



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

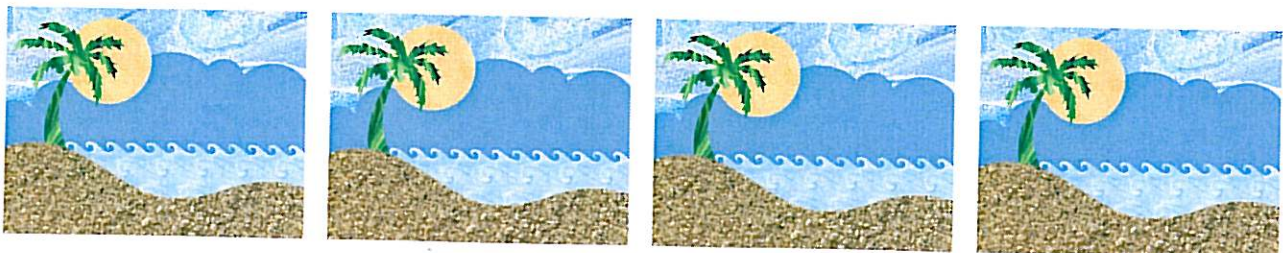
Thursday, August 27, 2009

9:00 a.m. – Advisory Committee Meeting

(Lunch will be served)

AT THE CHINO BASIN WATERMASTER OFFICES

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





CHINO BASIN WATERMASTER

Thursday, August 27, 2009

9:00 a.m. – Advisory Committee Meeting

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

WITH

*Mr. Gene Koopman, Chair, Agricultural Pool
Mr. Robert DeLoach, Vice-Chair, Appropriative Pool*

9:00 a.m. – August 27, 2009

At The Offices Of

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

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Advisory Committee Meeting on July 23, 2009 *(Page 1)*
2. Minutes of the Special Advisory Committee Meeting on July 30, 2009 *(Page 7)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2009 *(Page 11)*
2. Watermaster Visa Check Detail for the month of June 2009 *(Page 15)*
3. Combining Schedule for the Period July 1, 2008 through June 30, 2009 *(Page 17)*
4. Treasurer's Report of Financial Affairs for the Period June 1, 2009 through June 30, 2009 *(Page 19)*
5. Budget vs. Actual July 2008 through June 2009 *(Page 21)*

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage. Date of application: June 30, 2009 *(Page 23)*

II. BUSINESS ITEM

A. NOTICE OF INTENT TO PURCHASE

Consider Approval for Notice of Intent to Purchase as Directed by the Appropriative Pool *(Page 39)*

B. MEETING SCHEDULES

Discussion and Possible Recommendation for New Schedule of Meetings *(Page 43)*

C. DYY EXTENSION

Discussion of Terms of the Extension of Dry Year Yield *(Page 45)*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. August 11, 2009 Hearing
2. Auction Update
3. MOU Development

B. FINANCIAL REPORT

1. Year End Project/Budget Update
2. Year End Audit Update

C. ENGINEERING REPORT

1. Recharge Master Plan Update
2. Balance of Recharge & Discharge Discussion

D. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update
3. Strategic Planning Conference

E. INLAND EMPIRE UTILITIES AGENCY

1. IEUA Recycled Water Program Overview
2. IEUA's Drought Plan Update - oral
3. Recycled Water Status Report
4. Water Resources & Conservation Programs Monthly Report *(Page 51)*
5. Water Resources & Conservation Programs 4th Quarter Report *(Page 63)*
6. Monthly Water Use Report *(Page 77)*
7. Recycled Water Newsletter *(Page 89)*
8. State and Federal Legislative Reports *(Page 93)*
9. Community Outreach/Public Relations Report *(Page 131)*

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

1. Newspaper Articles *(Page 133)*

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to the Advisory Committee Rules & Regulations, a Confidential Session may be held during the Advisory Committee meeting for the purpose of discussion and possible action.

VIII. FUTURE MEETINGS

August 27, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
August 27, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
August 27, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
* September 3, 2009	1:00 p.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
September 10, 2009	9:00 a.m.	MZ1 Technical Committee Meeting @ CBWM
September 15, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
September 17, 2009	9:30 a.m.	Tentative CBWM Hearing @ San Bernardino Court
September 24, 2009	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
September 24, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
September 24, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM

*** Note:** New schedule for date and time for the Appropriative & Non-Agricultural Pool meeting

Meeting Adjourn



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting – July 23, 2009
2. Advisory Special Committee Meeting – July 30, 2009



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
July 23, 2009

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on July 23, 2009 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Gene Koopman, Chair
Robert DeLoach
Mark Kinsey
Mohamed El Amamy
Dave Crosley
Ron Craig
Raul Garibay
Charles Moorrees
Robert Young
Mike McGraw

Agricultural Pool

Bob Feenstra
Jennifer Novak
Jeff Pierson
Nathan Mackamul
Pete Hall

Non-Agricultural Pool

Bob Bowcock
David Penrice

Milk Producers Council
Cucamonga Valley Water District
Monte Vista Water District
City of Ontario
City of Chino
City of Chino Hills
City of Pomona
San Antonio Water Company
Fontana Union Water Company
Fontana Water Company

Ag Pool - Dairy
State of California Dept. of Justice, CIM
Ag Pool - Crops
State of California, CIW
State of California, CIM

Vulcan Materials Company (Calmat Division)
Aqua Capital Management

Watermaster Board Members Present

Michael Camacho

Watermaster Staff Present

Kenneth R. Manning
Sheri Rojo
Ben Pak
Danielle Maurizio
Sherri Lynne Molino

Inland Empire Utilities Agency

Chief Executive Officer
CFO/Asst. General Manager
Senior Project Engineer
Senior Engineer
Recording Secretary

Watermaster Consultants Present

Michael Fife
Mark Wildermuth

Brownstein, Hyatt, Farber & Schreck
Wildermuth Environmental, Inc.

Others Present

Marty Zvirbulis
Sandra Rose
Eunice Ulloa
Steven Lee
Marty Zvirbulis
Terry Catlin
Martha Davis
Jose Swift

Cucamonga Valley Water District
Monte Vista Water District
Chino Basin Water Conservation District
Reid & Hellyer
Cucamonga Valley Water District
Inland Empire Utilities Agency
Inland Empire Utilities Agency
Fontana Water Company

Tom Crowley
Mike Maestas
Tim Min Mack
Jack Safely
Ryan Shaw

West Valley Water District
City of Chino Hills
Ontario/CDA
Western Municipal Water District
Inland Empire Utilities Agency

Chair Koopman called the Advisory Committee meeting to order at 9:00 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting on June 25, 2009

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2009
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2008 through May 31, 2009
4. Treasurer's Report of Financial Affairs for the Period May 1, 2009 through May 31, 2009
5. Budget vs. Actual July 2008 through May 2009

C. INTERVENTION INTO THE AGRICULTURAL POOL

1. Intervention into the Agricultural Pool from Guillermo Hurtado through the Well Used by Alfredo Jara's Mountain Green Nursery

D. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Monte Vista Water District will purchase 3,500 acre-feet of water from the City of Pomona. This purchase is made first from Pomona's net underproduction, if any, in Fiscal Year 2008-09, with any remainder to be recaptured from storage. Date of application: May 11, 2009
2. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company has agreed to purchase from The Nicholson Trust annual production right in the amount of 5.619 acre-feet to satisfy a portion of the company's anticipated Chino Basin replenishment obligation for Fiscal Year 2008-09. Date of application: May 21, 2009
3. **Consider Approval for Notice of Sale or Transfer** – On June 3, 2009, Watermaster received Form 5, "Application to Transfer Annual Production Right or Safe Yield," with CalMat Company/Vulcan Materials Company as transferor and Aqua Capital Management LP as transferee in the amount of 317.844 acre-feet annual right, all water in its annual account will be transferred as well (the transfer does not include CalMat's water in storage as of June 30, 2008 of 315.637 acre-feet). Date of application: June 1, 2009
4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 3,400 acre-feet of water from the Marygold Mutual Water Company. Water will purchase the water at \$295.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made from Marygold Mutual Water Company's water in storage. This transfer will solely offset Fontana Water Company's current (Assessment Year 2008-2009)

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

Moved to approve Consent Calendar A through C, as presented

II. BUSINESS ITEM

A. WATERMASTER AUCTION

Mr. Manning stated in furtherance of the Watermaster auction process, we will retain the services of a professional auctioneer; FTI/Harold Lea has been the chosen facilitator for that process and staff is seeking a motion to retain that firm. Mr. Manning stated four firms were

considered for professional auction services and after interviews with each, it was decided that FTI/Harold Lea was the best fit for our needs. Mr. Manning stated the Appropriative and Agricultural Pools moved to approve this firm and the Non-Agricultural Pool abstained from a motion. It is staff's recommendation to the Advisory Committee to retain FTI/Harold Lea. Mr. Bowcock offered comment on why the Non-Agricultural Pool abstained from the motion.

Motion by DeLoach, second by Kinsey, and by majority vote – Non-Ag abstained

Moved to approve the retention of FTI/Harold Lea to provide auction services, as presented

B. BUDGET TRANSFER

Mr. Manning stated staff works with our consultants to come up with the best numbers for the budget; however, there are times when budget transfers need to take place. Ms. Rojo noted staff gets together frequently with Wildermuth Environmental staff to review budget and project progress. Ms. Rojo stated Watermaster staff reviews the budget items to track the progress that is being made on a monthly basis. Ms. Rojo discussed the need for shifting monies to accommodate funds needed in other categories. Ms. Rojo noted the staff report gives a breakdown on why staff is able to shift money away from some categories and why monies are needed to be added to other categories. Mr. Manning noted this item was approved by the Pools. A brief discussion regarding the costs for FTI/Harold Lea for the water auction and the cost effects from a possible judge change which could affect the adopted budget ensued.

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

Moved to approve fiscal year 2008/2009 budget transfer T-09-07-01 for OBMP Condition Subsequent No. 7, Hydraulic Control Monitoring Program Water Quality Committee, and Storage Program to OBMP Data and CEO Requests, OBMP SOB Report, Groundwater Quality Monitoring Program, and Recharge Master Plan, as presented

C. REVISED FORMS

Mr. Manning stated this item has gone through the Watermaster process and has been approved at the Pool meetings. Mr. Manning gave a brief overview of the revised forms. Staff is recommending approval of the revised forms.

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

Moved to approve revised Rules & Regulations forms for Water Transfers and Land Use Conversions, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. June 29, 2009 Hearing

Counsel Fife stated at the last hearing Judge Wade announced he will be retiring in September and he will not be retaining our case which will be reassigned to another judge. Jude Wade noted, at that hearing, the reason he has continued with the scheduled hearings was to create a clear up-to-date picture for the next judge. Counsel Fife commented on the process that took place when looking for a replacement judge when Judge Gunn announced his retirement and that process might start again; however, that might be discussed at the next hearing. Counsel Fife stated the next hearing will be on August 11, 2009 and will cover Program Elements 7, 8, and 9. Counsel Fife stated the motion for approval was filed and that was distributed in draft form to the parties; more comments were received at the workshop. Counsel Fife noted the Agricultural Pool might file a pleading to clarify their position; however, their filing should not be an objection to the motion.

B. ENGINEERING REPORT

1. Recharge Master Plan Update
No comment was made regarding this item.
2. CEQA Modeling Assessment of Peace II
No comment was made regarding this item.

C. FINANCIAL REPORT

1. Year End Reporting
Ms. Rojo stated staff is still working on getting year-end production numbers and then the Water Activity Reports will go out shortly thereafter. Currently staff is working on Voluntary Agreements.

D. CEO/STAFF REPORT

1. Legislative Update
Mr. Manning stated the legislative leaders got together recently and came up with a tentative agreement on the budget which calls for \$15 billion dollars in cuts and several other concessions that are going to be going on within the process. Mr. Manning stated Prop 1A is expected to be enacted which will cause borrowing from cities, counties, and special districts; how that is going to take place is unknown at this time. Watermaster does not have any threat at this time against its monies that have been set aside for projects and/or activities. A brief discussion regarding revenue streams ensued.
2. Recharge Update
Mr. Manning stated the first draft for year-end numbers on captured recharge water is available on the back table for your review. Mr. Manning stated some of the numbers might be changed slightly as the numbers are audited. This has been an average year to be able to get water in and recharged; however, recycled water was able to be put into some of the basins and that number was at about 2,600 acre-feet this year. There has been no word from Metropolitan Water District regarding availability of replenishment water for the upcoming fiscal year.
3. Watermaster Policies
Mr. Manning stated this is an information only item and this item will be brought forward more in the upcoming months. Mr. Manning stated Watermaster operates by using a variety of different documents regarding procedures and operations; staff is attempting to consolidate those in an actual Policy Manual. This manual will come to you in two segments. First there will be those that are easily identifiable and non-controversial; after that, a series of additional policies that will have greater implications and may require discussion and/or input will be brought forward. This will then become a regular part of the agenda as this manual is refined.

Added Comment:

Mr. Manning announced the upcoming follow-up Strategic Planning Conference will be held on September 28 & 29, 2009, with a golf tournament on September 28th at Oak Quarry Golf Course in Riverside following a kick-off reception at the golf course and then an all day conference at the Etiwanda Gardens in Rancho Cucamonga on September 29th. Invitations will go out next week. Mr. Manning stated this will be a follow-up conference from the 2008 Lake Arrowhead Strategic Planning Conference on the Recharge Master Plan Update and encouraged all parties to attend this important conference.

E. INLAND EMPIRE UTILITIES AGENCY

1. IEUA's Drought Plan Update
Ms. Davis stated nothing has changed with the State Project Water Allocation and it still at 40%. Ms. Davis stated it will be quite some time before we all know if anything is going to shift in terms of the Drought Allocation Plan.
2. Recycled Water Status Report
No comment was made regarding this item.
3. Peace II CEQA Update
No comment was made regarding this item.
4. Water Conservation Programs Monthly Report
Ms. Davis commented on Metropolitan Water Districts' conservation credits and the rebate programs that were available. The next around with issuing rebates will be publicized as first come first receive to try and alleviate any further problems and when the money runs out it is gone. A discussion regarding rebate programs and conservation ensued.
5. Monthly Water Use Report
No comment was made regarding this item.
6. Recycled Water Newsletter
Ms. Davis stated there is such good news when it comes to Inland Empire Utilities Agency recycled water implementation and offered an update on what took place this last fiscal year regarding recycled water connections.
7. State and Federal Legislative Reports
No comment was made regarding this item.
8. Community Outreach/Public Relations Report
No comment was made regarding this item.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

No comment was made regarding this item.

IV. INFORMATION

1. Newspaper Articles
No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to the Advisory Committee Rules & Regulations, a Confidential Session may be held during the Watermaster Advisory Committee meeting for the purpose of discussion and possible action.

No confidential session was held.

VIII. FUTURE MEETINGS

July 23, 2009	8:00 a.m.	IEUA DYY Meeting @ CBWM
July 23, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
July 23, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
July 23, 2009	1:00 p.m.	Recharge Master Plan Workshop #3 @ CBWM

July 29, 2009	9:00 a.m.	GRCC Meeting @ CBWM
August 5, 2009	10:00 a.m.	Watermaster Workshop @ CBWM
August 11, 2009	9:30 a.m.	CBWM Hearing @ San Bernardino Court
August 13, 2009	8:00 a.m.	MZ1 Technical Committee Meeting @ CBWM
August 13, 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
August 18, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 18, 2009	8:00 a.m.	IEUA DYY Meeting @ CBWM
August 27, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
August 27, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM

The Advisory Committee meeting was dismissed by Chair Koopman at 9:30 a.m.

Secretary: _____

Minutes Approved: _____

DRAFT MINUTES
CHINO BASIN WATERMASTER
SPECIAL ADVISORY COMMITTEE CONFERENCE CALL AND/OR MEETING
June 30, 2009

The Special Advisory Committee conference call/meeting was via teleconference call and/ or was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on July 23, 2009 at 5:00 p.m.

ADVISORY COMMITTEE MEMBERS PRESENT AT CBWM OR ON CONFERENCE CALL

Appropriative Pool

Gene Koopman, Chair	Milk Producers Council
Robert DeLoach	Cucamonga Valley Water District
Mark Kinsey	Monte Vista Water District
Mohamed El Amamy	City of Ontario
Dave Crosley	City of Chino
Raul Garibay	City of Pomona
Anthony La	City of Upland
Robert Tock	Jurupa Community Services District
Charles Moorrees	San Antonio Water Company
J. Arnold Rodriguez	Santa Ana River Water Company
Robert Young	Fontana Union Water Company
Mike McGraw	Fontana Water Company

Agricultural Pool

Bob Feenstra	Ag Pool - Dairy
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Non-Agricultural Pool

Bob Bowcock	Vulcan Materials Company (Calmat Division)
David Penrice	Aqua Capital Management

Watermaster Staff Present

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

Watermaster Consultants Present

Scott Slater	Brownstein, Hyatt, Farber & Schreck
Michael Fife	Brownstein, Hyatt, Farber & Schreck

Others Present

Marty Zvirbulis	Cucamonga Valley Water District
Rick Hansen	Three Valleys Municipal Water District

Chair Koopman called the Special Advisory Committee teleconference call/meeting to order at 5:00 p.m.

Counsel Slater stated we are going to convene a joint session of the Advisory Committee and Watermaster Board and then ask the Advisory and Board to take independent action as provided in the notice of the agenda.

