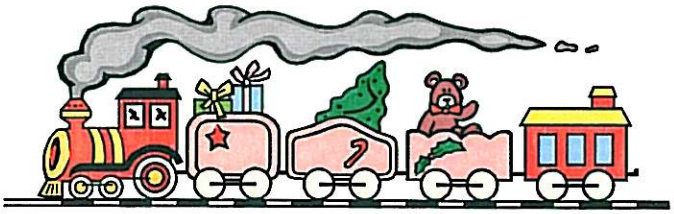
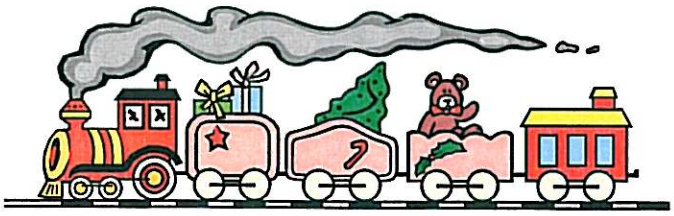

CHINO BASIN WATERMASTER

III. REPORTS / UPDATES

D. INLAND EMPIRE UTILITIES AGENCY

4. Recycled Water Newsletter
5. Monthly Water Conservation Programs
6. State and Federal Legislative Report
7. Community Outreach/Public Relations
8. IEUA Regional Conservation Programs
9. Annual Water Use Report for IEUA Service Area


CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

December 18, 2008

AGENDA

INTERAGENCY WATER MANAGERS' REPORT

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

Discussion Items:

- Dry Year Yield Expansion Program – Preliminary Design Report – oral
- MWD Water Supply Allocation Plan Update - oral
- IEUA Draft "Strawman" Drought Plan - oral

Receive and File:

- Recycled Water Newsletter
- Monthly Water Conservation Programs Report (includes Monthly Imported Water Deliveries Data)
- State and Federal Legislative Reports
- Community Outreach/Public Relations Report
- IEUA Regional Conservation Programs Annual Report FY 07-08
- Annual Water Use Report for IEUA Service Area FY 07-08

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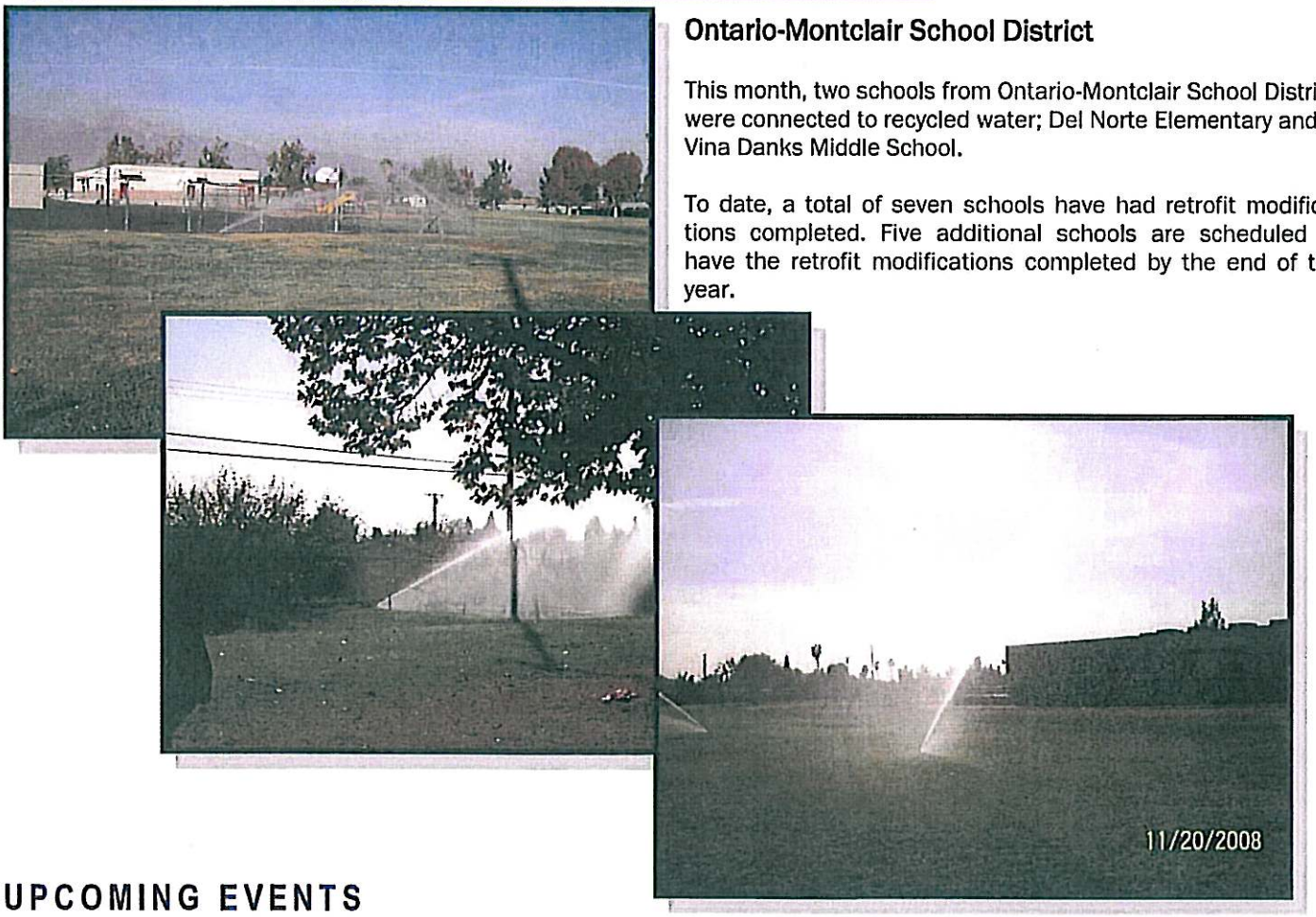
IEUA

DECEMBER 2008
RECYCLED WATER PROGRAM NEWSLETTER

Highlights:

MEMBER AGENCY'S UPDATES



Ontario-Montclair School District

This month, two schools from Ontario-Montclair School District were connected to recycled water; Del Norte Elementary and Vina Danks Middle School.

To date, a total of seven schools have had retrofit modifications completed. Five additional schools are scheduled to have the retrofit modifications completed by the end of the year.

UPCOMING EVENTS

- Red Team Meeting (IEUA and Member Agency Implementation).....4:15pm, December 4th, 2008 at CVWD
- Greenlee Landscape Workshop.....9:00am-10:00am, December 6th, 2008 at IEUA
- Recycled Water Site Supervisor Training .....8:00am–12:00pm,December 11th 2008 at IEUA
- Landscape Alliance Board Meeting.....3:00pm, December 12th, 2008 at IEUA
- Red Team Meeting (IEUA and Member Agency Implementation).....4:15pm, January 8th, 2008 at CVWD
- Recycled Water Site Supervisor Training .....8:00am–12:00pm,March 12th, 2009 at IEUA
- Recycled Water Site Supervisor Training .....8:00am–12:00pm,June 11th, 2009 at IEUA
- Recycled Water Site Supervisor Training .....8:00am–12:00pm, September 10th, 2009 at IEUA

Recycled Water Customers and Usage Data:

Recent Connections:

- Del Norte Elementary School (Ontario, 18 AFY)
- Vina Danks Middle School (Ontario, 17 AFY)
- Ontario Event Center (Ontario, 10 AFY)
- City of Chino – New Ayala Park (Chino, 175 AFY)
- Farwest Corrosion Control (Chino, 5 AFY)
- Superior Sod (Chino, 300 AFY)
- 6th St Median (CVWD, 5 AFY)

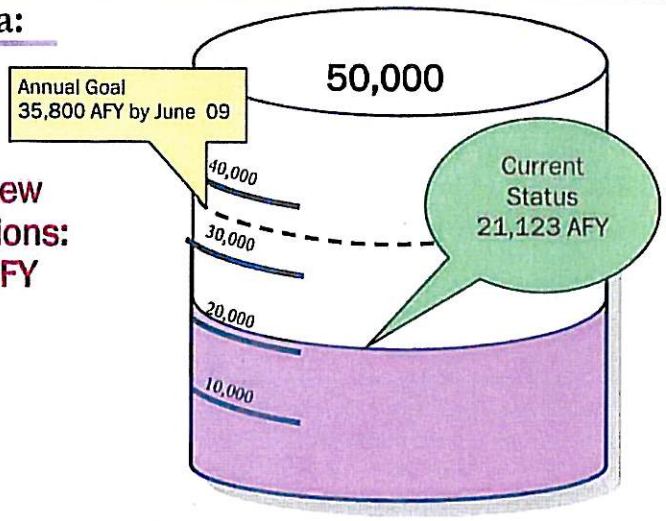
Total New Connected Demand: 530 AFY

Upcoming Connections:

- Chad Farms (Ontario, 1,605 AFY)
- Li Farm (Ontario, 2,500 AFY)
- San Bernardino County Guasti Park (Ontario, 240 AFY)
- Bellevue Cemetery (Ontario, 220 AFY)
- Kelloggs (Ontario, 120 AFY)
- Cintas I (Ontario, 70 AFY)
- Vineyard Elementary School (Ontario, 40 AFY)
- Kaiser Hospital Cooling Towers (Ontario, 30 AFY)
- Corona Elementary School (Ontario, 21 AFY)
- Chaffey Joint Unified High School District – two schools
- Montclair High School (Montclair, 51 AFY)

Total Upcoming Connections: 4,897AFY

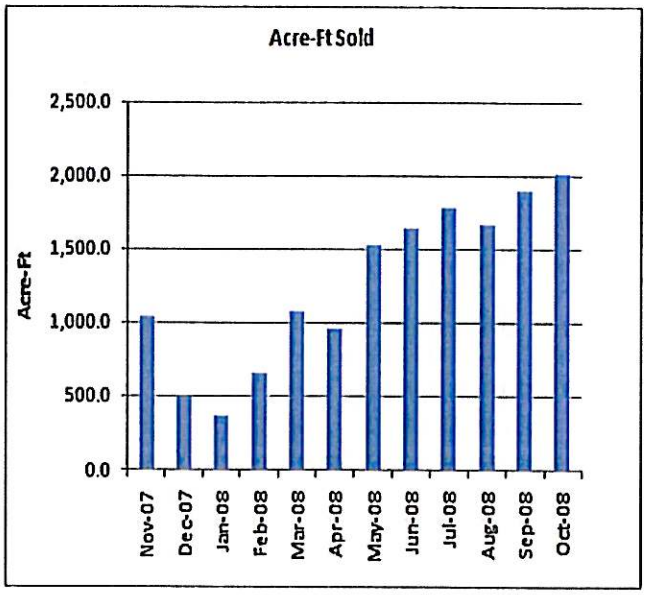
Total New Connections: 530 AFY

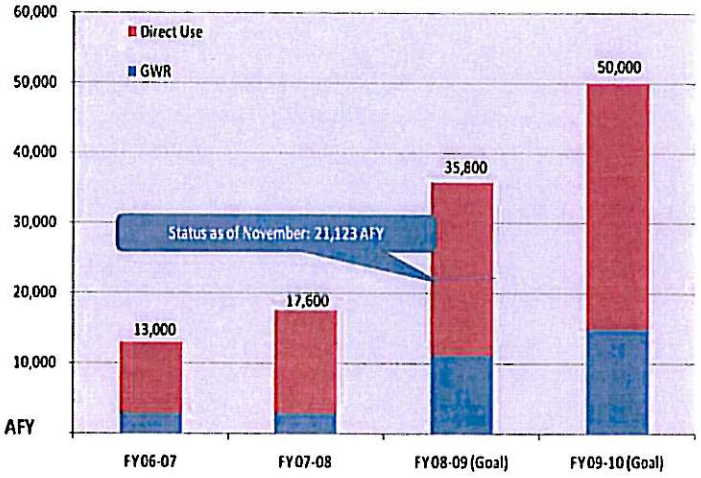


Monthly Recycled Water Sales

October Direct & Recharge:

- Direct Sales -1625 AF
- Recharge -390 AF
- Total - 2015 AF





PROJECTED DIRECT USE

	Projected Direct Use Connections (AFY)					
	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	Total
Chino			150			150
Chino Hills	36					36
Ontario	61	727		1,500	1,000	3,288
MVWD			252	27	16	295
CVWD			55	29		84
Total (AFY)	97	727	457	1,556	1,016	3,853

Program Description & Financial Status

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.
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.

FUNDING DEVELOPMENTS: *DWR Urban Drought Assistance*

The Agency received the DWR Drought Assistance Grant for recycled water retrofits in the amount of $1 Million. The disbursement strategy will be presented to the Regional Technical and Policy Committee Meetings on Dec 4th as an action item, and will be discussed further at the Red Team Meeting on Dec 4th. The strategy is scheduled for approval by the IEUA Board on December 17th.

The following is the pro-rata share distribution for each of the Agencies.

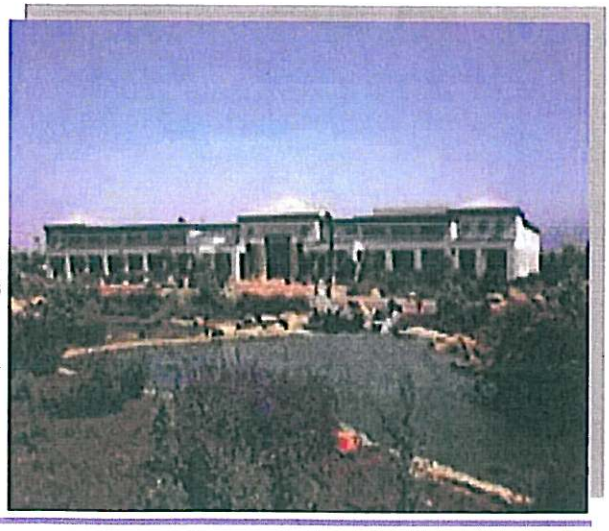
AGENCY	RW DEMAND (AFY)	GRANT ALLOCATION (4)
Chino	137	$57,002
Chino Hills (1)	-	$0
CVWD	60	$68,973
Fontana	10	$22,832
Montclair/MVWD	97	$157,185
Ontario (2)	393	$275,891
Upland	548	$164,583
IEUA Recommendation (3)	3,726	$253,534
Total	4,971	$1,000,000

(1) did not submit projects for funding
(2) does not include request for Temple Inland as Industrial usage is not eligible for the grant
(3) includes Li Farms, Chad Farms, Guasti Park and Montclair High School
(4) Pro Rata portions of ~95% to not exceed grant funding

PROJECTS IN PLANNING

- **Northeast Project Area:** The Projects are on schedule to deliver recycled water to Victoria and San Sevaine Recharge basins in November 2009.
- **Northwest Project Area:** The project will design the 1430 pressure zone pipeline pump station and reservoir in the city of upland. The project is in the preliminary design stage with anticipated design completion in June 2009.
- **Southern Project Area:** The project will design the 930 pressure zone pipeline and reservoir in the city of Chino Hills. The preliminary design reports for these projects have been completed and are undergoing review.
- **Central Project Area:** The second draft of the North Chino Master is being was completed by IEUA and the City of Chino.

  IEUA has begun the SRF loan application process for the Wineville Avenue Extension pipeline project located in the city of Fontana.



CAPITAL PROJECTS SUMMARY

PROJECTS IN DESIGN AND CONSTRUCTION

- **1630 East Segment A Pipeline**– The project includes the construction of a 36-inch pipeline from the 1630 E. Pump Station to the Victoria and San Sevaine Recharge Basins. The design has been completed and is going through permitting process and a funding application is undergoing review by the State Water Resources Control Board (SWRCB) as part of the State Revolving Fund (SRF) loan requirements. The project is anticipated to be advertised for construction in January 2009.

- **1299 East Regional Pipeline, 1299 East Reservoir and 1630 East Pump Station**– The project includes the construction of a 36-inch pipeline from the north end of the North Etiwanda Pipeline to the 1299 E Reservoir and 1630 E Pump Station. The design has been completed on these facilities and are under permit review by various local and regional entities. The funding application is under review with the SWRCB as part of the SRF loan requirements. The project is anticipated to be advertised for construction in January 2009.

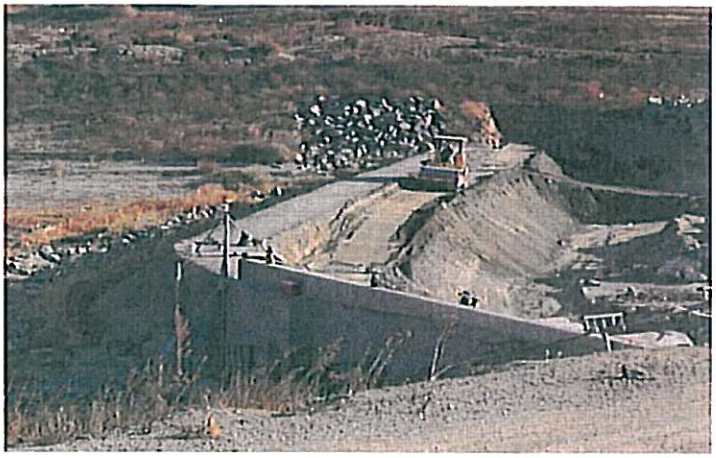
- **MW & Lysimeters at Victoria & San Sevaine Basins:** The project is in the final design stage. The design has been completed on these facilities and are under permit review by various local and regional entities. The funding application is under review with the SWRCB as part of the SRF loan requirements. The project is anticipated to be advertised for construction in January 2009.

- **Chino Basin Facilities Improvements Phase II – Berm Hardening** – The basin improvements consist of reconstructing existing berms with compacted earth or soil cement, constructing concrete spillways in select berms, installing rip rap, and installing new slide gates and reinforced concrete pipe in four berms throughout the Chino Basin. Construction of all concrete spillways and structures in each basin are complete and construction of soil cement berms are ongoing. Construction is about 90% complete as of November 2008.

- **Ontario and MVWD Public schools Retrofit Project**– The retrofit project consists of disconnecting existing domestic water services and replacing them with new recycled water connections at public schools within the Ontario and Monte Vista Water Districts. A total of seven schools have had retrofit modifications completed. Five Schools remain to be retrofitted.

- **RP-4 1158 Reservoirs, Pump Stations, and Pipeline** - The project provides 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 95 percent complete. Construction of the reservoirs and the pump station is expected to be completed by December 2008.

- **San Antonio Channel Segment B**–The regional pipelines will serve the cities of Ontario, Montclair, Monte Vista Water District and Brooks Street Basin. All piping has been installed and tested. The asphalt repair is currently underway. The project is approximately 95 percent complete.



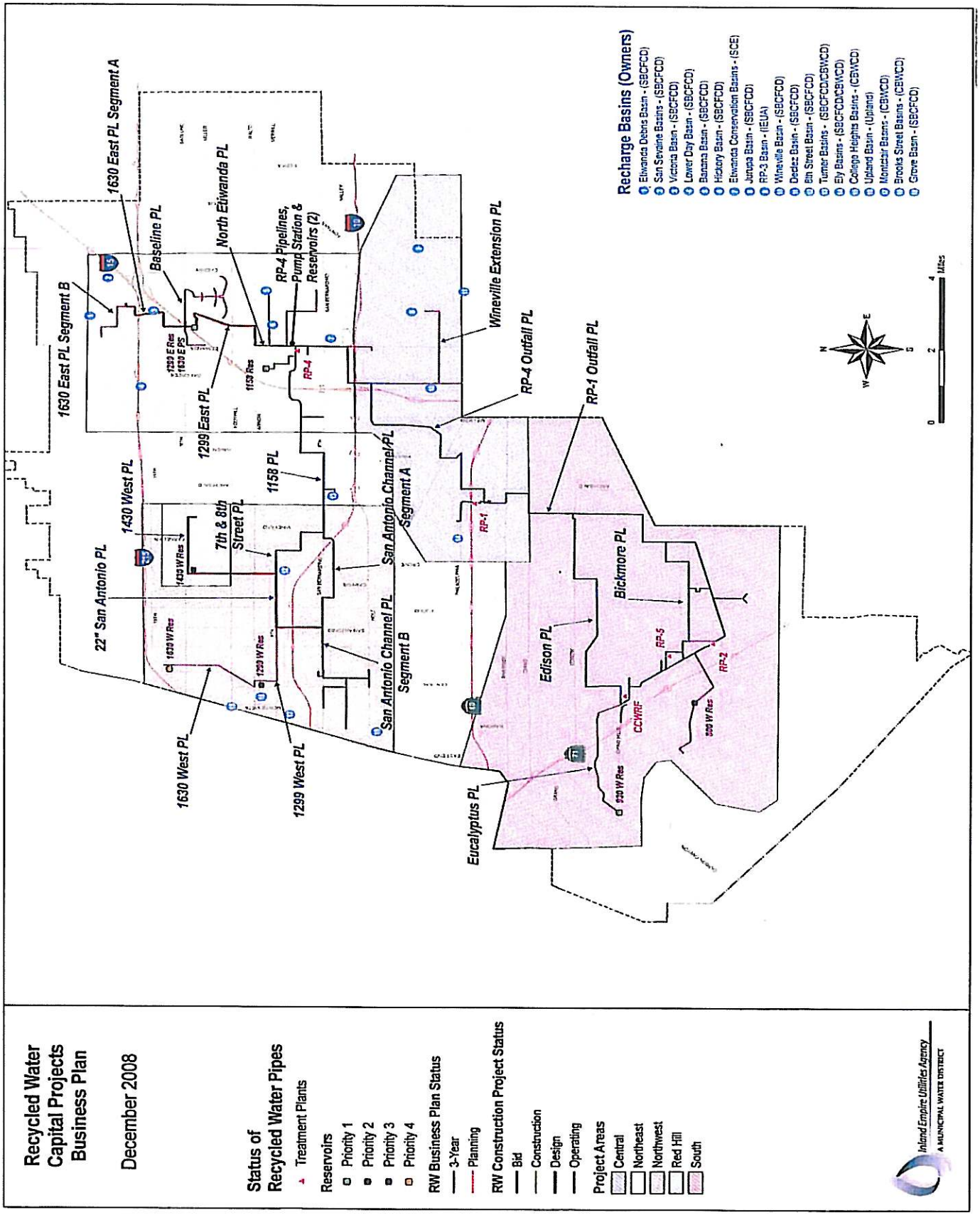
Chino Basin Facilities Improvements Phase II Berm Hardening

San Antonio Segment B: Paving Improvements on Orchard St in Montclair.

CONSTRUCTION PROGRESS

ID	Task Name	2008				
		Sept	Oct	Nov	Dec	Jan
1	1158 Reservoirs / Pump Station					
2	RP-4 Pump Stations					

RECYCLED WATER PROJECT STATUS MAP



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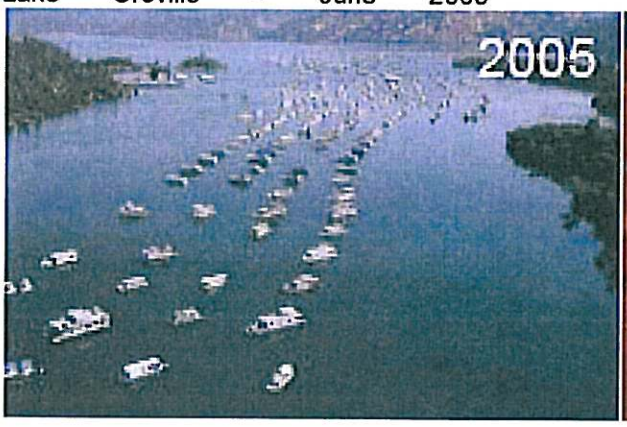
INLAND EMPIRE UTILITIES AGENCY
Water Resources and Conservation Programs
Monthly Report

November 2008
(Reporting October 2008 Activities)

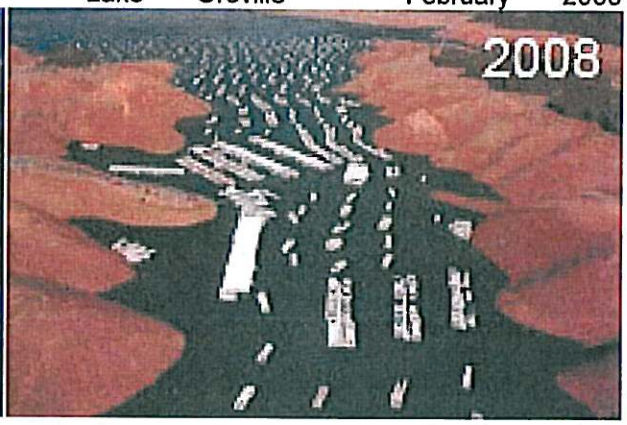
CALIFORNIA WATER SUPPLY CONDITIONS

Record dry weather and low reservoir conditions continue, prompting action at many levels of government. The following picture of Lake Oroville and the graph of statewide reservoir levels illustrate the serious conditions.

