



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, January 10, 2008

- 9:30 a.m. – Annual Non-Agricultural Pool Elections
- 10:00 a.m. – Annual Appropriative Pool Elections
- 10:15 a.m. – Annual Appropriative & Non-Ag Pool Meeting

AT THE CHINO BASIN WATERMASTER OFFICES

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

Tuesday, January 15, 2008

- 9:00 a.m. – Annual Agricultural Pool Meeting

AT THE INLAND EMPIRE UTILITIES AGENCY OFFICES

6075 Kimball Ave. Bldg. A Board Room
Chino, CA 91710
(909) 993-1600



CHINO BASIN WATERMASTER

Thursday, January 10, 2008

- 9:30 a.m. – Annual Non-Agricultural Pool Elections
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Tuesday, January 15, 2008

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AGENDA PACKAGE



**CHINO BASIN WATERMASTER
ANNUAL NON-AGRICULTURAL POOL MEETING**

9:30 a.m. – January 10, 2008
At The Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. ANNUAL ELECTIONS – Action

A. Calendar-Year 2008 Non-Agricultural Pool Officers

Nominations will be heard for Pool Chair, followed by nominations for Pool Vice-Chair, to serve during Calendar-Year 2008.

Chair	_____
Vice-Chair	_____
Secretary/Treasurer	<u>Watermaster Chief Executive Officer</u>

B. Calendar-Year 2008 Advisory Committee Members

Pool member(s) will be asked to elect representatives and alternates to serve on the Advisory Committee during Calendar-Year 2008.

Member: _____ Alternate: _____

C. Calendar-Year 2008 Advisory Committee Officers

Based on the rotation sequence established among the pools, the members of the Non-Agricultural Pool will be asked to appoint a designated representative, Chair of the Advisory Committee during Calendar-Year 2008. If the appointed representative is unable to attend an Advisory Committee meeting, a remaining pool officer may serve as his/her alternate.

Chair	Non-Agricultural	_____
Vice-Chair	Agricultural Pool	_____
2 nd Vice-Chair	Appropriative Pool	_____

D. Calendar-Year 2008 Pool Representation on Watermaster Board

The Pool members will be asked to select one representative to serve on the Watermaster Board during Calendar-Year 2008 and one alternate representative.

Member: _____ Alternate: _____

Meeting Adjourn

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**CHINO BASIN WATERMASTER
ANNUAL APPROPRIATIVE POOL ELECTION MEETING
AND
JOINT ANNUAL APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING**

10:00 a.m. – January 10, 2008
At The Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. ANNUAL ELECTIONS - ACTION

A. Calendar Year 2008 Appropriative Pool Officers

Nominations will be heard for the Appropriative Pool Chair to serve during calendar year 2008.

Chair	_____
Vice-Chair	_____
Secretary/Treasurer	<u>Watermaster Chief Executive Officer</u>

B. Calendar Year 2008 Advisory Committee Members & Officers

According to the rotation sequence established among the pools, the appropriators will be asked to appoint a designated representative to serve on the Advisory Committee during calendar year 2008.

Chair	Non-Agricultural	_____
Vice-Chair	Agricultural Pool	_____
2 nd Vice-Chair	Appropriative Pool	_____

C. Calendar Year 2008 Pool Representation on the Watermaster Board

Based on the Court-adopted Rotation Schedule for Representatives to the Watermaster, during calendar year 2008, the following will represent the Appropriative Pool on the Watermaster Board.

Cucamonga Valley Water District – New Member: James Curatalo Jr.
Alternate: Kathy Tiegs

II. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held December 13, 2007 (Page 2)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of December 2007 *(Page 14)*
2. Watermaster Visa Check Detail *(Page 18)*
3. Combining Schedule for the Period July 1, 2007 through November 30, 2007 *(Page 20)*
4. Treasurer's Report of Financial Affairs for the Period November 1, 2007 through November 30, 2007 *(Page 22)*
5. Budget vs. Actual July 2007 through November 2007 *(Page 24)*

C. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 08-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, re-authorizing the Watermaster's Investment Policy *(Page 27)*

D. LOCAL AGENCY INVESTMENT FUND

Resolution 08-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF) *(Page 30)*

E. LEVYING REPLENISHMENT & ADMINISTRATIVE ASSESSMENTS

Resolution 08-03– Resolution of the Chino Basin Watermaster Levying Replenishment and Administrative Assessments for Fiscal Year 2007-2008 *(Page 33)*

F. NOTICE OF INTENT

Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield *(Page 38)*

III. BUSINESS ITEMS

A. IEUA CONTRACT FOR TECHNICAL SERVICES FOR DRY YEAR YIELD

Consider Approval for the Chino Basin Watermaster Contract with the Inland Empire Utilities Agency for Technical Services for the Dry Year Yield Expansion Project Contract *(Page 41)*

IV. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Peace II Order
2. Hanson Aggregates

B. ENGINEERING UPDATES

C. FINANCIAL REPORT

1. Budget Update
2. Draft Policy for Capital and O&M for Recharge Facilities

D. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update
3. Wildermuth Contract

V. INFORMATION

1. Newspaper Articles *(Page 84)*

VI. POOL MEMBER COMMENTS

VII. OTHER BUSINESS

VIII. FUTURE MEETINGS

January 10, 2008	9:30 a.m.	Annual Non-Agricultural Pool Elections
January 10, 2008	10:00 a.m.	Annual Appropriative Pool Elections
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January 15, 2008	9:00 a.m.	Annual Agricultural Pool Meeting @ IEUA
January 23, 2007	9:00 a.m.	GRCC Meeting
January 24, 2007	9:00 a.m.	Annual Advisory Committee Meeting
January 24, 2007	11:00 a.m.	Annual Watermaster Board Meeting

Meeting Adjourn

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**CHINO BASIN WATERMASTER
ANNUAL AGRICULTURAL POOL MEETING**

9:00 a.m. – January 15, 2008

At The Offices Of
Inland Empire Utilities Agency
6075 Kimball Ave., Bldg. A, Board Room
Chino, CA 91710

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. ANNUAL ELECTIONS - ACTION

A. Calendar-Year 2008 Agricultural Pool Members

The Agricultural Pool membership shall consist of not less than ten representatives selected at large by members of the pool. Pool members will be asked to make any necessary changes to the following list in order to establish pool membership and alternates during calendar year 2008:

Current Agricultural Pool Members

Crops: Glen Durrington
Jeff Pierson
Dairy: Robert Feenstra
Gene Koopman
Peter Hettinga
Nathan deBoom
John Huitsing
Rob Vanden Heuvel
State: Pete Hall
Edward Gonsman
Robert Nobles
Nate Mackamul

Current Alternates:

Crops: Dan Hostetler
Dairy: Syp Vander Dussen
State: Gary Lord
Peter Von Haam
Aboyomi Sunomi

B. Calendar Year 2008 Agricultural Pool Officers

Nominations will be heard for Pool Chair, followed by nominations for Pool Vice-Chair.

Chair	_____
Vice-Chair	_____
Secretary/Treasurer	<u>Watermaster Chief Executive Officer</u>

C. Calendar Year 2008 Advisory Committee Members & Officers

The pool members will be asked to determine the ten agricultural representatives to serve on the Advisory Committee and, according to the rotation sequence established among the pools, appoint a representative to serve as Chair of the Advisory Committee during calendar year 2008

Chair	Non-Agricultural	_____
Vice-Chair	Agricultural Pool	_____
2 nd Vice-Chair	Appropriative Pool	_____

D. Calendar-Year 2008 Pool Representation on Watermaster Board

The Pool members will be asked to consider selecting two representatives to serve on the Watermaster Board during Calendar-Year 2008 and one or two alternate representatives.

Member: _____ Alternate: _____

Member: _____ Alternate: _____

II. CONSENT CALENDAR

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

A. MINUTES

- 1. Minutes of the Agricultural Pool Meeting held December 18, 2007 *(Page 9)*

B. FINANCIAL REPORTS

- 1. Cash Disbursements for the month of December 2007 *(Page 14)*
- 2. Watermaster Visa Check Detail *(Page 18)*
- 3. Combining Schedule for the Period July 1, 2007 through November 30, 2007 *(Page 20)*
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A. IEUA CONTRACT FOR TECHNICAL SERVICES FOR DRY YEAR YIELD

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IV. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. Peace II Order
- 2. Hanson Aggregates

B. ENGINEERING UPDATES

C. FINANCIAL REPORT

1. Budget Update
2. Draft Policy for Capital and O&M for Recharge Facilities

D. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update
3. Wildermuth Contract

V. INFORMATION

1. Newspaper Articles (*Page 84*)

VI. POOL MEMBER COMMENTS

VII. OTHER BUSINESS

VIII. FUTURE MEETINGS

January 10, 2008	9:30 a.m.	Annual Non-Agricultural Pool Elections
January 10, 2008	10:00 a.m.	Annual Appropriative Pool Elections
January 10, 2008	10:15 a.m.	Annual Joint Appropriative & Non-Agricultural Pool Meeting
January 15, 2008	9:00 a.m.	Annual Agricultural Pool Meeting @ IEUA
January 23, 2007	9:00 a.m.	GRCC Meeting
January 24, 2007	9:00 a.m.	Annual Advisory Committee Meeting
January 24, 2007	11:00 a.m.	Annual Watermaster Board Meeting

Meeting Adjourn



CHINO BASIN WATERMASTER

II. CONSENT CALENDAR

A. MINUTES

1. Joint Appropriative & Non-Agricultural Pool Meeting – December 13, 2007



Draft Minutes
CHINO BASIN WATERMASTER
JOINT APPROPRIATIVE & NON-AGRICULTURAL POOL MEETING
December 13, 2007

The Joint Appropriative and Non-Agricultural Pool Meeting were held at the offices of Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on December 13, 2007 at 10:00 a.m.

APPROPRIATIVE POOL MEMBERS PRESENT

Raul Garibay, Chair	City of Pomona
Robert DeLoach	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Charles Moorrees	San Antonio Water Company
Ken Jeske	City of Ontario
Rosemary Hoerning	City of Upland
Dave Crosley	City of Chino

NON-AGRICULTURAL POOL MEMBERS PRESENT

Kevin Sage	Vulcan Materials Company (Calmat Division)
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Watermaster Staff Present

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

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Tom McCarthy	Wildermuth Environmental Inc.
Joe LeClaire	Wildermuth Environmental Inc.

Others Present

David DeJesus	Three Valleys Municipal Water District
Marty Zvirbulis	Cucamonga Valley Water District

Chair Garibay called the joint Appropriative and Non-Agricultural Pool meeting to order at 10:05 a.m.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held November 8, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of November 2007
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through October 31, 2007
4. Treasurer's Report of Financial Affairs for the Period October 1, 2007 through October 31, 2007

5. Budget vs. Actual July 2007 through October 2007

Ms. Hoerning asked for a clarification of time on the minutes for the Upland tour.

*Motion by Jeske, second by DeLoach and by unanimous vote – Non-Ag concurred
Moved to approve Consent Calendar items A through B, as presented*

II. BUSINESS ITEMS

A. 2007/2008 ASSESSMENT PACKAGE

Mr. Manning stated there is no official notice from the court regarding the Peace II process and that staff has prepared the Assessment Package utilizing the outline stated in the Peace II Agreement. If notification is received by the court authorizing something other than what was presented in Peace II, then the Assessment Package will be revised accordingly. Ms. Rojo noted a copy of the draft 2007/2008 Assessment Package is available on the back table. Ms. Rojo stated the recent Assessment Package Workshop was very well attended and gave a presentation which was given at the workshop. Mr. Kinsey inquired as to the reserve levels. Chair Garibay inquired into production numbers as we move forward with Metropolitan Water District. A discussion ensued with regard to the presentation and the 2% loss factor. Recharge basin maintenance cost allocation was discussed. Mr. McCarthy stated Wildermuth Environmental has done the math on the 2% loss factor and it was not documented in this evaluation. Mr. McCarthy stated a memo could be drafted to document this number after staff has evaluated the numbers. Mr. Kinsey inquired into the replenishment which was accomplished through groundwater injection and asked what the basis is for determining that cost. Mr. Kinsey asked if Watermaster had a policy on replenishment costs as they relate to injection. A discussion ensued with regard to Mr. Kinsey's comments and inquiry. Mr. Manning stated staff can put together a draft policy which can be presented in the future for consideration. Mr. Jeske stated there are now three issues to be addressed regarding this item; 1) A policy regarding replenishment costs for injection water, 2) the 2% loss factor, and 3) recharge basin maintenance cost allocation.

*Motion by Jeske, second by DeLoach and by unanimous vote – Non-Ag concurred
Moved to approve 2007/2008 Assessment Package contingent on the resolution on the three issues which were discussed and approval of Peace II measures by court, as presented*

B. STATE OF THE BASIN REPORT

Mr. Manning stated the State of the Basin Report was developed several months ago and has been internally circulated by the parties and corrections have been made according to comments and suggestions. This report has also been submitted to the Special Referee to provide comments. Any comments made by the Special Referee or the technical assistant have also been incorporated into the final State of the Basin Report. Staff is asking for approval to receive and file this report with the court.

*Motion by Jeske, second by Hoerning and by unanimous vote – Non-Ag concurred
Moved to approve receiving and filing the State of the Basin Report with the court, as presented*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Peace II Approval Process

Counsel Fife commented on the recently held hearing regarding a go forward schedule from the court on the Peace II Agreement. Judge Gunn did not give a schedule at the hearing, however, noted an order would be forthcoming shortly. Counsel Fife stated a retort has been created in response to the Special Referee's report. Staff is anticipating filing the response this week to respond to the comments made by the referee in her report. Mr. Wildermuth's office is also preparing a technical report which was discussed at the

hearing. Counsel Fife stated Judge Gunn clearly indicated if Watermaster did not receive an order by the end of the year he would extend the deadlines. Counsel Fife stated the transcript was received at the beginning of this week on the Peace II hearing which is the reason the response was not written sooner. A copy of the transcript is available on the Watermaster ftp site. A discussion with regard to this matter ensued.

B. ENGINEERING REPORT

1. Engineering Update

Mr. LeClaire stated there are a number of monitoring programs performed as part of Program Element 1 and some of these monitoring programs are mandated by the Basin Plan and by Inland Empire Utilities Agency and Chino Basin Watermaster's recharge permit. Mr. LeClaire reviewed the monitoring programs and handed out a chart of the number of samples obtained and discussed the samples in detail. Mr. LeClaire stated the court recently approved the MZ1 Long Term Plan with the implementation schedule and the order of support was to go forward. Mr. McCarthy stated Wildermuth staff has worked extensively with the Special Referee and her technical assistant during the course of the Peace II process in satisfying their concerns with the modeling documentation. Wildermuth Environmental staff has finalized and posted the final Wildermuth Modeling Report and evaluation of Peace II Project Description.

C. FINANCIAL REPORT

1. Financial Update

Ms. Rojo stated this item was discussed under the Business Item Section regarding the 2007/2008 Assessment Package.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated the state legislature was called back into special session by the governor to cover the health issue and the bonds for water; neither of which were resolved at the special session. Mr. Manning referenced a handout which was available on the back table entitled, California's Fiscal Outlook by the Legislative Analyst's Office. Mr. Manning reviewed the handout and stated he was able to sit down with Senator Bob Margett and Michael Cohen, who is the director of the state administrative department for the Legislative Analyst Office to talk about some of the projections for the state's economy. Mr. Manning encouraged the parties to get in contact with their local representatives right now regarding pressing issues in legislature. A discussion ensued with regard to legislative issues.

2. Recharge Update

Mr. Treweek stated the recharge spreadsheet is on the back table. There are two items of interest on the recharge spreadsheet. The first is that the inland empire did have its first storm of the year in November and that storm enabled us to capture 700 acre-feet of water. The second item is that the 7th and 8th Street Basins are mid-way through a test program of recharging recycled water. These programs in the past have been very successful and the Department of Public Health restricts the percentage of recycled water in a basin and staff is demonstrating that the basins can get very successful TOC removal and they are now allowing up to 35% recycled water; our goal is to move that number to 50% recycled water in the basins. The long range forecast for storm water is still bleak. Mr. Treweek stated during the past summer some of the basins and the conditions of the basins are excellent right now.

3. AB 303 Grant

Mr. Manning stated several of the parties were contacted regarding writing support letters for the AB 303 grant and several have been received and submitted. Watermaster is hopeful to receive funds from this \$250,000 grant application. Wildermuth Environmental has been working with Watermaster staff on the grant proposal. Mr. Manning stated a copy

of the grant application can be made available. A brief discussion ensued with regard to the submittals of support.