A roll call was taken of the Watermaster Board members on the teleconference call.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. BUSINESS ITEM – DISCUSSION/POSSIBLE ACTION**A. WATERMASTER AUCTION**

Counsel Slater stated after the meeting of the last meeting of the Advisory Committee meeting of the July 21, 2009 the Watermaster Board deliberated in open session and then convened into closed session to consider potential litigation risks regarding the implementation of the auction and the Storage & Recovery Agreement. Counsel was given express direction to attempt to negotiate a proposed stipulation which would resolve contentions between the Non-Agricultural Pool and the Appropriative Pool regarding the distribution of the compensation and proceeds from the auction. Specifically the issue of the potential fee for Storage & Recovery and the excess revenue however that might be characterized related to the proceeds of the sale of the water were to be addressed. The stipulation was to resolve all claims. Meetings have taken place with individual members of the various Pools and they have proposed a stipulation which conforms to the Board's direction. The primary element for consideration by the Advisory Committee and the Watermaster Board is a revision to the broad benefit policy. The broad benefit standard was amended to insert five new words which are, "*The Appropriative Pool Share of*" and these words as reflected in the stipulation are a result of a desire by the Appropriative Pool to make clear that all proceeds were to be accounted for in the context of the Appropriative Pool share. The Non-Agricultural Pool took issue with that characterization and presented its contentions in opposition. That resulted in the stipulation which is to remove those words and in exchange agree to certain provisions regarding the distribution of the proceeds. Counsel Fife stated the stipulation is between the Appropriative Pool and the Non-Agricultural Pool and the action we are looking for is to not approve the stipulation since that is between those two pools, but rather, to reverse the addition of the five words that were made during the last Advisory Committee meeting. The five words were put in to clarify that all of the proceeds from the auction went solely to the Appropriative Pool and covered the Appropriative Pool share of capital improvements under the updated Recharge Master Plan. The stipulation involves clarifying interpretations of how proceeds from the auction flow to either the Appropriative Pool or the Non-Agricultural Pool and then specifying how those proceeds will be used as credits against assessments assessed to either Pool. Since there are changes in the language made by the Advisory Committee, staff will need a motion to change that language along with direction for counsel to file a supplemental pleading with the court explaining this to the court because the original order did include this language. Counsel Slater stated the direction was to make sure that this resolution was final and that all proceeds were to be included within this resolution Paragraph 1 does that and does it in the form of a credit and it also specifies the credit that the credit is limited exclusively to the Recharge Master planning efforts so consequently, it is not generally available to offset other assessments. This now conforms to your direction and staff recommends adopting the language modification. Mr. Manning asked if there were any questions. A brief discussion regarding the modification and monies received from the auction ensued. Chair Koopman called for the motion. Mr. Manning thanked all the parties involved in working together to get this issue resolved in such a timely manner.

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

Moved to adopt the language modification to the stipulation and direct staff to file with the court, as presented

II. MEMBER COMMENTS

No comment was made regarding this item.

II. OTHER BUSINESS

No comment was made regarding this item.

IV. FUTURE MEETINGS

August 5, 2009	10:00 a.m.	CBWM Stored Water Auction Administration Workshop
August 11, 2009	9:30 a.m.	CBWM Hearing @ San Bernardino Court
August 13, 2009	8:00 a.m.	MZ1 Technical Committee Meeting @ CBWM
August 13, 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
August 18, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 18, 2009	8:00 a.m.	IEUA DYY Meeting @ CBWM
August 27, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
August 27, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM

The Special Watermaster Board meeting was dismissed by Chair Koopman at 5:42 p.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of July 2009
2. Watermaster Visa Check Detail for the month of June 2009
3. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2008 through June 30, 2009
4. Treasurer's Report of Financial Affairs for the Period June 1, 2009 through June 30, 2009
5. Profit & Loss Budget vs. Actual July 2008 through June 2009





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: August 18, 2009
TO: Committee Members
SUBJECT: Cash Disbursement Report

SUMMARY

Issue – Record of cash disbursements for the month of July 2009.

Recommendation – Staff recommends the Cash Disbursements for July 2009 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2009-2010 Watermaster Budget.

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of July 2009 were \$280,409.30. The most significant expenditures during the month were Brownstein Hyatt Farber Schreck in the amount of \$72,557.52, Philadelphia Insurance Company in the amount of 15,703.00, and Santa Ana Watershed Project Authority in the amount of \$10,339.00.

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
July 2009

Type	Date	Num	Name	Amount
Jul 09				
Bill Pmt -Check	7/1/2009	13390	ARROWHEAD MOUNTAIN SPRING WATER	-47.42
Bill Pmt -Check	7/1/2009	13391	BOWCOCK, ROBERT	-125.00
Bill Pmt -Check	7/1/2009	13392	CALPERS	-4,013.41
Bill Pmt -Check	7/1/2009	13393	CAMACHO, MICHAEL	-250.00
Bill Pmt -Check	7/1/2009	13394	DE BOOM, NATHAN	-125.00
Bill Pmt -Check	7/1/2009	13395	DIRECTV	-79.99
Bill Pmt -Check	7/1/2009	13396	DURRINGTON, GLEN	-375.00
Bill Pmt -Check	7/1/2009	13397	FEENSTRA, BOB	-875.00
Bill Pmt -Check	7/1/2009	13398	HETTINGA, PETER	-125.00
Bill Pmt -Check	7/1/2009	13399	HUITSING, JOHN	-375.00
Bill Pmt -Check	7/1/2009	13400	INLAND EMPIRE UTILITIES AGENCY	-250.50
Bill Pmt -Check	7/1/2009	13401	JAMES JOHNSTON	-795.00
Bill Pmt -Check	7/1/2009	13402	KOOPMAN, GENE	-875.00
Bill Pmt -Check	7/1/2009	13403	KUHN, BOB	-125.00
Bill Pmt -Check	7/1/2009	13405	MWH LABORATORIES	-897.00
Bill Pmt -Check	7/1/2009	13406	PAYCHEX	-217.02
Bill Pmt -Check	7/1/2009	13407	PIERSON, JEFFREY	-1,125.00
Bill Pmt -Check	7/1/2009	13408	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	7/1/2009	13409	PURCHASE POWER	-2,518.99
Bill Pmt -Check	7/1/2009	13410	STANDARD INSURANCE CO.	-596.82
Bill Pmt -Check	7/1/2009	13411	STATE COMPENSATION INSURANCE FU...	-874.56
Bill Pmt -Check	7/1/2009	13412	VANDEN HEUVEL, ROB	-125.00
Bill Pmt -Check	7/1/2009	13413	VERIZON	-76.31
Bill Pmt -Check	7/1/2009	13414	VISION SERVICE PLAN	-62.19
Bill Pmt -Check	7/1/2009	13415	W.C. DISCOUNT MOBILE AUTO DETAILI...	-100.00
Bill Pmt -Check	7/1/2009	13416	WHITEHEAD, MICHAEL	-125.00
Bill Pmt -Check	7/1/2009	13417	WILLIS, KENNETH	-125.00
Bill Pmt -Check	7/1/2009	13418	PHILADELPHIA INSURANCE COMPANY	-15,703.00
General Journal	7/2/2009	09/07/03	PAYROLL	-7,881.89
General Journal	7/2/2009	09/07/03	PAYROLL	-28,133.81
Bill Pmt -Check	7/8/2009	13419	APPLIED COMPUTER TECHNOLOGIES	-1,825.25
Bill Pmt -Check	7/8/2009	13420	CITISTREET	-2,621.85
Bill Pmt -Check	7/8/2009	13421	COMPUTER NETWORK	-163.13
Bill Pmt -Check	7/8/2009	13422	HSBC BUSINESS SOLUTIONS	-353.62
Bill Pmt -Check	7/8/2009	13423	OFFICE DEPOT	-515.39
Bill Pmt -Check	7/8/2009	13424	PARK PLACE COMPUTER SOLUTIONS, I...	-3,375.00
Bill Pmt -Check	7/8/2009	13425	SPAM SOAP, INC	-201.60
Bill Pmt -Check	7/8/2009	13426	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	7/8/2009	13427	UNION 76	-73.14
Bill Pmt -Check	7/8/2009	13428	VERIZON	-367.68
Bill Pmt -Check	7/8/2009	13429	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	7/8/2009	13430	CITISTREET	-2,621.85
Bill Pmt -Check	7/8/2009	13431	W.C. DISCOUNT MOBILE AUTO DETAILI...	-25.00
Bill Pmt -Check	7/9/2009	13432	BETTY J. KELLEY, C.S.R.	-730.00
General Journal	7/11/2009	09/07/05	PAYROLL	-7,637.35
General Journal	7/11/2009	09/07/05	PAYROLL	-28,574.47
Bill Pmt -Check	7/21/2009	13433	ACWA SERVICES CORPORATION	-209.95
Bill Pmt -Check	7/21/2009	13434	AUTOMOBILE CLUB OF SOUTHERN CAL...	-47.00
Bill Pmt -Check	7/21/2009	13435	BANC OF AMERICA LEASING	-3,215.74
Bill Pmt -Check	7/21/2009	13436	BANK OF AMERICA	-1,196.59
Bill Pmt -Check	7/21/2009	13437	BLACK & VEATCH CORPORATION	-8,626.25
Bill Pmt -Check	7/21/2009	13438	BROWNSTEIN HYATT FARBER SCHRECK	-72,577.52
Bill Pmt -Check	7/21/2009	13439	CASA VERDE LANDSCAPE	-210.00
Bill Pmt -Check	7/21/2009	13440	CUCAMONGA VALLEY WATER DISTRICT	-5,495.00
Bill Pmt -Check	7/21/2009	13441	CUCAMONGA VALLEY IAAP	-50.00
Bill Pmt -Check	7/21/2009	13442	GUARANTEED JANITORIAL SERVICE, INC.	-1,923.00
Bill Pmt -Check	7/21/2009	13443	IDEAL GRAPHICS	-30.45
Bill Pmt -Check	7/21/2009	13444	MCI	-1,232.93
Bill Pmt -Check	7/21/2009	13445	MIJAC ALARM	-141.00
Bill Pmt -Check	7/21/2009	13446	PITNEY BOWES CREDIT CORPORATION	-473.07
Bill Pmt -Check	7/21/2009	13447	PREMIERE GLOBAL SERVICES	-560.69
Bill Pmt -Check	7/21/2009	13448	REID & HELLYER	-8,572.15
Bill Pmt -Check	7/21/2009	13449	SAFEGUARD DENTAL & VISION	-57.68
Bill Pmt -Check	7/21/2009	13450	SANTA ANA WATERSHED PROJECT AU...	-10,339.00
Bill Pmt -Check	7/21/2009	13451	STAPLES BUSINESS ADVANTAGE	-96.50
Bill Pmt -Check	7/21/2009	13452	UNITED PARCEL SERVICE	-82.00
Bill Pmt -Check	7/21/2009	13453	VERIZON WIRELESS	-164.15
Bill Pmt -Check	7/21/2009	13454	WAGE WORKS	-1,843.20

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
July 2009

Type	Date	Num	Name	Amount
Bill Pmt -Check	7/21/2009	13455	FIRST AMERICAN REAL ESTATE SOLUTI...	-125.00
Bill Pmt -Check	7/21/2009	13456	KONICA MINOLTA BUSINESS SOLUTIONS	-364.09
Bill Pmt -Check	7/21/2009	13457	LOS ANGELES TIMES	-46.40
Bill Pmt -Check	7/21/2009	13458	RICOH BUSINESS SYSTEMS-Lease	-897.19
Bill Pmt -Check	7/21/2009	13459	STANDARD INSURANCE CO.	-596.82
Bill Pmt -Check	7/21/2009	13460	W.C. DISCOUNT MOBILE AUTO DETAILI...	-75.00
Bill Pmt -Check	7/21/2009	13461	COMPUTER NETWORK	-4,252.13
Bill Pmt -Check	7/23/2009	13462	CALPERS	-4,006.42
Bill Pmt -Check	7/23/2009	13463	IDEAL GRAPHICS	-239.25
Bill Pmt -Check	7/23/2009	13464	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	7/23/2009	13465	WESTERN DENTAL SERVICES, INC.	-28.06
Bill Pmt -Check	7/24/2009	13466	ARROWHEAD MOUNTAIN SPRING WATER	-11.95
Bill Pmt -Check	7/24/2009	13467	INLAND EMPIRE UTILITIES AGENCY	-250.50
Bill Pmt -Check	7/24/2009	13468	PETTY CASH	-417.96
Bill Pmt -Check	7/24/2009	13469	PUMP CHECK	-2,242.50
General Journal	7/25/2009	09/07/07	PAYROLL	-6,165.98
General Journal	7/25/2009	09/07/07	PAYROLL	-26,956.30
Jul 09				-280,409.30

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08/06/09

CHINO BASIN WATERMASTER
Check Detail
July 2009

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Ch...	13436	7/21/2009	BANK OF AMERICA	1012 · Bank of America Gen'l Ckg	
Bill	4024...	6/30/2009		6909.1 · OBMP Meetings	-1,112.55
				6175 · Vehicle Fuel	-37.57
				6312 · Meeting Expenses	-46.47
TOTAL					-1,196.59

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL APPROPRIATIVE	AGRICULTURAL NON-AGRIC. POOL	GROUNDWATER REPLENISHMENT	SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2008-2009
Administrative Revenues									
Administrative Assessments		7,993,307	172,817					8,166,124	\$7,992,648
Interest Revenue		111,927	2,825				27	124,977	174,368
Mutual Agency Project Revenue		49,935	1,282					51,217	148,410
Grant Income									0
Miscellaneous Income									0
Total Revenues		8,155,169	176,924				27	8,342,318	8,315,426
Administrative & Project Expenditures									
Watermaster Administration	530,143							530,143	619,960
Watermaster Board-Advisory Committee	58,265							58,265	61,201
Pool Administration		20,294	5,117					192,605	196,523
Optimum Basin Mgmt Administration		1,930,126						1,930,126	2,023,380
OBMP Project Costs		3,721,316						3,721,316	4,142,393
Debt Service		1,261,894						1,261,894	1,261,594
Education Funds Use							375	375	375
Mutual Agency Project Costs		10,000						10,000	10,000
Total Administrative/OBMP Expenses	588,408	6,923,336	5,117				375	7,704,724	8,315,426
Net Administrative/OBMP Expenses	(588,408)	(6,923,336)							
Allocate Net Admin Expenses To Pools	588,408								
Allocate Net OBMP Expenses To Pools		441,337	14,728						
Allocate Debt Service To App Pool		4,344,583	43,507						
Agricultural Expense Transfer		1,261,894							
Total Expenses		1,551,414	(1,551,414)						
Net Administrative Income		7,619,523	63,352				375	7,704,724	8,315,426
		535,646	113,572				(348)	637,594	
Other Income/(Expense)									
Replenishment Water Assessments					6,437,643			6,437,643	0
Interest Revenue					54,889			54,889	0
Water Purchases					(2,326,075)			(2,326,075)	0
Balance Adjustment									0
Groundwater Replenishment					4,166,457			4,166,457	0
Net Other Income									0
Net Transfers To/(From) Reserves	4,804,051	535,646	113,572	4,166,457			(348)	4,804,051	
Working Capital, July 1, 2008		5,413,216	143,157			158,251	1,343	6,197,962	
Working Capital, End Of Period		5,948,862	256,729	4,166,457		158,251	955	11,002,013	11,002,013
07/08 Assessable Production		103,077,958	3,439,822					137,427,473	
07/08 Production Percentages		75.005%	22.492%	2.503%				100.000%	

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JUNE 1 THROUGH JUNE 30, 2009**

DEPOSITORIES:		
Cash on Hand - Petty Cash	\$	500
Bank of America		
Governmental Checking-Demand Deposits	\$	470,843
Zero Balance Account - Payroll		
Local Agency Investment Fund - Sacramento		<u>10,894,199</u>
		470,843
TOTAL CASH IN BANKS AND ON HAND		6/30/2009
TOTAL CASH IN BANKS AND ON HAND		5/31/2009
	\$	11,365,542
		11,708,682
PERIOD INCREASE (DECREASE)		\$ (343,140)

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:		
Accounts Receivable	\$	65,331
Assessments Receivable		-
Prepaid Expenses, Deposits & Other Current Assets		441,620
Accounts Payable		48,572
Accrued Payroll, Payroll Taxes & Other Current Liabilities		122,104
Transfer to/(from) Reserves		<u>(1,020,767)</u>
PERIOD INCREASE (DECREASE)		\$ (343,140)

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 5/31/2009	\$ 500	\$ (132,273)	\$ -	\$ 11,840,455	\$ 11,708,682
Deposits	-	98	-	128,744	128,842
Transfers	-	1,038,984	36,016	(1,075,000)	-
Withdrawals/Checks	-	(435,966)	(36,016)	-	(471,982)
Balances as of 6/30/2009	\$ 500	\$ 470,843	\$ -	\$ 10,894,199	\$ 11,365,542
PERIOD INCREASE OR (DECREASE)	-	603,116	-	(946,256)	\$ (343,140)

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
JUNE 1 THROUGH JUNE 30, 2009**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
6/16/2009	Withdrawal	L.A.I.F.	\$ (675,000)				
6/29/2009	Withdrawal	L.A.I.F.	\$ (400,000)				
6/30/2009	Deposit	L.A.I.F.	\$ 128,745				
TOTAL INVESTMENT TRANSACTIONS			\$ (946,255)				

* The earnings rate for L.A.I.F. is a daily variable rate; 1.51% was the effective yield rate at the Quarter ended June 30, 2009.

