdoor watering was allowed only once every five days and never between noon and 4 p.m. You could be fined up to \$1,000 or be jailed for up to six months for three or more violations.

In February 1991, things loosened up a little, allowing watering every other day, but never between 10 a.m. and 6 p.m. The

basic rule: No irrigation could be allowed to flow into street gutters or drains.

Shortly after those eased rules were announced, the rains came. Three years of above-average rainfall made those restrictions just a distant memory.

Nearly a century earlier, in the late 1890s, sunshine was great for attracting winter visitors, but it didn't help water the crops, especially when we had back-to-back poor rain seasons.

In May 1897, Pomona's Consolidated Water Co. put water consumers on a rationing schedule: Monday, Wednesday and Friday were watering days for houses facing west and south, and Tuesday, Thursday and Saturday for those facing north and east. On Sunday, everyone's taps were rested.

Violators would have their water turned off, costing them \$1 (no small amount back then) to get it turned on again.

And it wasn't just orange trees and garden flowers that suffered - even newfangled electric lights were affected.

By late November of that year, the Pomona Weekly Progress reported streetlights north of the Southern Pacific tracks in Pomona were likely to be shut down due to lack of water in San Antonio Canyon, where one of California's first hydroelectric plants operated.

"The electric light company should make arrangements with the moon to get full when there is a scarcity of water," suggested the Progress.

Joe Blackstock writes on Inland Valley history. He can be reached by e-mail at j_blackstock@daillybulletin.com, or by phone at (909) 483-9382.

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It's time for Rialto to call in the EPA

Article Launched:07/16/2007 12:00:00 AM PDT

When is enough enough? When should Rialto throw in the towel and call in the big dogs?

The city has been fighting for a decade to get suspected polluters, including major corporations and the Pentagon, to pay the costs of cleaning up perchlorate that has contaminated Rialto's wells. But the lawsuits and extended legal battle have cost more than \$18 million so far and could go much higher.

And while Rialto's city attorney seems content to play David to the suspected polluters' Goliath - albeit, with the help of a cadre of top-level lawyers - it's chiefly customers of the city's water utility that have had to bear the burden, and the brunt of the costs, with no quick end in sight. So far, the city has spent the equivalent of its Police Department's budget on the fight.

The city's water agency serves about half of Rialto, with Fontana Water Co. and West Valley Water serving the rest. And so, it is about half of Rialto residents who are footing the bill for the city's legal juggernaut. The surcharge on water bills starts at \$6.85 a month and rises from there.

If Rialto eventually wins its case in court, resident ratepayers will be reimbursed. But that could be a long time in coming. And the total for actual cleanup of the contaminant could be \$300 million.

Besides ratepayers' hefty chunk, the City Council also contributed \$5 million from general fund reserves to escalate the fight last year. But even the council has become leery, without seeing much in the way of results.

Why won't Rialto call in the cavalry and ask the feds for help? We're sure city ratepayers would like to know.

Why is it that the city has insisted on going it alone, without bringing the resources of the U.S. Environmental Protection Agency to bear?

Commenting on Rialto's reluctance to do the logical thing, Penny Newman, executive director of the Center for Community Action and Environmental Justice, said, "I think going with EPA and the Superfund program is probably the strongest mechanism a city or community has. I'm always amazed that people - communities - shy away from that."

Indeed, Rialto has become almost territorial in pursuing the fight on its own. It's almost as if time and money were no object. Let the ratepayers pay it - that seems to be the city's attitude.

But with the pricetag reaching into the millions, it's time to regroup. The city needs to take a more regional approach and spread out the costs.

Rialto initially considered going with EPA. But after looking at a variety of Superfund projects, and finding that each took 17 to 27 years to start cleanup, the city felt it would take too long, said City Attorney Bob Owen.

So, this is any better? How long does the city expect ratepayers to keep fronting litigation costs?

The state Water Resources Control Board, which has taken over from the Santa Ana Regional Water Quality Control Board, plans hearings in August. At that time, it could order three suspected polluters - Goodrich, Pyro Spectaculars and Emhart Industries, parent company of Black and Decker - to remove the contamination.

Then again, those companies all have been fighting long and hard to delay any consequences.

The San Gabriel Valley Water Co., which owns Fontana Water Co., and the West Valley Water District have urged Rialto go with a regional coalition that works with the EPA.

Rialto has been fighting for cleanup of the Rialto-Colton Basin, without regard for pollution of West Valley and Fontana wells.

And while a fault separates the West Valley and Fontana wells from the Rialto-Colton Basin, such that the regional agency has said it can't prove the suspected Rialto-area polluters caused contamination of the other wells, it's all the more reason for a regional approach that takes all of the pollution into account.

Yet Rialto persists in its one-sided struggle.

Better to lean on the EPA - and save residents the aggravation.

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In a dry time, plans for water projects flow

Schwarzenegger and
the state Senate leader
propose competing
bond measures.

By NANCY VOGEL
Times Staff Writer

SACRAMENTO — Acknowledging the specter of drought, Gov. Arnold Schwarzenegger appealed Monday for a \$6-billion investment in water works, while the Democratic leader of the state Senate called for a \$5-billion water bond measure on next year's ballot.

The maneuverings by the two politicians virtually ensure that

voters will be asked next year to approve billions of dollars in spending for water projects — including, perhaps, two new dams and a canal to siphon the Sacramento River.