4. Wildermuth Environmental Contract

Mr. Manning stated over the last few months, discussions have taken place on how to improve efficiencies at Watermaster. One of the items discussed was for staff to get a better understanding and develop a more structured working arrangement with Wildermuth Environmental and staff is in the process of working with them on developing a master contract. This contract will outline the procedures that will be used and the relationship with Watermaster and other parities within the basin. A draft of that contract should be available in early 2008.

5. Personnel Committee Meeting

Mr. Manning stated Watermaster will hold a Personnel Committee meeting in January as staff prepares to make the changes in the reorganization. The Personnel Committee will change based upon who is representing the Pools, Advisory Committee, and Watermaster Board.

6. January 2008 Reorganization

Mr. Manning stated there will be elections at the annual meetings for the yearly reorganizations for the Pools, Advisory Committee, and Watermaster Board.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

December 11, 2007	9:00 a.m.	2007/2008 Assessment Package Workshop
December 13, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
December 18, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* December 20, 2007	9:00 a.m.	Advisory Committee Meeting
* December 20, 2007	11:00 a.m.	Watermaster Board Meeting
January 10, 2008	9:30 a.m.	Annual Non-Agricultural Pool Elections
January 10, 2008	10:00 a.m.	Annual Appropriative Pool Elections
January 10, 2008	10:15 a.m.	Annual Joint Non-Ag & Appropriative Pool Meeting
January 15, 2008	9:00 a.m.	Annual Agricultural Pool Meeting @ IEUA
January 24, 2008	9:00 a.m.	Annual Advisory Committee Meeting
January 24, 2008	11:00 a.m.	Annual Watermaster Board Meeting

* Notes a change in the normal monthly meeting date

The Appropriative and Non-Agricultural Pool committee meeting was dismissed at 11:10 a.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

II. CONSENT CALENDAR

A. MINUTES

1. Agricultural Pool Meeting – December 18, 2007



DRAFT Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
December 18, 2007

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on December 18, 2007 at 9:00 a.m.

Agricultural Pool Members Present

Bob Feenstra, Chair	Dairy
Nathan deBoom	Dairy
Gene Koopman	Milk Producers Council
Jeff Pierson	Crops
Glen Durrington	Crops
John Huitsing	Dairy
Pete Hettinga	Dairy
Rob Vanden Heuvel	Milk Producers Council
Pete Hall	State of California CIM

Watermaster Board Members Present

Sandra Rose	Monte Vista Water District
Paul Hofer	Crops

Watermaster Staff Present

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

Watermaster Consultants Present

Mark Wildermuth	Wildermuth Environmental Inc.
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Others Present

Steven Lee	Reid & Hellyer
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Chair Feenstra called the Agricultural Pool meeting to order at 9:10 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Joint Appropriative and Non-Agricultural Pool Meeting held November 20, 2007

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of November 2007
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2007 through October 31, 2007
4. Treasurer's Report of Financial Affairs for the Period October 1, 2007 through October 31, 2007

5. Budget vs. Actual July 2007 through October 2007

Motion by Pierson, second by Durrington and by unanimous vote

Moved to approve Consent Calendar items A through B, as presented

II. BUSINESS ITEMS

A. 2007/2008 ASSESSMENT PACKAGE

Mr. Manning stated there is no official notice from the court regarding the Peace II process and that staff has prepared the Assessment Package utilizing the outline stated in the Peace II Agreement. If notification is received by the court authorizing something other than what was approved in Peace II, then the Assessment Package will be revised accordingly. Ms. Rojo noted a copy of the draft 2007/2008 Assessment Package is available on the back table. Ms. Rojo and reviewed the changes made to the calculations in the 2007/2008 Assessment Package as a result of Peace II. Ms. Rojo noted it was agreed to by all the parties to change the methodology for adjusting the over allocation of the Agricultural Pool rights based on a combination of land use conversions and operating safe yield. A discussion ensued with regard to the summary page configuration. Ms. Rojo noted the Non-Agricultural Pool agreed to give 10% of their share of operating safe yield to the Appropriators based upon a formula stated in Peace II. Ms. Rojo commented on the 2% loss factor still in the Assessment Package, until we have updated information from Wildermuth Environmental. A lengthy discussion regarding the 2007/2008 Assessment Package presentation ensued. Mr. Manning stated staff is seeking an approval contingent upon receipt of an order from the court prior to the end of the year.

Motion by Koopman, second by Durrington and by unanimous vote

Moved to approve the 2007/2008 Assessment package contingent upon receipt of an order from the court prior to the end of the year, as presented

B. STATE OF THE BASIN REPORT

Mr. Manning stated the State of the Basin Report was developed several months ago and has been internally circulated by the parties and corrections have been made according to comments and suggestions. This report has also been submitted to the Special Referee to provide comments. Any comments made by the Special Referee or the technical assistant have been incorporated into this report. Staff is asking for approval to receive and file this report with the court.

Motion by deBoom, second by Pierson and by unanimous vote

Moved to receive and file the State of the Basin Report, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Peace II Approval Process

Chair Feenstra commented on the documents requiring signature for the Peace II approval and noted he has discussed these documents in detail with Counsel Lee. Counsel Lee stated he was in attendance at the Peace II workshops and at the hearing which was held in November. Counsel Lee stated at the hearing there were numerous verbal testimonies in favor of not continuing a decision to move forward on Peace II. Judge Gunn did not move forward on his order to cause to continue the hearing and noted he was going to allow time for Watermaster counsel to respond to the Special Referee's comments. A discussion ensued with regard to this matter. Chair Feenstra noted he would review the documents that needed his signature and would get them back to Watermaster shortly.

B. ENGINEERING REPORT

1. Engineering Update

Mr. Wildermuth presented a time history with regard to safe yield and how it is calculated in the Chino Basin and reviewed it in detail. Mr. Wildermuth stated if water is pumped out of

the basin over a ten year period and that total volume is added to the change in storage and divided by ten, which will give you the estimate of yield in the basin. This was one of the methods used to formulate the operating safe yield numbers for the Judgment; however, a few minor errors were detected at a later date in the calculations used. Mr. Wildermuth stated the basin has been operated at 140,000 acre-feet with a controlled overdraft and because this basin is tipped and has an outflow. A lengthy discussion ensued with regard to the baseline, the plot result, and yield.

C. FINANCIAL REPORT

1. Financial Update

Ms. Rojo stated there are no additional financial updates.

D. CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated the state legislature was called into special session by the governor to cover the health issue and the bonds for water; neither of which were resolved at the special session. Mr. Manning referenced a handout which was available on the back table entitled, California's Fiscal Outlook by the Legislative Analyst's Office. Mr. Manning reviewed the handout and stated he was able to sit down with Senator Bob Margett and Michael Cohen, who is the director of the state administrative department for the Legislative Analyst Office to talk about some of the projections for the state's economy. Mr. Manning encouraged the parties to get in contact with their local representatives right now regarding pressing issues in legislature. A discussion ensued with regard to legislative issues.

2. Recharge Update

Mr. Manning stated the updated chart reflecting the water captured is now available. Recharge did happen in the month of November which included water that was captured from one storm. Mr. Manning stated it appears there is another storm on its way for December which means we are hopeful we will capture more storm water. It is still predicted by the weather analysts that overall California will still have a less than average year of rainfall.

3. AB 303 Grant

Mr. Manning stated several of the parties were contacted regarding writing support letters for the AB 303 grant and many have been received. Watermaster is hopeful to receive funds from this \$250,000 grant application. Wildermuth Environmental has been working with Watermaster staff on the grant proposal. Mr. Manning stated a copy of the grant application can be made available. A brief discussion ensued with regard to the submittals of support.

4. Wildermuth Environmental Contract

Mr. Manning stated over the last few months, discussions have taken place on how to improve efficiencies at Watermaster. One of the items discussed was for staff to get a better understanding and develop a more structured working arrangement with Wildermuth Environmental and staff is in the process of working with them on developing a master contract. This contract will outline the procedures that will be used and the relationship with Watermaster and other parties within the basin. A draft of that contract should be available in early 2008.

5. Personnel Committee Meeting

Mr. Manning stated Watermaster will hold a Personnel Committee meeting in January as staff prepares to make the changes in the organization. The Personnel Committee will change based upon who is representing the Pools, Advisory Committee, and Watermaster Board.

6. January 2008 Reorganization

Mr. Manning stated there will be elections at the annual meetings for the yearly reorganizations for the Pools, Advisory Committee, and Watermaster Board.

IV. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. FUTURE MEETINGS

December 11, 2007	9:00 a.m.	2007/2008 Assessment Package Workshop
December 13, 2007	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting
December 18, 2007	9:00 a.m.	Agricultural Pool Meeting @ IEUA
* December 20, 2007	9:00 a.m.	Advisory Committee Meeting
* December 20, 2007	11:00 a.m.	Watermaster Board Meeting
January 10, 2008	9:30 a.m.	Annual Non-Agricultural Pool Elections
January 10, 2008	10:00 a.m.	Annual Appropriative Pool Elections
January 10, 2008	10:15 a.m.	Annual Joint Non-Ag & Appropriative Pool Meeting
January 15, 2008	9:00 a.m.	Annual Agricultural Pool Meeting @ IEUA
January 24, 2008	9:00 a.m.	Annual Advisory Committee Meeting
January 24, 2008	11:00 a.m.	Annual Watermaster Board Meeting

* Notes a change in the normal monthly meeting date

The Agricultural Pool committee meeting was dismissed at 10:38 a.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

II. CONSENT CALENDAR

B. FINANCIAL REPORTS

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





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: January 10, 2008
January 15, 2008
January 24, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: Cash Disbursement Report – December 2007

SUMMARY

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

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

Fiscal Impact – Funds disbursed were included in the FY 2007-08 Watermaster Budget.

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of December 2007 were \$555,473.03. The most significant expenditures during the month were Ellison, Schneider & Harris, LLP in the amount of \$176,378.04, Wildermuth Environmental Inc. in the amount of \$152,956.57, and Hatch and Parent in the amount of \$95,741.13.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
December 2007

Type	Date	Num	Name	Amount
Dec 07				
General Journal	12/1/2007	07/12/3	PAYROLL	-7,042.87
General Journal	12/1/2007	07/12/3	PAYROLL	-22,396.18
Bill Pmt -Check	12/4/2007	11912	APPLIED COMPUTER TECHNOLOGIES	-3,066.10
Bill Pmt -Check	12/4/2007	11913	ARROWHEAD MOUNTAIN SPRING WATER	-46.65
Bill Pmt -Check	12/4/2007	11914	BLACK & VEATCH CORPORATION	-4,515.00
Bill Pmt -Check	12/4/2007	11915	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	12/4/2007	11916	BOWMAN, JIM	-250.00
Bill Pmt -Check	12/4/2007	11917	CALIFORNIA WATER AWARENESS CAMPAIGN	-375.00
Bill Pmt -Check	12/4/2007	11918	CALPERS	-3,053.50
Bill Pmt -Check	12/4/2007	11919	COMPUTER NETWORK	-646.50
Bill Pmt -Check	12/4/2007	11920	DIRECTV	-74.98
Bill Pmt -Check	12/4/2007	11921	ELLISON, SCHNEIDER & HARRIS, LLP	-72,833.12
Bill Pmt -Check	12/4/2007	11922	INLAND EMPIRE UTILITIES AGENCY	-127.31
Bill Pmt -Check	12/4/2007	11923	KONICA MINOLTA BUSINESS SOLUTIONS	-1,099.46
Bill Pmt -Check	12/4/2007	11924	KUHN, BOB	-250.00
Bill Pmt -Check	12/4/2007	11925	MEDIA JIM	-900.00
Bill Pmt -Check	12/4/2007	11926	MONTE VISTA WATER DIST	-250.00
Bill Pmt -Check	12/4/2007	11927	PARK PLACE COMPUTER SOLUTIONS, INC.	-3,525.00
Bill Pmt -Check	12/4/2007	11928	PURCHASE POWER	-2,018.99
Bill Pmt -Check	12/4/2007	11929	RICOH BUSINESS SYSTEMS-Maintenance	-49.00
Bill Pmt -Check	12/4/2007	11930	STATE COMPENSATION INSURANCE FUND	-921.41
Bill Pmt -Check	12/4/2007	11931	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	12/4/2007	11932	TLC STAFFING	-656.00
Bill Pmt -Check	12/4/2007	11933	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	12/4/2007	11934	VERIZON	-50.29
Bill Pmt -Check	12/4/2007	11935	VISION SERVICE PLAN	-36.11
Bill Pmt -Check	12/4/2007	11936	WILLIS, KENNETH	-250.00
Bill Pmt -Check	12/4/2007	11937	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	12/7/2007	11938	Diehl, Evans & Co, LLP	-275.00
Bill Pmt -Check	12/13/2007	11939	ACWA SERVICES CORPORATION	-224.75
Bill Pmt -Check	12/13/2007	11940	AUTOMATED GATE SERVICES, INC.	-116.00
Bill Pmt -Check	12/13/2007	11941	CITISTREET	-2,862.09
Bill Pmt -Check	12/13/2007	11942	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	12/13/2007	11943	HATCH AND PARENT	-95,741.13
Bill Pmt -Check	12/13/2007	11944	HSBC BUSINESS SOLUTIONS	-312.23
Bill Pmt -Check	12/13/2007	11945	PAYCHEX	-295.76
Bill Pmt -Check	12/13/2007	11946	PREMIERE GLOBAL SERVICES	-91.30
Bill Pmt -Check	12/13/2007	11947	REID & HELLYER	-11,010.67
Bill Pmt -Check	12/13/2007	11948	SAFEGUARD DENTAL & VISION	-13.32
Bill Pmt -Check	12/13/2007	11949	SAFETY CLEAN JANITORIAL SERVICES	-590.00
Bill Pmt -Check	12/13/2007	11950	THE FURMAN GROUP, INC.	-2,500.00
Bill Pmt -Check	12/13/2007	11951	TLC STAFFING	-1,053.76
Bill Pmt -Check	12/13/2007	11952	UNION 76	-174.95
Bill Pmt -Check	12/13/2007	11953	VERIZON	-348.44
Bill Pmt -Check	12/13/2007	11954	VERIZON WIRELESS	-436.96
Bill Pmt -Check	12/13/2007	11955	W.C. DISCOUNT MOBILE AUTO DETAILING	-100.00
Bill Pmt -Check	12/13/2007	11956	WESTERN DENTAL SERVICES, INC.	-23.25
Bill Pmt -Check	12/13/2007	11957	CITISTREET	-2,862.09
Bill Pmt -Check	12/13/2007	11958	CITISTREET	-2,862.09
General Journal	12/15/2007	07/12/8	PAYROLL	-7,042.87
General Journal	12/15/2007	07/12/8	PAYROLL	-23,944.88
Bill Pmt -Check	12/18/2007	11959	A & R TIRE	-76.44
Bill Pmt -Check	12/18/2007	11960	BANK OF AMERICA	-1,392.43
Bill Pmt -Check	12/18/2007	11961	CUCAMONGA VALLEY WATER DISTRICT	-5,495.00
Bill Pmt -Check	12/18/2007	11962	GREENLEE, GAIL	-717.59
Bill Pmt -Check	12/18/2007	11963	NORDBAK'S PROMOTIONAL PRODUCTS	-52.53
Bill Pmt -Check	12/18/2007	11964	UNITED PARCEL SERVICE	-771.79
Bill Pmt -Check	12/18/2007	11965	WATER EDUCATION FOUNDATION	-661.00
Bill Pmt -Check	12/18/2007	11966	PETTY CASH	-893.04
Bill Pmt -Check	12/18/2007	11967	KONICA MINOLTA BUSINESS SOLUTIONS	-3,186.17
Bill Pmt -Check	12/18/2007	11968	MCI	-1,169.95
Bill Pmt -Check	12/18/2007	11969	RICOH BUSINESS SYSTEMS-Lease	-888.94
Bill Pmt -Check	12/18/2007	11970	STAULA, MARY L	-136.61
Bill Pmt -Check	12/18/2007	11971	WILDERMUTH ENVIRONMENTAL INC	-152,956.57
Bill Pmt -Check	12/18/2007	11972	CALPERS	-3,243.09
Bill Pmt -Check	12/18/2007	11973	ELLISON, SCHNEIDER & HARRIS, LLP	-103,544.92
Bill Pmt -Check	12/18/2007	11974	OFFICE DEPOT	-1,163.76
Bill Pmt -Check	12/18/2007	11975	TLC STAFFING	-610.94