Lake Oroville – June 2005



Lake Oroville – February 2008

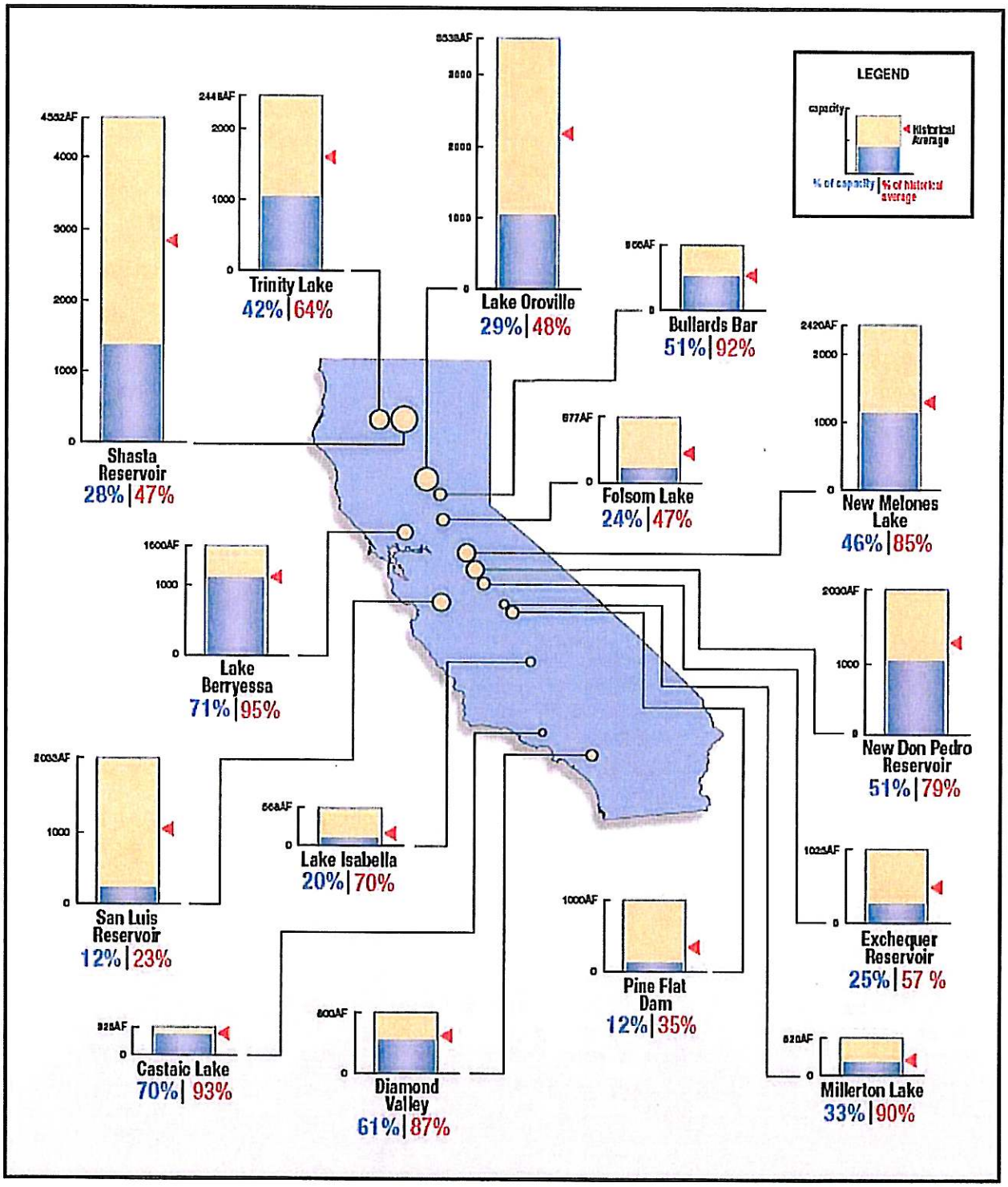


In June 2005, the elevation of Lake Oroville, an important water storage facility for the state, was 897.12 feet. By February 2008, the elevation had dropped to 719.86 feet. The lake lost 2,079,738 acre feet of water during that time.

DWR Drought Actions

- On October 30, DWR announced an initial allocation of 15% for 2009 water deliveries to the State Water Project contractors. This was the second lowest initial allocation in the project's history. Last year, the initial figure was 25% and it was later increased to 35%.
- DWR held a workshop in Riverside on October 28 to summarize current water conditions and preparations for 2009.
- To help facilitate the exchange of water throughout the state, DWR has established a 2009 Drought Water Bank. DWR will purchase water from willing sellers primarily from water suppliers upstream of the Sacramento-San Joaquin Delta. This water will be transferred using State Water Project (SWP) or Central Valley Project (CVP) facilities to water suppliers. At this time it is unclear how much Water Bank water MWD will be able to purchase and DWR's current studies indicate that there is a 50% chance that there will be capacity at the SWP's Banks Pumping Plant to convey Bank supplies. Other uncertainties include price, environmental permitting requirements and hydrology.

Current Reservoir Conditions (October 2008)



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MWD Water Supply Planning and Drought Actions

- MWD has not yet implemented the Water Supply Allocation Plan adopted on February 12, 2008. MWD will most likely implement the plan in April 2009 for a July 2009 start date. The adopted plan is consistent with the Principles of the Water Surplus and Drought Management Plan (WSDM) and is intended to serve as an equitable approach for allocating supplies and minimizing regional impacts (should the need arise).
- MWD has developed a 5-Year Supply Plan identifying 800,000 AF of "new" water supply. Over the next five years this "new" water will come through water efficiency programs (200,000 acre-feet), local water supply projects (200,000 acre-feet), Bay-Delta improvements (200,000 acre-feet) and water transfers (150,000-200,000 acre-feet).
- MWD is preparing a new Integrated Regional Plan (IRP). The scheduled completion of the IRP is June 2009. The IRP is proposed to be robust planning process that will consider changed conditions and emerging trends, such as Delta conditions, climate change, water transfers and local supply/demand management.

IEUA WATER SUPPLY CONDITIONS AND PROGRAMS

IEUA Drought Plan – In October, IEUA hosted a workshop for IEUA retail agencies to discuss the MWD Water Supply Allocation Plan and Dry Year Yield (DYY) Program and consider approaches to minimize the impacts to our service area should MWD implement their Plan, in 2009. Objectives include maintaining water supply reliability, averting or minimizing penalties, continuing operations within the Tier-1 rate category and coordinating public outreach during all stages of drought. IEUA is developing a Drought Plan in coordination with the retail agencies and expects to bring the plan to the IEUA Board for approval in December/January. IEUA's "strawman" Draft Drought Plan goals are:

- Ensure equity and fairness throughout IEUA's service area
- Avoid payment of drought or DYY penalties to MWD
- Recognize IEUA/MWD investments in local supplies to "drought proof" the IEUA service area
- Encourage additional local investments to further drought proof the economy
    - Enhanced Conservation
    - Recycled Water – Connect parks, schools and other landscapes
    - Interconnections to promote flexibility (Azusa Pipeline)
    - Increased Desalter performance
    - Groundwater Recharge (recycled water and capture of storm water when available)
- Coordinated IEUA service area communication strategy
- Implementation consistent with MWD drought and DYY policies and contracts

Dry Year Yield Program (DYY)

- This program requires a reduction of imported water use by 33,000 (31,000 acre-feet within IEUA's service area) in a 12-month period, starting in May 2008 and ending in April 2009.
- The DYY performance to date (October) has achieved an 18,730 acre-feet reduction compared to last year, which is 60% of the target reduction for the year. This puts the DYY participants well ahead of schedule.

DYY Program Expansion

- This program is planned to expand the DYY Program from 100,000 AF to 150,000 AF of groundwater storage capacity and annual performance from 33,000 acre-feet/year to 50,000 acre-feet/year.
- The Initial Study and California Environmental Quality Act (CEQA) documents were prepared and submitted to the State Clearinghouse for a 30-day review period. On December 17th the approved environmental document is scheduled to be presented to the IEUA Board of Directors for adoption.

Recycled Water Program

- IEUA is currently implementing a 3-Year Recycled Water Business Plan that will increase recycled water connected capacity to 50,000 acre-feet by 2010.
- The current status is 20,562 acre-feet/year of connected capacity.

Chino Desalter Authority (CDA)

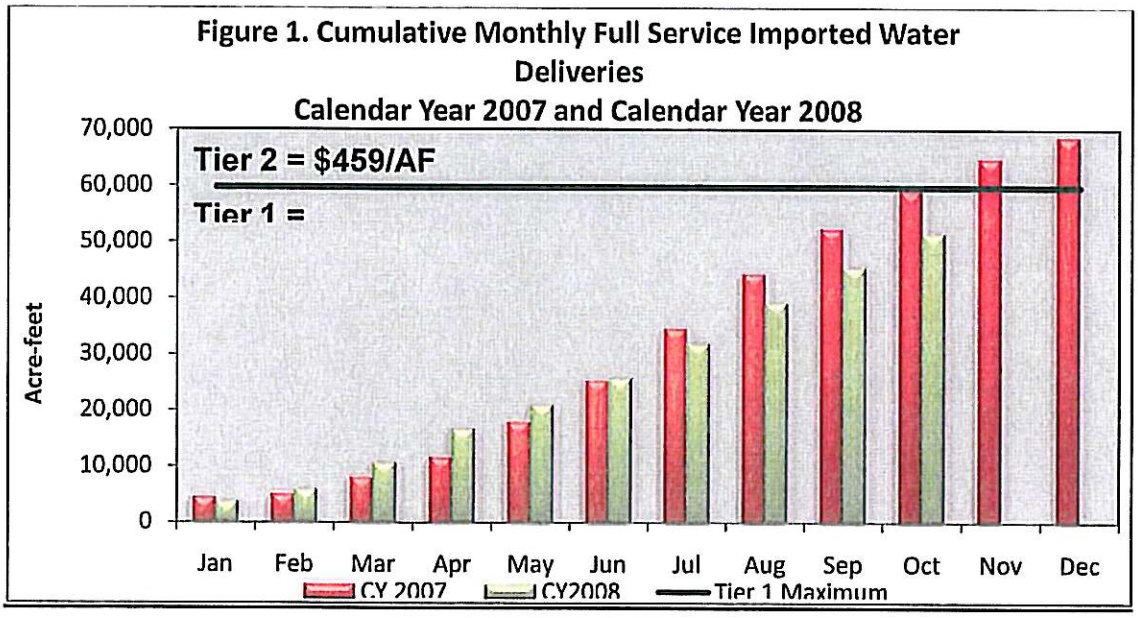
- The CDA currently operates and maintains two desalter facilities with a production capacity of 24,600 acre-feet. A 10,000 acre-foot expansion of these facilities is currently being negotiated and should be completed by 2010.
- For the month of October, the CDA produced 2,290.8 acre-feet (of which 1,269.6 acre-feet is IEUA retail agencies).

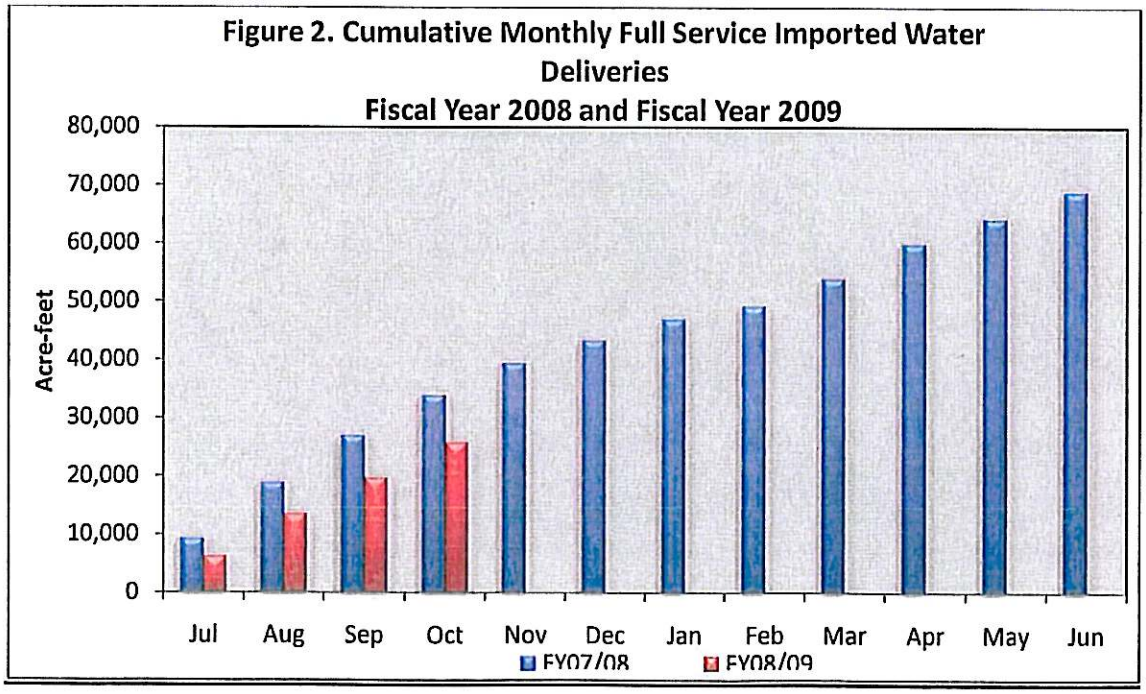
Imported Water Deliveries

- For the month of October 2008, imported water sales totaled 6,078 AF. This is about 885.2 AF (12%) less than full service deliveries in October 2007.
- IEUA historically has had two direct imported water customers, the Cucamonga Valley Water District (CVWD) and the Water Facilities Authority (WFA). Recently Fontana Water Company completed construction of its San Hill Water Treatment Facility and has begun purchasing imported water (at a Tier II rate).
- From June 2008 through October 2008, FWC has purchased approximately 2,000 AF.

Imported Water Delivery Figures

- Figure 1: For calendar year 2008, IEUA has purchased 51,440.3 acre-feet (86%) of its annual limit for Tier 1 purchases, which is 59,752.2 AF.
- Figure 2 shows the amount IEUA has purchased this fiscal year, which is 25,805.7 AF.
- Figure 3 shows the amount delivered to CVWD in October (approximately 25,000 AF) and their Tier I limit of 28,000 AF.
- Figure 4 shows the amount purchased by WFA (approximately 25,000 AF) and their Tier I limit of 31,000 AF.





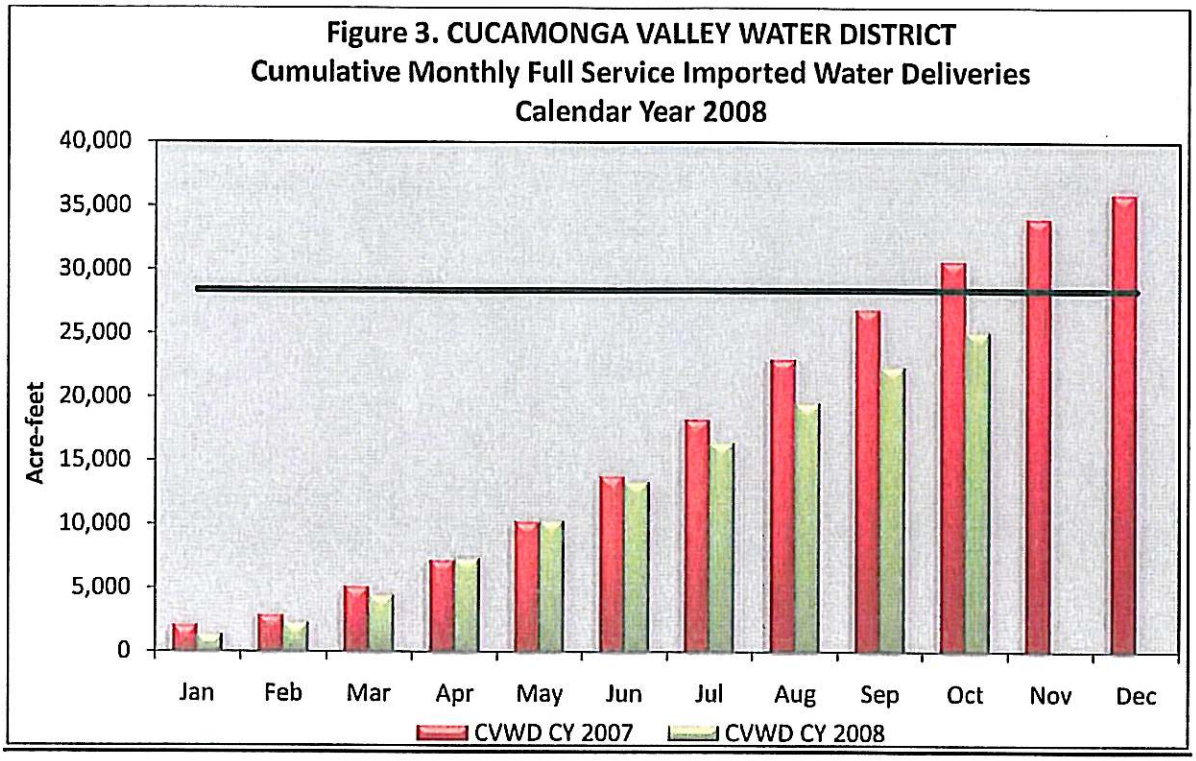


Figure 3. CUCAMONGA VALLEY WATER DISTRICT
Cumulative Monthly Full Service Imported Water Deliveries
Calendar Year 2008
Acre-feet
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
CVWD CY 2007
CVWD CY 2008

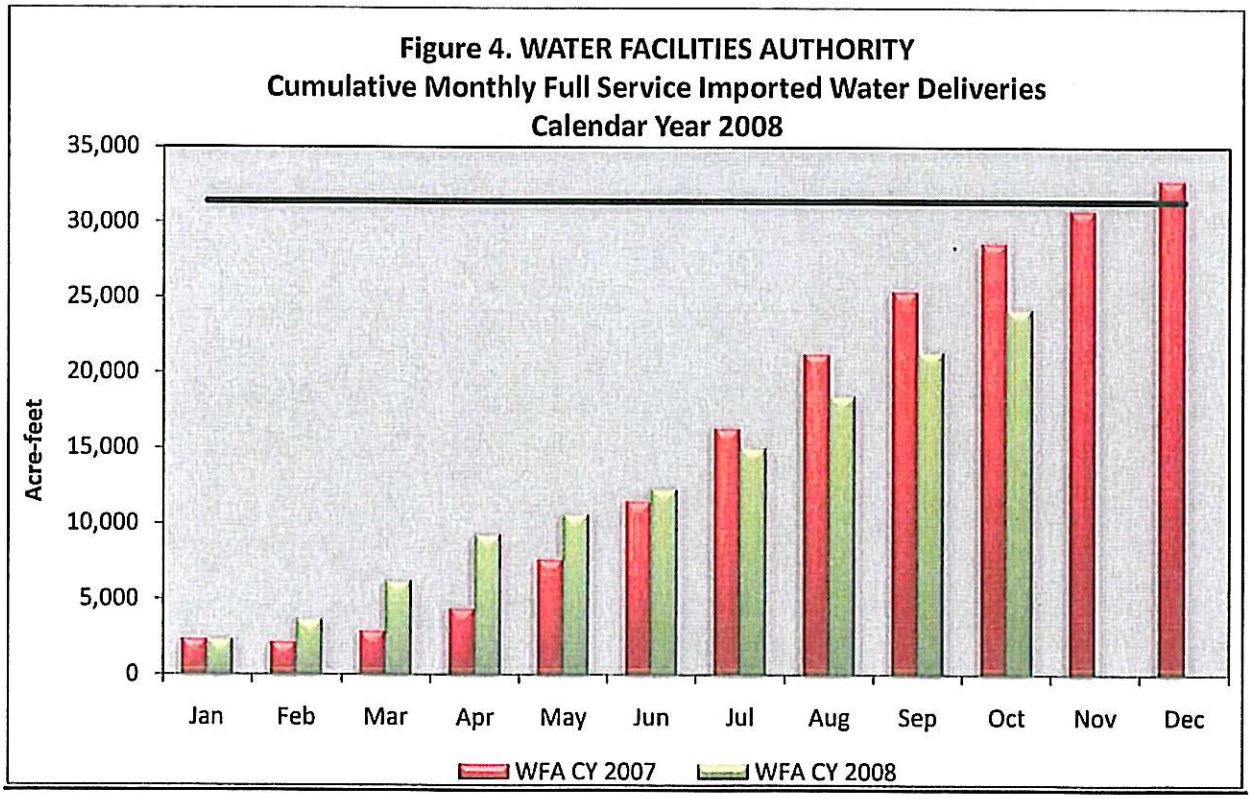


Figure 4. WATER FACILITIES AUTHORITY
Cumulative Monthly Full Service Imported Water Deliveries
Calendar Year 2008
Acre-feet
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
WFA CY 2007
WFA CY 2008

CONSERVATION ACTIVITIES

MWD October Board Letter - Authorization of Refinements and Additions to the Conservation Programs (October 14, 2008)

- Program refinements and additions developed in the 2007-2008 MWD PAC committee were approved by the Board on October 14, 2008. Those refinements include:
- Combining the Enhanced Conservation Program (ECP) and the Innovative Conservation Program (ICP) into a single program with the release of an annual RFP as opposed to every other year.
- Modification of the residential high efficiency toilet rebate from $165 per unit to $100 as a result of customers being unable to distinguish between the type of toilet they are replacing (ULFT or high volume toilet).
- General authorization for smart irrigation controllers and related devices that include commercial central computer irrigation controllers, soil moisture sensors, and rain shut-off sensors
- Landscape survey incentives-removal of two-year wait requirement to be eligible to receive landscape device incentives
- X-ray water recirculation device incentives-Discontinuation of rebate/incentive due to most medical facilities converting to digital equipment

Landscape Alliance

- The Landscape Alliance Board of Directors was updated on the coordination between the Landscape Alliance and San Bernardino County and the Water Softener Rebate Program.
- The Board endorsed staff's recommendation to increase bridge funding for the Water Wise Residential Landscape Retrofit program.
- MWD is expected to approve a "Turf Reduction" Rebate program that will augment funding for the Landscape Retrofits.
- The Technical Committee continued working on language for a Water Efficient Landscape Model Ordinance and is nearing completion.
- A draft model ordinance complying with AB 1881 and the goals of this region will be finished in December 2008.
- A Water Site Awareness Tour of Best Management Practices in Chino occurred on October 30 and was well attended by local agencies.

Native Plant Workshops

- On October 25, Greenlee Nursery held their first workshop. The workshop was attended by 6 residents and began with a talk about native grasses followed by a tour of the Greenlee Nursery. Participants were offered discounts on plant purchases.

Landscape Audit Program

- CBWCD completed 79 landscape audits since Phase III began, with a potential savings of 346 acre feet per year.
- Monte Vista Water District has reported a 10% reduction in water usage among their participating customers. There are currently 12 more sites scheduled for evaluation and release forms were recently sent to 94 other interested parties.

Ontario Cares and California-Friendly® Program

- Seven California-Friendly site conversions have been completed, three are near completion, and three potential sites are pending.
- A California-Friendly training workshop was held on October 14, 2008 for Ontario staff and a second one is scheduled on November 6, 2008 for city contractors.
- California-Friendly Landscape Classes are continuing through this fall and spring, as requested by CVWD, MVWD, City of Upland, and CBWCD.
- An MOU between IEUA and the City of Ontario is being developed to provide a funding advance to the CARES Program until USBR funding is approved.

CUWCC BMP Revision Process

- IEUA hosted a half-day workshop for member agencies on October 14th. CUWCC Steering Committee Member, Matt Lyon made a presentation and facilitated a discussion to develop strategies and approaches to meet the new requirements.
- The BMP revision process is steadily moving forward with a tentative adoption vote on December 10, 2008. Twenty-two comment letters were received by the Council from signatories with key comments addressing the expeditious advancement of the BMP Revision process and adoption as well as defining methodology for calculation and compliance options in using GPCD.
- BMP revisions have been tailored with more flexibility and easier interpretation in meeting water reduction goals and targets, but there are still language and compliance issues that need to be completed. Resolution will most likely occur in spring 2009, after the revisions have been adopted.

Water Education Water Awareness Committee (WEWAC)

- The WEWAC committee held a successful Project Wet workshop on October 2nd at IEUA. Many teachers were pleased with the information provided.
- All EduGrant applications have been distributed to IEUA's service area. Two applications have been turned in so far.
- The PSA contest participation form is being finalized and will be distributed in the next week.

Regional Landscape and Water Conservation Fair

- The Regional Landscape and Water Conservation Fair was held October 25at CBWCD.

The Fair layout targeted appropriate information to user groups. It included raffles and prizes of water-saving devices, including rain sensors, SmarTimers, rotating nozzles, California Friendly Plants, and a High-Efficiency Clothes Washer as the "Grand Prize."

Major Conservation Rebate Programs

- Table I below summarizes 3 major rebate programs sponsored by MWD for the private sector:
  - CII Save-a Buck Program offers commercial, industrial, and institutional sector rebates. Since program inception (FY 00/01), there have been 9,574 devices rebated, representing an annual savings of 1,143 AFY.

- Residential Rebate Program was transitioned over to an MWD region-wide vendor, SoCal WaterSmart, on July 1, 2008. Since program inception in FY02/03, it has resulted in an estimated annual water savings of 1,544 AFY.
- Multi-Family Direct Install Program--Since program inception (October 2006), there have been 14,283 low-flush toilets and 875 high-efficiency toilets installed, for an estimated equivalent annual water savings of 533 AFY.

