



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, June 26, 2008

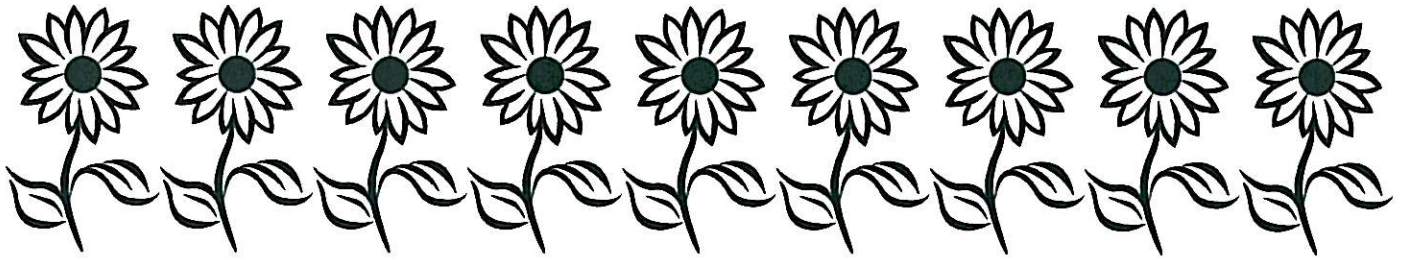
- 9:00 a.m. – Advisory Committee Meeting
- 11:00 a.m. – Watermaster Board Meeting

(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, June 26, 2008

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. – June 26, 2008

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 May 22, 2008 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2008 *(Page 11)*
2. Watermaster Visa Check Detail *(Page 15)*
3. Combining Schedule for the Period July 1, 2007 through April 30, 2008 *(Page 17)*
4. Treasurer's Report of Financial Affairs for the Period April 1, 2008 through April 30, 2008 *(Page 19)*
5. Budget vs. Actual July 2007 through April 2008 *(Page 21)*

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,000 acre-feet of water from San Antonio Water Company's storage account to Monte Vista Water District. This lease is made first from SAWC's net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be captured from storage. Date of Application: April 25, 2008 *(Page 23)*
2. **Consider Approval for Notice of Sale or Transfer** – The one-year lease of 3,135 acre-feet of water from the City of Chino's annual production rights to the City of Ontario. Date of Application: May 2, 2008 *(Page 39)*
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 2,862 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage. Date of Application: May 2, 2008 *(Page 58)*

4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000 acre-feet of water from the Santa Ana River Water Company. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from SARWC's net under-production in fiscal Year 2007-2007. Date of Application: May 9, 2008 (*Page 73*)

II. BUSINESS ITEMS

A. WATERMASTER 2008-2009 BUDGET

Consider Approval for the Chino Basin Watermaster 2008-2009 Budget (*Page 85*)

B. CONDITIONS SUBSEQUENT NO. 6

Discussion and Possible Action for Conditions Subsequent No. 6 (*Page 117*)

C. RECHARGE MASTER PLAN DRAFT OUTLINE SCHEDULE

Consider Approval of Outline of Recharge Master Plan Update and Schedule Regarding Completion of Update (*Page 123*)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. August 21, 2008 Hearing
2. Hanson Aggregates Litigation
3. Chino Airport Potential Litigation
4. Recharge Permits

B. ENGINEERING UPDATES

1. Condition Subsequent No. 5 Recharge Master Plan
2. Condition Subsequent No. 6 Hydraulic Control
3. Analysis of Residual Agricultural Pumping

C. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update
3. Agreement for O&M of Facilities to Implement the Recharge Master Plan
4. Personnel Matter
5. Strategic Planning Conference

D. INLAND EMPIRE UTILITIES AGENCY

1. MWD Drought Action Alert/Regional Conservation Actions (*Page 135*)
2. 3-Year Recycled Water Business Plan Update
3. Recycled Water Newsletter (*Page 149*)
4. Monthly Water Conservation Programs Report (*Page 155*)
5. Monthly Imported Water Deliveries Report (*Page 158*)
6. State and Federal Legislative Report (*Page 163*)
7. Community Outreach/Public Relations Report (*Page 201*)

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

1. IEUA Supports Governor's Emergency Drought Declaration (*Page 203*)
2. Newspaper Articles (*Page 205*)

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

June 19, 2008	3:00 p.m.	Personnel Committee Meeting
June 26, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
June 26, 2007	9:00 a.m.	Advisory Committee Meeting
June 26, 2007	11:00 a.m.	Watermaster Board Meeting
July 10, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
June 15, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
July 24, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
July 24, 2007	9:00 a.m.	Advisory Committee Meeting
July 24, 2007	11:00 a.m.	Watermaster Board Meeting

Meeting Adjourn

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**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – June 26, 2008

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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Discussion and Possible Action for Conditions Subsequent No. 6 *(Page 117)*

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4. Recharge Permits

B. ENGINEERING UPDATES

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3. Analysis of Residual Agricultural Pumping

C. CEO/STAFF REPORT

1. Legislative Update
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3. Agreement for O&M of Facilities to Implement the Recharge Master Plan
4. Personnel Matter
5. Strategic Planning Conference

IV. INFORMATION

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2. Newspaper Articles *(Page 205)*

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session will be held during the Watermaster Board meeting for the purpose of discussion and possible action regarding three items:

1. Hansen Aggregates Litigation
2. Potential litigation re Chino Airport VOC plume
3. Personnel Matters

VII. FUTURE MEETINGS

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July 24, 2007	9:00 a.m.	Advisory Committee Meeting
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Meeting Adjourn

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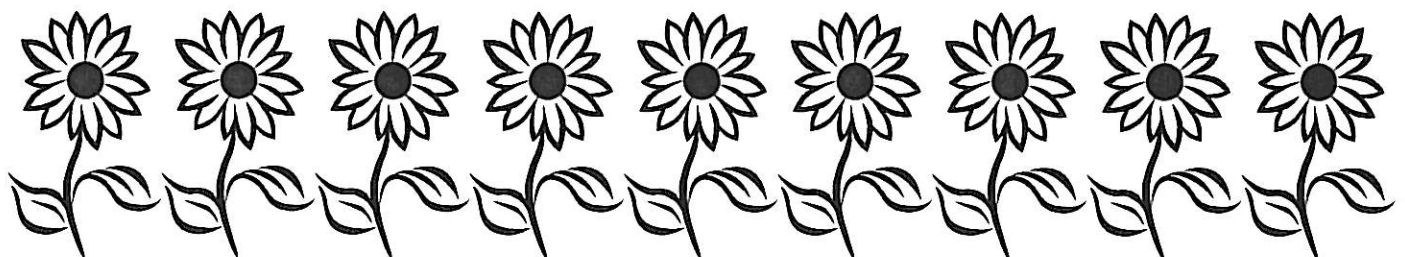


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting – May 22, 2008



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

May 22, 2008

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on May 22, 2008 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Robert DeLoach, Chair	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Ken Jeske	City of Ontario
Bill Kruger	City of Chino Hills
Mike McGraw	Fontana Water Company
Anthony La	City of Upland
Dave Crosley	City of Chino
Charles Moorrees	San Antonio Water Company
Raul Garibay	City of Pomona

Non-Agricultural Pool

Bob Bowcock, Chair	Vulcan Materials Company (Calmat Division)
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Agricultural Pool

Jeff Pierson	Ag Pool, Crops
Pete Hall	State of California - CIM

Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental Inc.

Others Present

Dan Bott	Orange County Water District
Rick Rees	Geomatrix Consultants, Inc./CIM
Mohamed El-Amamy	City of Ontario
Gil Aldaco	City of Chino
Eunice Ulloa	Chino Basin Water Conservation District
Marty Zvirbulis	Cucamonga Valley Water District
Steven G. Lee	Reid & Hellyer
Rich Atwater	Inland Empire Utilities Agency

Mr. Kinsey, acting chair called the Advisory Committee meeting to order at 9:15 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 on April 24, 2008

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2008
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through March 31, 2008
4. Treasurer's Report of Financial Affairs for the Period March 1, 2008 through March 31, 2008
5. Budget vs. Actual July 2007 through March 2008

C. KCO, LLC ("KOLL") INTERVENTION

1. Consider Approval of Application of Intervention by KCO, LLC ("Koll") to become a Member of the Overlying Non-Agricultural Pool

D. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The Cucamonga Valley Water District has an agreement with West Valley Water District, formerly known as West San Bernardino County Water District, whereby Cucamonga Valley Water District will purchase 500 acre-feet of West valley Water District's stored Chino Basin groundwater. Date of Application: March 13, 2008
2. **Consider Approval for Notice of Sale or Transfer** – Sunkist Growers ("Transferor") hereby permanently transfers to KCO, LLC – "Koll" ("Transferee") the quantity of 22,000 acre-feet per year of corresponding Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment. Date of Application: March 4, 2008

Motion by Moorrees, second by La, and by unanimous vote

Moved to approve consent calendar items A through D, as presented

II. BUSINESS ITEMS**A. WATERMASTER 2008-2009 BUDGET**

Mr. Manning stated the draft budget presentation was given at all Pool meetings and noted at the Appropriative and Non-Agricultural Pool meeting the members suggested and approved Watermaster staff to change the budget to reflect a reduction of 25% in the 6907 category for legal fees. With that 25% reduction in the budget, in November the budget would be revisited with more refined numbers for the 6907 category. The budget will be updated and reflected in the next Assessment Package. The Agricultural Pool agreed with the Appropriative and Non-Agricultural Pools motion for the 25% reduction in the 6907 category. Mr. Manning noted if this committee agrees with the Pools motions, it will then be taken to the Watermaster Board for approval and be brought back through the Watermaster process in June for final approval. A discussion regarding the budget ensued.

Motion by Jeske, second by La, and by unanimous vote

Moved to approve the Chino Basin Watermaster 2008-2009 budget, as presented

B. CHINO CREEK WELL FIELD COSTS

Mr. Manning stated letters were received from Western Municipal Water District, the City of Ontario, and Jurupa Community Services District regarding their plans to expand desalter production to 40,000 acre-feet while at the same time achieving Hydraulic Control in the southern portion of the basin. Mr. Manning stated Watermaster is requesting direction from the Advisory Committee and the Watermaster Board regarding Watermaster taking the lead position in litigation and in assuming responsibility for costs associated to this task. This item has gone to the Pools and has had unanimous approval. Counsel Fife stated counsel will provide additional information regarding current discussions with the parties and the County at future meetings.

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

Moved to approve the request to take an active role in the litigation and remediation of the VOC plume emanating from the Chino Airport, as presented

Mr. Kinsey, acting chair, turned the meeting to chair, DeLoach

C. AGREEMENT WITH IEUA FOR REIMBURSEMENT FOR CEQA COSTS

Mr. Manning stated the proposed agreement provides Inland Empire Utilities Agency (IEUA) as the lead agency for the CEQA review associated with the Peace II Agreement and that Watermaster will agree to reimburse IEUA for the costs of this review. The proposed scope of work estimates the costs of analysis at \$63,000. Mr. Manning noted this amount is within the \$200,000 allocated in Watermaster's proposed budget. Mr. Manning stated this item has gone to the Pools and has had unanimous approval. Staff is recommending approval of this agreement.

Motion by Jeske, second by Kinsey, and by unanimous vote

Moved to approve the agreement with Inland Empire Utilities Agency for reimbursement for CEQA costs, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. July 24, 2008 Hearing

Counsel Fife stated there was a hearing scheduled in May, however, the court moved that hearing date to July, and has now delayed the hearing a second time to August 21, 2008. Counsel Fife stated a few of the administrative items to be heard at the May hearing were the recent interventions and the Watermaster Thirtieth Annual Report and a very brief hearing might be set prior to the August 21st hearing to move those few items through the court system in a more timely manner.

2. Santa Ana River Permits

Counsel Fife stated on Tuesday the State Board unanimously approved the City of Riverside's Waste Water Change Petition. This was the first of many needed approvals coming out of last May's hearing on the Santa Ana River Permits. Counsel Fife stated he heard that our anticipated permits will be drafted within the next 30 to 60 days. Counsel Fife noted he has received some calls from the State Board staff asking minor details; showing they are in the process of drafting Watermaster's permit. A discussion regarding the original permit ensued.

B. ENGINEERING UPDATES

1. Conditions Subsequent 5 and 6 Update

No comment was made regarding this item.

2. Changes in the Characteristics in the Santa Ana River Flow

No comment was made regarding this item.

C. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated there is a detailed legislative update provided by IEUA in the meeting packet for review. The governor has submitted a number of items that did not show up in the May revise that were of interest to water agencies. Mr. Manning reviewed several bills relevant to the water industry. Mr. Manning noted the Farm Bill did pass which has some implications for the water industry but, that bill was then vetoed by President. Mr. Manning noted there were enough votes in the senate and house to override the President's veto; more details will follow when additional information is released.

2. Recharge Update

Mr. Manning stated the most recent recharge update is on the back table. Mr. Manning noted 260 acre-feet of mostly recycled water was recharged in April.

3. OIA Update

Mr. Manning stated at a recent meeting Mr. Treweek advised the group that GeoTrans is working on behalf of the parties involved in the plume and that they were working on drilling four monitoring wells in the Chino Basin in order to provide more information as to their involvement within the Ontario Airport plume. The drilling of those wells has already started and staff will keep the parties apprised as to the progress of those wells and the information the wells provide.

D. INLAND EMPIRE UTILITIES AGENCY

1. MWD Water Alert Presentation

Mr. Atwater commented on the MWD drought plan. Mr. Atwater noted there will be a Landscape Alliance workshop today at IEUA. A discussion regarding conservation matters ensued.

2. Recycled Water 3-Year Budget Presentation

Mr. Atwater noted the Recycled Water 3-Year Budget presentation is in the meeting package for review. Mr. Atwater commented on the use of recycled water on fire trucks. A discussion regarding recycled water usage ensued.

3. Recycled Water Newsletter

No comment was made regarding this item.

4. Monthly Water Conservation Programs Report

No comment was made regarding this item.

5. Monthly Imported Water Deliveries Report

No comment was made regarding this item.

6. State and Federal Legislative Report

Mr. Atwater stated he would appreciate any letters of support written regarding AB2270 on water softeners. This has been a very big campaign for all of us. Mr. Atwater gave details about what damage water softeners can do to our water supply.

7. Community Outreach/Public Relations Report

No comment was made regarding this item.

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

No comment was made regarding this item.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

May 22, 2008	9:00 a.m.	Advisory Committee Meeting
May 22, 2008	11:00 a.m.	Watermaster Board Meeting
May 29, 2008	10:00 a.m.	Recharge Master Plan Meeting
June 12, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
June 17, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 26, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
June 26, 2007	9:00 a.m.	Advisory Committee Meeting
June 26, 2007	11:00 a.m.	Watermaster Board Meeting

The Advisory Committee meeting was dismissed by Chair DeLoach at 9:45 a.m.

Secretary: _____

Minutes Approved: _____

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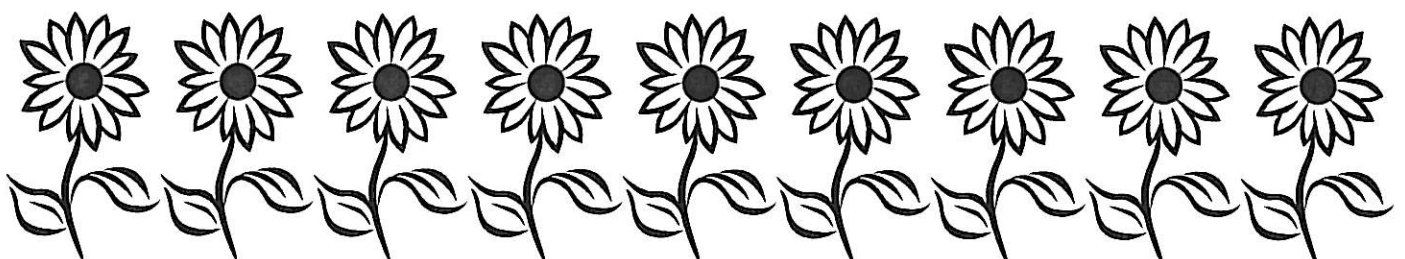


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Watermaster Board Meeting – May 22, 2008



Draft Minutes
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING

May 22, 2008

The Annual Watermaster Board Meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on May 22, 2008 at 11:00 a.m.

WATERMASTER BOARD MEMBERS PRESENT

Jim Curatalo, Acting Chair	Cucamonga Valley Water District
David DeJesus	Three Valleys Municipal Water District
Tom Thomas	City of Upland
Jim Bowman	City of Ontario
Charles Field	Western Municipal Water District
Terry Catlin	Inland Empire Utilities Agency
Bob Bowcock	Vulcan Materials Company
Paul Hofer	Agricultural Pool
Geoffrey Vanden Heuvel	Agricultural Pool

Watermaster Staff Present

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

Watermaster Consultants Present

Scott Slater	Brownstein, Hyatt, Farber & Schreck
Michael Fife	Brownstein, Hyatt, Farber & Schreck
Mark Wildermuth	Wildermuth Environmental, Inc.

Others Present

Dave Crosley	City of Chino Basin Watermaster
Eunice Ulloa	Chino Basin Water Conservation District
Robert DeLoach	Cucamonga Valley Water District
Jeff Pierson	Ag Pool – Crops
Bob Feenstra	Ag Pool - Dairy
Sandra Rose	Monte Vista Water District
Hank Stoy	Visitor
Rick Rees	Geomatrix Consultants, Inc./CIM
Jack Safely	Western Municipal Water District
Raul Garibay	City of Pomona
Mark Kinsey	Monte Vista Water District
Ken Jeske	City of Ontario

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

PLEDGE OF ALLEGIANCE

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

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

Moved to approve consent calendar items A through D, as presented

A. WATERMASTER 2008-2009 BUDGET

Ms. Rojo gave a presentation on the 2008-2009 budget. Mr. Manning stated the Pools and Advisory Committee all approved unanimously reducing budget category no. 6907 for legal fees by 25%. The 25% reduction in the budget would be approved through the Watermaster process in June, and then in November the budget would be revisited with more refined numbers in the 6907 category. The budget will be updated before the finalization of the Assessment Package. A discussion regarding the requested reduction and the special referee ensued. It was noted to reduce category 6907 by 25% and bring it back in June for final approval.

No action was taken on this item.

B. CHINO CREEK WELL FIELD COSTS

Mr. Manning stated letters have been received from Western Municipal Water District, the City of Ontario, and Jurupa Community Services District regarding their plans to expand desalter production to 40,000 acre-feet while at the same time achieving Hydraulic Control in the southern portion of the basin and noted that this item has gone to the Pools and Advisory Committee and has had unanimous approval. Mr. Manning stated Watermaster is requesting direction from the Watermaster Board regarding Watermaster taking the lead position in any litigation and in assuming responsibility for costs associated to this task. A discussion regarding this item ensued.

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

Moved to approve the request to take an active role in the litigation and remediation of the VOC plume emanating from the Chino Airport, as presented

C. AGREEMENT WITH IEUA FOR REIMBURSEMENT FOR CEQA COSTS

Mr. Manning stated the proposed agreement provides Inland Empire Utilities Agency (IEUA) as the lead agency for the CEQA review associated with the Peace II Agreement and that Watermaster will agree to reimburse IEUA for the costs of this review. The proposed scope of work estimates the costs of analysis at \$63,000. Mr. Manning noted this amount is within the \$200,000 allocated in Watermaster's proposed budget. Mr. Manning stated this item has gone to the Pools and Advisory Committee and has had unanimous approval. Staff is recommending approval of this agreement.

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

Moved to approve the agreement with Inland Empire Utilities Agency for reimbursement for CEQA costs, as presented

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. July 24, 2008 Hearing**

Counsel Slater stated there was a hearing scheduled in May, however, the court moved that hearing date to July, and has now delayed the hearing a second time to August 21, 2008. Counsel Slater stated a few of the administrative items to be heard at the May hearing were the recent interventions and the Watermaster filing of the Thirtieth Annual Report and a very brief hearing might be set prior to the August 21st hearing to move those few items through the court system more timely.

2. Santa Ana River Permits

Counsel Slater stated on Tuesday the State Board unanimously approved the City of Riverside's Waste Water Change Petition. This was the first of many needed approvals coming out of last May's hearing on the Santa Ana River Permits. Counsel Slater stated it was anticipated permits will be drafted for other related applications within the next 30 to 60 days.

B. ENGINEERING UPDATES**1. Conditions Subsequent 5 and 6 Update**

Mr. Wildermuth stated excellent progress has been made on both Conditions Subsequent 5 and 6. Condition Subsequent no. 5 is the preparation of a detailed outline to do a recharge master plan update; this must be filed with the court by July 1, 2008. Subsequent no. 6 is a request directed by the court to have staff go to the Regional Board and get clarification on what is meant by Hydraulic Control. Staff has been working with the Regional Board on this item. A definitive statement will be coming from the Regional Board on Hydraulic Control shortly which will be filed with the court. A discussion regarding Hydraulic Control ensued.

2. Changes in the Characteristics in the Santa Ana River Flow

Mr. Wildermuth reviewed the chart regarding Baseflow changes and the characteristics in the Santa Ana River flow in detail. Mr. Wildermuth reviewed the surface water monitoring locations which included the HCMP surface water sampling sites, USGS gauging stations, and recycled water discharge locations in detail. A discussion regarding Mr. Wildermuth's presentation ensued.

C. CEO/STAFF REPORT**1. Legislative Update**

Mr. Manning stated there is a detailed legislative update provided by IEUA in the meeting packet for review. The governor has submitted a number of items that did not show up in the May revise that were of interest to water agencies. Mr. Manning reviewed several bills relevant to the water industry. Mr. Manning noted the Farm Bill did pass which has some implications for the water industry, but that bill was then vetoed by President. Mr. Manning

noted there were enough votes in the senate and house to override the President's veto; more details will follow when additional information is released.

2. Recharge Update

Mr. Manning stated the most recent recharge update is on the back table. Mr. Manning noted 260 acre-feet of mostly recycled water was recharged in April.

3. OIA Update

Mr. Manning stated at a recent meeting Mr. Treweek advised the group that GeoTrans is working on behalf of the parties involved in the plume and that they were working on drilling four monitoring wells in the Chino Basin in order to provide more information as to their involvement within the Ontario Airport plume. The drilling of those wells has already started and staff will keep the parties apprised as to the progress of those wells and the information the wells provide.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. BOARD MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

The regular Board meeting was dismissed at 12:07 p.m. to convene the Confidential Session

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session will be held during the Watermaster Board meeting for the purpose of discussion and possible action regarding two items:

- 1. Hansen Aggregates Litigation
- 2. Potential litigation re Chino Airport VOC plume

No comment was made regarding this item.

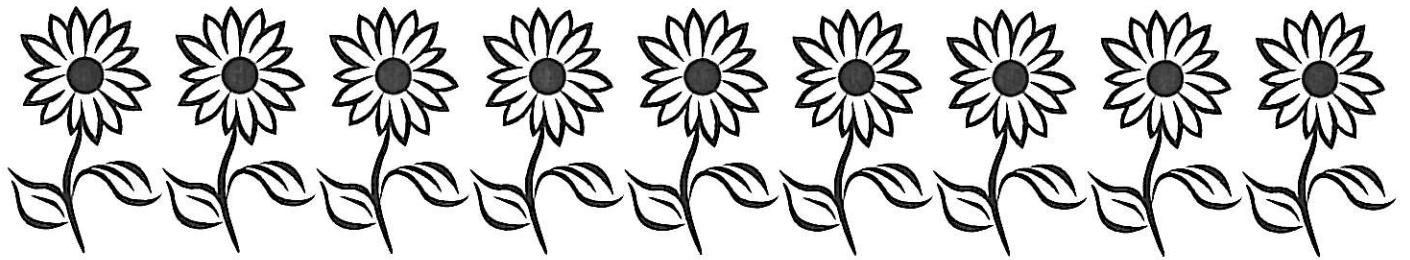
VII. FUTURE MEETINGS

May 22, 2008	9:00 a.m.	Advisory Committee Meeting
May 22, 2008	11:00 a.m.	Watermaster Board Meeting
May 29, 2008	10:00 a.m.	Recharge Master Plan Meeting
June 12, 2008	10:00 a.m.	Joint Appropriative & Non-Agricultural Pool Meeting
June 17, 2008	9:00 a.m.	Agricultural Pool Meeting @ IEUA
June 26, 2008	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
June 26, 2007	9:00 a.m.	Advisory Committee Meeting
June 26, 2007	11:00 a.m.	Watermaster Board Meeting

The Watermaster Board meeting was dismissed by Chair Willis at 12:35 p.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2008
2. Watermaster Visa Check Detail
3. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2007 through April 30, 2008
4. Treasurer's Report of Financial Affairs for the Period April 1, 2008 through April 30, 2008
5. Profit & Loss Budget vs. Actual July 2007 through April 2008





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: June 12, 2008
June 17, 2008
June 26, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – May 2008

SUMMARY

Issue – Record of cash disbursements for the month of May 2008.

Recommendation – Staff recommends the Cash Disbursements for May 2008 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2007-08 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 May 2008 were \$580,891.04. The most significant expenditures during the month were Wildermuth Environmental Inc. in the amount of \$268,763.00 and Brownstein, Hyatt, Farber & Schreck in the amount of \$142,240.83.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
May 2008

Type	Date	Num	Name	Amount
May 08				
General Journal	5/3/2008	080503	PAYROLL	-7,508.52
General Journal	5/3/2008	080503	PAYROLL	-24,418.88
Bill Pmt -Check	5/7/2008	12280	APPLIED COMPUTER TECHNOLOGIES	-3,701.30
Bill Pmt -Check	5/7/2008	12281	ARROWHEAD MOUNTAIN SPRING WATER	-43.43
Bill Pmt -Check	5/7/2008	12282	BOWCOCK, ROBERT	-250.00
Bill Pmt -Check	5/7/2008	12283	BOWMAN, JIM	-250.00
Bill Pmt -Check	5/7/2008	12284	CALPERS	-4,029.38
Bill Pmt -Check	5/7/2008	12285	CAROLLO ENGINEERS	-8,699.00
Bill Pmt -Check	5/7/2008	12286	COMPUTER NETWORK	-753.17
Bill Pmt -Check	5/7/2008	12287	CUCAMONGA VALLEY WATER DISTRICT	0.00
Bill Pmt -Check	5/7/2008	12288	DAN VASILE	-105.00
Bill Pmt -Check	5/7/2008	12289	DIRECTV	-76.98
Bill Pmt -Check	5/7/2008	12290	FEENSTRA, BOB	-125.00
Bill Pmt -Check	5/7/2008	12291	FISH WINDOW CLEANING	-110.00
Bill Pmt -Check	5/7/2008	12292	GLOBAL PRESENTER.COM	-301.71
Bill Pmt -Check	5/7/2008	12293	HSBC BUSINESS SOLUTIONS	-275.29
Bill Pmt -Check	5/7/2008	12294	INLAND EMPIRE UTILITIES AGENCY	-127.31
Bill Pmt -Check	5/7/2008	12295	JAMES JOHNSTON	-900.00
Bill Pmt -Check	5/7/2008	12296	KONICA MINOLTA BUSINESS SOLUTIONS	-562.77
Bill Pmt -Check	5/7/2008	12297	KUHN, BOB	-250.00
Bill Pmt -Check	5/7/2008	12298	LOS ANGELES TIMES	-44.40
Bill Pmt -Check	5/7/2008	12299	OFFICE CHAIRS.COM	-349.00
Bill Pmt -Check	5/7/2008	12300	OFFICE DEPOT	-696.62
Bill Pmt -Check	5/7/2008	12301	PAYCHEX	-241.05
Bill Pmt -Check	5/7/2008	12302	PREMIERE GLOBAL SERVICES	-373.74
Bill Pmt -Check	5/7/2008	12303	PUMP CHECK	-1,785.00
Bill Pmt -Check	5/7/2008	12304	QUILL	-146.37
Bill Pmt -Check	5/7/2008	12305	RAUCH COMMUNICATION CONSULTANTS, LLC	-6,546.03
Bill Pmt -Check	5/7/2008	12306	REID & HELLYER	-5,587.84
Bill Pmt -Check	5/7/2008	12307	SAFETY CLEAN JANITORIAL SERVICES	-678.20
Bill Pmt -Check	5/7/2008	12308	SOFTCHOICE	-1,987.53
Bill Pmt -Check	5/7/2008	12309	STATE COMPENSATION INSURANCE FUND	-388.67
Bill Pmt -Check	5/7/2008	12310	STAULA, MARY L	-136.61
Bill Pmt -Check	5/7/2008	12311	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	5/7/2008	12312	UNION 76	-196.16
Bill Pmt -Check	5/7/2008	12313	UNITED PARCEL SERVICE	-492.86
Bill Pmt -Check	5/7/2008	12314	VANDEN HEUVEL, GEOFFREY	-250.00
Bill Pmt -Check	5/7/2008	12315	VERIZON	-428.53
Bill Pmt -Check	5/7/2008	12316	VISION SERVICE PLAN	-36.11
Bill Pmt -Check	5/7/2008	12317	W.C. DISCOUNT MOBILE AUTO DETAILING	-75.00
Bill Pmt -Check	5/7/2008	12318	WILDERMUTH ENVIRONMENTAL INC	-153,820.33
Bill Pmt -Check	5/7/2008	12319	WILLIS, KENNETH	-125.00
Bill Pmt -Check	5/7/2008	12320	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	5/7/2008	12321	RANCHO GLASS & MIRRORS	-147.23
Bill Pmt -Check	5/9/2008	12322	A & R TIRE	-400.99
Bill Pmt -Check	5/9/2008	12323	MATHIS & ASSOCIATES	-1,180.00
Bill Pmt -Check	5/9/2008	12324	PARK PLACE COMPUTER SOLUTIONS, INC.	-3,375.00
Bill Pmt -Check	5/9/2008	12325	PUMP CHECK	-1,330.00
Bill Pmt -Check	5/9/2008	12326	STATE COMPENSATION INSURANCE FUND	-743.70
Bill Pmt -Check	5/9/2008	12327	W.C. DISCOUNT MOBILE AUTO DETAILING	-75.00
Bill Pmt -Check	5/9/2008	12328	SOURCE 1 PRINTING, PACKAGING & MEDIA	-6,757.02
Bill Pmt -Check	5/13/2008	12329	PETTY CASH	-594.91
General Journal	5/17/2008	080505	PAYROLL	-6,868.33
General Journal	5/17/2008	080505	PAYROLL	-21,724.68
Bill Pmt -Check	5/21/2008	12330	BROWNSTEIN HYATT FARBER SCHRECK	-142,240.83
Bill Pmt -Check	5/21/2008	12331	WILDERMUTH ENVIRONMENTAL INC	-114,942.67
Bill Pmt -Check	5/21/2008	12332	ACWA SERVICES CORPORATION	-260.51
Bill Pmt -Check	5/21/2008	12333	BANC OF AMERICA LEASING	-3,186.17
Bill Pmt -Check	5/21/2008	12334	BANK OF AMERICA	-1,946.34
Bill Pmt -Check	5/21/2008	12335	GLOBAL PRESENTER.COM	-516.12
Bill Pmt -Check	5/21/2008	12336	SAFEGUARD DENTAL & VISION	-13.85
Bill Pmt -Check	5/21/2008	12337	VERIZON WIRELESS	-431.16
Bill Pmt -Check	5/21/2008	12338	WESTERN DENTAL SERVICES, INC.	-36.50
Bill Pmt -Check	5/21/2008	12339	A & R TIRE	-220.39
Bill Pmt -Check	5/21/2008	12340	ACWA SERVICES CORPORATION	-260.51
Bill Pmt -Check	5/21/2008	12341	CALPERS	-3,636.23
Bill Pmt -Check	5/21/2008	12342	CITISTREET	-3,095.66
Bill Pmt -Check	5/21/2008	12343	COMPUTER NETWORK	-1,324.00

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
May 2008

Type	Date	Num	Name	Amount
Bill Pmt -Check	5/21/2008	12344	CUCAMONGA VALLEY WATER DISTRICT	-5,495.00
Bill Pmt -Check	5/21/2008	12345	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	5/21/2008	12346	MCI	-1,169.95
Bill Pmt -Check	5/21/2008	12347	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	5/21/2008	12348	PUMP CHECK	-1,010.00
Bill Pmt -Check	5/21/2008	12349	RANCHO GLASS & MIRRORS	-180.88
Bill Pmt -Check	5/21/2008	12350	STAULA, MARY L	-136.61
Bill Pmt -Check	5/21/2008	12351	W.C. DISCOUNT MOBILE AUTO DETAILING	-75.00
Bill Pmt -Check	5/21/2008	12352	WHEELER METER MAINTENANCE	-600.00
Bill Pmt -Check	5/21/2008	12353	OFFICE DEPOT	-941.09
General Journal	5/31/2008	080507	PAYROLL	-6,789.70
General Journal	5/31/2008	080507	PAYROLL	-21,784.18
May 08				-580,891.04

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CHINO BASIN WATERMASTER
Check Detail
May 2008

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	12334	5/21/2008	BANK OF AMER...	1012 · Bank of America Gen'l Ckg	
Bill	4024...	4/30/2008		6031.7 · Other Office Supplies	-376.86
				6191 · Conferences	-155.86
				6141.1 · Meeting Supplies	-89.58
				6141.3 · Admin Meetings	-561.42
				6909.1 · OBMP Meetings	-114.67
				6312 · Meeting Expenses	-132.91
				6212 · Meeting Expense	-104.70
				6141.2 · Committee Meetings	-60.34
				6016 · New Employee Search Costs	-350.00
TOTAL					-1,946.34

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2007 THROUGH APRIL 30, 2008

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER REPLENISHMENT	GROUNDWATER OPERATIONS SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2007-2008
Administrative Revenues										
Administrative Assessments			7,480,691		122,298				7,602,989	\$7,540,370
Interest Revenue			118,983	17,019	3,305			53	139,360	181,500
Mutual Agency Project Revenue		41,667							41,667	145,500
Grant Income					41					0
Miscellaneous Income			35,023						35,064	0
Total Revenues		41,667	7,634,697	17,019	125,644			53	7,819,080	7,867,370
Administrative & Project Expenditures										
Watermaster Administration	385,018								385,018	627,797
Watermaster Board-Advisory Committee	48,569								48,569	60,645
Pool Administration			17,126	112,654	5,636				135,416	162,333
Optimum Basin Mgmt Administration		2,239,847							2,239,847	2,852,337
OBMP Project Costs		3,719,655							3,719,655	4,153,883
Education Funds Use								375	375	375
Mutual Agency Project Costs		10,000							10,000	10,000
Total Administrative/OBMP Expenses	433,587	5,969,502	17,126	112,654	5,636			375	6,538,860	7,867,370
Net Administrative/OBMP Income	(433,587)	(5,927,835)							-	-
Allocate Net Admin Income To Pools		330,773	94,296	8,518						
Allocate Net OBMP Income To Pools		4,522,205	1,289,172	116,457						
Agricultural Expense Transfer		1,485,063	(1,485,063)							
Total Expenses		6,355,167	11,059	130,612				375	6,538,860	7,867,370
Net Administrative Income		1,279,530	5,960	(4,968)				(322)	1,280,200	-
Other Income/(Expense)									3,402,393	0
Replenishment Water Assessments						3,402,393				0
MZ1 Supplemental Water Assessments										0
Water Purchases										0
MZ1 Imported Water Purchase										0
Groundwater Replenishment						(2,328,727)			(2,328,727)	0
Net Other Income						1,073,666			1,073,666	0
Net Transfers To/(From) Reserves			1,279,530	5,960	(4,968)	1,073,666		(322)	2,353,866	-
Working Capital, July 1, 2007			4,222,862	475,604	156,528	294,397	158,251	1,655	5,309,297	
Working Capital, End Of Period			5,502,392	481,564	151,560	1,368,063	158,251	1,333	7,663,163	
06/07 Assessable Production			130,826,204	37,295,410	3,369,080				171,490,694	
06/07 Production Percentages			76.288%	21.748%	1.965%				100.000%	

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
APRIL 1 THROUGH APRIL 30, 2008**

DEPOSITORIES:		
Cash on Hand - Petty Cash	\$	500
Bank of America		
Governmental Checking-Demand Deposits	\$	972,268
Zero Balance Account - Payroll		-
Local Agency Investment Fund - Sacramento		6,643,631
		<u>972,268</u>
		<u>6,643,631</u>
TOTAL CASH IN BANKS AND ON HAND		\$ 7,616,399
TOTAL CASH IN BANKS AND ON HAND		5,255,529
		3/31/2008
		2/29/2008
PERIOD INCREASE (DECREASE)		\$ 2,360,870

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:	Accounts Receivable	\$ 38,644
	Assessments Receivable	2,683,936
	Prepaid Expenses, Deposits & Other Current Assets	(1,478)
(Decrease)/Increase in Liabilities	Accounts Payable	239,183
	Accrued Payroll, Payroll Taxes & Other Current Liabilities	7,739
	Transfer to/(from) Reserves	(607,154)
		<u>\$ 2,360,870</u>

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account		Local Agency Investment Funds	Totals
			Payroll	Payroll		
\$	500	\$ 200,042	\$ -	\$ -	5,054,987	\$ 5,255,529
	-	2,969,241			38,644	3,007,885
	-	(1,615,335)	65,335		1,550,000	-
	-	(581,680)	(65,335)		-	(647,015)
\$	500	\$ 972,268	\$ -	\$ -	6,643,631	\$ 7,616,399
	-	-	-	-	-	-
PERIOD INCREASE OR (DECREASE)	\$ -	\$ 772,226	\$ -	\$ -	1,588,644	\$ 2,360,870

SUMMARY OF FINANCIAL TRANSACTIONS:

Balances as of 3/31/2008	
Deposits	
Transfers	
Withdrawals/Checks	
Balances as of 4/30/2008	
PERIOD INCREASE OR (DECREASE)	

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
APRIL 1 THROUGH APRIL 30, 2008**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
4/15/2008	Interest	L.A.I.F.	\$ 38,644				
4/7/2008	Withdrawal	L.A.I.F.	\$ (250,000)				
4/25/2008	Deposit	L.A.I.F.	\$ 800,000				
4/30/2008	Deposit	L.A.I.F.	\$ 1,000,000				
TOTAL INVESTMENT TRANSACTIONS			\$ 1,588,644	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 4.18% was the effective yield rate at the Quarter ended March 31, 2008.