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
December 2007

Type	Date	Num	Name	Amount
Bill Pmt -Check	12/18/2007	11976	PAT BOLDT CONSULTING	-359.21
Bill Pmt -Check	12/18/2007	11977	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	12/19/2007	11978	JASON KARNER	-60.00
Dec 07				<u>-555,473.03</u>

11:36 AM
12/24/07

CHINO BASIN WATERMASTER
Check Detail
December 2007

<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Paid Amount</u>
Bill Pmt -Check	11960	12/18/2007	BANK OF AMERICA	1012 · Bank of America Gen'l Ckg	
Bill	402442...	11/30/2007		6909.1 · OBMP Meetings	-177.02
				6312 · Meeting Expenses	-215.50
				6212 · Meeting Expense	-215.50
				6191 · Conferences	-365.54
				7104.6 · Grdwtr Level-Supplies	-418.87
TOTAL					<u>-1,392.43</u>

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

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL APPROPRIATE	POOL AGRICULTURAL NON-AGRIC.	POOL SPECIAL PROJECTS	GROUNDWATER REPLENISHMENT	GROUNDWATER OPERATIONS SB222	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2007-2008
Administrative Revenues										
Administrative Assessments		5,139,446			61,606				5,201,052	\$7,540,370
Interest Revenue		36,872	6,192		1,066				44,130	181,500
Mutual Agency Project Revenue									41,667	145,500
Grant Income	41,667									0
Miscellaneous Income										0
Total Revenues	-	5,176,318	6,192		62,672				5,286,849	7,867,370
Administrative & Project Expenditures										
Watermaster Administration	224,622								224,622	627,797
Watermaster Board-Advisory Committee	26,670								26,670	60,645
Pool Administration		7,456	65,825	2,871					76,152	127,333
Optimum Basin Mgmt Administration		1,532,850							1,532,850	1,857,337
OBMP Project Costs		1,720,287							1,720,287	5,183,883
Education Funds Use								375	375	375
Mutual Agency Project Costs										10,000
Total Administrative/OBMP Expenses	251,292	3,253,137	65,825	2,871				375	3,580,956	7,867,370
Net Administrative/OBMP Income	(251,292)	(3,211,470)								
Allocate Net Admin Income To Pools	251,292		52,833	4,716						
Allocate Net OBMP Income To Pools		3,211,470	675,193	60,266						
Agricultural Expense Transfer		790,550	(790,550)							
Total Expenses	3,467,761	3,300	67,853					375	3,580,956	7,867,370
Net Administrative Income	1,708,557	2,892	(5,181)					(375)	1,705,893	
Other Income/(Expense)										0
Replenishment Water Purchases										0
MZ1 Supplemental Water Assessments										0
Water Purchases										0
MZ1 Imported Water Purchase										0
Groundwater Replenishment						(2,328,727)			(2,328,727)	0
Net Other Income						(2,328,727)			(2,328,727)	0
Net Transfers To/(From) Reserves		1,708,557	2,892	(5,181)				(375)	(622,834)	
Working Capital, July 1, 2007		4,222,727	475,604	156,552	294,397	158,251		1,655	5,309,186	
Working Capital, End Of Period		5,931,284	478,496	151,371	(2,034,330)	158,251		1,280	4,686,352	

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

DEPOSITORIES:			
Cash on Hand - Petty Cash		\$	500
Bank of America			
Governmental Checking-Demand Deposits		\$	129,735
Zero Balance Account - Payroll			
Local Agency Investment Fund - Sacramento			
			<u>129,735</u>
			<u>4,254,271</u>
TOTAL CASH IN BANKS AND ON HAND	11/30/2007	\$	4,384,506
TOTAL CASH IN BANKS AND ON HAND	10/31/2007		4,837,076
		\$	<u>(452,570)</u>

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:		\$	-
Accounts Receivable			-
Assessments Receivable			(26,858)
Prepaid Expenses, Deposits & Other Current Assets			91,346
(Decrease)/Increase in Liabilities			9,316
Accounts Payable			(526,374)
Accrued Payroll, Payroll Taxes & Other Current Liabilities			
Transfer to/(from) Reserves			
		\$	<u>(452,570)</u>

SUMMARY OF FINANCIAL TRANSACTIONS:

Balances as of 10/31/2007						
Deposits	500	\$	182,305	\$	-	\$ 4,837,076
Transfers	-		321,926		78,074	-
Withdrawals/Checks	-		(374,496)		(78,074)	(452,570)
Balances as of 11/30/2007	500	\$	129,735	\$	-	\$ 4,384,506
	-		-		-	-
PERIOD INCREASE OR (DECREASE)	-	\$	(52,570)	\$	-	(400,000)
						<u>(452,570)</u>

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
11/21/2007	Withdrawal	L.A.I.F.	\$ 400,000				
TOTAL INVESTMENT TRANSACTIONS			\$ 400,000	-			

* The earnings rate for L.A.I.F. is a daily variable rate; 5.24% was the effective yield rate at the Quarter ended September 30, 2007

**INVESTMENT STATUS
November 30, 2007**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 4,254,271			
TOTAL INVESTMENTS	\$ 4,254,271			

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

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

Respectfully submitted,



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

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

	<u>Jul - Nov 07</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	41,667	145,500	-103,833	28.64%
4100 · Administrative Assessments	5,201,052	0	5,201,052	100.0%
4110 · Admin Asmnts-Approp Pool	0	7,423,878	-7,423,878	0.0%
4120 · Admin Asmnts-Non-Agri Pool	0	116,492	-116,492	0.0%
4700 · Non Operating Revenues	44,130	181,500	-137,370	24.31%
Total Income	5,286,849	7,867,370	-2,580,521	67.2%
Gross Profit	5,286,849	7,867,370	-2,580,521	67.2%
Expense				
6010 · Salary Costs	216,480	477,247	-260,767	45.36%
6020 · Office Building Expense	41,405	101,580	-60,175	40.76%
6030 · Office Supplies & Equip.	13,184	46,500	-33,316	28.35%
6040 · Postage & Printing Costs	41,201	83,000	-41,799	49.64%
6050 · Information Services	61,237	132,000	-70,763	46.39%
6060 · Contract Services	41,916	117,500	-75,584	35.67%
6080 · Insurance	4,160	18,210	-14,050	22.85%
6110 · Dues and Subscriptions	12,073	16,750	-4,677	72.08%
6140 · WM Admin Expenses	822	4,650	-3,828	17.68%
6150 · Field Supplies	63	2,500	-2,437	2.53%
6170 · Travel & Transportation	6,140	25,000	-18,860	24.56%
6190 · Conferences & Seminars	7,805	22,500	-14,695	34.69%
6200 · Advisory Comm - WM Board	7,583	18,931	-11,348	40.06%
6300 · Watermaster Board Expenses	19,087	41,714	-22,627	45.76%
8300 · Appr PI-WM & Pool Admin	7,456	24,001	-16,545	31.06%
8400 · Agri Pool-WM & Pool Admin	7,026	24,004	-16,978	29.27%
8467 · Ag Legal & Technical Services	54,365	60,000	-5,635	90.61%
8470 · Ag Meeting Attend -Special	4,434	12,000	-7,566	36.95%
8500 · Non-Ag PI-WM & Pool Admin	2,871	7,328	-4,457	39.18%
6500 · Education Funds Use Expens	375	375	0	100.0%
9500 · Allocated G&A Expenditures	-221,863	-419,640	197,777	52.87%
Subtotal G&A Expenditures	327,819	816,150	-488,331	40.17%
6900 · Optimum Basin Mgmt Plan	1,444,037	1,716,138	-272,101	84.15%
6950 · Mutual Agency Projects	0	10,000	-10,000	0.0%
9501 · G&A Expenses Allocated-OBMP	88,814	141,199	-52,385	62.9%
Subtotal OBMP Expenditures	1,532,850	1,867,337	-334,487	82.09%
7101 · Production Monitoring	38,913	116,709	-77,796	33.34%
7102 · In-line Meter Installation	6,328	37,791	-31,463	16.74%
7103 · Grdwtr Quality Monitoring	40,000	162,104	-122,104	24.68%
7104 · Gdwtr Level Monitoring	74,888	212,667	-137,779	35.21%
7105 · Sur Wtr Qual Monitoring	4,749	40,553	-35,804	11.71%
7107 · Ground Level Monitoring	83,144	425,465	-342,321	19.54%
7108 · Hydraulic Control Monitoring	81,994	369,232	-287,238	22.21%
7109 · Recharge & Well Monitoring Prog	15,570	182,827	-167,257	8.52%
7200 · PE2- Comp Recharge Pgm	415,131	1,255,827	-840,696	33.06%
7300 · PE3&5-Water Supply/Desalte	49,360	159,509	-110,149	30.95%

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

	<u>Jul - Nov 07</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7400 · PE4- Mgmt Plan	89,563	159,674	-70,111	56.09%
7500 · PE6&7-CoopEfforts/SaltMgmt	54,969	308,533	-253,564	17.82%
7600 · PE8&9-StorageMgmt/Conj Use	21,041	92,660	-71,619	22.71%
7690 · Recharge Improvement Debt Pymt	618,373	1,377,552	-759,179	44.89%
7700 · Inactive Well Protection Prgm	0	4,339	-4,339	0.0%
9502 · G&A Expenses Allocated-Projects	126,264	278,441	-152,177	45.35%
Subtotal Project Expenditures	<u>1,720,287</u>	<u>5,183,883</u>	<u>-3,463,596</u>	<u>33.19%</u>
Total Expense	<u>3,580,956</u>	<u>7,867,370</u>	<u>-4,286,414</u>	<u>45.52%</u>
Net Ordinary Income	1,705,893		1,705,893	100.0%
Other Income/Expense				
Other Expense				
5010 · Groundwater Replenishment	2,328,727	0	2,328,727	100.0%
9999 · To/(From) Reserves	-622,833	0	-622,833	100.0%
Total Other Expense	<u>1,705,894</u>	<u>0</u>	<u>1,705,894</u>	<u>100.0%</u>
Net Other Income	<u>-1,705,894</u>	<u>0</u>	<u>-1,705,894</u>	<u>100.0%</u>
Net Income	<u>-0</u>	<u>0</u>	<u>-0</u>	<u>100.0%</u>



CHINO BASIN WATERMASTER

II. CONSENT CALENDAR

C. CHINO BASIN WATERMASTER INVESTMENT POLICY

Resolution 08-01 Re-authorizing
Watermaster's Investment Policy



RESOLUTION 08-01

RESOLUTION OF THE CHINO BASIN WATERMASTER,
SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING
A WATERMASTER INVESTMENT POLICY

WHEREAS, the normal and prudent operation of the Watermaster's daily business generates cash balances, operating and fund reserves; and

WHEREAS, the cash management system is designed to accurately monitor and forecast expenditures and revenues on behalf of Watermaster, thus enabling the Watermaster to invest funds to the fullest extent possible; and

WHEREAS, the cash funds are to be placed in investments authorized for public agencies of the State of California (Judgment Paragraph 23); and

WHEREAS, Watermaster deems it to be in the best interests of the parties to the Judgment to delegate the authority to invest and reinvest the funds of Watermaster to the Watermaster Finance Manager subject to the provisions of its Investment Policy and the ongoing review and control of Watermaster and the Watermaster Advisory Committee.

WHEREAS, it is the Watermaster's policy to annually review, update, and adopt an investment policy;

NOW, THEREFORE, BE IT RESOLVED, by the Chino Basin Watermaster that:

- Section 1. The authority to invest and reinvest funds of Watermaster is hereby delegated to the Watermaster Chief Financial Officer subject to the provisions of said Investment Policy and the ongoing review and control of Watermaster and the Watermaster Advisory Committee.
- Section 2. This resolution shall take effect from and after its date of adoption and Resolution 00-09 is rescinded in its entirety.

**Watermaster's Investment Policy originally adopted by the Advisory Committee on February 13, 1997 and the Watermaster Board on March 5, 1998.

APPROVED by the Advisory Committee this 24th day of January 2008.
ADOPTED by the Watermaster Board on this 24th day of January 2008.

By: _____
Chairman, Watermaster Board

APPROVED:

Chairman, Advisory Committee

ATTEST:

Board Secretary
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Ken Manning, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 08-01, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

AYES:
NOES: 0
ABSENT: 0
ABSTAIN: 0

CHINO BASIN WATERMASTER

Secretary

Date: _____



CHINO BASIN WATERMASTER

II. CONSENT CALENDAR

D. LOCAL AGENCY INVESTMENT FUND

Resolution 08-02 Investment of Monies in the Local Investment Fund (LAIF)



RESOLUTION 08-02 OF CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730

PHONE: 909-484-3888

**AUTHORIZING INVESTMENT OF MONIES
IN THE LOCAL AGENCY INVESTMENT FUND**

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Chino Basin Watermaster was appointed on January 27, 1978, under San Bernardino Superior Court Case No. WCV51010 (formerly Case No. SCV164327) entitled Chino Basin Municipal Water District V. City of Chino, et al., with powers to authorize the investment or deposit of surplus funds pursuant to the California Government Code, Section 53600; and

WHEREAS, upon filing of an appropriate resolution, local agencies are permitted to remit money to the State Treasurer for deposit in the fund for the purpose of investment; and pursuant to Section 16429.3 of said Government Code, such monies are not subject to impoundment of seizure by any state official or state agency.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby authorize the deposit and withdrawal of Chino Basin Watermaster monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that record.

BE IT FURTHER RESOLVED, that the following Chino Basin Watermaster officers and designated employees or their successors in office/position shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund.

_____	<u>Chairman of the Board</u>	_____
(NAME)	(TITLE)	(SIGNATURE)
_____	<u>Vice-Chair</u>	_____
(NAME)	(TITLE)	(SIGNATURE)
_____	<u>Board Secretary/Treasurer</u>	_____
(NAME)	(TITLE)	(SIGNATURE)
<u>Kenneth R. Manning</u>	<u>Chief Executive Officer/Secretary</u>	_____
(NAME)	(TITLE)	(SIGNATURE)
<u>Sheri Rojo</u>	<u>C.F.O./Asst. G.M.</u>	_____
(NAME)	(TITLE)	(SIGNATURE)

APPROVED by the Advisory Committee this 24th day of January 2008.
ADOPTED by the Watermaster Board on this 24th day of January 2008.

By: _____
Chairman, Watermaster Board

APPROVED:

Chairman, Advisory Committee

ATTEST:

Board Secretary
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Ken Manning, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 08-02, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

AYES: Unanimous
NOES: 0
ABSENT: 0
ABSTAIN: 0

CHINO BASIN WATERMASTER

Secretary

Date: _____



CHINO BASIN WATERMASTER

II. CONSENT CALENDAR

E. LEVYING REPLENISHMENT & ADMINISTRATIVE ASSESSMENTS

Resolution 08-03 Levying Replenishment and Administrative Assessments for Fiscal Year 2007-2008



RESOLUTION 08-03

A RESOLUTION OF THE CHINO BASIN WATERMASTER LEVYING REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS FOR FISCAL YEAR 2007- 2008

WHEREAS, the Chino Basin Watermaster was appointed on January 27, 1978, under Case No. RCV 51010 (formerly case No. SCV 164327) entitled Chino Basin Municipal Water District v. City of Chino, et al., with powers to levy and collect administrative and replenishment assessments necessary to maintain water levels and to cover the cost of administering the Chino Basin Judgment; and

WHEREAS, the Watermaster Advisory Committee approved and the Watermaster Board adopted the Fiscal Year 2006-2007 Budget on May 25, 2006 to carry out the necessary Watermaster functions under the Judgment; and

WHEREAS, the parties named in this Judgment have pumped 9,249.94 acre-feet of water in excess of the operating safe yield, which is required to be replaced at the expense of the parties in accordance with the assessment formulas for the respective pools.

NOW, THEREFORE, BE IT RESOLVED that the Chino Basin Watermaster levies the respective assessments for each pool effective January 24, 2008 as showed on Exhibit "A" attached hereto.

BE IT FURTHER RESOLVED, that pursuant to the Judgment, each party has thirty-days from the date of invoice to remit the amount of payment for assessments due. After that date, interest will accrue on that portion which was due as provided for in Section 55 (c) of the Judgment.

THE FOREGOING RESOLUTION was

APPROVED by the Advisory Committee on the 24th day of January 2008.

ADOPTED by the Watermaster Board on the 24th day of January 2008.