Cutbacks are inevitable next year if rain and snow don't fall abundantly this winter, and the dueling announcements by Schwarzenegger and Senate President Pro Tem Don Perata (D-Oakland) kick off what are expected to be several months of wrangling to shape ballot proposals.

The call for more spending comes as lawmakers and bureaucrats weigh how to spend \$10 billion from previous water bonds.

Standing before a wind-swept, largely depleted Central Valley reservoir, Schwarzenegger said a second dry winter "will be catastrophic. It will be a disaster."

"We must get our act together now," he said. "We have to build."

The governor touted his \$6-billion plan to build two reservoirs and boost groundwater storage, rework the plumbing of the Sacramento-San Joaquin Delta, restore rivers and bolster conservation.

Schwarzenegger said his administration "loves conservation." He called it something that "we always have to do," and added that he limits his children to five-minute showers. But conservation alone, he said, will not stretch the state's water supplies enough to match the growth that is expected to add 24 million Californians in the next four decades.

California's audacious water system moves Sierra and Cascade snowmelt hundreds of miles by pump and aqueduct, with the Sacramento-San Joa-

[See Water, Page A14]

Dueling water measures urged

(Water, from Page A1)
quin Delta at its heart.

Though local water districts have recently built their own dams, the state and federal governments have not significantly expanded their projects in decades. In the meantime, government protection of endangered delta fish and other environmental concerns have crimped deliveries from those major water projects.

Water in arid California engenders bitter politics; depending on the battle, farmers, environmentalists and city water districts may be allies or foes. Recent governors have tended to avoid water policy as thankless, even dangerous terrain.

Schwarzenegger spoke at the San Luis Reservoir near Los Banos, the hub of those federal and state projects. The sun-baked reservoir stores water pumped from the delta for delivery to hundreds of thousands of acres of cropland and 25 million people.

The reservoir now holds only a third of its average storage for July, because of a dry winter and the nine-day shutdown of the delta pumps in May to protect endangered fish.

As Schwarzenegger spoke, Perata released his plan for a \$5-billion bond measure that would give money to regions in the state to solve their own problems. He criticized the governor's proposal as a "top-down solution to a bottom-up problem."

Unlike Schwarzenegger's bond plan, Perata's proposal would not dictate new dams, instead allowing regions to determine the best way to boost supplies. He said his plan would deliver cheaper, quicker fixes "rather than relying the water wars of the past over false choices like dams and canals."

Schwarzenegger's proposal would invest \$2.5 billion of taxpayer money in two reservoirs and require those who use the additional water to pay an additional \$2 billion.

Schwarzenegger has called for construction of a dam and reservoir 77 miles northwest of Sacramento, and a dam above Millerton Lake on the San Joaquin River north of Fresno. For two years, Republican lawmakers have unsuccessfully pursued bonds to pay for those dams.

Barry Nelson, a senior policy analyst with the Natural Resources Defense Council, said farmers could never afford to pay for the dams, and urban water agencies, which have a much

Trouble on tap

Some of the water challenges facing the state:

- Federal and state water projects have not added a new reservoir in 20 years.
- The state is projected to grow from 36 million to 60 million people by 2050.
- Water districts throughout the state are asking people to cut usage by 10%.
- Another dry winter would be "catastrophic" for California.
- The delta at the hub of the water system is vulnerable to earthquakes and rising sea levels.



DAVID PAUL MONAGG Getty Images

MAKING A SPLASH: Gov. Arnold Schwarzenegger discusses his proposed \$6-billion water bond measure during a news conference at the San Luis Reservoir in Los Banos.

greater ability to raise revenue, have cheaper ways to stretch supplies.

"Nobody is interested in paying for these facilities, and it strikes us as really inappropriate to ask the taxpayers to pay for facilities that have not proven themselves," Nelson said.

Randy McFarland, spokesman for the Friant Water Authority, which represents 15,000 farmers, said another dam on the San Joaquin River could catch Sierra Nevada runoff with no harm to the river downstream, improve water quality and provide flood protection.

But the group hasn't examined sharing the cost of building the dam, he said.

The Metropolitan Water District of Southern California, which serves 16 million people

from Ventura County to San Diego, hasn't studied either dam project in detail, Assistant General Manager Roger Patterson said.

What MWD most needs, he said, is a more reliable supply of water from the Sacramento-San Joaquin Delta.

"Our priority has been to focus on the delta," he said.

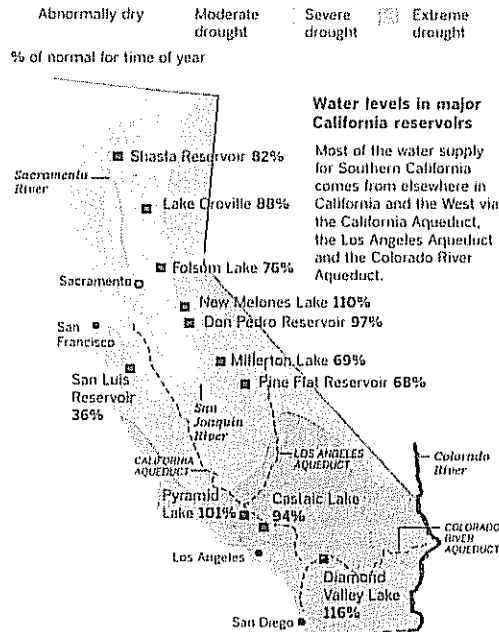
Under their water proposals, Schwarzenegger and Perata would put \$1 billion into what they call delta "conveyance," a catch-all term for various proposals to move water more efficiently and with less harm through the delta.