**INVESTMENT STATUS
March 31, 2008**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 6,643,631			
TOTAL INVESTMENTS	\$ 6,643,631			

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
Budget vs. Actual
July 2007 through April 2008

	<u>Jul '07 - Apr 08</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	41,667	145,500	-103,833	28.64%
4110 · Admin Asmnts-Approp Pool	7,480,691	7,423,878	56,813	100.77%
4120 · Admin Asmnts-Non-Agri Pool	122,298	116,492	5,806	104.98%
4700 · Non Operating Revenues	174,424	181,500	-7,076	96.1%
Total Income	<u>7,819,080</u>	<u>7,867,370</u>	<u>-48,290</u>	<u>99.39%</u>
Gross Profit	7,819,080	7,867,370	-48,290	99.39%
Expense				
6010 · Salary Costs	397,320	477,247	-79,927	83.25%
6020 · Office Building Expense	79,186	101,580	-22,394	77.95%
6030 · Office Supplies & Equip.	27,920	46,500	-18,580	60.04%
6040 · Postage & Printing Costs	77,052	83,000	-5,948	92.83%
6050 · Information Services	108,545	132,000	-23,455	82.23%
6060 · Contract Services	74,372	117,500	-43,128	63.3%
6080 · Insurance	4,160	18,210	-14,050	22.85%
6110 · Dues and Subscriptions	14,864	16,750	-1,886	88.74%
6140 · WM Admin Expenses	2,462	4,650	-2,188	52.95%
6150 · Field Supplies	144	2,500	-2,356	5.75%
6170 · Travel & Transportation	13,121	25,000	-11,879	52.48%
6190 · Conferences & Seminars	18,675	22,500	-3,825	83.0%
6200 · Advisory Comm - WM Board	14,802	18,931	-4,129	78.19%
6300 · Watermaster Board Expenses	33,767	41,714	-7,947	80.95%
8300 · Appr PI-WM & Pool Admin	17,126	24,001	-6,875	71.35%
8400 · Agri Pool-WM & Pool Admin	20,475	24,004	-3,529	85.3%
8467 · Ag Legal & Technical Services	81,119	95,000	-13,881	85.39%
8470 · Ag Meeting Attend -Special	11,059	12,000	-941	92.16%
8500 · Non-Ag PI-WM & Pool Admin	5,636	7,328	-1,693	76.9%
6500 · Education Funds Use Expens	375	375	-	100.0%
9500 · Allocated G&A Expenditures	-432,803	-419,640	-13,163	103.14%
Subtotal G&A Expenditures	<u>569,376</u>	<u>851,150</u>	<u>-281,774</u>	<u>66.9%</u>
6900 · Optimum Basin Mgmt Plan	2,084,669	2,711,138	-626,469	76.89%
6950 · Mutual Agency Projects	10,000	10,000	-	100.0%
9501 · G&A Expenses Allocated-OBMP	155,180	141,199	13,981	109.9%
Subtotal OBMP Expenditures	<u>2,249,849</u>	<u>2,862,337</u>	<u>-612,488</u>	<u>78.6%</u>
7101 · Production Monitoring	87,266	101,709	-14,443	85.8%
7102 · In-line Meter Installation	15,543	17,791	-2,248	87.36%
7103 · Grdwtr Quality Monitoring	93,439	117,104	-23,665	79.79%
7104 · Gdwtr Level Monitoring	171,823	182,667	-10,844	94.06%
7105 · Sur Wtr Qual Monitoring	7,625	15,553	-7,928	49.02%

CHINO BASIN WATERMASTER
Budget vs. Actual
July 2007 through April 2008

	<u>Jul '07 - Apr 08</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7107 · Ground Level Monitoring	198,338	270,465	-72,127	73.33%
7108 · Hydraulic Control Monitoring	188,706	199,232	-10,526	94.72%
7109 · Recharge & Well Monitoring Prog	20,987	102,827	-81,840	20.41%
7200 · PE2- Comp Recharge Pgm	892,832	945,827	-52,995	94.4%
7300 · PE3&5-Water Supply/Desalte	95,729	159,509	-63,780	60.02%
7400 · PE4- Mgmt Plan	135,692	159,674	-23,982	84.98%
7500 · PE6&7-CoopEfforts/SaltMgmt	104,204	138,533	-34,329	75.22%
7600 · PE8&9-StorageMgmt/Conj Use	67,965	82,660	-14,695	82.22%
7690 · Recharge Improvement Debt Pymt	1,368,373	1,377,552	-9,179	99.33%
7700 · Inactive Well Protection Prgm	295	4,339	-4,044	6.8%
9502 · G&A Expenses Allocated-Projects	270,837	278,441	-7,604	97.27%
Subtotal Special Project Expenditures	<u>3,719,655</u>	<u>4,153,883</u>	<u>-434,228</u>	<u>89.55%</u>
Total Expense	<u>6,538,880</u>	<u>7,867,370</u>	<u>-1,328,490</u>	<u>83.11%</u>
Net Ordinary Income	1,280,200	0	1,280,200	100.0%
Other Income/Expense				
Other Income				
4210 · Approp Pool-Replenishment	3,393,137			
4220 · Non-Ag Pool-Replenishment	9,256			
Total Other Income	<u>3,402,393</u>			
Other Expense				
5010 · Groundwater Replenishment	2,328,727			
9999 · To/(From) Reserves	2,353,866			
Total Other Expense	<u>4,682,593</u>			
Net Other Income	<u>-1,280,200</u>			
Net Income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,000 acre-feet of water from San Antonio Water Company's storage account to Monte Vista Water District. This lease is made first from SAWC's net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be captured from storage.
2. **Consider Approval for Notice of Sale or Transfer** – The one-year lease of 3,135 acre-feet of water from the City of Chino's annual production rights to the City of Ontario.
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 2,862 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage.
4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000 acre-feet of water from the Santa Ana River Water Company. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from SARWC's net under-production in Fiscal Year 2007-08



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 25, 2008

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: **March 24, 2008**

Date of this notice: **April 25, 2008**

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

- A. Notice of Sale or Transfer – The purchase of 2,000 acre-feet of water from San Antonio Water Company’s storage account to Monte Vista Water District. This lease is made first from SAWC’s net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be captured from storage.

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

Appropriative Pool:	May 15, 2008
Non-Agricultural Pool:	May 15, 2008
Agricultural Pool:	May 20, 2008

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: April 25, 2008

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: April 25, 2008
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 purchase of 2,000 acre-feet of water from San Antonio Water Company's storage account to Monte Vista Water District. This lease is made first from SAWC's net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be captured from storage.

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 purchase of 2,000 acre-feet of water from San Antonio Water Company's storage account to Monte Vista Water District. This lease is made first from SAWC's net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be captured from storage.

Notice of the water transaction identified above was mailed on April 25, 2008 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.

Monte Vista

Dedicated to Quality,

Service and Innovation

March 24, 2008



Mark N. Kinsey
GENERAL MANAGER

Mr. Ken Manning, Chief Executive Officer
CHINO BASIN WATERMASTER
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Lease of Water Production Rights in the Chino Basin: Fiscal Year 2007-08

Dear Mr. Manning: *Ken*

This letter is to notify Watermaster of the lease and/or purchase of 2,000 acre-feet of water from San Antonio Water Company's storage account. This lease is made first from SAWC's net underproduction, if any, in Fiscal Year 2007-08, with any remainder to be recaptured from storage.

This lease/transfer will be utilized by the District to offset a portion of its projected Fiscal Year 2007-08 replenishment obligation within the Chino Basin. Attached is an executed application for lease or transfer of a right to produce water from storage and a recapture plan for consideration by Watermaster. Please agendize this item at the earliest possible opportunity.

If you have any questions or require additional information concerning this matter, please call me at 624-0035, extension 170. Thank you.

Sincerely,

Monte Vista Water District

A handwritten signature in black ink, appearing to read "Mark N. Kinsey".

Mark N. Kinsey
General Manager

Attachments

Water District

10575 Central Avenue, Post Office Box 71 • Montclair, CA 91763 • (909) 624-0035 • FAX (909) 624-4725 • www.mvwd.org

Sandra S. Rose
PRESIDENT

Maynard B. Lenhart
VICE PRESIDENT

Tony Lopez
DIRECTOR

Philip L. Erwin
DIRECTOR

G. Michael Milhiser
DIRECTOR

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

Transfer from Local Storage Agreement: **3, 3.1, 3.2**

Date Requested: **March 17, 2008**

Transferring Party: **San Antonio Water Company**

Date Approved:

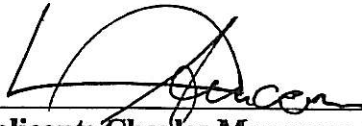
Address: **139 North Euclid Avenue
Upland, California 91786**

Amount Requested (AF): **2,000**

Telephone: **(909) 982-4107**

Amount Approved (AF):

Fax: **(909) 920-3047**



Applicant: Charles Moorrees, General Manager

Attach Recapture Form 4

Receiving Party: **Monte Vista Water District**

Address: **10575 Central Avenue
Montclair, California 91763**

Telephone: **(909) 624-0035**

Fax: **(909) 624-0037**

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?

Static water levels range from 504' to 533' below ground levels. Nitrate concentrations range between 19 to 70 ppm.

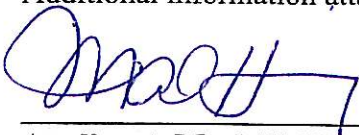
Material Physical Injury:

Is the applicant aware of any potential material physical injury to a part 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 part to the Judgment or the Basin?

N/A

Additional information attached? Yes No



Applicant: Mark N. Kinsey, General Manager

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 Number:

APPLICATION OR AMENDMENT TO APPLICATION
TO
RECAPTURE WATER IN STORAGE

APPLICANT

Monte Vista Water District
Name of Party

March 24, 2008
Date Requested

Date Approved

10575 Central Avenue
Street Address

2,000 Acre-feet
Amount Requested

Acre-feet
Amount Approved

Montclair CA 91763
City State Zip Code

500 - 1,000 AF/month
Projected Rate of
Recapture

2-4 months
Projected Duration of
Recapture

Telephone: (909) 624-0035

Facsimile: (909) 624-0037

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: San Antonio Water Company

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)

Recapture by pumping. _____

PLACE OF USE OF WATER TO BE RECAPTURED

For use within the Monte Vista Water District and City of Chino Hills service areas. _____

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

Recapture to occur at regular production wells. _____

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 range from 504' to 533' below ground levels. Nitrate water quality data for District wells range from 19 to 70 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]

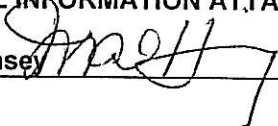
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

No mitigation is required.

ADDITIONAL INFORMATION ATTACHED

Yes [X] No []

Mark N. Kinsey
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 2007-08

Commencing on July 1, 2007 and terminating on June 30, 2008, San Antonio Water Company ("Transferor") hereby transfers to Monte Vista Water 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?

Dynamic water levels at District wells range from 538' to 596' below ground level with average drawdown of 40'. Static water levels range from 504' to 533' below ground level. Nitrate concentrations for District wells range between 19-70 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?

No mitigation is required.

ADDITIONAL INFORMATION ATTACHED

Yes [X] No []



Charles Moorrees
San Antonio Water Company
Transferor



Mark N. Kinsey
Monte Vista Water District
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 # _____

MONTE VISTA WATER DISTRICT

Recapture Plan

Location of where the recaptured water will be extracted by the District is within Management Zone 1 of the Chino Basin and will be accomplished by any or all of the 13 wells owned and operated by the District. The approximate daily production capacity of these wells is noted below.

The 2,000 AF transfer will be utilized for delivery to the District's retail customers, for delivery to the City of Chino Hills, or to offset the District's Fiscal Year 2007-08 replenishment obligation.

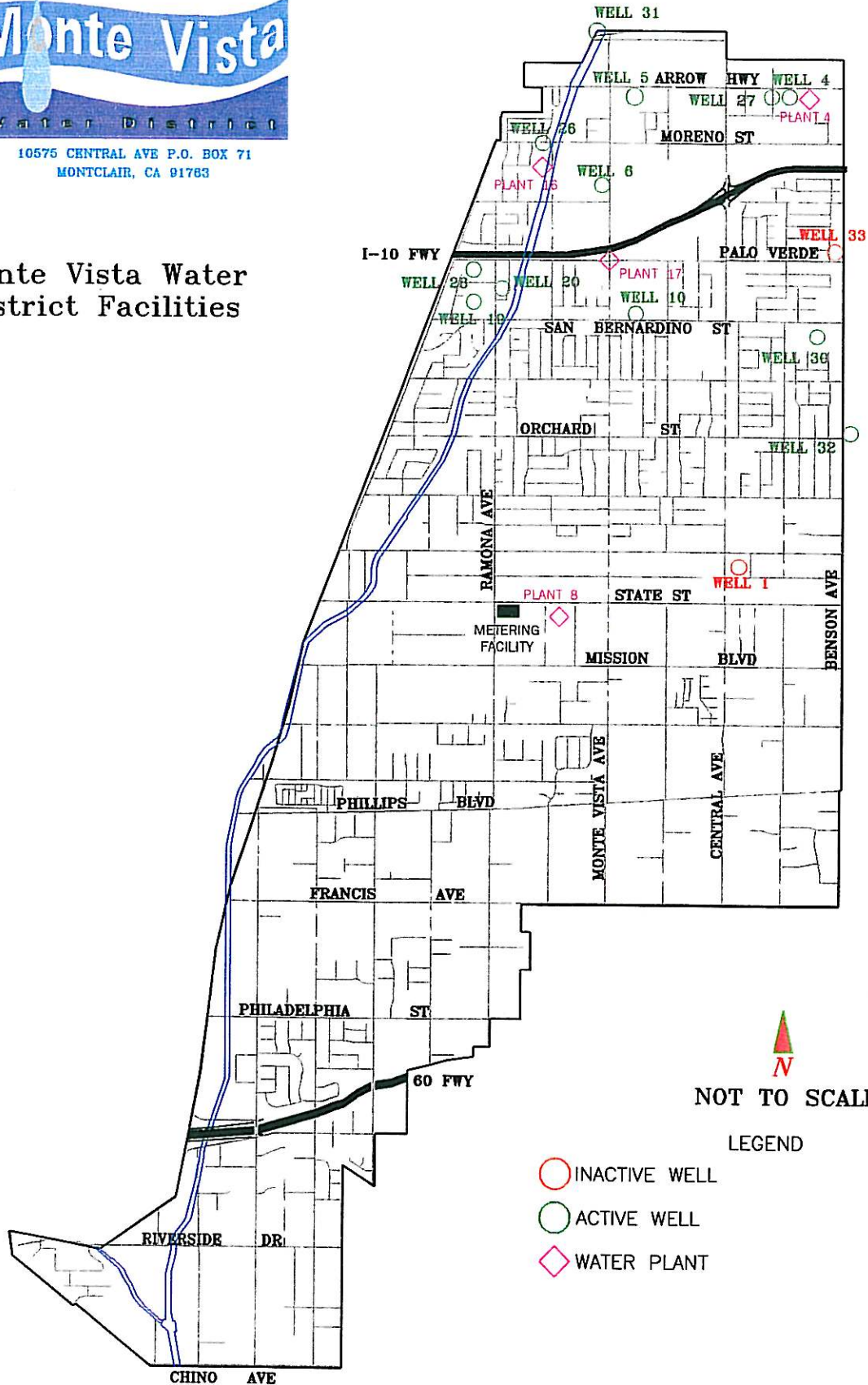
<u>Well</u>	<u>Production Acre-Feet/Day</u>
4	4.2
5	6.1
6	5.2
10	5.2
19	9.0
20	5.8
26	9.0
27	9.0
28	9.0
30	9.0
31	9.0
32	9.0
33	4.5
<hr/>	
Daily Total	94.0

A map showing the location of these wells is attached. The rate of extraction can vary significantly, depending upon system demand and seasonal changes.



10575 CENTRAL AVE P.O. BOX 71
MONTCLAIR, CA 91783

Monte Vista Water District Facilities




NOT TO SCALE

LEGEND

-  INACTIVE WELL
-  ACTIVE WELL
-  WATER PLANT

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 2, 2008

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: **April 28, 2008**

Date of this notice: **May 2, 2008**

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

- A. Notice of Sale or Transfer – The one-year lease of 3,135 acre-feet of water from the City of Chino’s annual production rights to the City of Ontario.

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

Appropriative Pool: May 15, 2008

Non-Agricultural Pool: May 15, 2008

Agricultural Pool: May 20, 2008

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: May 2, 2008

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: May 2, 2008
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 one-year lease of 3,135 acre-feet of water from the City of Chino's annual production rights to the City of Ontario.

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 one-year lease of 3,135 acre-feet of water from the City of Chino's annual production rights to the City of Ontario.

Notice of the water transaction identified above was mailed on May 2, 2008 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.

CITY OF



ONTARIO

PUBLIC WORKS AND
COMMUNITY SERVICES AGENCY

ONTARIO MUNICIPAL SERVICES CENTER

PAUL S. LEON
MAYOR

GREGORY C. DEVEREAUX
CITY MANAGER

JASON ANDERSON
MAYOR PRO TEM

MARY E. WIRTES, MMC
CITY CLERK

ALAN D. WAPNER
SHEILA MAUTZ
JIM W. BOWMAN
COUNCIL MEMBERS

April 28, 2008

JAMES R. MILHISER
TREASURER

KENNETH L. JESKE
PUBLIC WORKS / COMMUNITY
SERVICES DIRECTOR

Mr. Kenneth R. Manning, CEO
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Subject: Annual Lease of Water Rights

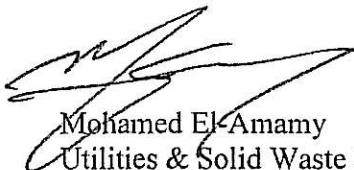
Dear Mr. Manning:

This is to notify Watermaster of the one-year lease of 3,135 acre-feet of water from the City of Chino's annual production rights to the City of Ontario. This lease is made first from Chino's net under-production is Fiscal Year 2007-08, with any remainder to be recaptured from storage.

Executed original Watermaster forms and all supporting documentation shall be provided under separate cover. Please agendaize the proposed purchase for the May meetings.

If you have any questions or require additional information concerning this matter, please call me at 395-2681. Thank you.

Sincerely,



Mohamed El-Amamy
Utilities & Solid Waste Director

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # _____

City of Chino 4/28/2008 _____
Name of Party Date Requested Date Approved

13220 Central Avenue 3,135 Acre-feet _____ Acre-feet
Street Address Amount Requested Amount Approved

Chino CA 91710
City State Zip Code

Telephone: 909-927-7577 Facsimile: 909-591-6829

Yusucco Water Utilities Supervisor - Dave Crosley
Applicant (Dave Crosley, Environmental & Water Manager)

TRANSFER TO:

City of Ontario **Attach Recapture Form 4**
Name of Party

1425 S. Bon View
Street Address

Ontario CA 91761
City State Zip Code

Telephone: 909-395-2681 Facsimile: 909-395-2601

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?

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 [] No []

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 OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE

APPLICANT

City Of Ontario April 28, 2008
Name of Party Date Requested Date Approved
1425 S. Bon View Avenue 3,135 Acre-feet
Street Address Amount Requested Amount Approved
Ontario CA 91761 Varies July 1, 2007 - June 30, 2008
City State Zip Code Projected Rate of Recapture Projected Duration of Recapture
Telephone: 909-395-2600 Facsimile: 909-395-2601

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 CHINO

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

Management zones 1, 2 and 3

N/A

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

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?

Recapture by Ontario will be accomplished by pumping 23 wells. Static level varies from 270 feet to 530 feet. Of the wells routinely pumped, nitrate levels vary form less than 5 to 40 mg/L.

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 []


Mohamed El-Amamy, Utilities 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 # _____

APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2007 - 2008

Commencing on July 1, 2007 and terminating on June 30, 2008, The City of Chino ("Transferor") hereby transfers to The City of Ontario ("Transferee") the quantity of 3,135 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?

None

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]

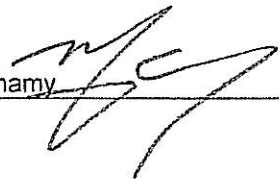
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Dave Crosley
Transferor

Mohamed El-Amamy
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 # _____

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Dave Crosley
Transferor

*Attorney for
David Crosley*

Mohamed El-Amamy
Transferee

[Signature]

TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

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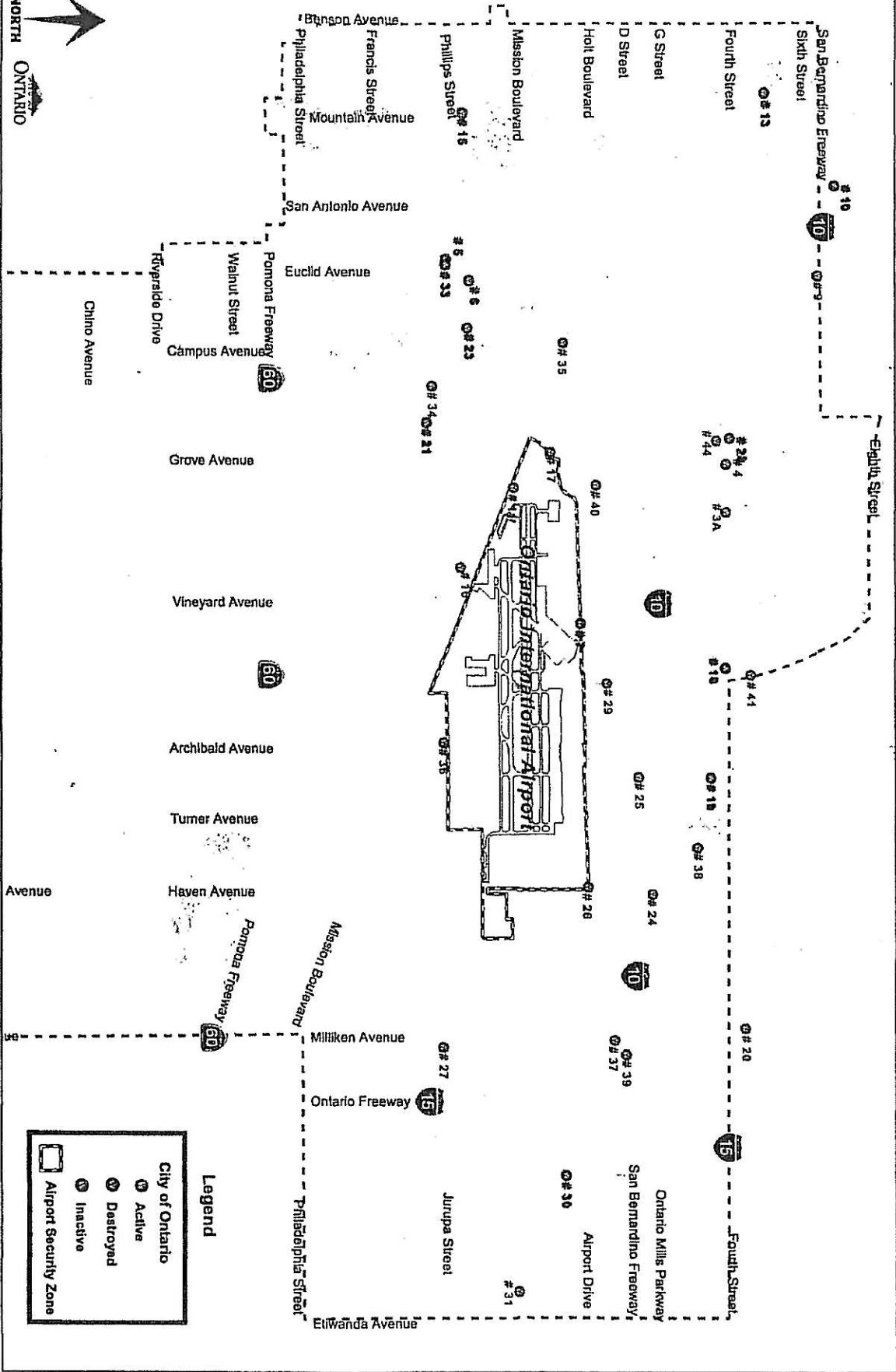
CITY OF ONTARIO Recapture Plan

The subject water is a transfer of stored groundwater from the City of Chino located within Management Zones 2 to the City of Ontario in the amount of 3,135 acre-feet to satisfy a portion of the City's replenishment obligation for FY 2007-2008. Recapture of the stored water is accomplished by the production of any or all of the 20 wells owned and operated by the City with Management Zones 2 or 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows.A22

Well No.	Capacity acre-feet/day
9	7.8
16	3.2
17	7.2
18	5.3
19	2.5
20	3.4
24	8.4
25	6.2
26	5.7
27	4.9
29	11.2
30	14.1
31	13.1
35	8.6
36	8.3
37	13.4
38	11.4
39	8.6
40	13.4
41	11.0
167.9	

A map showing the locations of these wells is attached. The rate of extraction can vary significantly, depending upon system demand and seasonal changes.

By From Routes
City of Ontario



Legend

- City of Ontario
- Active
- Destroyed
- Inactive
- Airport Security Zone

CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 2, 2008

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: **April 18, 2008**

Date of this notice: **May 2, 2008**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 2,862.000 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage.

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

Appropriative Pool: May 15, 2008

Non-Agricultural Pool: May 15, 2008

Agricultural Pool: May 20, 2008

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: May 2, 2008

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: May 2, 2008
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 – Chino Basin Watermaster will purchase 2,862,000 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage.

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 – Chino Basin Watermaster will purchase 2,862.000 acre-feet of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage.

Notice of the water transaction identified above was mailed on May 2, 2008 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.

Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 13,238.880 AF for Assessment Year 2007-08. Of that total obligation, 9,376.880 AF was pre-purchased from MWD during Fiscal Year 2006-07 due to the expected rate increase. The outstanding obligation is 3,862.000 AF. Due to the fact that MWD does not expect to have replenishment water available this fiscal year and perhaps not next fiscal year either, Watermaster wishes to use the option to purchase water from appropriators to fulfill the replenishment obligation. Watermaster is taking advantage of the City of Chino's offer to sell 2,862.000 AF of water to Watermaster. Watermaster is purchasing the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage. The 85/15 Rule does not apply to this transfer because 85/15 payments and credits were already established in the Assessment Package. This transfer is functioning in a similar manner as Watermaster purchases from MWD/IEUA.



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

March 13, 2008

Dave Crosley
City of Chino
13220 Central Avenue
Chino, CA 91710

RE: Purchase of replenishment water from the City of Chino to Watermaster

Dear Mr. Crosley:

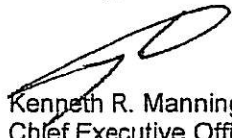
Chino Basin Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 13,238.880 AF for Assessment Year 2007-08. Of that total obligation, 9,376.880 AF was pre-purchased from MWD during Fiscal Year 2006-07 due to the expected rate increase. The outstanding obligation is 3,862.000 AF. Due to the fact that MWD does not expect to have replenishment water available this fiscal year and perhaps not next fiscal year either, Watermaster wishes to use the option to purchase water from appropriators to fulfill the replenishment obligation.

Watermaster would like to take advantage of the City of Chino's offer to sell 2,862.000 AF of water to Watermaster. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage.

Please sign the attached forms (listed below). Once Watermaster has received these completed forms, the transaction will be Noticed and agendized in the same manner that any other water transfer would be handled.

If you have any questions, please feel free to contact myself or Danni Maurizio.

Sincerely,



Kenneth R. Manning,
Chief Executive Officer

Attachments:

- City of Chino's Acceptance of Watermaster's Water Transfer Terms
- Form 3: Application for Sale or Transfer of Right to Produce Water from Storage
- Form 4: Application or Amendment to Application to Recapture Water in Storage
- Form 5: Application to Transfer Annual Production Right or Safe Yield

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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

March 13, 2008

CITY OF CHINO'S ACCEPTANCE OF WATERMASTER'S WATER TRANSFER TERMS

Chino Basin Watermaster will purchase 2,862,000 AF of water from the City of Chino. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made first from the City's net under-production in Fiscal Year 2007-08, with any remainder to be recaptured from storage.

If these terms are acceptable to the City of Chino, please sign below and return to Watermaster at your earliest convenience.

Signature: 

Printed Name: DAVID CROSLBY

Title: WATER & ENVIRONMENTAL MANAGER

Date Signed: 4/10/08

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

TRANSFER FROM LOCAL STORAGE AGREEMENT # -

City of Chino

03/13/08

Name of Party

Date Requested

Date Approved

13220 Central Avenue

2,862.000 Acre-feet

Acre-feet

Street Address

Amount Requested

Amount Approved

Chino CA 91710

City State Zip Code

Telephone: 909-927-7577

Facsimile: 909-591-6829

Applicant

[Handwritten signature]

TRANSFER TO:

Chino Basin Watermaster

Attach Recapture Form 4

Name of Party

9641 San Bernardino Road

Street Address

Rancho Cucamonga CA 91730

City State Zip Code

Telephone: 909-484-3888

Facsimile: 909-484-3890

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?

This transfer will have no affect on water quality or water levels. The water has already been pumped from the Basin by overproducers and this transfer will help fulfill Watermaster's replenishment obligation.

MATERIAL PHYSICAL INJURY

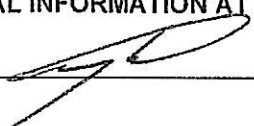
Is the Applicant aware of any potential Material Physical Injury to a party to the Judgment or the Basin that may be caused by the action covered by the application? Yes [] No [X]

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 [] 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 OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE

APPLICANT

Chino Basin Watermaster
Name of Party
Date Requested: 03/13/08
Date Approved
Street Address: 9641 San Bernardino Road
Amount Requested: 2,862.000 Acre-feet
Amount Approved
City: Rancho Cucamonga, CA, 91730
Projected Rate of Recapture: N/A
Projected Duration of Recapture
Telephone: 909-484-3888
Facsimile: 909-484-3890

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 Chino

PURPOSE OF RECAPTURE

- [] Pump when other sources of supply are curtailed
[] Pump to meet current or future demand over and above production right
[] Pump as necessary to stabilize future assessment amounts
[X] Other, explain Watermaster is purchasing from City of Chino to meet its replenishment obligation.

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

The water has already been pumped from the Basin by overproducers located throughout the Basin.

PLACE OF USE OF WATER TO BE RECAPTURED

The water has already been pumped from the Basin by overproducers located throughout the Basin.

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

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?

This transfer will have no affect on water quality or water levels. The water has already been pumped from the Basin by overproducers and this transfer will help fulfill Watermaster's replenishment obligation.

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 [] 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 2007 - 2008

Commencing on July 1, 2007 and terminating on June 30, 2008, City of Chino hereby transfers to Chino Basin Watermaster ("Transferee") the quantity of 2,862,000 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... (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?

This transfer will have no affect on water quality or water levels. The water has already been pumped from the Basin by overproducers and this transfer will help fulfill Watermaster's replenishment obligation.

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?

Four horizontal lines for providing mitigation measures, each starting with a dash.

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

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

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

May 9, 2008

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: **May 8, 2008**

Date of this notice: **May 9, 2008**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,000,000 acre-feet of water from the Santa Ana River Water Company (SARWC). Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made from SARWC's net under-production in Fiscal Year 2007-08.

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

Appropriative Pool: May 15, 2008

Non-Agricultural Pool: May 15, 2008

Agricultural Pool: May 20, 2008

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: May 9, 2008

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: May 9, 2008
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 – Chino Basin Watermaster will purchase 1,000,000 acre-feet of water from the Santa Ana River Water Company (SARWC). Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made from SARWC's net under-production in Fiscal Year 2007-08.

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 the water transaction is attached with the notice of application.

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,000,000 acre-feet of water from Santa Ana River Water Company (SARWC). Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made from SARWC's net under-production in Fiscal Year 2007-08.

Notice of the water transaction identified above was mailed on May 9, 2008 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.

Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 13,238.880 AF for Assessment Year 2007-08. Of that total obligation, 9,376.880 AF was pre-purchased from MWD during Fiscal Year 2006-07 due to the expected rate increase. The outstanding replenishment obligation is 3,862.000 AF. Due to the fact that MWD does not expect to have replenishment water available this fiscal year and perhaps not next fiscal year either, Watermaster wishes to use the option to purchase water from appropriators to fulfill its replenishment obligation. Watermaster is taking advantage of Santa Ana River Water Company's offer to sell 1,000,000 AF of water to Watermaster. The transfer will be made from Santa Ana River Water Company's net under-production in Fiscal Year 2007-08. The 85/15 Rule does not apply to this transfer because 85/15 payments and credits were already established in the Assessment Package. This transfer is functioning in a similar manner as Watermaster purchases from MWD/IEUA.



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

March 14, 2008

Arnold Rodriguez
Santa Ana River Water Company
10530 54th Street
Mira Loma, CA 91752-2331

RE: Purchase of replenishment water from the Santa Ana River Water Company to Watermaster

Dear Mr. Rodriguez:

Chino Basin Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 13,238.880 AF for Assessment Year 2007-08. Of that total obligation, 9,376.880 AF was pre-purchased from MWD during Fiscal Year 2006-07 due to the expected rate increase. The outstanding obligation is 3,862.000 AF. Due to the fact that MWD does not expect to have replenishment water available this fiscal year and perhaps not next fiscal year either, Watermaster wishes to use the option to purchase water from appropriators to fulfill the replenishment obligation.

Watermaster would like to take advantage of the Santa Ana River Water Company's (SARWC's) offer to sell 1,000,000 AF of water to Watermaster. Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made from SARWC's net under-production in Fiscal Year 2007-08.

Please sign the attached forms (listed below). Once Watermaster has received these completed forms, the transaction will be Noticed and agendized in the same manner that any other water transfer would be handled.

If you have any questions, please feel free to contact myself or Danni Maurizio.

Sincerely,

Kenneth R. Manning,
Chief Executive Officer

Attachments:

- SARWC's Acceptance of Watermaster's Water Transfer Terms
- Form 5: Application to Transfer Annual Production Right or Safe Yield

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CHINO BASIN WATERMASTER

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KENNETH R. MANNING
Chief Executive Officer

March 14, 2008

SANTA ANA RIVER WATER COMPANY'S ACCEPTANCE OF WATERMASTER'S WATER TRANSFER TERMS

Chino Basin Watermaster will purchase 1,000,000 AF of water from the Santa Ana River Water Company (SARWC). Watermaster will purchase the water at \$258.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made from SARWC's net under-production in Fiscal Year 2007-08.

If these terms are acceptable to SARWC, please sign below and return to Watermaster at your earliest convenience.

Signature: *J. Arnold Rodriguez*
Printed Name: J. ARNOLD RODRIGUEZ
Title: GENERAL MANAGER
Date Signed: MAY 8, 2008

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APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2007 - 2008

Commencing on July 1, 2007 and terminating on June 30, 2008, Santa Ana River Water Co. ("Transferor") hereby transfers to Chino Basin Watermaster ("Transferee") the quantity of 1,000,000 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?

This transfer will have no affect on water quality or water levels. The water has already been pumped from the Basin by overproducers and this transfer will help fulfill Watermaster's replenishment obligation.

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?

Four horizontal lines for providing mitigation measures, each with a hyphen (-) centered below it.

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Transferor

Transferee



TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

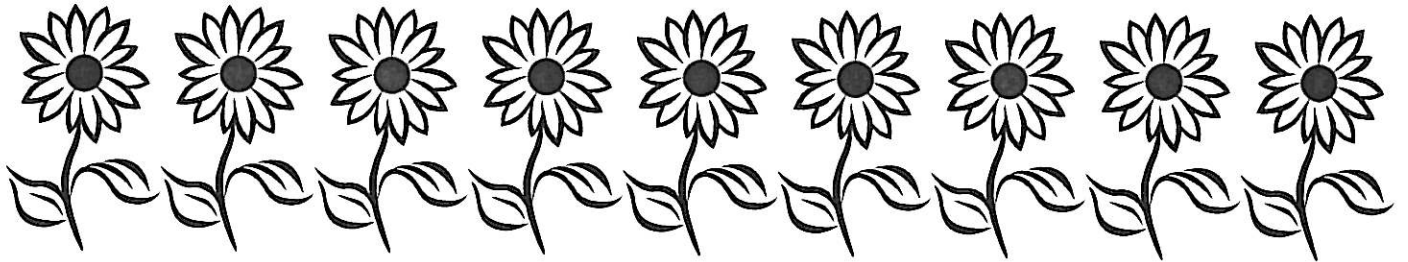
DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

A. CHINO BASIN WATERMASTER 2008-2009 BUDGET





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: June 12, 2008
June 17, 2008
June 26, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Proposed Fiscal Year 2008/2009 Budget

SUMMARY

Issue – Annual Budget for Watermaster Administration and OBMP tasks during FY 2008/09.

Recommendations – Staff recommends the Committees and the Board consider approval/adoption of the Proposed FY 2008/09 Budget.

Fiscal Impact – The FY 2008/09 Proposed Budget expenses are \$8,370,082. The FY 2008/09 Budget, as proposed, anticipates a slight decrease in Administrative costs, a decrease in OBMP expenditures and an increase in OBMP project costs over the prior year “amended” budget.

DISCUSSION

Each year, Watermaster staff conducts meetings internally and with consultants to discuss upcoming projects and anticipated work flow. As the budget is developed, the related budgeted costs are continually refined. The current version of the budget reflects the discussions with consultants and stakeholders over the last four months.

On April 2, 2008 Watermaster held an Ad-Hoc Budget Committee meeting with Board and Pool Members to discuss the categories of work that will be budgeted by Watermaster. This budget includes work related to regulatory and compliance requirements, as well as agreed upon tasks. Anticipated work flow and timing of work along with budgeted costs was discussed at the meeting as well. The committee acknowledged that Watermaster appears to be on task with the timing and budget of work flow and that no additional meetings were required this year.

On April 29, 2008 Watermaster hosted the annual Budget Workshop and discussed the draft budget in detail and in summary. The categories and accounts that were discussed in detail at the workshop included:

For the Administrative costs:

- The draft budget includes anticipated increases in staff salary costs based on March 2008 CPI of 3.6%.
- The draft budget includes staff salaries of \$937,369 for the approved 11 positions.
- The draft budget includes anticipated increases for Information Services which encompasses costs to maintain developed databases, develop additional databases and to maintain the Watermaster computer network & workstations. Also included in this category is the cost to transition our electronic file management system into a new software system.
-

For OBMP General costs: (See attached "Budget and Description of Engineering Tasks" for additional detail.)

- Increases in budgeted legal expenses to reflect expected annual costs.
- Annual Engineering Updates including quantification of New Yield and compliance with Condition Subsequent #7.
- Preparation of the Balance of Recharge and Discharge Report.
- Budgeting for CEQA as a result of approving Peace II.

Staff has compiled a draft budget for OBMP Implementation Project costs: (See attached "Budget and Description of Engineering Tasks" for additional detail.)

- In-Line Meter Installation/Maintenance includes budgeted funds to provide meters for newly identified wells or replacement meters and calibration & testing of existing meters.
- Groundwater level and groundwater quality monitoring to comply with the OBMP Implementation Plan, Basin Plan & Max Benefit commitments.
- Continued implementation of the recharge improvement project including recharge and well monitoring program – this budget includes \$450,000 for Recharge O&M expenses and \$1,350,000 for Recharge debt service.
- Development of a recharge master plan update pursuant to Condition Subsequent #5 – which will be budgeted over 2 years.
- Management of subsidence and related monitoring and analysis based upon recommendations from the MZ-1 technical committee.
- Continued implementation of the Hydraulic Control Monitoring Program and collection of water quality data from the Santa Ana River as mandated in the Basin Plan. However, staff will be working with the Regional Water Quality Control Board in an attempt to reduce the future scope of work in this category, thereby reducing future budgeted costs.

In summary, the FY 2008/09 Budget, as proposed, anticipates a slight overall increase in total costs. Final assessments will be refined when the assessment package is prepared this fall; assessments are dependent on prior year pumping which will affect the final assessment amounts.