TABLE I—MWD Private-Sector Rebate Programs

Device Name	Current Fiscal Year through October		Since Program Inception	
	# Devices Installed	Equivalent Annual Water Savings (AFY)	Cumulative # Devices Installed	Equivalent Annual Savings (AFY)
Commercial, Industrial, Institutional Program				
High-Efficiency Clothes Washers	6	0.5076	463	39.1698
Multi-Family High-Efficiency Clothes Washers	2	0.1692	3	0.2538
Cooling Tower Conductivity & pH Controllers	2	1.29	26	16.744
Ultra-Low-Flush Toilets	0	0	1,894	657.218
ULFT Flushometers	0	0	4	.2912
High-Efficiency Toilets	556	24	2,977	126.5225
Zero Water Urinals	58	7	1,084	132.79
High-Efficiency Urinals	0	0	8	.04912
Weather-Based Irrigation Controllers	0	0	9	5.85
Rotating Nozzles for Pop-Up Spray Heads	0	0	97	8.2062
Synthetic Turf for Commercial Applications (CII only)	0	0	33,525 sf	4.6935
High-Efficiency Nozzles for Large Rotary Sprinklers	0	0	0	0
Dry Vacuum Pumps	0	0	0	0
Steam Sterilizer Retrofits	0	0	0	0
Pre-Rinse Spray Head (PRSH)	31	7.9267	33	8.4381
Water Broom	3	0.4602	699	107.2266
X-Ray Recirculation Units	0	0	11	35.2
Multi-Family Direct Install Program				
Ultra Low-Flush Toilets	0	0	14,283	495.6201
High-Efficiency Toilets	115	4.8875	875	37.1875
Residential Program				
Ultra Low-Flush and High Efficiency Toilets	99	3.4353	12,088	419.4536
High-Efficiency Clothes Washers	357	30.2022	9,998	845.8308
Weather-Based Irrigation Controllers	7	4.55	396	257.4
Rotating Nozzles for Pop-Up Spray Heads	21	0.084	1,831 (nozzles)	7.324
Synthetic Turf Retrofit	44	0.00616	31,778 sf	4.44892
Water-Wise Residential Landscape Retrofit Program	38	0.00532	70,474 sf	9.86636
TOTALS	1339	84.52418	182,556	3220.22618

- Table II below summarizes MWD's Region-Wide Public Sector Rebate Program to Promote Water Efficiency.
    - Total MWD funding received by public agencies within the IEUA service area has been $2,612,226.99. Most recently, on October 9, the City of Chino Hills was awarded $997,425 for Central Computer Irrigation Controllers.
    - MWD staff prepared a Board Letter for the November 18, 2008 meeting requesting an additional $15 million for Phase II of the program.
    - Recipients receiving funding in the IEUA service area have been the Cities of Chino Hills, Ontario, and Fontana, MVWD, and several school districts.
    - Funded devices include urinals, weather-based irrigation controllers, centralized computer irrigation controllers, toilets, and water brooms.

TABLE II—MWD Public-Sector Rebate Programs

Public Agency Customer	Device	Quantity	Award Date	Award	Annual Water Savings	Lifetime Water Savings
City of Ontario Public Works	Urinals	5	February 21, 2008	$2,963.13	0.61	12.25
Chino Valley Unified School District	Urinals	51	April 4. 2008	$35,719.13	6.25	124.95
Chino Valley Unified School District	Water Brooms	127	May 8, 2008	$35,748.51	19.48	97.409
Cucamonga School District	Weather Based Irrigation Controllers	10	May 21, 2008	$10,547.13	7.67	76.86
Central School District	Weather Based Irrigation Controllers	32	June 19, 2008	$31,619.94	11.93	119.28
Etiwanda School District	Central Computer Irrigation Controllers	36	June 19, 2008	$112,454.37	29.61	296.08
Chaffey Joint Union School District	Water Brooms	40	July 15, 2008	$14,007.50	6.14	30.68
Monte Vista Water District	Toilets	4	July 16, 2008	$1,285.06	0.17	3.40
Monte Vista Water District	Urinals	2	July 16, 2008	$1,071.40	0.25	4.90
Alta Loma School District	Weather Based Irrigation Controllers	22	July 29, 2008	$36,538.62	16.67	166.73
City of Fontana	Central Computer Irrigation Controllers	9	August 14, 2008	$94,087.50	18.82	188.18
Chino Valley Unified School District	Central Computer Irrigation Controllers	98	September 3, 2008	$473,362.50	94.67	946.725
Upland Unified School District	Weather Based Irrigation Controllers	51	September 9, 2008	$84,497.74	23.47	234.65
City of Ontario Public Works	Water Brooms	9	September 18, 2008	$2,698.05	1.38	6.903
City of Ontario	Central Computer Irrigation Controllers	57	September 18, 2008	$317,415.09	70.92	709.15
City of Ontario	Synthetic Turf- 163,285 Sq. Ft.	1	September 18, 2008	$122,463.75	22.86	228.599
Chino Valley Unified School District	Synthetic Turf- 22,327 Sq. Ft.	1	September 18, 2008	$16,745.36	3.13	31.2578
City of Chino Hills	Central Computer Irrigation Controllers	302	October 9, 2008	$997,425.00	199.49	1994.85
Chaffey Joint Union High Schools	Central Computer Irrigation Controllers	46	October 15, 2008	$208,825.00	40.37	403.65
Etiwanda School District	Central Computer Irrigation Controllers	3	October 15, 2008	$12,752.21	2.57	25.68
			TOTAL	$2,612,226.99	576.42	5,702

~~*CALENDAR OF UPCOMING EVENTS*~~

November 6, 2008	1st Thursday Meeting, HQA Anza Conf., 10:00 am – Landscape Alliance Briefing
November 12, 2008	CUWCC Roundtable – BMP Revisions (Central Basin, 9:30 a.m.–11:00 a.m.)
November 13, 2008	Breakfast In The Garden, 7:30-9:30 am, TBD
November 15, 2008	Greenlee Nursery workshop on Efficient Irrigation Options (IEUA Event Center, 9:00-10:00 a.m.)
November 18, 2008	DWR Workshop-Prop 84 (California Tower-Riverside, 1:00 p.m.-3:00 p.m.)
November 20, 2008	MWD WUE Conservation Coordinator Meeting, at MWD, 9:00 am – 2:00 pm
November 26, 2008	WEWAC Meeting at Three Valleys, 2:30 pm – 4:00 pm
November 27-28, 2008	Thanksgiving Holiday (IEUA offices closed)
December 2, 2008	IEUA Monthly Conservation Workgroup Mtg. (CVWD) 9 a.m to 11 a.m.
December 6, 2008	Greenlee Nursery workshop on Native Plant Design (IEUA Event Center, 9:00-10:00 a.m.)
December 8-12, 2008	Governor's 20x2020 Team Meeting, 4th Workshop, Location/Time TBD
December 10, 2008	WEWAC Breakfast Meeting at Village Grille, 7:30 am – 9:30 am
December 11, 2008	Landscape Alliance Board Meeting, IEUA Board Room 3:00 pm - 4:00 pm
December 18, 2008	MWD WUE Conservation Coordinator Meeting, at MWD, 9:00 am – 2:00 pm
January 6, 13, 20, 27, 2009	Landscape Water Management for Professionals (English) Series, CBWCD (9 a.m.-12:30 p.m.)
January 7, 14, 21, 28, 2009	Landscape Water Management for Professionals (Spanish) Series, CBWCD (9 a.m.-12:30 p.m.)
January 22, 2008	MWD Education Coordinator's Meeting, 9:00 am – 11:30 am
February 3, 10, 2009	Plant Class (English) Series for Professionals, CBWCD
February 4, 11, 2009	Plant Class (Spanish) Series for Professionals, CBWCD
February 25, 2009	Wetlands Day at Chino Creek Wetlands and Educational Park from 3:30 p.m. to 5:30 p.m.
April 22, 2009	Earth Day at Chino Creek Wetlands and Educational Park from 3:30 p.m. to 6:30 p.m.

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Inland Empire
UTILITIES AGENCY

Date:	December 17, 2008
To:	The Honorable Board of Directors
Through:	Public, Legislative Affairs, and Water Resources Committee *(12/10/08)*
From:	Richard W. Atwater Chief Executive Officer/General Manager
Submitted by:	Martha Davis Executive Manager of Policy Development
Subject:	November 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

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THE DOLPHIN GROUP

November 26, 2008

To: Chino Basin/OBMP Coalition

From: Michael Boccadoro
President

RE: November Status Report

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

The election of November 4 highlighted two constants of Sacramento: the relative lack of competitive Senate and Assembly districts and the state's continuing budget crisis. While the national election brought a significant increase of Democratic representation to Washington, the same groundswell only brought a net change of three seats to the California Legislature.

The budget crisis has also worsened as new projections identify a nearly $28 billion shortfall through the next twenty months. In response, Governor Schwarzenegger called a special session of the lame-duck legislature with the hopes of providing some interim solutions to crisis. Despite discussions throughout the month, no action was taken by the Legislature.

On the regulatory front, all eyes were on the California Air Resources Board as it held its first hearing on the final draft of the proposed Scoping Plan to implement AB 32, the Global Warming Solutions Act of 2006.

Finally, the 2009-2010 Legislative Session kicks off on December 1, with the new legislature facing an immediate budget crisis, a faltering economy and an overwhelmed Unemployment Insurance Fund.

Chino Basin / OBMP Coalition

Status Report – November 2008

ENERGY/REGULATORY

CARB Holds First Hearing on Scoping Plan

After two years and six early drafts, the California Air Resources Board (CARB) held their first full public hearing on the final proposed Scoping Plan to implement AB 32. The Scoping Plan provides the regulatory framework under which CARB will adopt specific regulations to reduce greenhouse gas emissions (GHG) in California. Under AB 32, the Board is required to adopt this plan by December 31, 2008.

The first hearing was held on November 20 and 21 as part of CARB's regular board meeting. After a presentation by staff and some follow-up questions by Board Members, the vast majority of the time was spent on comments from the public. The comments were broad and diverse, but much of the conversation was related to the Plan's proposal to develop a "cap-and-trade" market to reduce GHG emissions within some industries.

Although a major portion of the plan is dedicated to future regulation of water and wastewater agencies, there was little discussion of this particular aspect of the plan. Six specific greenhouse gas emission reduction measures are proposed for the water sector. Three of the measures target reducing energy requirements associated with providing reliable water supplies and two measures target expanding renewable energy used to convey and treat that water. The final proposal is the public goods charge that could generate $100-500 million annually and be used to fund end-use water efficiency improvements, system-wide efficiency projects, water recycling and other actions that improve water and energy efficiency and reduce GHG emissions.

CARB will hold a second hearing on the proposed plan on December 11, where it is expected to adopt some version of the plan. The next stage of the process will be to develop specific regulations and markets described in the plan, with the statutory deadline of having these regulations in place by January 2012.

Governor Calls for More Renewable Power

On November 17, Governor Schwarzenegger issued Executive Order S-14-08, which will increase the state's renewables portfolio standard (RPS) to 33% by 2020. The RPS law currently requires the state's investor-owned utilities to procure 20% of their electricity from renewable sources by 2017, although the CPUC accelerated the compliance date to 2010 a few years ago.

The order is consistent with the GHG proposed Scoping Plan, which similarly proposes to increase the RPS to 33% by 2020. The order also applies the requirement public electric utilities and requires that the California Energy Commission streamline the siting process for renewable generation and transmission.

IEUA Offers Additional Comments on Feed-in Tariffs

On December 7, IEUA and DGI provided additional comments to the CPUC on the feed-in tariffs (FiTs) created by AB 1969 (Yee-2006), a measure originally sponsored by IEUA. The CPUC requested comments from parties as to whether the maximum size of projects eligible for FiTs (currently set at 1.5 MW) should be increased to as much as 20 MW. Additionally, the CPUC solicited additional suggestions as to how to improve the program.

IEUA did not object to an increase in the maximum size of the projects, provided that in doing so the relative simplicity of the contracts that currently exists is not endangered. IEUA suggested that the CPUC adopt a "tiered" approach to tariffs. In retaining the simplicity and brevity of the existing small-scale projects, the CPUC could adopt a new and necessarily more elaborate FiT for larger projects. IEUA reminded the CPUC that small-to-medium sized renewable projects are largely done as an ancillary part of the primary business model of the customer. As such, it is important to retain the original goal of AB 1969, which was to create a simple and easily executable contract for the sale of renewable electricity for those customers who do not have the in-house expertise to negotiate a complicated contract with a utility.

IEUA also suggested that the CPUC consider modest policy changes that will greatly increase the attractiveness of the FiT programs. First, IEUA suggested that the CPUC remove the prohibition against using California Solar Initiative (CSI) and Self-Generation Incentive Program (SGIP) funds to participate in the FiTs. Under current CPUC policy, these programs are only available to customers who choose to enroll in a net-metering program. Comments were also offered by a coalition representing the agricultural industry, which also strongly supported making these policy changes.

IEUA also suggested that the CPUC consider "front-loading" the rates paid for electricity under the 10, 15 or 20 year contracts currently offered via the FiTs. By increasing the payments available in the first few years, it may enhance the financial viability of the projects by ensuring that debt service is paid off quickly.

CPUC staff will be evaluating all the comments submitted by parties, and it is expected the CPUC will create a new formal proceeding to officially consider these policy suggestions in early 2009.

STATE BUDGET UPDATE

The special session brought new discussions between legislative leaders and the Governor, but no solutions. The Governor was hopeful that by calling a lame-duck session, after the election but before the old session expired, he could garner enough Republican support for some sort of tax increase. However, the Legislature failed to take any action before the expiration of the session.

According to the non-partisan Legislative Analyst Office, the current fiscal year shortfall is expected to be just over $10 billion. The 2009-10 shortfall is expected to be approximately $18 billion, with similar shortfalls of over $20 billion expected for the next few fiscal years.

The Governor has called for a temporary, three-year sales tax increase of 1.5%, in addition to various spending cuts. The Democratic leadership has similarly insisted on increased revenues, preferably in the form of income tax increases. They have also been making a heavy play to procure a significant amount of federal bailout monies from Washington to bridge the budget shortfall. The Republicans have continued their solidarity against any tax increases, but have expressed some desire to discuss increasing revenues in other areas.

As the new Legislature arrives in December, the roadmap to addressing the problem does not appear to get any clearer. Pressure on legislators will continue to increase in December and January as cash will become tight in early February and the state will begin experiencing an inability to pay its bills. The state's unemployment rate has also increased dramatically, creating a $2 billion-plus hole in the state's Unemployment Insurance Fund.

ELECTION RESULTS

As expected, the election of November 4 showed the highest state voter turnout in decades at 77%, as well as a number of interesting results at the ballot box.

With respect to the makeup of the California Legislature, the change was modest compared to what was witnessed on the national scale. Amongst the few competitive districts that exist in California, the Democratic Party was able to gain a net of three seats in the Assembly, and there was no change in the constitution of the State Senate. Despite the hopes of the Democratic Party, they were unable to achieve a 2/3 majority in either house. Because California requires a 2/3 supermajority to approve any tax increase or budget, their failure to achieve this supermajority will again require them to solicit Republican support to address the state's budget crisis.

In the Senate, the makeup remains 25 Democrats and 15 Republicans. In the Assembly, there will now be 51 Democrats and 29 Republicans.

Amongst the ballot measures, voters brought quite a few surprises. Despite the flailing economy and the state's well-known budget woes, they approved three new bond measures: Proposition 1A to begin investment in a high-speed rail project, Proposition 2 to build children's hospitals and Proposition 12 which again supports the veteran's home loan program.

Voters did reject two measures related to energy. Proposition 7 would have increased the renewable portfolio standard (RPS) to 50% by 2025. The measure was heavily opposed by a coalition of utilities, environmental groups, labor and the solar industry. Proposition 10 also failed, which would have approved $5 billion in bonds to offer rebates for natural gas and other alternative fuels.

Proposition 11 was narrowly approved, which alters the way California's Assembly and Senate districts are drawn after the federal census is held every ten years. To date the Legislature has drawn the district boundaries, which critics have claim lead to few competitive districts within the state. Under the new provisions of Proposition 11, this responsibility will now be handed over to a citizen commission. The Legislature will continue to draw the district boundaries for California's 53 Congressional districts.

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Inland Empire
UTILITIES AGENCY

Date:	December 17, 2008
To:	The Honorable Board of Directors
Through:	Public, Legislative Affairs, and Water Resources Committee *(12/10/08)*
From:	Richard W. Atwater Chief Executive Officer/General Manager
Submitted by:	Martha Davis Executive Manager of Policy Development
Subject:	November 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

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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: **November 26, 2008**

Re: **November Monthly Legislative Update**

As you know from our weekly updates sent to you this month, the House and Senate returned on November 17th for freshman orientation and party organizational meetings. The Democratic Caucus and Republican Conference in both chambers reelected their top leaders: the Speaker of the House will remain Nancy Pelosi (D-CA); House Minority Leader will remain Congressman John Boehner (R-OH); Senate Majority Leader will remain Senator Harry Reid (D-NV); and Senate Minority Leader will stay Senator Mitch McConnell (R-KY). The few leadership changes were mostly in the House Republican ranks and a result of the November elections where House Republicans lost quite a few seats.

Stimulus Package Postponed
During this November "lame duck" session, Congressional leaders had also hoped to pass an economic stimulus package. But without adequate support from Senate Republicans and the President, a November stimulus package did not come to fruition. Thus, large scale stimulus legislation will have to wait until January. President-elect Obama has clearly stated that a stimulus package will be his top priority after he is sworn into office on January 20th. Figures being discussed for a January stimulus package are high, reaching as much as $700 billion in some new reports. Speaker of the House Nancy Pelosi has said that a January stimulus package would also be her first order of business and that it would build on the existing, stalled $61 billion House-passed package that was attempted in October, but would be much bigger with revenue provisions and tax cuts aimed at creating jobs and increasing confidence in the economy. Like the House-passed package, we expect that a January stimulus package would include funding for water projects. As you know, the Temecula Bureau of Reclamation office has been in touch with IEUA for details of how stimulus money would be used for our project.

Senate Approves Unemployment Insurance Extension
During the November lame duck session, the Senate passed legislation to extend unemployment insurance benefits for an extra three weeks in states with high unemployment rates. This was the non-controversial part of the October stimulus package - - the part that President Bush and Senate Republicans supported. This bill has now been signed into law.

Auto Industry Rescue Legislation Postponed; Possible December Lame Duck Session

Like the larger stimulus package, an auto industry rescue package was not brought up during the November session. Instead, it was postponed until the week of December 8th, when another lame duck session may be held. While nothing is set in stone yet, the House and Senate leadership deem this package important enough that they are willing to consider calling Members back to Washington for a second lame duck session.

Both chambers came up with a compromise piece of legislation but urged the big three U.S. car companies - - Ford, General Motors, and Chrysler -- to outline their plans for future viability as precondition for receiving any government loans. The compromise written by auto-state senators would allow car companies to apply for loans from a $25 billion energy program aimed at better fuel efficiency instead of allocating a slice of the $700 billion bank bailout fund which was passed by Congress and signed into law in early October. The viability plans drafted by the automakers would be reviewed and approved by the Commerce Department before any loans could be made.

Plan to Ease Lending

In an effort to calm markets and boost consumer confidence, yesterday the Department of the Treasury and the Federal Reserve announced two programs that will provide as much as $800 billion to help increase the flow of lending for mortgages, students, cars, credit cards and small businesses. The Treasury allocated $20 billion of its $700 billion Troubled Asset Relief Program in connection with a new $200 billion plan -- known as Term Asset Backed Securities Loan Facility -- to support consumer and small-business loans. Under the new facility, Treasury said, the Federal Reserve Bank of New York will lend up to $200 billion to holders of newly issued AAA-rated asset-backed securities (ABS) for a term of at least one year. The Fed will lend an amount equal to the value of the asset-backed securities, minus a discount to account for risk, and will be backed by the ABS. Treasury will provide $20 billion of credit protection to the Fed in connection with the facility, using its authorities under the financial rescue plan Congress passed in October.

Separately, the Federal Reserve said it will buy as much as $600 billion in debt issued or backed by government-chartered housing finance companies, including Fannie Mae and Freddie Mac. "Today's announcement by the Fed that it will purchase direct debt obligations of Fannie Mae, Freddie Mac and the Federal Home Loan Banks, and also mortgage backed securities guaranteed by Fannie, Freddie and Ginnie Mae, underscores our support for the housing market," Paulson said. "Nothing is more important to getting through this housing correction than the availability of affordable mortgage finance." Only $20 billion remains of the first half of the TARP funding, which Congress gave to Paulson to fight the credit crunch. President Bush will have to notify Congress if he wants to use the second $350 billion block of funding, but it is unclear whether he will.

Happy Thanksgiving! As always, we will keep you posted.

Inland Empire

Date:	December 17, 2008
To:	The Honorable Board of Directors
Through:	Public, Legislative Affairs and Water Resources Committee *(12/10/08)*
From:	Richard W. Atwater Chief Executive Officer/General Manager
Submitted by:	Martha Davis Executive Manager of Policy Development
Subject:	November 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

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

November 25, 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, November 2008**

Highlights:

- *Elections Over, Transition Underway*
- *Financial Crisis Overwhelms National/Congressional Agenda, Dwarfs Others Issues – Now, Auto Bailout Looming*
- *Lame Duck I*
- *Lame Duck II*
- *Stimulus II – House Version of Bill Contains Major Boost in Title XVI Funding*
- *Drought Conditions/Water Supply*
- *News and Notes*
- *IEUA Working Partners*

Election Over, Transition Underway. With the election now over, Washington is making an abrupt shift. The campaigns are over. Most races were decided by election night, but two senate seats and a handful of House races are still undecided. Now, transition. We start with a large House 2009 class of new members. And, a batch of new Senators. Dems have expanded their

margins and ratios in the House and Senate.. And, most of all, a new President – and switch in parties means that the political appointees, from Secretary on down at USDA, DOE, Interior – all change. And, as individuals are selected and begin moving into new positions – that, in turn, creates openings and more opportunities. This transition will likely last six or more months.

Financial Crisis Overwhelms National/Congressional Agenda – Dwarfs Other Issues. Last month, I reported on how the financial crisis literally overwhelmed the national and congressional agenda. In November, the auto industry announced that it was running out of cash and, like the financial industry, sought an emergency bailout – this one a mere $25 billion. The White House publicly opposed it, congressional hearings became a nightmare for the Big 3 and media reports revealed that the CEO's came to the hearings on private jets turned into a first class public relations disaster. The Speaker and Majority Leader then sent the auto industry a letter outlining what they wanted to see in a new proposal, to be submitted in early December.

Lame Duck I. The House and Senate leaders were hoping to bring up, consider and pass the Stimulus bill during the Lame Duck session which began immediately after the election. The auto industry situation overwhelmed the brief session ended without action on any Stimulus legislation. The Senate was unable to consider the House-passed Stimulus bill (with $126 million for the BuRec Title XVI water recycling program). Another casualty of the Lame Duck – the Senate Energy Committee package of 150 bills, one of which would authorize the Chino desalters and the Prado Wetlands program.

Lame Duck II. House and Senate leaders have scheduled a second Lame Duck session, to begin on December 8. The auto industry was directed by House and Senate leaders to submit a new proposal by December 2 and the House and Senate will consider it during a lame duck session a week later. That means there's another opportunity for the Senate to consider a Stimulus bill, conference it with the House and then submit it to the President. There is also another opportunity for the Energy Committee package of bills. I always hesitate to speculate in these reports, but I will report that most observers believe that the Stimulus bill will not be considered in this Congress, but will have to wait until January where it will likely become the first bill considered in the 111th Congress. On this, more will be known in December.

Stimulus – Major Boost in Title XVI Funding, Water Programs. As previously reported, the House passed a Stimulus bill with $300 million for the Bureau of Reclamation, $126 million of which is designated for the Title XVI program. The Senate version of the bill, without funding for Title XVI, was nevertheless blocked prior to adjournment. Signals from the White House are in opposition. Speaker Pelosi and Majority Leader Reid are indicating that if the Stimulus bill is blocked in the lame duck, it will likely become H.R. 1 in the new Congress and considered immediately after inauguration. In the intervening weeks, discussions are centered on the need for an even larger and more expansive Stimulus bill than the $60 billion bill passed by the House. A revised bill, given the state of the economy and joblessness which keeps climbing, may be $300 billion or larger. EPA, Corps and other Federal water programs may get a significant one-time boost in spending. Details are sketchy, but are expected to become available

in December and January.

Drought Conditions and Water Supplies. Last month, I reported that drought conditions were lessening. The trend continued through November. Although the worst drought in the West is occurring in South Texas, California and Nevada are experiencing drought conditions – statewide. D2 or "Severe" conditions extend from just below the Oregon border, down through the Sacramento and San Joaquin Valleys, and into and through the Inland Empire into San Diego. While drought conditions are less severe than earlier in the year, they still exist and the results of past drought conditions are ever-present.