By: _____
Chairman, Watermaster Board

APPROVED:

Chairman, Advisory Committee

ATTEST:

Secretary, Watermaster Board

Exhibit "A"
Resolution 08-03

Summary
of
Assessments
Fiscal Year 2007-2008
Production Year 2006-2007

1.	OVERLYING (NON-AGRICULTURAL) POOL	
a.	2007-2008 Budget	\$ <u>4.50</u> Per AF - Admin. \$ <u>31.80</u> Per - OBMP
b.	Replenishment	\$ <u>257.00</u> Per AF
2.	APPROPRIATIVE POOL	
a.	Administration	
	1. 2007-2008 Budget	\$ <u>4.50</u> Per AF - Admin. \$ <u>31.80</u> Per - OBMP
	2. Ag Pool Reallocated	\$ <u>3.69</u> Per AF - Admin. \$ <u>26.07</u> Per AF - OBMP
b.	100% Net Replenishment	\$ <u>257.00</u> Per AF
c.	15/85 Water Activity	
	15% Replenishment Assessments	\$ <u>451,217.11</u>
	15% Water Transaction Activity	\$ <u>587,892.62</u>
d.	Pomona Credit	\$ <u>0.0</u>
e.	Recharge Debt Payment	\$ <u>1,377,552.00</u>

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Ken Manning, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 08-03, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

AYES:
NOES: 0
ABSENT: 0
ABSTAIN: 0

CHINO BASIN WATERMASTER

Secretary

Date: _____

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CHINO BASIN WATERMASTER

II. CONSENT CALENDAR

F. NOTICE OF INTENT

Annual Filing of Notice of Intent Regarding
the Determination of Operating Safe Yield



Watermaster's "Notice of Intent" to Change the Operating Safe Yield of the Chino Groundwater Basin

PLEASE TAKE NOTICE that on this 24th day of February 2007, Chino Basin Watermaster hereby files this 'NOTICE OF INTENT' to change the operating safe yield of the Chino Groundwater Basin Pursuant to the Judgment entered in Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino Superior Court, Case No. RCV 51010 (formerly Case No. 164327) (Exhibit I, Paragraph 2b, Page 80).

**Approved by
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE**

**CHINO BASIN WATERMASTER
BOARD OF DIRECTORS**

By: _____
Chair

By: _____
Chair

ATTEST:

By: _____
Secretary

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CHINO BASIN WATERMASTER

III. BUSINESS ITEMS

- A. IEUA CONTRACT FOR TECHNICAL SERVICES FOR DRY YEAR YIELD CONTRACT





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: December 10, 2008
December 15, 2008
December 24, 2008

TO: Committee Members
Watermaster Board Members

SUBJECT: IEUA Contract for Technical Services Regarding the Dry Year Yield Expansion Project

SUMMARY

Recommendation – Staff recommends that the Pools recommend approval of the enclosed contract by the Advisory Committee and the Watermaster Board

Introduction

Chino Basin Watermaster ("Watermaster") and Inland Empire Utilities Agency ("IEUA") propose entering in to IEUA Agreement No. 4600000070 ("Agreement") which will provide technical review services for the Dry Year Yield Expansion Project. Specifically the Agreement will provide for modeling work to be conducted by Watermaster's consultant Wildermuth Environmental, Inc. ("WEI").

Background

At the end of 2007, the Metropolitan Water District of Southern California ("MWD"), IEUA, Western Municipal Water District ("WMWD") and the Three Valleys Municipal Water District ("TVMWD") entered in to Agreement No. 88734 which provides up to \$1.5 million to be used to conduct California Environmental Quality Act ("CEQA") review for an expansion of MWD's Chino Basin Dry Year Yield account from 100,000 acre-feet to 150,000 acre-feet. An executed copy of this agreement is attached to the Agreement as Exhibit "A."

On September 5, 2007, IEUA approved a consultant contract with Black & Veatch to perform services to fulfill the terms of Agreement No. 88734. An executed copy of this agreement is attached to the Agreement as Exhibit "B." The Black & Veatch contract contemplated the use of Tom Dodson and

WEI as subcontractors in order to complete the services. Exhibit "A" to the Black & Veatch contract is the scope of work for the services by Black & Veatch and the subcontractors. Pages 3 – 5 (Phase I, Task 5) of this scope of work detail the work to be performed by WEI. The budget for this work is approximately \$400,000.

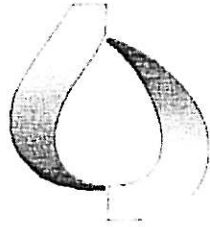
The nature of the modeling work to be performed by WEI for the project is comprehensive and thus goes to the heart of Watermaster's oversight responsibilities with respect to the Dry Year Yield Program and overall Basin operations. Because of this, it was the opinion of staff that the WEI services would be better structured through Watermaster in order to ensure the continued independence of WEI and the integrity of Watermaster's oversight review of the Dry Year Yield Expansion Project.

Summary of the Agreement

The Agreement is a services contract similar in nature to the Black & Veatch agreement, though modified to account for the fact that it will be WEI and not Watermaster that will be performing the services under the Agreement. Under the Agreement WEI will perform the services as described in the scope of work, and will bill Watermaster for those services. Watermaster will pay the WEI invoices and then submit those expenses to IEUA for reimbursement from MWD in accordance with Agreement No. 88734.

Under Agreement No. 88734 paragraph 7, the signatories to that agreement agree that if the environmental documents are not completed by December 31, 2008, or if certain other conditions develop relating to non-implementation of the DYY Expansion Project, then any funds advanced by MWD will be returned. Under the proposed Agreement with Watermaster, Watermaster does not assume any part of this liability.

The DYY Expansion Project will require amendment to the existing storage agreement with Watermaster, which will require approval by the Pool Committees, the Advisory Committee and the Board and will require an analysis of the potential for Material Physical Injury.



Inland Empire
UTILITIES AGENCY

AGREEMENT NUMBER: 4600000070

FOR

DRY YEAR YIELD EXPANSION PROJECT

THIS AGREEMENT (the "Agreement"), is made and entered into this ____ day of January 2008, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency"), and, the Chino Basin Watermaster (hereinafter referred to as "Watermaster"), of Rancho Cucamonga, California, for professional environmental engineering services for the Dry Year Yield Expansion Project. Agency and Watermaster shall collectively be referred to as the Parties.

RECITALS

WHEREAS, in or about November, 2000, Agency entered into Metropolitan Water District Agreement No. 88734 entitled "Agreement for Groundwater Study, Preliminary Engineering Design and Environmental Costs for the Chino Basin Groundwater Storage Expansion Project (hereinafter referred to as "Master Agreement"). A copy of the Master Agreement is attached hereto as Exhibit "A" and incorporated herein by this reference; and

WHEREAS, Watermaster will benefit from the work conducted under the Master Agreement; and

WHEREAS, on or about September 5, 2007, in furtherance of performing its obligations under the Master Agreement, Agency entered into Contract No. 4600000005 for Dry Year Yield Expansion Project with Black and Veatch Corporation (hereinafter referred to as "Black and Veatch Agreement"). A copy of the Black and Veatch Agreement is attached hereto as Exhibit "B" and incorporated herein by this reference; and

WHEREAS, under the Black and Veatch Agreement, it was contemplated that Wildermuth Environmental, Inc. (hereinafter referred to as "WEI") would serve as a subcontractor to Black and Veatch; and

WHEREAS, the parties hereto agree that WEI shall serve as a consultant relative to the Dry Year Yield Expansion Project and shall provide its services through Watermaster;

COVENANTS

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. PROJECT MANAGER ASSIGNMENT: All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below:

Project Manager: Richard W. Atwater
Chief Executive Officer/General Manager
Inland Empire Utilities Agency
Address: 6075 Kimball Avenue, Bldg. A
Chino, California 91708
Telephone: (909) 993-1740
Facsimile: (909) 993-1985
Email: atwater@ieua.org

2. WATERMASTER ASSIGNMENT: Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Watermaster: Kenneth R. Manning
Chief Executive Officer
Chino Basin Watermaster
Address: 9641 San Bernardino Road
Rancho Cucamonga, California 91730
Telephone: (909) 484-3888
Mobile: (909) 579-7185
Email: KManning@CBWM.ORG

3. ORDER OF PRECEDENCE: The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:

1. Amendments to Contract number No. 4600000070
2. Contract Number 4600000070, General Terms and Conditions.
3. Table 1, Scope of Work (attached hereto), specifically column 12, entitled "Total WEI".
4. MWD Agreement No. 88734.

4. SCOPE OF WORK, SCHEDULE AND SERVICES: Watermaster Scope of Work, Schedule, and Services shall be in accordance with WEI work identified in the attached Table 1, titled "Inland Empire Utilities Agency/Chino Basin Watermaster, Metropolitan DDY Program Expansion Project Development Report," Scope and Fee Estimate [Rev. 7-30-07]; specifically, column 12, entitled "Total WEI", and as more thoroughly

described in the Black and Veatch Agreement. Watermaster shall perform those services requested by Black and Veatch to be performed under the Black and Veatch Agreement.

5. TERM: The term of this Contract shall extend from the Notice to Proceed, and terminate on December 31, 2008, unless otherwise agreed to by both parties, reduced to writing, and amended to this Contract.
6. MASTER CONTRACT: Watermaster shall comply with all of the cost accounting, record keeping and reporting requirements which the Agency is required to perform under the terms and conditions of the Master Agreement.
7. COMPENSATION: Agency shall pay Watermaster's properly executed monthly invoice, approved by the Project Manager, after approval from MWD staff of the invoice. Payment will be withheld for any service, which does not meet the Master Agreement terms and conditions, Agency requirements or have proven unacceptable until such service is revised, the invoice resubmitted, and accepted by the Project Manager.

Watermaster monthly invoices shall include a cost breakdown by work date, task description, itemized material cost and reasonable and customary expenses in accordance with the enclosed Table 1, column 12 entitled "Total WEI", and shall include the current monthly amount, and the cumulative amount invoiced to date. Material cost and reasonable expenses shall be submitted with receipts, and will be reimbursed at cost with no markup. Invoices must include the Contract Number 4600000070.

In compensation for the work performed hereunder, Agency shall pay Watermaster's invoices in accordance with the attached Table 1, and subject to MWD's staff review and approval, up to a Total Authorized Amount of **\$400,000.00**. Watermaster shall not be paid for any amount exceeding the Total Authorized Amount, or for work outside the scope identified herein without an Amendment to this Contract.

Agency may, at any time, make changes to the Scope of Work, including additions, reductions, and changes to any or all of the Work, as directed in writing by the Agency. Such changes shall be made by an Amendment to the Contract. The Total Authorized Amount and Term shall be equitably adjusted, if required, to account for such changes, and shall be set forth in the Amendment.

8. INSURANCE: During the term of this Contract, the Watermaster and its subcontractor personnel shall maintain at its sole expense, the following insurance.
 - A. Minimum Scope of Insurance:
 1. General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number GL 0001-87 covering Comprehensive General Liability. If Commercial General

Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 87, covering Automobile Liability, including "any auto."
 3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of \$1,000,000 per accident.
 4. Professional Liability insurance in the amount of \$1,000,000 per occurrence.
- B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Watermaster shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- C. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:
1. General Liability and Automobile Liability Coverage
 - a. The Agency, its officers, officials, employees and volunteers are to be covered as insureds, endorsements GL 20 11 07 66, CG2010 1185 and/or CA 20 01 (Ed. 0178), as respects: liability arising out of activities performed by or on behalf of the Watermaster, products and completed operations of the Watermaster, premises owned, occupied or used by the Watermaster, or automobiles owned, leased, hired or borrowed by the Watermaster. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers.
 - b. The Watermaster's insurance coverage shall be primary insurance as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, or volunteers shall be excess of the Watermaster's insurance and shall not contribute with it.

- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
- d. The Watermaster's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Watermaster may satisfy the limit requirements in a single policy or multiple policies. Any Such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from work performed by the Watermaster for the Agency. Watermaster shall provide waiver of subrogation on all policies, required herein, except, Professional Liability.

3. All Coverages

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

- D. Acceptability of Insurers: With the exception of Professional Liability Insurance, all insurance is to be placed with insurers with a Best's rating of no less than A:VII, and who are admitted insurers in the State of California. Professional Liability Insurance is to be placed with insurers with a Best's rating of no less than B:VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Watermaster shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

- F. Submittal of Certificates: Watermaster shall submit all required certificates and endorsements to the following:

Safety and Risk Manager
Attn: Jack Frazier
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709

9. LEGAL RELATIONS AND RESPONSIBILITIES

- A. Professional Responsibility: The Watermaster or its subcontract personnel shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. Status of Watermaster: The Watermaster and or its subcontractor is retained as an independent Consultant only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.
- C. Observing Laws and Ordinances: The Watermaster and its subcontractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Watermaster and its subcontractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Watermaster or its employees.
- D. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.
- E. Indemnification: The Watermaster and its subcontractor agrees to protect, defend, indemnify and hold harmless the Agency, its officers, directors, agents, employees, servants, and volunteers free and harmless from any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (including employees of the Agency, Watermaster and WEI) and damage to property, directly or indirectly out of the obligations herein undertaken or out of the operations conducted by the Watermaster, its employees, agents, representatives or subcontractors under or in connection with this Contract, to the extent due to Watermaster's negligence or willful misconduct.

The Watermaster further agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands or suit at the sole expense of the Watermaster.

- F. Conflict of Interest: No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
 - G. Equal Opportunity: During the performance of this Contract, the Watermaster shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin.
 - H. Non-Conforming Work and Warranty: Watermaster represents and warrants that the Work and Documentation shall be adequate to serve the purposes described in the Contract. For a period of not less than one (1) year after acceptance of the completed Work, Watermaster shall, at no additional cost to Agency, correct any and all errors in and shortcomings of the Work or Documentation, regardless of whether any such errors or shortcoming is brought to the attention of Watermaster by Agency, or any other person or entity. Any dispute that cannot be resolved between the Project Manager and Watermaster shall be resolved in accordance with the provisions of this Contract.
 - I. Disputes: All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. Both parties agree that any and all disputes, claims, matter of controversy arising out of or in relation to this Contract shall be considered in good faith by each Party. Each Party shall *meet and confer* with the other Party in a timely matter (not to exceed 60 days from time of notice) to resolve any such dispute. Should negotiations between the Parties fail to produce settlement of the subject dispute, claim, or matter of controversy, each Party shall be entitled to exercise all available remedies as prescribed by law in the State of California, San Bernardino County Superior Court, for resolution.
 - J. Attorneys' Fees: In the event an action is commenced by a party to this Contract against the other to enforce its rights or obligations arising from this Contract, the prevailing party in such action, in addition to any other relief and recovery ordered by the court or arbitration, shall be entitled to recover all statutory costs, plus reasonable attorneys' fees.
10. PUBLIC RECORDS POLICY: Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency

shall use its best efforts to notify Watermaster of any requests for disclosure of any documents pertaining to Watermaster.

In the event of litigation concerning disclosure of information Watermaster considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Watermaster has marked "Confidential," "Proprietary," or "Trade Secret," Watermaster shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

11. INFRINGEMENT: Watermaster represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.

Watermaster shall defend, indemnify and hold harmless, Agency, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Watermaster shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its best efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such claim of infringement, or to put up a satisfactory bond to permit Agency's continued use of the Work and Documentation.

12. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Cameron B. Langner
Manager of Contracts and Procurement
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709

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

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

13. SUCCESSORS AND ASSIGNS: All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Watermaster, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Watermaster under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; except that it may be assigned without such consent to a related entity, an affiliate or wholly owned subsidiary of Watermaster; and, any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.
14. RIGHT TO AUDIT: The Agency reserves the right to review and/or audit all Watermaster's and subcontractor records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Watermaster. The Watermaster shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
15. INTEGRATION: The Contract Documents represent the entire Contract of the Agency and the Watermaster as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Watermaster.
16. GOVERNING LAW: This Contract is to be governed by and constructed in accordance with the laws of the State of California, in the County of San Bernardino.
17. TERMINATION FOR CONVENIENCE: Either party has the right to suspend, cancel or terminate this Contract at any time upon thirty (30) days written notice to the other party. In the event of such termination, the Watermaster shall deliver all documentation and work products to Agency and Agency shall pay Watermaster for all authorized and Watermaster-invoiced services up to the date of such termination.
18. FORCE MAJEURE: Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
19. NOTICE TO PROCEED: No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Watermaster.