A maze of channels and reclaimed islands between Sacramento and Tracy, the delta is a source of water for two of three Californians and wellspring for the state's \$32-billion agricultural industry.

But the pumps that divert water before it can flow to the Pacific Ocean are vulnerable to

Coming water crisis?

The rain season that ended in 2006 was unusually wet, leaving most of California's major reservoirs well-filled. But the rain season that just ended June 30 was extremely dry in most of the state, raising concerns about future water supplies.



The chart below compares the precipitation of the 2007 rain season to annual averages during the statewide droughts of 1976-77 and 1987-92 and the Southern California drought of 1998-2002 (in inches).

City	2007	Normal	1976-77	1987-92	1998-02
Eureka	36.5	39.6	25.6	28.2	37.5
Redding	22.7	37.0	21.9	27.6	31.0
San Francisco	11.7	20.3	9.4	13.7	18.3
Sacramento	12.2	18.2	7.4	15.7	18.4
Fresno	6.1	11.0	7.9	9.4	9.4
Santa Barbara	7.2	16.3	11.9	12.4	17.5
Bakersfield	3.1	6.2	4.3	5.2	5.4
Long Beach	2.1	12.1	6.9	8.7	7.0
Los Angeles	3.2	14.9	9.8	11.3	10.8
San Diego	3.8	10.2	8.6	10.2	6.0
Riverside	1.7	10.1	8.3	8.4	5.4
Redlands	3.9	13.4	11.1	11.5	7.4
Death Valley	1.8	2.3	3.1	2.2	1.4

Sources: California Dept. of Water Resources, National Drought Mitigation Center
LESLIE CARLSON Los Angeles Times

regulatory shutdown to protect endangered salmon and smelt, and the earthen levees that channel water are threatened by earthquakes, floods and rising sea levels.

Environmentalists helped defeat a 43-mile "peripheral" canal proposal in 1982, saying that it would allow Southern California to divert an ecologically devastating amount of water from the estuary.

Since then, many scientists and some environmentalists have argued that a canal actually might help fish by isolating them from the powerful effects of the pumps.

Still, any discussion of a delta fix faces close scrutiny by myriad antagonistic interests.

Last year, Schwarzenegger named a blue-ribbon panel to study the best way to protect the delta as a water source and wildlife corridor. The panel's recommendations are due in November. Schwarzenegger has espoused a peripheral canal in recent speeches. But his proposed bond measure, like Perata's, would incorporate whatever recommendation comes from the blue-ribbon panel.

In touting his plan, Schwarzenegger said California leaders could no longer procrastinate on building reservoirs and fixing the delta.

"I was sent to Sacramento to create some action and to get us moving again," he said, "and to make progress on issues that have been swept under the rug for too long."

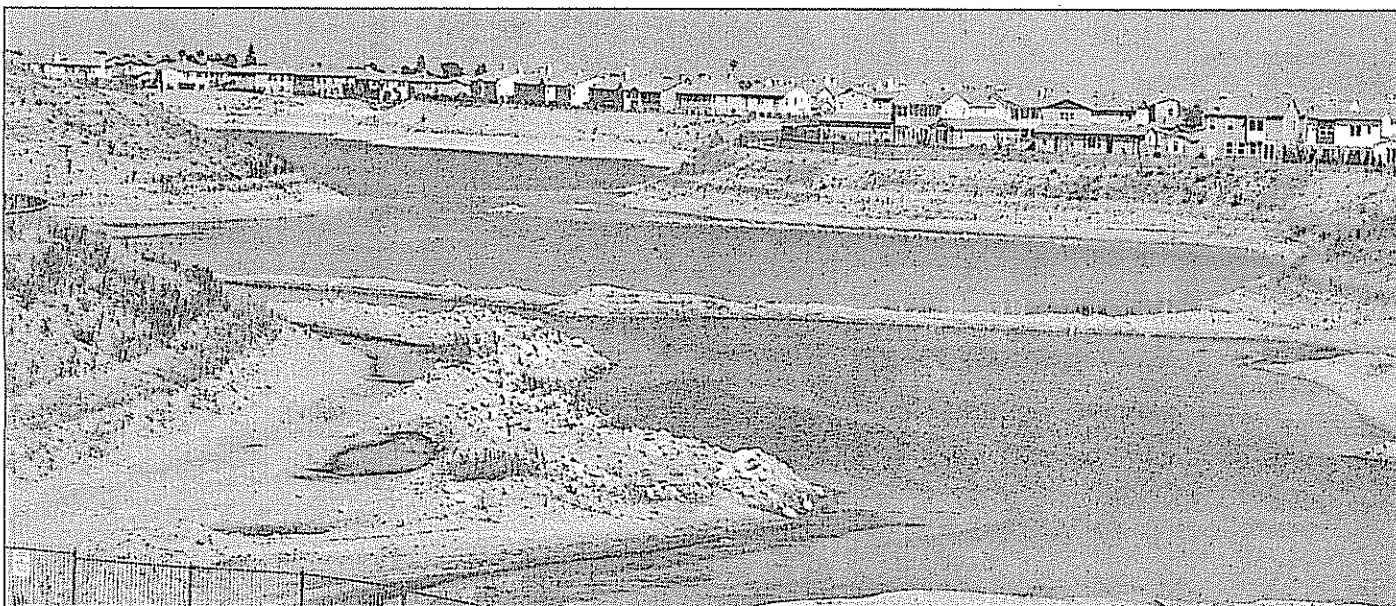
But some observers say that whether the governor and Legislature succeed in negotiating a bond measure for next year's ballot may depend on a higher power: next winter's precipitation.