*News and Notes.. **Chairwoman Napolitano to Speaker Pelosi, House Appropriations Chair Obey – $500 Million Needed for Title XVI.*** In a November 6 letter to the House leadership, Chairwoman Napolitano urged that funding for Title XVI be increased to $500 million. She cited the need, the backlog and the authorized projects. ***Senator Boxer, Chair, Senate Environment and Public Works Calls Water Meeting – Water Recycling Becomes Major Topic***. Senate EPW, in early November called in national water associations to discuss water issues. Various associations highlighted the trend towards greater water recycling – and stated the need for federal funding to reflect this growing change. ***China Promotes Its Own Financial Stimulus – Includes Investments in Water***. In early November, China announced a $586 billion stimulus plan of their own in response to the world-wide financial crisis. Included in the funding priorities - investments in water. ***EPA Extends Comment Period on Perchlorate.*** EPA announced that it would extend the comment period on its controversial perchlorate proposal. ***EPA's Science Advisory Panel Publicly Challenged EPA Decision on Perchlorate***. The EPA Science Advisory Panel, citing the likelihood of a flawed model, urged EPA to delay its decision, correct the model and reconsider its decision. This will become an issue for the new administration. ***NASA Touts Water Recycling – Out of This World***. Water recycling got a boost – from NASA. And yes, it was from out of this world. Price tag was $250 million!! IEUA is more efficient than NASA. ***Delta Vision Committee – in Report to Governor – Touts Recycled Water***. The Governor's committee announced support for expanded use of recycled water in California.

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

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

k. Chino Basin Watermaster

Inland Empire
UTILITIES AGENCY

Date:	December 17, 2008
To:	The Honorable Board of Directors
From:	Richard W. Atwater Chief Executive Officer/General Manager
Submitted by:	Martha Davis Executive Manager of Policy Development
Subject:	November 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

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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@pacbell.net

MEMORANDUM

TO: Richard Atwater and Martha Davis

FROM: Jennifer West

DATE: December 1, 2008

RE: Sacramento Legislative Report

Budget Update

In the November special budget session, the legislative failed to adopt any budget cuts or revenue increases to address the budget gap, projected at more than $11 million for the coming fiscal year and $17 billion in the next year. The Governor has said he will declare a "fiscal emergency", as described under Proposition 58. This does not necessitate the triggering of Proposition 1A, however, with the budget situation continuing to worsen, borrowing from local governments will likely be a topic of discussion.

Water Softener Legislation for 2009?

IEUA, WateReuse and the other supporters of AB 2270 (Laird/Feuer) are deciding whether to reintroduce some version of the bill in the coming session. The bill allowed local governments to control salinity from residential self-regenerating water softeners after a regional water quality control board had made a determination that salinity was a problem within the area. The measure was vetoed by the Governor after receiving significant bi-partisan support from legislators and strong support from a large coalition that included farming interests, sanitation agencies, water districts, cities and golf course associations. Any reintroduction is expected to be heavily opposed by the water softening industry as they continue to defend existing law that was crafted in large part by their industry to protect these salt-based devises.

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Inland Empire
UTILITIES AGENCY

Date:	December 17, 2008
To:	The Honorable Board of Directors
Through:	Public, Legislative Affairs, and Water Resources Committee *(12/10/08)*
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.

Calendar of Events

December 2008

- **December 24** IEUA hosted Holiday Luncheon at Los Serranos Country Club from 11:00 a.m. to 2:00 p.m.

January 2009

- **January 23 – 24,** MWD/IEUA State Water Project Trip

February 2009

- **February 25,** A Day at the Chino Creek Wetlands and Educational Park as part of National Wetlands Month, 3:30 p.m. to 5:30 p.m.

March 2009

- **March 16,** IEUA hosts Special District Dinner at the Panda Inn in Ontario, 6:00 p.m.

April 2009

- **April 22,** Earth Day at the Chino Creek Wetlands and Educational Park, 3:30 p.m. to 6:30 p.m.

OUTREACH/EDUCATIONAL INLAND VALLEY DAILY BULLETIN NEWSPAPER CAMPAIGN

The five tips on ways to help conserve water ad will appear in the Daily Bulletin on the first Sunday of each month. Automatic Water Softener Removal Rebate ad is running in the Daily Bulletin, Champion Newspapers, Los Angeles Times, Fontana Herald, El Chicano, and La Prensa during September and October. The Think Environment ad ran the week of November 17.

WATER CONSERVATION OUTREACH

None.

AGENCY TOURS

During the past month staff has provided tours of the LEED building to Cal Poly Students and a tour of the Solar Project to Harvey Mudd Students.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

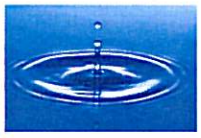
None.

Inland Empire Utilities Agency
Annual Conservation Programs Report

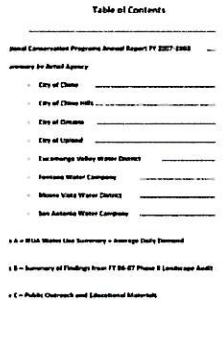
December 17, 2008

Annual Conservation Programs Report Summary (2007-2008)

- Total Number of Devices/Rebates processed: 10, 168
- Total Annual Water Savings: 478 acre-feet
- Total Lifetime Water Savings: 6,568 acre-feet



IEUA Regional Conservation
Programs Annual Report
FY 2007-2008



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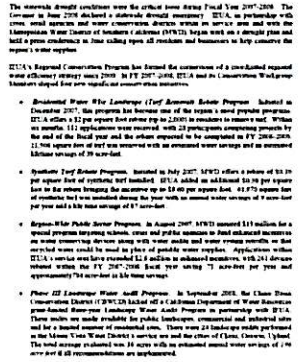
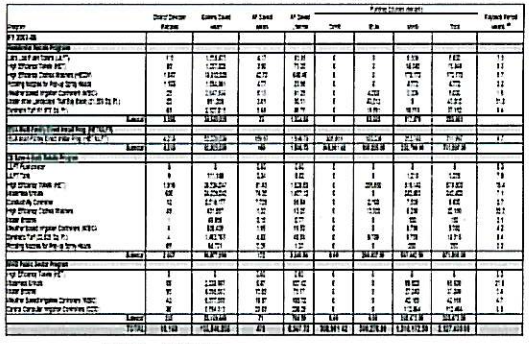


Preface
IEUA Regional Conservation Programs
Annual Report
FY 2007-2008



New Program Additions in 2007-2008

- Residential Water Wise Landscape (Turf Removal) Rebate Program (December 2007)
- Synthetic Turf Rebate Program (July 2007)
- Region-Wide Public Sector Program (August 2007)
- Phase III Landscape Water Audit Program (January 2008)

Cumulative Results from Program Inception

- Total Number of Devices/Rebates processed since 2002-2003: 57,375
- Total Annual Water Savings: 2,494 acre-feet
- Total Lifetime Water Savings: 37,097 acre-feet

Looking to the future

- ***State drought conditions are still critical***
  - Although drought conditions did not improve during 2007-2008- through conservation and other activities there was a water demand reduction of 13,000 AF
    - In 2006-2007, water demands were 255,000 AF
    - In 2007-2008, water demands were 242,000 AF

- ***Water Use Efficiency in 2008-2009***
  - In the 1st and 2nd quarters of 2008-09, conservation has had a huge effect on demand reduction
    - Through the MWD Public Sector Program, there have been 645 devices rebated with an estimated annual water savings of 500 AF, alone. Lifetime savings on these devices is 5,000 AF. In addition, the IEUA service area received more than $2.6 million in up-front funds for these devices.
    - The ramp-up of these conservation efforts and other programs have had a huge impact on increasing credits for IEUA's service area and bringing more imported water to the region under MWD's drought allocation plan.

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Annual Water Use Report for IEUA Service Area

FY 2007-08
Retail Agency Water Use and Five-Year History

Inland Empire
UTILITIES AGENCY

Table of Contents

Preface
FY 2007-2008 Water Use Summary Report

FY 2006/07 was a record-breaking dry year for California, with IEUA's service area receiving less than 5 inches of rain – far below the 13-inch average rainfall for the region. FY 2007/08 continued to experience dry conditions. Total water use was 242,000 acre-feet, slightly lower than the preceding year's water use of 255,000 acre-feet. This decrease in water use reflects increased conservation efforts that IEUA and its retail agencies have put forth over fiscal year, as well as the slightly cooler summer temperatures.

Since the Dry Year Yield program's inception in 2003, approximately 88,000 acre-feet has been stored in the Metropolitan Water District account within the Chino Groundwater Basin. With the continuing drought conditions in FY 2007/08, especially in combination with the legal constraints now imposed on pumping from the San Francisco Bay Delta, MWD made its first "call" on the DYY account in May 2008, underscoring the value of this program for meeting regional water needs during times of shortage. The months of May and June saw IEUA retail agencies pump approximately 8,500 acre-feet out of the Chino Groundwater Basin storage account. (IEUA's 12-month obligation is 31,000 acre-feet.)

Due to the aggressive diversification of the service area's water supplies to maximize local development and water conservation over the last five years, IEUA's service area is better prepared to cope with the current drought. Use of recycled water has doubled over the past year (from 6,000 acre-feet to over 13,000 acre-feet) as has the use of desalter water (from 6,900 to 15,000 acre-feet). MWD, through its recent drought planning process, recognized IEUA as having one of *three most reliable water supplies* within southern California.

The development of these local sources of supply helps retail agencies reduce dependence on imported water; however the current drought conditions put the region into Tier 2 for calendar year 2007 (a total of approximately 69,000 acre-feet was purchased in 2007). The same is expected for calendar year 2008.

To reduce the possibility of future water shortages from the drought and the likely reduction in imported water supplies from MWD during the next few years, IEUA is working to accelerate the implementation schedule for its Recycled Water Three Year Business Plan and to expand its conservation programs. The Agency expects to have the ability to deliver 50,000 acre-feet of recycled water by 2010. In addition, the Agency is urging that water usage be reduced by twenty gallons per person per day – a twenty gallon challenge. This is about a 10% water savings which will help offset the increasing forecasted water demand.

In February 2008, MWD's Board of Directors adopted a Water Supply Allocation (Drought) Plan that lays out potential reduction scenarios of imported water, if the current drought were to continue. If the drought continues and imported water reserves continue to fall, MWD will most likely implement their Drought Plan in April 2009.

The Annual Water Usage Report for FY 2007/08 was provided to the retail agencies for review and comment in early November. Minor comments have been received and these edits have been incorporated into the final draft document.

SECTION 1

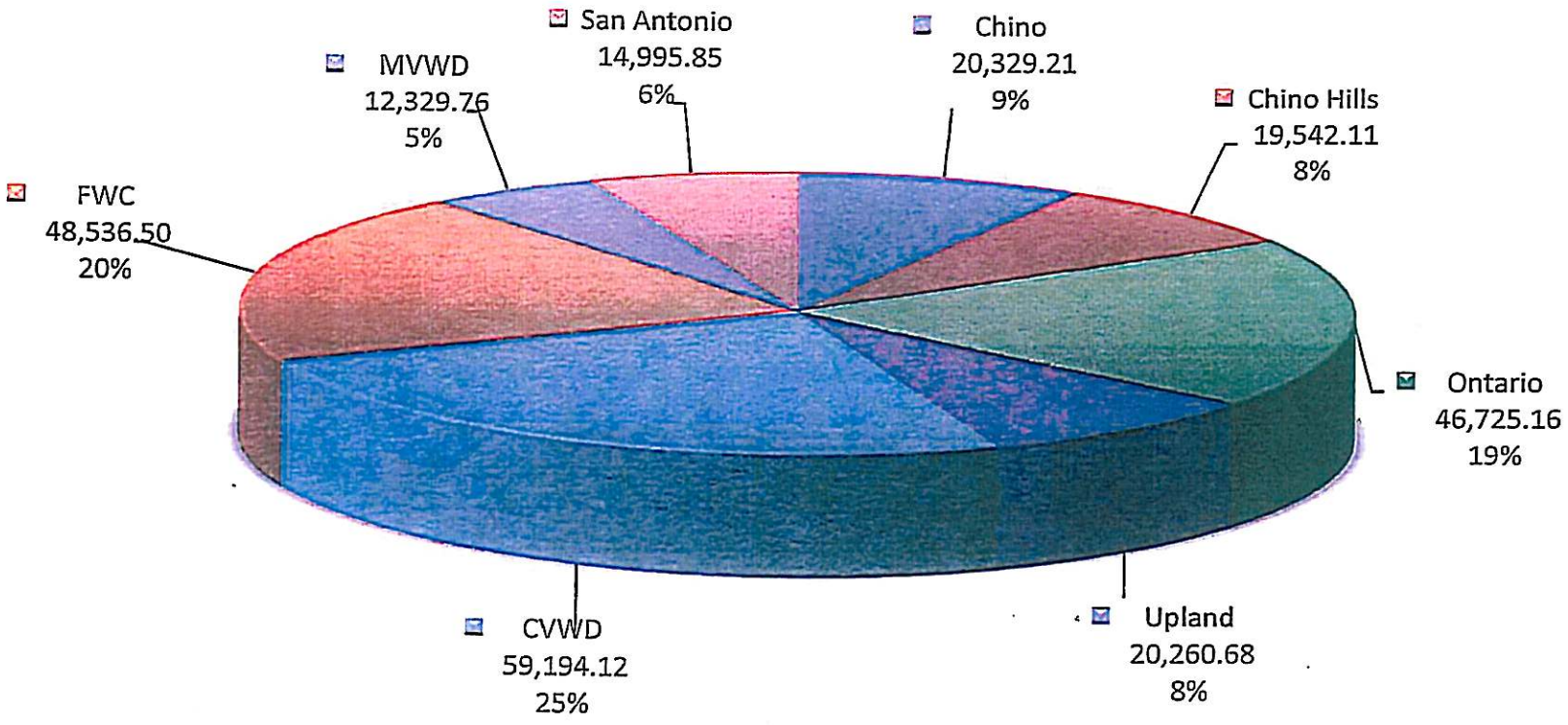
This section contains water resources data from FY 2007-08, by IEUA member agency.

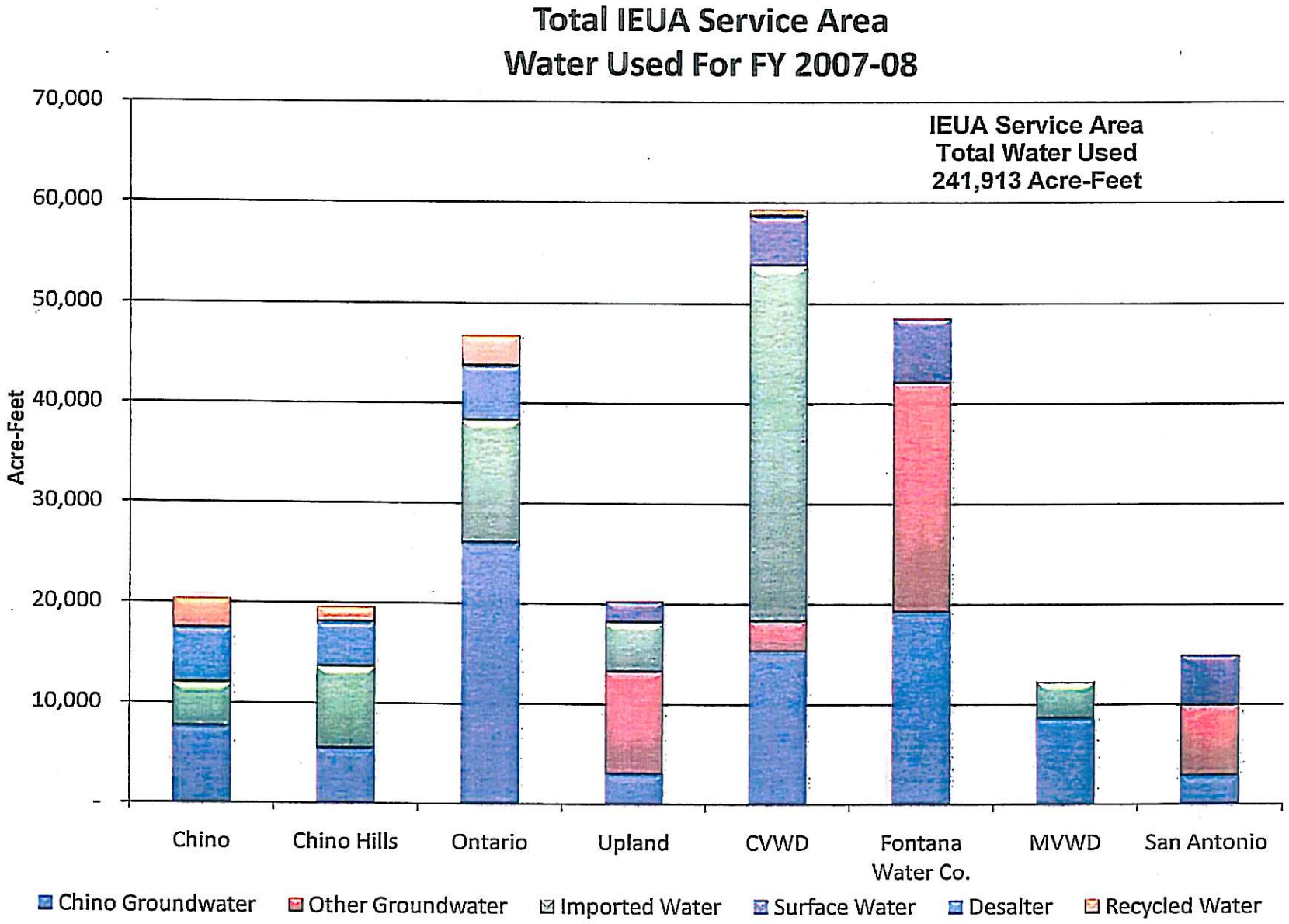
Table 1. Total IEUA Service Area Water Use by Retail Agency for FY 2007-08.

FY 2007/2008	Chino	Chino Hills	Ontario	Upland	CVWD	Fontana Water Co.	MVWD	San Antonio	TOTAL
Imported Water									
Tier1/Tier 2	4,368.8	8,172.7	12,316.5	4,889.4	35,451.1	14.7	3,737.4	-	68,950.6
In-Lieu	-	-	-	-	-	-	-	-	0.0
SUBTOTAL	4,368.8	8,172.7	12,316.5	4,889.4	35,451.1	-	3,373.4	-	68,950.6
Chino Groundwater	7,608.3	5,459.57	25,988.3	2,967.1	15,294.0	19,198.6	8,592.4	2,799.5	87,907.7
Recycled Water	2,896.5	1,479.2	3,005.5	-	561.6	-	-	-	7,942.6
Other Groundwater	-	-	-	10,329.8	3,040.8	22,903.9	-	7,126.1	43,400.6
Surface Water	-	-	-	2,074.4	4,846.7	6,419.3	-	5,070.2	18,410.5
Desalter	5,455.6	4,430.6	5,414.9	-	-	-	-	-	15,301.1
SUBTOTAL	15,960.4	11,369.4	34,408.7	15,371.3	23,743.1	48,521.8	8,592.4	14,995.8	172,962.8
TOTAL	20,329.2	19,542.1	46,725.2	20,260.7	59,194.1	48,536.5	12,329.8	14,995.8	241,913.4

NOTE: This report summarizes imported water use by retail agencies, including water provided in lieu of local groundwater pumping as part of the MWD Dry Year Yield (DYY) Conjunctive Use Program. Purchased imported water is at the Tier 1 rate (Tier 2 if total imported water purchases for IEUA's service area exceeds the Agency's Tier 1 allocation of 59,752 feet).

Total IEUA Service Area
Water Used For FY 2007/2008



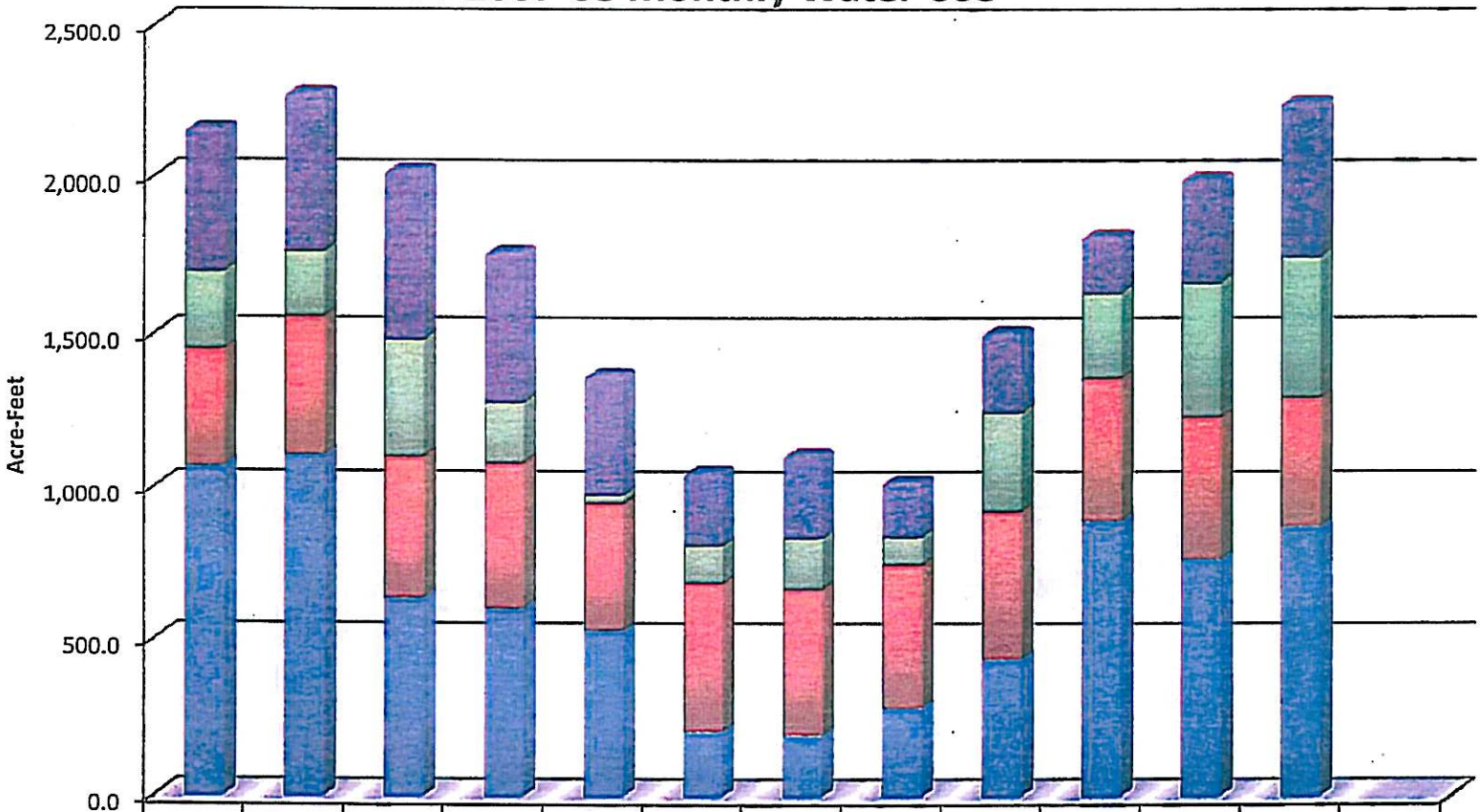

Total IEUA Service Area
Water Used For FY 2007-08
IEUA Service Area
Total Water Used
241,913 Acre-Feet
Acre-Feet
70,000
60,000
50,000
40,000
30,000
20,000
10,000
-
Chino
Chino Hills
Ontario
Upland
CVWD
Fontana Water Co.
MVWD
San Antonio
Chino Groundwater
Other Groundwater
Imported Water
Surface Water
Desalter
Recycled Water

SECTION 2

This section contains monthly water use for FY 2007-08 and 5-year water use, by agency. The following section contains water use data from each individual IEUA member agency. Each agency will have its own sub-section that contains data about FY 2007-08 water use, including DYY storage, as well as historical water use trends over the past 5-years.

NOTE: This report summarizes imported water use by retail agencies, including water provided in lieu of local groundwater pumping as part of the MWD Dry Year Yield (DYY) Conjunctive Use Program. Purchased imported water is at the Tier 1 rate (Tier 2 if total imported water purchases for IEUA's service area exceeds the Agency's Tier 1 allocation of 59.752 feet).