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CHINO BASIN WATERMASTER

FY 2008/2009 DRAFT BUDGET

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**CHINO BASIN WATERMASTER
SUMMARY BUDGET 2008-2009**

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
Ordinary Income					
4000 Mutual Agency Revenue	\$142,150	\$41,667	\$145,500	\$148,410	\$2,910
4110 Appropriative Pool Assessments	7,800,290	5,201,052	7,423,878	7,708,817	284,939
4120 Non-Agricultural Pool Assessments	123,212	0	116,492	132,237	15,745
4730 Prorated Interest Income	256,310	100,716	181,500	174,368	-7,132
Total Income	8,321,962	5,343,435	7,867,370	8,163,832	296,462
Administrative Expenses					
6010 Salary Costs	584,437	244,692	477,247	484,302	7,055
6020 Office Building Expense	102,191	48,074	101,580	102,000	420
6030 Office Supplies & Equip.	41,685	15,813	51,150	50,500	-650
6040 Postage & Printing Costs	96,898	48,670	83,000	87,380	4,380
6050 Information Services	129,556	75,448	132,000	144,000	12,000
6060 WM Special Contract Services	126,521	39,608	117,500	98,000	-19,500
6080 Insurance Expense	15,338	4,160	18,210	17,730	-480
6110 Dues and Subscriptions	21,362	12,734	16,750	16,750	0
6150 Field Supplies & Equipment	1,214	116	2,500	2,500	0
6170 Vehicle Maintenance Costs	24,313	7,131	25,000	39,200	14,200
6190 Conferences & Seminars	26,447	9,271	22,500	26,500	4,000
6200 Advisory Committee Expenses	15,451	9,107	18,931	19,181	250
6300 Watermaster Board Expenses	36,104	22,502	41,714	42,020	306
6500 Education Fund Expenditures	375	375	375	375	0
8300 Appropriative Pool Administration	21,947	8,909	24,001	24,008	7
8400 Agricultural Pool Administration	90,413	79,763	131,004	134,820	3,816
8500 Non-Agricultural Pool Administration	6,054	3,298	7,328	7,695	367
9400 Depreciation Expense	29,118	0	0	0	0
9500 Allocated G&A Expenditures	-423,257	-263,111	-419,640	-448,902	-29,262
Total Administrative Expenses	946,167	366,560	851,150	848,059	-3,091
General OBMP Expenditures					
6900 Optimum Basin Mgmt Program	2,212,978	1,605,294	2,711,138	1,775,525	-935,613
6950 Cooperative Efforts	10,000	0	10,000	10,000	0
9501 Allocated G&A Expenditures	160,405	105,449	141,199	137,959	-3,240
Total General OBMP Expenditures	2,383,383	1,710,743	2,862,337	1,923,484	-938,853

**CHINO BASIN WATERMASTER
SUMMARY BUDGET 2008-2009**

	FY 06-07		FY 07-08		FY 07-08		FY 08-09		Current vs.	
	June	December	Actual	Amended	Proposed	Budget	Proposed	Budget	Proposed	Proposed
7000 OBMP Implementation Projects										
7101 Production Monitoring	88,082	47,963	101,709	107,515	107,515	107,515	107,515	107,515	5,806	5,806
7102 In-Line Meter Installation/Maintenance	30,561	6,628	17,791	87,931	87,931	87,931	87,931	87,931	70,140	70,140
7103 Groundwater Quality Monitoring	173,673	42,950	117,104	210,458	210,458	210,458	210,458	210,458	93,354	93,354
7104 Groundwater Level Monitoring	218,911	84,076	182,667	342,538	342,538	342,538	342,538	342,538	159,871	159,871
7105 Recharge Basin Water Quality Monitoring	44,515	5,524	15,553	46,717	46,717	46,717	46,717	46,717	31,164	31,164
7107 Ground Level Monitoring	136,769	101,282	270,466	651,468	651,468	651,468	651,468	651,468	381,002	381,002
7108 Hydraulic Control Monitoring Program	350,397	88,725	199,232	743,476	743,476	743,476	743,476	743,476	544,244	544,244
7109 Recharge & Well Monitoring Program	169,645	16,363	102,827	0	0	0	0	0	-102,827	-102,827
7200 OBMP Pgm Element 2 - Comp Recharge	1,486,754	421,883	945,826	1,115,883	1,115,883	1,115,883	1,115,883	1,115,883	170,057	170,057
7300 OBMP Pgm Element 3 & 5 - Water Supply Plan - Desalter	11,513	72,832	159,509	148,477	148,477	148,477	148,477	148,477	-11,032	-11,032
7400 OBMP Pgm Element 4 - Mgmt Zone Strategies	583,651	94,356	159,674	217,371	217,371	217,371	217,371	217,371	57,697	57,697
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt	298,846	68,180	138,533	216,307	216,307	216,307	216,307	216,307	77,774	77,774
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use	19,936	30,418	82,660	76,909	76,909	76,909	76,909	76,909	-5,751	-5,751
7700 Inactive Well Protection Program	0	0	4,339	6,296	6,296	6,296	6,296	6,296	1,957	1,957
7690 Recharge Improvement Debt Payment	1,358,414	618,373	1,377,552	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	-267,552	-267,552
9502 Allocated G&A Expenditures	262,852	150,877	278,441	310,943	310,943	310,943	310,943	310,943	32,502	32,502
Total OBMP Implementation Projects	5,234,519	1,850,430	4,153,883	5,392,289	5,392,289	5,392,289	5,392,289	5,392,289	1,238,406	1,238,406
Total Expenses	8,564,069	3,927,733	7,867,370	8,163,832	8,163,832	8,163,832	8,163,832	8,163,832	296,462	296,462
Net Ordinary Income	-242,107	1,415,702	0	0	0	0	0	0	0	0
Other Income										
4210 Approp Pool-Replenishment	2,683,975	0	0	0	0	0	0	0	0	0
4220 Non-Ag Pool-Replenishment	7,009	0	0	0	0	0	0	0	0	0
4230 Groundwater Recharge Activity	0	0	0	0	0	0	0	0	0	0
Total Other Income	2,690,984	0	0	0	0	0	0	0	0	0
Other Expense										
5010 Groundwater Recharge	3,536,201	2,328,727	0	0	0	0	0	0	0	0
Total Other Expense	3,536,201	2,328,727	0	0	0	0	0	0	0	0
Net Other Income	-845,217	-2,328,727	0	0	0	0	0	0	0	0
9800 From / (To) Reserves	1,087,324	913,025	0	0	0	0	0	0	0	0
Net Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
Ordinary Income					
Income					
4000 Cooperative Effort Contributions					
4010 Local Agency Subsidies - Other	\$142,150	\$41,667	\$145,500	\$148,410	\$2,910
Total 4000 Mutual Agency Revenue	142,150	41,667	145,500	148,410	2,910
4110 Appropriate Pool Assessments					
4111 Administrative Assessment	774,519	5,201,052	629,243	646,964	17,721
4111.2 OBMP Assessment	4,287,629	0	4,121,218	4,487,999	366,781
4112 Ag Pool Reallocation - Administrative	211,094	0	171,591	184,434	12,843
4113 Ag Pool Reallocation - OBMP	1,169,048	0	1,124,274	1,279,421	155,147
4115 Recharge Improvement Revenue	1,358,000	0	1,377,552	1,110,000	-267,552
Total 4110 Appropriate Pool Assessments	7,800,290	5,201,052	7,423,878	7,708,817	284,939
4120 Non-Agricultural Pool Assessments					
4123 Administrative Assessment	18,851	0	15,316	16,661	1,345
4124 OBMP Assessment	104,361	0	101,176	115,576	14,400
Total 4120 Non-Agricultural Pool Assessments	123,212	0	116,492	132,237	15,745
4730 Prorated Interest Income					
4731 Interest - Agricultural Pool	17,160	12,090	18,500	17,500	-1,000
4732 Interest - Appropriate Pool	230,994	86,117	158,000	152,000	-6,000
4733 Interest - Non-Agricultural Pool	8,068	2,469	5,000	4,800	-200
4739 Interest - Education Fund	88	40	0	68	68
Total 4730 Prorated Interest Income	256,310	100,716	181,500	174,368	-7,132
Total Income	8,321,962	5,343,435	7,867,370	8,163,832	296,462

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
Administrative Expenses					
6010 Salary Costs					
6011 WM Staff Salaries & Payroll Burden	569,851	242,195	474,644	484,304	9,660
6012 Payroll Services	2,836	1,143	2,600	0	-2,600
6013 Human Resources Services	11,186	14,558	0	0	0
6017 Temporary Services	0	10,877	0	0	0
Subtotal Wages	583,873	268,773	477,244	484,304	7,060
6018 Fringe Benefits	564	-24,081	497,044	480,203	-16,841
60199 Payroll Burden Allocated	0	0	-497,041	-480,205	16,836
Total 6010 Salary Costs	584,437	244,692	477,247	484,302	7,055
6020 Office Building Expense					
6021 Office Lease	63,552	32,660	64,080	66,000	1,920
6022 Telephone	12,500	6,189	10,000	12,000	2,000
6024 Building Repairs & Janitorial	23,509	9,225	27,500	24,000	-3,500
6027 Other Expense	2,630	0	0	0	0
Total 6020 Office Building Expense	102,191	48,074	101,580	102,000	420
6030 Office Supplies & Equip.					
6031 Office Supplies	30,302	14,636	46,500	46,500	0
6038 Other Office Equipment	3,193	0	0	0	0
6039 Office Expenses	5,245	0	0	0	0
6141 Meeting Expenses	2,945	1,177	4,650	4,000	-650
Total 6030 Office Supplies & Equip.	41,685	15,813	51,150	50,500	-650
6040 Postage & Printing Costs					
6042 Postage	16,980	8,463	15,000	15,000	0
6043 Copy Machine Lease & Maintenance	70,666	38,767	60,000	63,000	3,000
6044 Postage Meter Lease	1,914	1,440	2,000	2,880	880
6045 Outside Printing	7,338	0	6,000	6,500	500
Total 6040 Postage & Printing Costs	96,898	48,670	83,000	87,380	4,380

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
6050 Information Services					
6052 Consultants	84,890	42,060	72,500	89,000	16,500
6053 Internet Services	12,780	6,672	21,000	13,000	-8,000
6054 Computer Software	4,271	11,644	11,000	13,000	2,000
6055 Computer Hardware	27,615	15,072	27,500	29,000	1,500
Total 6050 Information Services	129,556	75,448	132,000	144,000	12,000
6060 WM Special Contract Services					
6061 Contract Services	65,073	17,289	51,500	40,000	-11,500
6062 Audit Services	6,850	7,204	6,000	8,000	2,000
6063 Public Relations Consultant	35,876	15,115	40,000	40,000	0
6067 General Counsel	18,722	0	20,000	10,000	-10,000
Total 6060 WM Special Contract Services	126,521	39,608	117,500	98,000	-19,500
6080 Insurance Expense					
6085 Business Insurance Package	15,108	4,000	18,000	17,500	-500
6086 Position Bond Insurance	230	160	210	230	20
Total 6080 Insurance Expense	15,338	4,160	18,210	17,730	-480
6110 Dues and Subscriptions					
6111 Membership Dues	19,082	12,271	16,000	16,000	0
6112 Subscriptions	2,280	463	750	750	0
Total 6110 Dues and Subscriptions	21,362	12,734	16,750	16,750	0
6150 Field Supplies & Equipment					
6151 Small Tools & Equipment	415	0	1,500	1,500	0
6154 Uniforms	799	116	1,000	1,000	0
Total 6150 Field Supplies & Equipment	1,214	116	2,500	2,500	0
6170 Vehicle Maintenance Costs					
6170 Travel & Transportation	5,320	0	4,000	4,000	0
6171 Vehicle Allowance	7,800	3,900	8,400	23,400	15,000
6173 Mileage Reimbursements	1,628	854	1,400	1,600	200
6174 Public Transportation	23	0	0	0	0
6175 Vehicle Fuel	2,129	727	3,200	3,200	0
6177 Vehicle Repairs & Maintenance	7,413	1,650	8,000	7,000	-1,000
Total 6170 Travel & Transportation	24,313	7,131	25,000	39,200	14,200

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
6190 Conferences & Seminars					
6191 Conferences & Seminars	24,001	9,271	20,000	20,000	0
6192 Training & Continuing Education	2,446	0	2,500	6,500	4,000
Total 6190 Conferences & Seminars	26,447	9,271	22,500	26,500	4,000
6200 Advisory Committee Expenses					
6201 WM Staff Salaries	14,374	8,079	16,431	16,681	250
6212 Meeting Expense	1,077	1,028	2,500	2,500	0
Total 6200 Advisory Committee Expenses	15,451	9,107	18,931	19,181	250
6300 Watermaster Board Expenses					
6301 WM Staff Salaries	17,002	10,119	19,914	20,220	306
6311 Board Member Compensation	14,875	11,272	18,500	18,500	0
6312 Meeting Expense	4,227	1,111	3,000	3,000	0
6313 Board Members' Expenses	0	0	300	300	0
Total 6300 WM Board Expenses	36,104	22,502	41,714	42,020	306
6500 Education Fund Expenditures					
	375	375	375	375	0
8300 Appropriate Pool Administration					
8301 WM Staff Salaries	21,519	8,831	23,251	23,508	257
8312 Meeting Expenses	428	78	750	500	-250
Total 8300 Appropriate Pool Administration	21,947	8,909	24,001	24,008	7
8400 Agricultural Pool Administration					
8401 WM Staff	17,458	8,510	20,604	21,020	416
8411 Compensation	2,150	800	1,600	2,000	400
8412 Meeting Expenses	0	0	300	300	0
8456 IEUA RTS Meter Charge	1,562	764	1,500	1,500	0
8467 Ag-Pool Legal Service	57,416	61,730	80,000	80,000	0
8467.1 Frank B & Associates	977	0	15,000	18,000	3,000
8470 Ag Pool Meeting Special Compensation	10,850	7,959	12,000	12,000	0
Total 8400 Agricultural Pool Admin	90,413	79,763	131,004	134,820	3,816

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
8500 Non-Agricultural Pool Administration					
8501 WM Staff	5,870	3,220	7,128	7,495	367
8512 Meeting Expense	184	78	200	200	0
Total 8500 Non-Agricultural Pool Admin	6,054	3,298	7,328	7,695	367
9400 Depreciation Expense	29,118	0	0	0	0
9500 Allocated G&A Expenditures	-423,257	-263,111	-419,640	-448,902	-29,262
Total Administrative Expenses	946,167	366,560	851,150	848,059	-3,091

General OBMP Expenses

6900 Optimum Basin Mgmt Program

6901 OBMP - Staff	186,058	130,505	234,138	217,402	-16,736
6906 OBMP - Engineering	734,389	432,879	395,000	609,389	214,389
6906.4 OBMP - CEQA	0	0	452,000	200,000	-252,000
6906.7 OBMP - DataX	36,943	4,207	10,000	0	-10,000
6906.8 OBMP - Reports	43,499	177,600	140,000	109,984	-30,016
6907 OBMP - Legal					
6907.1 Ellison & Schneider	155,357	213,837	60,000	150,000	90,000
6907.2 Ludorff & Scalmanini	150,308	78,965	20,000	37,500	17,500
6907.3 WM Legal Counsel	611,564	558,489	350,000	431,250	81,250
6907.34 SAR Accord	283,692	0	0	0	0
6909 OBMP - Other Expense	11,168	8,812	1,050,000	20,000	-1,030,000
Total 6900 OBMP	2,212,978	1,605,294	2,711,138	1,775,525	-935,613

Total 6950 Cooperative Efforts

Total 6950 Cooperative Efforts	10,000	0	10,000	10,000	0
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9501 Allocated G&A Expenditures

9501 Allocated G&A Expenditures	160,405	105,449	141,199	137,959	-3,240
Total General OBMP Expenses	2,383,383	1,710,743	2,862,337	1,923,484	-938,853

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
7000 OBMP Implementation Projects					
7100 OBMP Pgm Element 1 - Comp Monitoring Program					
7101 Production Monitoring					
7101.1 Production Monitoring - WM Staff	42,359	35,170	49,479	74,737	25,258
7101.3 Production Monitoring - Engineering Services	44,973	12,418	51,480	32,028	-19,452
7101.4 Production Monitoring - Computer Services	750	375	750	750	0
Total 7101 Production Monitoring	88,082	47,963	101,709	107,515	5,806
7102 In-Line Meter Installation/Maintenance					
7102.1 In-Line Meter - WM Staff	2,856	1,064	2,541	27,231	24,690
7102.5 In-Line Meter - Maintenance & Repair	3,430	1,553	4,000	9,000	5,000
7102.7 In-Line Meter - In-Line Meters	3,075	1,266	5,000	8,000	3,000
7102.8 In-Line Meter - Calibration & Testing	21,200	2,745	6,250	43,700	37,450
Total 7102 In-Line Meter Installation/Maintenance	30,561	6,628	17,791	87,931	70,140
7103 Groundwater Quality Monitoring					
7103.1 Grdwtr Quality - WM Staff	48,995	19,502	54,600	70,084	15,484
7103.3 Grdwtr Quality - Engineering Services	86,555	23,007	45,577	109,684	64,107
7103.5 Grdwtr Quality - Laboratory Services	37,370	0	14,177	28,440	14,263
7103.6 Grdwtr Quality - Supplies	3	66	2,000	1,500	-500
7103.7 Grdwtr Quality - Computer Services	750	375	750	750	0
Total 7103 Groundwater Quality Monitoring	173,673	42,950	117,104	210,458	93,354
7104 Groundwater Level Monitoring					
7104.1 Grdwtr Level - WM Staff	73,308	39,778	87,137	98,326	11,189
7104.3 Grdwtr Level - Engineering Services	141,784	36,431	73,730	202,212	128,482
7104.4 Grdwtr Level - Contract Services	1,567	0	11,500	11,500	0
7104.6 Grdwtr Level - Supplies	1,930	2,572	2,500	2,500	0
7104.7 Grdwtr Level - Capital Equipment	322	5,295	7,800	28,000	20,200
Total 7104 Groundwater Level Monitoring	218,911	84,076	182,667	342,538	159,871

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
7105 Recharge Basin Water Quality Monitoring					
7105.1 Recharge Basin Water Quality - WM Staff	4,515	5,524	11,053	42,717	31,664
7105.4 Recharge Basin Water Quality - Laboratory Services	40,000	0	3,500	3,500	0
7105.6 Recharge Basin Water Quality - Supplies	0	0	1,000	500	-500
Total 7105 Recharge Basin Water Quality Monitoring	44,515	5,524	15,553	46,717	31,164
7107 Ground Level Monitoring					
7107.1 Ground Level - WM Staff	2,270	0	3,173	2,758	-415
7107.2 Ground Level - Engineering Services	47,999	42,833	152,093	298,600	146,507
7107.3 Ground Level - Synthetic Aperture Radar	12,500	25,000	27,000	95,000	68,000
7107.5 Ground Level - Laboratory Services	0	0	1,100	10,000	8,900
7107.6 Ground Level - Contract Services	74,000	31,920	87,100	245,110	158,010
7107.7 Ground Level - Piezometer at Ayala Park	0	1,529	0	0	0
Total 7107 Ground Level Monitoring	136,769	101,282	270,466	651,468	381,002
7108 Hydraulic Control Monitoring					
7108.1 Hydraulic Control Monitoring - WM Staff	1,355	5,834	13,545	12,836	-709
7108.3 Hydraulic Control Monitoring - Engineering Services	253,219	45,379	115,787	427,426	311,639
7108.4 Hydraulic Control Monitoring - Laboratory Services	77,823	0	27,020	263,214	236,194
7108.9 Hydraulic Control Monitoring - Contract Services	18,000	37,512	42,880	40,000	-2,880
Total 7108 Hydraulic Control Monitoring	350,397	88,725	199,232	743,476	544,244
7109 Recharge & Well Monitoring					
7109.3 Recharge & Well Monitoring - Engineering Services	86,707	16,363	26,177	0	-26,177
7109.4 Recharge & Well Monitoring - Laboratory Services	82,938	0	76,650	0	-76,650
Total 7109 Recharge & Well Monitoring	169,645	16,363	102,827	0	-102,827

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
7200 OBMP Pgm Element 2 - Comp Recharge					
7201 Comp Recharge - WM Staff	92,550	31,665	128,326	111,819	-16,507
7202 Comp Recharge - Engineering Services	48,196	4,063	14,340	8,100	-6,240
7202.1 Comp Recharge - Recharge Master Plan	0	0	7,660	265,464	257,804
7203 Comp Recharge - Contract Services	10,404	5,304	28,000	22,500	-5,500
7204 Comp Recharge - Supplies	2,464	0	5,000	18,000	13,000
7205 Comp Recharge - Other Expenses	83,453	0	0	0	0
7206 Comp Recharge - Basin Program O&M	1,233,010	380,000	760,000	690,000	-70,000
7207 Comp Recharge - Other	0	0	2,500	0	-2,500
7208 Hansen Aggregate Damages	16,677	851	0	0	0
Total 7200 Comprehensive Recharge	1,486,754	421,883	945,826	1,115,883	170,057
7300 OBMP Pgm Element 3 & 5 - Water Supply Plan - Desalter					
7301 OBMP - WM Staff	11,513	7,181	23,909	22,965	-944
7303 OBMP - Engineering Services	0	65,651	135,600	125,512	-10,088
Total 7300 OBMP Elements 3 & 5 Water Supply Plan	11,513	72,832	159,509	148,477	-11,032
7400 OBMP Pgm Element 4 - Mgmt Zone Strategies					
7401 OBMP - WM Staff	8,670	10,380	11,667	11,379	-288
7402 OBMP - Engineering Services	240,829	83,710	147,457	158,892	11,435
7403 OBMP - Contract Services	27,335	0	0	47,000	47,000
7404 OBMP - Supplies	58	15	100	100	0
7405 OBMP - Other Expenses	306,759	251	450	0	-450
Total 7400 OBMP Element 4 - Mgmt Zone Strategies	583,651	94,356	159,674	217,371	57,697
7500 OBMP Pgm Element 6 & 7 - Coop Efforts/Salt Mgmt					
7501 OBMP - WM Staff	974	13,834	3,783	1,411	-2,372
7502 OBMP - Engineering Services	201,628	54,346	99,750	194,896	95,146
7503 OBMP - Contract Services	76,868	0	0	20,000	20,000
7505 OBMP - Other Expenses	5,000	0	0	0	0
7506 OBMP - CO-OP Legal	14,376	0	35,000	0	-35,000
Total 7500 OBMP Element 6 & 7 - Coop Efforts/Salt Mgmt	298,846	68,180	138,533	216,307	77,774

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
7600 OBMP Pgm Element 8 & 9 Storage Mgmt/Conj Use					
7601 OBMP - WM Staff	15,610	12,291	9,660	9,441	-219
7602 OBMP - Engineering Services	4,326	18,127	62,500	67,468	4,968
7603 OBMP - Contract Services	0	0	10,000	0	-10,000
7605 OBMP - Other Expenses	0	0	500	0	-500
Total 7600 OBMP Element 8 & 9 Storage Mgmt/Conj Use	19,936	30,418	82,660	76,909	-5,751
7700 Inactive Well Protection Program					
7701 Inactive Well Protection Program - WM Staff	0	0	2,839	4,296	1,457
7703 Inactive Well Protection Program - Contract Services	0	0	1,500	2,000	500
Total 7700 Inactive Well Protection Program	0	0	4,339	6,296	1,957
7690 Recharge Improvement Debt Payment	1,358,414	618,373	1,377,552	1,110,000	-267,552
9502 Allocated G&A Expenditures	262,852	150,877	278,441	310,943	32,502
Total OBMP Implementation Projects	5,234,519	1,850,430	4,153,883	5,392,289	1,238,406
Total General OBMP & Implementation Projects	7,617,902	3,561,173	7,016,220	7,315,773	299,553
Total Expenses	8,564,069	3,927,733	7,867,370	8,163,832	296,462
Net Ordinary Income	-242,107	1,415,702	0	0	0

CHINO BASIN WATERMASTER

FY 2008/2009

DETAIL BUDGET

	FY 06-07 June Actual	FY 07-08 December Actual	FY 07-08 Amended Budget	FY 08-09 Proposed Budget	Current vs. Proposed
Other Income					
Water Replenishment Assessments					
4210 Approp Pool-Replenishment					
4211 15% Gross Assessments	544,185	0	0	0	0
4212 85% Net Assessments	1,513,674	0	0	0	0
4213 100% Net Assessments	256,868	0	0	0	0
4214 Prior Year Adjustment	369,248	0	0	0	0
Total 4210 Approp Pool-Replenishment	2,683,975	0	0	0	0
4220 Non-Ag Pool-Replenishment					
4223 Net Replenishment	7,009	0	0	0	0
Total 4220 Non-Ag Pool-Replenishment	7,009	0	0	0	0
Total Other Income	2,690,984	0	0	0	0
Other Expense					
5010 Groundwater Recharge					
5011 Replenishment Water	3,292,980	2,230,822	0	0	0
5015 OC-59 Use Fees	30,715	0	0	0	0
5015.1 OC-59 Use Fees - Other	14,239	0	0	0	0
5017 IEUA Surcharges	198,267	97,905	0	0	0
Total 5010 Groundwater Recharge	3,536,201	2,328,727	0	0	0
Total Other Expense	3,536,201	2,328,727	0	0	0
Net Other Income	-845,217	-2,328,727	0	0	0
(To) / From Reserves	1,087,324	913,025	0	0	0
Net Income	\$0	\$0	\$0	\$0	\$0

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments
ORDINARY INCOME/EXPENSE	
4000 COOPERATIVE EFFORT CONTRIBUTIONS	
4070	Local Agency Subsidies - Other
4110 APPROPRIATIVE POOL ASSESSMENTS	
4111	Administrative Assessment
4111.2	OBMP Assessment
4112	Agricultural Pool Reallocation-Administrative Assessment
4113	Agricultural Pool Reallocation- OBMP Assessment
4115	Recharge Improvement Revenue
4117	PY Adjustments
4120 NON-AGRICULTURAL POOL ASSESSMENTS	
4123	Administrative Assessment
4124	OBMP Assessment
4127	PY Adjustments
4730 PRORATED INTEREST INCOME	
6010 SALARY COSTS	
6011	WM Staff Salaries & Payroll Burden
6012	Payroll Services
6018	Fringe Benefits
60199	Payroll Burden Allocated
6020 OFFICE BUILDING EXPENSE	
6021	Office Lease
6022	Telephone
6024	Building Repair & Maintenance
6027	Other Expense
6030 OFFICE SUPPLIES & EQUIPMENT	
6031	Office Supplies
6038	Office Equipment
6039	Office Expense
6141	Meeting Expenses

This account represents funds which are to be received from Metropolitan Water District to offset our costs related to administering the Dry Year Yield Program.

Appropriative Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Appropriators on a per acre-foot basis levied based on the prior year's production.

Appropriative Pool Assessments equal the Pool's share of all Optimum Management costs levied to the Appropriators on a per acre-foot basis based on the prior year's production.

The Appropriative Pool and the Overlying Agricultural Pool agreed that the unproduced portion of Ag Pool's annual share of safe yield (82,800 acre-feet) would be immediately reallocated to the Appropriative Pool members provided the Appropriative Pool would pay the Agricultural Pool's share of Administrative and Special Project expenses.

With separate assessments levied for General Administration and Optimum Basin Management Plan and Implementation Costs, the Agricultural Pool costs charged through the reallocation levy have been separated to differentiate between the revenues from the two levies.

This line item covers funds required to pay the budgeted debt service payment and the operating & maintenance expenses. Consists of adjustments related to prior years, if any.

Non-Agricultural Pool Assessments equal the Pool's share of all General Administrative Expenses levied to the Non-Agricultural Pool based on the prior year's Non-Agricultural Pool Assessments equal the Pool's share of all Optimum Basin Management costs levied to the Pool members based on the prior year's production. Consists of adjustments related to prior years, if any.

Interest is prorated between the Pools and the Education Fund using formula approved by the Advisory Committee and Pools several years ago.

Expenses related to administrative staff hours and costs not related to a particular project.

Expenses related to processing of bi-weekly payroll and preparation of quarterly and annual tax returns, including year end W-2 processing.

Benefits paid to employees such as medical, dental, vacation, sick leave & holidays.

Fringe benefits allocated to salary costs.

Lease for Watermaster office.

Telephone expense includes office telephone system, cellular phones for management & field staff along with conference call service.

This line item covers monthly housekeeping & maintenance requests to the office.

Expenses to this line include office building improvements.

Office supplies include: copy paper, stationary, envelopes, checks and other miscellaneous office supplies.

This Budget line covers the cost of office equipment not included in office supplies referenced in account 6031.

This line covers the costs of items not covered under any of the above #6030 lines including file management consulting fees.

Expenses charged to this line include administrative meeting expenses.

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments
<u>6040 POSTAGE & PRINTING COSTS</u>	
6042	Postage Postage reflected here covers the cost of mailing or shipping all meeting notices and agendas; correspondence; Annual Reports; outgoing bills and payments, etc. Charges include FedEx and United Parcel Service costs as well as postage. This line covers the cost of leasing copy machines as well as the costs for copies exceeding the minimum number per month/year as stipulated in the lease agreements.
6043	Copy Machine Lease
6044	Postage Meter Lease
6045	Printing Postage meter costs includes the annual lease fees, quarterly reset fees and postage meter ink cartridge replacements. Printing costs covered here are those done by outside printers and include the Annual Report, blueprints, special area street maps, color prints, emergency printing when copiers are down for repairs, etc. Color brochures and annual financial statements will be printed.
<u>6050 WATERMASTER INFORMATION SERVICES</u>	
6052	Computer Consultant Support Services
6053	Internet Services Watermaster uses consultants to maintain its computer network & workstations as well as to develop & maintain databases. Website maintenance costs & T-1 internet connection.
6054	Computer Software Costs include new software, software upgrades, textbooks, manuals, etc.
6055	Computer Hardware Costs include new and upgraded computer hardware such as workstations, servers, printers, backup power supplies, etc.
6057	Computer Maintenance Computer maintenance includes parts for breakdowns and routine maintenance.
<u>6060 WATERMASTER SPECIAL CONTRACT SERVICES</u>	
6061	Other Contract Services Watermaster retains consultants to develop and implement strategic plans and develop brochures and the Annual Report.
6062	Audit Services This line item budgets funds to pay for the required annual financial statement audit.
6063	Public Relations Consultant Watermaster retains outside consultants on a per contract basis as our Public Relations Consultant, to keep us up to date regarding relevant legislative issues.
6067	Legal Services - General Counsel Watermaster's general counsel expenses related to personnel and non-project specific matters.
<u>6080 INSURANCES</u>	
6085	Business Insurance Package All insurance policies are now included under Business Insurance Package, including auto & general liability.
6086	Position Bond Insurance Insures key positions for risk of misappropriation and/or fraud.
<u>6110 DUES & SUBSCRIPTIONS</u>	
6111	Membership Dues Watermaster memberships include: American Water Works Assoc Research Foundation, Association of California Water Agencies, Association of Ground Water Agencies. Watermaster subscribes to the periodicals and trade journals.
<u>6112 Subscriptions</u>	
<u>6150 FIELD SUPPLIES & EQUIPMENT</u>	
6151	Small Tools & Equipment Small tools include: any tool which might be required while work in the field.
6154	Uniforms & Safety Shoes T-shirts, hats & jackets are provided to staff with Watermaster's logo to wear while in the field and while representing Watermaster. This line item also includes work boots for field staff.
<u>6170 TRAVEL & TRANSPORTATION</u>	
6170	Travel & Transportation Travel & Transportation costs related to Watermaster business, not related to conferences & seminars. Employment agreement allows the Chief Executive Officer a vehicle allowance of \$650 per month.
6171	Vehicle Allowances Reimbursements paid to Watermaster employees' for use of personal vehicles for Watermaster business at the federally approved rate per mile.
6173	Mileage Reimbursements
6175	Vehicle Fuel Fuel expenses for Watermaster owned vehicles.
6177	Vehicle Repairs Covers repairs & maintenance to Watermaster's vehicles.
6179	Vehicle Purchase This item includes purchases of additional vehicles.

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments
5190 CONFERENCES & SEMINARS	
6191	Conferences & Seminars
6192	Training & Continuing Education
6200 ADVISORY COMMITTEE	
6201	WM Staff Salaries
6212	Meeting Expenses
5300 WATERMASTER BOARD EXPENSES	
6301	WM Staff Salaries
6311	Member Compensation
6312	Meeting Expenses
6313	Board Member's Expenses
6500 EDUCATION FUND EXPENDITURES	
8300 APPROPRIATIVE POOL ADMINISTRATION AND SPECIAL PROJECTS	
8301	WM Staff Salaries
8312	Meeting Expenses
8400 AGRICULTURAL POOL ADMINISTRATION AND SPECIAL STUDIES	
8401	WM Staff Salaries
8411	Compensation - AG Pool Members
8412	Meeting Expenses
8456	IEUA RTS Meter Charge
8467	Agri-Pool Legal Services
8467.1	Frank B & Associates
8470	Ag Pool Meeting Special Compensation
8500 NON-AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS	
8501	WM Staff Salaries
8512	Meeting Expense
9500	ALLOCATED G&A EXPENDITURES
9900 OPTIMUM BASIN MANAGEMENT PROGRAM	
6900	OPTIMUM BASIN MANAGEMENT PROGRAM - GENERAL ENGINEERING

Staff attends conferences for information, training, or making presentations regarding the Chino Basin Watermaster activities. Attendance at training & continuing education for staff.

Salary and burden costs of WM staff in attending and preparing for Advisory Committee meetings. Advisory Committee meetings are normally scheduled to cover the lunch hour so that members are absent from their normal jobs the least amount of time possible. To accommodate the members, a luncheon or refreshments are served and those costs are reflected here.

Salary and burden costs of WM staff in preparing for and attending Watermaster Board Meetings. Board Members are entitled to, but may waive, compensation for each day of service. Those who have not waived, receive \$125 per day served at various meetings including Board meetings, Committee meetings and other water agency meetings, including conference calls.

Board and Committee meetings may be scheduled to cover the lunch hour so that attendees are absent from their normal jobs the least amount of time possible. If this occurs, a luncheon or refreshments are served and those costs are reflected here.

Board Members are entitled to receive reimbursement for expenses incurred on behalf of Watermaster. Upon request, mileage is reimbursed to any Board Member using a personal vehicle on Watermaster business.

This account disburses funds from the educational account as directed.

8300 APPROPRIATIVE POOL ADMINISTRATION AND SPECIAL PROJECTS

Salary and burden costs of WM staff in attending and preparing for Pool Meetings, and any other Appropriate Pool administrative activity.

This item covers meeting expenses, including the cost of refreshments.

8400 AGRICULTURAL POOL ADMINISTRATION AND SPECIAL STUDIES

Salary and burden costs of WM staff in attending and preparing for Pool Meetings, and any other Agricultural Pool administrative activity.

AG Pool Members are reimbursed \$25 for each Pool, Committee or Board Meeting attended. Ag Pool voted to increase reimbursement to \$125 per meeting with the extra \$100 to be paid out of Ag Pool accumulated interest. This additional \$100 is shown under account #8470.

This item covers meeting expenses, including the cost of refreshments.

Inland Empire Utilities Agency implemented a 'readiness to serve' charge against Watermaster for future provision of service to the land in the Agricultural preserve.

The Agricultural Pool retains its own legal council to represent them in all Watermaster matters.

The Agricultural Pool has contracted with a water management consultant to assist them in following Watermaster activities important to the Agricultural Pool.

See account #8411 for details of this line item.

8500 NON-AGRICULTURAL POOL ADMINISTRATION AND SPECIAL PROJECTS

Salary and burden costs of WM staff in attending and preparing for Pool Meetings and any other Non-Agricultural Pool administrative activity.

This item covers meeting expenses, including the cost of refreshments.

Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.

This work includes general engineering services requested by Watermaster to support implementation of the OBMP. The current budget request includes general, non-project specific as well as ad hoc requests for services and data requests promoting the ongoing efforts to implement the OBMP. Items include all aspects of preparing reports as required by the OBMP including the State of the Basin Report and the conditions subsequent pursuant to Judge Gunn's December 21, 2007 court order approving Peace II.

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments
6950	COOPERATIVE EFFORTS On an ad hoc basis, Watermaster and other agencies agree to share the costs of various projects that will benefit both parties.
9501	ALLOCATED G&A EXPENDITURES Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.
7000	OPTIMUM BASIN MANAGEMENT PROGRAM IMPLEMENTATION PROJECTS
7101	PRODUCTION MONITORING Watermaster staff collects and processes production information for the approximately 640 wells within the Basin, including approximately 200 Appropriator wells and approximately 440 private wells. Consultant staff reads the meters for the private wells, while the Appropriators report their meter readings to Watermaster. The data are inputted into a production database that is updated quarterly, and that is used at the end of the fiscal year to provide essential data for the Assessment Package. Computer services are for the subscription for parcel lot information (split 50/50 with 7103--Groundwater Quality Monitoring).
7102	IN-LINE METER INSTALLATION Approximately 340 in-line flow meters are now installed on the previously unmetered private wells. Approximately 230 meters must be calibrated each year and other maintenance and repairs are required. Each calibration is expected to cost \$190. Ten meters are expected to be replaced this fiscal year, as these wells are expected to remain for at least another 12 months.
7103	GROUNDWATER QUALITY MONITORING Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater quality monitoring program. Previously, Watermaster annually collected water quality data from approximately 200 private wells and obtained other water quality data from other cooperators so that approximately one-third of the active wells were sampled every third year. Other cooperators include members of the appropriative and overlying non-agricultural pools, the Regional Water Quality Control Board, the Department of Toxic Substances Control, the United States Geological Survey, the Orange County Water District and others. The key well monitoring program has now been implemented. Approximately 110 wells are included within the water quality key well program, with approximately 55 wells being sampled and analyzed each year. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use. The ad hoc Water Quality Committee oversees the surface water and groundwater quality programs to ensure that necessary data are collected to effectively manage the Basin. Required supplies for this line item include sampling equipment such as piping and valving. Computer services are for the subscription for parcel lot information (split 50/50 with 7101--Production Monitoring).
7104	GROUNDWATER LEVEL MONITORING PROJECT Pursuant to the OBMP & Peace Agreement, Program Element 1 includes the development and implementation of a comprehensive groundwater-level monitoring program. Groundwater-level measurements are collected and compiled from about 600 wells. Of the 600 wells, about 80 wells are measured monthly, about 275 wells are measured semi-annually, about 50 wells are measured by transducers, about 200 wells are measured by municipal well owners, which are collected by Watermaster staff, and about 100 wells are measured by cooperators, which are collected by Watermaster staff. Cooperators include members of the appropriative and overlying non-ag pools, RWQCB, DTSC, USGS, OCWD, and others. All data are checked for reasonableness with regard to historical data at the well, converted from depth-to-water to groundwater-level elevation, and compiled into a centralized database. The majority of this effort is concentrated in the southern half of the basin to support Desalter/HCMP monitoring programs. These data are analyzed in time series charts and maps annually to support the annual HCMP report and the semi-annual State of the Basin Report. Contract services for this item include the construction of aluminum covers for transducers not otherwise enclosed in structures and ground-level surveys of well reference points. Required supplies for this line item include sounder replacement lines, rubber gloves, distilled water, and fittings for installing transducers. Capital equipment for this line item include transducers and transducer download cables.
7105	BASIN WATER QUALITY MONITORING Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the surface water quality monitoring program. Work in this line item includes measuring water quality at recharge and flood retention basins within the Chino Basin. This was typically done during the rainy season only; approximately 3-4 samplings per basin per year. This monitoring activity is a requirement for the Chino Basin to receive TDS and Nitrogen objectives based on maximum beneficial use. Required supplies for this line item include rubber gloves, sample bags, tools, and field lab equipment.