"As a general rule in California, we don't solve problems until there's a crisis," said UC Berkeley political scientist Bruce Cain. "The crisis is what forces people to abandon the status quo."

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Times staff writer Patrick McGreevy contributed to this report.

RESIDENTS URGED TO CONTINUE CONSERVING

Watching water usage



Photos by Thomas R. Cordova/Staff Photographer

Water levels are low at the Colonies Reservoir in Upland and the effects are showing during the driest rainfall year for the region in the 130 years that records have been kept.

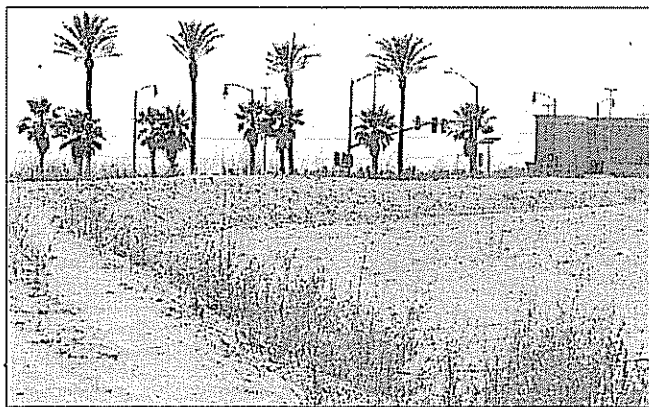
By Will Bigham
Staff Writer

Rainfall this year has been at a record low, and our sources of imported water have been depleted by more than half.

But with the region's improved water conservation methods, the picture for water consumers isn't as bleak as one might expect.

When the region was hit by a drought in the early 1990s, water-rationing policies were temporarily adopted to ban certain uses of water.

Since then, the average person's water use in the region has decreased significantly — from about 220 gallons a day in 1990 to about 150 gallons a day, See **DRY** | Page A4



Only a few weeds can grow on the dry and dusty field at the Colonies in Upland. Because of the region's improved water management and conservation efforts, the current dry spell — which would have resulted in rationing 15 years ago — has led only to a request from water officials to help reduce water use by 10 percent.

The most dry year of 130 on record

Not a drop of rain fell in June this year, meaning the rain season that ended Saturday was the driest in the Inland Valley in the 130 years that records have been kept here.



JOE BLACKSTOCK
Our Past

Of course, that's no surprise to anybody who had to pour water on lawns to keep them green this winter.

Only 4.49 inches have fallen since last July 1 in Pomona, where records have been kept since Rutherford B. Hayes was president,

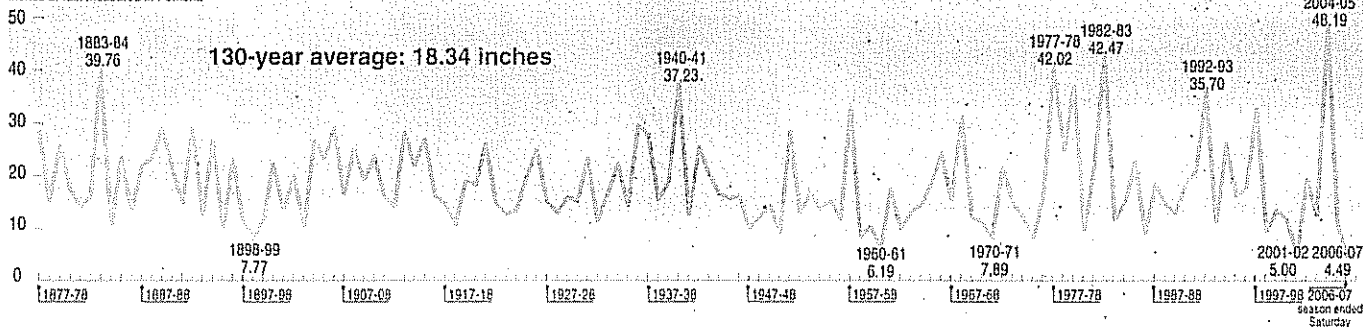
breaking the record low set five years ago of five inches.

Ironically, this dry year comes only two years

See **RAIN** | Page A4

130 years of rain

Inches of rain measured in Pomona



Sources: Pomona Progress-Bulletin, Los Angeles County Department of Public Works and Daily Bulletin weather reports

Staff Graphic

No. 031 / Y18



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DRY

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according to the Metropolitan Water District of Southern California.

Water officials attribute the decrease in per-capita use to conservation efforts by individuals, the widespread installation of new, more water-friendly appliances and the increased use of recycled water.

"We've done a lot of work to conserve water since (the early 1990s), and that's assisted greatly our ability to avoid any hardship during these droughts," said Richard Atwater, CEO of the Chino-based Inland Empire Utilities Agency.