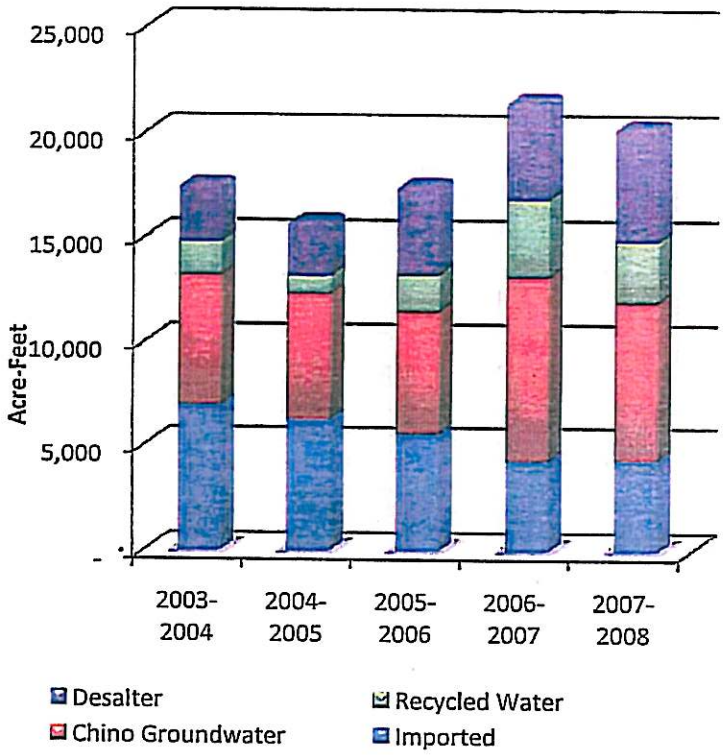
City of Chino
FY 2007-08 Monthly Water Use



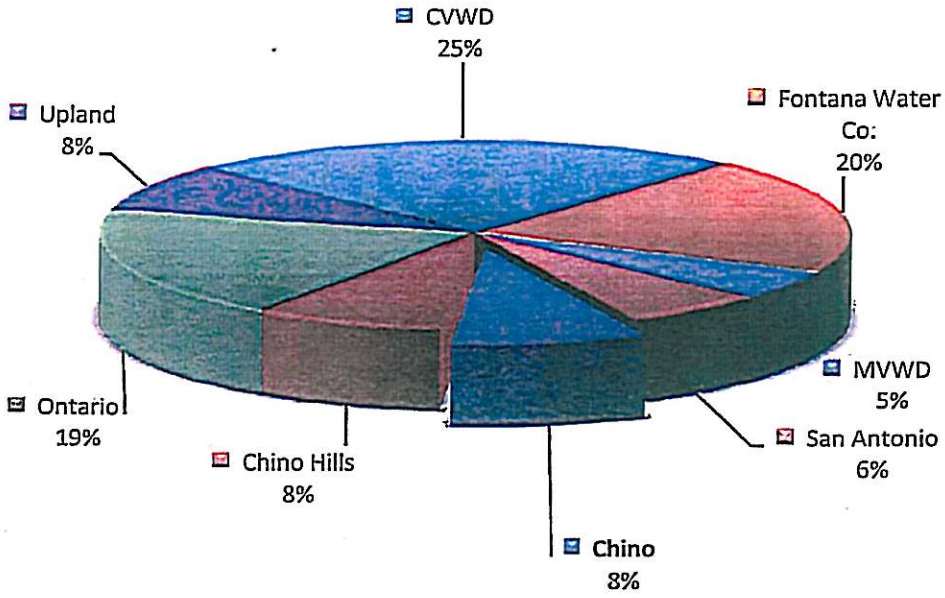
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Tier 1 (MWD)	460.5	514.6	539.4	483.7	394.8	244.8	277.0	183.6	257.7	181.2	331.6	499.9	4,368.8
Recycled Water	244.2	204.5	379.5	197.1	24.9	122.6	165.5	89.7	323.3	270.0	426.9	448.2	2,896.5
Desalter Water (CDA)	381.6	450.9	466.6	478.7	418.2	478.3	471.1	463.2	484.2	467.3	472.4	423.1	5,455.6
Chino Groundwater	1,071.2	1,107.0	636.4	603.3	530.7	206.6	194.7	284.1	440.7	894.1	764.2	875.3	7,608.3

City of Chino
FY 2007-08 Water Use Report

5 Year Water Use Trends



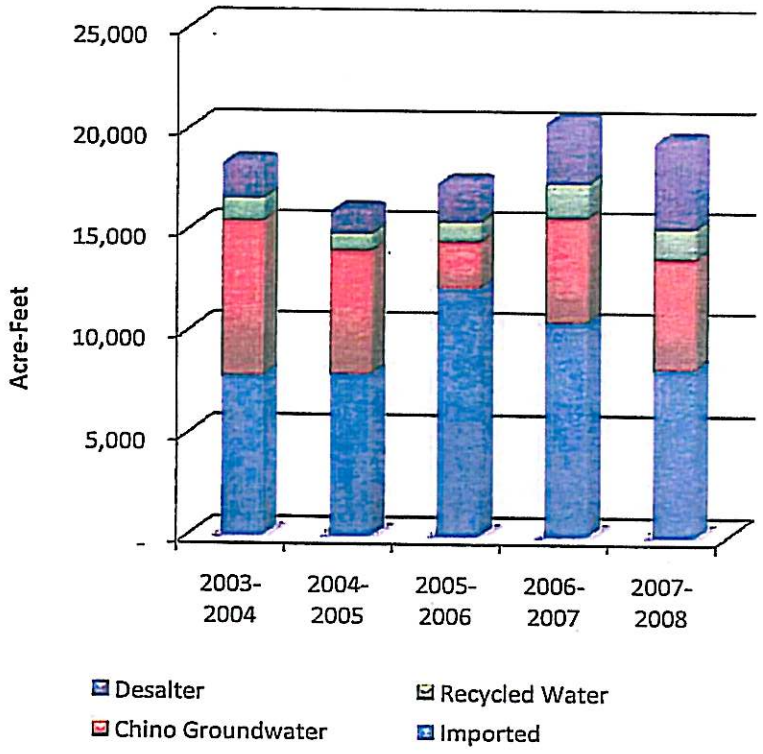
FY 2007/08 Total Water Used



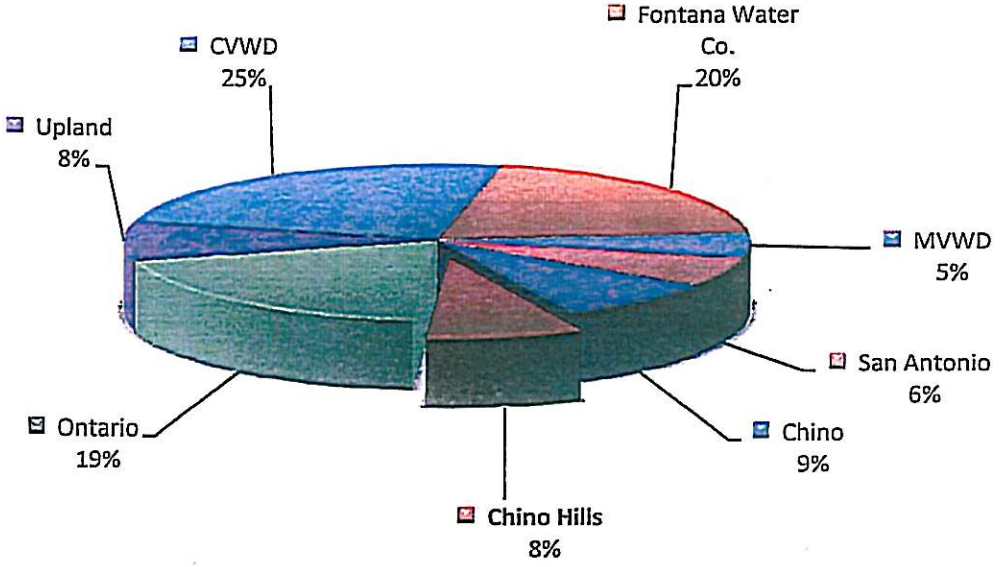
The City of Chino used 8% (20,329 acre-feet) out of 243,839 acre-feet used in the IEUA service area.

City of Chino Hills
FY 2007-08 Water Use Report

5 Year Water Use Trends

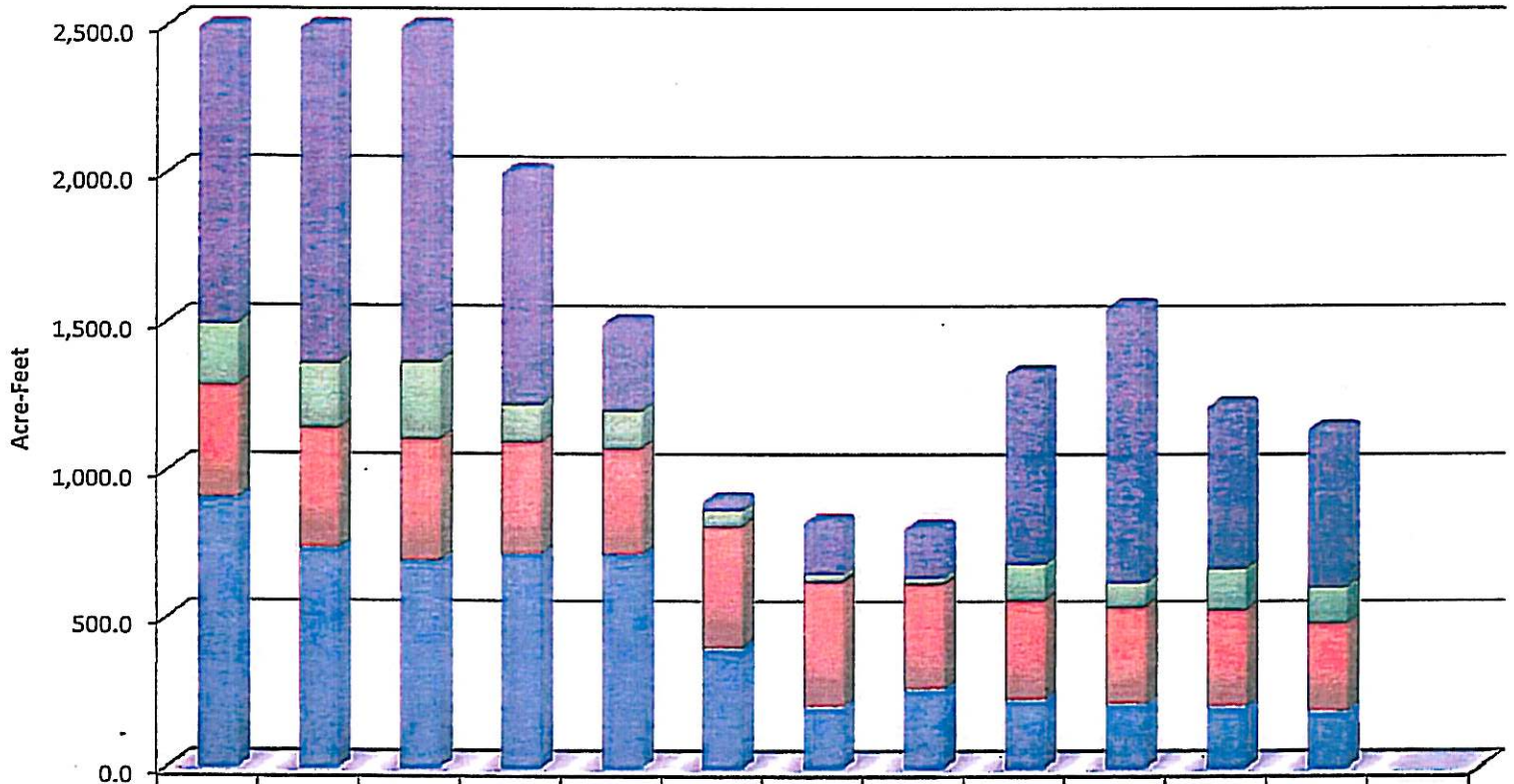


FY 2007/08 Total Water Used



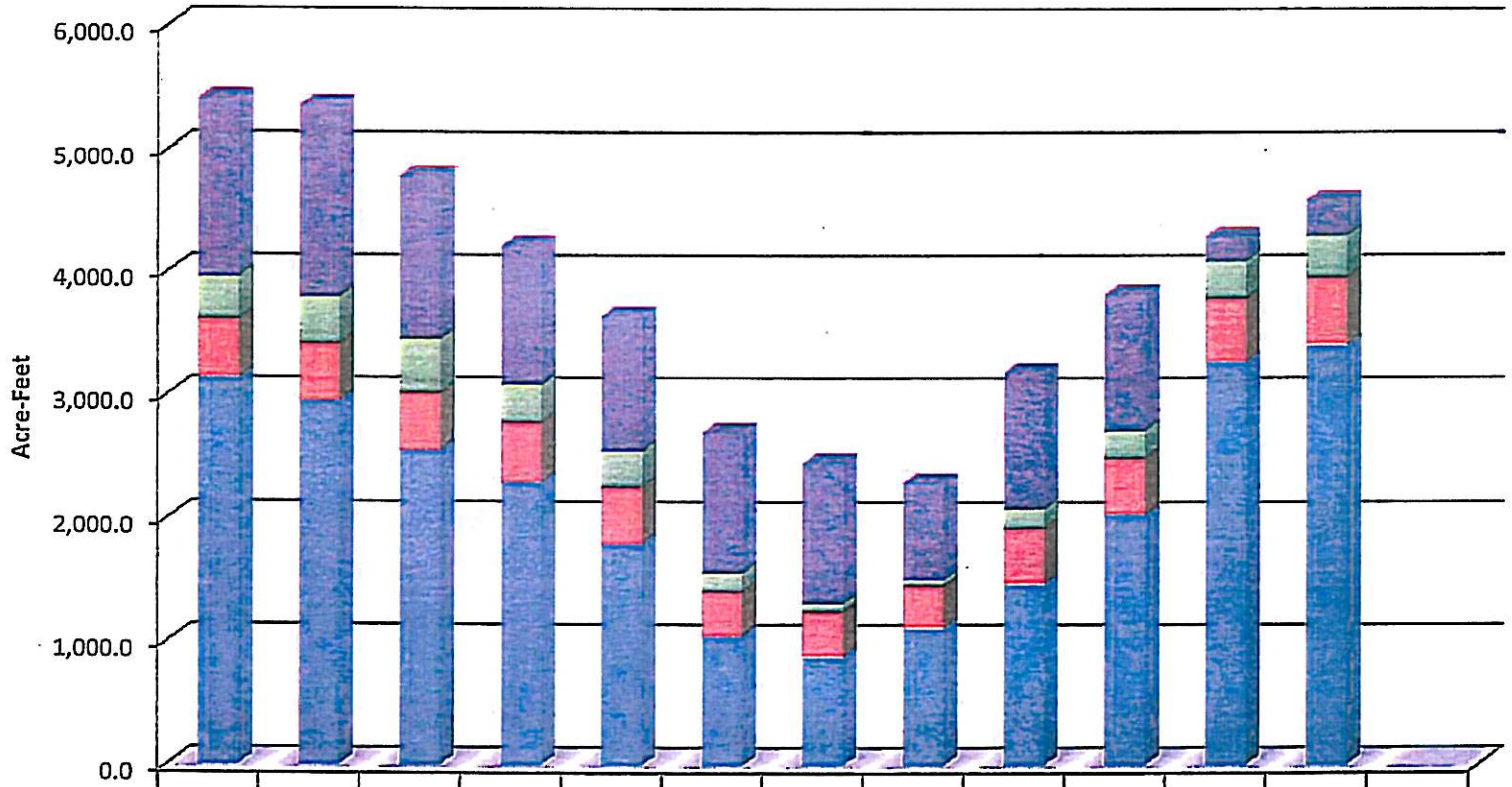
The City of Chino Hills used 8% (19,542 acre-feet) out of 241,899 acre-feet used in the IEUA service area.

City of Chino Hills
FY 2007-08 Montly Water Use



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Imported Water	1,320.0	1,468.6	1,190.6	787.9	303.2	39.4	185.1	177.1	658.6	940.2	557.1	544.9	8,172.7
Recycled Water	204.3	218.7	261.9	126.0	124.6	48.8	21.4	17.6	120.9	76.9	138.7	119.4	1,479.2
Desalter Water (CDA)	384.4	409.0	413.9	381.6	363.5	414.3	423.3	355.9	334.2	328.7	326.2	295.5	4,430.6
Chino Groundwater	906.0	736.0	694.5	715.5	714.8	401.2	202.4	260.6	226.5	211.1	202.9	188.2	5,459.6

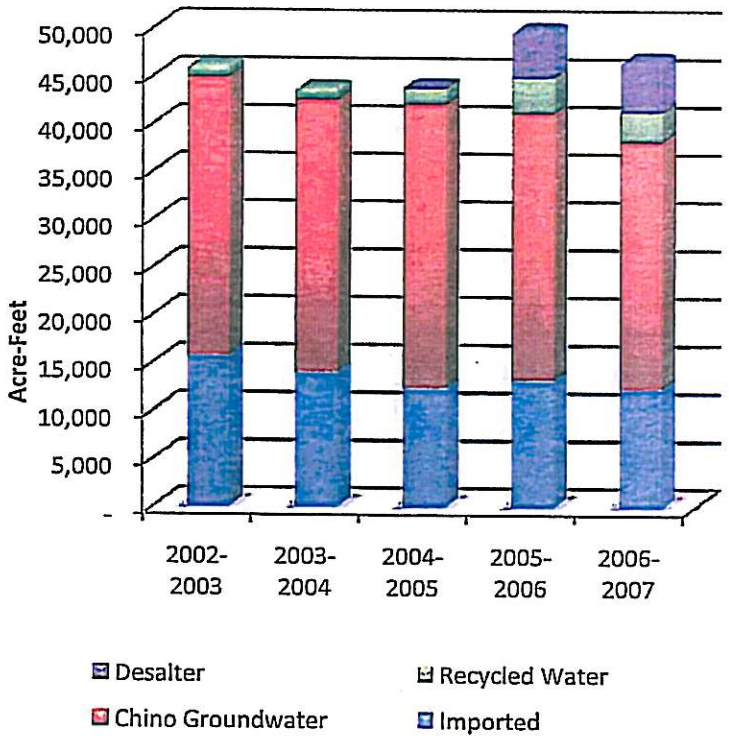
City of Ontario
FY 2007-08 Monthly Water Use



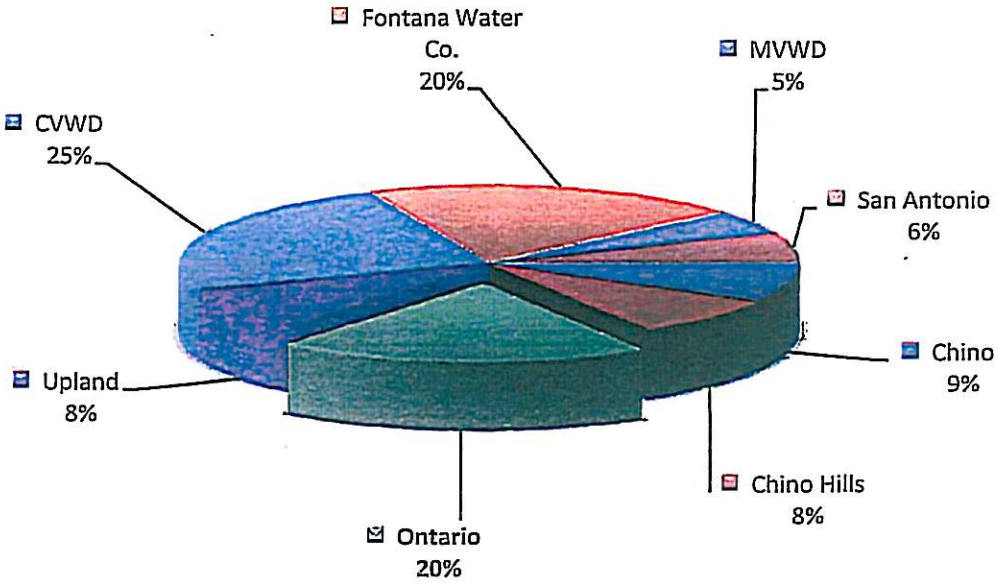
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Tier 1 (MWD)	1,454.3	1,556.3	1,333.7	1,130.6	1,089.7	1,137.2	1,139.0	783.7	1,103.2	1,102.1	199.4	287.3	12,316.
Recycled Water	343.7	376.9	437.4	300.7	287.7	143.8	68.1	44.0	156.8	217.1	292.9	336.5	3,005.5
Desalter Water (CDA)	478.4	474.3	459.5	482.1	465.1	364.8	363.3	346.9	450.1	463.9	517.4	549.2	5,414.9
Chino Groundwater	3,133.6	2,948.5	2,555.5	2,296.8	1,800.0	1,052.9	882.9	1,117.8	1,476.2	2,037.2	3,276.0	3,410.8	25,988.

City of Ontario
FY 2007-08 Water Used Report

5 Year Water Use Trends

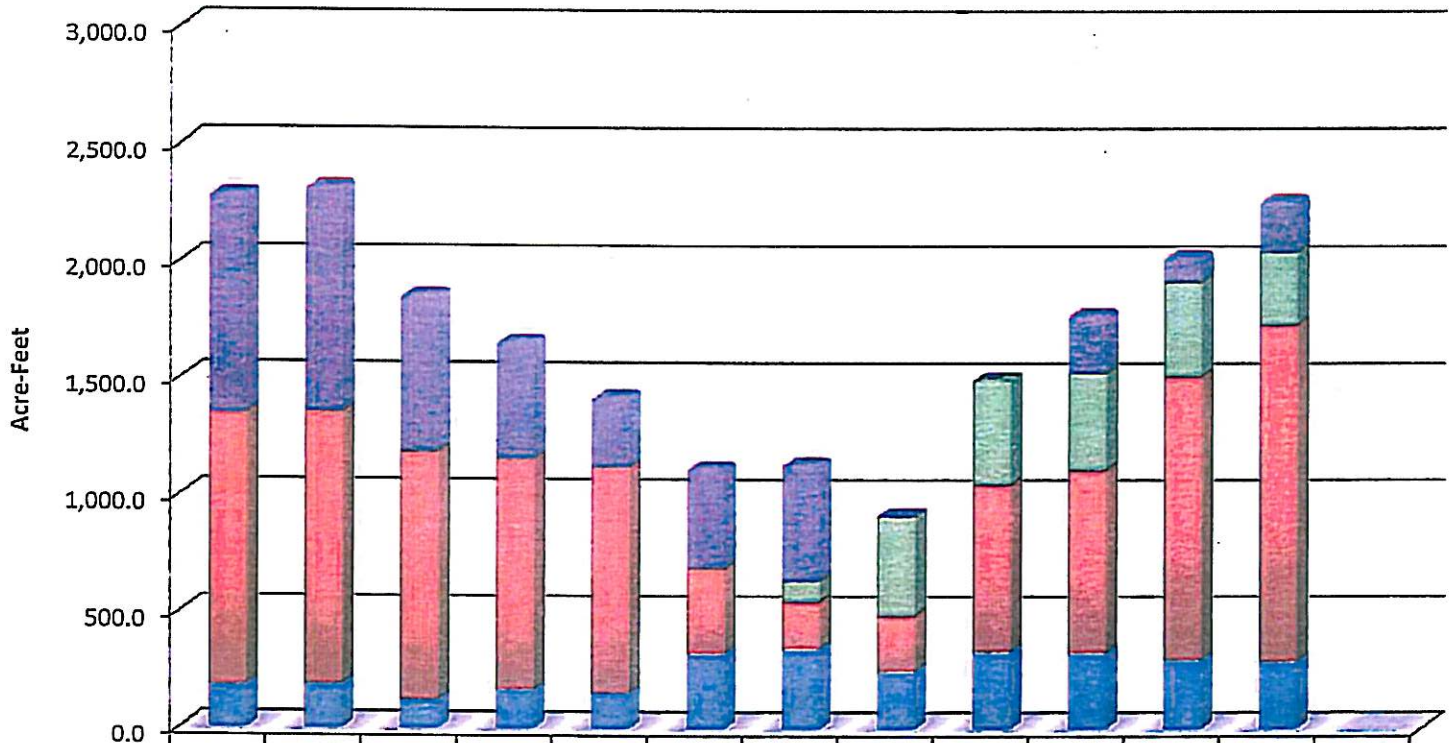


FY 2007/08 Total Water Used



The City of Ontario used 20% (46,725 acre-feet) out of 241,899 acre-feet used in the IEUA service area.