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

Budget Line Number	Comments
7107	<p>GROUND LEVEL MONITORING</p> <p>Pursuant to the OBMP & Peace Agreement, Program Element 1 also includes the development and implementation of a ground-level monitoring and testing program. Watermaster is interested in determining how much, if any, subsidence has occurred in the Basin and in monitoring the effectiveness of the OBMP in minimizing it. Data will be collected from a network of ground elevation stations (surveys), from a multi-piezometer and from a dual borehole extensometer in the subsidence-prone area (mainly Management Zone 1). Satellite imagery (InSAR) also will be collected and analyzed for subsidence. A pilot ASR test at a well owned by the City of Chino Hills will be initiated. Watermaster is implementing these efforts as part of the MZ1 Subsidence Management Plan.</p> <p>A web page for real-time water level reading at the PA-7 Piezometer (Ayala Park) will be implemented, which is a requirement of the MZ-1 Long-Term Management Plan.</p> <p>A new Central MZ1 piezometer is also planned; as well as is an extensive ground-level survey to determine reference points for several wells near the piezometer.</p>
7108	<p>HYDRAULIC CONTROL MONITORING PROGRAM</p> <p>As part of the Basin Plan, a monitoring plan to evaluate the state of hydraulic control in the southern end of the basin has been developed. Hydraulic control will be used to maximize the safe yield of the basin. Watermaster, OCWD and the Regional Board have developed a monitoring plan to assess the state of hydraulic control to provide information to Watermaster to manage future production and recharge. Samples are collected from seven stations along the SAR every-other-week for water quality analyses. Stream flow measurements are also collected from five stations along the SAR. Water discharge and quality data area collected from all POTWS and other non-tributary dischargers between the Riverside Narrows and below Prado dam. This monitoring activity is a requirement for the Chino Basin to receive TDS and Two new nested monitoring wells are also planned, that will be located near the OIA VOC plume and near the former IEUA Co-Composter Facility.</p>
7109	<p>RECHARGE AND WELL MONITORING PROGRAM</p> <p>Deleted from program and budget</p>
7200	<p>OBMP PROGRAM ELEMENT 2 -- COMPREHENSIVE RECHARGE PROGRAM</p> <p>This line item includes the recharge master plan update required by Judge Gunn's December 21, 2008 order approving Peace II, GRCC participation, and recharge basin O&M.</p>
7300	<p>OBMP PROGRAM ELEMENTS 3 & 5 -- WATER SUPPLY PLAN - DESALTER</p> <p>The work in this line item includes engineering services for the technical review of non-Watermaster consultant work products for consistency with OBMP, Basin Plan and other Watermaster interests. Work in this line item also includes the design support for the proposed Chino Creek Desalter well field.</p>
7400	<p>OBMP PROGRAM ELEMENT 4 - MANAGEMENT ZONE MANAGEMENT STRATEGIES</p> <p>Pursuant to the OBMP & Peace Agreement, Watermaster has developed a long-term management plan for MZ1. Watermaster and the Court approved the MZ1 Subsidence Management Plan in 2007. Watermaster will be implementing the MZ1 Subsidence Management Plan in FY 2008-09 and in years thereafter, and adapting the plan as new data and understanding dictates. Data collected and analyzed will be presented and discussed at the MZ1 Technical Group meetings. New monitoring wells were installed in MZ-3 and monitored during FY 2005/06 and 2006/07. A technical memorandum will be completed this fiscal year and a revised monitoring program will be developed.</p>
7500	<p>OBMP PROGRAM ELEMENTS 6 & 7 -- COOPERATIVE EFFORTS AND SALT MANAGEMENT</p> <p>In Management Zone 3, Watermaster will conduct a thorough ground water quality survey to locate contaminant plumes which might impact appropriator wells. Plans include quarterly sampling and analyses of two new "sentry" wells to provide on-going monitoring of plume management.</p> <p>Pursuant to the OBMP & Peace Agreement, Watermaster will complete specific activities to improve water quality monitoring and analyze the effectiveness of the OBMP to accomplish its goals. The work in this line item includes coordinating the Water Quality committees activities, coordinating with RWQCB and DTSC on several groundwater plumes - including VOC plumes potentially emanating from the Ontario International Airport and the Chino Airport, and the Stringfellow perchlorate plume, which has now reached the Santa Ana River, the Basin Monitoring Task Force pursuant to Watermaster's Maximum Benefit obligation, and participating in the TMDL process for Santa Ana River, Chino and Mill Creeks.</p>
7600	<p>OBMP PROGRAM ELEMENTS 8 & 9 -- STORAGE MANAGEMENT AND CONJUNCTIVE USE PROGRAMS</p> <p>This line item includes Watermaster's effort to expand the existing DYY Program and to develop new groundwater storage programs.</p>
7700	<p>INACTIVE WELL PROTECTION PROGRAM</p> <p>Pursuant to the OBMP & Peace Agreement, Watermaster has compiled a list of inactive wells that have not been properly abandoned. Watermaster equips inactive wells with devices that meet the requirement of well abandonment to protect the integrity of the groundwater. These devices also allow for access to the well for monitoring purposes, if necessary. This fiscal year, approximately five more inactive wells will be equipped with such devices.</p>
7690	<p>RECHARGE IMPROVEMENT DEBT PAYMENT</p> <p>Repayment of debt as agreed to in contract with Inland Empire Utilities Agency for improvement of recharge basins within the Chino Basin, to be paid by the Appropriators.</p>
9502	<p>ALLOCATED G&A EXPENDITURES</p> <p>Administrative Overhead is allocated to OBMP & Project jobs as a percentage of total Watermaster salaries.</p>

CHINO BASIN WATERMASTER
2008-2009 BUDGET
LINE ITEM JUSTIFICATION

Budget
Line
Number

Comments

SUPPLEMENTAL & REPLENISHMENT WATER INCOME AND EXPENSES

Water rights were assigned in the Judgment entered in 1978. It established the terms and conditions regarding replenishment water and how the assessments would be levied to cover the water for each pool. No amounts are budgeted in this category as Watermaster is unable to determine what the overproduction will be at year, if any. Replenishment water is a "pass-thru" expense meaning all amounts overproduced by an agency are billed to them at the rate Watermaster pays for the cost of the water.

Certain Appropriators under the Judgment have 15% of the cost of replenishment water required by their group and 85% of the cost is paid by the appropriator overproducing water in the prior year. Other Appropriators have the obligation to pay 100% of the costs of replacing any overproduced water.

Costs levied against the 15%/85% group for replacing water.

Costs levied against the 15%/85% group for replacing water.

Costs levied against those subject to 100% assessments for replacing water.

Non-Ag members (primarily industrial producers) are required to replace any water produced which exceeds their assigned water rights.

Costs levied against those subject to 100% assessments for replacing.

Costs of Replenishment or Supplemental Water.

This line covers the costs of purchasing replenishment water from MWD at \$233/AF.

This line covers the costs of purchasing water @ \$233/AF.

Vector control at Recharge Basins.

Connection Fees.

Inland Empire Utilities Agencies charges a fee for water delivered.

4210 App Pool Replenishment Assessments

4211 15% Gross Assessments

4212 85% Gross Assessments

4213 100% Net Assessments

4220 Non-Ag Pool Replenishment

4230 Net Replenishment Assessments

5010 GROUNDWATER RECHARGE

5011 Replenishment Water

5012.4 IMZ1 Interim Imported Water Purchase

5014 Vector Control

5015 OC-59 Use Fees

5017 IEUA Surcharges

**CHINO BASIN WATERMASTER
ASSESSMENT CALCULATION
FISCAL YEAR 2007-2008
ESTIMATED, BASED ON PREVIOUS YEARS ASSESSMENT PACKAGE

	MEMO ONLY FISCAL YEAR 2007-2008 BUDGET TOTALS		ASSESSMENT	APPROPRIATIVE POOL	AGRICULTURAL POOL	NON-AG POOL
PRODUCTION BASIS						
2005-06 Production & Exchanges in Acre-Feet			161,240,932	124,315,140	33,899,960	3,025,832
2006-07 Production & Exchanges in Acre-Feet			171,490,694	130,826,204	37,295,410	3,369,080
				77.099%	21.024%	1.877%
				76.288%	21.748%	1.965%
BUDGET						
Administration, Advisory Committee & Watermaster Board (1)	\$848,059					
OBMP & Implementation Projects(1)	6,205,773		\$646,964	\$184,434	\$16,661	
General Admin & OBMP Assessments	7,053,832		646,964	184,434	16,661	
			4,734,238	1,349,618		\$121,918
TOTAL BUDGET			7,053,832	4,734,238	1,349,618	121,918
Less Budgeted Interest Income	(174,368)					
Contributions from Outside Agencies	(148,410)					
CASH DEMAND			6,731,054	4,487,999	1,279,421	115,576
OPERATING RESERVE						
Administrative	0		\$0	\$0	\$0	\$0
OBMP	0		0	0	0	0
Less: Funds On Hand Utilized for Assessments	0		0	0	0	0
FUNDS REQUIRED TO BE ASSESSED			\$6,731,054	\$4,487,999	\$1,279,421	\$115,576
Proposed Assessments			\$646,964	\$184,434	\$16,661	
General Administration Assessments			\$4.95	\$4.95	\$4.95	\$34.30
Minimum Assessments			\$5.00	\$5.00	\$5.00	\$5.00
Prior Year Assessments (For Information Only)			\$4.50	\$31.80	\$4.50	\$31.80

(1) Total costs are allocated to Pools by actual production percentages. Does not include Recharge Debt Payment or Replenishment water purchases.

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**Chino Basin Watermaster
Budget and Description of Engineering Tasks
Fiscal Year 2008/2009**

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6906 – Optimum Basin Management Program: General Engineering
Tasks
<ul style="list-style-type: none"> • Pool, Advisory, Watermaster Meetings • Other General Meetings as Requested • Evaluation of Transfers, Assessment of Supplemental Water Recharge • Miscellaneous Data Requests • Miscellaneous CEO Requests • OBMP Strategic Planning Process • State of the Basin Report. This includes a scoping meeting with the special referee, preparing the following drafts: administrative, draft, and final. • Annual Engineering Updates <ul style="list-style-type: none"> • Quantification of New Yield, Condition Subsequent Number 7. This includes the following subtasks: <ul style="list-style-type: none"> • Develop Definitions, Assumptions and Criteria • Storm Water Quantification • Calculate New Yield from Santa Ana River Due to Past Desalter Replenishment Practices and Reoperation through June 30, 2008 • Revise Reoperation Schedule • Prepare Reports • Prepare the Balance of Recharge and Discharge Report. This includes the following subtasks: <ul style="list-style-type: none"> • Run 20-Year Groundwater Flow Simulation Based on Calibration Above and DYYP Expansion Data • Review Transfers Among the Parties (work done by Watermaster Staff with review by WEI, Watermaster staff time not included) • Prepare Reports (work done by Watermaster Staff with review by WEI, Watermaster staff time not included).
Milestones
<ul style="list-style-type: none"> • Pool, Advisory, Watermaster Meetings • Other General Meetings as Requested • Evaluation of Transfers, Assessment of Supplemental Water Recharge • Miscellaneous Data Requests • Miscellaneous CEO Requests • OBMP Strategic Planning Process • State of the Basin Report • Annual Engineering Updates • Prepare the Balance of Recharge and Discharge Report

7101 – PEI: Groundwater Production Monitoring Program
Tasks
<p><i>Purpose: [Basin Operation] Obtain groundwater production data for private wells. This task is performed jointly by Watermaster and WEI staff.</i></p> <ul style="list-style-type: none"> • Quarterly Meter Reads. This task comprises obtaining quarterly meter reads from about 325 private wells.
Milestones
<ul style="list-style-type: none"> • Quarterly Meter Reads

7103 – PEI: Groundwater Quality Monitoring Program
Tasks
<p><i>Purpose: [Basin Plan and Max Benefit] Obtain groundwater quality information in and adjacent to Chino Basin. These data are required for the triennial ambient water quality update mandated by the Basin Plan and for the</i></p>

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Hydraulic Control Monitoring Program – a maximum benefit requirement in the Basin Plan. The data are also used for the Biannual State of the Basin report and estimating influent water quality to desalter wells.

- Obtain Groundwater Quality Data Routinely from about 200 Wells from All Appropriators and Cooperators in and Adjacent to Chino Basin. This represents about 20,000 records in Watermaster's database. Subtasks include:
 - phone calls and meetings with water quality staff
 - uploading hardcopy, spreadsheet, and laboratory electronic data deliverables to Watermaster's database.
- Collect and Analyze Groundwater Quality Samples from About 60 Private Wells. Subtasks include:
 - annual re-evaluation of the key well program due to abandoned and destroyed wells
 - scheduling the field work and coordinating with the analytical laboratory
 - performing the field work
 - uploading field and laboratory data to Watermaster's database.
 - The field work follows the standard operating procedures (SOPs) and the Quality Assurance Project Plan (QAPP) defined in the 2004 HCMP Work Plan.
- Characterize Groundwater Quality Conditions and Trends. Subtasks include:
 - create time-history plots of key water quality constituents, e.g., TDS and nitrate-nitrogen.
 - Create maps showing the spatial distribution of water quality constituents.

Milestones

- Obtain Groundwater Quality Data Routinely from All Appropriators and Cooperators in and Adjacent to Chino Basin
- Collect and Analyze Groundwater Quality Samples from About 60 Private Wells
- Characterize Groundwater Quality Conditions and Trends

7104 – PEI: Groundwater Level Monitoring Program

Tasks

Purpose: [Basin Plan and Max Benefit] Obtain groundwater level information in and adjacent to Chino Basin. These data are required for the triennial ambient water quality update mandated by the Basin Plan and for the Hydraulic Control Monitoring Program – a maximum benefit requirement in the Basin Plan. The data are also used for the Biannual State of the Basin report and for the Chino Basin Groundwater Model.

- Obtain Groundwater Level Data Routinely about 200 Wells from All Appropriators and Cooperators in and Adjacent to Chino Basin. This represents about 3800 records in Watermaster's database. Subtasks include:
 - phone calls and meetings with staff and uploading hardcopy, spreadsheet and electronic data to Watermaster's database.
- Collect and Analyze Groundwater Level Measurements from About 600 Wells. Subtasks include:
 - annual re-evaluation of the key well program due to abandoned and destroyed wells
 - scheduling the field work
 - performing the field work; and uploading manual water level measurements to Watermaster's database
 - download, QC, and upload of transducer data
 - The field work follows the SOPs and the QAPP defined in the 2004 HCMP Work Plan.

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- Characterize Groundwater Level Conditions and Trends. Subtasks include:
 - create time-history plots of groundwater elevations
 - create maps showing groundwater elevation contours
- Milestones**
- Obtain Groundwater Level Data Routinely from All Appropriators and Cooperators in and Adjacent to Chino Basin
 - Collect and Analyze Groundwater Level Measurements from About 600 Wells
 - Characterize Groundwater Level Conditions and Trends

7107 – PEI: Ground Level Monitoring Program

Tasks

Purposes: 1) To verify the protective nature of the current MZ-I Plan with regard to permanent land subsidence and ground fissuring in the Managed Area.

2) To develop a pumping and recharge plan to minimize the risk of future land subsidence and ground fissuring across all of MZ-I.

- Setup and Maintenance of Monitoring Network. Subtasks include:
 - Well recon and installation of 10 transducers in central and southeastern MZ-I
 - Equipment maintenance at the Ayala Park Extensometer and across entire monitoring network
 - Perform test of low-cost extensometer at Ayala Park that could be applied in the future to other areas of MZI or other management zones
- Aquifer System Monitoring and Testing. Subtasks include:
 - Collection and organization of groundwater-level and groundwater-production data from wells in MZI monitoring network
 - Conduct one controlled pumping test in the Managed Area
 - Assess feasibility and develop scope for pumping test east of Riley Barrier
 - Evaluate feasibility of ASR at Well CH-1B
- Ground Level Surveys. Subtasks include:
 - Conduct Fall 2008 ground-level survey and EDMs (horizontal monitoring) across existing network
 - Conduct Spring 2009 survey (EDMs only)
 - Replace destroyed benchmarks
- Ground Level Surveys - Outside Pro
- InSAR – multiple interferograms across entire Chino Basin for 2008-09
- InSAR - Outside Pro
- Conduct ASR Pilot Test at CH-1B (contingent task)
- Expand ground-level survey network across central MZI (contingent task)
- Water Supply Planning (contingent task)

Milestones

- Update of MZI database with aquifer system data and ground-level data. Data will be used to (1) assess the protective nature of the current MZI Plan and (2) support the development of future pumping and recharge plan(s) in MZI to minimize the risk of future land subsidence and ground fissuring across all of MZ-I
- Evaluation of the possibility of using aquifer injection as a tool to manage water levels and subsidence within the Managed Area
- Evaluation of proposed pumping plans of the parties that pump from the Managed Area

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7108 – PEI: Hydraulic Control Monitoring Program

Tasks

Purpose: [Basin Plan and Max Benefit] Obtain surface water discharge and water quality data from the Santa Ana River and its tributaries and groundwater quality and level information in and adjacent to Chino Basin. These data are required by the Basin Plan (the surface water stations and frequencies are specified in Table 5-8a) and for the Hydraulic Control Monitoring Program – a maximum benefit requirement in the Basin Plan. The data are also used for the Biannual State of the Basin report and for the Chino Basin Groundwater Model.

- Measure Discharge at Specified Surface Water Stations in the Santa Ana River and Tributaries. Discharge measurements are made at 14 stations every other week (364 discharge measurements). Subtasks include:
 - scheduling the field work
 - performing the field work
 - QA/QC'ing the discharge calculations
 - uploading the discharge data to Watermaster's database.
 - The field work follows the SOPs and the QAPP defined in the 2004 HCMP Work Plan.
- Collect Grab Surface Water Quality Samples at Specified Surface Water Stations in the Santa Ana River and Tributaries. Samples are collected at 14 stations every other week. Samples are also collected from three POTWs. Data from IEUA's POTW discharges are obtained from IEUA. Subtasks include:
 - scheduling the field work and coordinating with the analytical laboratory
 - performing the field work
 - uploading field and laboratory data to Watermaster's database.
- Monitor HCMP, NAWQA, and SARWC Wells. The 2 NAWQA and 2 SARWC wells are sampled monthly. The 21 HCMP wells are sampled quarterly (132 total samples) Subtasks include:
 - scheduling the field work and coordinating with the analytical laboratory
 - performing the field work
 - uploading field and laboratory data to Watermaster's database.
- Interpretation of HCMP Data and Data Analyses/Comparison with Metrics. All data generated in the HCMP, as well as the GWQMP and the GWLMP will be analyzed and used to demonstrate the degree of hydraulic control obtained by basin re-operation and desalter production.
- 2008 Aerial Photograph. Watermaster will purchase a compressed, digital 2008 Aerial Photograph of the Chino Basin Area in support of the HCMP.
- HCMP Monitoring Well Master Plan and Grant Applications. Watermaster and IEUA will develop a master plan of new monitoring wells that will be required to demonstrate hydraulic control in Chino Basin as part of the Maximum Benefit requirement. Approximately two nests of wells are proposed per year. The agencies will endeavor to seek grant funding whenever possible.
- Reports—Compose four quarterly data reports and one annual HCMP report (draft and final).
- Meetings

Milestones

- Measure Discharge at Specified Stations in the Santa Ana River and Tributaries as Mandated by the Basin Plan
- Collect Grab Surface Water Quality Samples at Specified Stations in the Santa Ana River and

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- Tributaries as Mandated by the Basin Plan
- HCMP Monitoring Well Master Plan and Grant Applications
- Monitor HCMP, NAWQA, and SARWC Wells
- 2008 Aerial Photograph of the Chino Basin Area in support of the HCMP
- Reports
- Meetings

7202 – PE2: Recharge Master Plan (Conducted over a Two-Year Period) (FY 08/09 and FY 09/10)	
Tasks	
<p><i>Purpose: December 21, 2007 Court Order, Condition Subsequent No. 5: "By July 1, 2008, Watermaster shall submit to the Court a detail outline of the scope and content of its first Recharge Master Plan Update, and shall report its progress by January 1, 2009 and July 1, 2009. December 21, 2007 Court Order, Condition Subsequent No. 8: "By July 1, 2010, Watermaster shall submit to the Court for approval an updated Recharge Master Plan. The updated Recharge Master Plan shall include all the elements listed in the <u>Special Referee's Final Report and Recommendations</u>.</i></p>	
<ul style="list-style-type: none"> • Finalize Work Plan • Kickoff Meeting with Recharge Partners • Finalize Replenishment and Recharge Goals, and Describe Impediments to Goals • Estimate Baseline (2008) and Future Stormwater Recharge • Develop Design Criteria for Spreading Basins and ASR Wells • Develop Unit Cost and Financial Information • Identify Potential Spreading, ASR and Other Related Facility Sites • Develop Environmental and other Site Constraints • Describe Recharge Operations at Each Site • Develop Reconnaissance-Level Designs and Operating Plans • Develop Cost Opinions • Develop Alternative Recharge Project Mixes • Integrate Operational Plans and Describe Performance and Level of Robustness • Describe Implementation Barriers, Process and Schedule • Prepare Final Cost Opinions • Prepare Draft Recharge Master Plan Report • Present Draft Report in Watermaster Process, Boards of CBWCD, IEUA, TVMWD and WMWD, & County • Conduct CEQA • Finalize Recharge Master Plan Report • Adopt Recharge Master Plan 	
Milestones	
<ul style="list-style-type: none"> • Finalize Work Plan • Prepare Task 1 Design Criteria Memorandum • Prepare Task 2 Spreading Basin Memorandum • Prepare Task 3 ASR Well Memorandum • Prepare Cost Opinions • Conduct Two Workshops to Present Concepts and to Respond to Questions 	

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- Prepare Draft Recharge Master Plan Report
- Present Draft Report in Watermaster Process, Boards of CBWCD, IEUA, TVMWD and WMWD, & County
- Conduct CEQA
- Court Approval
- Finalize Recharge Master Plan Report
- Adopt Recharge Master Plan

7303 – PE3/5: Water Supply Plan for Desalter

Tasks

Purpose: [Basin Plan and Max Benefit] Plan, site, drill, and construct wells for the Chino Creek Desalter Well Field. This well field is required for hydraulic control in the southwest portion of Chino Basin – hydraulic control is a necessary condition for maximum benefit in the Basin Plan.

- Chino Creek Desalter Well Field. Subtasks include:
 - Coordination with CDA, other agencies, and consultant for desalter well field development.
 - Conceptual Siting.
 - Test Well Siting.
 - Review of lithologic geophysical logs and assist in well design.

Milestones

- Chino Creek Desalter Well Field

7402 – PE4: Management Zone Strategies

Tasks

Purposes: 1) To verify the protective nature of the current MZ-1 Plan with regard to permanent land subsidence and ground fissuring in the Managed Area.

2) To develop a pumping and recharge plan to minimize the risk of future land subsidence and ground fissuring across all of MZ-1.

3) To assess groundwater quality conditions in Management Zone 3. MZ-3 monitoring program has been on-going for three years. The monitoring program will be completed this fiscal year with the completion of the final report.

- PE4/MZ-1: Task 6. Data Analyses and Reports. Subtasks include:
 - Analysis of production, piezometric, extensometer, ground-level survey, horizontal strain, InSAR, and seismic data
 - Preparation of MZI Annual Report
 - Update of MZI Plan
 - Ground-surface monitoring characterization and scoping study
- PE4/MZ-1: Task 7. Meetings
- PE4/MZ-3: Task 1. Project Administration and Public Outreach. Subtasks include:
 - preparation of Quarterly Reports to DWR

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<ul style="list-style-type: none"> • administering the grant • coordinating with IEUA • PE4/MZ-3: Task 7. Technical Memorandum. The report will include four quarters of monitoring data (collected in FY 2007/08) and is due December 31, 2008.
Milestones
<ul style="list-style-type: none"> • PE4/MZ-1: MZI Annual Report, Update of MZI Plan, Ground-Surface Monitoring Characterization and Scoping Study, Grant application(s) for future MZI efforts • PE4/MZ-1: Scope for FY 2009-10 efforts in MZI • PE4/MZ-3: Task 1. Project Administration and Public Outreach • PE4/MZ-3: Task 7. Technical Memorandum

7502 – PE6/7: Cooperative Efforts/Salt Management
Tasks
<p><i>Purpose: These tasks address special water quality issues that impact Chino Basin.</i></p> <ul style="list-style-type: none"> • Water Quality Committee Meetings. This task assumes four, quarterly meetings with the WQC. • As Needed Investigations (e.g., perchlorate isotopes). This task is for special water quality studies, for example, a perchlorate isotope source study of Hole Lake, and/or a study of low detection limit perchlorate in the Santa Ana River and potential impacts to Chino Basin due to increased desalter and JCSD pumping. • Ontario International Airport VOC Plume. Subtasks include: <ul style="list-style-type: none"> • coordination and negotiation with OIA PRPs • oversight of monitoring well drilling, construction, and testing • Chino Airport VOC Plume. Subtasks include: <ul style="list-style-type: none"> • coordination and negotiation with Chino Airport PRP.
Milestones
<ul style="list-style-type: none"> • Water Quality Committee Meetings • As Needed Investigations (e.g., perchlorate isotopes) • Ontario International Airport VOC Plume • Chino Airport VOC Plume

7602 – PE8/9: Storage Management & Conjunctive Use
Tasks
<ul style="list-style-type: none"> • General Consulting • SDCWA and CLWA Program • Metropolitan
Milestones
<ul style="list-style-type: none"> • General Consulting • SDCWA and CLWA Program • Metropolitan

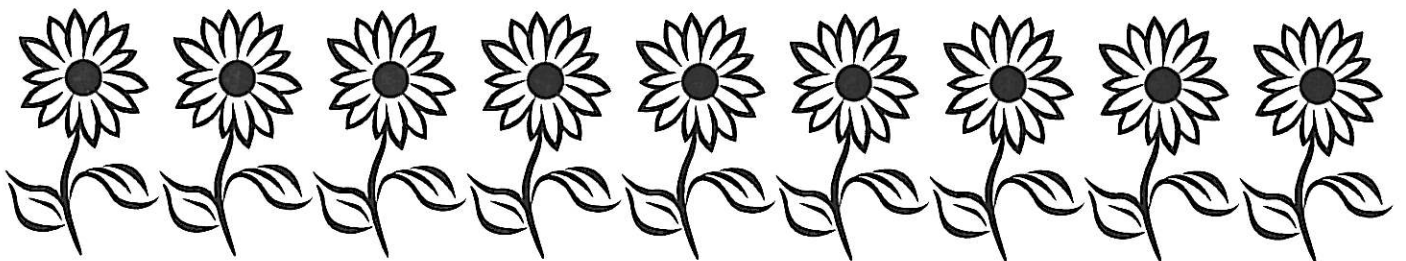
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CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

B . CONDITIONS SUBSEQUENT NO. 6





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: June 12, 2008
June 17, 2008
June 26, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Conditions Subsequent No. 6

Summary – Presentation of Letter from Regional Water Quality Control Board regarding standards and criteria by which the Regional Board will determine that Hydraulic Control is achieved and maintained.

Recommendation - None

Fiscal Impact – None

BACKGROUND

Condition Subsequent Number 6 of the Court's December 21, 2007 Order Concerning Motion for Approval of Peace II Documents requires Watermaster to report to the Court by July 1, 2008, on the development of standards and criteria by which the RWQCB will determine that Hydraulic Control is achieved and maintained.

In order to comply with this Condition, Watermaster requested the RWQCB to more precisely define the standards that it will use to determine whether Hydraulic Control is achieved and maintained. The letter responds to this request.

Watermaster will report on this letter to the Court as part of its required July 1, 2008 filing.

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California Regional Water Quality Control Board

Santa Ana Region



Linda S. Adams
Secretary for
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May 23, 2008

Mr. Ken Manning, Chief Executive Officer
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

REQUEST PURSUANT TO CONDITIONS SUBSEQUENT NO. 6

Dear Mr. Manning:

Per your request, the Regional Board has reviewed Condition Subsequent No. 6 in the Honorable Judge Gunn's Court Order, dated December 21, 2007. Condition Subsequent No. 6 reads:

"By July 1, 2008, Watermaster shall report to the Court on the development of standards and criteria by which the RWQCB will determine that hydraulic control is achieved and maintained."

Your consultant, Mark Wildermuth of Wildermuth Environmental, Inc. (WEI), has informed us that the Watermaster has requested the Regional Board to more precisely define the "standards and criteria by which the RWQCB will determine that hydraulic control is achieved and maintained." This is intended to respond to the Watermaster's request.

In 1995, the Regional Board initiated a collaborative study with 22 water supply and wastewater agencies, including the Watermaster and the IEUA, to devise a new TDS and nitrogen (total inorganic nitrogen or TIN) control strategy for the Santa Ana Watershed. This study culminated in the Regional Board's adoption of the 2004 Basin Plan Amendment in January 2004 (Santa Ana Regional Water Quality Control Board, 2004). The 2004 Basin Plan Amendment includes two sets of TDS objectives that range between: anti-degradation objectives of 280, 250, and 260 mg/L for Management Zones 1, 2, and 3, respectively, and a maximum benefit based TDS objective of 420 mg/L for the Chino North Management Zone, which includes almost all of Management Zones 1, 2, and 3. Under the maximum benefit based objective, the new TDS concentration limit for recycled water that is to be used for recharge and other direct uses is 550 mg/L as a 12-month average. This discharge requirement was incorporated into the IEUA's National Pollutant Discharge Elimination System (NPDES) permits for its wastewater treatment facilities and into a subsequent recharge permit issued to the Watermaster and IEUA.

In order for the Watermaster and the IEUA to gain access to the assimilative capacity afforded by the maximum benefit based objectives, they must demonstrate compliance with a number of commitments previously made by Watermaster and IEUA in support of their maximum benefit proposal. These commitments include:

1. The implementation of a surface water monitoring program
2. The implementation of groundwater monitoring programs
3. The expansion of Desalter I to 10 mgd and the construction of a 10-mgd Desalter II

California Environmental Protection Agency



4. The commitment to future desalters pursuant to the OBMP and Peace Agreement
5. The completion of the recharge facilities included in the Chino Basin Facilities Improvement Program (CBFIP)
6. The management of recycled water quality
7. The management of the volume-weighted TDS and nitrogen in artificial recharge to less than or equal to the maximum benefit objectives
8. The achievement and maintenance of hydraulic control of the subsurface outflows from the Chino Basin to protect Santa Ana River water quality
9. The determination of ambient TDS and nitrogen concentrations in the Chino Basin every three years

The Watermaster and the IEUA have previously demonstrated substantial compliance with all of these requirements, with the exception of hydraulic control. Hydraulic control is defined as the reduction of groundwater discharge from the Chino North Management Zone to the Santa Ana River to de minimus quantities. A robust level of hydraulic control ensures that water management activities in the Chino North Management Zone will not impair the beneficial uses of the Santa Ana River downstream of Prado Dam. Two WEI reports, prepared in 2006 at the direction of Watermaster, demonstrated that hydraulic control had not yet been achieved in the area between the Chino Hills and Chino Desalter I Well Number 5 (WEI, 2006a & b). In addition, WEI prepared reports in April 2007 and April 2008 that demonstrated, through analyses of groundwater and surface water monitoring programs, that hydraulic control had not yet been achieved in the same area (WEI, 2007 & 2008).

Without hydraulic control, the IEUA and Watermaster will be required to mitigate the effects of using recycled water back to the adoption of the 2004 Basin Plan Amendment (December 2004), and either cease the use of recycled water in the Chino Basin, or desalt recycled water prior to use for irrigation and recharge. Because of the consistent effort of the Watermaster and the IEUA in meeting the other maximum benefit commitments and their earlier efforts to achieve hydraulic control, the Regional Board has exercised its discretion to allow access to the assimilative capacity, provided that Watermaster and the IEUA implement an aggressive program to achieve hydraulic control.

Watermaster has conducted detailed modeling investigations to develop a new desalter well field (hereafter the Chino Creek Well Field) and a groundwater management program that, when implemented, will eliminate groundwater discharge from the Chino North Management Zone to the Santa Ana River. These investigations are documented in *Final Report, 2007 CBWM Groundwater Model Documentation and Evaluation of the Peace II Project Description* (WEI, 2007) and in *Response to Condition Subsequent No. 3 from the Order Confirming Motion for Approval of the Peace II Documents* (WEI, 2008). Based on the technical information provided in these reports, Watermaster and the Chino Basin Parties are planning to construct the Chino Creek Well Field, which will, as stated above, when operating in conjunction with the groundwater level management program, reduce groundwater discharge to diminimus levels from the Chino North Management Zone to the Santa Ana River and therefore establish hydraulic control. The groundwater simulations of Watermaster's Alternative 1C demonstrate a state of hydraulic control that provides the Regional Board with confidence that robust hydraulic control will be achieved. We therefore expect that the Watermaster, IEUA, and Chino Basin Parties will operate the Chino Basin such that the piezometric levels in the desalter well fields

will closely follow the piezometric levels predicted by the Watermaster 2007 model, as shown in Figures 4-13a and 4-13b of the Condition Subsequent No. 3 report.

The 2004 Basin Plan Amendment contains a requirement that, should a hydraulic control failure be observed after the initial achievement of hydraulic control, the Watermaster, IEUA, and Chino Basin Parties will obtain hydraulic control within six months of the observed failure. The Regional Board expects the Watermaster, IEUA, and Chino Basin Parties to provide operational flexibility in their desalter well field design and operations such that hydraulic control can be reacquired within six months, and that groundwater from the Chino North Management Zone that passes through the area where hydraulic control is lost will be subsequently recovered in the desalter well field.

In May 2004, the Watermaster and the IEUA established a groundwater monitoring network of wells in the Hydraulic Control Monitoring Program (HCMP) Work Plan. The piezometric data collected from these wells are used to draw interpretive groundwater-elevation contour maps around the Chino Desalter well fields. To demonstrate hydraulic control, the Regional Board requires that the interpretive contouring of groundwater elevations:

- Be supported by the piezometric data unequivocally
- Show that groundwater flowing southward in the Chino-North Management Zone is intercepted by the Chino Desalter well fields
- Show that groundwater immediately south of the Chino Desalter well fields is flowing northward and is intercepted by the well fields

The Watermaster and the IEUA will need a network of monitoring wells that is capable of unequivocally demonstrating hydraulic control. The Watermaster should submit a plan for a proposed network of monitoring wells, a profile-view drawing of what a typical monitoring well will look like, and a schedule for the installation of the new monitoring wells to the Executive Officer within six months of completing the Chino Creek Well Field design, and no later than June 30, 2009.

The Regional Board supports the Watermaster as it continues to implement the Optimum Basin Management Program. However, the Regional Board is concerned about the timely achievement of hydraulic control. To that end, we encourage Judge Gunn to require the appropriate parties to report on their compliance with the previously established schedule regarding achieving and maintaining hydraulic control and if such compliance is not maintained to consider ordering the parties to implement a more aggressive program. Frankly, it appears that the enthusiasm by the Chino Basin Parties for meeting the maximum benefit commitments has not maintained the high level we observed during the earlier maximum benefit development phases. We hope that this is a misunderstanding on our part.

Given the economic benefits of the maximum benefit objectives, we trust that a concomitant level of effort will be made to ensure that those objectives are maintained. An aggressive schedule, potentially required by the Court, in support of the water quality commitments of the Chino Basin Parties would be welcome by the Regional Board.

In order to better monitor compliance with the maximum benefit commitments, this is to request more frequent reporting on the schedule and progress of the Chino Creek Well Field. To that end, the Watermaster and the IEUA are hereby requested to provide updated schedules and progress reports to the Executive Officer quarterly on the 15th day of July, October, January, and April until hydraulic control is achieved. Should budgetary or other considerations require that this request be formalized by an order pursuant to CWC Section 13267, we would accommodate such a notice or request.

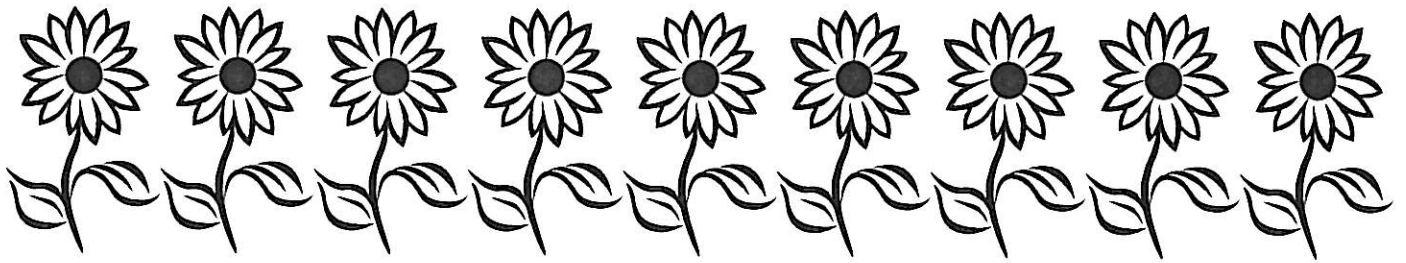
Should you have any comments or questions concerning the position stated above, please contact me at (951) 782-3284.

Sincerely,



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

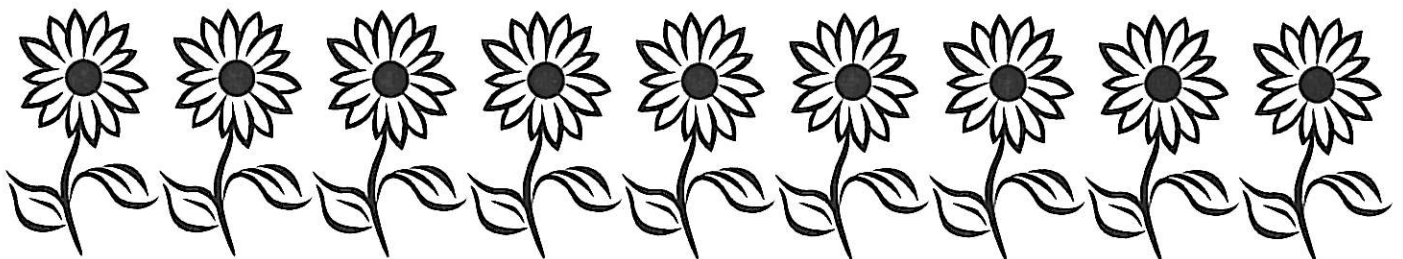
cc. Regional Board Members
Rich Atwater, IEUA
Hope Smythe, CRWQCB
Joanne Schneider, CRWQCB
Mark Wildermuth, Wildermuth Environmental, Inc.



CHINO BASIN WATERMASTER

II. BUSINESS ITEMS

C. RECHARGE MASTER PLAN DRAFT OUTLINE SCHEDULE





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: June 12, 2008
June 17, 2008
June 26, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Recharge Master Plan Update

Summary – Approval of Outline of Recharge Master Plan Update and Schedule Regarding Completion of Update

Recommendation - Approve Outline and Schedule for Filing with the Court

Fiscal Impact – None

BACKGROUND

Condition Subsequent Number 5 of the Court's December 21, 2007 Order Concerning Motion for Approval of Peace II Documents requires Watermaster to prepare and submit to the Court by July 1, 2008, a detailed outline of the scope and content of its first Recharge Master Plan update.

Watermaster convened a stakeholder process which has held several meetings in order to develop and discuss the Outline. Iterations of the Outline have been distributed to the parties and Watermaster has received and incorporated comments from the parties. The attached Outline is the result of that process.

The Outline is comprehensive and quantitatively based and responds to all of the requirements of the Peace II Measures as well as the recommendations contained in the Referee's Final Report concerning the Peace II Measures.

Over the course of the next two years this outline will be developed through a stakeholder process into a completed update of the Recharge Master Plan.

Watermaster staff requests approval of the Outline so that it may be submitted to the Court in compliance with the July 1, 2008 deadline.