New water storage methods have reduced the region's reliance on imported water as well. In 1991, two-thirds of the region's water was imported from Northern California and the Colorado River. Now the region imports only about half its water supply.

The completion of the Diamond Valley Lake reservoir near Hemet allows for storage of imported water that could supply the region for four months in case of an emergency, Atwater said.

The Inland Empire Utilities Agency now stores nearly three

years' worth of imported water underground in the Chino basin.

"That's a three-year insurance policy that covers us during droughts," Atwater said. "That's a significant investment in local reliability."

Because of the region's improved water management and conservation efforts, the current dry spell — which would have resulted in rationing 15 years ago — has led only to a request from water officials to help reduce water use by 10 percent.

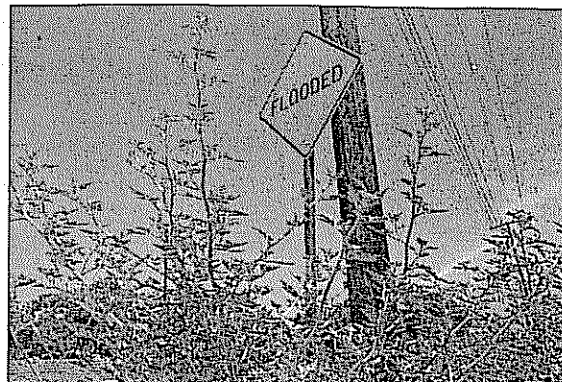
In the past, "we'd probably have water rationing of like 15 percent," Atwater said. "There would be a lot of impacts on the homeowners and industry in our area."

Metropolitan Water District spokesman Rob Hallwachs said that without conservation efforts, with current conditions "we would be in some serious drought."

In the early 1990s, rationing policies were enacted that forced reduction of 50 percent, he said.

"I think it's clear that if we had made none of the achievements that we have in the last decade, we would be in that situation or worse," Hallwachs said.

This year has been the driest in Los Angeles and San Bernardino counties since records were first taken in the 1870s.



Therese Tran/Staff Photographer

Weeds grow near a flooded sign on Vineyard Avenue near the 10 Freeway during the driest rainfall year for the region in 130 years.

The region's main sources of imported water have been depleted by the dry weather as well.

The watershed area of the Colorado River is in its eighth year of drought and is now supplying half the amount of water it did five years ago, said Andy Sienkiewicz, resource implementation manager for the MWD.

The other primary imported-water area, the Sacramento Delta, only provides 60 percent of its normal supply because its source of water, the Sierra Nevada snowpack, is

about a third of its usual size, Atwater said.

"Our general feeling is that we're going to be OK this year. However, it makes sense to reduce as much water as we can so we have water for the upcoming years," Sienkiewicz said. "We're not sure where we're going to be next year if we continue to have these restrictions."

Officials are urging people who haven't already to install low-flush toilets and consider replacing plants that require consistent watering with native, drought-tolerant plants.

Other measures like turning off running faucets while brushing teeth and taking shorter showers are simple ways to save water, officials say.

During the summer in the Inland Valley, 50 percent to 60 percent of water use is devoted to outdoor landscaping, said Martha Davis, executive manager of policy development at the Inland Empire Utilities Agency.

"One of the most important things that people can do is tune up their irrigation systems for the summer," she said.

Residents can prevent outdoor water waste by making sure sprinklers aren't watering concrete driveways, for example, and by programming timed sprinklers to reduce over-watering, officials say.

During the early 1990s, the extended drought prompted local governments to pass water-rationing laws that prohibited people from hosing down driveways and made illegal many other water uses deemed inappropriate during the crisis.

Officials say water rationing is not necessary in response to the current dry spell because it has not lasted long enough to be considered a drought. Local reservoirs remain at high levels because of record-high rainfall in 2005, water officials say.

But if by the end of the year the region still fails to see significant rainfall, rationing policies may again be necessary, said Kirk Howie, assistant general manager at the Claremont-based Three Valleys Municipal Water District.

"There's enough to sustain us during this year without any major concerns, but if this continues we'll be faced with more severe concerns and conditions that will affect the water supply," Howie said. "We need to start now with conserving and saving. That message is very clear."

Unlike temporary conservation requests during events such as routine pipeline-repair shutdowns, the current call for conservation is ongoing because officials cannot predict when dry conditions will end.

"I think we want to have a consistent and ongoing message on the importance of water conservation," said Andy Hui, MWD conservation programs manager.

"We don't want the public to feel that this is something to do — to turn it on, then turn it off," Hui said. "We want them to maintain a persistent approach to conservation."

Staff writer Will Bligham can be reached by e-mail at will.bligham@dailybulletin.com, or by phone at (909) 483-8553.

RAIN

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after the wettest season ever, 2004-05, when 4 feet of rain fell in Pomona.

Throw in the fact we hit 114 degrees one day last July, mix in a sub-30-degree frost and a surprising snowfall this winter, and you gotta ask: What's going on here?

Sure, it's easy to blame all these extremes on El Niño or La Niña, global warming, the ozone layer or some kind of voodoo, but in those 130 years, dry years like these have hardly been unusual.

Take, for instance, the winter of 1924. Agriculture then was dependent on rain and runoff from the mountains. When less than an inch fell in January and February — our two wettest months — people started to panic.

Churches offered prayers. Indians near Banning put on dances and rituals hoping to attract precipitation.