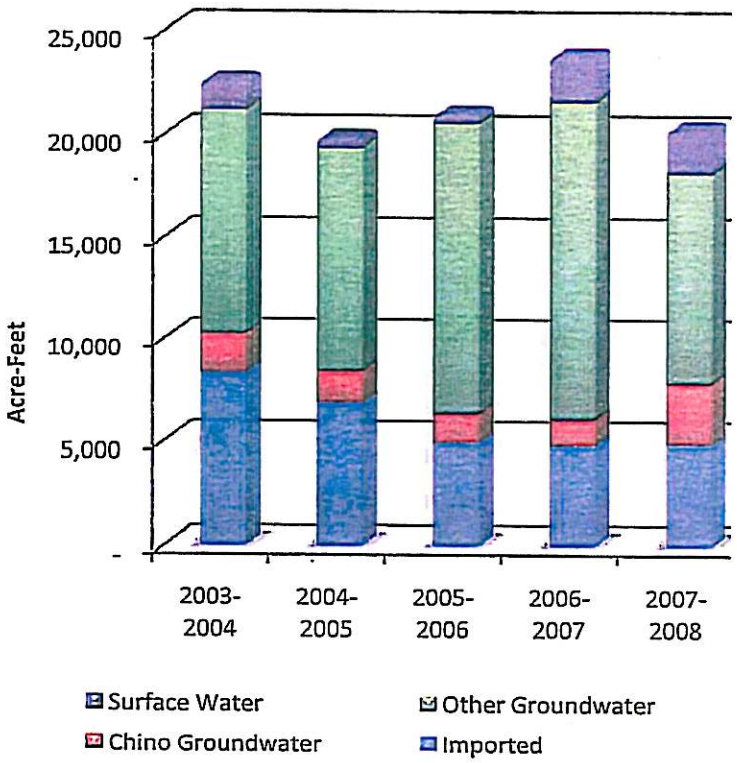
City of Upland
FY 2007/08 Monthly Water Use



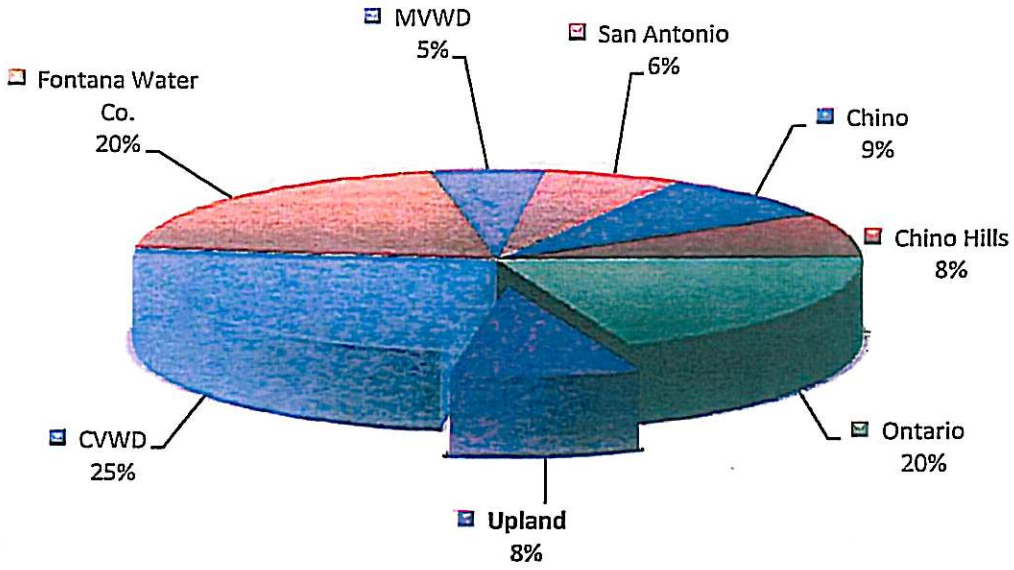
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Tier 1 (MWD)	940.0	963.2	671.5	502.4	300.1	429.0	500.8	1.5	0.0	250.0	110.4	220.6	4,889.4
Local Surface Water	0.0	0.0	0.0	0.0	0.0	0.0	87.1	420.0	445.6	412.0	399.5	310.2	2,074.4
Other Groundwater	1,164.	1,167.	1,068.	992.00	974.00	364.40	202.50	240.00	714.00	784.00	1,216.1	1,443.1	10,329.
Chino Groundwater	185.5	189.0	117.6	164.5	147.4	323.0	344.0	248.0	333.5	328.4	297.1	289.1	2,967.1

City of Upland
FY 2007-08 Water Used Report

5 Year Water Use Trends

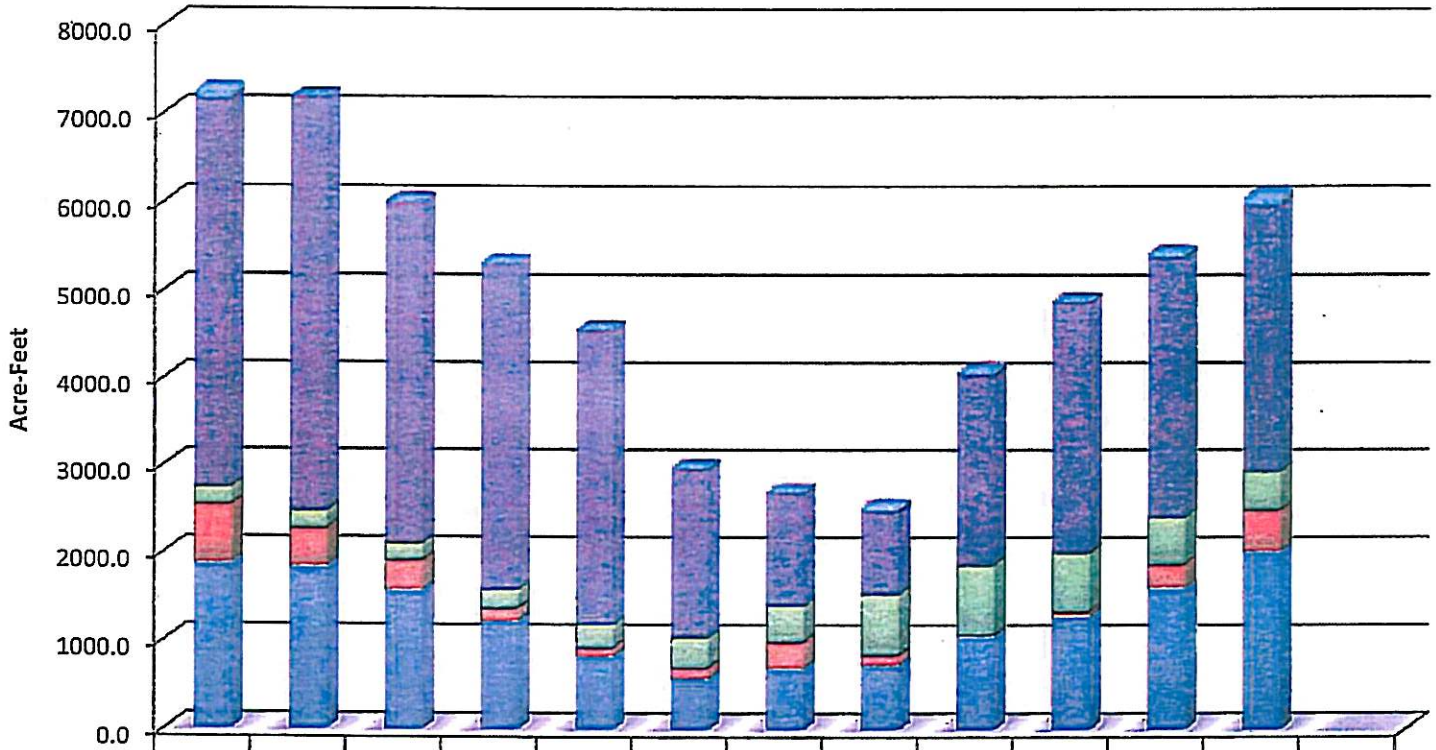


FY 2007/08 Total Water Used



The City of Upland used 8% (20,260 acre-feet) out of 241,899 acre-feet used in the IEUA service area.

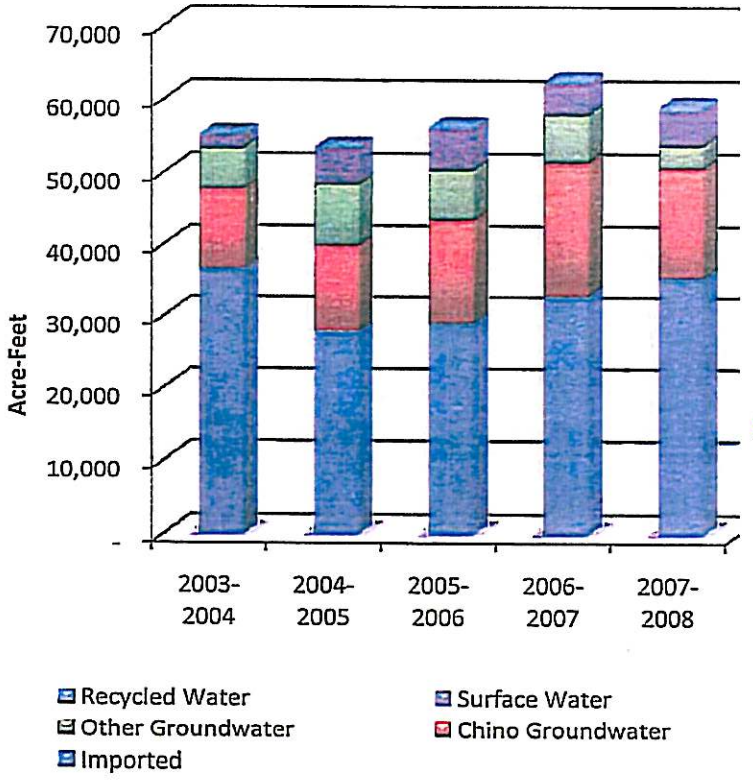
Cucamonga Valley Water District
FY 2007/08 Monthly Water Use



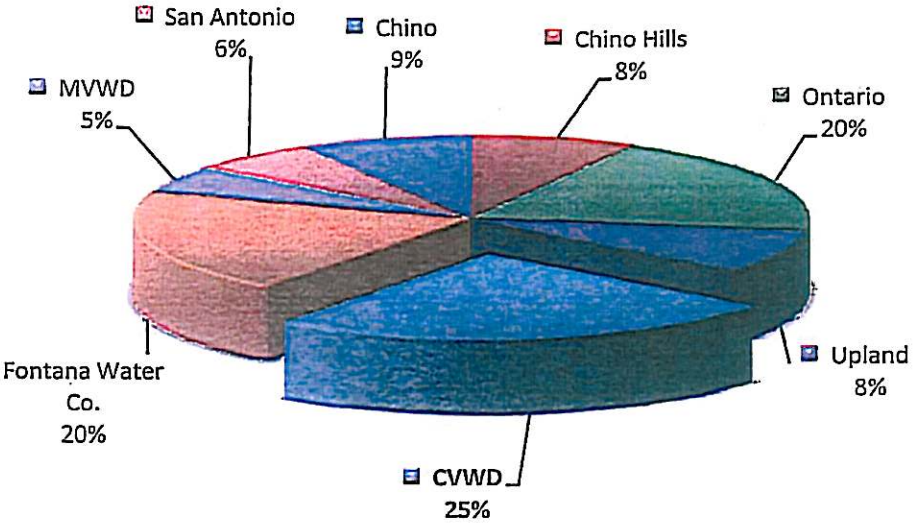
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Recycled Water	126.8	0.0	15.9	18.3	20.6	22.8	25.5	68.1	61.7	22.6	56.4	122.8	561.6
Tier 1 (MWD)	4422.2	4729.1	3906.2	3743.4	3371.0	1931.1	1296.5	947.4	2188.6	2882.7	2987.4	3045.5	35,451.
Local Surface Water	196.4	184.6	186.0	205.9	254.0	334.6	394.2	683.9	785.2	656.5	529.4	435.9	4,846.7
Other Groundwater	663.2	437.5	338.9	142.2	96.6	126.2	303.0	116.1	15.1	54.0	270.1	477.8	3,040.8
Chino Groundwater	1875.0	1838.7	1573.7	1223.2	827.0	574.2	692.7	727.5	1058.1	1284.7	1602.8	2016.4	15,294.

Cucamonga Valley Water District
FY 2007-08 Water Used Report

5 Year Water Use Trends

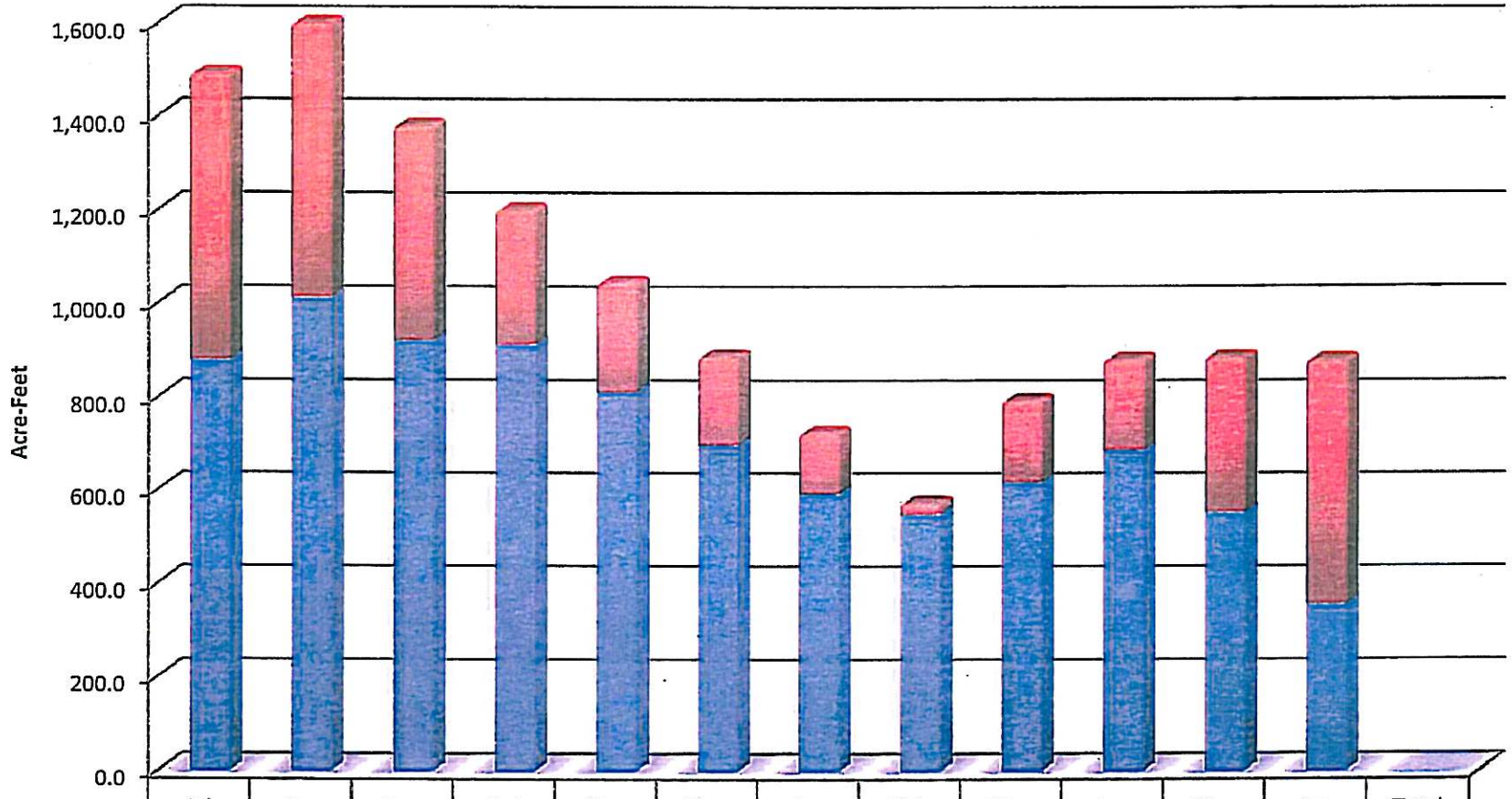


FY 2007/08 Total Water Used



The CVWD used 25% (59,194 acre-feet) out of 241,899 acre-feet used in the IEUA service area.

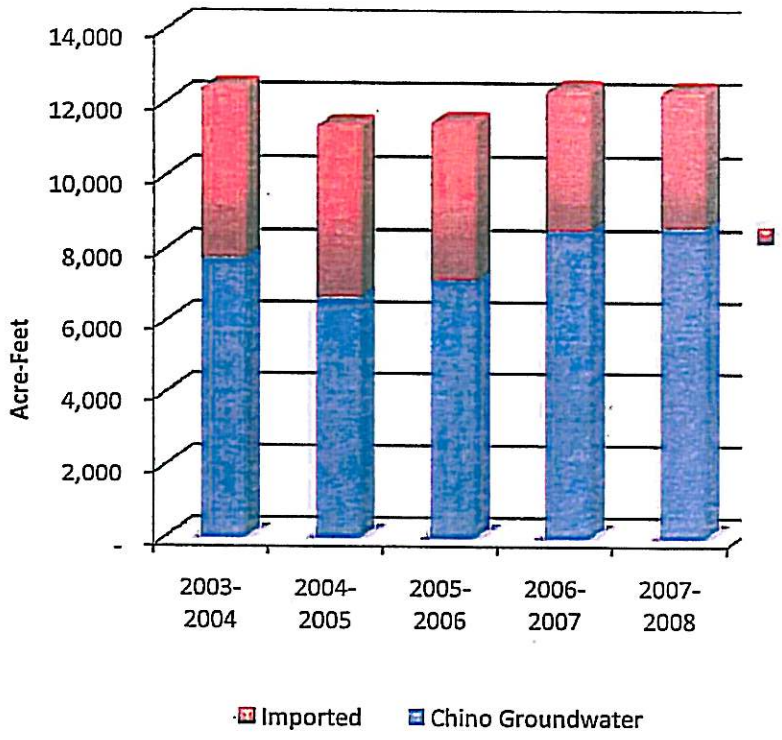
Monte Vista Water District
FY 2007/08 Monthly Water Use



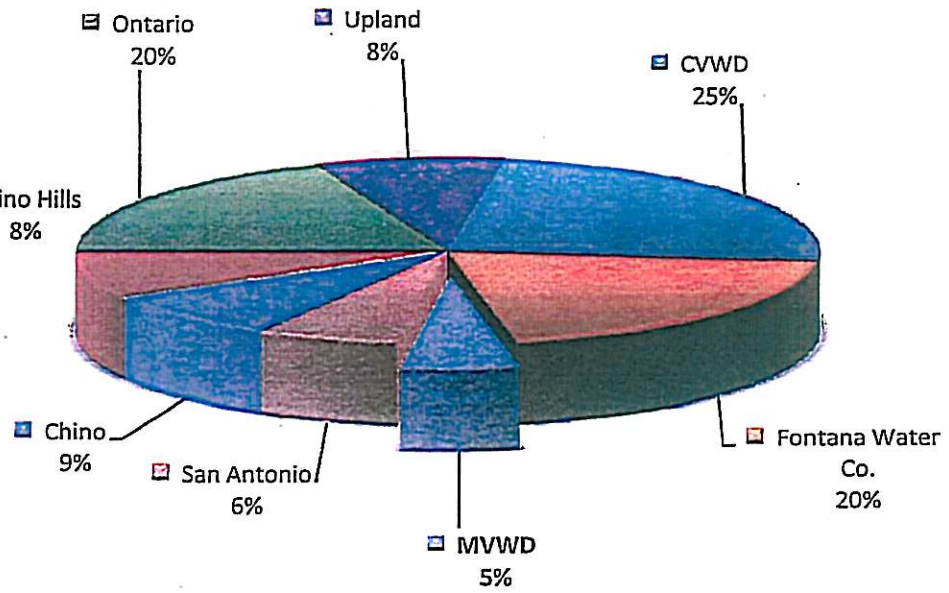
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Imported Water	612.6	688.1	458.5	286.6	232.0	189.9	131.4	24.2	176.2	192.4	331.9	521.9	3,845.7
Chino Groundwater	878.6	1,013.1	921.7	912.9	812.8	697.3	592.9	548.1	617.6	687.3	553.3	356.8	8,592.4

Monte Vista Water District
FY 2007-08 Water Used Report

5 Year Water Use Trends

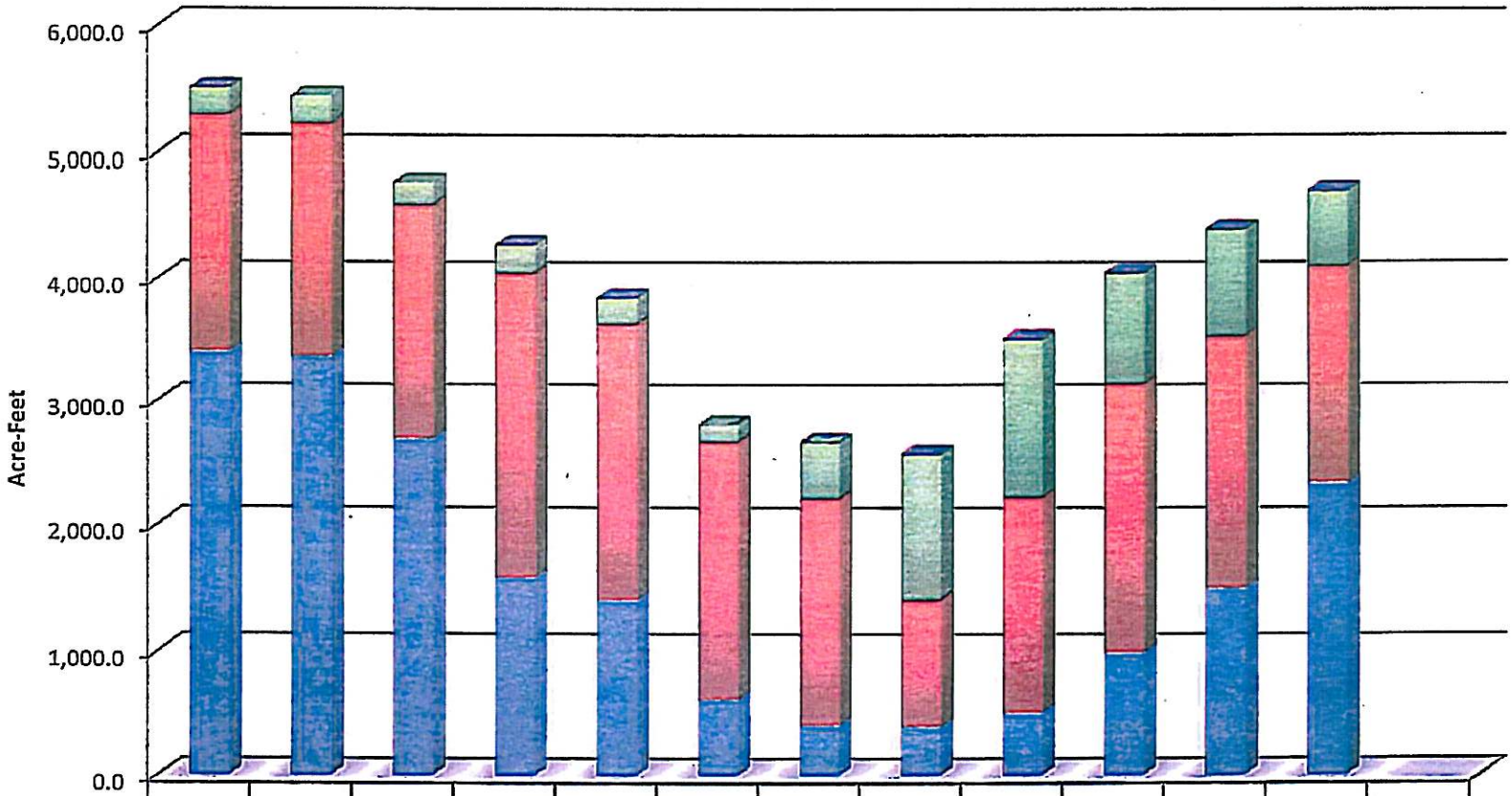


FY 2007/08 Total Water Used



The Monte Vista Water District used 5% (12,330 acre-feet) out of 241,899 acre-feet used in the IEUA service area.