**INVESTMENT STATUS
June 30, 2009**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 10,894,199			
TOTAL INVESTMENTS	\$ 10,894,199			

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 2008 through June 2009

	<u>Jul '08 - Jun 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	51,217	148,410	-97,193	34.51%
4110 · Admin Asmnts-Approp Pool	7,993,307	7,860,411	132,896	101.69%
4120 · Admin Asmnts-Non-Agri Pool	172,817	132,237	40,580	130.69%
4700 · Non Operating Revenues	124,977	174,368	-49,391	71.67%
Total Income	<u>8,342,318</u>	<u>8,315,426</u>	<u>26,892</u>	<u>100.32%</u>
Gross Profit	8,342,318	8,315,426	26,892	100.32%
Expense				
6010 · Salary Costs	493,409	484,302	9,107	101.88%
6020 · Office Building Expense	94,093	102,000	-7,907	92.25%
6030 · Office Supplies & Equip.	41,037	46,500	-5,463	88.25%
6040 · Postage & Printing Costs	70,332	87,380	-17,048	80.49%
6050 · Information Services	142,730	144,000	-1,270	99.12%
6060 · Contract Services	69,660	98,000	-28,340	71.08%
6080 · Insurance	15,713	17,730	-2,017	88.63%
6110 · Dues and Subscriptions	10,053	16,750	-6,697	60.02%
6140 · WM Admin Expenses	3,786	4,000	-214	94.66%
6150 · Field Supplies	1,091	2,500	-1,409	43.65%
6170 · Travel & Transportation	36,287	39,200	-2,913	92.57%
6190 · Conferences & Seminars	24,132	26,500	-2,368	91.07%
6200 · Advisory Comm - WM Board	17,032	19,181	-2,149	88.8%
6300 · Watermaster Board Expenses	41,232	42,020	-788	98.13%
8300 · Appr PI-WM & Pool Admin	20,294	24,008	-3,714	84.53%
8400 · Agri Pool-WM & Pool Admin	24,657	24,820	-163	99.34%
8467 · Ag Legal & Technical Services	131,262	128,000	3,262	102.55%
8470 · Ag Meeting Attend -Special	11,275	12,000	-725	93.96%
8500 · Non-Ag PI-WM & Pool Admin	5,117	7,695	-2,578	66.5%
6500 · Education Funds Use Expens	375	375	0	100.0%
9500 · Allocated G&A Expenditures	<u>-472,182</u>	<u>-448,902</u>	<u>-23,280</u>	<u>105.19%</u>
Subtotal Administrative Expenditures	781,389	878,059	-96,670	88.99%
6900 · Optimum Basin Mgmt Plan	1,765,585	1,885,421	-119,836	93.64%
6950 · Mutual Agency Projects	10,000	10,000	0	100.0%
9501 · G&A Expenses Allocated-OBMP	<u>164,541</u>	<u>137,959</u>	<u>26,582</u>	<u>119.27%</u>
Subtotal OBMP Expenditures	1,940,126	2,033,380	-93,254	95.41%
7101 · Production Monitoring	108,441	107,515	926	100.86%
7102 · In-line Meter Installation	55,732	87,931	-32,199	63.38%
7103 · Grdwtr Quality Monitoring	183,368	225,458	-42,090	81.33%
7104 · Gdwtr Level Monitoring	378,889	372,538	6,351	101.71%
7105 · Sur Wtr Qual Monitoring	4,812	46,717	-41,905	10.3%

CHINO BASIN WATERMASTER
Profit & Loss Budget vs. Actual
July 2008 through June 2009

	<u>Jul '08 - Jun 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7107 · Ground Level Monitoring	396,028	651,468	-255,440	60.79%
7108 · Hydraulic Control Monitoring	600,571	523,949	76,622	114.62%
7200 · PE2- Comp Recharge Pgm	1,263,711	1,375,266	-111,555	91.89%
7300 · PE3&5-Water Supply/Desalte	80,713	78,477	2,236	102.85%
7400 · PE4- Mgmt Plan	241,018	272,515	-31,497	88.44%
7500 · PE6&7-CoopEfforts/SaltMgmt	70,454	71,411	-957	98.66%
7600 · PE8&9-StorageMgmt/Conj Use	28,359	11,909	16,450	238.13%
7690 · Recharge Improvement Debt Pymt	1,261,894	1,261,594	300	100.02%
7700 · Inactive Well Protection Prgm	0	6,296	-6,296	0.0%
9502 · G&A Expenses Allocated-Projects	309,220	310,943	-1,723	99.45%
Subtotal Special Project Expenditures	<u>4,983,210</u>	<u>5,403,987</u>	<u>-420,777</u>	<u>92.21%</u>
Total Expense	<u>7,704,724</u>	<u>8,315,426</u>	<u>-610,702</u>	<u>92.66%</u>
Net Ordinary Income	637,595		637,595	100.0%
Other Income/Expense				
Other Income				
4225 · Interest Income	54,889			
4210 · Approp Pool-Replenishment	6,427,596			
4220 · Non-Ag Pool-Replenishment	10,047			
Total Other Income	<u>6,492,532</u>			
Other Expense				
5010 · Groundwater Replenishment	2,326,075			
9999 · To/(From) Reserves	4,804,052			
Total Other Expense	<u>7,130,127</u>			
Net Other Income	<u>-637,595</u>			
Net Income	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – The lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage. Date of application: June 30, 2009



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

June 30, 2009

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **June 23, 2009**

Date of this notice: **June 30, 2009**

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

- A. Notice of Sale or Transfer – The lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage.

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

Appropriative Pool:	July 9, 2009
Non-Agricultural Pool:	July 9, 2009
Agricultural Pool:	July 21, 2009

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: June 30, 2009

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

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: June 30, 2009
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – The lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – The lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage.

Notice of the water transaction identified above was mailed on June 30, 2009 along with the materials submitted by the requestors.

DISCUSSION

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

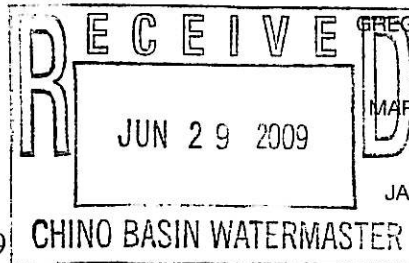


MUNICIPAL UTILITIES AGENCY

PAUL S. LEON
MAYOR

JIM W. BOWMAN
MAYOR PRO TEM

ALAN D. WAPNER
SHEILA MAUTZ
DEBRA DORST-PORADA
COUNCIL MEMBERS



GREGORY C. DEVEREAUX
CITY MANAGER

MARY E. WIRTES, MMC
CITY CLERK

JAMES R. MILHISER
TREASURER

KENNETH L. JESKE
UTILITIES GENERAL MANAGER

June 23, 2009

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

Attn: Ken Manning

Subject: Annual Lease of Water Rights

This is to notify Watermaster of the lease and/or purchase of 765 AF from San Antonio Water Company to the City of Ontario. This lease is made first from San Antonio's net under-production in Fiscal Year 2008-09, with any remainder to be recaptured from storage.

Executed original Watermaster forms and all supporting documentation is attached for your review. Please agendaize the proposed purchase for the first available meeting.

Should you have any questions or require any additional information, please contact Tom O'Neill at (909) 395-2676.

Sincerely,

Scott Burton
Engineering & Operations Director

Enclosures

cc. Tom O'Neill, Water Production Manger

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

TRANSFER FROM LOCAL STORAGE AGREEMENT #3.0-3.2

San Antonio Water Company
Name of Party

6-22-09
Date Requested

Date Approved

139 N. Euclid
Street Address

765 Acre-feet
Amount Requested

Amount Approved

Upland CA 91786
City State Zip Code

Telephone: 909.982.4107

Facsimile:
909.820.3047

CHARLES MOORLES
Applicant

TRANSFER TO:

City of Ontario

Attach Recapture Form 4

1425 S. Bon View Avenue
Street Address

Ontario CA 91761
City State Zip Code

Telephone: 909.395.2600

Facsimile: 909.395.2601

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

WATER QUALITY AND WATER LEVELS

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

Static level varies from 270 feet to 530 feet. Of the wells routinely pumped, nitrate levels vary from less than 5 to 40 mg/L.

MATERIAL PHYSICAL INJURY

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

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

Form 3 (cont.)

ADDITIONAL INFORMATION ATTACHED

Yes [] No [X]

Scott Burton
Applicant



TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

APPLICATION OR AMENDMENT TO APPLICATION
TO
RECAPTURE WATER IN STORAGE

APPLICANT

City Of Ontario Name of Party			June 22, 2009 Date Requested	
1425 S. Bon View Avenue Street Address			765 Acre-feet Amount Requested	
Ontario City	CA State	91761 Zip Code	Varies Projected Rate of Recapture	
Telephone: 909-395-2600			Facsimile: 909-395-2601	

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

IDENTITY OF PERSON THAT STORED THE WATER: _____

PURPOSE OF RECAPTURE

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

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED

Management zones 1, 2 and 3

N/A

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

WATER QUALITY AND WATER LEVELS

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

Recapture by Ontario will be accomplished by pumping 22 wells. Static level varies from 270 feet to 530 feet. Of the wells routinely pumped, nitrate levels vary from less than 5 to 40 mg/L.

MATERIAL PHYSICAL INJURY

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

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

ADDITIONAL INFORMATION ATTACHED

Yes [X] No []

Scott Burton

Scott Burton,
Engineering & Operations Director

TO BE COMPLETED BY WATERMASTER

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____

CITY OF ONTARIO

Recapture Plan

The subject water is a transfer of stored groundwater from the San Antonio Water Company located within Management Zones 2 to the City of Ontario in the amount of 765 acre-feet to satisfy a portion of the City's replenishment obligation for FY 2008-2009. Recapture of the stored water is accomplished by the production of any or all of the 22 wells owned and operated by the City with Management Zones 2 or 3 of the Chino Groundwater Basin. The approximate daily production capacity of these wells is as follows.

<u>Well No.</u>	<u>Capacity acre-feet/day</u>
17	7.2
18	5.3
19	2.5
20	3.4
24	8.4
25	6.2
26	5.7
27	4.9
29	11.2
30	14.1
31	13.1
35	8.6
36	8.3
37	13.4
38	11.4
39	8.6
40	13.4
41	11.0
44	11.4
49	11.4
50	9.7
52	11.4
	<u>200.8</u>

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

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APPLICATION
TO
TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

Fiscal Year 2008 - 2009

Commencing on July 1, 2008 and terminating on June 30, 2009, San Antonio Water Company ("Transferor") hereby transfers to City of Ontario ("Transferee") the quantity of 765 acre-feet of corresponding Annual Production Right (Appropriative Pool) or Safe Yield (Non-Agricultural Pool) adjudicated to Transferor or its predecessor in interest in the Judgment rendered in the Case of "CHINO BASIN MUNICIPAL WATER DISTRICT vs. CITY OF CHINO, et al.," RCV 51010 (formerly Case No. SCV 164327).

Said Transfer shall be conditioned upon:

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

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

WATER QUALITY AND WATER LEVELS

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

Static water levels vary between 270 feet to 530 feet with nitrate levels that vary between 5 and 40

Mg/L.

MATERIAL PHYSICAL INJURY

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

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

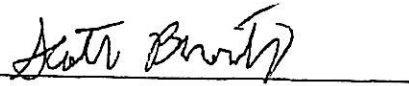
ADDITIONAL INFORMATION ATTACHED

Yes [] No []

Charles Moorrees
Transferor



Scott Burton
Transferee



TO BE COMPLETED BY WATERMASTER:

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

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HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____ Agreement # _____



CHINO BASIN WATERMASTER

II. BUSINESS ITEM

A. NOTICE OF INTENT TO PURCHASE





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: August 27, 2009
TO: Advisory Committee Members
SUBJECT: Notice of Intent to Purchase

Background

Section C of the *Purchase and Sale Agreement for the Purchase of Water by Watermaster from Overlying (Non-Agricultural) Pool* (Attachment "G" to Watermaster Resolution 07-05) says:

"C. Notice. Within twenty-four months of the final Court approval of this Agreement ("Effective Date"), and only with the prior approval of the Appropriate Pool, Watermaster will provide written **Notice of Intent to Purchase** the Non-Agricultural (Overlying) Pool water pursuant to Section 5.3(a) of the Peace Agreement, which therein identifies whether such payment will be in connection with Desalter Replenishment or a Storage and Recovery Program."

Final Court approval of the Agreement ("Effective Date") was obtained through the December 21, 2007 Order approving the Peace II Measures.

Explanation of Notice

Watermaster staff has prepared a form of the Notice to satisfy the requirements of section C.

Section D of the Purchase and Sale Agreement requires that the payment schedule to the Non-Agricultural Pool will commence thirty days after the Notice of Intent to Purchase ("Payment Date"). Staff has proposed that the date of the Notice be December 18, 2009 as that is the last business day before the deadline for the Notice. Given that the current date of the auction is unknown, this date will provide maximum opportunity for the Pool to have received the proceeds of the auction prior to the required Payment Date and will provide maximum flexibility in the event that the auction is not completed as anticipated.

At the July 30, 2009 Appropriative Pool meeting, staff provided an accounting of the amount of water available for purchase under the Purchase and Sale Agreement. This amount is 38,652 acre-feet. Planning for the auction to date has presumed a purchase amount of 36,000 acre-feet. At the August 13, 2009 Appropriative Pool meeting the pool directed the 36,000 acre-feet of the purchase quantity would be used for the auction and the remaining 2,652 acre-feet would be dedicated to Desalter replenishment.

Recommendation

Staff recommends approval of the Notice of Intent to Purchase as directed by the Appropriative Pool.



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

NOTICE OF INTENT TO PURCHASE

Pursuant to Section C of the *Purchase and Sale Agreement for the Purchase of Water by Watermaster from Overlying (Non-Agricultural) Pool*, Watermaster hereby provides notice to the Overlying (Non-Agricultural) Pool that Watermaster intends to tender purchase of the Storage Transfer Quantity pursuant to the terms of the Purchase and Sale Agreement for the following uses: 36,000 acre-feet for use in a Storage and Recovery Agreement, and 2,652 acre-feet for use as Desalter replenishment.

On August 13, 2009 the Appropriate Pool provided approval for the issuance of this notice. The date of issuance of this notice is December 18, 2009.

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

B. MEETING SCHEDULES





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: August 27, 2009
TO: Advisory Committee
SUBJECT: Review of meeting schedules

Summary

At the August 13, 2009 Appropriative Pool meeting the Pool decided to change its meeting day to the first Thursday of each month at 1:00 p.m. The pool also recommended that the Advisory Committee change its meeting day to the third Thursday of each month. This change is recommended by the Pool in order to facilitate better communication between Pools, Advisory Committee, and Watermaster Board by allowing time between the meetings.

On August 18, 2009 the Agricultural Pool concurred in this recommendation and changed its meeting day to be the second Thursday of every month.

Recommendation:

Staff recommends that the Advisory Committee consider the Appropriative Pool recommendation to change its meeting day to the third Thursday of the month.

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

C. EXTENSION OF DYY EXPANSION





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: August 21, 2009

TO: Advisory and Board

SUBJECT: Consider approval of DYY Expansion by IEUA, TVMWD, and WMWD on behalf of Metropolitan Water District of Southern California.

Summary

Watermaster staff and parties are working with the three Municipal Water Districts and Metropolitan Water District on the expansion of the current 100,000 AF storage program (DYY) and the continuation of the Desalter Authority LRP that is tied to the expansion. As of the date of this staff report it is still unclear as to what documents or actions are necessary to either approve the agreement or extend the discussions.

We will be sending out under separate cover a follow up Staff Report either later today or early next week once it has been determined what action is necessary.

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CHINO BASIN WATERMASTER

III. REPORTS / UPDATES

E. INLAND EMPIRE UTILITIES AGENCY

3. Recycled Water Status Report
4. Water Resources & Conservation Programs Monthly Report
5. Water Resources & Conservation Programs 4th Quarter Report
6. Monthly Water Use Report
7. Recycled Water Newsletter
8. State and Federal Legislative Reports
9. Community Outreach/Public Relations Report



CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

August 27, 2009

AGENDA

INTERAGENCY WATER MANAGERS' REPORT

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

Discussion Items:

- IEUA Recycled Water Program Overview (powerpoint)
- IEUA's Drought Plan Update (oral)
- Peace II CEQA Update (oral w/written attachment)

Written Items:

- Water Resources & Conservation Programs Monthly Report
- Water Resources & Conservation Programs 4th Quarter Report
- Monthly Water Use Report
- Recycled Water Newsletter
- State and Federal Legislative Reports
- Community Outreach/Public Relations Report

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DRAFT PEACE II CEQA Schedule

Version Date – (8/18/09)

(Dates meant to be approximate)

1/1/08—TDA will finish draft Project Description for review. It will describe the project and the major issues. WEI, IEUA and CBWM are expected to provide key input. (COMPLETE)

1/15/09—TDA will provide WEI with a list of supporting exhibits needed (tables, graphs, charts, etc.) (COMPLETE)

2/20/09—TDA will release draft Initial Study and Notice of Preparation. (COMPLETE)

3/11/09—IEUA/CBWM will hold a Scoping Meeting so other agencies (water mgt agencies and regulatory agencies) will identify their concerns. (COMPLETE)

8/21/09—WEI will perform any necessary modeling, such as overlaying the Peace II and DYY models and looking at water level impacts, and prepare a Report.

9/30/09—SEIR Document released for public for review for 45 days.

11/16/09—End of 45-day public review period.

12/7/09—TDA finishes responses to comments.

January 2010—IEUA Board adoption.

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Water Resources and Conservation Programs

Monthly Report

JULY 2009 (REPORTING JUNE 2009 DATA)

Highlights

DWR and MWD Drought Update... Page 1

IEUA Water Supply News... Page 1

IEUA Water Supply Programs... Page 2

MWD Conservation Program News... Page 3

Conservation Activities & Outreach... Page 4

Conservation Legislation, Grants & Policies... Page 5

Rebates Issued and Water Savings... Page 6

Calendar of Events... Page 8

Links

Department of Water Resources...
<http://www.water.ca.gov/>

Metropolitan Water District <http://mwdh2o.com/>

Water conservation ...
<http://www.bewaterwise.com>

IEUA...
<http://www.ieua.org>

Save Our Water Program...
www.saveourh2o.org

DWR and MWD Drought Update

The Department of Water Resources (DWR) issued a mid-year status report on water supply conditions and drought impacts. May and June provided surprising levels of precipitation, but reservoirs will again be at historic lows at the end of the water year.

As a result of ongoing dry conditions and restrictions in water pumping from the San Francisco Bay-Delta, Metropolitan Water District (MWD) triggered the Water Supply Allocation Plan (WSAP) on July 1, 2009. The implementation of the WSAP will reduce imported water by approximately 10 percent (%), region-wide.



MWD Water Supply News

MWD has reported that more than 80% of southern California residents are aware of the drought and the water supply situation. Specifically, awareness in the Spanish-speaking communities has increased from 25% to 51%.

An early spring heat wave increased MWD's imported water sales for the months of April and May by 10% (35,000 AF) compared to April and May 2008. Fortunately, June proved to be a cooler month, as MWD saw a 12% (23,000 AF) decrease in imported water sales.

Overall, during fiscal year 2008/2009, MWD imported water sales decreased by about 6% (100,000 AF) compared to fiscal year 2007/2008.



IEUA Water Supply News

Locally, overall water use by IEUA retail agencies decreased 10% as of June 2009, compared to June 2008.



OVERALL WATER USE DOWN 10%!!!

In response to the reduction in imported water and MWD's extraordinary conservation ordinance requirements, about half of the IEUA member agencies have implemented mandatory water use restrictions and activated their water supply shortage contingency plans (Water Reduction Stages) pursuant to the Urban Water Management Planning Act (Section 10632). Under this Act, all urban water suppliers that serve more than 3,000 customers are required to develop an urban water shortage contingency analysis that addresses water supply shortages of up to 50%.