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2010 Recharge Master Plan Update Straw Man Report Outline

DRAFT

May 28, 2008 Version

1. Introduction
 - a. Recharge Master Plan Objectives
 - b. Historical Background
 - i. History of the Chino Basin Watermaster's Recharge Master Plan
 - ii. Projected Decline in Safe Yield
 - iii. Comparison of Current Planning Estimates of Replenishment Requirements and Current Recharge Capacity
 - iv. Reliability of Current Supplemental Water Sources
 - v. Planning Challenge
 - c. Peace II and Judgment Commitments
 - d. December 21, 2007 Court Order and Special Referee's Recommendations
 - e. Map of Court's Requirements and the Contents of the Recharge Master Plan Report

2. Define Planning Criteria
 - a. Peace 2 Planning Criteria
 - i. Peace 2 Agreement, Section 8
 - ii. Judgment
 - iii. Special Referee's December 2007 Report, Sections VI (Assurances Regarding Recharge), VII (Declining Safe Yield), and VIII (New Equilibrium)
 - iv. Peace Agreement _____
 - b. Facility Planning Criteria
 - i. Design Criteria for Wells, Spreading Basins, Conveyance and Treatment Facilities
 - ii. Design Criteria for Storm Water Management
 - iii. Siting Criteria: Institutional, Facility and Hydrogeology, etc
 - iv. Basin Plan and DPH Criteria for the Recharge of Storm, Recycled and Imported Waters
 - v. "Quantity Take-off" Format for Cost Estimating
 - vi. Unit Cost Information for Capital and Operations and Maintenance costs
 - vii. Financial Criteria
 - viii. Robustness Requirements for Replenishment
 - ix. Other Criteria identified by Stakeholders
 - c. Ranking Criteria

-
3. Safe Yield (*SR Report Section VI, Recommendation Numbers 2 and 3*)
 - a. Methodology to Estimate Safe Yield
 - i. Computational Procedure
 - ii. Base Period
 - iii. Areas of Interest (Basin, Management Zones, others)
 - b. Data Requirements
 - c. Safe Yield Estimate
 - d. Components of Safe Yield and Why They Change in the Future
 - e. Mitigation of the Loss of Safe Yield
 - i. Identification of Mitigation Alternatives for Declining Yield
 1. Promulgation of Low Impact Development
 - a. On-site Retention/Recharge of Runoff
 - b. Porous pavement
 - c. Others
 2. More Aggressive Storm Water Recharge Operations at Storm Water Management Facilities
 - a. Policy Change and Operational Improvements
 - b. Retrofit/Improvement of Storm Water Quality Management Basins
 - c. Others
 3. Others
 4. Integrated Review of Water Supply Plans – Part 1 (*SR Report Section VI, Recommendation Numbers 1[Baseline Conditions], 5 and 6*)
 - a. Initial Water Supply Plans for All Entities that Use the Chino Basin (from concurrent 2010 UWMP efforts)
 - b. Chino Basin Groundwater Production and Replenishment for the Initial Water Supply Plans
 - i. Most Probable Replenishment Projection
 - ii. Worst Case Replenishment Projection
 - c. Existing Supplemental Water Recharge Capacity
 - d. Existing Supplemental Water Sources (Magnitude, Accessibility, Reliability, and Cost)
 - i. Metropolitan Water
 - ii. SBVMWD Water
 - iii. Other Imported Water
 - iv. IEUA Recycled Water
 - v. Other Recycled Water
 - vi. Santa Ana River
 - vii. Other Water
 - e. Required Supplemental Water Recharge Capacity

-
5. Storm Water Recharge and Enhancement Opportunities (*SR Report Section VI, Recommendation Numbers 2 and 3*)
 - a. Existing Storm Water Management Facilities
 - i. Regional and Local Policies Related to Storm Water Management and Recharge
 - ii. Inventory of Existing Regional Storm Water Recharge Improvements
 - iii. Inventory of Existing Local Storm Water Management/Recharge Improvements
 - iv. Expected Storm Water Recharge with Existing Facilities
 - b. Potential Storm Water Management Facilities
 - i. Inventory of Potential Regional Storm Water Recharge Improvements
 - ii. Inventory of Potential Local Storm Water Management/Recharge Improvements
 - c. Future Potential Storm Water Recharge Alternatives
 - i. New Storm Water Recharge Alternatives
 - ii. Operating Plan for Each Alternative
 - iii. Expected Storm Water Recharge for Each Alternative
 - iv. Consistency With the Peace 2 Agreement and the Judgment
 - v. Cost Opinions for Each Alternative
 - vi. Implementation Barriers for Each Alternative
 - vii. Policy Considerations to Increase Storm Water Recharge

 6. Supplemental Water Recharge Enhancement Opportunities (*SR Report Section VI, Recommendation Numbers 3 and 4; Sections VII and VIII*)
 - a. Inventory of Existing Supplemental Water Recharge Facilities
 - b. Expected Supplemental Water Recharge Capacity with Existing Facilities
 - c. Inventory of Potential Supplemental Water Recharge Facilities
 - i. Inventory of Potential Spreading Facilities
 - ii. Inventory of Potential Injection Facilities
 - d. Future Supplemental Water Recharge Alternatives
 - i. New Supplemental Water Recharge Alternatives
 1. Water Source Identification (source, reliability, level of treatment)
 - a. Metropolitan from IEUA, TVMWD and WMWD
 - b. SBVMWD Water
 - c. Other imported
 - d. IEUA Recycled Water
 - e. Other recycled water
 - f. Santa Ana River Water
 - g. Other Water
 2. Facility Plans (conveyance, storage, treatment, wells, spreading basins, new/existing)

-
- ii. Operating Plan for Each Alternative
 - iii. Consistency With the Peace 2 Agreement and the Judgment
 - iv. Cost Opinions for Each Alternative
 - v. Implementation Barriers for Each Alternative
 - vi. Policy Considerations to Increase Supplemental Water Recharge
7. Integrated Storm Water Recharge and Supplemental Water Facilities (*SR Report Section VI, Recommendation Numbers 3 and 4; Sections VII and VIII*)
- a. Spreading Basins that Can Be Used for Storm and Supplemental Water Recharge
 - i. Integrated Alternatives
 - ii. Operating Plan for Each Alternative
 - iii. Storm Water and Supplemental Recharge Capacity for Each Alternative
 - iv. New Storm Water Recharge (Safe Yield Enhancement)
 - v. Groundwater Level and Storage Changes for Each Alternative
 - vi. Consistency With the Peace 2 Agreement and the Judgment
 - b. Cost Opinions for Each Alternative
 - c. Impact to Watermaster Assessments
 - d. Implementation Barriers for Each Alternative
 - e. Policy Considerations to Increase Storm and Supplemental Water Recharge Capacity
8. Ranking of Storm and Supplemental Water Recharge Projects
9. Integrated Review of Water Supply Plans – Part 2 (*SR Report Section VI, Recommendation Numbers 1, 5 and 6*)
- a. Revised Safe Yield Projection
 - b. Revised Water Supply Plans for All Entities that Use the Chino Basin (update 2010 UWMP efforts)
 - c. Revised Chino Basin Groundwater Production and Replenishment for the Revised Water Supply Plans
 - i. Most Probable Replenishment Projection
 - ii. Worst Case Replenishment Projection
 - d. Required Replenishment Capacity
10. Storm and Supplemental Water Recharge Projects to Meet Future Water Supply Plans (*SR Report Section VI, Recommendation Numbers 1 [Baseline Conditions], 5 and 6*)
- a. Replenishment Requirements
 - b. Recommended Projects to Meet Requirements
 - i. Priority of Construction
 - ii. Capacities
 - iii. Owner

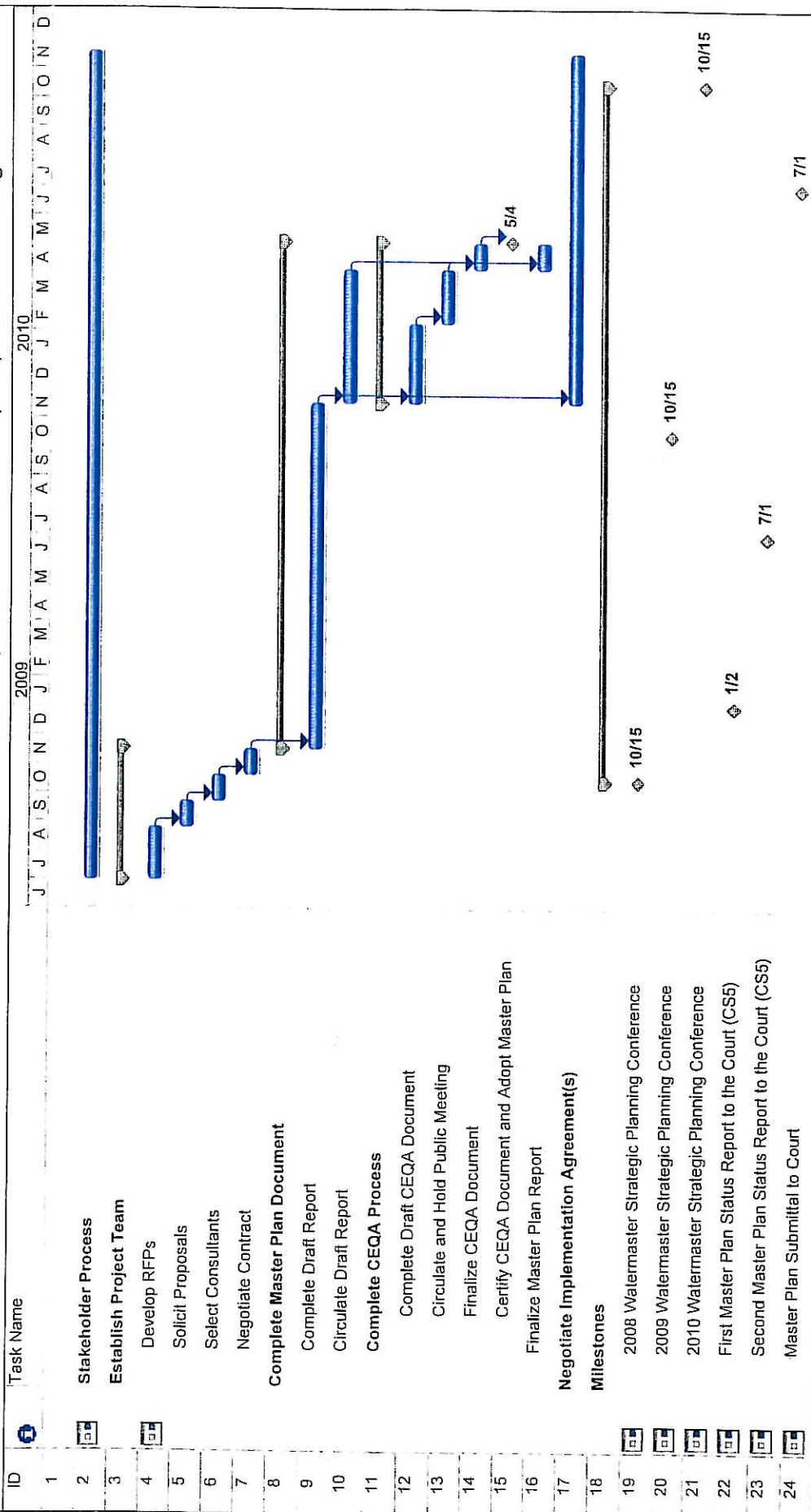
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- iv. Institutional Arrangements and Permits
 - v. Cost
 - c. Scheduling
 - d. Financing Alternatives
 - e. Implications for Watermaster Assessments
 - f. New Monitoring Requirements

Appendices

- a. Stakeholder Process (Agendas, minutes, etc.)
- b. Planning Criteria
- c. Initial and Final Water Supply Plan Detail
- d. Detailed Inventory of Existing and Future Water Recharge Facilities
- e. Model Description for Evaluation of Storm and Supplemental Water Recharge
- f. Model Description for Evaluation of Groundwater Levels and Storage
- g. Detailed Project Cost Opinions

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Figure 1 Macro Schedule to Complete the Recharge Master Plan Update and to Develop Implementation Agreements



Project: 20080514 Recharge Master P
 Date: Wed 5/4/08

Legend:
 Task: Solid blue bar
 Split: Dotted blue bar
 Progress: Dashed blue bar
 Milestone: Diamond symbol
 Summary: Horizontal line with diamond
 Project Summary: Horizontal line with diamond
 External Tasks: Horizontal line with diamond
 External Milestone: Horizontal line with diamond
 Deadline: Horizontal line with diamond

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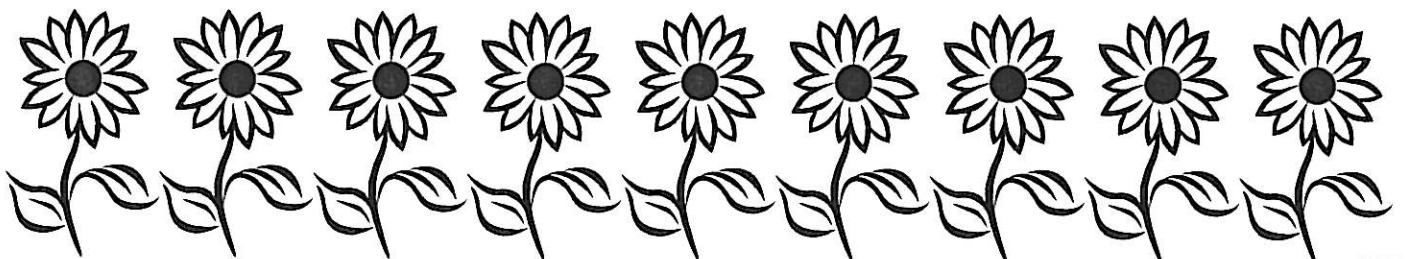


CHINO BASIN WATERMASTER

III. REPORTS / UPDATES

D. INLAND EMPIRE UTILITIES AGENCY

1. MWD Drought Action Alter/Regional Conservation Actions
2. 3-Year Recycled Water Business Plan Update
3. Recycled Water Newsletter
4. Monthly Water Conservation Programs
5. Monthly Imported Water Deliveries
6. State and Federal Legislative Report
7. Community Outreach/Public Relations



CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

June 26, 2008

AGENDA

INTERAGENCY WATER MANAGERS' REPORT

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

15-20 Minutes

Discussion Items:

- MWD Drought Action Alert/Regional Conservation Actions (Davis)
- 3 Year Recycled Water Business Plan Update (Davis)

Written Updates:

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

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On June 12, the Landscape Alliance endorsed two key initiatives: 1) Drought Management Plan and accompanying Draft Model Ordinance and, 2) Model Landscape Ordinance for compliance with the requirements of AB 1881. These initiatives are to be completed by or before January 2009

Drought Management Plan and Draft Model Ordinance – IEUA, in collaboration with the Water Facility Authority (WFA), Cucamonga Valley Water District (CVWD), Fontana Water Company and all agencies and cities in the IEUA service area, will prepare a Drought Management Plan (DMP) for consideration by the IEUA Board of Directors in January 2009. A companion Draft Model Ordinance will also be prepared within this timeframe for future consideration by member agencies. This initiative follows and builds on the Metropolitan Water District of Southern California (MWD) Water Supply Allocation Plan and preparations to implement the plan.

This is a conceptual proposal for further discussion and evaluation. As such the DMP would contain four major elements:

- Principles developed with input from a Technical Advisory Group (TAC)
- Drought Response Matrix
- Supply allocation methodology – that is based on the MWD Water Supply Allocation Plan and as applied to two and soon to be three IEUA imported water purchasers.
- Communication strategy that provides for coordinated actions to endeavor to ensure clear communication prior to during shortage conditions (consistent with current efforts).

As conceived, the DMP would be a member-driven process. Agencies and cities would assume a significant role in both the development and implementation of the DMP. IEUA will seek representation from agency members and cities (through a TAC) to help prepare the DMP.

The June 10, 2008 Water Supply Alert asks all local agencies within the MWD service area to adopt a Drought Ordinance. All local agencies in the IEUA service area have an Ordinance in place, albeit in various forms. The Draft Model Ordinance would serve several purposes: it would serve as a tool for agencies and cities to consider when updating their existing Ordinances, it could help implement the drought stages and corresponding conservation measures established in the DMP and it could help to provide consistency throughout the IEUA service area. Area-wide consistency can help to reduce confusion among the public and media when a given drought response level and corresponding water use restrictions are being enforced. This could help each member agency achieve their demand reduction targets during periods of drought.

Model Landscape Ordinance (for compliance with the requirements of AB 1881) – The Landscape Alliance serves as the forum for city and agency staff and other stakeholders to develop solutions to improve outdoor water use efficiency (WUE) and facilitate compliance with the requirements of AB 1881. Under the leadership of the Landscape Alliance a Technical Committee was formed to share information and learn more about outdoor WUE. During the past 12 months, the committee has conducted workshops on landscape and irrigation system design, plant selection, storm water recapture; low impact development standards and considered how these measures are inter-connected and combine to maximize water use efficiency.

AB 1881 is an unfunded state mandate requiring each city and county in California to adopt a water efficient landscape ordinance on or before January 1, 2010. If a local agency fails to act, a "Model Ordinance" (now being drafted by the California Department of Water Resources (DWR)) would apply:

"...shall apply within the jurisdiction of the local agency as of (January 1, 2010), shall be enforced by the local agency, and shall have the same force and effect as if adopted by the local agency."

Considering the cost and complexities associated with the implementation of AB 188, a certain amount of lead time will be required by cities and the county to develop an ordinance and equally important, the measures required to implement it. Implementation measures might include public outreach, program budgeting and staffing (including water use efficient landscape expertise) and adoption of amendments to local agency Fee Ordinances to fund these activities.

To assist local agencies with implementation of AB 1881 and recognizing that DWR may not provide a draft Model Ordinance in a timely manner, the Landscape Alliance has endorsed a schedule to develop a Model Landscape Ordinance by November 2008. Beginning in July, the Technical Committee will meet to prepare a draft Model Ordinance. This process will include regular updates and consultation with the Landscape Alliance, Chino Basin Water Master Advisory Committee, Technical and Policy Committees, city and county government. Our primary goal is to collaboratively prepare and complete a Model Ordinance for consideration (as an information item) by cities and agencies in November '08. Our scope of work will also include consideration of alternative Ordinance implementation measures. To launch this process, we will prepare and distribute an information package to committee members. The package will be distributed approximately two-weeks prior to the committee's July 24 meeting. The information package will include an overview of proposed Model Ordinance drafting process and an initial draft Model Ordinance.



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

IEUA Supports Governor's Emergency Drought Declaration

"The water we save today is the water we'll need tomorrow"

**For Immediate Release:
June 5, 2008**

**Contact:
Sondra Elrod 909 993-1747**

Inland Empire, CA – The Board of Directors of the Inland Empire Utilities Agency (IEUA) called upon residents of the Chino Basin to reduce water use now, as we enter the hot dry months of summer, to help California address one of the most serious water situations that has faced the state in over a decade.

"The Governor did the right thing in proclaiming a drought and calling upon all of us to help conserve water," said IEUA Board President Wyatt Troxel. "IEUA has been tracking the water situation closely and recognized last year that unless California received significant amounts of rainfall, the entire state would be in serious trouble this year. What the Governor's statement yesterday means is that California really is in serious trouble."

The restriction of water supplies is, in part, the result of a record dry spring that has dramatically decreased the runoff from the Sierra Nevada snowpack. Environmental problems in the San Francisco Bay Delta are also part of the problem because the courts have forced Metropolitan Water District of Southern California (MWD) to reduce the amount of water that can be pumped from this endangered ecosystem.

"We need to let our consumers know just how serious our water supply condition is," stated IEUA Board member Gene Koopman, who also serves as IEUA's representative on the MWD board. "MWD will use about one-quarter of its critical reserves this year. If current water supply conditions persist, we could exhaust our stored reserves in just a few years and then that means mandatory water rationing for our region. To avoid strict rationing, we must immediately step up our efforts to use water more efficiently."

Last year, IEUA and its member agencies started to aggressively 'step-up' development of new local water supplies to help drought-proof the Chino Basin. The Regional Recycled Expansion Program will make an additional 50,000 acre-feet of recycled water available within the next 3 years. The Agency's goal is to have all public spaces such as parks, median strips and schools irrigated with recycled water. "As a result of this program we now have 15,000 acre-feet of drinking water supplies freed up for other uses in our service area – this is a big win," commented Troxel. "By 2010, we expect to be able to deliver a total of 50,000 acre-feet."

The mission of the Inland Empire Utilities Agency is to supply imported drinking water and recycled water, collect, treat and reuse of wastewater and provide renewable electrical energy and compost to the communities it serves.

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INLAND VALLEY
Daily Bulletin

FRIDAY | JUNE 13, 2008

Water crisis hits area

Officials urge conservation

By Lauren McSherry
 Staff Writer

In the wake of the governor's drought emergency declaration, water agencies and city leaders from Chino to Fontana banded together Thursday to call for increased water conservation.

Their message? Save now before it's too late.

"If next winter is dry, then we have the possibility of very serious water rationing," said Richard Atwater, CEO and general manager of the Chino-based Inland Empire Utilities Agency.

As part of a "Water Supply Alert" issued this week, officials are urging residents to take several steps to put back on landscape irrigation by only watering in the early morning, using a broom instead of a hose to clean sidewalks and giving automatic watering systems a tuneup by reducing the cycle to 5 minutes.

A number of factors led to the drought emergency — a judge's ruling that slashed the amount of water imported to Southern California from the Sacramento-San Joaquin Delta, the driest March and April since 1921, a below-normal snowpack in the Sierra Nevada and depleted Colorado River reservoirs such as Powell and Mead.

The governor's emergency declaration helps free up grant money for water agencies to expand their conservation programs and for residents and businesses to buy low-flush toilets, irrigation controllers and efficiency washing machines. The declaration also set aside \$3.5 billion for agencies to increase their water-storage capacity.

Starting this year, the Inland Empire Utilities Agency will draw on its stored water supply to minimize water being imported from the Sacramento Delta and the Colorado River, Atwater said.

But tapping storage supplies is no solution and could pose complications next year if the drought continues, he said.

Grants of up to \$2,000 are available to homeowners who replace their lawns with drought-tolerant landscaping, he said. Rebates are also available for business owners.

Water agencies are also looking to other water sources to make up for the deficit. Mark Kinsey of the Monte Vista Water District said seven new wells have been

See WATER | Page A4

The district is weaning itself off imported water by increasing reservoir capacity and building wells.

Cities and school districts have been working to reduce water consumption. The Ontario-Montclair School District recently agreed to use recycled water on its playing fields, and many Chino parks are already using recycled water.

"These are extraordinary times," said Grace L. Chan, a resource manager with the MWD. "And therefore, we need to step-up conservation."

For more information on rebates, go to www.bewaterwise.com.

lauren.mcsherry@inlandnewspapers.com
 (951) 386-3875

WATER

Continued from Page A1

brought on line, a total of 20 million gallons of water each day.

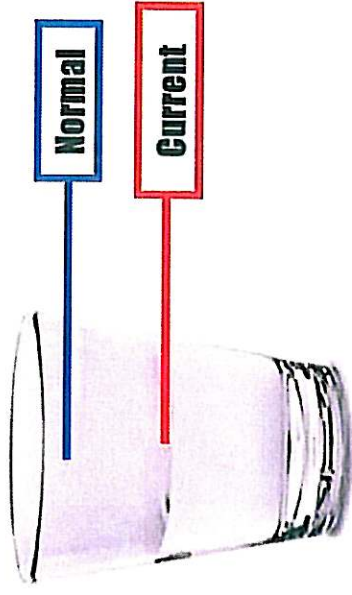
But the drought poses serious concerns to small water districts, which must buy imported water from large providers, such as the Metropolitan Water District, which supplies half of Southern California's water.

Robert DeLoach of the Cucamonga Valley Water District, which serves Rancho Cucamonga and portions of Ontario, Upland and Fontana, said 50 percent of the district's water is imported.

"And that's a problem," DeLoach said.

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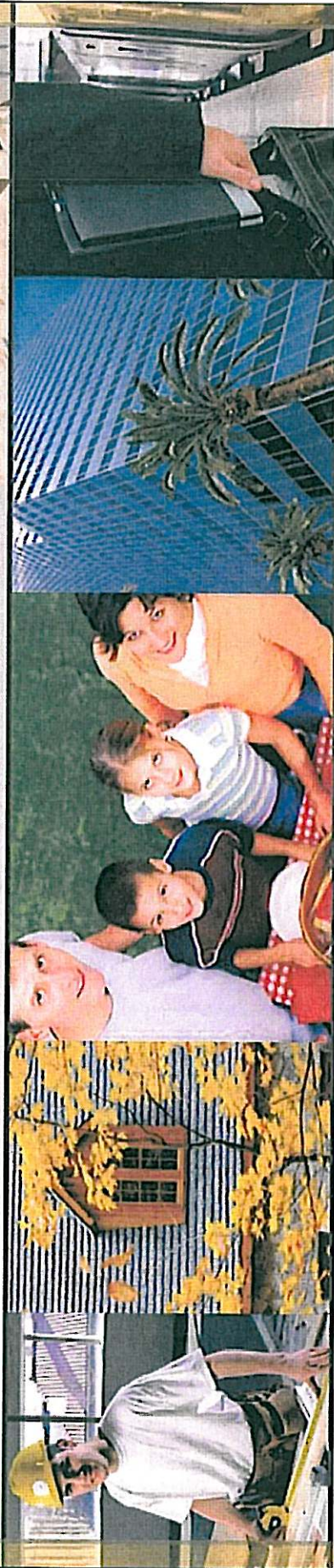
Water Supply Alert



- Only water lawns in the pre-dawn or early morning hours.
- Stop runoff and overspray from outdoor watering. Any cycle over 5 minutes may result in runoff. Re-adjust watering cycles to allow for two shorter cycles with 30 to 45 minutes in between.
- Use a broom instead of a hose to clean off sidewalks and driveways.
- Give your automatic watering system a “tune up” by checking for broken and misaligned sprinkler heads and leaks.
- Talk with your family and friends about saving water.

EMPIRE

Water Conservation Awareness
Index (WCAI)



Greg Hunter Ph.D.

Water Conservation Awareness

- In April, we surveyed 1000 randomly selected residents of the IE about water conservation awareness and other topics.
- About 1/5th of the respondents (206) were from the IEUA service area.
- The responses were used to construct an index of water conservation awareness - the first of its kind.
- Similar indices are used to forecast economic conditions and should be useful in understanding which approaches to demand side management are most effective.



EMPIRE

Water Conservation Awareness (Personal)

1. Compared to last year, are you and your family using more water, less water, or about the same amount?

MORE – 9.4%, LESS – 33%, SAME – 57.7%

2. Looking ahead to next year, do you think you and your family will be using more water, less water, or about the same amount? **MORE – 7.7%, LESS – 21.3%, SAME – 71%**

3. Do you think now is a good time to invest in conserving water by installing low flow toilets, planting drought resistant plants, fixing leaky faucets and yard sprinklers, and things like that? **GOOD – 94.6%, BAD – 2.1%, SAME – 3.2%**



EMPIRE

Water Conservation Awareness (Regional)

1. Turning to the IE as a whole, next year do think water amount of water for households to use will increase, decrease, or stay about the same?
INCREASE – 18.1%, DECREASE – 41.9%, SAME – 40%
2. Looking ahead which would you say is more likely in the IE, that water supplies will be easy for our communities to get or hard to come by?
EASY – 19.5%, HARD – 70.4, SAME – 10.1%



EMPIRE

Water Conservation Awareness Index

The IEUA respondents:

Index of Water Conservation Awareness: 104.43

Index of Personal Water Conservation Effort: 105.81

Index of Regional Water Scarcity Awareness: 102.29

Interpretation:

- **The index runs from (approx.) 0 to 150 with 75 corresponding to an even split in responses.**



EMPIRE

Findings and Goal for Future Research

- A detailed statistical analysis of the underlying factors effecting water conservation awareness like age, income, location, & demographic factors to help target DMP's.
- The responses between IEUA respondents and those outside the IEUA service area were similar.
- Residents of Multifamily Units are less concerned about regional water scarcity than SFR respondents.
- 10% of our interviews were conducted in Spanish. Among Spanish speaking respondents, the awareness of regional water scarcity was much less than that of English speaking respondents.



EMPIRE

Findings and Goal for Future Research

- Continue to collect the data over time to see how events (like the announcement of the drought by the Gov.) and IEUA demand side management programs, advertising, and literature effect awareness of the need to conserve.



JUNE 2008

RECYCLED WATER PROGRAM NEWSLETTER

Highlights:

- Construction of New Recycled Water Facilities on Schedule.....Page 2
- 696 AFY New Recycled Water Customers Connected.....Page 3
- Additional Proposition 13 funds availability.....Page 4
- Recycled Water Project Status Map.....Page 5

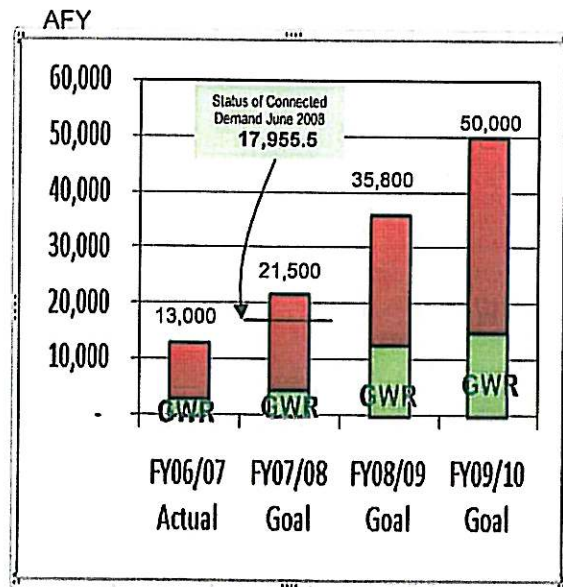
Program Description

The 3 Year Business Plan

The Recycled Water Three Year Business Plan (Plan), adopted by the IEUA Board of Directors on December 20, 2007, is currently being updated and will be completed by July 2008.

This Plan is an action oriented document to guide the expansion of the IEUA recycled water system. The Plan will focus on the most cost effective and rapid ways to increase the amount of recycled water available and used within IEUA's service area. The Plan is intended to focus on the 2007-2010 fiscal years and will be revised and updated on an annual basis. Metrics and an annual usage goal will be identified every year. Monthly progress reports will track these metrics and assess the progress toward the annual usage goal.

The implementation of the Plan will result in the development of a new water supply - 37,000 AFY (50,000 AFY Total). The program is self-funded through recycled water sales and the MWD local resources program rebates. Capital projects over the next three years are budgeted at \$120 million, primarily using SRF and Grant funding (accounting for approximately \$115 million). Project status as of April 2008 is shown in Page 5.



PROJECTS IN PLANNING



San Antonio Channel Segment B Pipeline

Northeast Project Area: The 1299 E Reservoir Purchase and Sales Agreement and the Reimbursement Agreement between IEUA and CVWD for the design, and construction management support services have been approved by the Regional committees, IEUA & CVWD Boards.

Northwest Project Area: City of Upland is in the process of completing their recycled water master plan. Upon completion of the Master Plan, the design of the facilities in the Northwest Project Area will commence. The final draft of the Master Plan will be presented to the city by MWH Americas Inc. In June, 2008. The consultant contact award for the North West Project area.

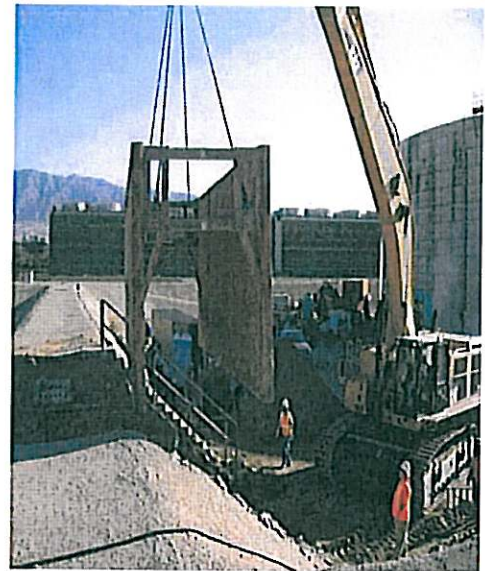
Southern Project Area: IEUA and the City of Chino Hills is in the process of completing a preliminary analysis for the Project Area. Upon completion, the design of the facilities will begin. Stantech was selected as the engineering design firm for the Southern Project Area. Two sod farmers in the City of Chino have voiced their interest in converting their irrigation systems to recycled water. These two users combined could consume approximately 2000 AFY., with connections expected in June 2008.

Central Project Area: The first draft of the North Chino Master plan was completed by IEUA. Environmental report for the Wineville Avenue Extension Pipeline Project has been completed and the final draft is being reviewed by the city of Fontana.

CAPITAL PROJECTS SUMMARY

PROJECTS IN DESIGN AND CONSTRUCTION

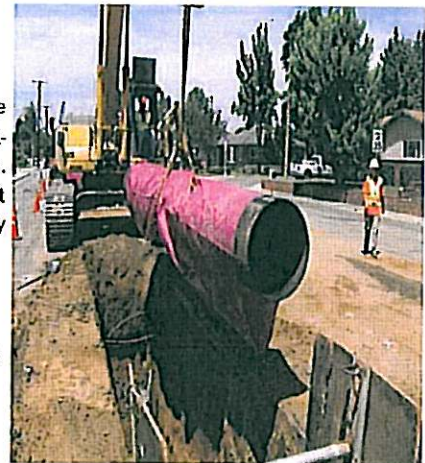
- **1630 East, Segment A Pipeline** - The project includes the construction of 36-inch pipeline from the 1630 E Pump Station to the Victoria and San Sevaline Basins. The project is in the design phase, and is being designed by RMC Consultants. Design is 50 percent complete, and is expected to be completed by July 2008.
- **1299 East Regional Pipeline, 1299 E Reservoir and 1630 East Pump Station** - The project includes the construction of 36-inch pipeline from the north end of the North Etiwanda Pipeline to the 1299 E Reservoir and 1630 E Pump Station. These facilities are in the design phase, and are being designed by CVWD. The SRF Loan Application is currently underway. Design is 50 percent complete, and is expected to be completed by July 2008.
- **MWWD Recycled Water Laterals** - This project will design numerous laterals from the San Antonio Channel Pipeline, Segment B to serve customers in the Cities of Ontario, Montclair and Monte Vista Water District area. Construction is expected to be completed by July 2008.
- **RP-4 1158 Reservoirs, Pump Stations, and Pipeline** - The project provides for storage in the 1158 pressure zone, pump stations for the 1158 and 1299 pressure zones, and pipeline from RP-4 to the 1158 Reservoirs. The project is in the construction phase, and is 60 percent complete. Construction of the Tank 1 facilities is expected to be completed by July 2008 and Tank 2 facilities is expected to be completed by August 2008. 1158 Pipeline Segment B is expected to be completed by July 2008. Construction of the Pump Station is expected to be completed by August 2008.



San Antonio Channel Segment B Pipeline

■ **San Antonio Channel Pipeline, Segment B** - The Regional Pipeline will serve the cities of Ontario, Montclair, Monte Vista Water District and Brooks Street Basins. The project is in the construction phase, and is 80 percent complete. Construction is expected to be completed by July 2008.

■ **North Etiwanda Pipeline** - The project includes the construction of 42-inch pipeline on Etiwanda Avenue from Whittram Avenue to Arrow Route. The project is in the construction phase, and is 80 percent complete. Construction is expected to be completed by June 2008.



San Antonio Channel Segment B Pipeline

CONSTRUCTION PROGRESS

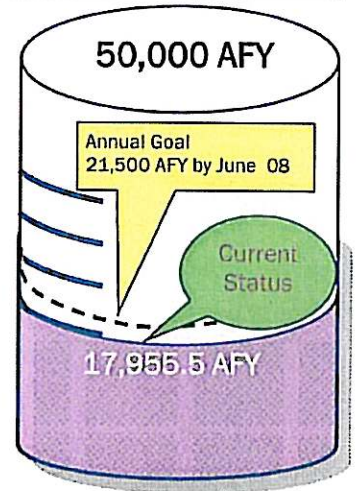
ID	Task Name	2008				
		June	July	Aug	Sept	Oct
1	1158 Reservoirs	[Progress bar spanning June, July, and August]				
2	1158 Segment B Pipeline	[Progress bar spanning June, July, and August]				
3	San Antonio Channel	[Progress bar spanning June, July, and August]				
4	North Etiwanda Pipeline	[Progress bar spanning June and July]				
5	RP-4 Pump Station	[Progress bar spanning June, July, and August]				
6	Monte Vista Lateral	[Progress bar spanning June and July]				

CUSTOMER CONNECTIONS

Below is a list of customers that were connected during the month of May 2008:

- Chino American Power Conversion = 10 AFY
- Chino Brehm Communities = 3 AFY
- Chino DR Horton = 3AFY
- Chino Cal Poly Farm (off Central) = 500 AFY
- Chino Chaffey College = 5 AFY
- Chino CT Storage = 6 AFY
- Chino Jasmine Willow HOA = 1 AFY
- Chino Nyenhuis Nursery = 150 AFY

**Total Connected
During May:
696.5 AFY**



CUSTOMER CONNECTIONS—Targeted Customers for the next two months

Item	Name	IEUA Regional Facility	Purveyor	Est. On-line	Public	Private	AFY
1	Site 1 B Irrigation	RP-4 West Ext	CVWD	Jun-08			12
2	Modular Office Supply	RP-4 West Ext	CVWD	Jun-08			11
3	Nong Shim Food Corp.	RP-4 West Ext	CVWD	Jun-08			8
4	Rockefeller Group	RP-4 West Ext	CVWD	Jun-08			7
5	Stone Haven	RP-4 West Ext	CVWD	Jun-08			6
6	Eddie Marine	RP-4 West Ext	CVWD	Jun-08			3
7	Mangini Development	RP-4 West Ext	CVWD	Jun-08			2
8	Aloft Hotel	RP-4 West Ext	CVWD	Jun-08			2
9	Norm Tessier Cabinets	RP-4 West Ext	CVWD	Jun-08			2
10	Starbucks Coffee	RP-4 West Ext	CVWD	Jun-08			1
11	Frilo Lay, Inc.	RP-4 West Ext	CVWD	Jun-08			15
12	Temple Inland Paper	Wineville	Ontario	Jun-08			1,100
13	California Co-gen	Edison Ave	Chino	Jun-08			150
14	Saratoga Park	San Anton B	MVWD	Jun-08			37
15	Sunrise Park	San Anton B	MVWD	Jun-08			9
16	Chino Basin Water Cons. District	San Anton B	MVWD	Jun-08			13
				Jun-08 Total			1,378
17	Vernon Middle School	San Anton B	MVWD	Jul-08			25
18	Buena Vista Elementary School	San Anton B	MVWD	Jul-08			1
19	Monte Vista Elementary School	San Anton B	MVWD	Jul-08			14
20	Memorial Grove Park	San Anton A	Ontario	Jul-08			6
21	Vineyard Park	San Anton A	Ontario	Jul-08			41
22	Ontario Center	RP-4 West Ext	Ontario	Jul-08			200
23	Li Farm/Schaffer	RP-1 Oulfall	Ontario	Jul-08			1,000
24	Bemt Community School	San Anton A	Ontario	Jul-08			6
25	Corona Elementary School	San Anton A	Ontario	Jul-08			16
26	Del Norte Elementary School	San Anton A	Ontario	Jul-08			22
27	El Camino Elementary	San Anton A	Ontario	Jul-08			10
28	Euclid Median	San Anton A	Ontario	Jul-08			30
29	Munoz Park	San Anton A	Ontario	Jul-08			20
				Jul-08 Total			1,391

Financial Status Summary

FUNDING DEVELOPMENTS

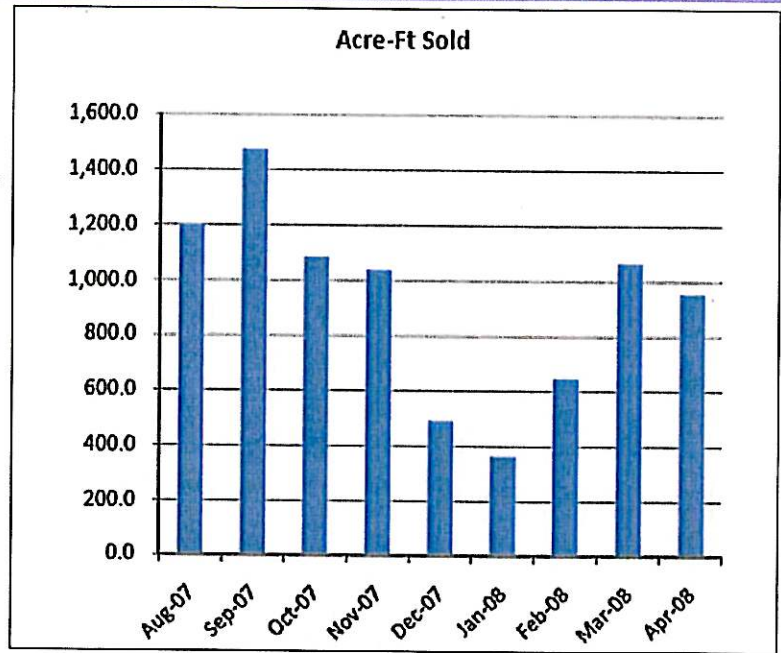
3 Year Business Plan Funding:

- Congress authorized \$30 million to IEUA and CVWD in December 2007. A grant agreement and Work Plan is complete, and an invoice for the first payment has been submitted.
- The application for the SRF loan of \$38,000,000 for the Northeast Project Area Projects has been submitted and is under review by the SWRCB. The second application for Monitoring Wells and Lysimeters was submitted in late May. Met with SWRCB in May to clarify outstanding SRF funding issues.
- Began working with SAWPA to invoice SWRCB information for the \$4.9 million Proposition 50 grant that SAWPA and IEUA have applied for.
- Continue weekly discussions with MWD on Local Resources Program (LRP) Agreement. The LRP agreement is expected to be completed by July 2008.
- Completed Retrofit Financing Agreement with Monte Vista Water District.