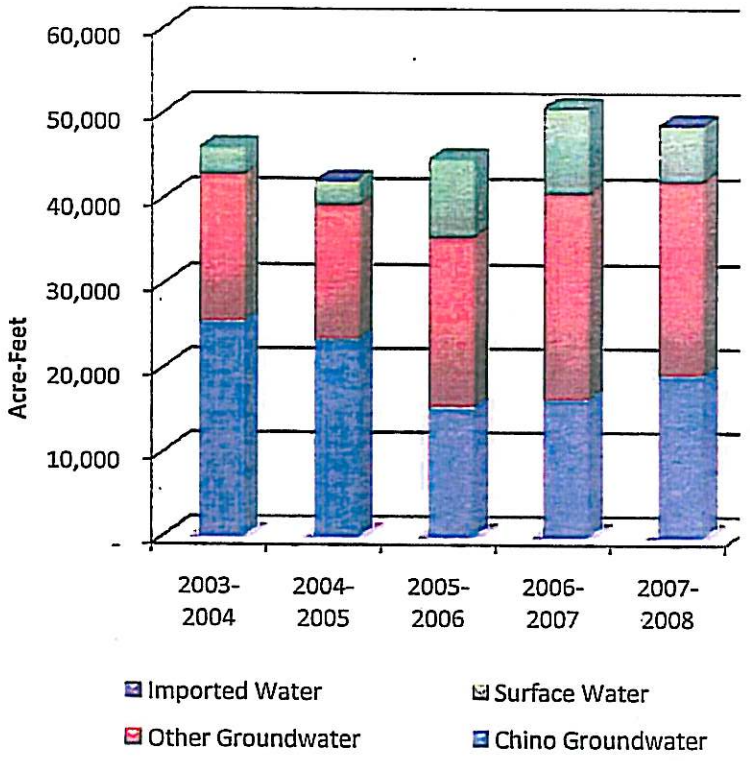
Fontana Water Co.
FY 2007/08 Monthly Water Use



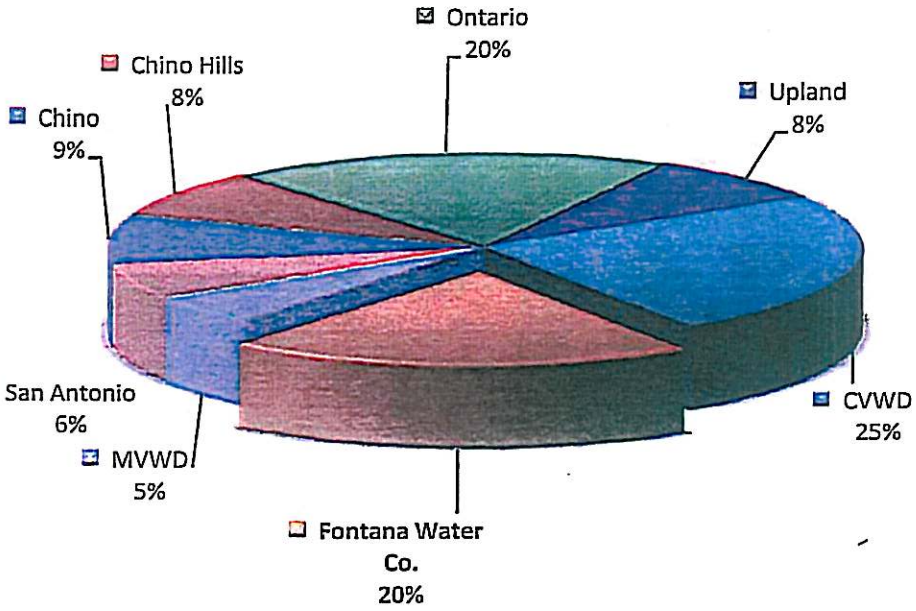
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Tier 1 (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.7	14.7
Local Surface Water	205.0	215.3	183.3	222.1	213.1	140.0	448.4	1,153.6	1,279.2	904.9	867.0	587.4	6,419.3
Other Groundwater	1,897.7	1,870.9	1,900.1	2,466.0	2,227.4	2,055.7	1,803.6	1,016.8	1,713.7	2,148.8	2,030.8	1,772.4	22,903.
Chino Groundwater	3,402.5	3,361.2	2,690.4	1,585.0	1,402.8	611.7	409.7	394.8	508.3	995.1	1,501.3	2,335.8	19,198.

Fontana Water Company
FY 2007-08 Water Used Report

5 Year Water Use Trends

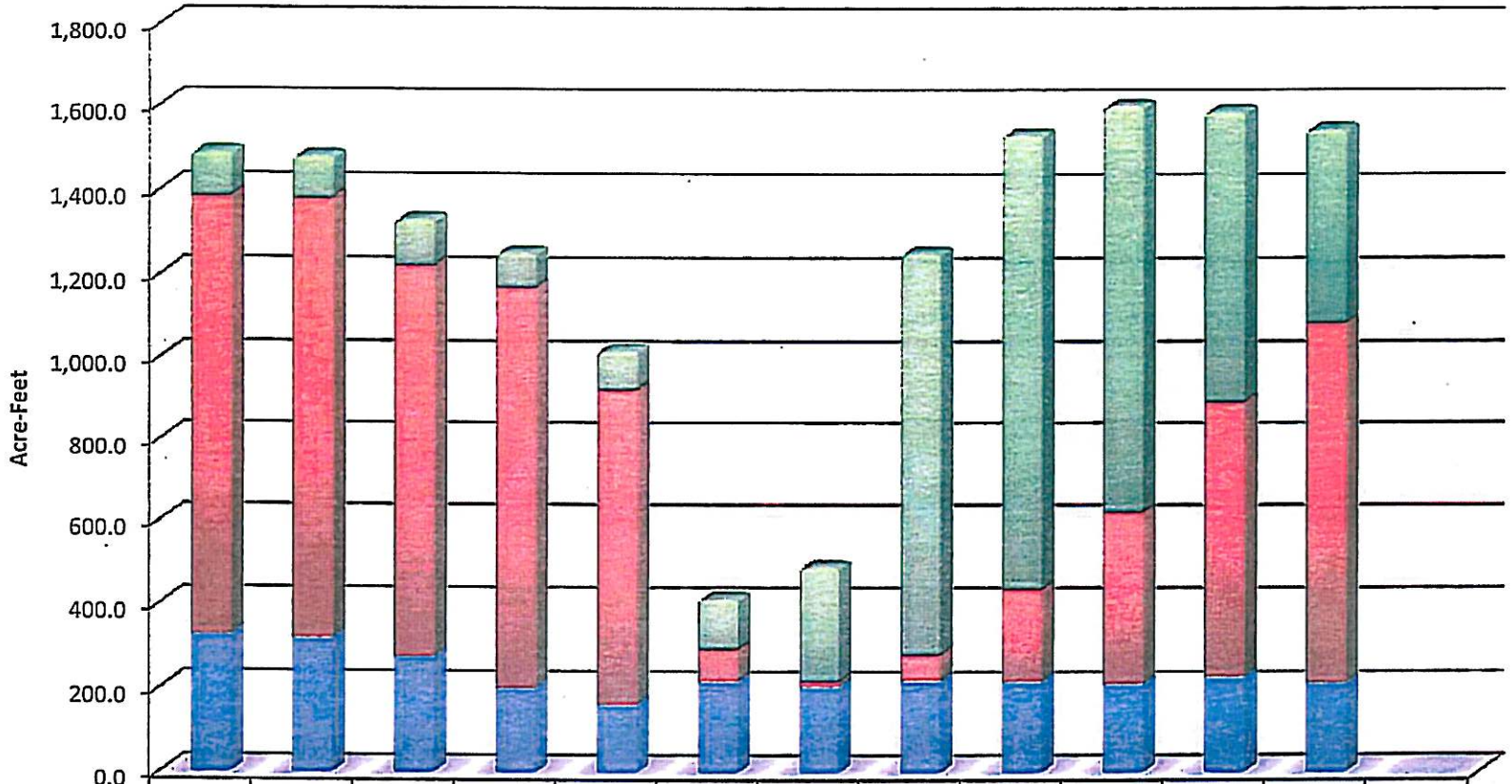


FY 2007/08 Total Water Used



The Fontana Water Company used 20% (48,522 acre-feet) out of 241,899 acre-feet used in the IEUA service area.

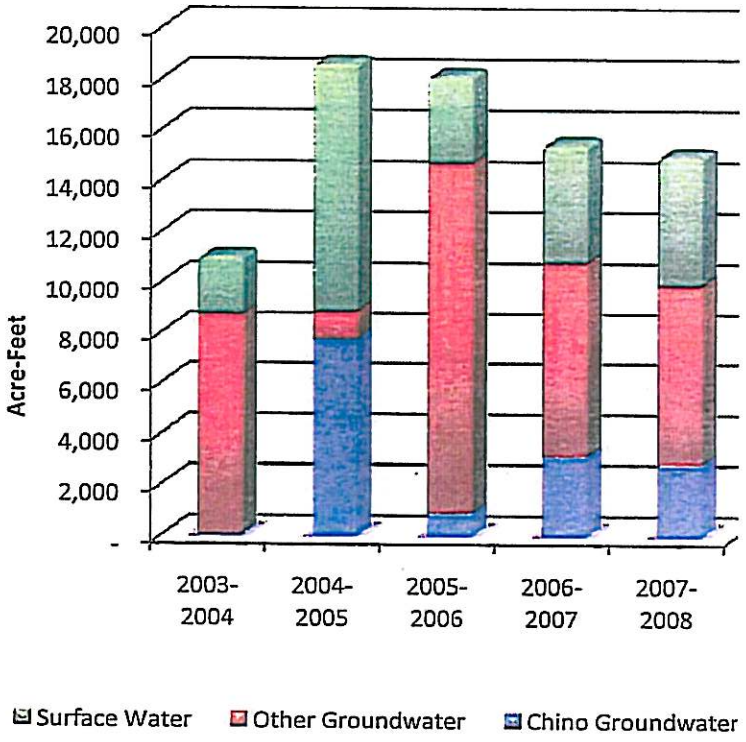
San Antonio Water Co.
FY 2007/08 Monthly Water Use



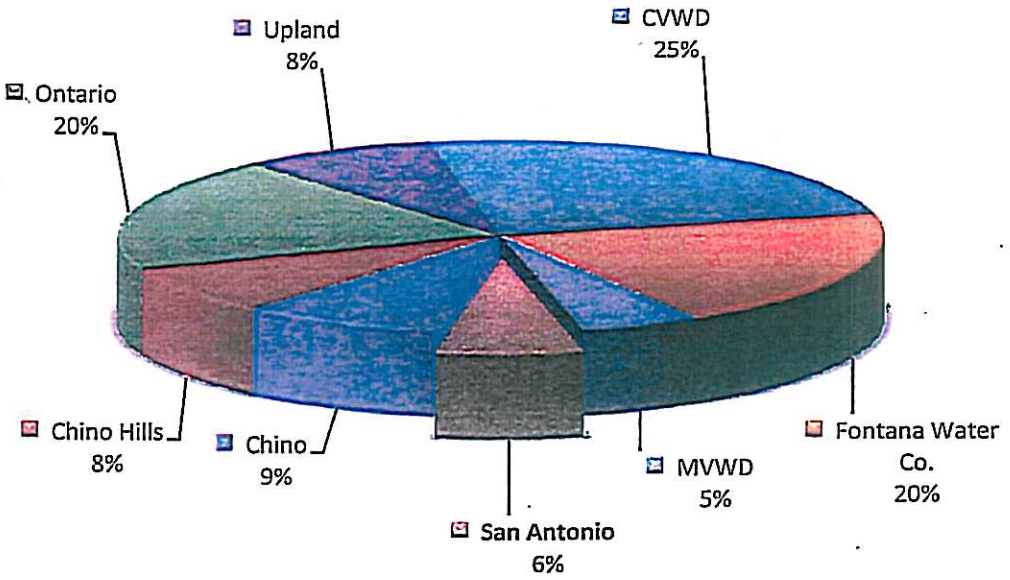
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Local Surface Water	103.5	98.5	108.6	82.0	95.2	117.8	272.5	971.4	1,094.1	977.1	692.0	457.5	5,070.2
Other Groundwater	1,058.9	1,061.4	947.4	970.6	761.3	78.5	12.1	63.6	220.9	412.8	665.9	872.9	7,126.1
Chino Groundwater	327.2	320.2	275.8	201.2	162.6	217.2	206.0	219.2	216.4	211.1	228.9	213.6	2,799.5

San Antonio Water District
FY 2007-08 Water Used Report

5 Year Water Use Trends



FY 2007/08 Total Water Used



The San Antonio Water District used 6% (14,996 acre-feet) out of 241,899 acre-feet used in the IEUA service area.

FY 2007-08 Water Use Data

City of Chino	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	1,071.2	1,107.0	636.4	603.3	530.7	205.6	194.7	284.1	440.7	894.1	764.2	875.3	7,608.3
Tier 1 (MWD)	460.5	514.6	539.4	483.7	394.8	244.8	277.0	183.8	257.7	181.2	331.6	499.9	4,368.8
DYY (MWD)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
Recycled Water	244.2	204.5	379.5	197.1	24.9	122.6	185.5	89.7	323.3	270.0	426.9	448.2	2,896.5
Desalter Water (CDA)	381.6	450.9	466.6	478.7	418.2	478.3	471.1	463.2	484.2	467.3	472.4	423.1	5,455.6
Total	2,157.5	2,277.0	2,021.9	1,762.8	1,368.6	1,052.3	1,108.3	1,020.6	1,505.9	1,812.6	1,995.1	2,246.5	20,329.2

City of Chino Hills	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	908.0	736.0	694.5	715.5	714.8	401.2	202.4	260.6	226.5	211.1	202.9	189.2	5,459.6
Tier 1 (MWD)	1,320.0	1,468.6	1,190.6	787.9	303.2	39.4	185.1	177.1	659.6	940.2	557.1	544.9	8,172.7
DYY (MWD)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Recycled Water	204.3	218.7	261.9	126.0	124.6	48.8	21.4	17.6	120.9	76.9	139.7	119.4	1,479.2
Desalter Water (CDA)	384.4	409.0	413.9	381.6	363.5	414.3	423.3	355.9	334.2	328.7	328.2	295.5	4,430.6
MVWD Well Water	542.0	545.5	520.6	538.5	512.8	215.8	69.1	52.6	0.0	20.9	0.0	0.0	3,017.7
MVWD/WFA Allotment	1,276.8	1,267.8	1,082.9	787.9	303.2	39.4	185.1	177.1	659.6	940.2	542.2	544.9	7,806.1
Total	2,814.6	2,832.3	2,560.8	2,011.0	1,506.1	903.8	832.1	811.2	1,340.2	1,556.9	1,228.0	1,148.1	19,542.1

City of Ontario	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	3,133.6	2,948.5	2,555.5	2,293.8	1,800.0	1,052.9	882.9	1,117.8	1,476.2	2,037.2	3,276.0	3,410.8	25,988.3
Tier 1 (MWD)	1,454.3	1,556.3	1,333.7	1,130.8	1,089.7	1,137.2	1,139.0	783.7	1,103.2	1,102.1	199.4	287.3	12,316.5
DYY (MWD)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Recycled Water	343.7	376.9	437.4	300.7	287.7	143.8	68.1	44.0	156.8	217.1	292.9	338.5	3,005.5
Desalter Water (CDA)	478.4	474.3	459.5	482.1	465.1	364.8	363.3	346.9	450.1	463.9	517.4	549.2	5,414.9
Total	5,410.0	5,356.0	4,786.1	4,210.2	3,642.5	2,698.7	2,453.3	2,292.4	3,186.3	3,820.2	4,285.7	4,585.9	46,725.2

City of Upland	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	185.5	189.0	117.6	164.5	147.4	323.0	344.0	248.0	333.5	328.4	297.1	289.1	2,967.1
Tier 1 (MWD)	940.0	983.2	671.5	502.4	300.1	429.0	500.8	1.5	0.0	250.0	110.4	220.6	4,889.4
DYY (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Groundwater	1,164.00	1,167.00	1,068.60	992.00	974.00	364.40	202.50	240.00	714.00	784.00	1,218.1	1,443.1	10,329.8
Local Surface Water	0.0	0.0	0.0	0.0	0.0	0.0	87.1	420.0	445.6	412.0	399.5	310.2	2,074.4
Recycled Water	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	2,289.5	2,319.2	1,857.7	1,658.9	1,421.5	1,116.4	1,134.4	909.5	1,493.1	1,774.4	2,023.1	2,263.1	20,260.7

CVWD	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	1875.0	1838.7	1573.7	1223.2	827.0	574.2	692.7	727.5	1058.1	1264.7	1602.8	2018.4	15,294.0
Tier 1 (MWD)	4422.2	4729.1	3905.2	3743.4	3371.0	1931.1	1298.5	947.4	2188.6	2882.7	2987.4	3045.5	35,451.1
DYY (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recycled Water	128.8	0.0	15.9	18.3	20.6	22.8	25.5	68.1	61.7	22.6	56.4	122.8	561.6
Other Groundwater	663.2	437.5	338.9	142.2	95.8	126.2	303.0	118.1	15.1	54.0	270.1	477.8	3,040.8
Local Surface Water	193.4	184.8	186.0	205.9	254.0	334.8	394.2	683.9	785.2	658.5	529.4	435.9	4,846.7
Total	7,283.6	7,189.9	6,020.7	5,333.0	4,569.2	2,988.9	2,711.9	2,543.0	4,108.8	4,900.5	5,446.1	6,098.4	59,194.1

Fontana Water Co	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	3,402.5	3,361.2	2,690.4	1,585.0	1,402.8	611.7	409.7	394.8	508.3	995.1	1,501.3	2,335.8	19,198.6
Tier 1 (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.7	14.7
Other Groundwater	1,897.7	1,870.9	1,900.1	2,468.0	2,227.4	2,055.7	1,803.6	1,018.8	1,713.7	2,148.8	2,030.8	1,772.4	22,903.9
Local Surface Water	205.0	215.3	183.3	222.1	213.1	140.0	448.4	1,153.6	1,279.2	904.9	887.0	587.4	6,419.3
Total	5,505.2	5,447.4	4,773.8	4,273.1	3,843.3	2,807.4	2,661.7	2,565.2	3,501.2	4,048.8	4,399.1	4,710.3	48,536.5

MVWD	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	878.6	1,013.1	921.7	912.9	812.6	697.3	592.9	548.1	617.6	687.3	553.3	356.8	8,592.4
Tier 1 (MWD)	629.7	469.6	369.6	319.5	111.5	68.6	231.6	180.7	487.3	608.7	133.2	129.2	3,737.4
DYY (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	1,508.3	1,482.6	1,291.3	1,232.4	924.3	765.9	824.7	728.8	1,104.9	1,294.0	686.5	486.0	12,329.8

San Antonio Water Co	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	327.2	320.2	275.8	201.2	162.6	217.2	208.0	219.2	218.4	211.1	228.9	213.6	2,799.5
Other Groundwater	1,059.9	1,051.4	947.4	970.6	761.3	78.5	12.1	63.6	220.9	412.8	665.9	872.9	7,126.1
Local Surface Water	103.5	98.5	108.8	82.0	95.2	117.8	272.5	971.4	1,094.1	977.1	692.0	457.5	5,070.2
Total	1,489.5	1,480.0	1,331.9	1,253.8	1,019.1	413.5	490.6	1,254.2	1,531.4	1,601.1	1,586.8	1,544.0	14,995.8

TOTAL	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	11,779.5	11,513.6	9,465.5	7,702.4	6,398.2	4,084.2	3,525.2	3,800.2	4,877.3	6,649.0	8,426.4	9,685.1	87,907.7
Recycled Water	919.0	800.1	1,094.7	642.2	457.8	338.0	280.5	219.4	662.7	586.6	915.0	1,028.9	7,942.8
Other Groudwater	4,783.8	4,535.8	4,255.0	4,570.8	4,059.3	2,624.8	2,321.2	1,438.5	2,663.8	3,399.6	4,182.9	4,569.2	43,400.6
Surface Water	504.9	498.4	477.9	510.0	562.3	592.4	1,202.2	3,228.9	3,604.1	2,950.5	2,487.9	1,791.0	18,410.5
Desalter	1,244.4	1,334.2	1,340.0	1,342.4	1,248.8	1,257.4	1,257.7	1,166.0	1,268.5	1,259.9	1,318.0	1,267.8	15,301.1
Tier 1 (MWD)	9,226.7	9,701.4	8,011.0	6,987.5	5,570.3	3,850.1	3,630.2	2,274.0	4,695.4	5,982.9	4,319.1	4,742.1	68,950.6
DYY (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Totals	28,458	28,384	24,644	21,735	18,295	12,747	12,217	12,125	17,772	20,809	21,647	23,080	241,913

Note: DYY data is shown for each agency. It is not included in the total columns. It is accounted for in the Tier 1 (MWD) water resource.

APPENDIX B

Calendar Year 2007 Water Use Data

City of Chino	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	423.9	399.0	826.0	757.3	880.9	1,084.7	1,071.2	1,107.0	636.4	603.3	530.7	206.6	8,527.1
Tier 1 (MWD)	380.7	195.0	224.2	227.0	323.5	355.7	460.5	514.6	539.4	483.7	394.8	244.8	4,343.9
DYY (MWD)	380.7	199.1	223.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	802.9
Recycled Water	109.6	114.2	137.0	220.5	153.1	190.9	244.2	204.5	379.5	197.1	24.9	122.6	2,098.2
Desalter Water	378.9	345.7	391.4	373.0	434.3	428.5	381.6	450.9	466.6	478.7	418.2	478.3	5,026.1
TOTAL	1,674	1,253	1,802	1,578	1,792	2,060	2,158	2,277	2,022	1,763	1,369	1,052	20,798

City of Chino Hills	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	226.8	262.0	440.7	480.2	603.2	871.5	906.0	736.0	694.5	715.5	714.8	401.2	7,052.4
Tier 1 (MWD)	653.4	291.6	554.7	495.8	789.7	934.0	1,320.0	1,468.6	1,190.6	787.9	303.2	39.4	8,829.1
DYY (MWD)	300.0	150.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	450.0
Recycled Water	47.0	61.8	64.3	111.7	112.2	184.3	204.3	218.7	261.9	126.0	124.6	48.8	1,565.7
Desalter Water	357.0	346.5	379.8	379.8	360.2	157.0	384.4	409.0	413.9	381.6	363.5	414.3	4,347.0
TOTAL	1,584	1,112	1,440	1,468	1,865	2,147	2,815	2,832	2,561	2,011	1,506	904	22,244

City of Ontario	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	1,662.2	1,707.4	2,241.4	2,294.4	2,563.3	2,824.6	3,133.6	2,948.5	2,555.5	2,296.8	1,800.0	1,052.9	27,080.6
Tier 1 (MWD)	995.6	328.7	706.3	685.7	1,107.8	1,205.4	1,454.3	1,556.3	1,333.7	1,130.6	1,089.7	1,137.2	12,731.3
DYY (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recycled Water	109.2	224.0	160.5	210.7	205.3	320.6	343.7	376.9	437.4	300.7	287.7	143.8	3,120.4
Desalter Water	434.5	414.8	442.5	459.4	476.2	420.2	478.4	474.3	459.5	482.1	465.1	364.8	5,370.8
TOTAL	3,201	2,675	3,551	3,649	4,353	4,771	5,410	5,356	4,786	4,210	3,642	2,699	48,303

City of Upland	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	8.2	94.3	115.4	110.2	161.0	247.0	185.5	189.0	117.6	164.5	147.4	323.0	1,863.0
Tier 1 (MWD)	240.6	40.0	192.4	266.2	712.3	895.3	940.0	963.2	671.5	502.4	300.1	429.0	6,153.0
DYY (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Groundwater	1,188.8	829.9	1,039.6	1,154.1	1,177.0	1,183.0	1,164.0	1,167.0	1,068.6	992.0	974.0	364.4	12,302.4
Surface Water	27.4	23.6	154.1	130.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	335.8
Recycled Water	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	1,465	988	1,501	1,661	2,050	2,325	2,290	2,319	1,858	1,659	1,421	1,116	20,654

CVWD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	1,311.4	992.0	1,443.5	1,526.1	1,821.2	1,775.7	1,875.0	1,838.7	1,573.7	1,223.2	827.0	574.2	16,781.6
Tier 1 (MWD)	2,042.6	776.3	2,316.7	2,059.8	3,099.0	3,643.1	4,422.2	4,729.1	3,903.2	3,743.4	3,371.0	1,931.1	36,040.5
DYY (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Recycled Water	0.0	0.0	0.0	1.6	26.2	80.4	128.8	0.0	15.9	18.3	20.6	22.8	312.7
Other Groundwater	274.2	600.5	514.3	466.1	648.3	713.4	663.2	437.5	338.9	142.2	96.6	126.2	5,019.3
Surface Flows	341.7	340.6	318.0	300.1	284.1	248.2	196.4	184.6	186.0	205.9	254.0	334.6	3,194.2
TOTAL	3,970	2,709	4,593	4,354	5,877	6,461	7,284	7,190	6,021	5,333	4,569	2,989	61,348

Fontana Water Co	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	631.6	287.3	670.1	962.7	1,431.7	2,585.2	3,402.5	3,361.2	2,690.4	1,585.0	1,402.8	611.7	19,622.2
Tier 1 (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Groundwater	2,313.5	1,839.4	2,276.7	2,245.4	2,705.4	2,103.0	1,897.7	1,870.9	1,900.1	2,466.0	2,227.4	2,055.7	25,901.4
Surface Water	564.2	601.8	567.5	388.4	362.2	238.7	205.0	215.3	183.3	222.1	213.1	140.0	3,901.6
TOTAL	3,509	2,729	3,514	3,596	4,499	4,927	5,505	5,447	4,774	4,273	3,843	2,807	49,425