IEUA Water Supply Programs

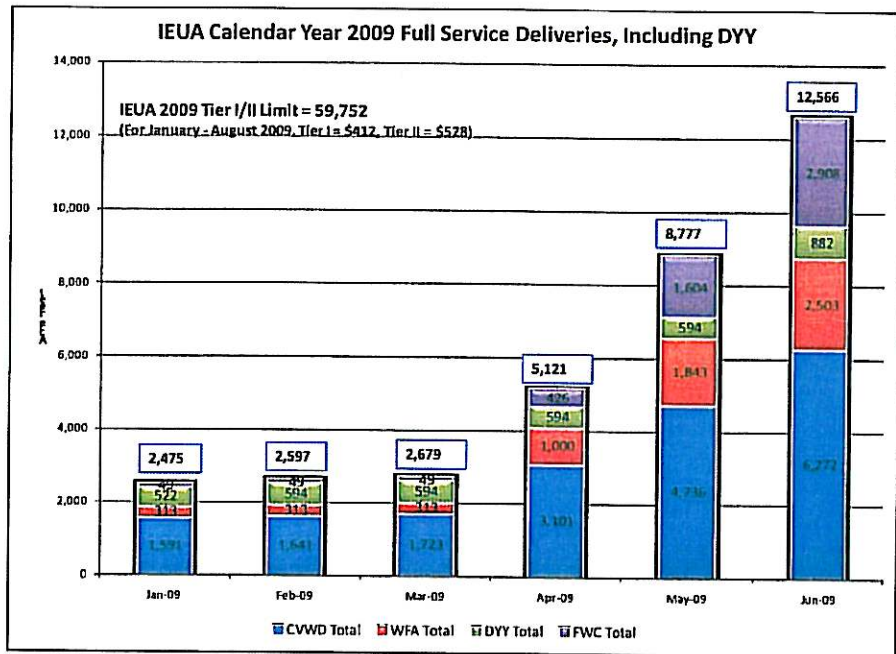


Imported Water Deliveries

For the month of June, IEUA purchased 3,788 acre feet (AF) of Tier I water, increasing the cumulative total for the calendar year to 12,566 AF (including DYY).

Dry Year Yield (DYY) Program

The second "call" year for the DYY Program began in May and IEUA retail agencies have certified that they pumped 289 AF (1% of IEUA's obligation of 31,000 AF) from the groundwater storage account. The first "call" year has been completed with DYY participants certifying they pumped 30,509 AF (99% of IEUA's obligation of 31,000 AF). MWD imported water deliveries were reduced by 30,589 AF (99% of IEUA's obligation of 31,000 AF).



DYY Program Expansion

In early July, Chino Basin Watermaster took the lead in presenting the new draft terms and deal points (developed by participating agencies) to MWD, who is currently reviewing the draft term sheet. An expanded DYY agreement is also required to continue the Chino Desalter Authority (CDA) Local Resources Program (LRP) rebate.

Recycled Water Program

IEUA had a goal of reaching 31,000 AFY of connected demand by the end of this summer and, as of June 2009, about 27,000 AFY is connected ... another 7,500 AFY of new customers will be connected during the next three months!



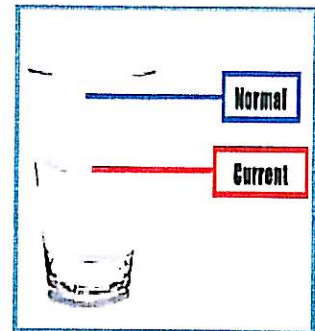
Chino Desalter Authority (CDA)

This fiscal year, the two desalters have produced 25,678 AF of water (of which 13,752 AF was delivered to IEUA retail agencies). The annual contractual production target is 24,600 AFY, and it is scheduled to be expanded to approximately 40,000 AFY by 2012, with the implementation of CDA Phase III.

MWD Conservation Program News

MWD Conservation Budget

On July 14, 2009, the Metropolitan Board took action and approved the additional increase of \$14.2 million to pay for FY 2008-09 backlogged customer applications and to continue the funding of \$19.1 million for the FY 2009-10 conservation activities.



MWD Conservation Programs

On July 14, the MWD Board also approved the implementation of administrative improvements and program changes, including modification of incentives as listed below:

- Pay all backlogged customer applications through June 10, 2009 utilizing funding of \$14.2 million from FY 2008-09 Water Transfers fund;
- Implement a continuous reservation system uninterrupted, for both the residential and commercial, institutional, industrial regional rebate programs until funding for FY 09-10 is expended;
- Resume the So-Cal Water Smart Program tentatively August 1, 2009 with recommended reduced incentives and budget of \$6 million for FY 2009-10;
- Resume the CII Save-A-Buck Program under Honeywell International through December 31, 2009 utilizing the \$4.6 million from the FY 2009-10 program budget;
- Release \$1.2 million for payment of pending Phase II Public Sector Program applications and defer \$5 million allocated in the FY 2009-10 budget to FY 2010-2011 (FY 2009-10—\$0 funds);
- Continue funding Member Agency implemented programs in FY 2009-10 with a cap of \$5.5 million;
- Continue the Water Savings Performance Program for FY 2009-10 with a cap of \$500,000;
- Honor existing MWD Enhanced Conservation Program grants in FY 2009-10 with a \$500,000 cap;
- Start-up Agriculture Conservation Program in FY 2009-10 with a \$2 million incentive cap.

MWD Program Incentive Changes

The following device incentive caps and program changes were approved by the MWD Board on July 14, 2009. All incentives are limited to a 50% maximum of the retail device cost.

- Urinals: limit incentives to < 0.25 gpf fixtures-reduces incentive from \$400 to \$200 per unit and \$60 for new construction.
- Commercial Sprinkler Heads: reduce from \$13 to \$7 per set
- High Efficiency Toilets: reduce from \$100 to \$50 per toilet, unless member agency grant relies on MWD incentive.
- High Efficiency Washers: reduce from \$100 to \$50 per unit, unless member agency grant relies on MWD incentive.
- Synthetic turf: requires a minimum \$0.30 local agency match share and limits rebates to 1/2 acre of turf replacement.
- Rotating Nozzles for pop-up spray heads: incentive remains \$4, but must be purchased with a pressure regulating head
- Device phase-outs: CII Pre-rinse spray heads (\$60 incentive) and CII washing machines (\$210 incentive).
- Water Savings Performance Program: reduces incentive to 50% of total project costs to match device incentives referenced above.
- Water Savings Performance Program: reduces incentive to 50% of the project costs to match device incentives referenced above.

Conservation Activities and Outreach

Inland Empire Landscape Alliance

The Department of Water Resources (DWR) has not yet completed its review of the Inland Empire Landscape Alliance (IELA) model ordinance. IELA is awaiting DWR's determination of an endorsement of the equivalency of the Regional Model Chino Basin Water Efficient Landscape Ordinance.



Western Municipal Water District's (WMWD) Water Wise Landscape Contest winners, Fontana homeowners Tim and Laura McPhearson, attended the Landscape Alliance meeting on July 15. Out of 91 applicants, 31 of which were within IEUA's service area, the McPhearson's received 3rd place. Their Water Wise landscape will be featured in WMWD and IEUA brochures. Director Camacho presented them with a framed photo of their home.

Landscape Evaluation and Audit Program

Chino Basin Water Conservation District's (CBWCD) audit program is now in Phase III. In this phase, 165 landscape audits have been completed with a potential savings of 993 AFY. This is in addition to 1,200 AFY in Phase II. There are currently three sites scheduled for auditing, three sites awaiting scheduling, and 150 release forms pending processing. CBWCD hosted a successful MWD California Friendly Landscape Plant Class for professionals during the month of June.



Water Wise Residential Landscape Program

The Water Wise Program will be completed with all remaining earmarked funds paid to participants by July 31, 2009. To date, a total of 125 landscape conversions have been completed with the total aggregated amount of 155,614 square-feet of turf removed since program inception. The cumulative total of turf removed represents an annual water savings of 21.8 AF.

Garden in Every School®

All FY 08/09 gardens have been completed, aside from Anna Borba Elementary School (Chino). Anna Borba may be relocating and is currently on hold. Program staff have completed garden designs for the FY 09/10 program and finalized garden locations. School maintenance districts are in the process of clearing the sites for irrigation installation.

National Theatre for Children

The National Theatre for Children (NTC) Program contract amendment was approved by the Board on July 14, 2009. Performance scheduling for FY 09-10 began following receipt of the executed contract amendment. Currently, Fall performances are being scheduled for the October-November 2009 timeframe. The NTC Program will further act as a conduit in educating residential customers through providing indoor and outdoor water survey information provided by IEUA which students will complete at home with their parents and return for a special reward provided by IEUA. This activity will assist IEUA and member agencies in meeting partial compliance with the residential Best Management Practice required under AB 1420 and the California Urban Water Conservation Council.

Public Outreach Activities

From June through October 2009, MWD's water awareness 30-second TV ad will run in 71 movie theatre screens throughout the service area. A 1/4 page conservation ad will run monthly in the Fontana Herald News, Champion Newspapers, La Opinion Newspaper and the Inland Empire Magazine. We will continue to run our monthly conservation tip in the Daily Bulletin as well as our full page ads.

“Save Our Water” Campaign

MWD’s “Save Our Water” public education program was launched in late April in response to the Governor’s drought emergency proclamation and call for a unified statewide message. The Department of Water Resources committed \$2 million to the program and the Association of California Water Agencies (ACWA) is working to raise support to match that. Materials produced by “Save Our Water” are used at the local level, which is helping significantly to spread the word



Conservation Legislation, Grants, and Policies

Pervious Concrete Workshop and Grant

On June 25th, the Inland Empire Utilities Agency and the Partnership of Southern California Concrete Producers held a half day workshop to discuss the potential for pervious concrete to encourage groundwater infiltration and manage stormwater runoff. Featured speakers included David Akers of the California Nevada Cement Association, Matt Yeager, Stormwater Program Manager from the County of San Bernardino, and Dr. Suzanne Dallman from Cal State Long Beach. The workshop also included a demonstration of water draining rapidly through pervious concrete pavement at the newly installed pervious concrete* demonstration parking spaces by the Santa Ana Watershed Association’s headquarters in the Chino Creek Wetland and Education Park.



The Pervious Concrete workshop also marked the opening of the Pilot Pervious Concrete Rebate Program. IEUA, through a grant from MWD, is seeking 2-5 projects within IEUA’s service area to explore the feasibility of Pervious Concrete Rebate Program for projects that enhance groundwater infiltration. Projects will be selected by August for installation during fall 2009. Projects will be monitored for one year to gather data on the amount of infiltration occurring at various sites.

Conservation Legislation

The legislature is working on bills to implement the Governor’s call “20 X 2020” conservation plan. The bills as they have evolved are listed below. Both AB 49 and SB 261 passed out of their respective policy committees, but SB 460 did not. A special legislative conference committee has been appointed to put a Bay-Delta package together which will also include a conservation component. The Committee is expected to draft a new piece of legislation and may include content from both bills; however, AB 49 is expected to be the vehicle by which the legislation will move forward.

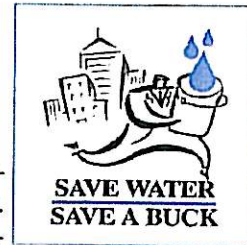
- **AB 49 (Feuer/Huffman) Water Conservation** – achieve a 20% reduction in urban per capita water use in California by 2020 (consistent with the Governor’s call for 20% by 2020). This bill was last amended on July 9, 2009.
- **SB 261 (Dutton/Ducheny/Hollingsworth) Water Use**—development of Water Management Plan. This bill was last amended on June 29, 2009.
- **SB 460 (Wolk) Water Management Plans**—requires local agencies to develop a long term plan for achieving 20% reduction by 2020. This bill is a new two-year bill.



Rebates Issued and Water Savings

MWD SoCal WaterSmart & Save-A-Buck Programs

Table I summarizes the rebates provided through June 2009 for the Save-A-Buck Program (CII and Multi-family Residential) and the SoCal WaterSmart Program. Overall, 52,191 devices/rebates were issued under these programs since their inception, for a total annual water savings of 3,501 acre-feet per year.



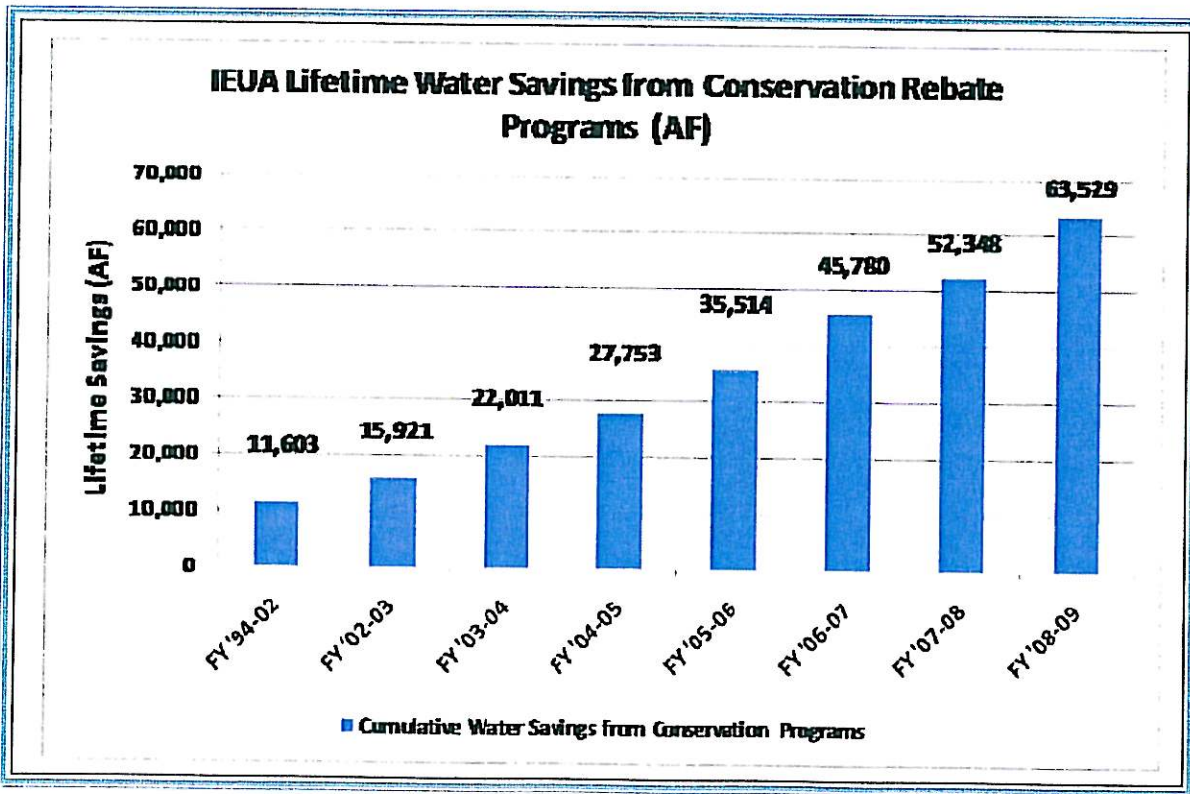
MWD Public Agency Sector Rebate Program

Total MWD funding received by public agencies within the IEUA service area has been \$2,612,227 (Table II below). Overall, 906 devices have been funded, representing an annual water savings of 575 acre-feet per year, or a savings of 5,702 acre feet over the lifetime of the devices.



Cumulative Water Savings

The cumulative expected lifetime water savings from the water conservation devices that have been installed in the service area through rebates currently totals 63,529 acre feet. The Lifetime Water Savings graph illustrates the growth trend in water savings due to rebate and retrofit programs. It does not include the savings from public educational and outreach programs, which are difficult to quantify. Additional details on rebates and retrofits are provided in Tables I and II on the next page.