Other Funding News:

- The SWRCB indicated the potential availability of an additional \$10 million in Proposition 13 for 25% grants up to \$5 million. An additional \$40 million is available for grants on projects that do not receive Federal funding. These grants could be available to IEUA if our Federal Funding is dedicated to projects that do not receive these state grants.

Monthly Recycled Water Sales



Direct & Recharge:

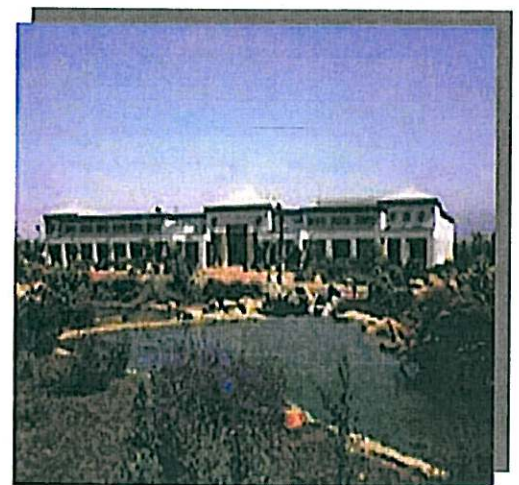
- For the month of April Recycled Water Sales totaled 956.5 AFY for direct use and ground water recharge combined. The total direct use sales was 696.5 AFY
- It should be noted in the previous month, IEUA utility waster was inadvertently included in recycled water sales figures for April 2008

OPERATIONS AND PLANNING UPDATES

- The main line and lateral to Temple Inland from the Wineville pipeline was flushed on May 8, 2008.
- Multiple coordination meetings have been held to ensure a smooth start-up of the 1299 pump station and 1158 reservoirs. Start-up of the facilities is expected to began in July 2008.

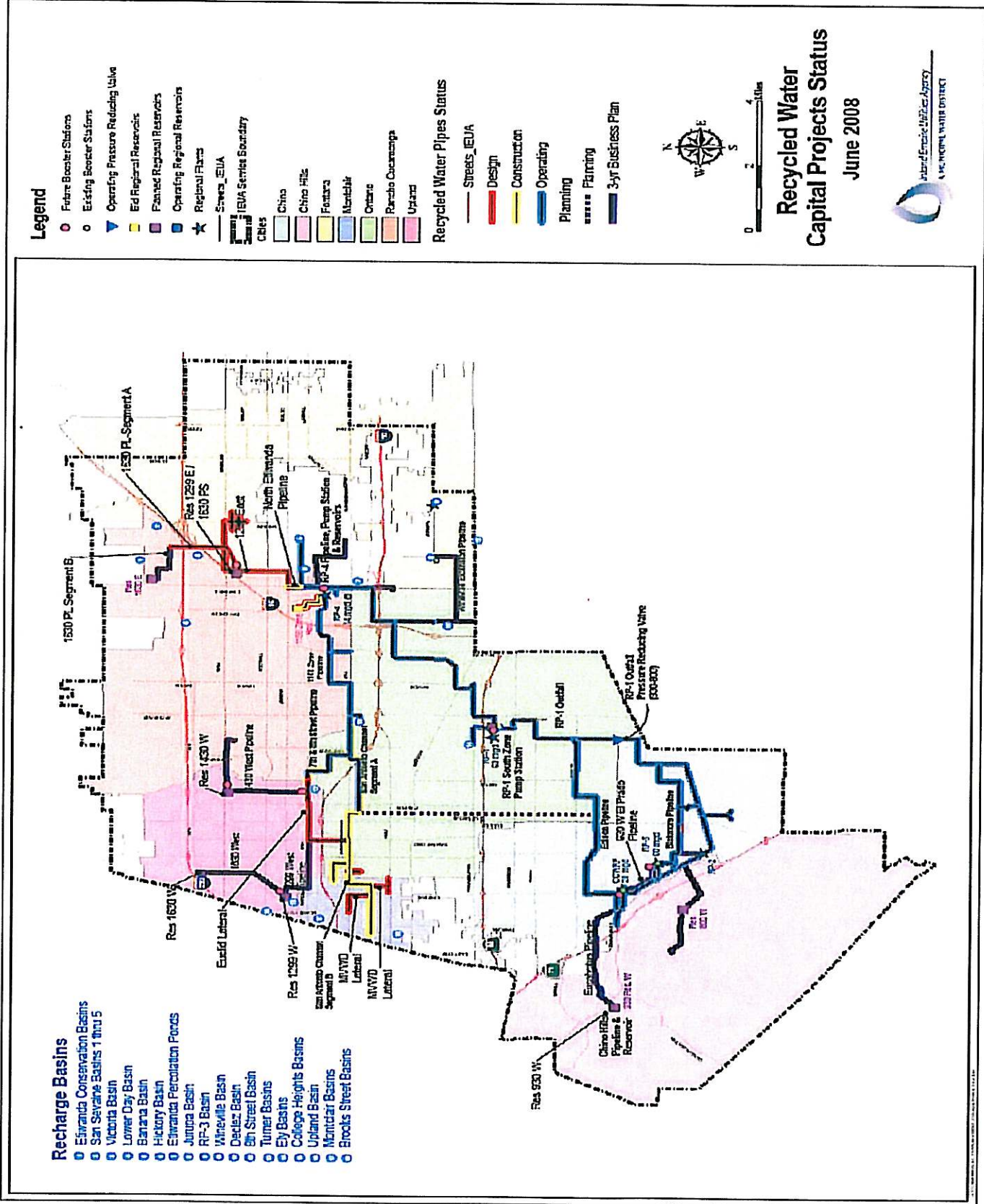
UPCOMING EVENTS

- Red Team Meeting (IEUA and Member Agency Implementation Team).....3:00 PM, June 17, 2008 at IEUA
- Recycled Water Connection Dedication at Wilderness Park, City of Montclair.....TBD, July, 2008



IEUA Headquarters

RECYCLED WATER PROJECT STATUS MAP

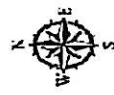


Legend

- Future Booster Stations
- Existing Booster Stations
- Operating Pressure Reducing Valve
- Ed Regional Reservoirs
- Planned Regional Reservoirs
- Operating Regional Reservoirs
- Regional Flows
- Sewer_EUA
- IEUA Service Boundary
- Chino
- Chino Hills
- Fontana
- Mantilar
- Ontario
- Rancho Cucamonga
- Upland

Recycled Water Pipes Status

- Streets_EUA
- Design
- Construction
- Operating
- Planning
- 3-yr Business Plan



Recycled Water Capital Projects Status

June 2008



Recharge Basins

- Eduarda Conservation Basins
- San Saverio Basins 1 thru 5
- Victoria Basin
- Lower Day Basin
- Banara Basin
- Hickory Basin
- Junupa Basin
- Wireville Basin
- Declez Basin
- 8th Street Basin
- Turner Basins
- Ely Basins
- College Heights Basins
- Upland Basin
- Mantilar Basins
- Brooks Street Basins

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Regional Conservation Programs Monthly Report – May 2008

MWD Activities

- **Media Campaign & Public Outreach** – MWD’s new media campaign began on April 14, 2008 and ran through May 14, 2008. The campaign is dark from May 14 to June 7 due to May TV Sweeps. The Program will pick-up again on June 8th and continue through June 29th. The campaign focuses on residential outdoor water use and seriousness of a water shortage. There will be ten TV ads and 60 radio spots.
- **Accelerated Public Sector Water Efficiency Partnership Demonstration Program** – Agencies and their customers who have direct access to the recycled water conveyance system have been identified and scheduled to begin site conversions in June 2008. MWD has approved those customers for funding and Chino Basin Water Conservation District has agreed to match MWD funding up to the cost of the conversion. In addition, the City of Ontario has received funding approval of \$2,963 in device incentives as well Chino Valley Unified School District for \$35,719. This MWD program offers conservation audits to identify water efficiency improvements, pay for enhanced device incentives—paid up front—to purchase proven water-saving retrofit technologies, Pay-for-Performance water use reduction incentives and includes costs for public agencies, including schools, to hook-up to recycled water systems.
- **Water/Energy Partnership Update** –MWD will be working with its member agencies to identify those agencies interested in participating in the program. The Program is tentatively scheduled to begin July 1, 2008. This program will provide high efficiency toilets through a direct installation program for low-income, multi-family complexes and, upon program completion, cold water, energy and gas savings will be evaluated.
- **Region-Wide Residential Program** – At its April 2008 Board meeting, MWD awarded a five-year contract to the Electric and Gas Industries Association (EGIA) to provide management and marketing services for Metropolitan’s Region-wide Residential Water Conservation Program. The program is expected to begin July 1, 2008.
- **Imported Water Deliveries** – For the month of April 2008, full service water sales totaled 5,970.6 AF. This is about 2,402 AF greater than full service deliveries in April 2007. Calendar Year 2008 Tier 1 deliveries through 4/30/08 total 16,574.1. The annual limit for Tier 1 purchases is 59,752.2 AF.

Landscape Programs

- **Phase III Landscape Audit Program** –Since January 2008, eleven audits have been performed: three big box retailers, two churches, two apartment complexes, one shopping mall, one auto dealer, one drive-in theater, one large residential dwelling. Potential water savings from these properties if audit recommendations are implemented is approximately 87 AFY.
- **Ontario Cares** – To date, four California-Friendly[®] Landscape site conversions have been completed. Three of the four have been inspected and are in compliance and one is pending final inspection. Seven more sites are on schedule for conversion and are awaiting the completion of landscape plans. A status meeting is scheduled for May 13, 2008 to update all funding partners on the progress of the program.
- **U.S. Bureau of Reclamation Water Efficiency Grant Application** - IEUA submitted an application for \$80,000 in grant funds to support the Water Wise Residential Landscape Retrofit Program. The application received a high score but was declined due to lack of funding to cover all qualified applications.
- **Inland Empire Landscape Alliance** –A panel discussion was held on May 22nd at IEUA on how to implement a Water Efficient Landscape Ordinance at the city, county, and water agency levels, featuring speakers from Riverside County, the City of Riverside, the City of Corona, and Lake Arrowhead Community Services District. The next formal board meeting for the Alliance will be held on Thursday, June 12th from 3:00-4:00 pm in IEUA’s Board room.
- **California-Friendly[®] Landscape Classes (formerly PDA)** — All classes for FY 07-08 have been scheduled and are full. Any agency who wishes to hold more classes for this year may work with their member agency to schedule classes for a fee. Beginning in FY 08-09, the management of this program will be transferred to the External Affairs Group. Class request forms for FY 08-09 will be issued shortly.

Commercial/Industrial/Institutional Program

(CII SAVE-A-BUCK) – For fiscal year 07/08, there have been 1,078 rebates processed to date. From program inception (FY 00/01) to date, a total of 15,422 devices have been rebated, representing a lifetime savings of almost 20,000 AF. The following is a list of the most recent rebate activity within the IEUA service area and provided through MWD's Save-A-Buck Program, only:

- **High Efficiency Clothes Washers** – During the month of April 2008, no rebates were issued. To date, 455 commercial high efficiency clothes washers have been installed since FY 00/01.
- **Multi-Family High Efficiency Clothes Washers** – During the month of April 2008, no rebates were issued. To date, one multi-family high efficiency clothes washer has been installed since FY 00/01.
- **Cooling Tower Conductivity & pH Controllers** – During the month of April 2008, no rebates were issued. To date, 24 cooling tower conductivity controllers have been installed since FY 00/01.
- **Ultra-Low-Flush Toilets** – During the month of April 2008, no rebates were issued. To date, 1,894 ULFTs have been installed since FY 00/01.
- **ULFT Flushometers** – During the month of April 2008, no rebates were issued. To date, 4 ULFT flush meters have been installed since FY 00/01.
- **High-Efficiency Toilets** – During the month of April 2008, one rebate was issued for 169 high efficiency toilets (HET). To date, 1,219 HET's have been installed within IEUA's service area since FY 00/01.
- **Zero Water Urinals** – During the month of April 2008, no rebates were issued. To date, 828 waterless urinals have been installed since FY 00/01.
- **High-Efficiency Urinals** – During the month of April 2008, no rebates were issued. To date, 8 HE urinals have been installed since FY 00/01.
- **Weather-Based Irrigation Controllers** – During the month of April 2008, no rebates were issued. To date, 7 controllers have been installed since FY 00/01.
- **Rotating Nozzles for Pop-up Spray Heads** – During the month of April 2008, no rebates were issued. To date, 97 rotating nozzles have been installed since FY 00/01.
- **Synthetic Turf for commercial applications (CII Only)** – During the month of April 2008, no rebates were issued. To date, 32,525 sq.ft. of synthetic turf has been installed since FY 00/01.
- **High Efficiency Nozzles for Large Rotary Sprinklers** – During the month of April 2008, no rebates were issued. To date, no high efficiency nozzle rebates have been issued since FY 00/01.
- **Dry Vacuum Pumps** – During the month of April 2008, no rebates were issued. To date, no dry vacuum pump rebates have been issued since FY 00/01.
- **Steam Sterilizer Retrofits** – During the month of April 2008, no rebates were issued. To date, no steam sterilizer rebates have been issued since FY 00/01.
- **Pre-Rinse Spray Head-(PRSH)** – During the month of April 2008, no rebates were issued. To date, 2 pre-rinse spray heads have been installed since FY 00/01.
- **Water Broom** – During the month of April 2008, one rebate was issued for one broom. To date, 696 water brooms have been purchased since FY 00/01.
- **X-Ray Recirculation Units** – During the month of April 2008, no rebates were issued. To date, 11 x-ray recirculation units have been installed since FY 00/01.

Residential Rebate Programs

For fiscal year 07/08, there have been 1,422 rebates processed to date. From program inception (FY 02/03) to date, a total of 19,836 devices have been distributed, representing a lifetime savings of almost 2,070 AF. The following is a list of the most recent residential rebate activity within the IEUA service area:

- **ULFT and HET Rebate Program** – During the month of April, 34 ULFT and 19 HET rebates were issued. 195 rebates were processed during FY 06/07. Since the program's initiation in 2002, a total of 11,965 have been distributed. The ULFT portion of the rebate program ended March 31, 2008.
- **High Efficiency Clothes Washer Rebate** – During the month of April, 150 washer rebates were issued. There were 1,320 washer rebates processed by IEUA in FY 06/07. A total of 9,160 rebates have been distributed since the program was initiated in 2002.

- **“SmarTimer of Inland Empire” Program** – During the month of April, 5 SmarTimer Irrigation Controller rebates were issued. There were 121 rebates were processed by IEUA in FY 06/07, with a total of 244 controllers installed. Since the introduction of the program in April 2006, 378 controllers have been installed to date.
- **Rotating Nozzles for Pop-up Spray Heads** – During the month of April, 5 customer rebates were issued for a total of 133 nozzles distributed. Since the program’s inception in 2006, a total of 1,041 nozzles have been distributed.
- **Synthetic Turf Retrofit Rebate Program** – During the month of April, 13 synthetic turf rebates were processed. Since the introduction of the program in July 2007, 36 rebates have been distributed.
- **Water-Wise Residential Landscape Retrofit Program** – The Water-Wise Residential Landscape Program application was posted on the IEUA website on December 10th. To date, IEUA has received over 100 inquiries, 50 applications and five completed retrofits.

Other Conservation Retrofit Programs

- **Multi-Family ULFT Program** – The Multi-Family Direct Installation Program began ULFT retrofits in October, 2006. To date, 13,302 ULFTs have been installed. During the month of April, 389 retrofits were completed. An amendment request was submitted to DWR in February 2008 requesting a device substitution for the program. Once the executed amendment is received, this program will discontinue the use of ULFTs and begin using only High Efficiency Toilets (HETs). This substitution is anticipated to go into effect in June 2008.

School Education Programs

- **Garden in Every School** –The Gardens at Chaparral, Pepper Tree, and Los Amigos Elementary have been completed. Planting dates are being coordinated with Our Lady of Lourdes, Oak Park, and EJ Marshall Elementary. Chaparral will hold their Garden Dedication ceremony on Thursday, May 29th from 6:00-6:30 pm. Oak Park has tentatively set their Dedication date on Friday, June 13th at 10:00am. EJ Marshall is undergoing staffing changes and has postponed the dedication.
- **National Theatre for Children** – There are 29 performances scheduled for April – June 2008 in the cities of Chino Hills, Chino, Rancho Cucamonga (CVWD), Alta Loma (CVWD), Fontana (FWC), Montclair (MVWD), Ontario, and Upland.
- **New Native Garden Pilot Fundraising Program** – California State University Water Resources Institute is sponsoring a pilot school fundraising program that is based upon sale of native plant gardens. Two schools within IEUA’s service area will participate in the spring pilot program. Plant sales will occur between March and April with delivery of the plant materials scheduled for late April. Enrollment in the fall fundraising program will begin in April and be completed by May 2008.

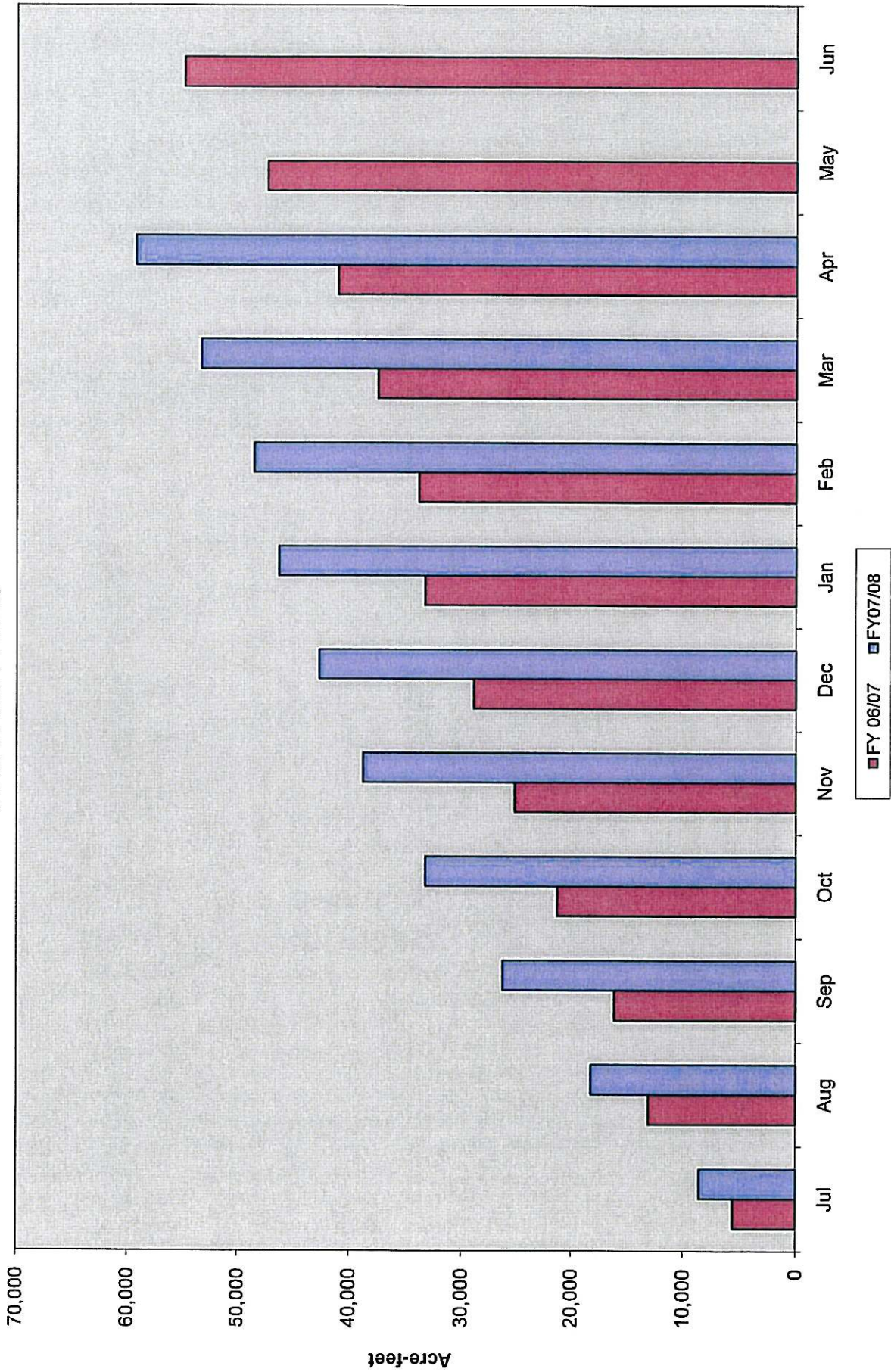
Outreach

Water Education Water Awareness Committee (WEWAC) – Ten entries were submitted to the 13th Annual Water Awareness High School Public Service Announcement Video Contest. This year, the top 3 winning PSAs will be aired on cable channels such as MTV, NICK, TOON, or similar channels. Time will also be purchased by WEWAC to show the first place PSA at a local movie theater. The Video Awards Ceremony will be held at 6:00 pm on May 22 at the City of La Verne Council Chambers.

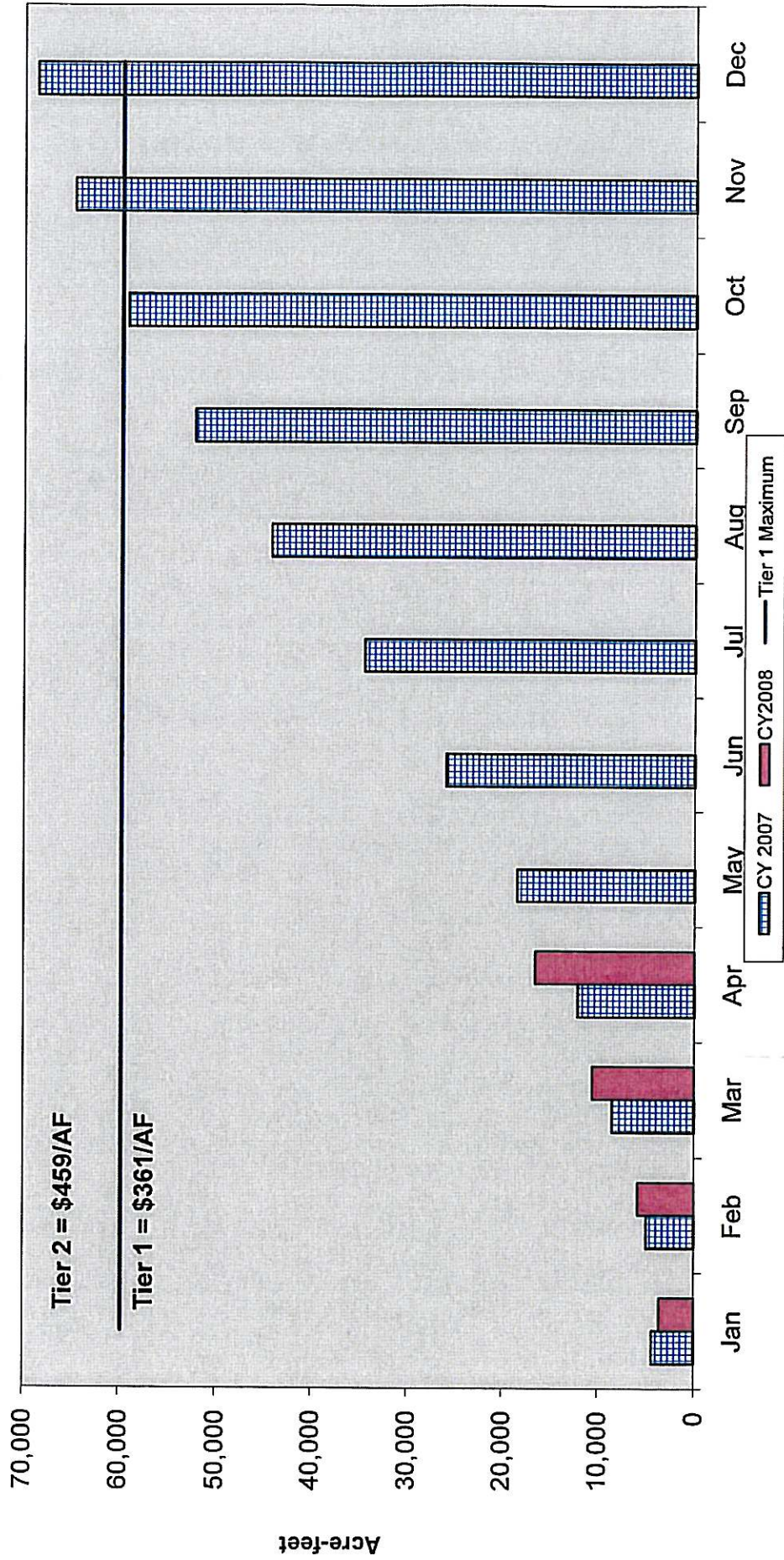
CALENDAR

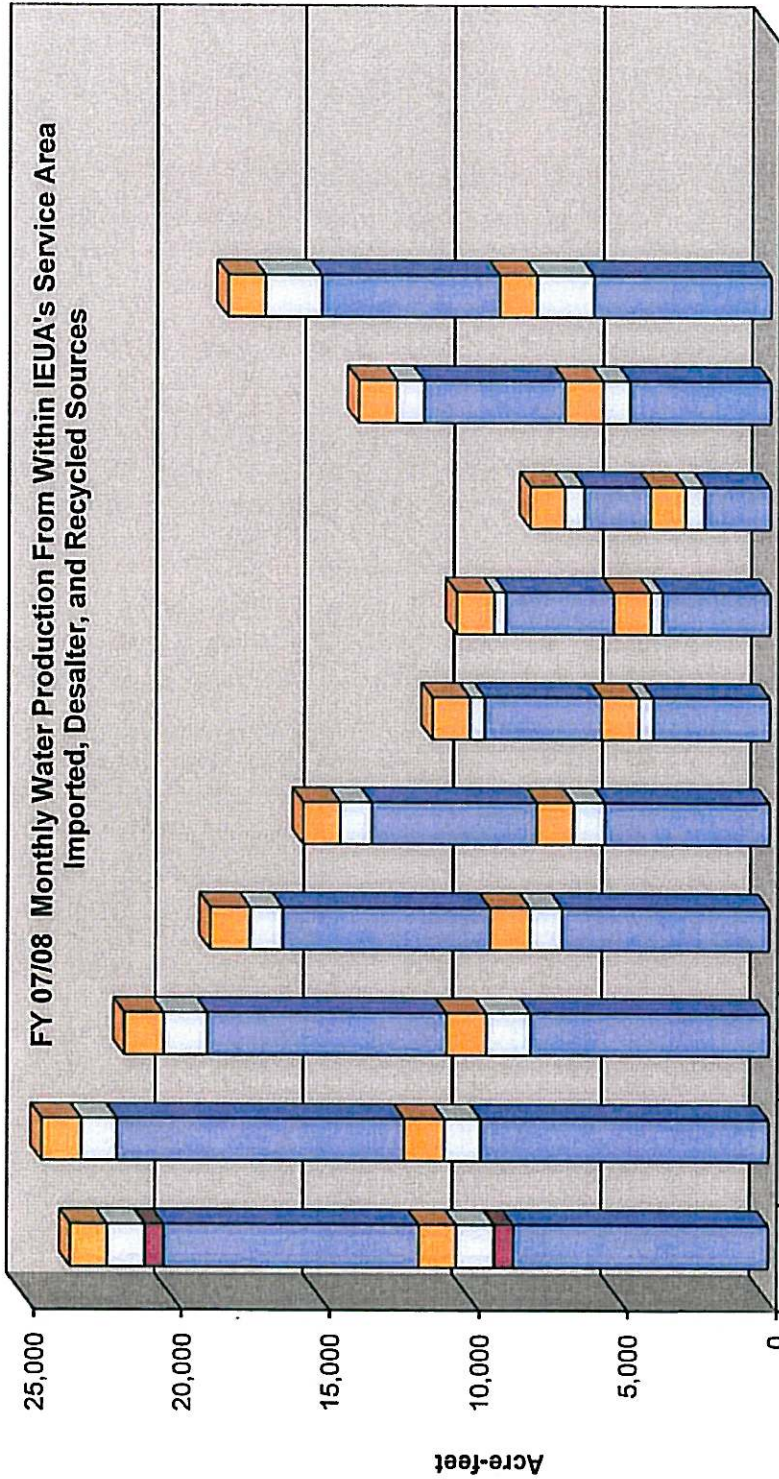
May 29, 2008	Chaparral Garden Dedication, Chaparral Elementary in Chino Hills 5:00 p.m.--5:30 p.m.
June 6, 2008	Los Amigos Garden Dedication, Los Amigos Elementary in Rancho Cucamonga, 8:30 a.m. – 10:30 a.m.
June 12, 2008	Landscape Alliance Board Meeting, IEUA Board Room, 3:00 p.m. – 4:00 p.m.
June 13, 2008	Oak Park Garden Dedication, 14200 Live Oak Avenue, Fontana, 10:00 a.m. – 11:30 a.m.

**Cumulative Monthly Full Service Imported Water Deliveries
Within IEUA's Service Area
FY 06-07 and FY 07-08**



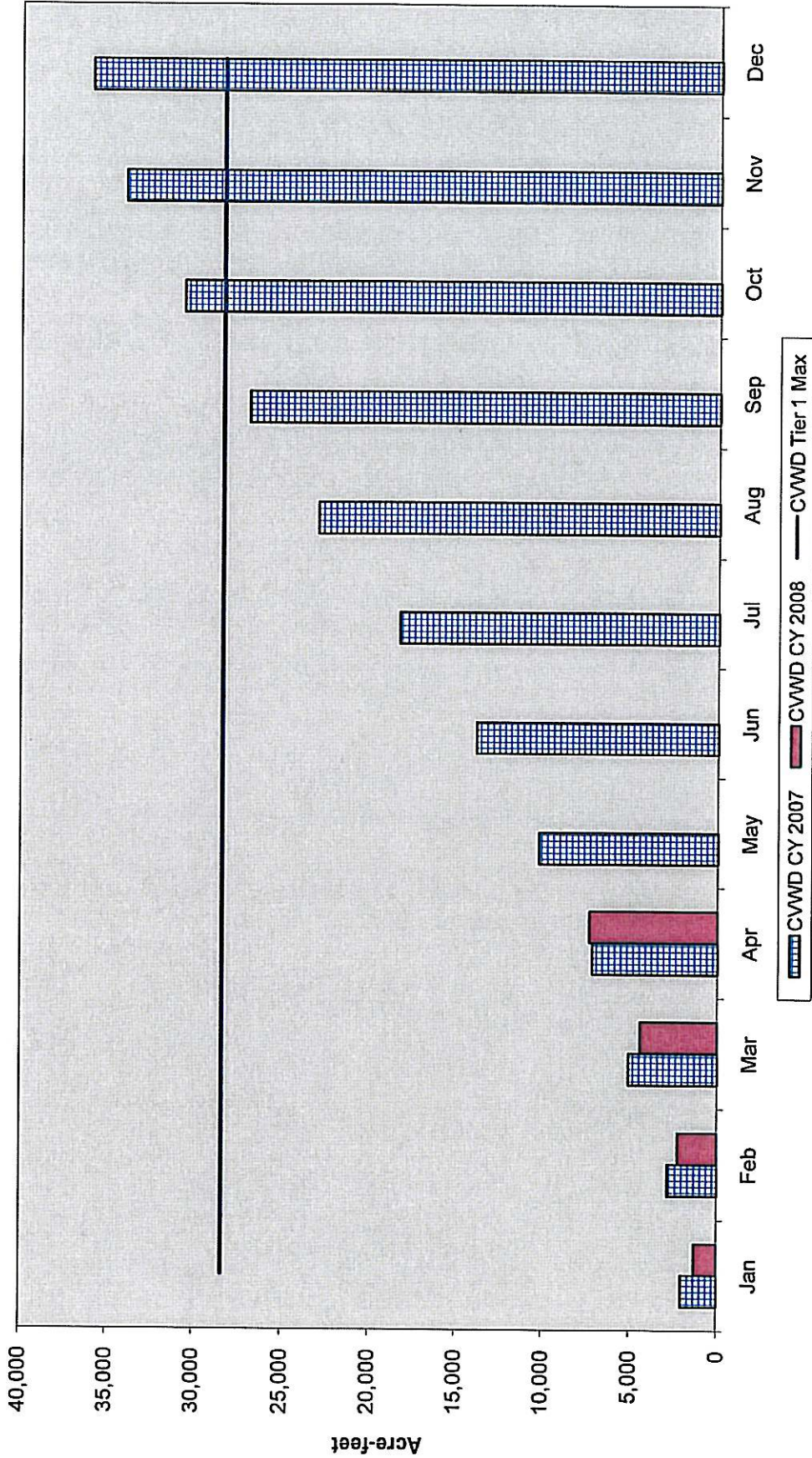
IEUA
Cumulative Monthly Full Service Imported Water Deliveries
Calendar Year 2007 and Calendar Year 2008



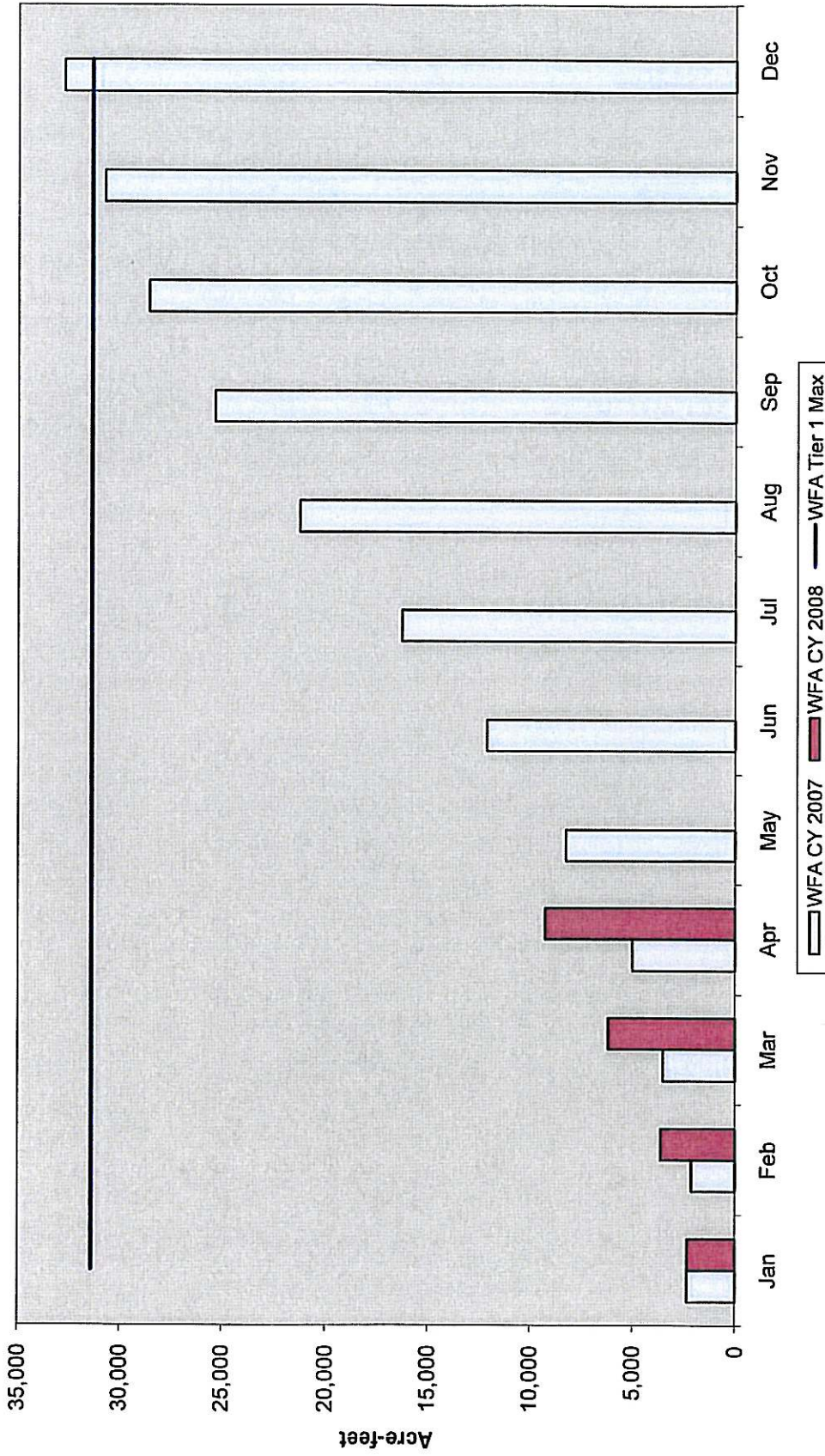


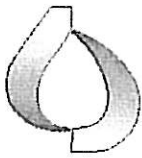
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
■ CDA - Desalator Water	1244.4	1334.1	1340.1	1342.1	1246.8	1257.4	1257.7	1166	1268.5	1259.8		
□ IEUA - Recycled Water	1266.8	1199.3	1476.3	1084	1038	493.4	383.8	645.9	901.7	1900		
□ MWD - Agricultural Cert	13.7	14	8.1	3.2	2.4	0.3	0.2	0.1	0	0		
■ MWD - Conj. Use Cert.	650	0	0	0	0	0	0	0	0	0		
■ MWD - Full Service Cert.	8575.4	9689.9	8020.9	6963.2	5543	3922.8	3630.6	2228.6	4744.3	5970.6		
■ CDA - Desalator Water	1244.4	1334.1	1340.1	1342.1	1246.8	1257.4	1257.7	1166	1268.5	1259.8		
□ IEUA - Recycled Water	1266.8	1199.3	1476.3	1084	1038	493.4	383.8	645.9	901.7	1900		
□ MWD - Agricultural Cert	13.7	14	8.1	3.2	2.4	0.3	0.2	0.1	0	0		
■ MWD - Conj. Use Cert.	650	0	0	0	0	0	0	0	0	0		
■ MWD - Full Service Cert.	8575.4	9689.9	8020.9	6963.2	5543	3922.8	3630.6	2228.6	4744.3	5970.6		

CUCAMONGA VALLEY WATER DISTRICT
Cumulative Monthly Full Service Imported Water Deliveries
Calendar Year 2008



WATER FACILITIES AUTHORITY
Cumulative Monthly Full Service Imported Water Deliveries
Calendar Year 2008





Inland Empire
UTILITIES AGENCY

Date: June 18, 2008

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (06/18/08)

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: May Legislative Report from Dolphin Group

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

Enclosure

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May 28, 2008

To: Chino Basin/OBMP Coalition
From: Michael Boccadoro
President
RE: May Status Report

Please find attached the status report from The Dolphin Group for the month of May 2008.

As most policy committee hearings have ended, the California Legislature entered into a temporary lull in early May awaiting the release of Governor Schwarzenegger's "May Revise" to his proposed State Budget. The result was not unexpected, but increased the projected structural shortfall from \$9 billion in January to over \$15 billion for the coming fiscal year. The poor state budget situation also had a major impact on pending legislation being considered by the Appropriations Committees. Since no funding exists to create new programs or pay for the fiscal implications of new state agency requirements, more bills were held in committee or radically amended to remove fiscal implications.