IN WITNESS WHEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:

CHINO BASIN WATERMASTER

Richard W. Atwater 12/13/2007

Richard W. Atwater
Chief Executive Officer
General Manager

(Date)

Kenneth R. Manning
Chief Executive Officer

(Date)

COPY

Metropolitan
Agreement No. 88734

Agreement for Groundwater Study, Preliminary Engineering Design and Environmental Costs for the Chino Basin Groundwater Storage Expansion Project

The purpose of this Metropolitan Agreement No. 88734 (this "Agreement") is to provide funds to facilitate the efforts of the Inland Empire Utilities Agency ("Program Agency") in coordination with Three Valleys Municipal Water District ("TVMWD") and Western Municipal Water District ("WMWD") in preparing preliminary engineering design, operational studies, and environmental documents for the expansion of the Chino Basin Groundwater Storage Project pursuant to the California Environmental Quality Act, Cal Pub. Res. Code §§ 21000-21178 ("CEQA") and the National Environmental Policy Act, 42 U.S.C. §§ 4321-4370e ("NEPA") if applicable.

In June 2003, the Chino Basin Groundwater Storage agreement was executed between The Metropolitan Water District of Southern California ("Metropolitan"), Chino Basin Watermaster, TVMWD, and IEUA and Metropolitan agreed to fund \$27.5 million in facilities. Construction of these facilities will be completed by March 2008. Metropolitan, WMWD, TVMWD, IEUA and the Chino Basin Watermaster have proposed to expand the existing Chino Basin Groundwater Storage Program from 100,000 AF to 150,000 AF. The Dry Year Yield would be increased from 33,000 AFY to 50,000 AFY.

In June 2007, the Board of Directors of The Metropolitan Water District of Southern California ("Metropolitan") appropriated Metropolitan capital funds and authorized execution of an agreement with Program Agency, TVMWD and WMWD for completion of a study to expand the Chino Basin Groundwater Storage Project. This study is to be structured to meet the CEQA requirements for facilities and operational studies designed to increase the Metropolitan's dry year yield to 50,000 AFY.

Prior to Metropolitan's approval of the Program Agency's proposed groundwater storage project, the requirements of CEQA and NEPA, if applicable, shall be satisfied. Specifically, Program Agency must (1) complete the environmental review and assessment required under CEQA and any environmental review and assessment required under NEPA and (2) certify as the "lead agency" (as defined in Section 15368 of the CEQA Guidelines, 14 CCR § 15000 et seq.), that such environmental assessment has been completed in accordance with CEQA, approve the project and file a Notice of Determination as required by Public Resources Code Section 21152 and NEPA, as applicable (collectively, the "Environmental Requirements.").

To facilitate the performance of the Environmental Requirements and Study, Metropolitan and Program Agency agree as follows:

1. Metropolitan will fund up to \$1,500,000 (the "ER Funds") for the costs and expenses to be incurred by Program Agency in performance of the Environmental Requirements and

Study (the "ER Costs"), provided however, this funding obligation is conditioned upon Metropolitan's prior written approval of the scope of work, schedule and budget for accomplishment of the Environmental Requirements. ER Costs are to include groundwater study, preliminary engineering and environmental documentation costs of all facilities to be funded by Metropolitan. ER Costs shall not include the costs or expenses of Program Agency personnel, outside legal counsel assisting Program Agency or Program Agency markups in completing the Environmental Requirements and Study.

2. Program Agency shall be responsible for all cost accounting record keeping for the Environmental Requirements and Study.
3. Metropolitan's reasons for approval or disapproval of the Environmental Requirements and Study budget shall be set forth in writing to Program Agency. With respect to any disapproved portions of such budget, Metropolitan and Program Agency shall promptly meet to resolve any disagreement and diligently seek to achieve a mutually acceptable budget.
4. Program Agency agrees to use the ER Funds solely for the payment of ER Costs.
5. Program Agency agrees to timely pay any ER Costs in excess of the ER Funds provided by Metropolitan under this agreement.
6. Metropolitan will disburse the ER Funds in accordance with the following procedure:
 - 6.1 Not more frequently than monthly and upon Metropolitan's approval of scope, budget and schedule, Program Agency may submit for Metropolitan's consideration and payment an invoice for ER Costs incurred. Each invoice shall set forth in reasonable detail those ER Costs that have been incurred since submittal of the prior invoice and shall reference discrete tasks as outlined in the approved schedule and budget. Work accomplished on each task shall be briefly described and the percent complete shall be presented with the percent and actual amounts expended to date on each task. Metropolitan shall review and approve or disapprove (in part or in whole) the invoice and provide payment of ER Funds within 30 days of receipt. If Metropolitan disapproves any portion of an invoice, it shall state its reasons for such disapproval in writing and cooperate in good faith with Program Agency, to promptly achieve a mutually acceptable revision to the disallowed portion of the invoice.
 - 6.2 On or prior to the first day of every calendar month after the disbursement of ER Funds Program Agency shall deliver to Metropolitan a written report from Program Agency, which shall include discussion of the prior month's activities, and a reasonably detailed accounting of all expenditures of ER Funds for the prior month. The report shall be accompanied by reasonably satisfactory evidence of payment to third-parties for services or materials in connection with the Environmental Requirements and Study.

6.3 At least 30 days in advance of finalization and public review of any environmental documents, Program Agency shall deliver to Metropolitan, copies of any and all documents, reports, analytical findings or other information derived from the Environmental Requirements and Study (including any such information provided by consultants or other advisors and any public comments to draft environmental reports) and copies of any and all correspondence and any governmental authority with respect to the Environmental Requirements and Study.

7. Notwithstanding anything to the contrary herein, if (a) the environmental documents are not completed by December 31, 2008, or (b) if the Program Agency does not agree to implement the Chino Basin Groundwater Storage Expansion Project and the Program Agency implements a storage program that uses the groundwater studies or environmental documentation developed as part of this agreement, or (c) Metropolitan, as a "responsible agency" (as defined in Section 15381 of the CEQA Guidelines) determines that the environmental documents prepared by Program Agency are not adequate for its use (as set forth in Section 15096(e) of the CEQA Guidelines), then Metropolitan may at any time elect to exercise its right to terminate this Agreement under this Section 7 by sending a written notice thereof to Program Agency. If Metropolitan sends such a written notice, then:

7.1 Program agency shall promptly deliver to Metropolitan (a) a final report prepared in accordance with Paragraph 6.2 above covering any period of time elapsed since the prior report and (b) all unexpended ER Funds then in its possession;

7.2 Within ninety (90) days after the final report delivered pursuant to Paragraph 6.2 above, Program Agency shall reimburse Metropolitan for all ER Funds previously advanced by Metropolitan; and

7.3 Upon payment of the amounts owing by Program Agency as set forth in Paragraphs 7.1 and 7.2, this Agreement (including, without limitation, Metropolitan's funding obligations herein) shall terminate and be of no further force and effect.

8. If Metropolitan does not object to the adequacy of the environmental documents prepared by Program Agency and the Environmental Requirements and Study have been completed by December 31, 2008, then Metropolitan shall send Program Agency a written notice that the conditions of Section 6 have been satisfied. If Metropolitan sends Program Agency written notice that conditions of Section 6 have been satisfied, then:

8.1 Program Agency shall reimburse Metropolitan for any unexpended ER Funds with Program Agency remaining after completion of the Environmental Requirements and Study;

8.2 Other than the reimbursement obligation in Paragraph 8.1 above, Program Agency will not otherwise be obligated to reimburse Metropolitan for any ER Funds, regardless of any future challenges to the adequacy of the environmental documents prepared by Program Agency; and

8.3 Metropolitan's funding obligations under this agreement shall terminate and be of no further force and effect.

9. This Agreement shall be interpreted in a manner consistent with any subsequent agreement(s) relating to the Chino Basin Groundwater Storage Expansion Project between Metropolitan and Program Agency; provided however, that this Agreement shall control in the event of any inconsistencies with such agreement (s) and this Agreement.

10. This Agreement, and any document or instrument entered into, given or made pursuant to this Agreement or authorized hereby, and any amendment or supplement thereto may be executed in two or more counterparts, and by each party on a separate counterpart, each of which, when executed and delivered shall be an original and all of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document.

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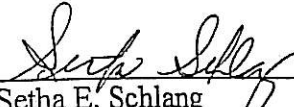
IN WITNESS WHEREOF, Metropolitan and Program Agency have caused this Agreement to be executed as of the date first set forth above.


APPROVED AS TO FORM

Karen Tachiki
General Counsel

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Jeffrey Kightlinger
General Manager

By: 
Setha E. Schlang
Senior Deputy General Counsel

By: 
for Jeffrey Kightlinger
General Manager

Date: 11/05/07

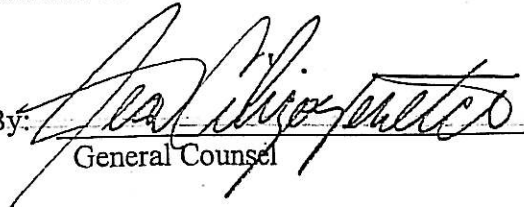
Date: 11/09/07

APPROVED AS TO FORM

Jean Cihigoyenette
General Counsel

INLAND EMPIRE UTILITIES AGENCY

Richard Atwater
General Manager

By: 
General Counsel

By: 
General Manager

Date: 11-1-07

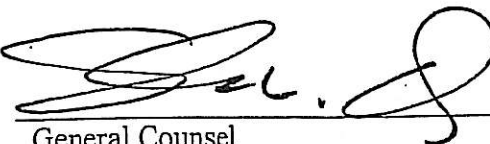
Date: 9/6/2007


APPROVED AS TO FORM

Steve Kennedy
General Counsel

THREE VALLEYS MUNICIPAL
WATER DISTRICT

Richard Hansen
General Manager

By: 
General Counsel

By: 
General Manager

Date: 10/17/07

Date: 10/2/07

APPROVED AS TO FORM

WESTERN MUNICIPAL WATER DISTRICT

Jeffry Ferre
General Counsel

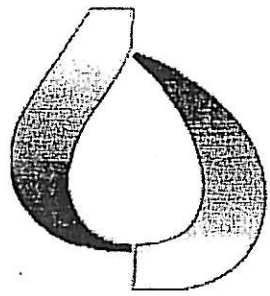
John Rossi
General Manager

By: Jeffry F Ferre
General Counsel

By: [Signature]
General Manager

Date: 10/4/07

Date: 10/3/07



Inland Empire
UTILITIES AGENCY

CONTRACT NUMBER: 4600000005

FOR

DRY YEAR YIELD EXPANSION PROJECT

THIS CONTRACT (the "Contract"), is made and entered into this 5th day of September 2007, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency"), and, Black and Veatch, Corporation, of Irvine, California (hereinafter referred to as "Consultant"), for professional engineering services for the Dry Year Yield Expansion Project.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

- 1. PROJECT MANAGER ASSIGNMENT: All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below:

Project Manager: Richard W. Atwater
Chief Executive Manager/General Manager
Inland Empire Utilities Agency
Address: 6075 Kimball Avenue, Bldg. A
Chino, California 91708
Telephone: (909) 993-1740
Facsimile: (909) 993-1985
Email: atwater@ieua.org

- 2. CONSULTANT ASSIGNMENT: Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Consultant: David Argo
Senior Vice President
Address: 6 Venture, Suite 315
Irvine, California 92618-3317
Telephone: (949) 753-0500
Facsimile: (949) 753-1252
Email: argodg@bv.com

3. ORDER OF PRECEDENCE: The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:
 1. Amendments to Contract number No. 4600000005
 2. Contract Number 4600000005, General Terms and Conditions.
 3. Exhibit A, Scope of Work (attached hereto).
4. SCOPE OF WORK, SCHEDULE AND SERVICES: Consultant Scope of Work, Schedule, and Services shall be in accordance with Exhibit A, attached hereto and made a part hereof, which tasks are specifically incorporated herein by this reference.
5. TERM: The term of this Contract shall extend from September 5, 2007, and terminate on December 31, 2008, unless agreed to by both parties, reduced to writing, and amended to this Contract.
6. COMPENSATION: Agency shall pay Consultant's properly executed monthly invoice, approved by the Project Manager, within thirty (30) days following receipt of the invoice. Payment will be withheld for any service, which does not meet Agency requirements or have proven unacceptable until such service is revised, resubmitted, and accepted by the Project Manager.

Consultant monthly invoices shall include a cost breakdown by work date, task description, itemized material cost and reasonable and customary expenses, and shall include the current monthly amount, and the cumulative amount invoiced to date. Material cost and reasonable expenses shall be submitted with receipts, and will be reimbursed ~~at cost with no markup~~. Invoices shall not be submitted in advance and shall not be dated earlier than three days prior to submittal. Invoices must include the Contract Number 4600000005.

The Project Manger shall approve all labor, materials, equipment and/or services to be furnished by others not specifically identified in Consultant's proposal, in advance, of their use.

In compensation for the work represented by this Contract, Agency shall pay Consultant's invoices up to a Total Authorized Amount of **\$1,425,400.00** for all services provided throughout the term of this Contract. Consultant shall not be paid for any amount exceeding the Total Authorized Amount, or for work completed beyond the expiration date without an Amendment to the Contract.

Agency may, at any time, make changes to the Scope of Work, including additions, reductions, and changes to any or all of the Work, as directed in writing by the Agency. Such changes shall be made by an Amendment to the Contract. The Total Authorized Amount and Term shall be equitably adjusted, if required, to account for such changes, and shall be set forth in the Amendment.

7. CONTROL OF THE WORK: Consultant shall perform the Work in compliance with the approved task Work Schedule. If performance of the Work falls behind schedule, the Consultant shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Consultant is unable to accelerate the Work, Consultant shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule.

8. FITNESS FOR DUTY:

A. Fitness: Consultant's personnel on the Jobsite:

1. shall report for work in a manner fit to do their job;
2. shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
3. shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

9. INSURANCE: During the term of this Contract, the Consultant shall maintain at Consultant's sole expense, the following insurance.

A. Minimum Scope of Insurance:

1. General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number GL 0001-87 covering Comprehensive General Liability. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 87, covering Automobile Liability, including "any auto."
3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of \$1,000,000 per accident.

4. Professional Liability insurance in the amount of \$1,000,000 per occurrence.

B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

C. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverage

- a. The Agency, its officers, officials, employees and volunteers are to be covered as insureds, endorsements GL 20 11 07 66, CG2010 1185 and/or CA 20 01 (Ed. 0178), as respects: liability arising out of activities performed by or on behalf of the Consultant, products and completed operations of the Consultant, premises owned, occupied or used by the Consultant, or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers.
- b. The Consultant's insurance coverage shall be primary insurance as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
- d. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Consultant may satisfy the limit requirements in a single policy or multiple policies. Any Such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising

from work performed by the Consultant for the Agency. Consultant shall provide waiver of subrogation on all policies, required herein, except, Professional Liability.

3. All Coverages

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

D. Acceptability of Insurers: With the exception of Professional Liability Insurance, all insurance is to be placed with insurers with a Best's rating of no less than A:VII, and who are admitted insurers in the State of California. Professional Liability Insurance is to be placed with insurers with a Best's rating of no less than B:VII, and who are admitted insurers in the State of California.

E. Verification of Coverage: Consultant shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

F. Submittal of Certificates: Consultant shall submit all required certificates and endorsements to the following:

Safety and Risk Manager
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709

10. LEGAL RELATIONS AND RESPONSIBILITIES

A. Professional Responsibility: The Consultant shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.

B. Status of Consultant: The Consultant is retained as an independent Consultant only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.

C. Observing Laws and Ordinances: The Consultant shall keep itself fully informed of all existing and future state and federal laws and all county and city

ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Consultant shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Consultant or its employees.

D. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.

E. Indemnification: The Consultant agrees to protect, defend, indemnify and hold harmless the Agency, its officers, directors, agents, employees, servants, and volunteers free and harmless from any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (including employees of the Agency, and the Consultant) and damage to property, directly or indirectly out of the obligations herein undertaken or out of the operations conducted by the Consultant, its employees, agents, representatives or subcontractors under or in connection with this Contract, to the extent due to Consultant's negligence or willful misconduct.

The Consultant further agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands or suit at the sole expense of the Consultant.

F. Conflict of Interest: No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.

G. Equal Opportunity: During the performance of this Contract, the Consultant shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin.