On Feb. 25, ranchers from the west end of San Bernardino County pleaded with the Board of Supervisors to hire rainmaker Charles M. Hatfield, a self-styled "moisture accelerator."

He claimed he could brew up a cauldron of chemicals that when released to the air would bring rain. Nine years earlier in San Diego, he was hired to do his magic, and within a few weeks that area was flooded. At question, of course, was whether it came from his wizardry or maybe he was just lucky.

Despite the urging to do something about the lack of rain, supervisors dragged their feet deciding about Hatfield.

Fortunately, Mother Nature helped the board with its decision when she delivered a belated and wetter-than-normal March and April.

Remember 1977? Southern California was in the throes of a drought, with four straight years of below-average rainfall.

Gov. Jerry Brown asked Californians to voluntarily reduce water use by 25 percent. Ironically, while the south part of the state was hurting, it was places like Marin County, in the usually wetter north, that was worst hit.

A year before, Chino-area dairy farmers began selling off some of their herds because of a shortage of water and feed.

And then, just when people were talking about the "Dust Bowl" conditions, the skies opened up. From January to March of 1978, 31 inches of rain soaked the parched Inland Valley.

This dry winter probably won't require mandatory water rationing, but it's happened a couple of times in our history.

I can remember severe restrictions put in place in 1990 and 1991 in Upland at the tail end of four years of below-average rainfall.

Originally, the city said outdoor watering was allowed only once every five days and never between noon and

4 p.m. You could be fined up to \$1,000 or be jailed for up to six months for three or more violations.

In February 1991, things loosened up a little, allowing watering every other day, but never between 10 a.m. and 6 p.m. The basic rule: No irrigation could be allowed to flow into street gutters or drains.

Shortly after those eased rules were announced, the rains came. Three years of above-average rainfall made those restrictions just a distant memory.

Nearly a century earlier, in the late 1890s, sunshine was great for attracting winter visitors, but it didn't help water the crops, especially when we had back-to-back poor rain seasons.

In May 1897, Pomona's Consolidated Water Co. put water consumers on a rationing schedule: Monday, Wednesday and Friday were watering days for houses facing west and south, and Tuesday, Thursday and Saturday for those facing north and east. On Sun-

day, everyone's taps were rested.

Violators would have their water turned off, costing them \$1 (no small amount back then) to get it turned on again.

And it wasn't just orange trees and garden flowers that suffered — even newfangled electric lights were affected.

By late November of that year, the Pomona Weekly Progress reported streetlights north of the Southern Pacific tracks in Pomona were likely to be shut down due to lack of water in San Antonio Canyon, where one of California's first hydroelectric plants operated.

"The electric light company should make arrangements with the moon to get full when there is a scarcity of water," suggested the Progress.

Joe Blackstock writes on Inland Valley history. He can be reached by e-mail at j_blackstock@dailybulletin.com, or by phone at (909) 483-9382.

City strategy in lawsuit questioned

By Jason Pesick Staff Writer

RIALTO — City officials see their fight to clean up perchlorate-contaminated drinking water as a classic underdog story — a modest city going to court to get big corporations and the Pentagon to clean up a mess.

To City Attorney Bob Owen, perchlorate is, but a study by the Centers for Disease Control and Prevention with Rialto as a case study.

David — of course. It might take more than a slingshot to do the job, though.

It might take \$300 million to clean up contamination discovered in 1997.

Thus Rialto has armed itself with a team of top-tier lawyers to pursue lawsuits against

See PERCHLORATE / Page A5

What is perchlorate?

Perchlorate is used to produce such explosives as fireworks and rocket fuel. It flows from industrial sites on Rialto's north end through the city and into Colton.

It's not clear how dangerous perchlorate is, but a study by the Centers for Disease Control and Prevention with Rialto as a case study.

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See PERCHLORATE / Page A5

MONDAY, JULY 9, 2007

PERCHLORATE

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suspected polluters.

City leaders say they're on a righteous quest, but some water-cleanup experts and others who have dealt with similar challenges call it folly.

Taking on the likes of the Defense Department, Goodrich, and Black and Decker during the past decade has already cost the city the equivalent of the Police Department's annual budget.

Critics want to know what that money has bought beyond constant delays in court and before state regulatory boards. They also want to know why the city didn't seek the help of the U.S. Environmental Protection Agency, as other communities with similar problems have.

"It's just beyond imagination how much money they've spent on this thing," said Anthony "Butch" Ariza, general manager of the West Valley Water District, which also serves water to Rialto residents.

Owen said the city has spent about \$18 million on lawsuits, legal investigators, water treatment, public relations and community meetings.

It sounds good to say the city shouldn't spend so much on attorneys, Owen said, but the city would have to pay much more to clean up the mess.

"Everybody hates lawyers," he said. "We know that."

Residents foot the bill

Rialto's legal battle is funded largely by a surcharge for customers of the city's water utility.

The surcharge starts at \$6.85 a month and rises based on usage. The city water agency serves about half of Rialto, meaning about half the residents fund the formidable perchlorate effort.

West Valley Water and the Fontana Water Company serve the rest.

If Rialto wins its case in court, residents will be reimbursed, Owen said.

The council also has allocated \$5 million from General Fund reserves to escalate the legal effort last year.

Rialto's best hope at getting perchlorate cleaned up quickly is the State Water Resources Control Board, which has planned

August hearings on the contamination.