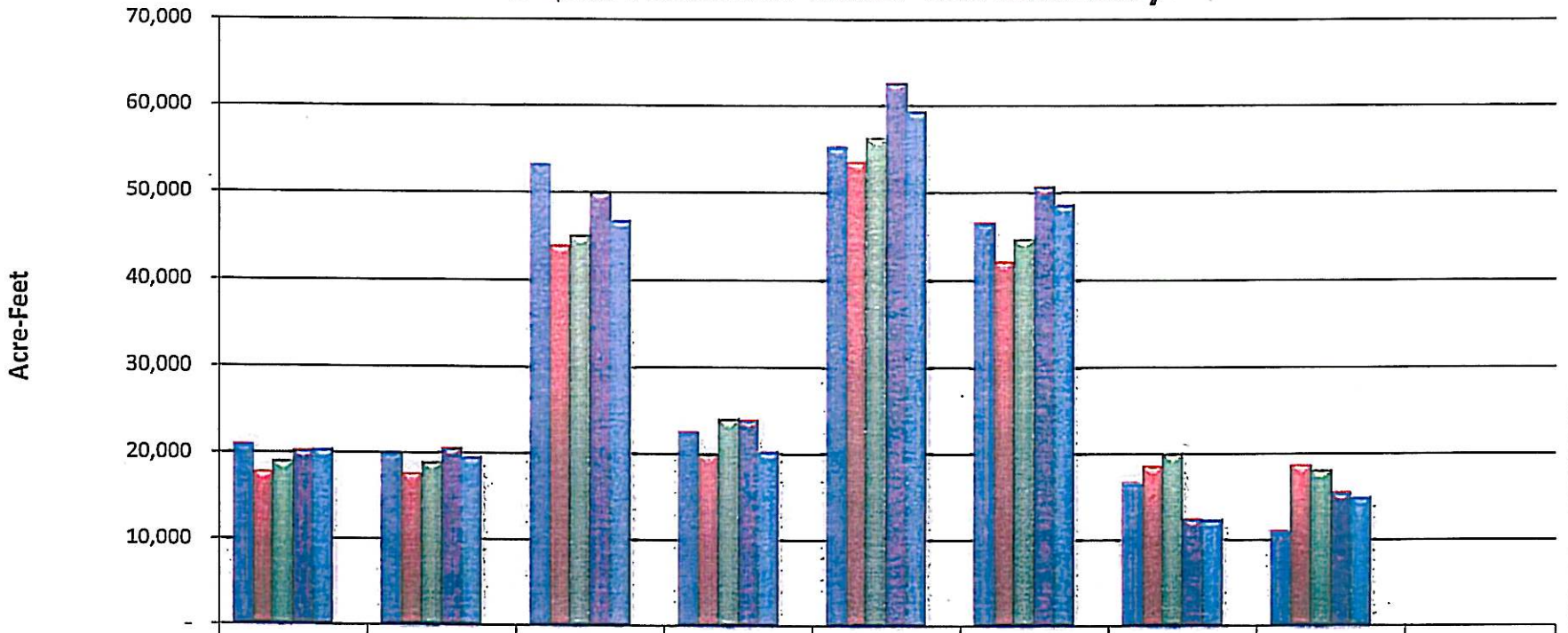
MWD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	647.7	593.1	737.3	732.6	803.3	835.7	878.6	1,013.1	921.7	912.9	812.8	697.3	9,586.1
Tier 1 (MWD)	131.4	24.2	176.2	192.4	331.9	521.9	629.7	469.6	369.6	319.5	111.5	68.6	3,346.4
DYY (MWD)	400.0	300.0	650.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,350.0
TOTAL	1,179	917	1,564	925	1,135	1,358	1,508	1,483	1,291	1,232	924	766	14,283

San Antonio Water Co	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	220.2	239.4	268.0	223.1	277.2	259.3	327.2	320.2	275.8	201.2	162.6	217.2	2,991.4
Other Groundwater	255.66	355.69	569.19	610.36	683.98	722.82	1,058.9	1,061.4	947.4	970.6	761.3	78.5	8,075.8
Surface Water	305.79	241.06	228.1	202.32	159.93	73.95	103.5	98.5	108.6	82.0	95.2	117.8	1,814.7
TOTAL	782	836	1,063	1,036	1,121	1,056	1,490	1,480	1,332	1,254	1,019	413	12,882

All Agencies	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Chino Groundwater	5,132.0	4,574.5	6,742.5	7,086.6	8,541.8	10,483.6	11,779.5	11,513.6	9,465.5	7,702.4	6,398.2	4,084.2	93,504.4
Recycled Water	265.8	400.1	361.8	544.5	496.8	776.2	919.0	800.1	1,094.7	642.2	457.8	338.0	7,097.0
Other Groudwater	4,032.2	3,625.5	4,399.8	4,475.9	5,212.8	4,722.2	4,783.8	4,536.8	4,255.0	4,570.8	4,059.3	2,624.8	51,298.8
Surface Water	1,239.0	1,207.1	1,265.7	1,021.5	808.2	560.9	504.9	498.4	477.9	510.0	562.3	592.4	9,246.2
Desalter	1,170.4	1,107.0	1,213.7	1,211.2	1,270.7	1,005.7	1,244.4	1,334.2	1,340.0	1,342.4	1,246.8	1,257.4	14,743.9
Tier 1 (MWD)	4,444.3	1,655.9	4,170.5	3,926.9	6,364.2	7,555.4	9,226.7	9,701.4	8,011.0	6,967.5	5,570.3	3,850.1	71,444.1
DYY (MWD)	1,080.7	649.1	873.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,602.9
TOTALS	17,364	13,219	19,027	18,267	22,692	25,104	28,458	28,384	24,644	21,735	18,295	12,747	249,937

APPENDIX C

Retail Agency
5-Year Historical Water Use Summary



	Chino	Chino Hills	Ontario	Upland	CVWD	Fontana Water Co.	MVWD	San Antonio	TOTAL
FY 2003/2004	20,846.16	19,901.53	53,263.91	22,563.40	55,113.98	46,436.08	16,662.44	10,989.64	229,678.63
FY 2004/2005	17,734.28	17,542.59	43,801.62	19,847.00	53,425.14	41,988.78	18,467.59	18,611.82	214,113.12
FY 2005/2006	19,037.52	18,965.35	45,014.73	24,024.71	56,170.46	44,656.72	20,017.09	18,104.95	230,282.53
FY 2006/2007	20,181.01	20,533.48	49,868.01	23,806.11	62,541.63	50,540.94	12,375.18	15,433.65	255,279.99
FY 2007/2008	20,329.21	19,542.11	46,725.16	20,260.68	59,194.12	48,536.50	12,329.76	14,995.85	241,913.39
AVERAGE	17,905.83	18,092.09	45,815.36	20,264.87	52,577.57	45,767.92	12,020.53	15,250.10	227,694.27

APPENDIX D

As of June 30 2008, approximately 88,000 acre-feet of water had been stored in the MWD Dry Year Yield (DYY) Conjunctive Use account. DYY participants within IEUA's service area include the city of Chino, City of Chino Hills, City of Ontario, City of Upland, the Cucamonga Valley Water District and the Monte Vista Water District. In addition the City of Pomona and the Jurupa Community Services District are participants in the program.

The first date by which MWD called for the water was March 2008. The performance commitment is to produce 31,000 acre-feet of water over a twelve month period (plus or minus 10% as described in Exhibit G of the agreement with MWD).

The following table summarizes the amount of water that has been stored in the DYY program since its inception in 2002.

DRY YEAR YIELD CONJUNCTIVE USE PROGRAM - HISTORICAL PERFORMANCE

	FY 2003/04		FY 2004/05		FY 2005/06		FY 2006/07		FY 2007/08		TOTAL	
Agency	Put	Take	Put	Take	Put	Take	Put	Take	Put	Take	Put	Take
City of Chino	3,265.10	0	1,892.40	0	1,500.00	0	2,980.90	0	-	-	9,638.40	-
City of Chino Hills	1,500.00	0	1,500.00	0	1,500.00	0	2,900.00	0	-	-	7,400.00	-
City of Ontario	7,118.40	0	-	0	1,208.00	0	1,300.00	0	-	2,000.00	9,626.40	2,000.00
City of Upland	-	0	6,863.30	0	3,001.00	0	2,478.20	0	-	868.00	12,342.50	868.00
MVWD	4,215.00	0	7,050.00	0	8,500.00	0	6,600.00	0	-	2,636.00	26,365.00	2,636.00
CVWD	0	0	0	0	0	0	0	0	-	3,619.00	-	3,619.00
TOTAL	16,098.50	-	17,305.70	-	15,709.00	-	16,259.10	-	-	9,123.00	65,372.30	9,123.00

APPENDIX E

Definitions

Chino Groundwater – Means water pumped from the Chino Basin aquifer and treated by retail water agencies for all potable uses within the IEUA service area.

Desalter Water – Means product water from Chino Desalter I and Chino Desalter II owned and operated by the Chino Basin Desalter Authority (CDA). Groundwater with high levels of TDS, is treated and distributed to several retail water agencies within the Inland Empire Utilities Agency (IEUA) service area for potable uses.

Dry Year Yield (DYY) Program – This is a program that allows MWD to store surplus water, in wet years, as groundwater supply. This "storage account" can be used in dry years. This program is governed by MWD.

MWD Imported Water – Means water from Northern California and supplied by the Metropolitan Water District of Southern California (MWD), and water transferred from other groundwater basins to retail water agencies operating within the IEUA service area. All Tier I and Tier II deliveries are included in this category.

Other Groundwater – Means water produced from other local groundwater basins and transferred to retail water agencies operating within the IEUA service area. In this report, "water from other groundwater basins" is shown within the category of "other groundwater."

Recycled Water – Means Title 22 recycled water produced by IEUA at its water recycling plants for distribution through separate pipelines to retail water agency customers for permitted non-potable uses.

Surface Water – Means water collected by retail water agencies from mountain runoff and storm flows, which is collected and treated for potable use.

Tier 1 & Tier 2 – These are water rates, charged by MWD. Each MWD member agency is allocated a certain amount of Tier 1 water. If a member agency exceeds this Tier 1 amount, they will have to pay at the Tier 2 rate.

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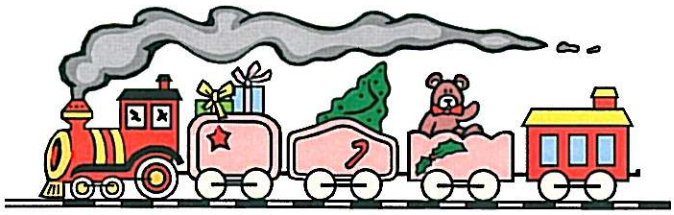
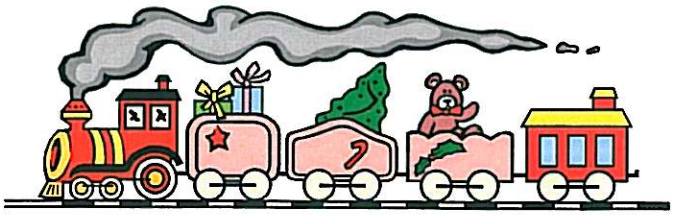
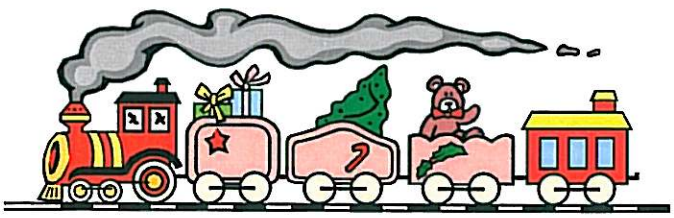



CHINO BASIN WATERMASTER

IV. INFORMATION

1. Newspaper Articles

dailybulletin.com

Rancho council incumbents do well, but water district elects new members

By Wendy Leung, Staff Writer

Article Created: 11/06/2008 01:20:23 AM PST

RANCHO CUCAMONGA - Incumbents hung on strong in the city races but the water district will see a new face after the final results were tabulated Wednesday in an election dominated by the presidential race.

Councilmen Dennis Michael and Sam Spagnolo were clear winners in a campaign absent of the rancor that marked previous elections. Michael took 29 percent and Spagnolo captured 26 percent of the vote.

"What it means to me is that our community and its residents are very happy with the way the city has been going," Michael said. "I believe it's a demonstration of their confidence and that's very gratifying."

In the race for city treasurer, longtime incumbent Jim Frost had the largest margin of victory in the local races with 78 percent of the vote. His only challenger was Ryan Orr.

Jan Reynolds also had a clear victory in the city clerk's race against Ron Stark. Reynolds, with 75 percent of the vote, will replace Debra Adams, who retired earlier this year.

At the Cucamonga Valley Water District, where four seats were at stake, newcomer Oscar Gonzalez and former board member Hank Stoy will join the board.

Incumbents Randall Reed, with 18 percent of the vote, and Jim Curatalo, with 15 percent, will return. Incumbents, Ron Sakala and Floyd Clark, will not.

Stoy came in third place in the race for a full-term seat with 14 percent of the vote.

Gonzalez, with 59 percent of the vote, beat Sakala in the race to fill a partial-term seat.

Results in the local races trickled in during the late hours of Tuesday. By Wednesday, Michael had started taking down his smaller political signs. Other winners fielded congratulatory calls with little sleep.

"My take on this election is that it was one of the cleanest campaigns all around," Spagnolo said.

Up to Election Day, Spagnolo answered phone calls from voters with last-minute questions. Spagnolo announced his cell phone number during a televised candidate's forum and published the number in his mailers. He said he had no regrets, especially since he convinced one voter, who didn't support Spagnolo at the beginning of a conversation, to support him.

dailybulletin.com

"The community believed I was true to my word and stayed true to my campaign issues," said Spagnolo.

Ken R. Manning

From: communications@bhfs.com
Sent: Monday, December 01, 2008 2:27 PM
To: Ken R. Manning
Subject: Cadiz Inc. selects Scott Slater to serve as General Counsel; Slater will also maintain his practice at the firm

If you cannot see this email, click here.

Brownstein | Hyatt
Farber | Schreck

announcement

Cadiz Inc. selects Scott Slater to serve as General Counsel; Slater will also maintain his practice at the firm

Scott S. Slater

Scott S. Slater
Shareholder
sslater@bhfs.com
v-card

Los Angeles
T 310.500.4600
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FOR IMMEDIATE RELEASE

Los Angeles (December 1, 2008) - Cadiz Inc. (NASDAQ:CDZI) today named **Scott Slater**, one of the nation's foremost experts in water policy, groundwater and environmental law, to serve as the Company's general counsel. With 24 years of experience in the sustainable development and management of water resources, Slater will be the firm's lead liaison with customer agencies and oversee the company's environmental and resource management efforts. Under the terms of the agreement with Cadiz, Slater will also continue his practice as a shareholder in the law firm of Brownstein Hyatt Farber Schreck, LLP.

"This is a once-in-a-career opportunity," said Slater. "The Cadiz Valley Dry Year Supply

Project is not only the most important renewable water resource effort in Southern California; it represents the new mindset we have to adopt across the West. With an ongoing drought, the growing reality of climate change and impending cutbacks to local water agencies, we have no choice but to make smarter use of local resources and to conserve every drop we can. Sustainable water deliveries from the Cadiz Project can help local agencies avert severe and worsening supply shortages in the future."

"Scott's appointment represents a major strengthening of our team," said Cadiz Real Estate LLC CEO Richard Stoddard. "Scott has helped design some of the most significant water transactions in California history, and he will be a key strategist in planning the future of our water project. This guy literally wrote the book on water policy and he is already on a first name basis with California's key customers, decision-makers and stakeholders. At Cadiz, he will take the lead both in strengthening these relationships and in working to maximize the environmental benefits of the project."

An accomplished negotiator and litigator with Brownstein, Slater has played a major role in a number of California's most important water transactions, including the negotiation of the largest conservation-based water transfer in United States history on behalf of the San Diego County Water Authority. Slater has worked extensively with California water agencies, utilities and municipalities, including the Chino Basin Watermaster, El Dorado County Water and Power Authority, American States Water Company, the San Diego County Water Authority and the cities of Beverly Hills and Burbank.

Slater is an internationally recognized expert in water resource and environmental law and is the author of California Water Law and Policy, a two volume treatise on the subject. He has taught law and graduate policy courses at Pepperdine University, the University of California, Santa Barbara and the University of West Australia and has served in a variety of key water policy positions, including as chair of the Natural Resources Subsection of the California State Bar, as a member of the Board of Directors of the American Ground Water Trust, as a member of the Board of Directors of the California Groundwater Resources Association, as chair of the Legislative Committee, and as a member of the Groundwater Committee of the Association of California Water Agencies.

The need for the Cadiz Project has never been greater. Citing the impacts of global warming and deteriorating conditions on the San Francisco Bay Delta, the California Department of Water Resources announced on October 30, 2008 that it would provide just 15 percent of expected water deliveries to local agencies.

With the capacity to store more than one million acre-feet of water in its natural underground reservoir system in eastern San Bernardino County, the Cadiz Valley Dry Year Supply Project will be the largest water conservation effort of its kind in California. Moreover, the indigenous groundwater in the aquifer system that underlies the Project area represents an immediate and renewable resource that can reliably deliver up to 150,000 acre-feet (49 billion gallons) of safe, clean and high quality water to California customers in dry years.

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Founded in 1983, Cadiz Inc. is a publicly held land, organic farming and sustainable water resource development firm. The Company owns

more than 45,000 acres of land with substantial water resources in eastern San Bernardino County, California. Further information on the Company can be obtained by visiting our web site at www.cadizinc.com.

This release contains forward-looking statements that are subject to significant risks and uncertainties, including statements related to the future operating and financial performance of the Company and the financing activities of the Company. Although the Company believes that the expectations reflected in our forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Factors that could cause actual results or events to differ materially from those reflected in the Company's forward-looking statements include the Company's ability to maximize value for Cadiz land and water resources, the Company's ability to obtain new financing as needed, and other factors and considerations detailed in the Company's Securities and Exchange Commission filings.

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AP

Schwarzenegger declares fiscal emergency in Calif.

Monday December 1, 5:03 pm ET

By Juliet Williams, Associated Press Writer

Schwarzenegger declares fiscal emergency, calls lawmakers into special budget session

SACRAMENTO, Calif. (AP) -- Gov. Arnold Schwarzenegger declared a fiscal emergency Monday and called lawmakers into a special session to address California's $11.2 billion deficit.

The state's revenue gap is expected to hit $28 billion over the next 19 months without bold action. The emergency declaration authorizes the governor and lawmakers to change the existing budget within 45 days.

The state is likely to run out of cash in February.

"Without immediate action, our state is headed for a fiscal disaster, and that is why ... I am wasting no time in calling a fiscal emergency special session," Schwarzenegger said in prepared remarks.

The Republican governor and Democratic lawmakers have proposed a combination of tax increases and spending cuts, but Republican lawmakers steadfastly refuse to raise taxes.

No compromise could be reached during a special session last month, which pushed the problem to a new Legislature being sworn in Monday. But there appeared to be little reason to believe that Republican lawmakers would budge.

"If anything, I think our resolve (against raising taxes) is deeper than it has ever been because of the economic realities," Senate Minority Leader Dave Cogdill said Monday.

Democrats don't have the two-thirds majority in either the Assembly or Senate that is required to pass tax increases or a state budget.

During last month's session, Democrats proposed $8.2 billion in spending cuts and $8.2 billion in tax increases. Republicans rejected it and instead sought an economic stimulus program.

Schwarzenegger asked for both, offering essentially the same plan rejected last month.

His proposal includes raising the state sales tax by 1.5 percentage points -- or 1 1/2 pennies on the dollar -- for three years, generating $3.5 billion in the current fiscal year. He also seeks to increase the annual fee for registering vehicles.

The stimulus would focus on loan modifications to prevent more home foreclosures and saving an unemployment insurance fund from insolvency by raising taxes employers pay into the pool and slightly reducing benefits.

Schwarzenegger enacted the fiscal emergency under a voter-approved initiative. If the Legislature fails to address the current-year budget deficit within 45 days, the initiative prevents them from acting on any other bills until it's resolved.

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Garden of learning

Cucamonga Valley Water District opens new center

By Wendy Leung
Staff Writer

RANCHO CUCAMONGA — Field trips just got more fun for hundreds of children in the city.

The Cucamonga Valley Water District, which has always welcomed students to its Environmental Learning Center, recently opened its Environmental Learning Garden in the backyard of its popular field trip destination.

The garden — a small area adorned by drought-tolerant plants and hands-on learning stations — is geared for students who learn by getting their hands dirty.

Students can see squirmy worms work their way through kitchen scrap at a booth where the virtues of vermicomposting, the use of worm compost to enrich the soil, is demonstrated.

There's also a vegetable garden to promote healthy eating. Once the pesky rabbit that recently raided the garden goes away and the vegetables begin to thrive, water district officials want to make salad and salsa using the fruits of the gardening project.

"We want to remind them that vegetables don't come from the grocery store," said Kristeen Ramirez, water district spokeswoman.

In one part of the garden, students go on a scavenger hunt, looking for ladybugs and different kinds of leaves. For the older students, there is an irrigation demonstration area where they learn how to put together a drip system.

Officials hope these are ways to not only teach students water conservation, but encourage them to bring the lessons back to their families.

TOP: Ken Brown, left, of Rancho Cucamonga, and Henry Stoy, of Rancho Cucamonga and retired water manager, observe the new vegetable garden at the Cucamonga Valley Water District held during an open house for their new learning garden.

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Marked by multiple rows of solar panels on 5815 Etiwanda Ave., the Learning Center has a goal of teaching students not just water-saving tips, but an overall awareness of the role water plays in every aspect of life.

About 2,000 students, mostly from school districts in the city, visit the Learning Center every year. With the addition of the garden, which is suitable for students kindergarten to 12th grade, district officials hope youth groups, Boy and Girl Scouts and home school students will visit, too.

Field trips are booked through December. For more information, call (909) 987-2591.

wendy.leung@inlandnewspapers.com
(909) 483-9376

TOP: Ken Brown, left, of Rancho Cucamonga, and Henry Stoy, of Rancho Cucamonga and retired water manager, observe the new vegetable garden at the Cucamonga Valley Water District held during an open house for their new learning garden.
LEFT: Alta Loma Elementary School teachers Amy Culler, left, with her granddaughter Mia Cerecerez, 5 months, and Bonnie Scott, of Rancho Cucamonga walk on the new grounds of the new garden center.
ON THE COVER: Culler, right, and Bonnie Scott, center, of Rancho Cucamonga read learning material regarding gardens with the help of Evette Ounanian, an administrative assistant at the Cucamonga Valley Water District during, an open house for their new learning garden.
Photos by David Pardo/Correspondent

WESTERN MUNICIPAL WATER DISTRICT

News Release

For Release: Immediate

Contact: Tedi Jackson, Public Affairs Manager
951.789-5055; 951.809.5942 mobile
tjackson@wmwd.com

Western set to join Chino Desalter Authority

Partnership is crucial to diversifying local water supply

RIVERSIDE, CA – November 25, 2008 – Southern California faces drought conditions that threaten the Inland Empire's economic vitality and environmental health. In response to this challenge, a partnership of cities and water agencies are joining forces to create new local water supplies.

As a first step, the Chino Basin Desalter Authority (CDA) approved Western's membership into the partnership with Jurupa Community Services District, the Santa Ana River Water Company, Inland Empire Utilities Agency, and the cities of Chino, Chino Hills, Norco and Ontario. Working cooperatively, these agencies built and operate the Chino Desalter facility that creates clean drinking water by removing salts and nitrate from otherwise non-useable groundwater.

Western's participation will accelerate creation of new water supplies at the Chino Desalter as part of a Phase 3 expansion. This $110 million project involves construction of new wells, groundwater treatment and water distribution facilities in the lower Chino Basin. Once complete in 2013, the expanded facility will allow for the additional delivery of 10,000 acre-feet of water annually to Western and other CDA members.

Reverse osmosis equipment used in desalting facilities.

"One of the biggest challenges we face as a region is securing new sources of water as imported supplies diminish. We applaud the CDA decision to add Western to the Authority, and the subsequent expansion of the Chino Desalter facilities. Both fit together as critical elements to diversifying our local water supply," said Western General Manager John V. Rossi.

The vote to bring Western into the CDA is part of a remarkable collaborative effort among dozens of municipalities and water users in the Chino Basin. Their goal is to achieve local sustainability by cleaning up and recharging the local aquifer. "If we want to sustain America's economic growth and provide for a rapidly increasing population, we must ensure our communities have efficient and reliable access to water resources by encouraging the use of innovative technologies through water recycling and desalination," said Congressman Gary Miller. Congressman Miller sponsored the "Santa Ana River Water Supply Enhancement Act of 2008" legislation authorizing up to $26 million in federal funding under the Bureau of Reclamation to increase groundwater desalination in the Chino Basin. The Senate Energy Committee unanimously approved the legislation in September and the bill awaits further action on the Senate floor.

The federal funding represents about 20 percent of the cost to expand the Chino I and II desalters. In addition, the bill authorizes $10 million, from the Bureau of Reclamation, and in cooperation with Orange County Water District, to create wetlands along the Santa Ana River providing an expanded natural treatment system to purify the River before it replenishes Orange County's groundwater supply.

- more -

Western set to join Chino Desalter Authority
From page 1

"As imported water supplies from the Colorado River and State Water Project are reduced, we have been actively seeking additional water sources. By joining the CDA, Western is taking the action necessary to expand our local water supply, and we are deeply grateful to the members who have admitted us to the CDA," said Charles D. Field, Western board director, who also represents Western on the Chino Basin Watermaster Board.

"Western's responsible leadership in regional water resource management will help ensure our community continues to be blessed with clean, reliable water supplies for generations to come," said Donald D. Galleano, Western board director, representing the Division 4 service area that is adjacent to Chino Basin.

In addition to expanding new water supplies, benefits of the Chino Desalter operation include: achieving hydraulic control of the Chino Groundwater Basin outflow to the Santa Ana River; increasing desalter groundwater pumping from the lower Chino Groundwater Basin to 40,000 acre-feet per year; removing salts and other impurities from the groundwater basin; and a minimum of 10 million gallons a day of additional water to Ontario, Jurupa and Western.

Western Municipal Water District provides water supply, wastewater disposal and water resource management to the public in a safe, reliable, environmentally sensitive and financially responsible manner.

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