H. Non-Conforming Work and Warranty: Consultant represents and warrants that the Work and Documentation shall be adequate to serve the purposes described in the Contract. For a period of not less than one (1) year after acceptance of the completed Work, Consultant shall, at no additional cost to Agency, correct any and all errors in and shortcomings of the Work or Documentation, regardless of whether any such errors or shortcoming is brought to the attention of Consultant by Agency, or any other person or entity. Consultant shall within five

(5) calendar days, correct any error or shortcoming that renders the Work or Documentation dysfunctional or unusable and shall correct other errors within thirty (30) calendar days after Consultant's receipt of notice of the error. Upon request of Agency, Consultant shall correct any such error deemed important by Agency in its sole discretion to Agency's continued use of the Work or Documentation within seven (7) calendar days after Consultant's receipt of notice of the error. If the Project Manager rejects all or any part of the Work or Documentation as unacceptable and agreement to correct such Work or Documentation cannot be reached without modification to the Contract, Consultant shall notify the Project Manager, in writing, detailing the dispute and reason for the Consultant's position. Any dispute that cannot be resolved between the Project Manager and Consultant shall be resolved in accordance with the provisions of this Contract.

I. Disputes:

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Consultant shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280; et. seq, or their successor.
2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Consultant shall comply, pursuant to the Agency Project Manager instructions. If the Consultant is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Consultant to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Consultant's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Consultant is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:

a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Consultant to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Consultant are acceptable and, if so, such person will be designated as Arbitrator.

b. In the event that none of the names submitted by Consultant are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Consultant a list of five names of persons acceptable to the Agency for appointment as Arbitrator. The Consultant shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.

c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.

4. Joinder in Mediation/Arbitration: The Agency may join the Consultant in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Consultant.

J. Attorneys' Fees: In the event an action is commenced by a party to this Contract against the other to enforce its rights or obligations arising from this Contract, the prevailing party in such action, in addition to any other relief and recovery ordered by the court or arbitration, shall be entitled to recover all statutory costs, plus reasonable attorneys' fees.

11. OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY: The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Consultant and/or the Consultant's subcontractor(s) pertaining to this Contract.

12. PUBLIC RECORDS POLICY: Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Consultant of any requests for disclosure of any documents pertaining to Consultant.

In the event of litigation concerning disclosure of information Consultant considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Consultant has marked "Confidential," "Proprietary," or "Trade Secret," Consultant shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

13. TITLE AND RISK OF LOSS:

- A. Documentation: Title to the Documentation (Work Products) shall pass to Agency when prepared; however, a copy may be retained by Consultant for its records and internal use. Consultant shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the Project.

The Work Products shall not be changed or used for purposes other than those set forth in the Contract without the prior written approval of Consultant. If Agency releases the Work Products to a third party without Consultant's prior written consent, or changes or uses the Work Products other than as intended hereunder, Agency shall do so at its sole risk and discretion, and Consultant shall not be liable for any claims and/or damages resulting from or connected with the release of or any third party's use of the Work Products.

- B. Material: Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to Agency when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Consultant shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
- C. Disposition: Consultant shall dispose of items to which Agency has title as directed in writing by the Agreement Administrator and/or Agency.

14. PROPRIETARY RIGHTS:

- A. Rights and Ownership: Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and

Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Consultant in the performance of the Work, shall be governed by the following provisions:

1. Proprietary Rights conceived, developed, or reduced to practice by Consultant in the performance of the Work shall be the property of Agency, and Consultant shall cooperate with all appropriate requests to assign and transfer same to Agency.
2. If Proprietary Rights conceived, developed, or reduced to practice by Consultant prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Agency to have complete enjoyment of the Work or Documentation, Consultant shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.
3. If the Work or Documentation includes the Proprietary Rights of others, Consultant shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.

B. No Additional Compensation: Nothing Set forth in this Contract shall be deemed to require payment by Agency to Consultant of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Consultant in complying with this Contract.

15. INFRINGEMENT: Consultant represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.

Consultant shall defend, indemnify and hold harmless, Agency, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim

that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Consultant shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its best efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such claim of infringement, or to put up a satisfactory bond to permit Agency's continued use of the Work and Documentation.

16. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Cameron B. Langner,
Manager of Contracts and Procurement
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709

Consultant: Brad Hemken, P.E.
Project Manager
2850 E. Camelback Road, Ste. 240
Phoenix, AZ 85016

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

17. SUCCESSORS AND ASSIGNS: All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Consultant, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Consultant under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; except that it may be assigned without such consent to a related entity, an affiliate or wholly owned subsidiary of Consultant; and, any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.
18. RIGHT TO AUDIT: The Agency reserves the right to review and/or audit all Consultant's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Consultant. The Consultant shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
19. INTEGRATION: The Contract Documents represent the entire Contract of the Agency and the Consultant as to those matters contained herein. No prior oral or written under-

standing shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Consultant.

20. GOVERNING LAW: This Contract is to be governed by and constructed in accordance with the laws of the State of California, in the County of San Bernardino.
21. TERMINATION FOR CONVENIENCE: Either party has the right to suspend, cancel or terminate this Contract at any time upon thirty (30) days written notice to the other party. In the event of such termination, the Consultant shall deliver all documentation and work products to Agency and Agency shall pay Consultant for all authorized and Consultant-invoiced services up to the date of such termination.
22. FORCE MAJEURE: Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
23. NOTICE TO PROCEED: No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Consultant.

IN WITNESS WHEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:

BLACK AND VEATCH, CORPORATION

Richard W. Atwater
Richard W. Atwater
Chief Executive Officer
General Manager

9/15/2007
(Date)

David Argo
David Argo
Senior Vice President

8-30-07
(Date)

EXHIBIT A

Scope of Work and Budget for Preparation of the Metropolitan DYY Program Expansion Project Development Report

The Scope of Services for the Project will be performed by Black & Veatch (Consultant), with subconsulting services from Wildermuth Environmental, Inc. (WEI) and Tom Dodson and Associates (TDA), under a contract with the Inland Empire Utilities Agency (IEUA). The work will also be coordinated with other Program Partners including the Metropolitan Water District of Southern California (Metropolitan), Western Municipal Water District (WMWD), Three Valleys Municipal Water District (TVMWD), and the Chino Basin Watermaster (Watermaster).

This exhibit provides: (1) a Scope of Work for the project and (2) an estimated budget to perform the work.

SCOPE OF WORK

PHASE 1 CHARACTERIZE DYY PROGRAM OBJECTIVES AND BASIN CAPABILITIES

Phase 1 tasks will focus on establishing the program objectives and capabilities of the Basin, Appropriators, and local agencies. The asset inventory from the initial DYY Program will be updated and revised to reflect new facilities and changes in water quality. The information developed in Phase 1 will be used to prepare an operations plan for the expanded DYY Program.

Task 1 Conduct Project Meetings

Project coordination and information gathering meetings will be conducted under this task. ~~Two meetings will be held with each of eight Appropriators (total of 16 meetings).~~ These meetings will focus on determining the level of interest in participating as a shift partner in the expanded program. Also, any current or future issues that may prohibit participation in the expanded program will be discussed. Finally, the asset inventory from the previous DYY Program will be updated through information gathered in the meetings.

This task also includes two meetings with WMWD and TVMWD (total of additional meetings). Similar items as developed above for the Appropriators will be discussed at these meetings. The asset inventory will be updated to include the appurtenant facility assets for the two potential partnering agencies.

Finally, this task includes monthly coordination meetings to be held with Metropolitan, IEUA, and Watermaster staff to discuss project updates.

A summary of the subtasks to be conducted under this task are as follows:

- 1.1 Meetings with Basin Appropriators to determine level of interest and changes to asset inventory (16 meetings).
- 1.2 Meetings with TVMWD and WMWD to determine level of interest and develop asset inventory (4 meetings).
- 1.3 Meetings with Metropolitan, IEUA, and Watermaster staff (monthly meetings).

Task 2 Define Available and Required Assets

This task will focus on updating and developing the asset inventory that was initially prepared during the first DYY Program. Information gathered from Task 1 will be used to refine the asset inventory and update existing facility and water quality mapping for the Basin. Water supply plans for each of the participating Appropriators and agencies will be updated and included in the asset inventory.

This information will be used to evaluate the feasibility of conducting wet water recharge, in-lieu exchange (shift), direct export, and aquifer storage and recovery (ASR) deliveries into the Basin. An evaluation of the current and planned wet water recharge capacity will be conducted to further refine the put capabilities of the Basin, should in-lieu shifting be limited or puts be accomplished by non-Basin agencies (i.e., WMWD, and TVMWD).

A summary of the subtasks to be conducted under this task are as follows:

- 2.1 Update DYY Program asset inventory schedule and mapping.
- 2.2 Refine Basin and UWMP 25-year water supply plan projections (including drought-planning activities).
- 2.3 Review and evaluate available wet water recharge capacity in the Basin.
- 2.4 Review current in-lieu exchange (shift) capacity of Basin Appropriators.
- 2.5 Review direct export opportunities for WMWD and TVMWD.
- 2.6 Review ASR opportunities for Basin Appropriators, WMWD, and TVMWD.

Task 3 Define DYY Program Size, Constraints, and Institutional Arrangements

Upon evaluation of the Basin capabilities from Task 2, this task will focus on confirming the size of the DYY Program expansion and put-take mechanisms for which to conduct the program. This task will also focus on addressing any water quality issues associated with using existing or planned transmission mains for water deliveries in addition to the proposed institutional arrangements required to deliver water between agencies and Program Partners. This task will be the first step in confirming the required facilities to conduct the expanded DYY Program, both on the put and take side.

An additional task to be conducted includes an evaluation of the Program participants' ability to manage peak and summer-time shift deliveries from the East Branch and Rialto pipelines. During Task 1, the interest and capabilities of the participants to participate in a peaking program will be addressed. The in-lieu exchange capabilities developed from Task 2 will play a major role in determining the feasibility of the Basin agencies and Program partners to conduct additional shift from Metropolitan during the summer months. This task will focus on the feasibility of conducting summer-time shift while Task 11 will address the value for agencies to manage peaking and summer-time shift deliveries from Metropolitan.

A summary of the subtasks to be conducted under this task are as follows:

- 3.1 Confirm and define size of DYY Program.
- 3.2 Define put/take mechanisms (in-lieu, wet water recharge, or ASR).
- 3.3 Define water quality constraints when using WMWD and TVMWD facilities for direct export.
- 3.4 Define institutional arrangements required to include WMWD and TVMWD as participants.
- 3.5 Determine facilities required to wheel water to MWWD and TVMWD.
- 3.6 Determine ability to manage peak and summer-time shift deliveries from East Branch and Rialto Pipeline.

Task 4 Develop Program Operations Plan

This task will focus on development of an annual and seasonal delivery schedule for which to use as a basis for modeling and facilities development. (The delivery schedule will show a reduction in firm Tier 1 and 2 deliveries when a DYY call is made by Metropolitan.) Current and projected Basin pumping and imported deliveries for all Program participants will be reviewed and summarized. A preliminary put/take schedule will be developed for the expanded program. Current DYY Program commitments as well as other storage and recovery program participation will be reviewed for each participant. This information will be compiled and entered into the DYY Program facility model that was developed for the initial program. The model will be used to confirm put and take facility requirements for the participants. The final product of this task will be development of a Basin Operations Plan that will be specific to the DYY Program.

A summary of the specific subtasks to be conducted under this task are as follows:

- 4.1 Review seasonal pumping and imported water deliveries for Basin Appropriators.
- 4.2 Review current DYY Program commitments and constraints on system, if any.
- 4.3 Develop preliminary put/take schedule for DYY Program.
- 4.4 Use updated DYY Program facility model to determine preliminary facility requirements.
- 4.5 Develop program-specific Basin operations plan.

Task 5 Conduct Basin Modeling and confirm Required Facilities

In 2002, WEI in conjunction with Black and Veatch conducted engineering and scientific investigations to evaluate the impacts of the 100,000 acre-ft DYY Program. In that work, WEI developed a high-resolution groundwater flow model for the Chino Basin that was subsequently used to evaluate Metropolitan's DYY program alternatives and that was eventually used in the subsequent California Environmental Quality Act of 1970 findings. Since that time, the complexity of the management issues in the Chino Basin and the magnitude of new hydrogeologic information require that the Watermaster, IEUA and Metropolitan develop a new

groundwater model. The new model will be used to investigate the effects of the revised OBMP, the incremental impact that will occur from the superposition of Metropolitan's proposed DYY expansion and other storage programs.

The model will be used to answer the following two fundamental questions:

- What are the short and long term changes in groundwater levels, subsidence in MZ-1, storage, storage losses, riparian habitat, and safe yield that will result from the planned future changes in groundwater pumping, recharge and storage management plans that are included in the OBMP and the 2007 revisions to the OBMP?
- What are the incremental short and long term changes that will occur when groundwater storage programs are superimposed on the OBMP and the 2007 revisions to the OBMP?

The following management concepts will be incorporated into modeling alternatives to answer these questions:

- Re-Operation Scheduling
- Desalter Well Field Location and Pumping
- Expanded Replenishment and Recharge Requirements and Capacities
- Long-term Subsidence Management Plan Constraints
- Management of Contaminant Plumes
- Development of Future Monitoring

Re-Operation will reduce the groundwater storage in the Basin by 400,000 acre-ft. Essentially, the replenishment obligation for the desalter program will be forgiven until the cumulative replenishment reaches 400,000 acre-ft. At that point, the Watermaster will re-determine safe yield and desalter replenishment will start. A long planning period will be required to estimate the new safe yield when the 400,000 acre-ft threshold is reached and to evaluate the long-term yield and basin levels after full replenishment is reinstated. The planning period will be at least through 2070. This longer planning period requires the model calibration period to be expanded. The model calibration period should be comparable to the planning period and no less than about half the planning period in length. In the 2002 groundwater model, the planning period was 26 years and the calibration was 11 years. The model being developed herein will have a 60-year planning period (2006-07 through 2065-66) and a 46-year calibration period (1960-61 through 2005-06).

Since the 2002 model was built, there are two new sources of data that must be included in the new model – high resolution geophysical logs and lithologic logs from over 40 new wells; and construction and operation of the new recharge facilities of the Chino Basin Facilities Improvement Program. These new information must be included in the model for the model to be up to date.

Finally the subsidence issues in the Chino Management Zone 1 requires a one-dimensional compaction sub model to be coupled to the new groundwater flow model to realistically answer the questions posed above.

Computer modeling will be used to determine the impact, if any, on current Basin operations upon inclusion of the expanded DYY Program. The asset inventory information developed in Tasks 1 and 2 and the facilities development from Task 4 will be used to model the expanded program. Any impacts to hydraulic control and management of the Basin will be addressed in this task. Upon review of the Basin modeling results, the final facilities selection or locations of facilities may be adjusted to meet the Basin operations plan and management objectives. All changes in facilities will be summarized before moving forward to Phase 2.

A summary of the subtasks to be performed under this task are as follows:

- 5.1 Update Basin model with asset and production information.
- 5.2 Run model to determine yield impacts/benefits of put/take schedule.
- 5.3 Review Basin modeling results.
- 5.4 Determine facility changes, if any, required for optimal Basin management (i.e., hydraulic control).
- 5.5 Update DYY Program facility model to reflect any facility changes.
- 5.6 Summarize and confirm facilities requirements to move forward to Phase 2.

PHASE 2 CONDUCT FACILITIES DEVELOPMENT AND CONCEPTUAL DESIGN

Phase 2 tasks will focus on conceptual design of the put and take facilities identified in Phase 1. A summary of impacts, if any, to Basin water resources will also be provided under this phase.

Task 6 Prepare Conceptual Design for Put Facilities (recharge basins, ASR wells)

This task includes the conceptual design for the put facilities identified in Phase 1. Local water quality and hydrogeologic criteria that may impact design will be considered. Design criteria and spatial layouts for all put facilities will be developed. Land requirements and preliminary site selection for the facilities will also be addressed. Sufficient detail will be developed for the conceptual design drawings to confirm facility requirements and preliminary cost estimates.

A summary of the subtasks to be performed under this task are as follows:

- 6.1 Define water quality and hydrogeologic criteria.
- 6.2 Develop design criteria and prepare conceptual design.
- 6.3 Determine land requirements and develop preliminary site selection.
- 6.4 Prepare conceptual facility drawings and Basin mapping.

Task 7 Prepare Conceptual Design for Take Facilities (wells, ASR wells, treatment facilities)

Similar to Task 6 above, this task includes development of the conceptual design of the take facilities identified in Phase 1. These facilities will include production wells, ASR wells, and treatment facilities. Local water quality and hydrogeologic design criteria will be developed and summarized for inclusion in the conceptual facility design. Spatial layouts and land requirements for all facilities will be developed. In addition, design criteria for new or connections to existing regional brine conveyance pipelines will be developed. Potential brine pipeline alignments will also be reviewed. Sufficient level of design will be prepared to develop design criteria to move forward to preliminary design and to develop conceptual-level cost estimates.