MWD Public/Private and Public Agency Rebate Programs

TABLE I—MWD Public/Private Sector Rebate Programs

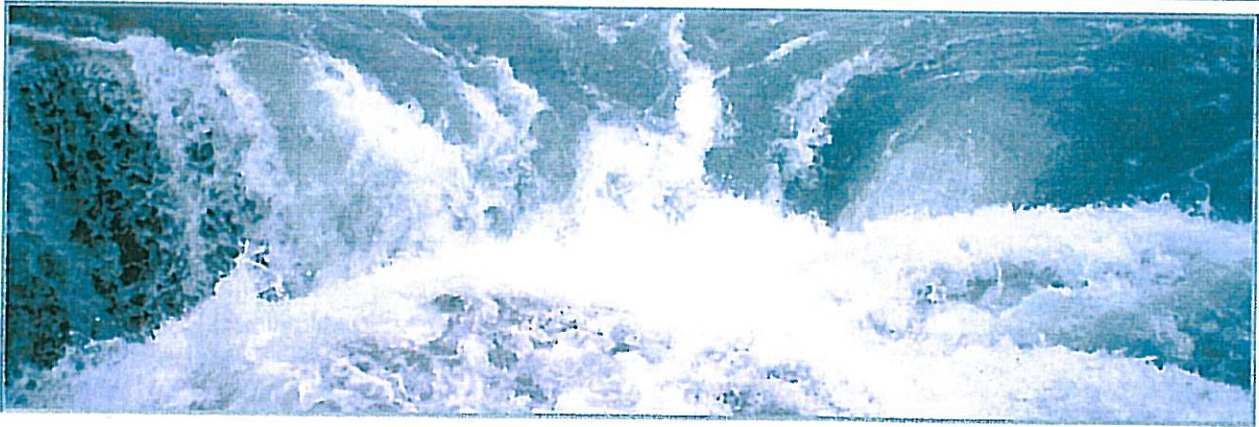
Device Name	Current Fiscal Year through June '09		Since Program Inception	
	# Devices Installed	Equivalent Annual Water Savings (AFY)	Cumulative # Devices Installed	Equivalent Annual Savings (AFY)
Commercial, Industrial, Institutional Program				
High-Efficiency Clothes Washers	9	0.8	466	39.4
Multi-Family High-Efficiency Clothes Washers	10	0.8	11	0.9
Cooling Tower Conductivity & pH Controllers	4	2.6	28	18.0
Ultra-Low-Flush Toilets	1	0.03	1,895	657.6
ULFT Flushometers	0	0	4	0.3
High-Efficiency Toilets	962	41	3,383	143.8
Zero Water Urinals	156	19	1,182	144.8
High-Efficiency Urinals	0	0	8	0.5
Weather-Based Irrigation Controllers	28	18.2	37	24.1
Rotating Nozzles for Pop-Up Spray Heads	86	0.3	183	15.5
Synthetic Turf for CII (rebates)	0	0	5	4.7
High-Efficiency Nozzles for Large Rotary	120	21.6	120	21.6
Dry Vacuum Pumps	0	0	0	0
Steam Sterilizer Retrofits	0	0	0	0
Pre-Rinse Spray Head (PRSH)	31	7.9	33	8.4
Water Broom	5	0.8	701	107.5
X-Ray Recirculation Units	0	0	11	35.2
Subtotal	1412	113.1	8067	1222.3
Multi-Family Direct-Install Program				
Ultra Low-Flush Toilets	0	0	14,283	495.6
High-Efficiency Toilets	1682	71.5	1744	74.1
Subtotal	1682	71.5	16,027	569.7
Residential Program				
Ultra Low-Flush and High Efficiency Toilets	1814	62.9	13,883	481.7
High-Efficiency Clothes Washers	1218	103.0	10,860	918.8
Weather-Based Irrigation Controllers	15	9.8	404	262.6
Rotating Nozzles for Pop-Up Spray Heads	27	0.1	2,652	10.6
Synthetic Turf Retrofit (rebates)	111	13.68	173	13.7
Water-Wise Residential Landscape Retrofit Program (rebates)	105	21.79	125	21.8
Subtotal	3290	211.3	28,097	1709.2
TOTALS	6384	395.9	52191	3501.2

TABLE II---MWD Public Agency Sector Rebate Program (February 2008 - Present)

Customer	Device Quantity	Award	Annual Water Savings (AFY)	Lifetime Water Savings (AF)
City of Ontario	72	\$445,340.02	93.8	956.9
Chino Valley Unified School District (Cities of Chino, Chino Hills, Ontario)	277	\$361,575.50	123.5	1260
Cucamonga School District	29	\$20,547.13	7.7	76.9
Central School District	32	\$31,619.94	11.9	119.3
Escondido School District	39	\$125,206.58	32.2	321.8
Chaffey Joint Union School District (City of Ontario, CVWD, MWD)	86	\$22,832.50	43.5	434.3
Monte Vista Water District	6	\$2,336.46	0.4	8.3
Alta Loma School District	22	\$36,538.62	16.7	166.7
City of Fontana	9	\$94,057.50	18.8	188.2
Upland Unified School District (Cities of Chino, Chino Hills, Ontario)	51	\$54,457.74	23.5	234.6
City of Chino Hills	302	\$897,425.00	189.5	1994.9
TOTALS	906	\$2,612,227	375.4	5,702

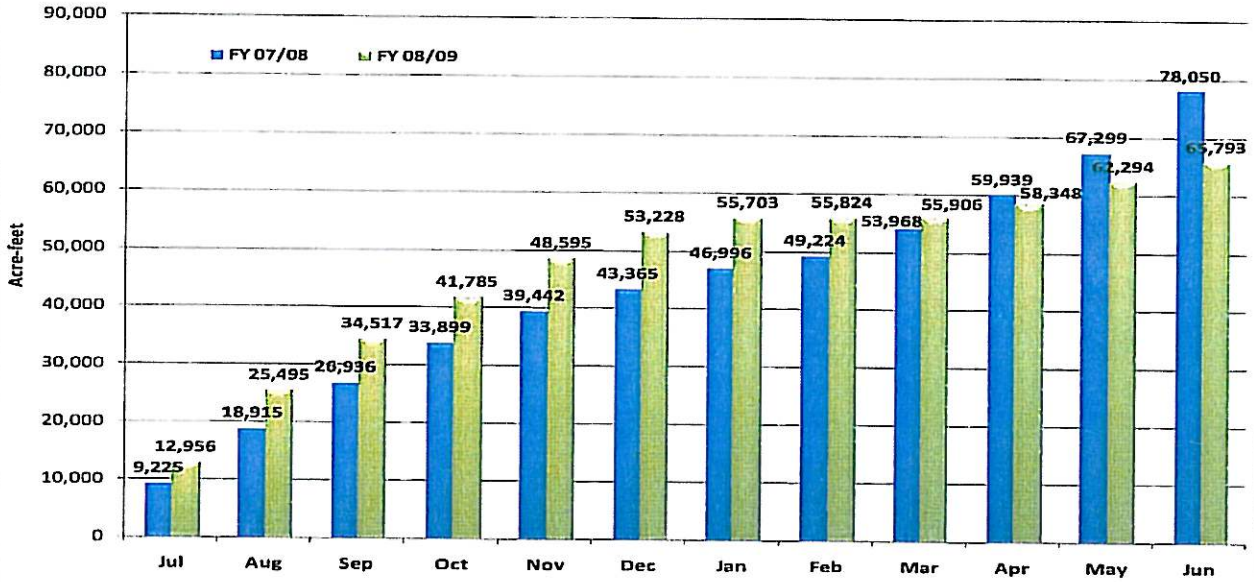
Calendar of Upcoming Events and Meetings

August 1, 2009	Volunteer Work Party, Chino Creek Wetlands and Educational Park, (8:30 am – 11:30 am)
August 5, 2009	IEUA Board Meeting (IEUA Board Room, 10:00 am)
August 11, 2009	IEUA Conservation Workgroup Meeting (CVWD, 9:00 am—11:30 am)
August 19, 2009	IEUA Board Meeting (IEUA Board Room, 10:00 am)
August 20, 2009	BIA/San Bernardino County Water Conference, Ontario Convention Center (Time TBD)
August 20, 2009	MWD Monthly WUE Meeting (MWD-LA, 9:30 am – 2:30 pm)
August 27, 2009	MWD Education Coordinator's Meeting @ MWD (9:00 am - 11:30 am)
September 26, 2009	Bird Festival, Chino Creek Wetlands and Educational Park (9:00 am—12:00 pm)
October 1, 2009	Project WET Workshop (CVWD, 9:00 am - 3:00 pm)
October 3, 2009	Volunteer Work Party and Herbarium Workshop, Chino Creek Wetlands and Educational Park/SAWA Interpretive Center (8:30 am—11:30 am)
October 24, 2009	Regional Water Fair (CBWCD, 9:00 am—2:00 pm)
October 26, 2009	Project Webfoot Workshop (IEUA Event Room, 9:00 am—3:00 pm)
November 18, 2009	Landscape Alliance Board Meeting (IEUA Board Room, 3:00 pm—4:00 pm)

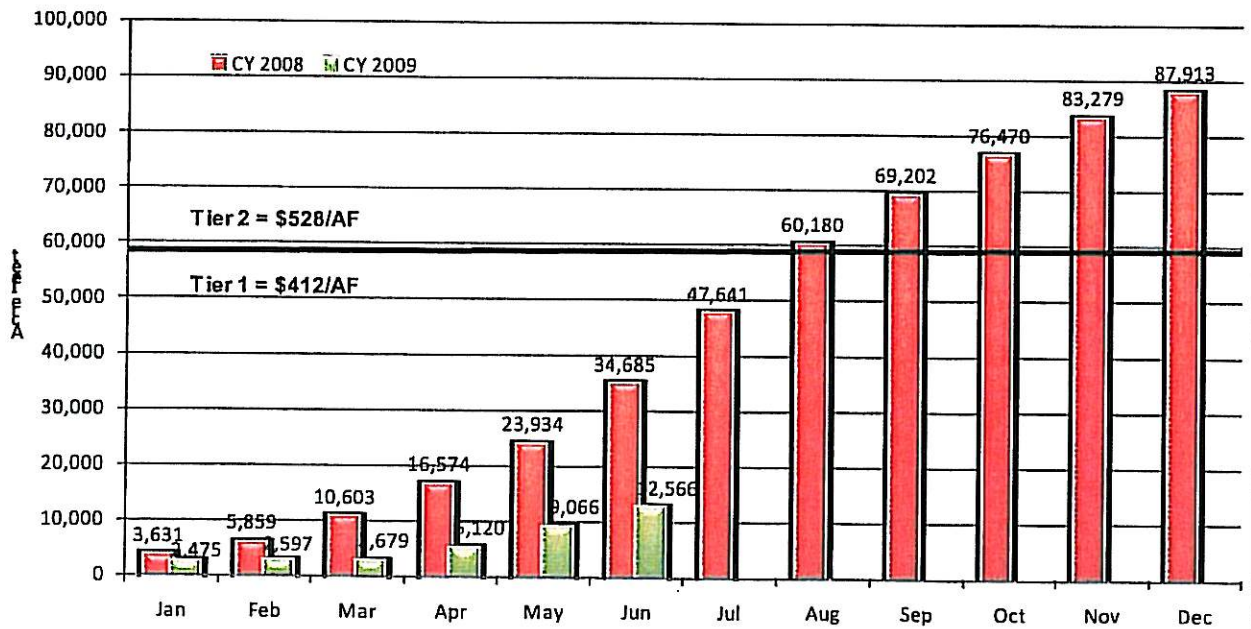


Imported Water Deliveries

IEUA Cumulative Full Service Imported Water Deliveries & Dry Year Yield

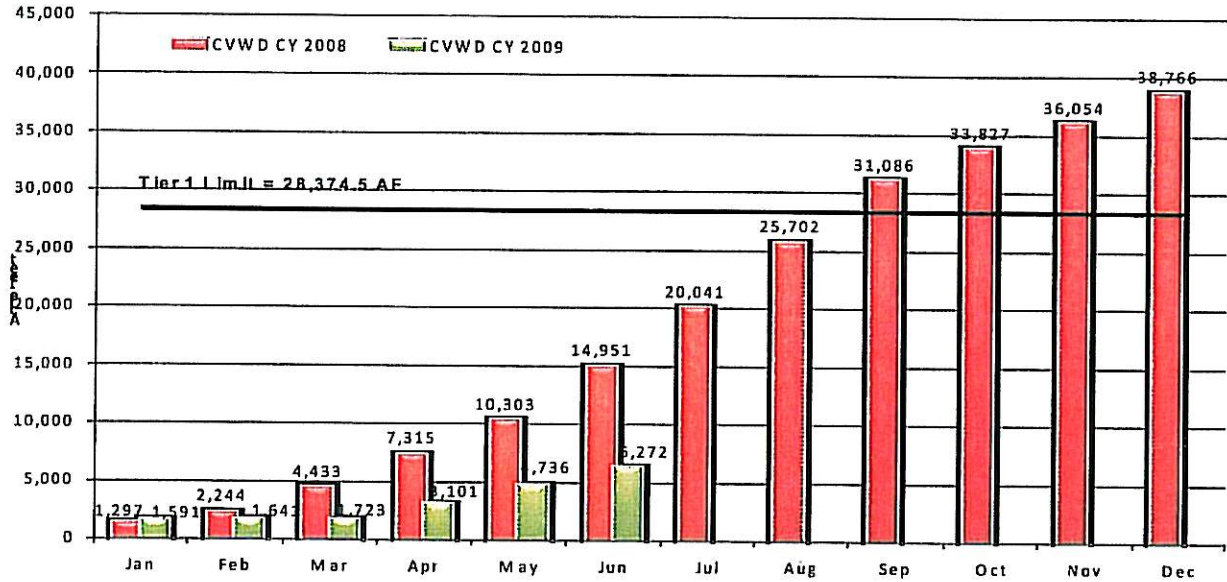


IEUA Cumulative Full Service Imported Water Deliveries & Dry Year Yield

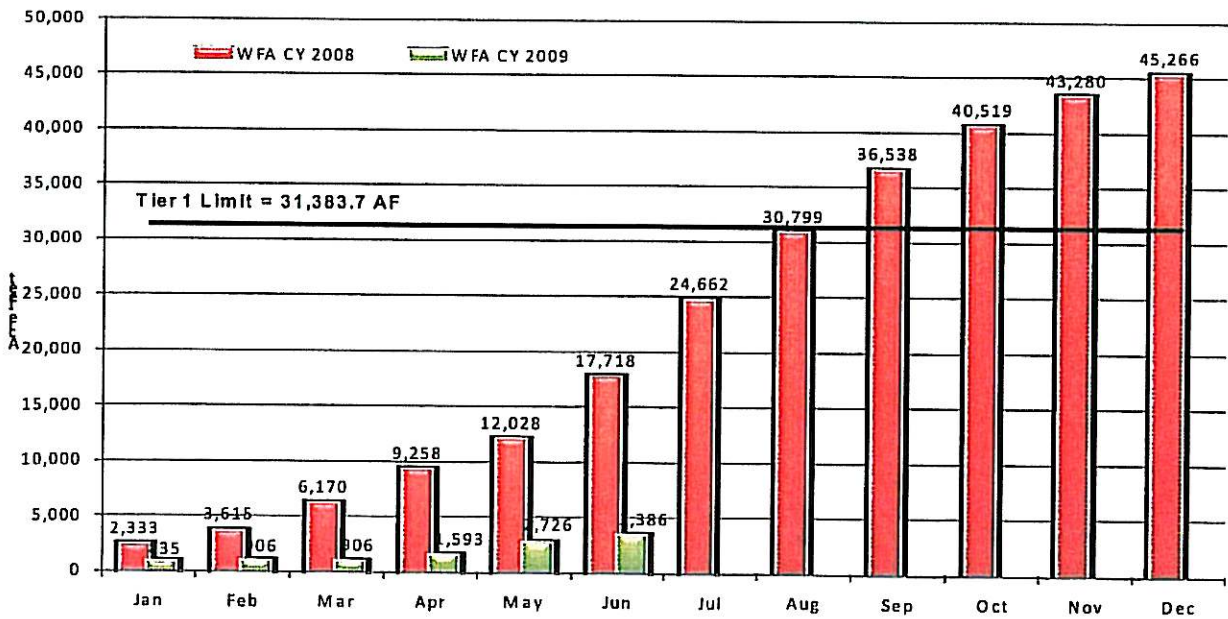


Imported Water Deliveries (Continued)

CVWD Cumulative Full Service Imported Water Deliveries & Dry Year Yield



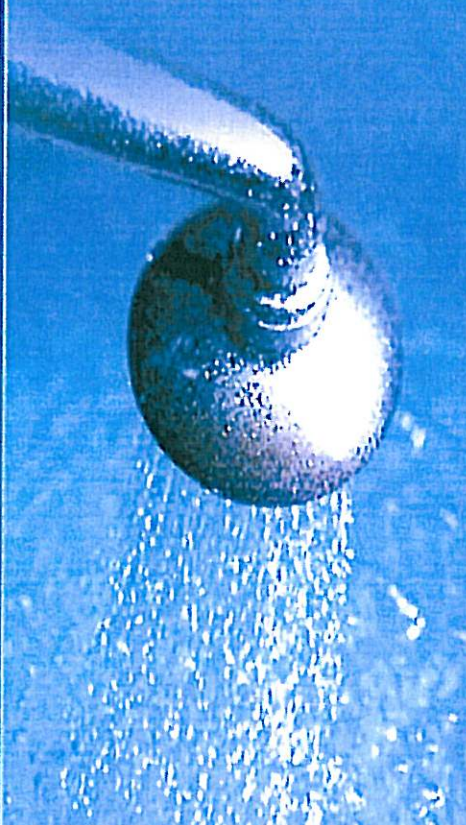
WFA Cumulative Full Service Imported Water Deliveries & Dry Year Yield



Summary of 2008 & 2009 Imported Water Purchases

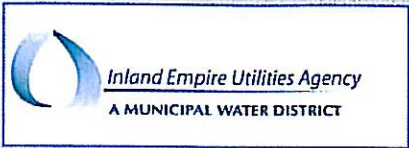
2008 Imported Water Sales	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Water Facilities Authority													
Direct Deliveries	2,333	1,282	2,555	3,088	1,332	1,682	2,730	3,450	2,913	2,836	1,444	1,060	26,705
Dry Year Yield					1,438	4,008	4,214	2,686	2,827	1,145	1,317	751	18,386
Sub-Total	2,333	1,282	2,555	3,088	2,770	5,690	6,944	6,136	5,740	3,981	2,761	1,811	45,091
Cucamonga Valley Water District													
Direct Deliveries	1,297	947	2,189	2,883	2,988	3,046	3,074	3,129	2,857	2,741	2,182	1,213	28,546
Dry Year Yield					1,603	2,016	2,532	2,527	0	44	1,499	1,131	11,352
Sub-Total	1,297	947	2,189	2,883	4,591	5,062	5,606	5,656	2,857	2,785	3,681	2,344	39,898
Fontana Water Company													
Direct Deliveries	0	0	0	0	0	15	406	747	426	501	369	303	2,767
Sub-Total	0	0	0	0	0	15	406	747	426	501	369	303	2,767
Inland Empire Utilities Agency													
Direct Deliveries	3,631	2,229	4,744	5,971	4,320	4,743	6,210	7,326	6,196	6,078	3,995	2,576	58,018
Dry Year Yield	0	0	0	0	3,041	6,024	6,746	5,213	2,827	1,189	2,816	1,882	29,737
TOTAL	3,631	2,229	4,744	5,971	7,360	10,767	12,956	12,539	9,023	7,267	6,811	4,458	87,756
2009 Imported Water Sales													
Water Facilities Authority													
Direct Deliveries	312	0	0	687	844	660							2,503
Dry Year Yield	522	71	0	0	0	289							882
Sub-Total	834	71	0	687	844	949	0	0	0	0	0	0	3,385
Cucamonga Valley Water District													
Direct Deliveries	1,591	50	82	1,378	1,635	1,535							6,271
Dry Year Yield	0	0	0	0	0	0							0
Sub-Total	1,591	50	82	1,378	1,635	1,535	0	0	0	0	0	0	6,271
Fontana Water Company													
Direct Deliveries	49	0	0	376	1,179	1,304							2,908
Sub-Total	49	0	0	376	1,179	1,304	0	0	0	0	0	0	2,908
Inland Empire Utilities Agency													
Direct Deliveries	1,952	50	82	2,441	3,658	3,499							11,682
Dry Year Yield	522	71	0	0	0	289							882
TOTAL	2,474	121	82	2,441	3,658	3,788	0	0	0	0	0	0	12,565

It's easy to conserve water inside your home! See how many of these you can do!