The board could order three suspected polluters, Goodrich, Pyro Spectaculars and Emhart Industries, which the city says is really Black and Decker, to remove the contamination.

"There's been a wealth of evidence that's been generated as a result of Rialto's litigation, said Kurt Berchold, assistant executive officer for the Santa Ana Regional Water Quality Control Board and member of the advocacy team that will argue alongside Rialto during the state hearings.

But the companies' legal maneuvers have delayed those hearings numerous times. The state water board took over cleanup efforts because the Santa Ana board couldn't move forward.

"It's gone from bad to worse to unblemish," said Michael Whitehead, president of the San Gabriel Valley Water Company, which owns Fontana Water.

Whitehead and Ariza have publicly talked about the benefits of bringing in the EPA to take over the cleanup.

The hearing delays have upset environmentalists as well.

"The corporations know how to use the legal system," said Penny Newman, executive director of the Riverside-based Center for Community Action and Environmental Justice, which will be a party in state hearings.

She defended the city's strategy and the amount of money it has spent.

"When you've been harmed, you go after the person who harmed you, which can be difficult for people of limited income," she said.

The idea is simple: Polluters should clean up their messes. "Is it an Erin Brockovich scenario? You bet," Rialto City Administrator Henry Garcia said at a council meeting.

But "Erin Brockovich" is the wrong movie to emulate because the contamination is too complicated, Whitehead countered. He suggested watching "A Civil

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Action," in which the EPA takes over because the case costs too much money to put on in court that," Newman said.

But the EPA doesn't have super powers. The San Gabriel Valley was already a Superfund site as early as the mid-1980s, which made it easier and faster to get perchlorate cleaned up.

"It's a tough comparison," Praskins said. "It took a long time to reach agreements in the San Gabriel Valley."

To Owen, the city attorneys, comparing the Rialto-Colton Basin cleanup to that of the San Gabriel Valley is like comparing apples to oranges. The EPA started looking at contamination from the Rialto-Colton Basin and Santa Ana Regional Water Quality Control Board staffers said they can't prove the suspected Rialto-area polluters caused the contamination in those wells.

Whitehead says the board is in over its head. Despite the fault, Ariza prefers a regional approach and said Rialto is selfish for excluding other water agencies.

"I just don't understand being

always amazed that people — communities — shy away from that," Newman said.

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"I just don't understand being

A combination of factors kept the EPA from taking the lead from the get-go. Rialto thought the EPA would take too long. Owen has also said he was afraid a large Superfund site in the city would create a stigma.

EPA officials also thought state regulatory agencies could handle the case. Berchold speculated that Whitehead and Ariza might be pressing for an EPA takeover because the state would probably not order cleanup of some West Valley and Fontana wells.

A fault separates those wells from the Rialto-Colton Basin and Santa Ana Regional Water Quality Control Board staffers said they can't prove the suspected Rialto-area polluters caused the contamination in those wells.

Whitehead says the board is in over its head. Despite the fault, Ariza prefers a regional approach and said Rialto is selfish for excluding other water agencies.

"I just don't understand being

that territorial about this." Owen said he's just looking out for Rialto. He doesn't want to divide money equally because the problem doesn't affect all agencies equally.

Rialto's City Council is getting uncomfortable with the cost. The council called for an audit of how much the city has spent on perchlorate, but members insist there will be no strategy change.

The newest councilman, Joe Baca Jr., thinks there should be a blank check out there for the attorneys," he said. He said he can't even find out how much the city has spent.

"We have to look at it as a regional approach," he said. Owen, on the other hand, doesn't want to change course now.

"This city's involved in possibly its largest legal battle ever in its history," he said.

"Now is not the time to blink."

Contact writer Jason Pesick at (909) 386-3861 or via e-mail at jason.pesick@sbsun.com.

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Decision keeps recycled water in local basin

By Melodie Henderson

Water from Chino Valley treatment plants that formerly was released into Orange County's drinking water supply will now be used to recharge wells that serve Chino Valley.

Changes in regulations made by the Santa Ana Regional Water Quality Control Board allow additional groundwater recharge of recycled water into the Chino Groundwater Basin, according to a news release from Inland Empire Utilities Agency.

Phase one of the Groundwater

Recharge Program was begun in April 2005 at two IEUA water treatment plants in the agency's northern service area, recharging groundwater via seven recharge basins.

To date, 3,000 acre-feet of treated water have been recharged into the groundwater supply.

"One acre-foot is enough water to last two families of four for an entire year," said IEUA spokeswoman Sondra Elrod. "In the Chino Water Basin, we get 70 percent of our drinking water from the ground, and that's really important, because the other 30

percent has to be imported," she said.

Phase two of the program will recharge water at six more locations: one in Ontario, one in Montclair, three in Rancho Cucamonga and one in Upland. When both phases are complete, expected by 2015, about 22,000 acre-feet could be recharged into the water supply.

"The water is so highly treated, and meets such high state and federal standards," Ms. Elrod said. "Our water is treated to drinking water standards. Before this it was going into Orange County drinking water."

A natural filtration occurs as the water seeps into the ground, further purifying it before it enters the drinking water supply.

A minimum of six months passes after the water is released until it can make its way into the potable water supply, said Ken Manning, CEO of Chino Basin Watermaster. Often, he said, it can take much longer.