A summary of the subtasks to be performed under this task are as follows:

- 7.1 Define water quality and hydrogeologic criteria.
- 7.2 Prepare water quality and treatment technologies assessment.
- 7.3 Develop design criteria and prepare conceptual design.
- 7.4 Determine land requirements and develop preliminary site selection.
- 7.5 Determine water and/or brine conveyance requirements.
- 7.6 Prepare conceptual facility drawings and Basin mapping.

Task 8 Prepare Conceptual Design for Interagency Conveyance Facilities (WMWD and TVMWD)

This task includes development of the conveyance facilities required to move water to and from Program participants that are outside of the Basin boundaries including, WMWD and TVMWD. Alternative projects have already been brainstormed and are ready for preliminary screening and conceptual design. These alternatives are listed in the subtasks below. The feasibility of implementing each of the alternatives will be considered in addition to the required facilities and estimated construction costs. Four alternative conveyance alternatives will be considered for TVMWD and two alternatives will be developed for WMWD.

A summary of the subtasks to be performed under this task are as follows:

- 8.1 Develop raw water replenishment connection from San Gabriel Valley Water District (SGVWD) Azusa-Devil Cyn. Pipeline to San Antonio Ck Channel (TVMWD).
- 8.2 Develop new wells in Six Basins area and potential connections to Pomona-Walnut-Rowland (PWR) pipeline (TVMWD).
- 8.3 Develop new treated water connection between Water Facilities Authority (WFA) and Miramar WTPs (TVMWD).
- 8.4 Develop raw water replenishment connection into San Antonio Spreading Grounds (TVMWD).

- 8.5 Develop facilities required to convey water from Management Zone 3 (MZ3) to new Riverside-Corona Feeder (WMWD).
- 8.6 Develop facilities required to convey water from MZ3 and Chino Desalter Authority (CDA) Facilities to Arlington Desalter Pipeline (WMWD).

Task 9 Define Basin Water Resources Impacts or Benefits

This task serves as a summary of the water resources impacts, if any, of conducting the Basin operating plan for the DYY Program. This task will also provide a summary of the Basin modeling task that was conducted to confirm hydraulic control and to ensure all other Basin management objectives are being met with implementation of the expanded Program.

The following two subtasks will be performed:

- 9.1 Summarize modeling criteria and assumptions.
- 9.2 Summarize modeling results for final facilities selection.

PHASE 3 PREPARE CEQA DOCUMENTATION

Phase 3 work will incorporate all California Environmental Quality Act (CEQA) documentation deliverables for the expanded DYY Program. The CEQA documentation will cover any new facilities and may also include Basin re-operation due to the expanded Program. Since the facilities will most likely include facilities outside of the Basin, it is recommended to move forward with a Negative Declaration that tiers off the existing Optimum Basin Management Program (OBMP) Program Environmental Impact Report (PEIR). This will ensure that all facilities implemented under the Program will be consistent with the OBMP PEIR management objectives.

Task 10 Prepare Initial Study and Negative Declaration

This task assumes that the data justify adoption of a Negative Declaration as the appropriate CEQA environmental determination. If not, an Environmental Impact Report (EIR) would be prepared, most likely with a narrow focus of evaluation. TDA will serve as CEQA consultant for the project and will review and summarize the findings from the OBMP PEIR and the subsequent DYY environmental document which lead to a finding of consistency between the initial DYY Program and the OBMP PEIR. This will provide the background and setting for consideration of the proposed DYY Program Expansion Project.

A project description will be created that describes all of the proposed DYY Program facilities and operations. Using existing and new data for site specific impacts (biological and cultural) and the updated hydrology data, an Initial Study will be prepared that will be used to determine whether a Negative Declaration or EIR is the appropriate CEQA environmental determination. The Initial Study will be prepared in the context of the OBMP PEIR, but due to the age of this document, it must be a stand alone environmental document. A draft for internal review will be provided to all review parties. The Initial Study will be finalized, and a Notice of Intent to adopt a Negative Declaration will be distributed for a 30 day public review and comment period. At the end of this period we will respond to any comments and finalize the Negative Declaration for

adoption by the IEUA Board. We will attend a public meeting before the IEUA Board for adoption of the Negative Declaration (most probably with mitigation measures) and filing of Notice of Determination. This will close the review period except for the 30 day statute of limitations for someone to file litigation.

A summary of the subtasks to be performed under this task are as follows:

- 10.1 Review CEQA conducted for initial DYY Program facilities.
- 10.2 Summarize facility requirements for Program expansion.
- 10.3 Prepare Initial Study.
- 10.4 Prepare Negative Declaration (tier off OBMP).
- 10.5 Coordinate submission and review of CEQA documents.

PHASE 4 DEVELOP PROJECT IMPLEMENTATION PLAN

Phase 4 tasks will focus on development of DYY Program costs, schedule, and preparation of the Project Report. These tasks together will comprise the implementation plan for the Program.

Task 11 Determine Program Costs

The DYY Program facilities cost model will be updated and used to determine conceptual-level cost estimates for the Program facilities. The cost evaluation will also address the value of participation in a summer-time peaking program with Metropolitan. The costs developed under this phase will be used for final negotiation of funding from Metropolitan.

A summary of the subtasks to be performed under this task are as follows:

- 11.1 Use DYY Program facility/cost model to determine capital and Operation and Maintenance (O&M) costs for required assets.
- 11.2 Determine value of reducing summer peaking off Metropolitan facilities.
- 11.3 Determine unit water cost for program(s).

Task 12 Develop Program Implementation Schedule

Program scheduling milestones will be identified and the coordination with other Basin management activities will be addressed. Milestones include facility design, construction and startup deadlines. Scheduling will also include a detailed coordination schedule with other Basin management projects including desalter operations, hydraulic control, etc.

A summary of the subtasks to be performed under this task are as follows:

- 12.1 Summarize Metropolitan program schedule requirements.
- 12.2 Review schedule for other Basin management projects.
- 12.3 Develop design, construction, and operations schedule for Program facilities.

Task 13 Develop Project Report

This task will focus on development of a Draft and Final Project Development Report. All of the information and alternatives developed in the tasks above will be summarized and presented in a report. A Draft Report will be prepared for review by all Program partners and participating agencies. All comments received on the Draft Report will be reviewed and incorporated into the Final Report. Ten (10) hard copies of both the Draft and Final Project Development Reports will be provided for distribution by IEUA staff. A CD containing a photo-ready electronic copy of the Draft and Final reports will also be provided should additional copies be required by IEUA staff.

A summary of the subtasks to be performed under this task are as follows:

- 13.1 Prepare Draft Project Development Report.
- 13.2 Incorporate comments and prepare Final Project Development Report.

BUDGET AND SCHEDULE

Table 1 on the following page provides a detailed summary of the tasks and corresponding budget. As shown in the table, the total estimated not-to-exceed fee is \$1,425,400. Billing rate schedules for all Team members are available upon request.

A Preliminary Project Schedule is also included following Table 1. This schedule includes the estimated start and completion dates for all primary project tasks. As summarized in the schedule, we anticipate completion of the Final Project Development Report by the end of July 2008 and completion of all CEQA documentation by October 2008.

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INLAND EMPIRE UTILITIES AGENCY/CHINO BASIN WATERMASTER
METROPOLITAN DYY PROGRAM EXPANSION PROJECT DEVELOPMENT REPORT

Scope and Fee Estimate
[Rev. 7-30-07]

Task	Project Director	Project Manager	Senior Engineer	Project Engineer	Staff Engineer	CAD Tech	Clerical	Total Hours	Total Labor	Total Expenses B75	Total WEI	Total Dodson	Total Cost
	250	150	150	130	120	110	90						
Billing Rates													
Task 7--Prepare Conceptual Design for Take Facilities (wells, ASR wells, treatment facilities)													
7.1 Define water quality and hydrogeologic criteria.	8	16	16	24	40		4	108	15,240	960	5,000		\$251,500
7.2 Prepare water quality and treatment technology assessment.	8	20	40	40	80		24	212	28,160	1,940			21,200
7.3 Develop design criteria and prepare conceptual design.	16	60	60	300	300		48	688	89,520	6,080			95,900
7.4 Determine land requirements and develop preliminary site selection.	8	20	40	40	80		24	216	27,160	1,940			29,100
7.5 Determine water and/or brine conveyance requirements.	8	20	24	40	64		24	180	23,840	1,660			25,500
7.6 Prepare conceptual facility drawings and Basin mapping.	8	20	32	64	80		8	292	37,440	2,560	10,000		50,000
Task 8--Prepare Conceptual Design for Interagency Conveyance Facilities (WAWWD and TVAWWD)													\$148,500
8.1 Develop raw water replenishment connection from SGVWD Azusa-Devil Cyn Pipeline to San Antonio Ck Channel (TVAWWD)	4	16	12	32	64		16	144	18,640	1,260	2,000		21,500
8.2 Develop new wells in Six Basins area and potential connections to PWR Pipeline (TVAWWD)	4	24	24	48	80		24	204	26,440	1,860	5,000		33,300
8.3 Develop new treated water connection between WFA and Alhambra WTPs (TVAWWD)	4	16	12	32	64		14	144	18,640	1,260	2,000		21,500
8.4 Develop raw water replenishment connection into San Antonio Spreading Grounds (TVAWWD)	4	16	12	32	64		16	144	18,640	1,260	2,000		21,500
8.5 Develop facilities required to convey water from M23 to new Riverside-Corona Feeder (TVAWWD)	4	24	20	48	80		24	200	25,840	1,760	2,000		29,600
8.6 Develop facilities required to convey water from M23 and CDA Facilities to Antelope Damster Pipeline (TVAWWD)	4	16	12	32	64		16	144	18,640	1,260	2,000		21,500
Task 9--Define Basin Water Resources Impacts or Benefits	4	4	4	8	16		8	44	5,920	480	8,000		14,400
9.1 Summarize modeling criteria and assumptions.	4	4	4	8	16		8	44	5,920	480	8,000		14,400
9.2 Summarize modeling results for final facilities selection.													
PHASE 3--PREPARE CEQA DOCUMENTATION													\$147,400
Task 10--Prepare Initial Study and Negative Declaration													
10.1 Review CEQA conducted for Initial DYT Program facilities.	2	4	4	8	16		4	34	4,460	340	5,000		9,800
10.2 Summarize facility requirements for Program expansion.	2	4	4	8	16		4	34	4,460	340	5,000		9,800
10.3 Prepare Initial Study.	4	8	8	16	32		8	64	8,480	620	10,000		14,800
10.4 Prepare Negative Declaration (lier off OBMP).	2	4	4	8	16		4	34	4,460	340	5,000		9,800
10.5 Coordinate submission and review of CEQA documents.	2	4	4	8	16		4	34	4,460	340	5,000		9,800
PHASE 4--DEVELOP PROJECT IMPLEMENTATION PLAN													\$43,000
Task 11--Determine Program Costs													
11.1 Use DYY Program facility/cost model to determine capital and O&M costs for required assets.	8	24	20	48	80		16	196	26,120	1,780	9,000		27,900
11.2 Determine value of reducing summer peaking off Metropolitan facilities.	4	8	8	16	32		8	68	9,160	640	3,000		12,800
11.3 Determine unit water cost for program(s).	4	4	4	8	16		4	36	4,960	340	5,000		10,300
Task 12--Develop Program Implementation Schedule													\$32,500
12.1 Summarize Metropolitan program schedule requirements.	4	8	8	16	32		4	44	6,120	480	3,500		10,100
12.2 Review schedule for other Basin management projects.	2	4	4	8	16		4	36	4,800	360	5,000		10,100
12.3 Develop design, construction and operations schedule for Program facilities.	4	8	8	16	32		4	44	6,120	480	3,500		10,100
Task 13--Develop Project Report													\$53,300
13.1 Prepare Draft Project Development Report. (4)	8	24	24	48	80		40	186	25,440	4,260	3,500		33,200
13.2 Incorporate comments and prepare Final Project Development Report. (4)	4	16	12	24	40		20	116	15,080	3,520	1,500		20,100
Total	310	820	428	1,532	2,328	212	715	6,348	839,180	66,218	400,000	120,000	\$1,425,400

Notes:
(1) Assumes 2 meetings with each of 8 Appropriators (total 16 meetings).
(2) Assumes 2 meetings each with WAWWD and TVAWWD (total 4 meetings).
(3) Assumes one meeting per month over the estimated 12-month project duration.
(4) Ten hard copies of the draft and final reports will be provided. A photo-ready electronic copy will also be provided.

TABLE 1
INLAND EMPIRE UTILITIES AGENCY/CHINO BASIN WATERMASTER
METROPOLITAN DYY PROGRAM EXPANSION PROJECT DEVELOPMENT REPORT

Scope and Fee Estimate
[Rev. 7-30-07]

Task	Project Director	Project Manager	Senior Engineer	Project Engineer	Staff Engineer	CAD Tech	Clerical	Total Hours	Total Labor	Total Expenses	Total WEI	Total Dodson	Total Cost
	250	160	150	130	120	110	90						
Task	Billing Rate												
PHASE 1—CHARACTERIZE DYY PROGRAM OBJECTIVES AND BASIN CAPABILITIES													
Task 1—Conduct Project Meetings													
1.1	Meetings with Basin Appropriators to determine level of interest and changes to asset inventory. (1)	8	64	16	64			32	192	29,440	3,360	15,000	\$93,800
1.2	Meetings with TWMWD and YMWWD to determine level of interest and develop asset inventory. (2)	24	48	48	48			20	60	8,440	960	2,000	11,400
1.3	Meetings with Metropolitan, IEUA and Watermaster staff. (3)	4	16	16	16			24	144	22,080	2,520	10,000	34,600
Task 2—Define Available and Required Assets													
2.1	Update DYY Program asset inventory schedule and mapping.	4	16	40	80	24		16	180	22,440	1,660	15,000	39,100
2.2	Refine Basin and UWMP 25-year water supply plan projections (including drought-planning activities).	4	16	24	40	40		12	86	12,560	840	1,000	14,400
2.3	Refine and evaluate available water recharge capacity in Basin.	4	16	24	40	40		12	86	12,560	840	1,000	14,400
2.4	Review current in-lieu exchange (shut) capacity of Basin Appropriators.	4	16	24	40	40		12	86	12,560	840	1,000	14,400
2.5	Review direct export opportunities for WMMWD, YMMWD, and TVMMWD.	4	16	24	40	40		12	86	12,560	840	1,000	14,400
2.6	Review ASR opportunities for Basin Appropriators, WMMWD, and TVMMWD.	4	16	24	40	40		12	86	12,560	840	1,000	14,400
Task 3—Define DYY Program Size, Constraints, and Institutional Arrangements													
3.1	Confirm and define size of DYY Program.	4	4	8	16	16		4	36	4,960	340	5,000	5,300
3.2	Define put-bake mechanisms (in-lieu, wet water recharge, or ASR).	4	4	8	16	16		4	40	5,480	420	5,000	5,900
3.3	Define water quality constraints when using WMMWD and TVMMWD facilities for direct export.	4	4	8	16	16		8	76	10,360	740	7,500	11,100
3.4	Define institutional arrangements required to include WMMWD and TVMMWD as participants.	4	8	8	12	20		8	52	6,960	540	6,500	7,500
3.5	Determine facilities required to wheel water to WMMWD and TVMMWD.	8	16	16	24	24		8	60	7,960	540	7,000	8,900
3.6	Determine ability to manage peak and summer-time shut deliveries from East Branch and Riablo Pipeline.	8	16	16	24	24		20	124	16,660	1,120	17,000	17,800
Task 4—Develop Program Operations Plan													
4.1	Review seasonal pumping and imported water deliveries for Basin Appropriators.	4	4	8	16	24		8	60	7,960	540	4,000	12,500
4.2	Review current DYY program commitments and constraints on system, if any.	4	4	8	12	16		8	44	5,840	460	4,000	6,300
4.3	Develop preliminary put/bake schedule for DYY program.	4	4	8	12	20		8	48	6,320	480	4,000	10,800
4.4	Use updated DYY Program facility model to determine preliminary facility requirements.	4	4	8	12	24		8	64	10,920	780	11,700	17,400
4.5	Develop program-specific Basin operations plan.	4	12	24	24	40		8	68	11,560	840	5,000	17,400
Task 5—Conduct Basin Modeling and Confirm Required Facilities													
5.1	Update Basin model with asset and production information.	8	16	16	20	20		8	52	6,480	520	100,000	107,000
5.2	Run model to determine yield impacts/benefits of put/bake schedule.	4	12	12	12	24		8	52	6,480	520	120,000	127,000
5.3	Review Basin modeling results.	4	16	16	16	16		8	60	8,080	620	50,000	58,700
5.4	Determine facility changes, if any, required for optimal Basin management (i.e., hydraulic control).	4	8	8	16	16		8	56	7,480	520	8,000	8,000
5.5	Update DYY Program facility model to reflect any facility changes.	4	8	16	20	20		8	56	7,480	520	8,000	8,000
5.6	Summarize and confirm facility requirements to move forward to Phase 2.	4	8	16	20	20		8	56	7,480	520	8,000	8,000
PHASE 2—CONDUCT FACILITIES DEVELOPMENT AND CONCEPTUAL DESIGN													
Task 6—Prepare Conceptual Design for Put Facilities (recharge basins, ASR wells)													
6.1	Define water quality and hydrologic criteria.	4	12	16	24	24		4	76	10,640	760	5,000	16,400
6.2	Develop design criteria and prepare conceptual design.	8	16	16	40	80		8	176	23,200	1,600	24,000	24,000
6.3	Determine land requirements and develop preliminary site selection.	4	12	4	4	4	20	4	108	14,000	1,000	15,000	15,000
6.4	Prepare conceptual facility drawings and Basin mapping.	4	16	16	24	40	40	8	148	19,000	1,300	8,000	28,300



CHINO BASIN WATERMASTER

VII. INFORMATION

1. Newspaper Articles



Los Angeles Times



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 From the Los Angeles Times

O.C.'s water is No. 1

Getting a taste of Orange County's toilet-to-tap program.
 Joel Stein

December 14, 2007

I get really squeamish about certain things, like drinking strangers' urine. So when I found out that Orange County is going to recycle all its sewage back into tap water, I figured drinking from the faucet was just one more thing never to do in Orange County.