On the regulatory front, parties are awaiting a ruling that will set the schedule for upcoming proceedings to determine the rates that water pumping customers will be required to pay to Southern California Edison between 2009-2011.

Chino Basin / OBMP Coalition

Status Report – May 2008

ENERGY/REGULATORY

CPUC Expected to Issue Schedule Soon on Proposed Rate Increase

Within the next few weeks, the presiding Administrative Law Judge at the CPUC will issue a ruling that will set the schedule to resolve the request by SCE to increase agricultural and water pumping rates in their General Rate Case Filing. In March, Southern California Edison filed their “Phase II” proposal, which proposed to increase water pumping rates by 2.4% more than other customer classes. Including other pending increases requested by SCE, this would reflect a total increase of 14.5% for water pumping customers within the next 18 months.

However, all water pumping accounts with a nameplate capacity of greater than 500 kW are considered “Large Power” customers by SCE. These larger accounts have been proposed by SCE to receive a net 8.5% increase.

Phase II occurs every three years, and allows SCE to propose to collect their revenues in a different manner than the current rate structure. Essentially it is a “zero-sum” game, whereby if one class of customers receives a decrease, another class must assume responsibility for collecting those revenues. Most importantly, their filing is based on the assumption that SCE will receive the full approval of their proposed system-wide increases, as described below, before adjusted for their Phase II proposal.

Edison’s projections, which total a 12.1% increase on average for every SCE customer, assume that the CPUC will grant Edison’s entire request for new distribution investments, generation costs and other statewide costs associated with energy-crisis era energy contracts signed by DWR in 2001. The following table illustrates Edison’s Phase II proposal, and is based on the assumption that the utility will be granted its full request for the 12.1% base-rate increase

Customer Class	Current Rate	Proposed Rate	Total Change	Phase II Change
Residential	14.9	17.1	15.1%	3.0%
Small Light & Power	14.5	16.0	10.3%	-1.8%
Large Power	10.7	11.6	8.5%	-3.6%
Ag & WP Rates:	10.9	12.5	14.5%	2.4%
System Average	13.7	15.3	12.1%	0.0%

Various parties have opposed both the Phase I request of 12.1%, as well as the Phase II request of reallocating those costs amongst the different customer classes. A ruling on the 12.1% overall increase is expected later this year, while a ruling on the reallocation in Phase II is expected no earlier than Summer 2009.

2008-2009 STATE BUDGET

True to all expectations, the prognosis for the 2008-09 State Budget deteriorated greatly with the issuance of Governor Schwarzenegger's "May Revise" to his proposed budget, issued on May 14th.

According to the independent Legislative Analyst Office (LAO), the budget outlook has worsened by almost \$6 billion since January, largely due to a sluggish economy and a declining real estate market. The LAO noted that despite interim adjustments made during the budgetary special session earlier this year – amounting to nearly \$7 billion in savings – the 2008-09 budget deficit is expected to exceed \$15 billion.

To address this gap, the Administration has largely relied on the concept of securing revenues in

exchange for future lottery sales, to the tune to \$15 billion over the next three years. This proposal would take the form of a November initiative to launch the lottery funding reorganization; with the caveat that if it is not approved then a temporary 1% state sales tax would be initiated for three years to replace the proposed lottery funds. The LAO was very skeptical of the potential to raise adequate funds via the lottery to fill the structural budget gap, particular for the coming fiscal year. The Governor's lottery proposal also met with immediate skepticism from both legislation Democrats and Republicans.

Perhaps most importantly, the May Revise did not adopt the LAO's proposal to grab nearly \$200 million in local property taxes for a parole realignment scheme or any other program. The LAO's response to the May Revise similarly omitted reference to their previous proposal.

The Legislature has yet to fully engage in discussions related to the budget, but the early statements from legislative leaders were not positive towards the Governor's proposal. Republicans and Democrats both now appear to be unsure how to proceed in a difficult and politically charged economical and electoral cycle.

The State's Remaining Budget Shortfall Is \$15 Billion

(In Billions)

	Governor's Estimate
Problem as of January	-\$14.5
	+
May Forecast	
Lower revenues	-\$6.0
Higher spending	-1.7
	=
Revised Problem	-\$22.2
	-
Special Session Solutions	\$7.0
	=
Remaining Problem	-\$15.2

WATER BOND UPDATE

Water bond discussions continue to take a backseat to legislative deliberations over the state's ongoing fiscal and budgetary crises. But the Governor's office, Republican legislative leaders and some Democrats have not yet ruled out a scaled down proposal for the November ballot. However, most veteran legislative watchers continue to believe a November bond to be a longshot.

LEGISLATIVE UPDATE

As legislative hearings trickled along in May, three major bills emerged related to public water agencies and renewable energy.

SB 1714, by Senator Gloria Negrete- McLeod (D-Chino) amends the new program created by AB 1969, a measure sponsored by IEUA and SAWPA in 2006. AB 1969 created the feed-in tariffs (FIT) that allow a producer of renewable energy to sell excess renewable energy to their utility at the market price. This measure makes two significant changes:

- Expands the AB 1969 concept to all customers (essentially codifying the expansion permitted by the CPUC) and raised the statewide enrollment limit to 500 MW
- **Instructs the CPUC to increase the MPR based on additional economic and environmental factors.**

The original version of the bill also expanded eligibility for the FIT to customers who use the California Solar Initiative (CSI) or Self-Generation Incentive Program (SGIP). Under current CPUC rules, a customer is not permitted to use CSI or SGIP funds to then participate in a FIT. While this section has been removed from the latest version of the bill, IEUA and DGI are engaged in conversations to pursue legislation or policy change in some form to ensure that FIT customers are permitted to access CSI or SGIP funds to appropriately size their renewable generation.

CA SB 1714 **AUTHOR:** Negrete McLeod [D]
 TITLE: Renewable Electric Generation Facilities
 INTRODUCED: 02/22/2008
 LAST AMEND: 04/22/2008
 DISPOSITION: Pending
 FILE: 107
 LOCATION: Senate Third Reading File
 SUMMARY:

Requires every electrical corporation to file a standard tariff for the electricity generated by an electric generation facility. Requires a local publicly owned electric utility that sells electricity at retail, to adopt a tariff, meeting certain size, deliverability and interconnection requirements. Requires the utility to make the tariff available to customers that own and operate an electric generation facility within the service territory of the utility on a first-come-first-served basis.
VOTES:

04/15/2008	Senate Energy, Utilities and Communications Committee	P 6-1
05/22/2008	Senate Appropriations Committee	P 8-4
Position:	Watch	

Amended late in the process, AB 1920 (Huffman D-San Rafael) makes similar changes to existing law, though it is largely aimed at net-metering programs, not the FIT. It permits a customer to sell (or credit to the next 12-months) the value of the electricity produced in excess of their consumption, at a rate to be determined by the CPUC. It also allows a customer to use CSI funds to "oversize" their facility in expectation of future load growth, such as the addition of an electrically-powered vehicle. This latest version has yet to have a full policy hearing on the details of the measure.

CA AB 1920	AUTHOR:	Huffman [D]
	TITLE:	Solar and Wind Generating : Net Metering
	INTRODUCED:	02/08/2008
	LAST AMEND:	05/23/2008
	DISPOSITION:	Pending
	FILE:	15
	LOCATION:	Assembly Second Reading File
	SUMMARY:	

Expands definition of eligible customer-generator to include customers that generate electricity using an eligible renewable energy resource that meets requirements for solar and wind generation. Requires ratemaking authority to adopt a net surplus electricity compensation rate applicable to any eligible customer generator. Requires a standard contract or tariff to eligible customer-generators. Authorizes the adoption of requirements for providing notice and manner to receive electricity compensation.

VOTES:

04/07/2008	Assembly Utilities and Commerce Committee	P 10-2
04/14/2008	Assembly Natural Resources Committee	P 7-2
05/22/2008	Assembly Appropriations Committee	P 12-5
Position:	Watch	

AB 2466 (Laird D-Santa Clara) applies only to public agencies, and permits these agencies to "credit" renewable electricity produced at one location to another, up to 100 MW statewide. There is little definition in the measure regarding the level of this credit, but it does state that there should be no "cost-shifting". This will likely result in a bill credit that includes "wheeling" charges and limits payment to the generation value of the electricity. In almost all circumstances, this bill credit would be less than the revenue potential associated with the feed-in tariffs.

CA AB 2466	AUTHOR:	Laird [D]
	TITLE:	Local Government Energy Producers
	INTRODUCED:	02/21/2008
	LAST AMEND:	05/23/2008
	DISPOSITION:	Pending
	FILE:	76
	LOCATION:	Assembly Second Reading File

SUMMARY:

Authorizes a local government to receive a bill credit to a designated benefiting account for electricity supplied to the electric grid by an eligible renewable generating facility. Requires the Public Utilities Commission to adopt a rate tariff for the benefiting account.

VOTES:

04/07/2008 Assembly Utilities and Commerce P 13-0
Committee

05/22/2008 Assembly Appropriations Committee P 17-0
Position: Watch

Senate Bill 463, sponsored by IEUA, was held up in the Assembly last year with all other net metering-related legislation, as the feed-in tariff models continued to be developed. DGI and IEUA are awaiting further analysis to determine if this measure is necessary.

CA SB 463

AUTHOR: Negrete McLeod [D]
TITLE: Energy: Biogas Digester Customer-Generator
INTRODUCED: 02/21/2007
LAST AMEND: 05/01/2007
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 P 8-0
Communications Committee

05/17/2007 Senate Floor P 38-0
Position: Support

Other Energy Related Legislation

CA AB 578 **AUTHOR:** Blakeslee [R]
TITLE: Energy: Distributed Energy Generation: Study
INTRODUCED: 02/21/2007
LAST AMEND: 07/12/2007
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY:
Deletes the requirement the Energy Commission evaluate the costs and benefits of having an increased number of operational solar energy systems and part of the electrical system. Requires the Public Utilities Commission to study the impacts of distributed energy generation on the state's distribution and transmission grid. Assesses the impacts of the Solar Initiative Program. Deletes reporting requires on ratepayer subsidies for renewable and fossil fuel, ultraclean and low-emission distributed generation.
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
07/03/2007 Senate Energy, Utilities and P 8-0
 Communications Committee
Position: Watch

CA AB 2112 **AUTHOR:** Saldana [D]
TITLE: Energy Building Standards
INTRODUCED: 02/20/2008
LAST AMEND: 05/23/2008
DISPOSITION: Pending
FILE: 37
LOCATION: Assembly Second Reading File
SUMMARY:
Relates to the State Energy Resources Conservation and Development Commission. Requires the commission to adopt building design and construction standards, and energy and water conservation standards to require new residential constructions to be zero net energy buildings.
VOTES:
04/14/2008 Assembly Natural Resources Committee P 5-3
05/22/2008 Assembly Appropriations Committee P 12-5
Position: Watch

CA AB 2180 **AUTHOR:** Lieu [D]
TITLE: Solar Energy
INTRODUCED: 02/20/2008
LAST AMEND: 05/05/2008
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:
Requires that an approval or denial of an application for installation of solar energy equipment on real property be in writing. Provides that an application shall be deemed approved unless it has been denied in

writing within 60 days from the date of receipt of the application, unless the delay is the result of a reasonable request of additional information. Provides these provisions apply only to an approving entity that is a homeowners' association and that is not a public entity.

VOTES:

04/16/2008 Assembly Housing and Community P 7-0
Development Committee

05/19/2008 Assembly Floor P 76-0
Position: Watch

CA AB 2404

AUTHOR: Salas [D]
TITLE: Energy Efficiency: Water Efficiency Programs
INTRODUCED: 02/21/2008
LAST AMEND: 05/23/2008
DISPOSITION: Pending
FILE: 70
LOCATION: Assembly Second Reading File
SUMMARY:

Specifies a date by which the Public Utilities Commission must report to the Legislature the results of pilot programs wherein electrical and gas corporations develop partnerships with water agencies to undertake water conservation programs for the purpose of understanding the relationship between water savings and energy use reduction.

VOTES:

04/07/2008 Assembly Utilities and Commerce P 12-0
Committee

04/14/2008 Assembly Natural Resources Committee P 9-0

05/22/2008 Assembly Appropriations Committee P 17-0
Position: Watch

CA AB 2916

AUTHOR: Nunez [D]
TITLE: State Buildings: Energy Efficiency Measures
INTRODUCED: 02/22/2008
LAST AMEND: 05/23/2008
DISPOSITION: Pending
FILE: 121
LOCATION: Assembly Second Reading File
SUMMARY:

Requires that all buildings owned or leased by the state meet the standards of the U.S. Green Building Council's Leadership in Energy and Environmental Design.

VOTES:

04/15/2008 Assembly Business and Professions P 7-2
Committee

05/22/2008 Assembly Appropriations Committee P 12-5
Position: Watch

CA SB 411

AUTHOR: Simitian [D]
TITLE: Energy: Renewable Energy Resources
INTRODUCED: 02/21/2007
LAST AMEND: 07/17/2007
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:

Requires a retail seller of electricity to increase its total procurement of eligible energy renewable resources so that at least 33% of its retail sales are procured from eligible renewable energy resources no later than specified date.

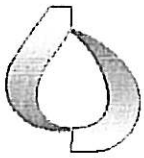
VOTES:

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
07/02/2007	Assembly Utilities and Commerce Committee	P 8-3
07/09/2007	Assembly Natural Resources Committee	P 5-3

Position:

Watch

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Inland Empire
UTILITIES AGENCY

Date: June 18, 2008

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (06/11/08)

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: May 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

Enclosure

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Innovative Federal Strategies LLC

Comprehensive Government Relations

MEMORANDUM

To: Martha Davis and Rich Atwater
IEUA

From: Letitia White, Alex Shockey and Amanda King

Date: May 28, 2008

Re: May Monthly Legislative Update

The month of May is coming to a close and Members of the House and Senate are now in their districts for the Memorial Day district work period. The Congress went in to recess on May 23rd and will return on June 2nd.

The Congress made significant progress on a number of important bills this month including defense authorization, the Iraq war supplemental, the farm bill and the budget resolution.

Defense Authorization Bill

The House overwhelmingly passed a \$601.4 billion defense authorization bill this month, despite a White House veto threat. The bill would authorize defense programs at the Defense Department and Energy Department for fiscal year 2009, which begins October 1st. It would also include authorization of \$70 billion for several months of combat in Iraq and Afghanistan and for a 3.9 percent pay raise for U.S. military personnel.

Additionally, the bill includes two amendments which the President opposes that are intended to set the ground rules for an agreement the Administration is negotiating with Iraq to provide a legal framework for a continued U.S. troop presence after this year. The White House also promised a veto over many other issues in the bill, such as missile defense spending and an attempt to nullify President Bush's executive order directing agencies to ignore "earmarks," or lawmakers' projects, that are not spelled out in bill text.

The full Senate is planning to take up its version of the defense authorization bill in June.

Supplemental Appropriations Bill

Even with the need for supplemental funding for the troops rapidly becoming urgent, the Congress was unable to send the Iraq war supplemental appropriations bill to the President before Memorial Day. If the Congress had sent it to him in its present form, however, President Bush would have vetoed it, forcing the Congress to revisit the bill again in June.

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As you know, this particular supplemental bill has not been handled in “regular order” or the normal way of doing business in the Congress. Last week, the Senate amended the version that the House passed and sent the week before, adding in war funding and a number of items the President did not request, including about \$10 billion in additional discretionary spending, along with an extension of unemployment benefits, the delay of seven Medicaid rules proposed by the Bush Administration and an expanded veterans’ benefit program that has broad bipartisan backing. A notable omission in the Senate version was a 0.47 percent surtax on the wealthy that would have raised \$54 billion over 10 years to pay for the veterans’ benefits. The surtax, which would have been imposed on adjusted gross income in excess of \$500,000 for individuals or \$1 million for joint filers, was included by House leadership after fiscally conservative “Blue Dog” Democrats balked at including the expanded veterans’ benefits without offsets.

The House will wait until after the Memorial Day recess to face the potentially difficult task of clearing the Iraq supplemental war spending measure.

Farm bill

After much delay and many extensions of the current law, this month the farm bill conferees finished negotiations on the 2008 farm bill conference report and sent it back to both chambers for a final vote. The conference report passed overwhelmingly in both the House and Senate. Due to a clerical error, however, the conference report that was sent to the President did not include Title III, the trade title. While the President vetoed the bill and the House and Senate overrode the veto, discrepancies remain over the legality of the process due to the different versions of the legislation that were not in harmony. Upon their return in June, the House and Senate plan to go through the whole process again, voting on the correct version of the conference report, sending that correct version to the President and again overriding his veto.

Budget Resolution Conference Report

House and Senate negotiators have completed the final budget blueprint which is now ready to come to the floor in both Chambers. Before it can, however, due to budget scoring issues, the farm bill situation must be resolved first.

Unlike other legislation, the budget resolution is not sent to the President for his signature. It is a document that the Congress uses to come up with budget numbers for the appropriations process and does not have the binding effect of a bill signed into law. Because no Presidential signature is required, this legislation will not face a veto like so many of the other spending related bills.

Fiscal Year 2009 Appropriations Process

Like last year, President Bush has drawn his line in the sand, vowing to veto appropriations bills that go over his budget request. As you know, Chairman of the House Appropriations Committee David Obey (D-WI) has stated that he does not intend to move fiscal year 2009 appropriations bills that do not include funding for Democratic domestic priorities. He has said that he will wait to see the result of the November Presidential elections and if a Democratic

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candidate is elected, he will send the bills to the White House in January or February of next year, using continuing resolutions to fund the federal government in the meantime.

We have now heard that the House Appropriations Subcommittees have been given "soft" budget numbers with which to work and that they will, at the very least, send appropriations bills through the committee process this summer and early fall. While it remains to be seen if fiscal year 2009 bills will come to the House floor for a vote, we will likely get a good idea of what the earmark situation will be this year as the bills move through the Appropriations Committee.

As always, we will keep you posted on the new details as they emerge.

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Date: June 18, 2008

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (06/18/08)

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: May Legislative Report from Geyer and Associates

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

Enclosure

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BILL GEYER
JENNIFER WEST



GEYER
ASSOCIATES

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

MEMORANDUM

TO: Rich Atwater and Martha Davis

FROM: Jennifer West

DATE: May 30, 2008

RE: May Legislative Report

House of Origin Deadline – AB 2270 Passes off Assembly Floor

This week marked the house of origin deadline for bills introduced in 2008. This means all regular session Assembly and Senate bills that failed to move to the other house are now dead for the session. The Assembly and Senate held floor sessions solidly for the last two weeks and many bills either failed passage, or were significantly amended in the process.

IEUA enjoyed major legislative victory this week when AB 2270 (Laird/Feuer), an IEUA sponsored bill with WateReuse, passed off the Assembly Floor on a bi-partisan vote. Five Republicans voted for the bill on the Assembly Floor and all of the moderate Democrats in attendance voted for the bill. This vote represents the culmination of two months of intensive lobbying and coalition building. In preparing the bill for a full vote of the Assembly, we worked to develop and adopted amendments that addressed the concerns of many Republican and Democratic members. Leading up the vote we met with almost every member of the 80 person Assembly, in some cases multiple times. Unfortunately, the measure still heavily opposed by the water softening industry as amended. They have also engaged in a major lobbying campaign and grassroots effort against the bill. This is expected to intensify as the bill moves forward in the Senate.

I have attached a fact sheet and the latest list of supporters and opponents.

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AB 2270 (LAIRD & FEUER)

Recycled Water

As Amended May 23, 2008

SUMMARY

This bill would advance the use of recycled water in the state by removing barriers to its use, improving water quality, and tracking progress in meeting the State's target for recycled water.

BACKGROUND

Growing population, local and regional water shortages, the recent federal court decision to limit freshwater exports from the Delta, climate change, and the need to protect California's fish and wildlife make it imperative that the State manage its water resources as efficiently as possible. Recycled water provides additional water supplies that are a cost-effective and drought proof method of helping meet California's water needs.

Recycled water is used for many purposes including agricultural irrigation, landscape irrigation, groundwater recharge, and seawater intrusion barriers. Before recycled water can be used for these beneficial uses, the regional water quality control boards and Dept. of Public Health require treatment to remove pollutants that could be harmful to the beneficial use. One major pollutant that is costly to remove is salt—and high salts can reduce the ability of the recycled water to be used for irrigation and groundwater recharge purposes.

EXISTING LAW

The need to increase the state's use of recycled water but ensure protection of public health is reflected in many Code sections. Water Code Sections 13575 – 13583 establish a statewide goal to recycle 700,000 acre feet of water by 2000 and 1 million acre feet by 2010. However, progress has been slow. The 2000 goal was not met, and based on the 2005 California Water Plan; the state could be 20 years behind in meeting the 2010 goal.

In response to the failure to meet the state's 2000 goal, the Legislature in 2001 added Water Code Section 13578 (AB 331, Goldberg). Section 13578 requires the Department of Water Resources (DWR) to convene a statewide task force and report back to the Legislature on the opportunities for, and obstacles to, increasing the use of recycled water. The Task Force Report was issued in June 2003 and included 26 recommendations.

THIS BILL

AB 2270 would address Task Force Recommendations by promoting the use of recycled water and removing barriers to implementation. Specifically the bill would:

1. Expand DWR's leadership role in promoting recycled water by directing the department to set and update numeric targets for recycled

water, and to incorporate the targets in the California Water Plan.

2. Improve tracking of the recycled water supply in the state and the progress in meeting the targets by requiring recycled water producers and urban water suppliers to more accurately report their recycled water use to the regional boards and the DWR.
3. Provide local agencies, in areas with salt problems, with another tool for managing salts by limiting the use of softeners that contribute to salt problems. This authority is provided only IF the State or regional board makes a finding that the limitation on softeners will contribute to achievement of water quality objectives.

Salts & Softeners. One of the barriers to using recycled water is if there is a high salt content in the recycled water.

The State and regional boards have recently placed significant attention on salt management for water quality protection. The Board's Draft Recycled Water Policy would require salt management plans, and the Draft Strategic Plan lists salt management as an action needed for groundwater protection. In the Central Valley, the Regional Board has formed a Salinity Policy Group to identify solutions to the salinity problem.

In urban areas with hard water, one source of salt is generated from a certain type of water softener—referred to as a self-regenerating softener. Salt releases from self-regenerating softeners can contribute on average 50 pounds per month of salts per water softener to water systems (this varies based on the hardness of the source water and the efficiency of the water

softener). Depending on the other salt sources and the number of softeners in a region—this can be a significant problem for the management of salts.

In response to this problem the Recycled Water Task Force Report recommended that:

"The Legislature should amend the HS Code to reduce the restrictions on local ability to impose bans on, or more stringent standards for, residential water softeners".

Under Section 116786 of the HS Code, local agencies are prohibited from placing restrictions on existing softeners, and are only authorized to restrict the use of prospective softeners if the local agency first does the following:

- Regulates all other nonresidential salt sources in the area;
- Conducts an independent study quantifying the levels of all salinity discharges in the area, and identifies all feasible actions taken to reduce salts.
- Determines that restricting softeners is a "necessary means" of achieving compliance with the regional water board permits and requirements.

The requirements in existing law essentially place one product, "the self-regenerating softener", at a higher protected status than all other sources of salt pollution regulated by the state and regional boards.

Government Code Section 54739 et seq authorizes local agencies to regulate discharges from industrial (and commercial) sources. AB 2270 creates a level playing field -- and enables local agencies to also regulate salt discharges from residential sources caused by water softeners.

SUPPORT

WaterReuse Association (cosponsor)
Inland Empire Utilities Agency (cosponsor)
Assoc. of California Water Agencies
CA Alliance of Golf
California Assoc. of Sanitation Agencies
California Coastkeeper Alliance
California Farm Bureau Federation
CA Golf Course Sup. Assoc.
CA League of Food Processors
CA Municipal Utilities Association
CA Poultry Federation
Calleguas Creek Wtrshd Mgmt Comm.
Calleguas MWD
Central Solano Citizen/Taxpayer Group
Central Valley Clean Water Assoc.
City of Corona
City of Davis
City of Dixon
City of Fillmore
City of Los Angeles
City of Livermore Public Works Dept
City of Lompoc
City of Ontario
City of Roseville
City of San Diego
City of Santa Barbara Public Works Dept
City of Thousand Oaks
Coachella Valley WD
County of Los Angeles
County of Santa Barbara Public Works Dept
Co. Sanitation Districts of Los Angeles
East Bay MUD
Eastern MWD
Elsinore Valley MUD
Irvine Ranch WD
Las Virgenes Municipal WD
League of California Cities
Metropolitan WD of So California
Monterey Reg. Water Pollution Ctrl Agency
Monte Vista WD
Nisei Farmers League
Orange Co. Sanitation Dist.
Orange Co. WD
Planning and Conservation League
Salida Sanitary District
San Diego County WA
Sac Regional Wastewater Treatment
Santa Ana Watershed Project Authority
Santa Clara Valley WA
So Cal Alliance of POTWs (SCAP)
Solano County Taxpayers Association
Sonoma County Water Agency
Southern CA Water Committee
Three Valleys MWD
Union Sanitary District

United Water Conservation Dist
Valencia Water Co.
Vallecitos WD
Ventura Ag. Association
Victor Valley Wastewater Authority
Water Replenishment Dist of So. Cal.
Western MWD
Western United Dairymen

OPPOSITION

AAA Water Systems, Inc.
Agua Limpia
American Home Solutions
AmeriTek Industries
Aqua Blue
Aqua Blue
Aqua Kleen
Aqua Primo Water Systems
AquaTerra Water Service
Augie's Water Systems
B & D Quality Water, Inc.
Challenger Water International
Cirqua Customized Water
ClearWater Corp.
Crystal King
Culligan Quality Water Enterprises
Culligan Water Solutions
CUNO Inc. a 3M Company
Dupure International
EcoWater Systems
Environmental Aqua
Evans Plumbing
Executive Vending & OCS, Inc.
GE Consumer & Industrial
GE Water & Process Technologies
Good Water Warehouse
Howlett Consulting
Investment on Financial Capital
Kevin Shaw Plumbing
Kinetic Quality Water
Kinetic Water Systems
Life Ionizers
McCowin Enterprises
Morton Salt
Neftec Inc. DBA Ampac Water
Osmosis Technology, Inc.
Pacific Water Quality Association
Pat's Water Inc.
Pentair Water Pool and Spa
Performance Water Products
Plumbing Concepts, Inc.
Precision Installation Products

Puronic Water Systems
QMP, Inc
Quality Water, Inc.
Rain Soft Water Treatment Systems
Randazzo's Water Conditioning
Rayne Water Conditioning
South Bay Salt Works
Special T Water Systems, Inc.
TaylorMade Water Systems
Topway Global Inc.
Water Conditioning & Purification Magazine
Water Quality Association
Water Resources International, Inc.
Water Techniques
Water Warehouse
Weeks Drilling & Pump Co.
West Coast Services

FOR MORE INFORMATION

Kate Williams
Assemblymember Laird's Office
kate.williams@asm.ca.gov
(916) 319-2027

David Stammerjohan
Assemblymember Feuer's Office
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(916) 319-2042

Proposed IEUA Positions

May 30, 2008

SB 6XX (Machado) Water Bond – SUPPORT and seek amendment

Vehicle for possible November water bond measure. All provisions are under negotiations. Recommend that IEUA follow MWD's lead on conveyance provisions in the measure. The measure also contains \$250 million for recycled water, but \$100 million of those funds are set aside for areas where there is groundwater contamination. Recommend IEUA lead effort to delete this groundwater provision within the recycling section.

STATUS: Senate Natural Resources Committee (since this is a special session bill, it is not subject to regular session bill deadlines)

SB 344 (Machado) Bond Acquisition -- SUPPORT

Provides issuers of local government bonds the flexibility to buy back the bonds, restructure bond issues and offer re-formatted bonds at lower rates when the market is more favorable.

STATUS: Chaptered

SB 1391 (Padilla) Groundwater Recharge/Recycled Water – SUPPORT

Currently the bill reads:

"The state board shall prepare a plan, as soon as feasible, to assist California in achieving the water recycling goal set forth in Section 13577, consistent with state and federal water quality laws."

This bill is considered a placeholder for future groundwater recharge recycled water legislation, pending the outcome of the SWRCB's Water Recycling policy. The language allows the bill to continue to move forward in the legislative process and potentially be amended later to address issues not resolved by the Water Recycling policy.

In its previous form it would have removed restrictions to recharging groundwater basins with recycled water as long as the water met all public health standards. The bill directed the California Department of Public Health to set the standards, taking into account recommendations and existing salt management plans within the basin. DPH would ensure that the projects do not pose threats to public health. This version was unacceptable to the Environmental Quality Committee Chair and consultant and the environmental staff for the Senate Pro Tem.

STATUS: Assembly Environmental Safety and Toxic Materials 6/10

SB 1404 (Lowenthal) Water Use Plant Labeling

The measure would require, by 2010 that any wholesale distributor that sells plants in containers of five gallons or less to provide a label indicating the approximate water use of each plant for 6 climate zones. The measure is supported by MWD and opposed by the nursery industry.

Status: Assembly Agriculture 6/16

AB 1489 (Huffman) IRWMP Guidelines – Support

Establishes criteria for Prop. 84 guidelines for the Integrated Regional Water Management Program. Criteria include, public outreach, consideration of climate change and consideration of water quality concerns. According to DWR's IRWMP staff the bill's provisions are already being incorporated into their development of the IRWMP guidelines for Prop. 84. SAWPA is in support.

Status: Senate Appropriations

AB 224 (Wolk) Water/Climate Change – IEUA Sponsored

The bill would require DWR and the SWRCB and RWQCBs to consider climate change impacts in its publications and basin planning processes. It would also require climate change to be considered in the preparation of UWMPs. Additionally, the bill would require DWR and SWRCB to study the GHG reductions if the use of recycled water was greatly increased in the state.

The measure was held in Senate Appropriations last year. It has recently been slightly amended and as a result will be reheard in Senate Water and Natural Resources. There is a possibility that this move may increase the chances for the bill's passage out of the Senate.

Status: Senate Water and Natural Resources

AB 885 (Calderon) MWD Board – Recommend Support

Would authorize a member public agency to appoint one alternate representative for each additional representative that is appointed or selected pursuant to existing law. The alternate representative would be authorized to participate and vote in meetings in the absence of the representative for whom he or she is an alternate. The bill would provide that conflict of interest provisions apply to the alternate representative, as specified.

Status: Senate Local Government Committee 6/18

AB 2425 (Coto) Pharmaceuticals disposal – Recommend Support

Would require every pharmaceutical manufacturer that does business with the state to enter into a public-private partnership with DHS to advance public knowledge about pharmaceuticals in public drinking water supplies, as prescribed. The bill would require DHS to post links on its Internet Web site to other Web sites that have relevant educational information on the proper methods of handling and disposing of pharmaceuticals.

Status: Senate

AB 2175 (Laird) Water Conservation

Requires DWR to establish a statewide target to achieve a 20 percent reduction in urban per capita water use in California by 2020. By that date, under the bill, each urban water supplier would be required to reduce its per capita water use by 20 percent. It requires by 2009 for DWR to establish a statewide numeric water conservation target for agriculture. The bill is still a major work in progress. I have attached a concept paper from the author that details possible future amendments. MWD is in support.

Status: Senate

**AB 2046 (Jones) Groundwater -- OPPOSE
(Amended, May 28, 2008)**

As introduced, would have prevented the inclusion of groundwater supplies in a water supply assessment for a project unless the groundwater proposed to be used met all applicable state standards for the intended use. Also, prohibited the inclusion of groundwater in an UWMP unless it meets the applicable state standards on the date the plan is prepared. As recently amended the bill would require, where applicable, the identification of groundwater sources for which treatment capacity, remediation, or other water management options must be developed or expanded for the groundwater to provide a necessary part of the planned drinking supply. The bill would authorize the inclusion of a groundwater source that does not meet applicable state drinking water standards without treatment as part of the planned supply, if the plan includes specified documentation. The author has agreed to continue to work with ACWA, IEUA, RLC and CBIA on further amendments.

STATUS: Senate

AB 2501 (Wolk) Climate and Water Supply – Support Climate section

Almost identical to AB 224 (Wolk), which was sponsored by IEUA last year. Also includes funding from SB 1XX (Perata), which is a measure currently on the Assembly Floor. This funding section may be stripped out of the bill in the Assembly Appropriations Committee and may pass as part of the budget process.

STATUS: Senate

AB 2219 (Parra) Water Conservation -- Support

Promotes greater use of voluntary water conservation measures in new homes and buildings by ensuring that a project's water demand is adjusted to reflect achieved water savings. Requires water agencies and local government when quantifying a proposed project's water demand to verify and credit a project for water savings achieved through the use of voluntary conservation measures. Developers would pay for this quantification.

STATUS: Senate

AB 2270 (Laird/Feuer) Water Softeners/Water Recycling – IEUA Sponsor

Allows local public agencies to more easily limit the use of self-generating water softeners in areas where a RWQCB has declared there is a salt loading problem within the sanitation system. The bill is strongly opposed by the water softening industry. See cover memo for summary of Assembly actions.

STATUS: Senate

AB 2882 (Wolk) Allocation-based water pricing -- SUPPORT

Sponsored by IRWD, creates a voluntary allocation-based conservation water pricing. It is intended to encourage public water providers to voluntarily implement allocation-based water rate structures improving conservation among water users.

STATUS: Senate Natural Resources Committee

AB 2175
Concept Amendments
May 7, 2008

The current approach and suggested amendments for AB 2175 are summarized below. These concept amendments only include urban water use -- we do not have suggested amendments for the agricultural portion of the bill at this time. With these amendments we have tried to address many of the more significant questions that have been raised -- while still maintaining the key principles of the bill.

Key principles:

- Progress should be measured against each agency's own record --not between agencies.
- Credit should be given to agencies that have already significantly invested in water conservation and recycled water
- There is no single per capita number that all agencies should meet.
- An appeals process should be created to address special situations, such as to adjust the base per capita use to reflect significant changes in commercial or industrial use.
- Program administration and reporting should be simple for the water suppliers and state agencies.
- The bill should retain an agricultural water efficiency element.

Concept amendments:

1. For water suppliers whose per capita water use is more than 140 gpcd, require a 20 percent reduction in use by 2020, or a reduction to 140 gpcd.
2. To provide credit for past water conservation efforts --allow water suppliers with per capita water use of 140 gpcd or below to meet a 10% reduction in use by 2020.
3. Set a per capita level (100 gpcd?) at which no reduction is required by this bill.
4. Measure the reduction in water use from a base year during the last five years -- using an average water year appropriate to each water supplier/region.
5. Provide credit for water suppliers that have significantly reduced per capita use since mid-1990's (need to define significant). Credit could be in the form of lowering the percent reduction required for 2020.
6. Drop the establishment of a "high per capita".
7. Provide credit for recycled water by excluding recycled water from the calculation of per capita water use.
8. Include industrial and commercial water use in the calculation of per capita -- but establish an appeals/exemption process when the commercial and industrial use significantly changes.
9. Clarify that the bill only imposes requirements on retail water suppliers -- unless water suppliers choose to implement the requirements on a regional basis.
10. Exempt a water supplier from the requirements of the bill if the district is defined as a disadvantaged community -- unless the water supplier receives grant funding.

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Date: June 18, 2008
To: The Honorable Board of Directors
Through: Public, Legislative Affairs, and Water Resources Committee (06/18/08)
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: May Legislative Report from Agricultural Resources

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

Enclosure

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Agricultural Resources

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

May 28, 2008

Legislative Report

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

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

SU: Legislative Report, May 2008

Highlights:

- *GE Announces World-Wide Water Recycling Initiative*
- *Budget – Appropriations Process – Delayed Again*
- *Title XVI Support Effort*
- *Stimulus/Infrastructure – Status*
- *Boxer – Perchlorate*
- *Quagga Mussel Briefing (House and Senate)*
- *Drought Conditions/Water Supply*
- *News and Notes*
- *IEUA Working Partners*

GE Announces World-Wide Water Recycling Initiative with Simultaneous Announcements in Beijing, Brussels and Washington, DC. At three simultaneous world-wide events, GE released "Addressing Water Scarcity Through Recycling and Reuse: A Menu

for Policymakers -- a white paper outlining the policies and best practices currently being used to increase and implement successful water conservation programs in water scarce regions of the world.”

The GE statement also declared, “GE also announced its own commitment to reduce its own fresh water use by 20% by 2012. The new initiative is the world's most aggressive corporate water target to date and is expected to free up 7.4 million cubic meters (2 billion U.S. gallons) of fresh water a year... GE expects to implement water reuse technologies and/or process efficiencies at over 100 company facilities to meet the absolute water reduction target. GE is using the same portfolio of water-saving solutions to help reduce municipal, industrial and agriculture customers' water footprints.”

GE hosted a half-day conference in Washington (I attended). EPA’s Assistant Administrator, Water, Ben Grumbles, delivered a strong message in support of recycled water and Senator Bingaman, Chair, Senate Energy Committee also provided a statement. The WaterReuse Association’s Executive Director, Wade Miller, made a presentation, as did WEF’s Executive Director, Bill Bertera. Both Miller and Bertera discussed user challenges to consumer acceptance of recycled water.

There are positive implications of this initiative. GE lauched EcoMagination – a new programmatic approach to GE business several years ago. Now, with this new announcement, they’ve added “water” – and are focusing on stretching water supplies – through recycling. This is, almost by definition, a positive “building block for water recycling public-private partnerships.”

The Budget – Appropriations Process. Before the Appropriations process can begin, Congress must first establish a budget (and an overall, government-wide spending cap). After a budget is established, then, the Appropriations Committee “allocates” that overall cap to and among the 12 spending “buckets” (Appropriations Subcommittees). The House planned to bring up the Budget prior to the Memorial Day District Work Period. Due to technical complications with the farm bill, consideration of the Budget Resolution has been delayed. It is now anticipated that the Budget will be approved in early June. The Energy and Water Subcommittee advised that “they are now preparing for their markup” – and, in recent years, are always among the first bills to be acted upon (in the House).

Title XVI Support Effort. As previously reported, IEUA, along with numerous water districts, associations and other entities throughout the West, are engaged in a renewed campaign to increase funding for Title XVI in the current fiscal year (FY 2008) and the fiscal year that will begin on October 1, 2008 (FY 2009). Those efforts are on-going.

Stimulus/Infrastructure. There is no further word on a Stimulus bill – and if prepared – whether or not it would include Title XVI funding. However, discussions are on-going and recommendations are being made AS IF a bill will emerge before the end of the session. There

is no question that “election-year” politics will drive or block such a bill.

Perchlorate – Boxer Oversight Hearing. Last month, I reported that Senator Boxer’s Senate Environment and Public Works Committee announced that, in early May, would hold a full committee oversight hearing on perchlorate. From the moment Boxer gavelled the hearing open, it was contentious as can be. EPA’s Assistant Administrator for Water, Ben Grumbles, angered the Chairwoman and the Committee when he (a) was unable to provide any indication as to “when” federal standards would be finalized; and (b) then speculated that EPA “might not act to limit rocket fuel in drinking water.” Boxer was angry. To make matters worse, as Grumbles testified, Boxer and her staff were ready with “paper” from within EPA that contradicted his testimony. Grumbles came across poorly and his statement that EPA might not set a standard ended up making headlines across the country. Boxer previously introduced legislation mandating that EPA “set a standard” for perchlorate by a date certain. She made it clear that she does NOT want to move the bill, but foot-dragging from EPA was provoking her to do so. Congressional intervention in technical rule-making raises separate generic issues and a portion of the hearing was devoted to the implication of moving such a bill. All in all, a very rough hearing. CAL EPA’s George Alexeff also testified.