"Here in the Chino Basin it sometimes takes years to get down into the aquifer," he said.

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Water

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Mr. Manning also said that one of the changes that made the Groundwater Recharge Program possible was the ratio at which recycled water has to be mixed with either imported water or rainwater.

"The ratio has changed

from a strictly 80/20 mix to a scientific mix. You know what the recycled water is like going in, and then you test it 75 feet down, so you can tell how much purifying is going on in the soil."

Recycled water tested after filtering down 75 feet, he said, is no different than rainwater.

"You literally can't tell the difference," Mr. Manning said.

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Old pitch for state dams still holds water

The state of California hasn't built a big reservoir in 34 years. The politicians can't agree where or whether to build one. So Senate Democrats this week proposed a sharp shift in state strategy: Punt to local communities.

If some region feels pressed by population growth or agriculture demands and wants a new reservoir, let it finance and put up the multibillion-dollar structure itself. The state could help out, but not be primarily responsible.

This means that local people basically would decide whether and where to build a dam, not

the state. Presumably it would be an off-stream reservoir, like Castaic, Pyramid and Perris in Southern California, the last major above-ground storage facilities to be built by the state Department of Water Resources.

"The state bureaucracy has a poor track record making water supply and reliability decisions from Sacramento," Senate leader Don Perata (D-Oakland) wrote to Gov. Arnold Schwarzenegger in announcing his proposal.

The senator failed to mention that the bureaucracy takes its orders from politicians.

"Many regions of the state — from San Diego and the Coa-

chella Valley in the south to the Sacramento Valley in the north — are far ahead of the game," Perata continued. "Simply put, they know better than we do what their water needs are and how to meet them."

That's a serious and sad confession.

It is true that regional agencies have outperformed state government in developing new water facilities in the last three decades.

The Metropolitan Water District of Southern California, for example, has added roughly 3 million acre-feet of storage in recent years, enough to supply about 750,000 families annually. That water provides a reserve

supply for dry spells. Two-thirds of it is in underground storage. The MWD also paid for and built the \$2-billion Diamond Valley Lake near Hemet, which it fills with 800,000 acre-feet of water from the Colorado River and State Water Project.

But if the state were to abandon dam-building completely — indeed, all major storage enhancements, including underground — that would mark a dramatic turn from its historic role.

The lionized Gov. Pat Brown, after all, peddled the State Water Project to voters 47 years ago on the thesis that "we're all in this together." It was in Calif-

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Control of water storage is a shared concern for north and south

[Skelton, from Page B1] nia's larger interest, Brown successfully argued, to unite behind flood control in the north and water deliveries in the south. That has been the state mantra ever since.

Even with this unity pitch and water users paying for the project, it was a tough sell.

Oroville Dam, the indispensable cornerstone of the State Water Project on the Feather River, never would have been built to catch northern snowmelt for San Joaquin Valley farms and L.A.'s population

boom if its construction had depended on Sacramento Valley locals.

For that reason, Republican legislators and the Schwarzenegger administration flatly oppose the Democrats' notion of granting local control over water storage, a philosophical paradox for the party of big centralized government.

"The state must act as the adult responsible for coordinating water movement in the state," says Sen. Dave Cogdill of Modesto, the Republicans' turn-to man on water, whose party

normally favors local control.

State water Director Lester Snow notes: "We have a statewide system."

Democrats decided to turn over responsibility for new water storage to local agencies, I suspect, because they're tired of fighting Republicans — and among themselves — over whether to build more dams, which their environmental allies hate.

Also, it was "water week" for Schwarzenegger. This has been his pet promotion in recent days. So Perata decided to get in

the act, too, by announcing a proposal. The goal is to negotiate a water deal by mid-September, when the Legislature recesses for the year.

Schwarzenegger wants to build two dams: one off stream in Colusa County, the other upstream of Friant Dam on the San Joaquin River near Fresno. He also hopes to fix the leaky, shaky delta — possibly building a canal that bypasses the estuary — and pay for it all with a \$6-billion bond he'll ask voters to approve next year.

The Perata plan, besides sur-

rendering state power over dams, would allow local agencies to decide about groundwater storage and recycling. They could apply for state grants from a \$2-billion bond kitty, part of a proposed \$5-billion bond issue. There'd also be \$2 billion for a delta fix-up and \$1 billion for "restoration projects" — pork? — on various rivers, including L.A.'s.

And about \$300 million in existing bond money would be spent immediately for delta and groundwater improvements.

Although they reject the regional idea, both Cogdill and Schwarzenegger applaud Perata for at least recognizing the need for another water bond and the potential merits of more off-stream storage. Cogdill sponsored a Schwarzenegger bond-and-dam bill earlier this year that Senate Democrats killed.

"It may seem like a small thing, but now at least they're using the words 'surface water

storage,'" Cogdill says.

"If we're not going to build any more dams on wild and scenic rivers — which we certainly aren't proposing — we don't have a lot of options."

He's optimistic about reaching a water agreement. "Pardon the pun," Cogdill says, "but there's a perfect storm brewing."

It contains concerns about a Katrina-like disaster in the delta, a looming statewide drought, reduced snowfall because of global warming and the fact people keep crowding into California.

Since the state last built any dams, the population has soared from less than 21 million to nearly 38 million — and is headed toward 50 million by 2032.

Sacramento politicians can't punt just because it's storming. They need to get in the game and carry the ball.

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