The Orange County Water District, it turns out, wasn't even hiding its toilet-to-tap plan, but heavily promoting it -- including a slick brochure with a glossy photos of a sexy couple splashing each other with poo-water. So I decided to drive down to the plant in Fountain Valley and preview a glass.

Unlike Los Angeles and San Diego, where politicians abandoned similar systems when the public freaked out, Orange County went on the education offensive. Ron Wildermuth, water district communications director, has given more than 2,000 speeches to local groups and secured hundreds of endorsements from experts and community leaders. (Sen. Dianne Feinstein and the Anaheim Optimist Club ... both pro poo-water!)

When I arrived at the plant, there were six men waiting for me -- with sandwiches. If Orange County were in charge of the war in Iraq, the French would have joined the coalition willingly.

While I was eating, my new friends pointed out that hundreds of sewage plants upstream are dumping into the Colorado River -- which supplies 20% of the district's water -- so adding a little sewage isn't going to make a big difference. They also told me that on the space shuttles all the urine -- including from lab rats -- is recycled into drinking water. I was less persuaded by this second argument because astronauts are also willing to drink Tang, eat freeze-dried ice cream and risk getting blown up. When I helpfully mentioned that tap-water drinkers might get an extra thrill knowing they might be drinking O.C. celebrity urine, Wildermuth pointed out that Dennis Rodman lives in the county and that Britney Spears spends a lot of time there. Wildermuth is normally very good at his job.

The water coming into the plant from the sewage treatment facility across the street looked and smelled pretty clean to me, though Wildermuth assured me it would make me sick, possibly because of the Britney Spears urine. I watched it go through three levels of purification. If all goes as planned, next week they'll start pumping that water back underground, where it will filter through rock for more than six months. These guys somehow made cleaning poo-water sound like a Coors Light ad. I was incredibly impressed because I love the idea of gadgets fixing environmental problems, as opposed to my using less stuff.

At the end of the plant tour, I grabbed a plastic cup and filled it with the filtered water. I swirled and sniffed, partly to stall and partly to be a jerk. It had no odor at all. It tasted pretty awesome -- slightly sweet and crisp, almost like Deer Park. After some quick tests, we found out it had a concentration of dissolved solids (minerals) of 13 (San Pellegrino has 1,109) and a pH balance of 6.4 (San Pellegrino is 7.7) -- making it light and tasteless. Once the department adds some limestone and puts it into the aquifer, the water should end up a little heavier and less acidic. Right now it's young, like an unaged Chateau Palmer. Even so, I drank a fair number of glasses. Two hours of watching water treatment can build a pretty mean thirst. It also causes a man, before getting in his car for a long drive back to L.A., to make his contribution to the drinking water of Orange County.

I got a bottle for the road too. I had e-mailed Michael Mascha, the water sommelier who wrote "Fine Waters: A Connoisseur's Guide to the World's Most Distinctive Bottled Waters," for tips on what foods would be best with freshly treated sewage water. Mascha was ready for me. He'd actually tasted the water from a similar plant in Singapore. He said he found the water "flat and lifeless, kind of boring, but perfectly drinkable," and compared it to Le Bleu, a bottled water from North Carolina. He suggested fast food because "junk food has no *terroir* or natural source but is highly processed." So I pulled into a McDonald's for a double cheeseburger. It was a terrific pairing, the water's sweetness cutting through the burger's sodium, the extreme softness of both blending together.

Unfortunately, here in Los Angeles, our mayor is such a political wimp that he'll only back a voluntary water-saving campaign, allowing our precious poo-water to run out to sea. So I call upon In-N-Out to launch a massive "enjoy some sweet groundwater-replenishment-system beverage with your Double-Double" campaign. I could have that meal just about every day.

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Riverside County

Santa Ana River Trail project boosted by \$2.75 million grant

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10:00 PM PST on Thursday, December 13, 2007

By AMANDA STRINDBERG
The Press-Enterprise

The Santa Ana River Trail is one step closer to becoming a 100-mile uninterrupted path, stretching from the San Bernardino Mountains to the Pacific Ocean in Huntington Beach.

On Thursday, the California Coastal Conservancy board of directors awarded The Santa Ana River Trail and Parkway Partnership \$2.75 million in state funds for the project.

The money comes from the passage in November 2006 of Prop. 84, which set aside \$45 million for the trail.

"This is huge," said Patricia Lock-Dawson, the project's chief strategist and a consultant to Riverside and Riverside County. "It means you will be able to get on your bike in Redlands and ride to the coast."

The money will support planning, environmental and engineering work for about 29 miles of trail -- 22 miles in Riverside County, four miles in San Bernardino County and three miles in Orange County. That money will also be used for signs and to create a more accurate map of the trail, Lock-Dawson said.

The entire trail, a \$100 million project, is expected to be finished in 2012. Forty-three miles have been paved; some portions will remain dirt.

Nine miles were finished this year, the most completed in recent years. Lock-Dawson credits the formation of The Santa Ana River Trail and Parkway Partnership with speeding up the project, which has been decades in the making.

The group includes Riverside, San Bernardino and Orange counties, the 14 cities along the river, the Santa Ana Watershed Project Authority and The Wildlands Conservancy.

Julie Cochran, an owner of Woodcrest Bikes in Riverside, said bicyclists are looking forward to the completed trail.

"Our customers want a safe place to ride their bikes with the family," she said. "They don't feel comfortable on the streets."

Reach Amanda Strindberg at 951-368-9667 or astrindberg@PE.com

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Message to conserve aimed at young water users

By Wendy Leung, Staff Writer

Article Created: 12/06/2007 07:16:56 AM PST

The Cucamonga Valley Water District knows sending some water-saving tips along with your water bill is not enough to get the point across.

When it comes to water conservation, the district has a multifaceted approach in preserving a natural resource that is rapidly depleting. It hosts a variety of programs and many of them target the most impressionable - young water users.

The district's effort has earned a number of recognitions including the Governor's Environmental and Economic Leadership Award in the area of children's environmental education and the Association of California Water Agencies award for excellence for the district's Environmental Learning Center.

President of the district's board of directors James Curatalo Jr., speaks about the importance of these educational initiatives.

QUESTION: Who is the district targeting with its message of conservancy?

ANSWER: Our efforts have been aimed at a broad spectrum from businesses to homeowners and to students. The students happen to be the most fun part. We get a lot of very positive feedback, especially teachers and principals.

Q: It seems particularly important today to teach good water-saving tips.

A: We're very dependent on the state water system and as our population has grown, our need to provide water has grown. We've done a very good job of doing that but as of right now, about almost half of our water comes from up north. It's a good supply and it's relatively inexpensive. But the future is not as certain. These students today, while they can help us conserve today and continue into the future, they can also have a real effect and impact on the policies of California water by way of voting.

Q: How successful has the learning center been?

A: To date, we've had 13,000 students visit so far. It's a very upbeat, unconventional way of learning water facts. Its aim is to be interactive, and it's fun. At the same time our aim is for them to gain a profound understanding of certain facts about water. What we teach is aligned with the California state standards. We have our agenda to teach but we also want to truly be partners with our school districts and tailor our message to their needs.

Q: You've been on the board for seven years, have your habits changed in terms of

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saving water?

A: I've been more adept at saving water. I think of all the systems of infrastructure and the historic planning that takes place. When I turn on the faucet, I really don't take it for granted.

For more information about the district's education programs, call (909) 987-2591 or visit www.cvwwater.com.

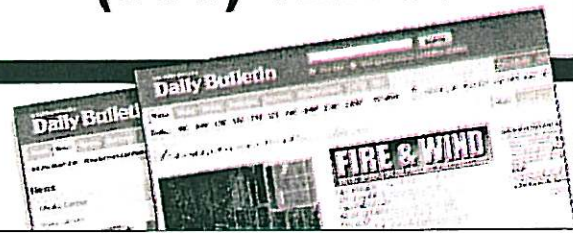
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From the Los Angeles Times

L.A.'s water savings are just a drop in the bucket

Mayor Antonio Villaraigosa asked for a 10% reduction in June, but usage has remained nearly flat since then.

By Deborah Schoch
Los Angeles Times Staff Writer

December 10, 2007

Mayor Antonio Villaraigosa's call six months ago for voluntary water conservation in a record dry year has failed to persuade Los Angeles residents and businesses to rein in water use substantially, city records show.

Despite the mayor's June 6 plea for a 10% reduction, water use in the city remained largely flat through October, compared with the same period last year, according to records from the city Department of Water and Power.

Now some environmentalists want the mayor to go further and endorse mandatory restrictions, such as those that have reaped significant water savings this fall in Long Beach. Area environmental leaders who met privately with Villaraigosa on Tuesday said they asked him to declare a state of drought and impose restrictions -- and that he said he would if science supported it.

"More than anything, I want a commitment from the mayor to work toward a more sustainable future and to reduce water use in Los Angeles," said Miriam Torres of the Environmental Justice Coalition for Water, who was among those at the meeting. "People in Los Angeles have to think of water as a precious resource and not a commodity."

The mayor's office confirmed last week that the conversation occurred but did not have details of what kind of scientific evidence the mayor had in mind.

City water officials said Friday that they planned to wait several more months to see if water supplies improve before resorting to harsher measures. Water use since June may be down as much as 3% from a year ago once November reports are counted, but final statistics were not available as of late Friday afternoon, said DWP spokesman Joseph Ramallo.

Cities throughout Southern California are urging conservation this year amid gloomy reports of a long-running drought in the Colorado River Basin and a near-record-low snowpack in the Sierra Nevada. A judge's August ruling to protect endangered smelt in the Sacramento-San Joaquin Delta could further curtail water deliveries from Northern California.

Although rains have dampened the Los Angeles Basin several times in the last two weeks, the rainwater will do little for the many local cities that rely heavily on imported water. Los Angeles, for instance, traditionally pipes most of its water from the Eastern Sierra Nevada.

When Villaraigosa called for a 10% cut, he warned that a confluence of weather events--such as a record-dry year and low snowpack -- threatened the city's water supply.

"Los Angeles needs to change course and conserve water to steer clear of this perfect storm," the mayor had told reporters June 6 at the Woodley Lakes Golf Course, which recently became the first city course irrigated with reclaimed, rather than potable, water.

Yet since the mayor's request, Angelenos appear not to have made dramatic changes in how much they water lawns or how often they wash cars.

City consumers used just shy of 1% more water from June through October than they did in the same period last year, according to DWP data. The increase was slightly larger when measured against the five-year average for the period.

Ramallo credited the mayor with helping reverse the course of water use earlier in the year, pointing to a nearly 21% increase in May from May 2006. "Use was running completely in the wrong direction," he said. "We've arrested a problem."

David Nahai, the DWP's new general manager, said he had been told that consumption may be down by 2% to 3% since Villaraigosa's June call, once November data is added.

"I would, of course, have liked to have seen a higher conservation rate," Nahai said Friday. But the rate reflects use by all city consumers, including businesses that do not have the flexibility to cut back, he said. He characterized Villaraigosa's call for a 10% cut as a "conversation" rather than an order.

"What the mayor really did, he had a candid conversation with the people of Los Angeles. He said, 'I would like you to change your personal behavior in order to change use by 10%,'" Nahai said.

Villaraigosa followed up Nov. 13 by resurrecting the Drought Busters program last used during the early 1990s. Six DWP employees are driving around the city in Toyota Prius hybrids, responding to more than 400 complaints about leaking sprinklers, missing sprinkler heads and other water waste.

The next step would be to start enforcing an ordinance passed during the last drought that restricts times for lawn sprinkling and other water uses.

Long Beach, the region's second largest city, drew statewide attention Sept. 21 when it mandated conservation with such rules as allowing lawn irrigation only three nights a week.

Residents rallied to the cause, and Long Beach consumption has decreased each month since. November water use, for example, was 5% lower than the lowest use for any November in the last 10 years, Water Department Director Kevin Wattier told the City Council last week. September use was also a record low, and October use was the second lowest of the decade for that month.

Long Beach has 473,000 residents, compared with 3.8 million in Los Angeles, according to 2006 census estimates. In Los Angeles, Ramallo said, "it's much harder to penetrate into people's consciousness."

In fact, a 3% drop in Los Angeles water use would dwarf a 10% drop in Long Beach, Nahai said. "Given the sheer size of Los Angeles, even small percentage increments result in very large numbers."

More than 50 representatives of Green LA, a network of community groups, met with the mayor last week and, among other requests, asked him to declare a drought and take firm action to reduce water use.

"We know historically that voluntary programs don't work," said Conner Everts, executive director of the Southern California Watershed Alliance, who attended the meeting. "The next step should be to enforce the water restrictions that are on the books."

Nahai said he was familiar with the Green LA request to Villaraigosa.

"As I see it, what was being asked of him is a symbolic gesture, an unequivocal statement that we're facing a water shortage," Nahai said.

He has formed a water shortage team that met for the first time Friday to review plans in case mandatory measures are needed, he said.

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Careful urban planning key to solving our water woes

By Ken Willis

Article Created: 12/15/2007 04:27:58 PM PST

With greater frequency the press is reporting on the dire water situation confronting Southern California.

The drought is real. The remaining question is this: "How long a drought will it be?" The answer: "Very long."

Normally, Southern California attains the water it needs from three sources: the Sierra Nevada Mountains (the State Water Project); the Rocky Mountains (The Colorado River); and finally, local precipitation (annual rain storms, etc.) During this past rainy season, all three of these sources were "turned off" by Mother Nature. Our rainfall was less than Death Valley's!

Water experts are expecting that the weather pattern for the 2007-08 rainy season will be a reflection of this past year's experience, i. e., with "little or no change."

To add to the problems we face, a federal court ruling has decided that a rather small creature called the "Delta Smell" is in danger due to water exports through the Sacramento Delta leading to

the California Aqueduct. Thus about one-third of those exports are to be curtailed.

This will have quite an effect upon us locally in what we refer to as the Chino Basin. Note that we do not import Colorado River water into the Chino Basin due to an existing high salt content. Thus we rely upon less-salty state project water, which and is delivered by the Metropolitan Water District. Salt is an important factor here due to a judgment in 1966 referred to as "Orange Co. vs. Chino Basin." This judgment forces us to control the salt content of the Santa Ana River as it is ultimately fed into Orange County's water supply (yes, after we have already used it!)

The Santa Ana is a very delicate river due to the very high reliance upon it for water needs throughout all the water basins along its path.

Water agencies are faced with three alternatives that can help stretch our water supply. These are conservation, reclamation and recharge.

We must conserve water in new and bolder ways. This will involve re-evaluating our landscaping practices. Reliance on native drought tolerant plants, less lawn and smaller lot sizes for new development.

Existing homes are going to have to follow the same path. Why is this important? Because roughly 65 percent of the water used in each home is spread upon outside landscape. If we save some of that water, we will have accomplished an important objective.

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