10 WAYS TO SAVE INDOORS

- 1** Turn off that water while you're brushing your teeth. A standard faucet uses an average of 2 gallons of water for every minute it's running.
- 2** Stop day-dreaming and cut that shower short! Standard shower heads are one of the biggest water consumers in your house.
- 3** Work out early and shower just once a day, instead of once in the morning and then again after an afternoon or evening gym session.
- 4** Wear those jeans or that sweater one extra time before washing! A typical top-loading washer uses about 40 gallons of water per load, so try and reduce your number of wash loads per week.
- 5** Fix those annoying leaky toilets and dripping faucets. It's worth the effort: a leak in a pipe the size of a dot could mean a loss of 360 gallons of water a day!
- 6** Replacing that wasteful shower head with a low-flow version can cut it's water consumption by as much as 50%!
- 7** And, together with replacing your standard faucet with an aerator version, your home's overall water consumption can be reduced by as much as 50%!
- 8** Install high-efficiency toilets in your home. Older 5.5 gallon per-flush-toilets use as much 13,000 gallons of water per year, while an ultra-low-flush (UTF) toilet uses only 1.6 gallons per flush.
- 9** Don't wash those dishes by hand! Using a water efficient dishwasher consumes only 6 gallons of water per load. Hand washing takes at least 8 gallons or more!
- 10** Take advantage of a free water evaluation for your home. Many local water agencies offer this service at no charge to help you identify where water waste may be occurring.



WATER RESOURCES & CONSERVATION PROGRAMS UPDATE

4TH QUARTER ACTIVITIES

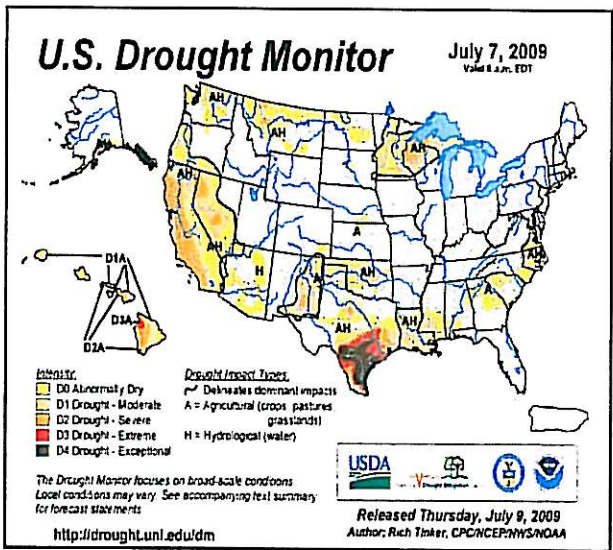
APRIL - JUNE 2009

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HIGHLIGHTS

- **Water Supply Conditions**
 - The California Department of Water Resources (DWR) issued a mid-year status report on the water supply conditions and drought impacts. May and June provided surprising levels of precipitation, but reservoirs will again be at historic lows at the end of the water year.
 - As of July 1, 2009, the accumulated statewide precipitation for the water year was 85% of average and total runoff was 65% of average.
- **Regional Drought Response**
 - July 1, 2009, triggered the start of the Metropolitan Water District (MWD) Water Supply Allocation Plan calling for initiation of Level 2 allocations, as a result of ongoing dry conditions and restrictions in State Water Project Pumping.
 - Public education about the drought is having a positive effect. MWD has reported that more than 80% of Southern California residents are aware of the drought and water supply situation. Awareness in the Spanish speaking communities has jumped from 25% to 51%.
 - Overall, during fiscal year 2008/2009 MWD imported water sales decreased by almost 6% (100,000 AF) compared to fiscal year 2007/2008.
 - IEUA is coordinating many outreach and public education efforts. The Inland Empire Landscape Alliance held a Pervious Concrete Conference on June 25th, which kicked off the application process for a pilot pervious concrete rebate program. Monthly educational workshops for landscape professionals and residents have continued to be held by Greenlee Nursery in conjunction with the Landscape Alliance. Some of the other conservation programs include the Landscape Audits, which completed 165 audits this quarter: Garden-in-Every School, which has 36 schools participating. Ontario



Cares, which has completed ten California-Friendly landscape site conversions, Water Education Water Awareness Committee, and many others (see page 8).

- Over the last six months, IEUA staff has worked closely with member agencies to assist them in achieving compliance with the new conservation ordinance that MWD is requiring. As of June 23, 2009, all IEUA member agencies fully comply with all MWD extraordinary conservation ordinance requirements.
- In addition to meeting MWD extraordinary conservation ordinance requirements, about half of the IEUA member agencies have implemented mandatory water use restrictions and activated their water supply shortage contingency plans (Water Reduction Stages) pursuant to the Urban Water Management Planning Act (Section 10632). Under this Act, all urban water suppliers that serve more than 3,000 customers are required to develop an urban water shortage contingency analysis (Plan) that addresses water supply shortages, including up to a 50% reduction in water supply.

▪ **Recycled Water Program**

At the end of fiscal year 2008-09, IEUA had connected customers with a total demand of 27,034 AFY recycled water. We anticipate on connecting another potential 11,640 AFY within the next 30 to 90 days, increasing the total connected demand to over 38,000 AFY, and expect to surpass the fiscal year goals of 36,000 AFY for FY 09/10. Following are some of the upcoming priority customers.

Name	City	Demand (AFY)	Estimated Completion Date
Vellano Golf Course	Chino Hills	1,000	August 2009
Cal Poly, CIM – North Connection	Chino	2,000	September 2009
Lee Farm on Schaefer Ave	Ontario	2,000	August 2009
Lee Farm on Whispering Lakes Lane	Ontario	2,000	July 2009
Lee Farm on Edison Ave at vineyard Ave	Ontario	2,000	October 2009
Lee Farm on Chino Ave at County Rd	Ontario	2,000	October 2009
Kellogg on Schaefer Ave	Ontario	200	August 2009
Bellevue Cemetery	Ontario	220	August 2009
Guasti Park	Ontario	220	August 2009
Total Demand		11,640	

▪ **Chino Desalter**

This fiscal year, the two desalters have produced 25,678.6 AF of water (of which 13,752.5 AF was delivered to IEUA retail agencies). The current production capacity is 24,600 AFY, and it is scheduled to be expanded to approximately 40,000 AFY by 2012, with the implementation of CDA Phase III. The development of a Phase III Chino Desalter expansion plan and application to MWD for Local Resources Program funding is under discussion. MWD is currently funding \$4.5 million of the Phase 2 improvements.

▪ **DYY Expansion Program**

In early July, Chino Basin Watermaster took the lead in presenting the new draft terms and deal points (developed by participating agencies) to MWD, who is currently reviewing the draft term sheet. A one year extension, on completing an amended agreement to expand the Dry Year Yield Program with MWD by September 2009, has been verbally agreed upon by MWD and the participating agencies. Getting approval

from MWD for this extension is vital for the Chino Desalter Authority to continue to receive \$4.5 million annual Local Resource Program rebate (25 years or \$112.5 million).

▪ **MWD Conservation Grant Program (ECP/ICP)**

Effective May 1, 2009, MWD placed all Conservation Programs on hold due to a substantial budget deficit. Subsequently, it was determined by staff in June that the FY 2009-10 Enhanced Conservation Grant Program would not be funded. IEUA submitted three grant proposals on behalf of member agencies on March 16, 2009.

▪ **MWD Model Conservation Ordinance Requirement**

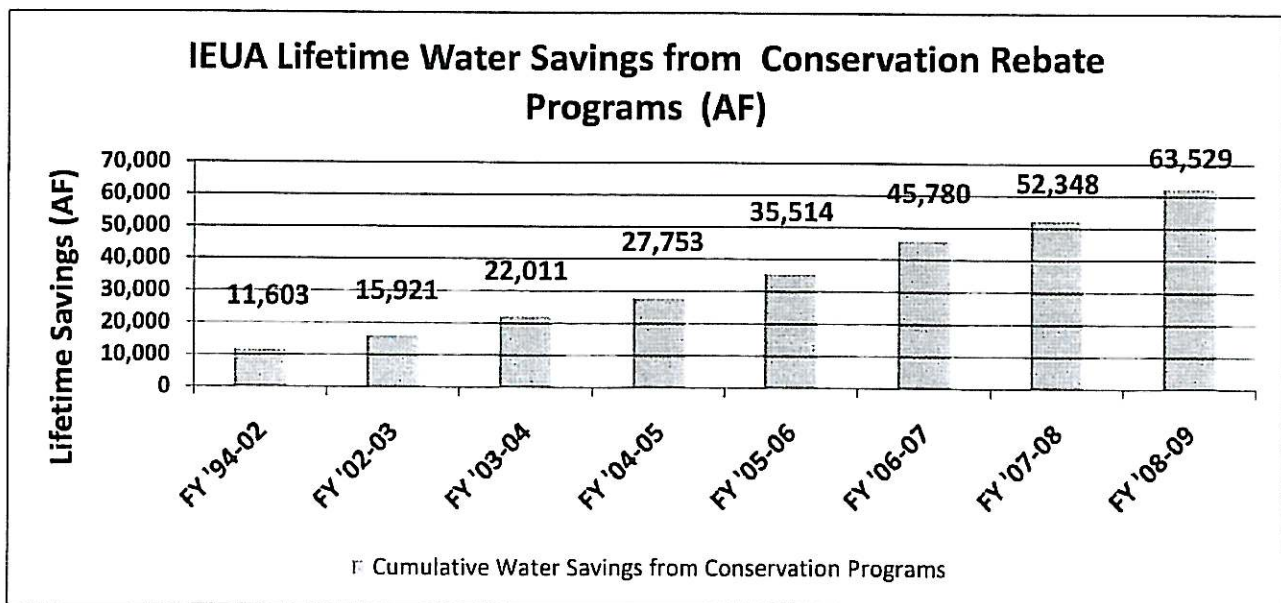
On April 16, 2009, IEUA received confirmation from MWD that all IEUA member agencies satisfied the prerequisite requirements for eligibility of funding under their extraordinary conservation programs. On January 13, 2009, Metropolitan's Board authorized ordinance implementation criteria as a prerequisite to participation in their Phase II Public Sector Program, Turf Removal Pilot Program, and MWD Enhanced Conservation Grant Program.

▪ **MWD Conservation Programs and Budget**

On May 19, 2009, MWD staff convened a special Program Advisory Meeting with member agencies to review the existing conservation budget and program issues. They identified a backlog for all programs of \$24 million. At the July 14, 2009 MWD Board Meeting, the Board took action and approved \$14.2 million to pay for FY 2008-09 backlogged customer applications and \$19.1 million for the FY 2009-10 budget to fund new conservation program activities.

▪ **Water Savings Due to Rebates and Incentives**

As illustrated in the IEUA Lifetime Savings graph, the expected cumulative water savings over the lifetime of water conservation devices that have been applied in the service area has increased to 63,529 acre feet.



- **California's Imported Water Deliveries Limited by Drought and Delta Restrictions**

The California Department of Water Resources (DWR) is currently evaluating the environmental impacts of the Bay Delta Conservation Plan (BDCP). The BDCP's purpose is to provide for the conservation of at-risk species in the Delta and improve its reliability as the hub of the state's water system. A joint Environmental Impact Report (EIR)/Environmental Impact Statement (EIS) for BDCP is being prepared. DWR will serve as the lead agency under the California Environmental Quality Act (CEQA) and will work in cooperation with the federal lead and co-lead agencies: the U.S. Bureau of Reclamation, the National Marine Fishery Service and the U.S. Fish and Wildlife Service. The draft EIR/EIS is expected to be ready for public review and comment by late 2009/early 2010. DWR will host public meetings throughout the environmental review process.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA ACTIVITIES

- **MWD Water Deliveries**

For the first six months of calendar year 2009, IEUA has purchased 12,566 AF (21%) of its Tier 1 limit of 59,752 AF. (See attached graphs).

- **DYY Implementation**

The second "call" year for the DYY Program began in May and IEUA retail agencies have certified 288.84 AF (1% of IEUA's obligation of 31,000 AF). The first "call" year has been completed with DYY participants certifying they pumped 30,509 AF (99% of IEUA's obligation of 31,000 AF) from the groundwater storage account. MWD imported water deliveries were reduced by 30,589 AF (99% of IEUA's obligation of 31,000 AF).

- **MWD Integrated Water Resources Plan (IRP)**

Metropolitan's Integrated Resources Plan (IRP) is a comprehensive water plan for the region. The 2009 Update of the IRP is still scheduled to be complete by the end of calendar year 2009. The IRP oversight committee received recommendations from several of the technical workgroups that had completed drafts of their issue papers. The common trend among all the technical workgroup recommendations was to have MWD coordinate regional efforts. This coincided well with the IRP-SIM modeling goal of finding a mix of water resources that is robust enough to cover the uncertainties that our region is currently facing (climate change, drought, Delta issues, etc.). A new issue this year is urban stormwater management and the benefits of low impact development. The stormwater issue paper is expected to highlight the need for better interagency coordination in order to do a much better job of capturing stormwater and using it to augment our local water supplies.

STATE ACTIVITIES

- **Budget Crisis Stalls Infrastructure Project Funding**

A December 18, 2009 letter from the State Department of Finance says all disbursements from the state's Pooled Money Investment Account (AB55 loans) are being frozen to preserve cash needed for day-to-day operation of state government. The freeze will continue until the budget crisis is resolved. In addition, the State Water Resources Control Board issued a notice saying invoices for all projects funded by Proposition 13, 40, 50, and 84 are being put on hold pending further notice. No new grant agreements will be signed until action is taken on the budget.

- **AB 1420 Compliance**

On June 1, 2009, DWR released final compliance documents for AB 1420 and scheduled several public workshops that included one held at IEUA. Many months were spent working with DWR and the California Urban Water Conservation Council (CUWCC) to align AB 1420 with the newly revised Best Management Practices (BMPs) adopted by the members in December 2008. As a result, AB 1420 requirements are now in-line with the new BMPs. Since April, IEUA staff and member agencies have been developing an Interim Water Use Efficiency Business Plan that will address one-year regional goals and evaluate current compliance with AB 1420 requirements. A “draft” plan is expected to be completed in August 2009 for presentation to the IEUA Board.

- **California Urban Water Conservation Council “BMP” Revisions**

At the June Plenary meeting, council members voted to approve the addition of a third compliance option to that will be included in Exhibit 1 of the revised MOU. The completion of the gallons per capita day (GPCD) option is part of the BMP Revision process conducted in 2008 which committed the Council to include three compliance options for the next decade, which include the Traditional BMP Implementation; Flex Track Implementation; and the GPCD Compliance Option. This third option is one of three that a Council member may choose to report. The goal is to measure potable water savings on a per capita basis for all conservation efforts, both programmatic and foundational.

- **Climate Change/AB 32 Implementation**

California Air Resources Board (CARB) staff is continuing to implement the AB 32 Scoping Plan, including developing the elements of a cap and trade program. In May, Cal/EPA Secretary Linda Adams and CARB Chairman Mary Nichols announced the formation of a 16-member Economic and Allocation Advisory Committee to advise on shaping a market-based compliance system. The proposed cap and trade system would cover 85% of California’s largest emission sources, including electricity generation, large industrial sources, transportation fuels, and residential and commercial use of natural gas, and is expected to have significant implications for the costs and benefits to consumers and businesses.

IEUA is participating in the California Wastewater Climate Change Group (CWCCG), a coalition of forty agencies that represents the wastewater industry. CARB held a workshop on 4/10/09 to address biomass issues in a cap and trade program.

On June 17, 2009, the State Water Resources Control Board held a workshop on implementing the AB 32 Scoping Plan element (Measure W-3) that deals with reuse of urban stormwater runoff. A series of presentations showcased the aggressive efforts of several southern California communities to identify and exploit opportunities to capture, infiltrate, and reuse urban runoff to augment groundwater supplies. One of the presentations was a case study of the potential benefits of stormwater runoff reuse in the Chino Basin.

- **Stormwater Management Legislation**

Several stormwater management bills were introduced and began making their way through the legislature. Two notable bills with potential implications for public agencies included:

- **SB 310 (Ducheny) Water Quality, Stormwater and Other Runoff**—authorizes a city, county or special district that is a co-permittee under a municipal stormwater permit to develop a watershed improvement plan with the participation of the Regional Water Quality Control Board and to impose fees to pay for the costs of the plan and its implementation.

- **SB 790 (Pavley) Watershed, Clean Beaches, and Water Quality Act**—authorizes the State Water Resources Control Board to award grants to public agencies and non-profit organizations to protect water quality of coastal waters, bays, and estuaries; also for projects to implement or promote Low Impact Development, that will improve water quality or reduce storm runoff. Authorizes a city, county, or special district to adopt a stormwater management plan.

REGIONAL PLANNING ACTIVITIES

▪ **Pervious Concrete Workshop and Grant**

On June 25th, the Inland Empire Utilities Agency and the Partnership of Southern California Concrete Producers held a half day workshop to discuss the potential for pervious concrete to encourage groundwater infiltration and manage stormwater runoff. Featured speakers included David Akers of the California Nevada Cement Association, Matt Yeager, Stormwater Program Manager from the County of San Bernardino, and Dr. Suzanne Dallman from Cal State Long Beach. The workshop also included a demonstration of water draining rapidly through pervious concrete pavement at the newly installed pervious concrete demonstration parking spaces by the Santa Ana Watershed Association's headquarters in the Chino Creek Wetland and Education Park.