Quagga Mussel Threat – Briefings in House and Senate. In mid-May Water and Power Subcommittee Chairwoman Napolitano and Ranking Member Cathy McMorris-Rogers hosted a briefing on the Quagga Mussel Threat. MWD, Southern Nevada Water Authority, the Bureau of Reclamation. Later in the day, Senator Feinstein hosted a similar briefing in the Senate. The issue generated significant attention and the committee hearing room was packed with staffers from throughout the region, reps and others. This raises the issue back here for the first time.

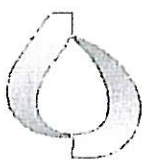
Drought Conditions and Water Supplies. According to the USDA and NOAA’s Drought Monitor, drought conditions persist throughout Southern California and throughout the Rocky Mountain/Colorado River region. The drought profile remained constant over the past several months – every State in the West is touched (at varying levels) except the State of Washington. Drought is centered on Southern California and the Colorado River Basin. California had bad news from a month ago (in the Sierras) and little changed since. As before, the Colorado River remains in a “deficit” posture.

News and Notes. Don Glaser, New Regional Director, Mid-Pacific Region, BuRec. Glaser was named by BuRec Commissioner, Robert Johnson, as the new Regional Director, Mid-Pacific (Sacramento). Earlier in his career, he spent 20 years with the Bureau, ultimately becoming Deputy Commissioner. He is an outstanding choice for that challenging position. ***Senators Feinstein and Harry Reid Introduce Climate Change Bill.*** The Majority Leader and Senator Feinstein introduced “Climate Change Drinking Water Adaptation Research Act. The purpose of the bill is to “enhance the ability of drinking water utilities in the US to develop and implement climate change adaptation programs and policies.” No indication when hearings might be held. ***Riverside County Water Recycling Bill Passes House, Bay Area Bill Enacted into Law.*** Water recycling is, increasingly, a “water solution of choice” for water districts and

communities throughout California. Congress believes in the program and continues to authorize new projects. *Kameran Onley Confirmed, Assistant Secretary of the Interior, Water and Science*. After confirmation hearings in April, Onley's nomination was cleared in Committee in early May and she was then confirmed by the full Senate a week later. *Sewage Monitoring Bill Approved in House Subcommittee*. The water subcommittee on Transportation and Infrastructure approved legislation that would require sewage treatment plants to monitor for and publicly report hazardous sewage releases within 24 hours. This bill also directs EPA to develop formal rule-making upon enactment. *LA Mayor, Villaraigosa Rethinks Position on Water Recycling – Now Supports It*. In 2001, Villaraigosa opposed water recycling. Today, he's changed his mind – and said so publicly. *House Science Committee – Water and the 21st Century Oversight Hearings*. The House Science Committee held hearings on the "future of water." More and more, new committees and subcommittees are beginning to understand the significance and importance of water. *Brown and Caldwell's California Water News Devotes Special Issue to Water Recycling*. This daily water newsletter is well known throughout California. In late May, they issued a SPECIAL EDITION devoted to Water Recycling and Water Reuse. This is a "small indicator" of the growing significance and importance of recycled water. *Feinstein to Governor on Perchlorate Settlement – Polluter Pays*. In mid-May, Senator Feinstein sent the Governor a letter urging that any settlement between State Agencies and polluters include the obligation to provide "clean water."

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: June 18, 2008

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (06/11/08)

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/Workshop

- May 29, Tour of Park and RP-5 for Students from St. Marks Elementary School.

Calendar of Upcoming Events

May 2008

- May 29, GIES dedication at Chaparral Elementary in Chino Hills, 6:00 p.m.

June 2008

- June 5, Three Valleys Municipal Water District Leadership Breakfast, Sheraton at the LA Fairgrounds, 7:30 a.m.
- June 6, GIES dedication at Los Amigos Elementary in Rancho Cucamonga, 8:30 a.m.
- June 13, GIES dedication at Oak Park Elementary in Fontana, 10:00 a.m.
- June 18, IEUA's 5th Anniversary in LEED HQ, noon to 1:30 p.m.
- June 18, State of the City of Chino Hills Address at the Shoppes at Chino Hills, 4:15p.m.
- June 26, IEUA hosted Blood Drive

August 2008

- August 14, 2nd Annual San Bernardino County Water Conference, Ontario Convention Center

Public Outreach and Communications
June 11, 2008
Page 2

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

Two-page Water Awareness, May 29.

WATER CONSERVATION OUTREACH

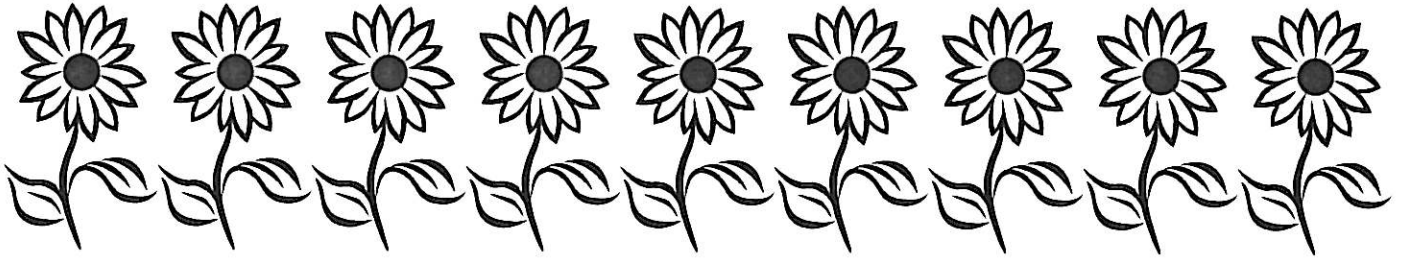
IEUA's Conservation Partners are working on an ad campaign to "launch" this summer.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.



CHINO BASIN WATERMASTER

VII. INFORMATION

1. IEUA Supports Governor's
Emergency Drought
Declaration





Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

IEUA Supports Governor's Emergency Drought Declaration

"The water we save today is the water we'll need tomorrow"

For Immediate Release:

June 5, 2008

Contact:

Sondra Elrod 909 993-1747

Inland Empire, CA – The Board of Directors of the Inland Empire Utilities Agency (IEUA) called upon residents of the Chino Basin to reduce water use now, as we enter the hot dry months of summer, to help California address one of the most serious water situations that has faced the state in over a decade.

"The Governor did the right thing in proclaiming a drought and calling upon all of us to help conserve water," said IEUA Board President Wyatt Troxel. "We have been tracking the water situation closely and recognized last year that unless we received significant amounts of rainfall, the entire state would be in serious trouble this year. What the Governor's statement yesterday means is that we are in serious trouble."

The restriction of water supplies is, in part, the result of a record dry spring that has dramatically decreased the runoff from the Sierra Nevada snowpack. Environmental problems in the San Francisco Bay Delta are also part of the problem because the courts have forced Metropolitan Water District of Southern California (MWD) to reduce the amount of water that can be pumped from this endangered ecosystem. "We need to let our consumers know just how serious our water supply condition is," stated IEUA Board member Gene Koopman, who also serves as IEUA's representative on the MWD board. "MWD will use about one-quarter of its critical reserves this year. If current water supply conditions persist, we could exhaust our stored reserves in just a few years, meaning mandatory water rationing for our region. To avoid strict rationing, we must immediately step up our efforts to use water more efficiently."

Last year, IEUA and its member agencies started to 'step-up' development of new local water supplies to help drought-proof the Chino Basin. The Regional Recycled Expansion Program will develop an additional 50,000 acre-feet of recycled water within the next 3 years. The Agency's goal is to have all public spaces such as parks, median strips and schools irrigated with recycled water. "As a result of this program there is 15,000 acre-feet of drinking water supplies freed up for other uses in our service area – this is a big win," commented Troxel. "By 2010, we expect to be able to deliver an additional 50,000 acre-feet."

The mission of the Inland Empire Utilities Agency is to supply imported drinking water and recycled water, collect, treat and reuse of wastewater and provide renewable electrical energy and compost to the communities it serves.

Media Alert:
June 5, 2008

Press Conference

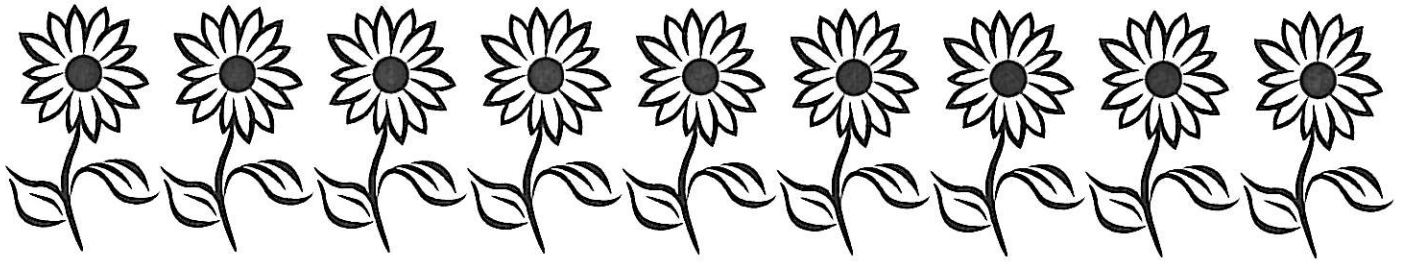
Water Supply Alert
June 12, 2008

In response to Governor Schwarzenegger's proclamation of statewide drought on June 4th, and Metropolitan Water District of Southern California's board of directors considering adopting a resolution on June 10, declaring a "Water Supply Alert," the Inland Empire Utilities Agency and its local retail water agencies - the cities of Chino, Chino Hills, Ontario, Upland, Cucamonga Valley Water District, Fontana Water Company, Monte Vista Water District, and San Antonio Water Company - are joining together to hold a press conference on June 12, 2008.

What: An opportunity for the press to hear from our local elected officials on how serious the water situation is and what is being done locally to use water more efficiently.

Where: Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, California 91708

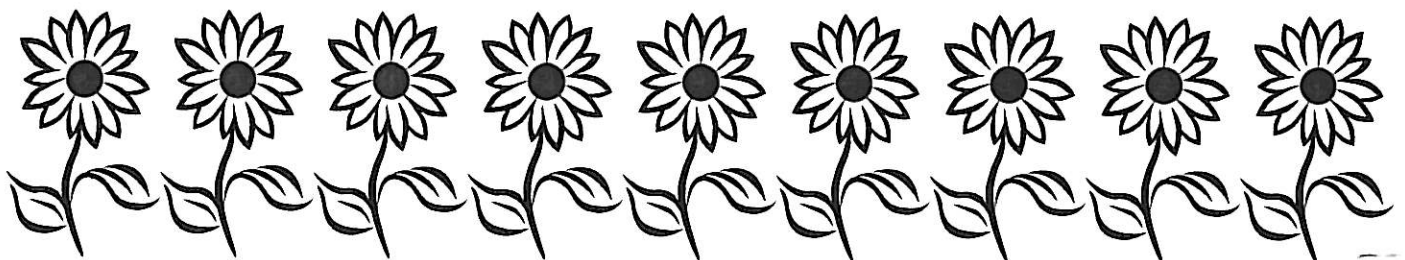
When: 2:00 p.m.



CHINO BASIN WATERMASTER

VII. INFORMATION

2. Newspaper Articles



dailybulletin.com

Specialist urges focus on water-use

Robert Rogers, Staff Writer

Article Created: 05/28/2008 10:08:54 PM PDT

SAN BERNARDINO - It's time Southern California civic planners, city officials and residents rethink how they use water.

In fact, water needs to a bigger part of every decision, said Brad Buller, a Rancho Cucamonga-based consultant specializing in municipal land and water uses.

"About 70 percent of the water we use is put into our landscaping," Buller said. "The state is going to tighten this up."

Gov. Arnold Schwarzenegger signed a bill into law in 2006 mandating that cities implement new landscape conservation ordinances to comply with strict water-saving standards by 2010.

With that deadline fast-approaching, Cal State San Bernardino's Water Resources Institute scheduled four educational sessions aimed at providing local city planners and staff with ideas and plans to meet new requirements.

Called the Upper Santa Ana Landscape Alliance, the partnership is among the Cal State San Bernardino Water Resources Institute, the San Bernardino Valley Municipal Water Department and a handful of local retail water agencies.

The informational sessions, the first of which was held at San Bernardino's City Hall Wednesday morning, are specifically for cities in the Upper Santa Ana River watershed, which cannot only learn best practices but provide an opportunity for water-saving partnerships.

With cities scrambling for tactics to meet the coming toughened state requirements, water conservation experts hope laws help to usher in a new era of water conservation in a way that prices have not. While costs for energy, especially gasoline, have soared and made major dents in personal behavior and energy consumption, relatively cheap water bills provide little incentive to rein in use.

"We know we don't have water to waste," WRI Director Susan Lien Longville said to about 20 people, mostly planners and other government staff from surrounding cities. "It's all about changing (public) behavior."

County Supervisor Josie Gonzales was also on hand. She told attendees that real-estate developers must be made partners in building water-saving projects. She pointed to Muscoy, a county pocket in her district, as an example of government working with developers. She said new construction would occur there in 18 to 24 months, and assured that plans for indigenous desert plants and other modifications were water-friendly.

Buller stressed a number of measures cities could adopt to make long-term dents in water consumption, including landscaping ordinances

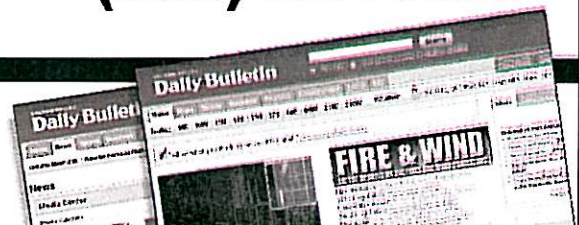
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that require indigenous desert plants and rebates on "smart controller" devices that conserve water by adapting sprinkler systems to weather conditions.

Buller likened water conservation today to recycling decades ago.

"Right now, recycling is just normal (behavior)," Buller said. "Water is not at that same level, but it needs to be."

Future meetings are scheduled at city halls in Rialto, Yucaipa and Highland. **WATER PROVISIONS**

AB 1881, a water conservation measure, will hold cities to tighter standards by 2010.

Among the provisions:

Requires the California Department of Water Resources to develop - and local agencies to adopt - an updated landscape water conservation ordinance. Local agencies can adopt their own standards if they exceed state rules.

Requires the California Energy Commission to adopt performance standards for irrigation equipment.

Prohibits common interest developments (such as condominiums) from restricting the use of low water-using plants.

Source: Water Resources Institute

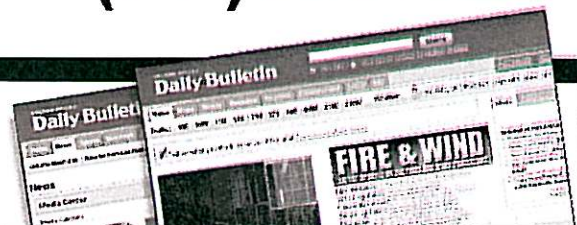
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Lying water district director pressured to resign

Will Bigham, Staff Writer

Article Created: 05/20/2008 07:34:35 PM PDT

: [Alvaraz plea](#)

Audio MP3: Alvaraz making medal claim

A director at the Three Valleys Municipal Water District said he will publicly call for the resignation this morning of Director Xavier Alvarez.

Brian Bowcock said Alvarez's false claim that he won the Medal of Honor has embarrassed the district and bogged down staff members who continuously field calls and receive e-mails from people outraged over Alvarez's lies.

Bowcock said he will urge Alvarez to resign after reading a three-page list of what he says are Alvarez's lies at this morning's board meeting.

If Alvarez refuses to resign, Bowcock said he will urge his fellow board members to approve a symbolic, nonbinding resolution calling for Alvarez's resignation.

Alvarez could not be reached for comment.

Bowcock, who represents La Verne and Claremont, said he has received "continued questions about why the board has not followed

through and asked for his resignation publicly. And that is why I'm doing it."

Bob Kuhn, board president, said, "I think there's a strong feeling on the board that we're spending way, way, way too much time on this guy's misgivings."

In addition to calling for Alvarez's resignation, Bowcock said he intends to formally lodge a complaint with the California Fair Political Practices Commission over Alvarez's false claim on the November 2006 ballot that he is an engineer.

He also said he will follow up with the Los Angeles County District Attorney's Office to inquire about its progress in investigating Alvarez's registration of his ex-wife for district health benefits.

Bowcock said he will also call publicly on south Pomona residents to recall Alvarez.

"It's time to get together as a community and recall Mr. Alvarez as your representative on the Three Valleys board," Bowcock said. "That is what I'm after, and I made it pretty plain in my statement."

Bowcock said that he and other board members are constantly asked at official functions and in other public settings about Alvarez's status on the board.

After Alvarez was quoted last month calling his fellow board members "Neanderthals" in

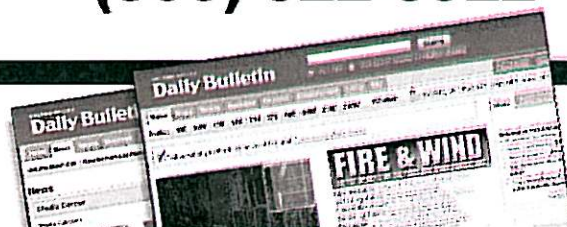
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reference to their age, Bowcock said he received five phone calls - both at home and on his cell phone - from people who made monkey and ape sounds before hanging up.

"I wanted to wait until his federal court issue is over, and he has pleaded guilty," Bowcock said. "... I want the next step to be this, which is ask for his resignation at a public meeting."

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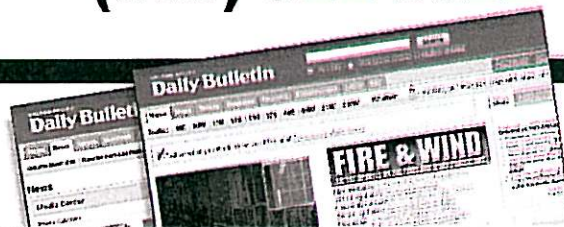
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Committee examines water conservation

JCSD meeting focuses on project funding, legislation

Liset Marquez, Staff Writer

Article Created: 05/28/2008 09:21:13 PM PDT

MIRA LOMA - Conservation was the theme for the Jurupa Community Services District's Legislative Committee earlier this week.

The committee discussed local JCSD projects Tuesday, as well as bills on the state and federal level that tackle water conservation.

In mid-February, committee members Ken McLaughlin and Cook Barela went to Washington, D.C., to meet with Rep. Ken Calvert to discuss acquiring federal funding for some water-related projects.

The district provides water, sewer and streetlight service in a 48-square-mile area in the unincorporated areas of west Riverside County.

Andrea De Leon, a governmental affairs consultant for the district, said the Riverside Republican congressman's office has provided updates on the status of the projects, which she said are still going through the funding process.

At the top of the district's list is funding for its

100-year flood protection project to provide riverbank reinforcement at one of the district's plants in Mira Loma.

Funding also is sought to secure emergency service generators for the district's water well pumps, as well as for its ion exchange plant expansion project, which will improve groundwater treatment.

The committee reviewed three proposed Assembly bills that would reduce water consumption by 2020.

AB 2153 would require residential and commercial developers to implement feasible and cost-effective water efficiency measures.

Barela asked the committee to consider adopting an ordinance similar to the legislation.

"It's something that this district should go ahead and support because then we have more control," Barela said.

De Leon said one of the drawbacks about the bill is that it would create more work. She said the district would have to police the developers to make sure they have taken the right measures.

Eldon Horst, general manager for JCSD, said the district should get feedback from the Building Industry Association as to whether it is feasible.

AB 2175 aims to reduce water usage in the state by 20percent by 2020. One of the issues with this bill is that there is no benchmark year from

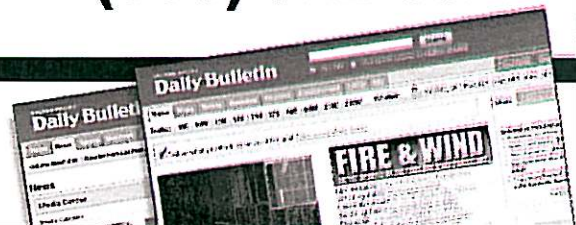
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which the reduction would be calculated, De Leon said.

Horst said this bill poses a problem for developing areas such as the Jurupa Valley. He said it will be too hard to reduce water usage when there are high demands.

McLaughlin said one way for the district to tackle the issue is by offering some sort of incentive program to those who have reduced their water.

AB 2219 is a bill sponsored by the Building Industry Association that asks city or county agencies to come up with voluntarily water demand management measures.

De Leon said it might be worth the committee's time to meet with local representatives from the association to adopt a similar measure.

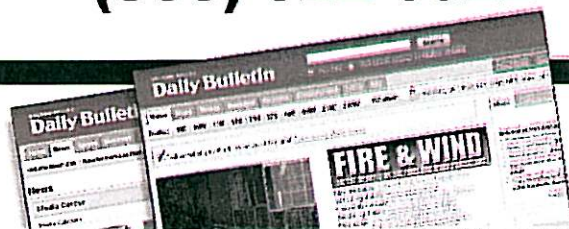
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Homebuilder to pay \$300,000 for wastewater discharge into San Jacinto River



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10:00 PM PDT on Tuesday, May 13, 2008

By JENNIFER BOWLES
The Press-Enterprise

Shea Homes agreed to pay \$300,000 to settle charges the builder allowed 108,000 gallons of manure-laden wastewater to flood a major street, enter a storm drain and make its way to the San Jacinto River, officials said Tuesday.

Representatives for Shea Homes, based in Walnut, did not return calls seeking comment.

The charges stem from an April 25, 2005, discharge of wastewater from ponds at a dairy farm in San Jacinto that was being converted to a site for new homes. As crews tried to manage flooding from the wastewater, they dug a trench and sparked an explosion by striking a pressurized natural gas line, said Kurt Berchtold, assistant executive officer with the Santa Ana Regional Water Quality Control Board.

The wastewater flooded Ramona Boulevard and entered a storm drain leading to the river. The case was investigated by the water board and the Riverside County district attorney's office.

Investigators concluded that Shea's lack of planning and negligence caused the discharge, Berchtold said. State law requires homebuilders to have a plan to address potential pollution sources and measures to control them.

According to the settlement, Shea agreed to pay \$100,000 as a civil penalty to the district attorney's office and \$200,000 to a cleanup fund managed by the state Water Resources Control Board.

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

Or check out her blog at www.PE.com/blogs/environment

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Upland looks to become a local alternative energy leader

Lori Consalvo, Staff Writer

Article Launched: 05/02/2008 11:18:48 PM PDT

UPLAND - The city is looking to become a local leader in alternative energy options.

Councilman Ken Willis, at this week's council meeting, requested the idea of initiating rooftop solar development, among other energy efficient options, be researched and eventually recommended by the Public Works Committee.

Upland has been moving forward with efficient water plans for the city. In two years, it plans to use reclaimed water to irrigate establishments like the local golf courses, city parks, schools and the Euclid Avenue median.

But now city officials are trying to figure out how to use photovoltaic solar cell systems - electricity made from sunshine - to power buildings like fire stations, the library, and City Hall.

"In Los Angeles, both the city and the school district are working to develop solar cells for rooftops of the city buildings," Willis said. "That's something we could do here."

But, he said, "Trying to make things happen is always complicated and takes a while."

Willis, who chairs the Public Works Committee, said the panel will begin evaluations on the subject of solar energy in hopes of making it a reality.

Once the committee has some concrete ideas, the next step will be public hearings to gather feedback.

However, Willis said they need the public's opinion even in the earliest stages.

"We are very interested in (talking to) citizens-engineers, technicians, business people - who have experience with alternative energy," he said.

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Los Angeles Times



<http://www.latimes.com/news/opinion/la-ed-water18-2008may18.0.4724326.story>
From the Los Angeles Times

THE GREAT THIRST

Tapping into the future

The mayor's water conservation plan is a worthy first step.

May 18, 2008

It's long past time for Los Angeles' leadership to get serious about saving water -- and Mayor Antonio Villaraigosa's new water-supply action plan is a responsible effort to move beyond our hysterical past to a reasonable future.

Designed to make sure the city can meet all of its new demands for water through conservation and recycling, the plan calls for enforcing a 1991 ordinance restricting water use, including prohibitions against hosing down driveways and watering lawns in the middle of the day. It lays out a strategy to recover some of the millions of gallons of rainwater that flow to the ocean each year and promises to push the federal government to clean up the San Fernando Groundwater Basin, a key source that also happens to be a Superfund site. The city will spend \$2.3 million on an awareness campaign. It will offer rebates for efficient appliances. It will install "smart irrigation controllers" in parks and will require new development to comply with green standards.

It was tiresome, if somewhat predictable, that the media focused on just one aspect of the plan: water recycling for indirect potable use, sometimes referred to, vividly, as "toilet to tap." Gerald A. Silver, president of the Homeowners of Encino and an opponent of an earlier recycling program, told The Times it was "grossly unfair" for the mayor to decide that residents should reuse water.

Enough, already. Perhaps -- *perhaps* -- there was reason to fret in 2000, when politicians across the city, including Villaraigosa, forced the Department of Water and Power to shutter a spanking-new, \$55-million plant that processed sewage to make it safe to return to underground aquifers. Back then, recycling technology was still too expensive, and water still seemed too plentiful, for this worthy project to overcome its howling opponents. It didn't help that the city kept the public out of the planning process.

Today, Los Angeles gets almost 90% of its water from outside sources -- all of which are under pressure. Imports from the State Water Project, for example, could drop 30% this year and are expected to remain low indefinitely, no matter how much it rains or snows in winters to come. If Los Angeles hopes to thrive, it must turn to local water supplies to make up for shortfalls. Recycling technology has improved. Orange County has already started recycling water for indirect potable reuse. The mayor said he plans to reach out to residents, as Orange County did, to make the case for recycled water. He must follow through.

Los Angeles residents must follow through as well. DWP officials say the utility will expand its incentive programs to encourage homeowners to cut back on outdoor water use, which accounts for 40% of residential consumption in the city. Homeowners must take advantage of offers like these and must install landscaping that is more water-friendly. In return, the city should do what it can to remove the red tape that can make it difficult for well-intentioned folks to experiment with water-saving projects, such as using gray water in the garden and installing permeable driveways and hardscapes that recover storm water.

We in Los Angeles live in a dry land with precious little local water. We need to recognize that we can no longer go out and grab water wherever we can find it, whenever we need it. This means not standing in the way of projects, including recycling, that will make Los Angeles more self-sufficient.

The mayor's plan won't get us all the way there -- it doesn't address incentive pricing, a key component to reducing use, nor does it set aside all the money to pay for the new initiatives (though federal and state funds are available). But it lays a good foundation for the aggressive action the city will have to take to save water for decades to come. Antiquated attitudes about reuse can't be allowed to thwart these essential first steps.

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May 16, 2008

Los Angeles Eyes Sewage as a Source of Water

By [RANDAL C. ARCHIBOLD](#)

LOS ANGELES — Faced with a persistent drought and the threat of tighter water supplies, Los Angeles plans to begin using heavily cleansed sewage to increase drinking water supplies, joining a growing number of cities considering similar measures.

Mayor [Antonio R. Villaraigosa](#), who opposed such a plan a decade ago over safety concerns, announced the proposal on Thursday as part of a package of initiatives to put the city, the nation's second largest, on a stricter water budget. The other plans include increasing fines for watering lawns during restricted times, tapping into and cleaning more groundwater, and encouraging businesses and residents to use more efficient sprinklers and plumbing fixtures.

The move comes as California braces for the possibility of the most severe water shortages in decades.

Snowfall in the Sierra Nevada, which supplies about a third of Los Angeles's water, is short of expectations. At the same time, the Western drought has lowered supplies in reservoirs, while legal rulings to protect endangered species will curtail water deliveries from Northern California.

Worsening the problem, Los Angeles is expected to add 500,000 people by 2030, forcing the city to examine new ways to meet demand. One option off the table, Mr. Villaraigosa said, is a repeat of the city's troubled history, fictionalized in the movie "Chinatown," of diverting a distant river southward to slake the city's thirst.

The city, pushed by legal claims, is already paying millions to restore dried-up portions of the river, the Owens.

"There simply are no more holes or straws to pitch," Mr. Villaraigosa said at a news conference at a water plant.

Many cities and towns across the country, including Los Angeles, already recycle wastewater for industrial uses and landscaping.

But the idea of using recycled wastewater, after intense filtering and chemical treatment, to replenish aquifers and reservoirs has gotten more notice lately because of technological advances that, industry leaders say, can make the water purer than tap water. San Diego and South Florida are also considering or planning to test the idea, and Orange County, Calif., opened a \$481 million plant in January, without much community resistance, that is believed to be the world's largest such facility.

None of the proposals or recycling projects already under way send the treated water directly into taps; most often the water is injected into the ground and gradually filters down into aquifers.

That is what Los Angeles would do, too. But the city abandoned that idea seven years ago in the face of political opposition, and is likely to face some debate about it now.

Fran Reichenbach, a founder of the Beachwood Canyon Neighborhood Association, one of the groups that opposed the plan, said she remained unconvinced the water would be safe.

"I appreciate them trying to save us in a time of water shortage, but the fact remains the kind of toxins and chemicals that are created on daily basis cannot be tested for," Ms. Reichenbach said, disputing industry claims to the contrary. She said the group would push for independent testing and analysis of the treated water.

But Mr. Villaraigosa and H. David Nahai, the general manager of the Department of Water and Power, said they would push forward.

It will cost about \$1 billion to retool the water works to treat the sewage, capture more rainfall and make other improvements. The money, city officials said, will come in part from state grants and fees on polluters, though they have not ruled out increases in water bills as well. The City Council must approve some of the changes.

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Drought declared for state

Driest-ever conditions in north prompt Schwarzenegger's action

Matthew Wrye, Staff Writer

Article Created: 06/04/2008 09:40:33 PM PDT

Two years of extremely low rain and snowmelt on Northern California mountains prompted Gov. Arnold Schwarzenegger on Wednesday to declare a statewide drought.

Local water wholesale and retail representatives weren't surprised by Schwarzenegger's decision.

Coupled with the largest court-ordered restrictions on water transfers in state history, the governor and top water officials said residents and water managers must cut water use now or face rationing next year if another dry winter follows.

"This region has been in a drought for the last eight years," said Stacey Aldstadt, general manager of San Bernardino Municipal Water Department, which serves San Bernardino. "But for the first time, we have multiple dry years in both Northern and Southern California."

The department declared a Stage 1 emergency on Tuesday, which means it will ramp up its water conservation messages to government agencies and the public. A Stage 3 emergency

would mean mandatory rationing.

The San Bernardino area hasn't been this dry since sometime in the 1960s, Aldstadt said.

Jack Nelson, assistant general manager of Yucaipa Valley Water District, said he doesn't think the Yucaipa area is in a drought, but "it is a concern."

"Hopefully we won't get to that point," Nelson said. "We've been working to drought-proof ourselves as much as possible."

Both Aldstadt and Nelson weren't sure how the governor's actions would affect their operations, if at all.

In response to the governor's declaration, the Metropolitan Water District of Southern California said it will consider issuing a water supply alert next week. Metropolitan said that it is already drawing on its significant reserves and "there is no guarantee Southern California can replenish reserve supplies whenever this drought cycle ends. It is vital to stretch our reserve supplies for as long as possible."

The Metropolitan Water District is a consortium of 26 cities and water districts that provides drinking water to nearly 18 million people in Southern California.

Schwarzenegger said the last three months have been the driest in recorded history for areas of Northern California that supply most of the state's water.

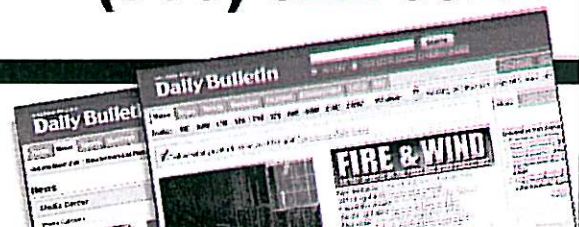
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Dan Walters: Parties far apart on fixing California's budget deficit

By Dan Walters - dwalters@sacbee.com

Published 12:00 am PDT Friday, June 6, 2008
Story appeared in MAIN NEWS section, Page A3

What could be an epic battle over how to close a \$15 billion-plus deficit in the 2008-09 state budget began in earnest Thursday when the Assembly's Democratic majority unveiled its version, which includes more than \$6 billion in new revenues.

Karen Bass, the new speaker of the Assembly, and her colleagues contend the revenues can be raised from closing unspecified tax loopholes "without impacting ordinary Californians or harming the economy." Republicans – whose votes would be needed to pass a budget – have already rejected that approach as being new taxes by another name.

Gov. Arnold Schwarzenegger is somewhere in the middle, saying he opposes new taxes but is open to loophole-closing. Democrats, however, flatly reject his call for budget process changes that, among other things, would give him more power to make unilateral spending cuts.

Bass unveiled the alternative budget during a presentation to the Sacramento Press Club in which she criticized the "risky assumptions" of Schwarzenegger's latest budget and hailed the Democrats' version for rejecting the governor's proposed cuts in projected education and health and welfare spending. The state Senate, also controlled by Democrats, is expected to propose a similar approach that also includes new revenues.

The Assembly's version adopts Schwarzenegger's plan to "securitize" the state lottery, borrowing against projected future profit increases, and would use about \$5 billion of that loan to close the gap in 2008-09, albeit somewhat differently than the governor proposes. The Assembly would devote the remainder of the lottery loan to paying off state debts rather than creating the "rainy-day fund" that Schwarzenegger wants, apparently because the Democrats envision that permanently increased revenues would negate the need for more reserves.

All in all, it's entirely likely that some form of the lottery scheme will make its way into the final budget, whenever that occurs, but that would still leave at least a \$10 billion gap to be filled either with spending reductions or new revenues. And that will be the pivotal point of the forthcoming budget battle.

The state constitution says the budget is to be enacted by June 15, a date that's only rarely met. The next deadline is July 1, when the new fiscal year is to begin, but that's likely to pass without a budget as well.

After that, the target date would be somewhere around Sept. 1 for two reasons – the state could face a cash crunch in August, unable to pay its bills without borrowing more money from Wall Street bankers, and the first part of September probably is the drop-dead date for placing something before voters on the November ballot. It's generally agreed that any fundamental change in the state lottery to make it attractive to would-be lenders would have to be approved by voters.

There is a third reason as well: The Legislature is supposed to end its 2008 session on Aug. 31.

Whether a budget can be hammered out by then is very problematic, given the rigid ideological positions of both parties on the interrelated issues of spending and taxes as well as the declining public standing of Schwarzenegger, who has almost no power to pressure even fellow Republicans into voting his way on any issue.

Chances are pretty strong, therefore, that the state will be pleading with bankers in August to issue short-term loans called "revenue anticipation warrants" that would provide liquidity to a depleted state treasury and allow California to continue to pay its employees and send aid to school districts and local governments that are dependent on injections of cash from Sacramento.

Issuing "RAWs," as they are called, would buy some time but also would reduce pressure on Schwarzenegger and lawmakers to make a deal.



Drought prompts call for building moratorium

Liset Marquez, Staff Writer

Article Created: 06/05/2008 11:11:11 PM PDT

The impending water shortage facing California this summer has prompted one elected official to suggest a moratorium on development.

R.M. "Cook" Barela, president of the Jurupa Community Services District board in Mira Loma, has suggested a halt on development in the Jurupa Valley while the water shortage exists.

"We ought to put all development on halt until we have a plan," he said.

The board will discuss the issue on Tuesday at its water committee meeting, said Eldon Horst, general manger of the district, which provides water, sewer and street-light service in 48 square miles of unincorporated west Riverside County.

Barela's proposal comes on the heels of Gov. Arnold Schwarzenegger's announcement Wednesday declaring that the state is in a drought and asking water districts and agencies to promote water conservation.

The state's situation is the result of a number of factors, including a low-rainfall spring and below-average rainfall for two years.

Adding those factors to a decision in federal court drastically cutting the amount of Northern California water to be sent south bodes real problems for the coming months.

Barela said he favors putting a hold on issuing letters of water availability - certificates saying a development will receive sufficient water supplies - for two years.

Barela said the moratorium would probably not have an immediate impact because development is mostly at a standstill due to the economy.

Not everyone is willing to halt development right now.

"I really don't think we need to be at the moratorium point of decision. If people are responsive to the governor's call, if people conserve, we won't need to be at that point," said Celeste Cantu, general manager of the Santa Ana Watershed Project Authority, which oversees the Santa Ana River watershed.

Other avenues can be taken other than stopping development altogether, said Richard Atwater, general manager of the Inland Empire Utilities Agency.

"We need new development, new jobs," Atwater said. "Let's make sure it mitigates the water supplies."

His agency provides imported drinking water and recycled water as well as collects, treats and reuses wastewater for communities in San

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Bernardino County's West End.

At the state level, there are several efforts going on that would conserve water. Among those proposed is AB 2175, which aims to reduce water use in the state by 20percent by 2020.

One of the issues with this bill is that there is no benchmark year from which the reduction would be calculated, Atwater said.

"We're reaching our limit of surplus water," Atwater said. "We're facing water shortage and every community needs to do their best to conserve water. We can't afford to waste water."

The use of recycled water is not new for the Inland Empire Utilities Agency - new projects must incorporate recycled water.

"We need to look at smart irrigation, and we need to get all the new developments water-efficient," Atwater said.

The Preserve in Chino and new developments in Ontario use recycled water for outdoor irrigation. Homes in The Preserve use one-third less water than a home built in Chino 20 years ago, Atwater said.

Cantu said one of the problems is that many people over-water their lawns. If people cut that in half, it would result in a savings of 30 percent of all the water used in the state, she said.

Horst said the decision on a moratorium would ultimately have to come from the board. Horst

said that board members are given data which projects water supply for the next five years.

"The agencies that I have known to do a moratorium don't know where their water is coming from in the foreseeable future," Horst said. "That's not the case in Jurupa."

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Three Valleys water board asks member to resign

Will Bigham, Staff Writer

Article Launched: 06/18/2008 08:58:37 PM PDT
 The Three Valleys Municipal water board approved a resolution Wednesday calling on board member Xavier Alvarez to resign.

The vote was 6-1, with Alvarez opposed, after several board members and speakers from the audience used harsh language to criticize Alvarez.

Alvarez has pleaded guilty to a federal charge connected with his false claim that he won the Medal of Honor. He never served in the military.

He also is being investigated by the Los Angeles County District Attorney's Office for the potentially criminal act of signing up his ex-wife for district-paid health benefits.

Despite the pressure to resign, Alvarez said he had no intention of leaving his seat.

Alvarez was censured by the Claremont-based district board in October after his alleged misuse of health benefits was exposed. And it now appears that Alvarez will soon face a recall campaign in his south Pomona district.

At Wednesday's meeting, former Pomona

Councilman Marco Robles announced that a seven-member committee had formed to recall Alvarez.

"The voters are fed up," Robles said. "They are not going to allow him to continue down this path without consequences."

Robles and Alvarez have long been political foes. Alvarez made several unsuccessful attempts to recall Robles from his City Council seat.

Robles said his history with Alvarez was not his motivation in seeking Alvarez's recall.

Since federal charges were filed against Alvarez in September, water board meetings have become more tense every month.

Initially, public criticism of Alvarez was expressed mostly by local veterans.

But as the attention on Alvarez has grown, board members have become increasingly vocal in their criticism.

"I would like to ask you to just leave," said David De Jesus before Wednesday's vote.

He urged Alvarez to simply stand up and leave the dais, adding: "We'll take care of the paperwork."

Board member Joseph Ruzicka called Alvarez "a convicted liar."

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Jim Frost, former Rancho Cucamonga mayor and a war veteran, called Alvarez "a liar, a thief and a fraud."

During an interview after the meeting, Alvarez said he "couldn't care less" that his colleagues had approved a resolution calling for his resignation.

He accused the board of bigotry and said "they're full of human waste."

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