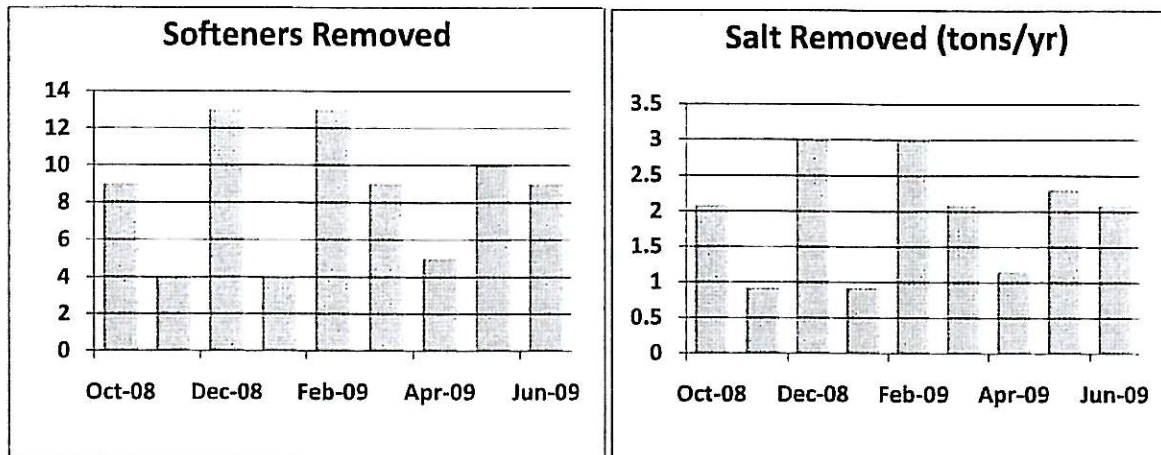
The Pervious Concrete workshop also marked the opening of the Pilot Pervious Concrete Rebate Program. IEUA, through a grant from MWD, is seeking 2-5 projects within IEUA's service area to explore the feasibility of Pervious Concrete Rebate Program for projects that enhance groundwater infiltration. Projects will be selected by August for installation during fall 2009. Projects will be monitored for one year to gather data on the amount of infiltration occurring at various sites.

▪ **Building Activity Report & Growth Forecast**

As expected, the downturn in the state's economy had a significant impact on building activity within IEUA's service area. For fiscal year 2008/09, there were only 1,300 EDUs reported, only generating \$5.8 million for the Regional Capital Fund. This is only a third of IEUA's conservative estimate of 3,350 EDUs (\$16 million) that was in the budget. IEUA retail agency FY 2008/09's Ten-Year Growth Forecasts show just over 60,000 EDUs being added to the system. For the next 3-4 years the forecasts trend around 3,000 to 4,000 EDU's. The latter years of the Ten-Year Growth Forecast shows trends closer to what was seen in the early 2000's.

▪ **Pilot Automatic Water Softener Removal Rebate Program Update**

The Water Softener Rebate Program, which was launched by IEUA's Pretreatment Program in September 2008, has removed 76 automatic water softeners (AWS) and 17 tons of salt (per year). IEUA received 143 inquires about the program in response to television, radio, and newspaper advertising. In May and June, IEUA advertised the program through water bill inserts.



▪ **Chino Basin Groundwater Recharge Master Plan Update**

During a 16-month period (March 2009 – June 2010), a total of eleven Chino Basin Groundwater Recharge Master Plan workshops are scheduled. These workshops are intended to serve as a forum for the Watermaster to present and facilitate public discussion of Groundwater Recharge Master Plan draft Technical Memorandum, as they become available. The final version of each Technical Memorandum will be incorporated into the appropriate section of the Groundwater Recharge Master Plan.

Through June 2009, there have been three draft Technical Memorandums prepared and presented: 1) “2010 Recharge Master Plan Update Technical Memorandum – Task 3 Planning Criteria,” 2) “2010 Recharge Master Plan Update Technical Memorandum – Task 5 Replenishment Projections, Task 7.1 Supplemental Water Recharge Capacity” and, 3) “2010 Recharge Master Plan Update Technical Memorandum – Task 7.1 Supplemental Water Recharge Capacity.” IEUA has prepared and submitted written comments to Watermaster in connection with the Technical Memoranda.

Watermaster is required, pursuant to the Peace II Agreement and the December 21, 2007 Court Order approving the Peace II Agreement, to prepare an update of the Chino Basin Groundwater Recharge Master Plan by July 2010. The Plan will address the challenges attributable to projected changes in project demands, Basin Re-operation, declines in Safe Yield, and opportunities for new sources of recharge including improvements to existing facilities and development and/or enhancement of supplemental recharge (including recycled water, storm water, new wells and low impact development strategies).

▪ **Regulatory Compliance Developments**

Section 404 permits were received from the U.S. Army Corps of Engineers on 6/30/09 for the operation and maintenance of 25 groundwater recharge basins in the Chino Basin Facilities Improvement Program. A Section 401 application was submitted to the Regional Board on 6/15/09 for the 25 recharge basins for a long-term operation and maintenance permit. The 401 certification is expected in August 2009. An application was submitted to the Department of Fish and Game on July 14, 2009 for jurisdictional determination and renewal of permits to perform O&M on the recharge basins.

▪ **Final Statewide General Permit Issued for Landscape Irrigation Uses of Municipal Recycled Water**

On July 7, 2009, the State Water Resources Control Board adopted the general permit. Comments had been submitted by IEUA, WaterReuse Association, and others on the June 18th draft asking for changes in the draft permit language to allow successful reuse programs to continue without adding procedures that would not provide additional public health protection. The General Permit was adopted with minor changes.

- **Planning Model Updates**

The Modeling Team performed several model runs on wastewater routing alternatives and presented recommendations to staff on the future use of the Montclair Diversion and Whispering Lakes Pump Station. In January, the Optimization Model received an Engineering Research Achievement Award from the California Water Environment Association.

WATER CONSERVATION ACTIVITIES

- **Evolving Water Conservation Legislation**

IEUA is working directly with stakeholders and the legislature on shaping the framework for proposed water conservation bills. There are currently three water conservation bills pending (AB 49, SB 261, SB 460) which lay out different approaches to achieve a 20% reduction in urban per capita water use in California by 2020 (consistent with the Governor's call for 20% by 2020). The legislature will incorporate a conservation bill into the proposed Delta Package, which a special legislative conference committee is expected to take up in mid-August. AB 49 has been selected as the conservation vehicle, but the bill will be gutted and compromise language, which is expected to incorporate elements of all three bills, is being developed.

- **Inland Empire Landscape Alliance**

- The Department of Water Resources' (DWR) was requested to make an endorsement of the equivalency of the Regional Model Chino Basin Water Efficient Landscape Ordinance. DWR will not complete its review of the Landscape Alliance's Model Ordinance until their own model ordinance is adopted. DWR's ordinance was rejected by the Office of Administrative Law due to a lack of clarity in several sections and was re-opened for another 15-day comment period. However, DWR still intends to enforce the requirements of AB 1881 to have local ordinances in place by January 1st of 2010.
- A Pervious Concrete Conference, which kicked off the application process for a pilot pervious concrete rebate, took place on June 25th at IEUA. Monthly educational workshops for landscape professionals and residents have continued to be held by Greenlee Nursery in conjunction with the Landscape Alliance.

- **Phase III Landscape Audit Program**

CBWCD has completed 165 landscape audits with a potential savings of 993 acre feet per year since the program began in January 2009. There are currently 3 sites scheduled to be audited and 15 sites pending to be scheduled. Presently there are 150 Release Forms waiting to be returned and processed. CBWCD hosted many MWD California Friendly Landscape Training Class-series over the last quarter that included education and materials for both residential and professional customers.

- **Garden In Every School**

A total of 36 schools have participated in the program to date. All of the gardens from the FY 08/09 Program, with the exception of Anna Borba in Chino, are complete. Dedications will occur during the fall, once school is back in session. District staff from Anna Borba have informed program staff that the school may be relocating across the street, therefore the installation at Anna Borba is on hold until further notice. Program staff have met with the four applicants for the FY 09/10 Program. The schools which will receive the garden grants are Stork Elementary, Alta Loma; Baldy View Elementary, Upland; Cattle Elementary, Chino; and Mariposa Elementary, Ontario. Sites for the gardens have been identified and installations will begin this summer and continue through the fall.

▪ **Ontario Cares Program**

To date, ten California-Friendly site conversions have been completed, with fourteen sites in some stage of conversion. The Program is expected to be completed in September 2009. The Ontario CARES Project was selected for presentation by the organizers of Water Smart Innovations Conference for presentation in October 2009. Staff from the City of Ontario, Dudek & Associates and IEUA will be preparing and presenting the project at the conference.

▪ **Residential Rebate Program**

The Residential Rebate Program began in FY 02/03. On July 1, 2008, the program was transitioned to an MWD region-wide vendor, SoCal WaterSmart. The following is a list of residential rebate activity for FY 08/09 thru June 2009:

<i>Device Name</i>	<i># of Rebates Issued</i>	<i>Cumulative Total # Installed Since FY 02/03</i>
Ultra Low-Flush and High Efficiency Toilets	1,814	13,883
High-Efficiency Clothes Washers	1218	10,860
Weather-Based Irrigation Controllers	15	404
Rotating Nozzles for Pop-Up Spray Heads	27	2,652 (nozzles)
Synthetic Turf Retrofit	111	97,743 sf
Water-Wise Residential Landscape Retrofit Program	105	155,614 sf

▪ **Water Wise Residential Landscape Program**

A total of 125 conversions have been completed, with the cumulative area of landscape retrofitted since program inception being 155,614 sq. ft. This represents an annual water savings of 21.8 AFY. The initiation of this pilot program was completed on December 31, 2008. Currently, the remaining 15 applicants have completed their landscape conversions and rebates will be issued in July, bringing the program to closure. MWD was awarded a \$1 million dollar grant in August 2008, but due to the State budget crisis, grant funds haven't been available. The program may resume in FY 10/11 as an MWD turf replacement program.

▪ **CII Save-A-Buck**

For fiscal year 08/09, to date there have been 1,185 devices rebated. From program inception (FY 00/01) to date, a total of 7,840 devices have been rebated, representing a lifetime savings of almost 20,246 AF.

▪ **MWD Public Agency Sector Rebate Program**

Total MWD funding received by public agencies within the IEUA service area has been \$2,612,227. Overall, 906 devices have been funded, representing an annual water savings of 575 acre-feet per year, or a savings of 5,702 acre feet over the lifetime of the devices.

▪ **Multi-Family Direct Installation Program**

The Multi-Family Direct Installation Program has been on hold since January 2009 due to the State budget crisis and suspension of bond funding. There has been not word to date from DWR as to when the suspension will be lifted and the bond funds available. The Multi-Family Direct Installation Program began in October 2006 through a funding partnership with DWR, MWD and IEUA. To date, 16,027 toilet retrofits have been completed.

▪ **National Theatre For Children (NTC)**

The National Theatre for Children's Program "Showdown at Dry Gulch" did an excellent job of reaching out to IEUA's member agencies and advancing water awareness education. From November 3, 2008 through June 5, 2009, NTC reached a reported 51,285 students, plus teachers, and parents through live theatre entertainment, student curriculum, and teacher guides to 50 elementary schools. IEUA staff is working on the NTC contract renewal for the FY 09/10 school year and will be submitting the amendment to the IEUA Board in July 2009.

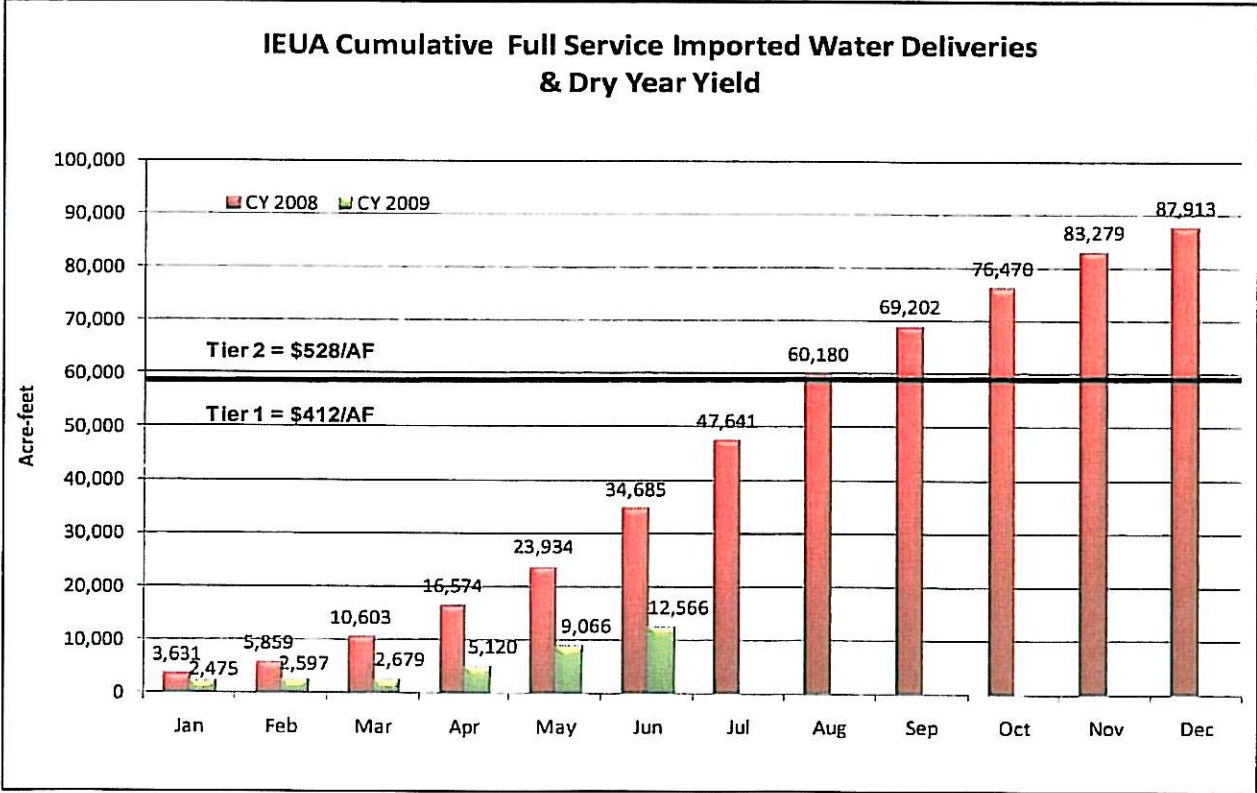
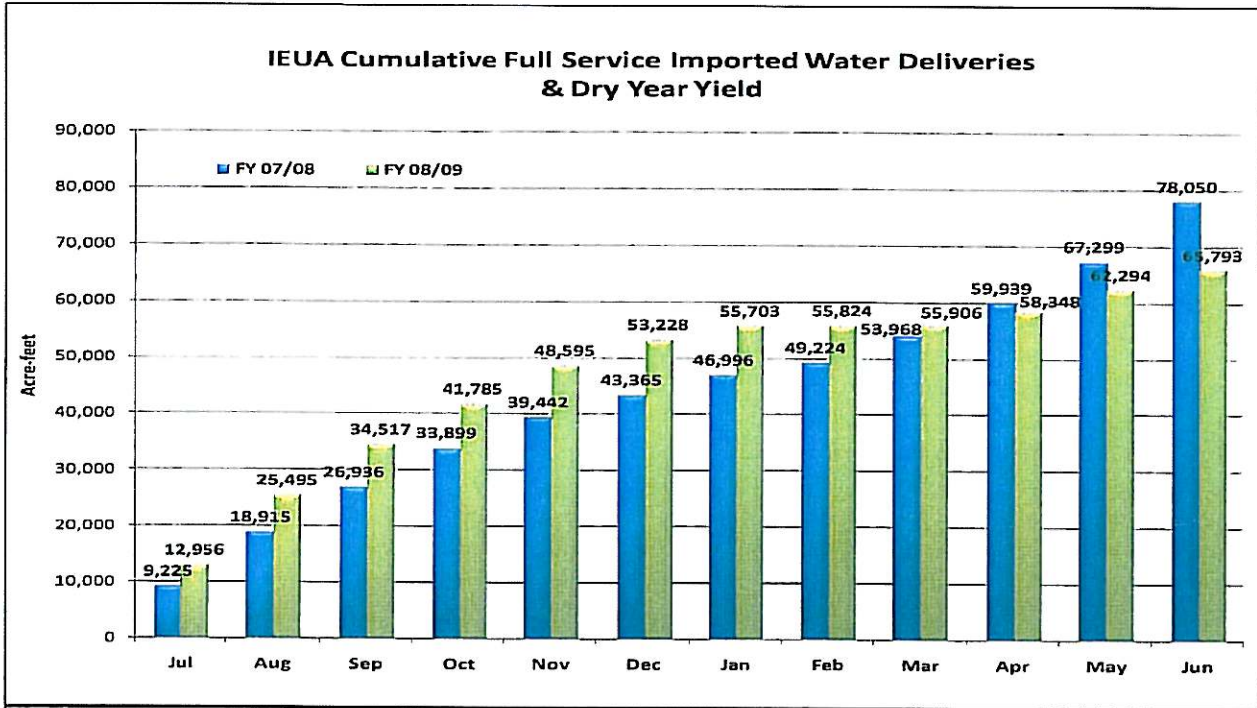
▪ **Water Education Water Awareness Committee (WEWAC)**

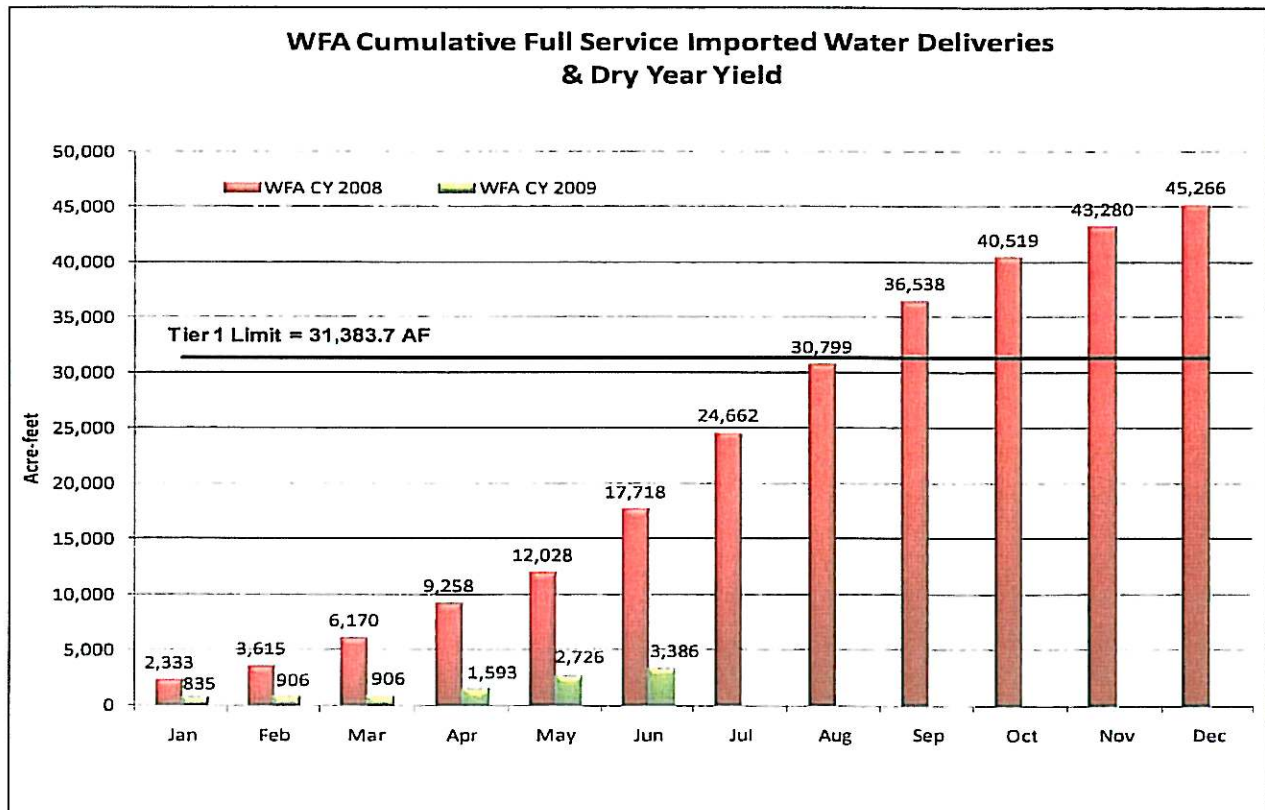
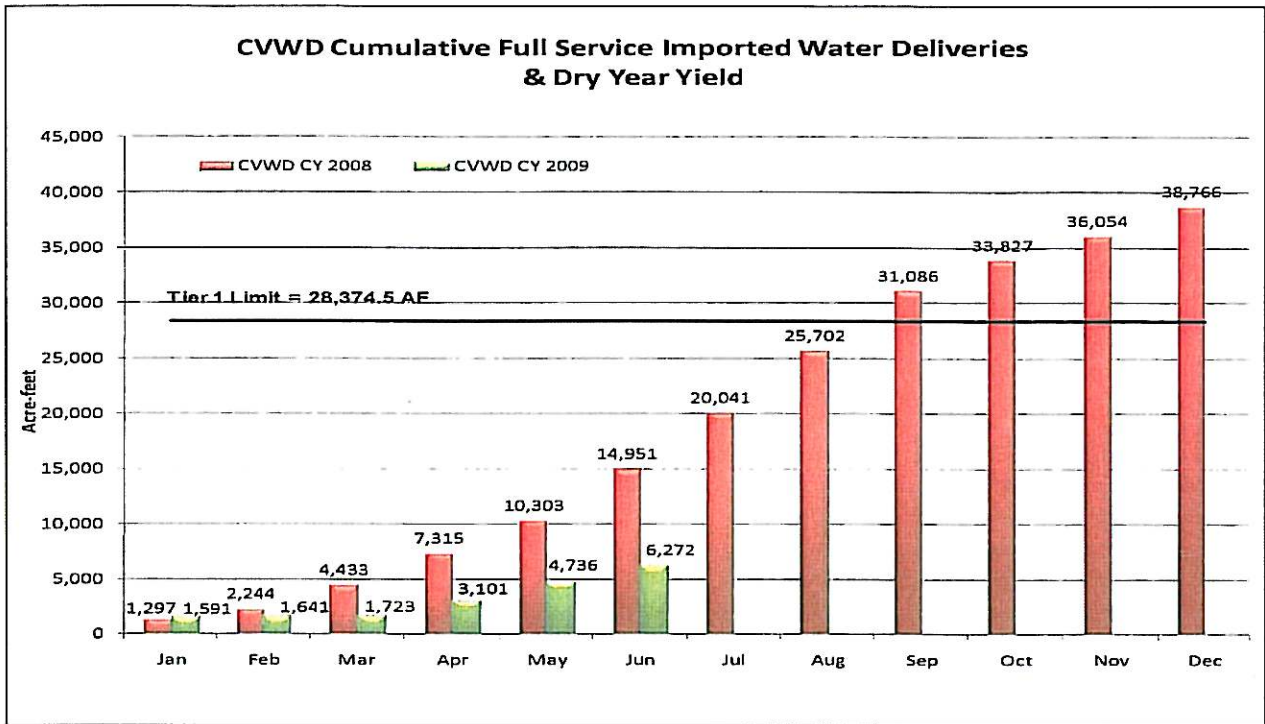
The WEWAC Committee completed the Public Service Announcement Contest. Chino Hills High School received first place, Bonita High School received second place and Nogales High School received third place. Claremont High School and Pomona High School received honorable mention. The EduGrant program was completed with teacher's activity evaluations being completed as well.

▪ **MWD Education Coordinator's Committee**

Solar Cup 2009 was a success in which 33 schools participated. Three schools from IEUA's service area participated: Upland High School (21st place), Rancho Cucamonga High School (17th place) and Ayala High School (26th place). MWD's educational website is being formatted and should be up and running by August 2009. IEUA hosted MWD's Traveling Art Show of which two winners were from IEUA's service area: Monte Vista Water District and Cucamonga Valley Water District.

ATTACHMENT: IMPORTED WATER DELIVERIES



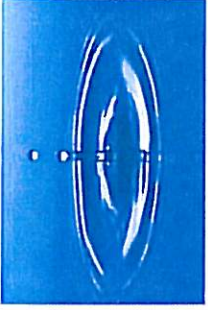


SUMMARY OF 2008 & 2009 IMPORTED WATER PURCHASES

2008 Imported Water Sales		January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Water Facilities Authority		2,333	1,282	2,555	3,088	1,332	1,682	2,730	3,450	2,913	2,836	1,444	1,060	26,705
Direct Deliveries														
Dry Year Yield														
Sub-Total		2,333	1,282	2,555	3,088	2,770	5,690	6,944	6,136	5,740	3,981	2,761	1,811	45,091
Cucamonga Valley Water District		1,297	947	2,189	2,883	2,988	3,046	3,074	3,129	2,857	2,741	2,182	1,213	28,546
Direct Deliveries														
Dry Year Yield														
Sub-Total		1,297	947	2,189	2,883	4,591	5,062	5,606	5,656	2,857	2,785	3,681	2,344	39,898
Fontana Water Company		0	0	0	0	0	15	406	747	426	501	369	303	2,767
Direct Deliveries														
Sub-Total		0	0	0	0	0	15	406	747	426	501	369	303	2,767
Inland Empire Utilities Agency		3,631	2,229	4,744	5,971	4,320	4,743	6,210	7,326	6,196	6,078	3,995	2,576	58,018
Direct Deliveries														
Dry Year Yield														
TOTAL		3,631	2,229	4,744	5,971	7,360	10,767	12,956	12,539	9,023	7,267	6,811	4,458	87,756

2009 Imported Water Sales		January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Water Facilities Authority		312	0	0	687	844	660	0	0	0	0	0	0	2,503
Direct Deliveries														
Dry Year Yield														
Sub-Total		312	0	0	687	844	660	0	0	0	0	0	0	882
Cucamonga Valley Water District		1,591	50	82	1,378	1,635	1,535	0	0	0	0	0	0	6,271
Direct Deliveries														
Dry Year Yield														
Sub-Total		1,591	50	82	1,378	1,635	1,535	0	0	0	0	0	0	6,271
Fontana Water Company		49	0	0	376	1,179	1,304	0	0	0	0	0	0	2,908
Direct Deliveries														
Sub-Total		49	0	0	376	1,179	1,304	0	0	0	0	0	0	2,908
Inland Empire Utilities Agency		1,952	50	82	2,441	3,658	3,499	0	0	0	0	0	0	11,682
Direct Deliveries														
Dry Year Yield														
TOTAL		2,474	121	82	2,441	3,658	3,788	0	0	0	0	0	0	12,565

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IEUA Monthly Water Use Report – August 2009

The purpose of this report is to track IEUA and its member agencies water use on a monthly basis. Over the next 12 months, tracking water use will be essential to complying with the Drought Allocation Plan, Dry Year Yield Program and Tier I/Tier II limit.

Below is a summary of current water use and programs that IEUA and its member agencies are participating in. Attached are several tables and graphs representing overall water use and imported water purchases.

OVERALL WATER USE DOWN 10%!!!

Imported Water Deliveries

For the month of July, IEUA purchased 20,326 acre feet (AF) of Tier I water (including 15,522 AF of DYY certifications), increasing the cumulative total for the calendar year to 32,891 AF. This is 55% of IEUA's Tier I allocation of 59,792 AF.

Dry Year Yield (DYY) Program

Anticipating the MWD Water Supply Allocation Plan (WSAP) and IEUA's Drought Plan taking effect on July 1, 2009, the IEUA Dry Year Yield (DYY) participants successfully pumped and certified 15,522 AF from the MWD groundwater storage account in May and June. Each acre-foot pumped and certified by DYY participants during those two months equates to an extra acre-foot of direct deliveries during the drought allocation period (July 1 – June 30). They have certified a total of 15,811AF (54% of IEUA's obligation of 31,000 AF).

Recycled Water Program

During the month of June, IEUA sold 2,409 AF (1,286 AF = direct sales, 293 AF = recharge, 830 AF = plant use). As of July 2009, IEUA has connected 27,612 AF of recycled water demand. IEUA is implementing a 3-Year Business Plan that will increase recycled water connected capacity to 50,000 AFY by 2010.

Chino Desalter Authority (CDA)

For the month of July, the two desalters produced 2,067 AF of water (of which 1,198 AF was delivered to IEUA retail agencies). The current production capacity is 24,600 AFY, and it is scheduled to be expanded to approximately 40,000 AFY by 2012, with the implementation of CDA Phase III.

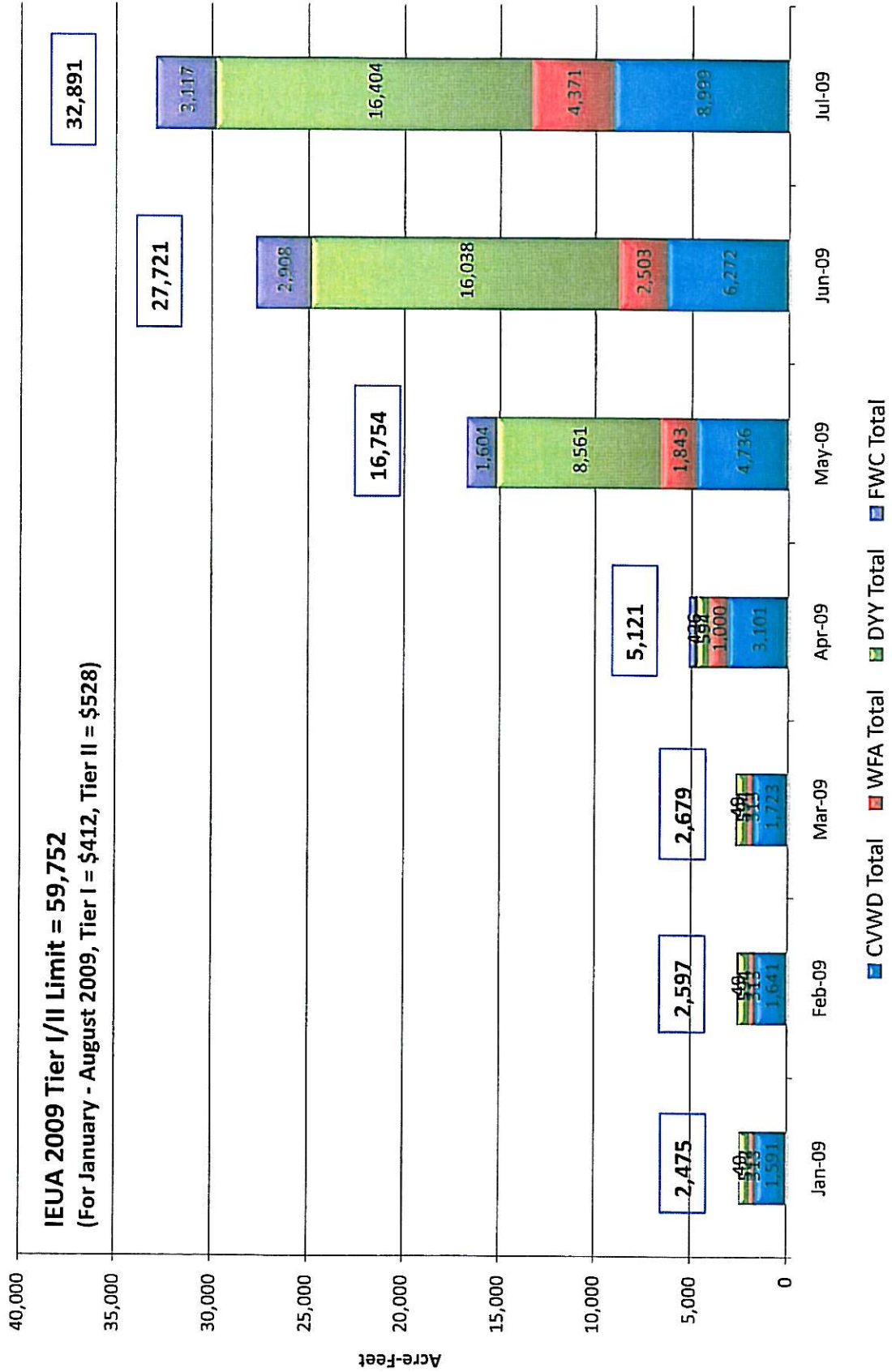
Attachments

- Attachment 1 – IEUA Calendar Year 2009 Full Service Deliveries, Including DYY (Graph)
- Attachment 2 – IEUA Cumulative Full Service Imported Water Deliveries & Dry Year Yield (Graph)
- Attachment 3 – IEUA Cumulative Full Service Imported Water Deliveries & Dry Year Yield (Graph)
- Attachment 4 – WFA Cumulative Full Service Imported Water Deliveries & Dry Year Yield (Graph)
- Attachment 5 – WFA 2009 Imported Water Deliveries (Graph)
- Attachment 6 – CVWD Cumulative Full Service Imported Water Deliveries & Dry Year Yield (Graph)
- Attachment 7 – CVWD 2009 Imported Water Deliveries (Graph)
- Attachment 8 – FWC Cumulative Full Service Imported Water Deliveries (Graph)
- Attachment 9 – IEUA Imported Water Sales (Table)

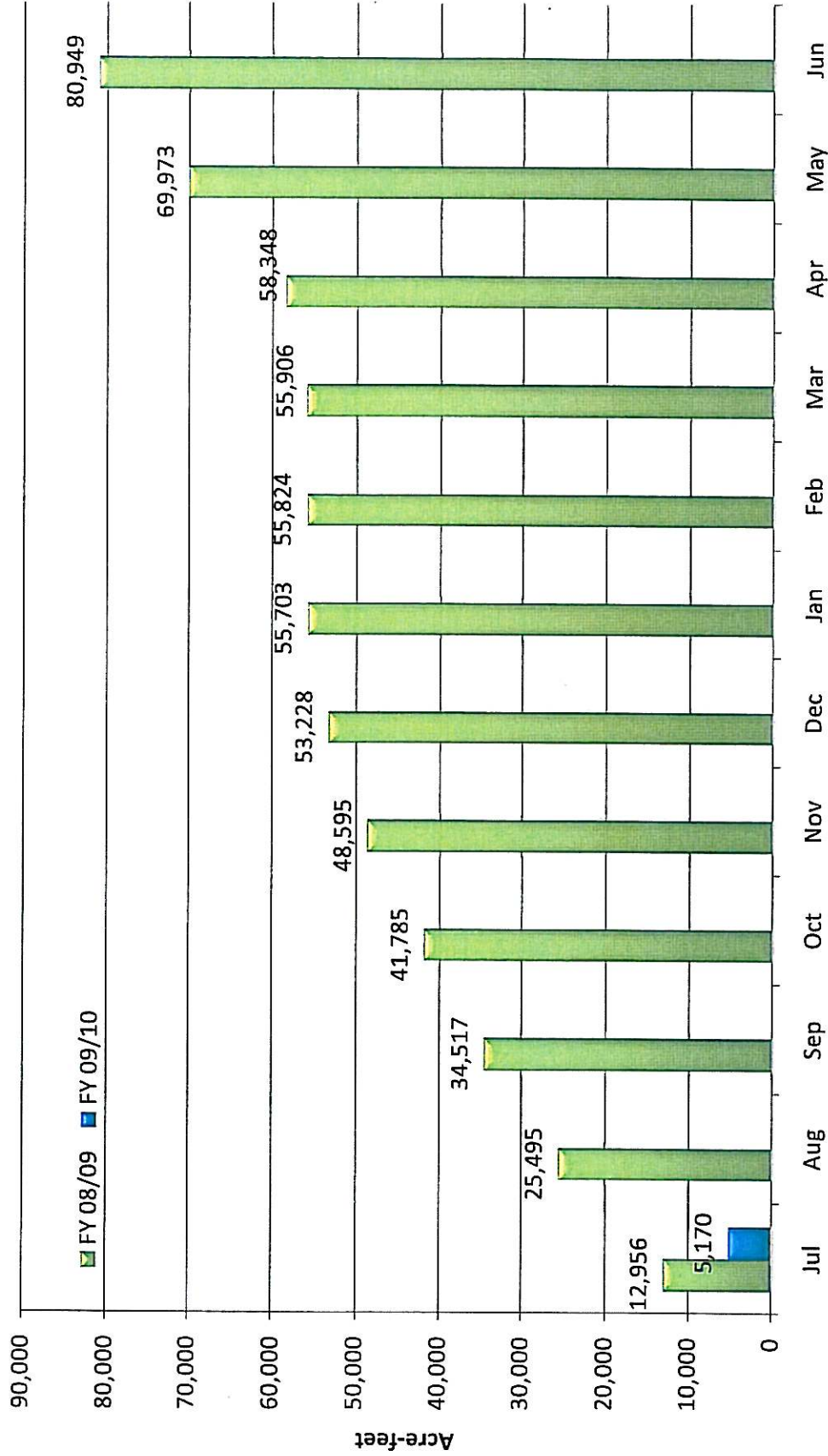
Attachment 1

IEUA Calendar Year 2009 Full Service Deliveries, Including DYY

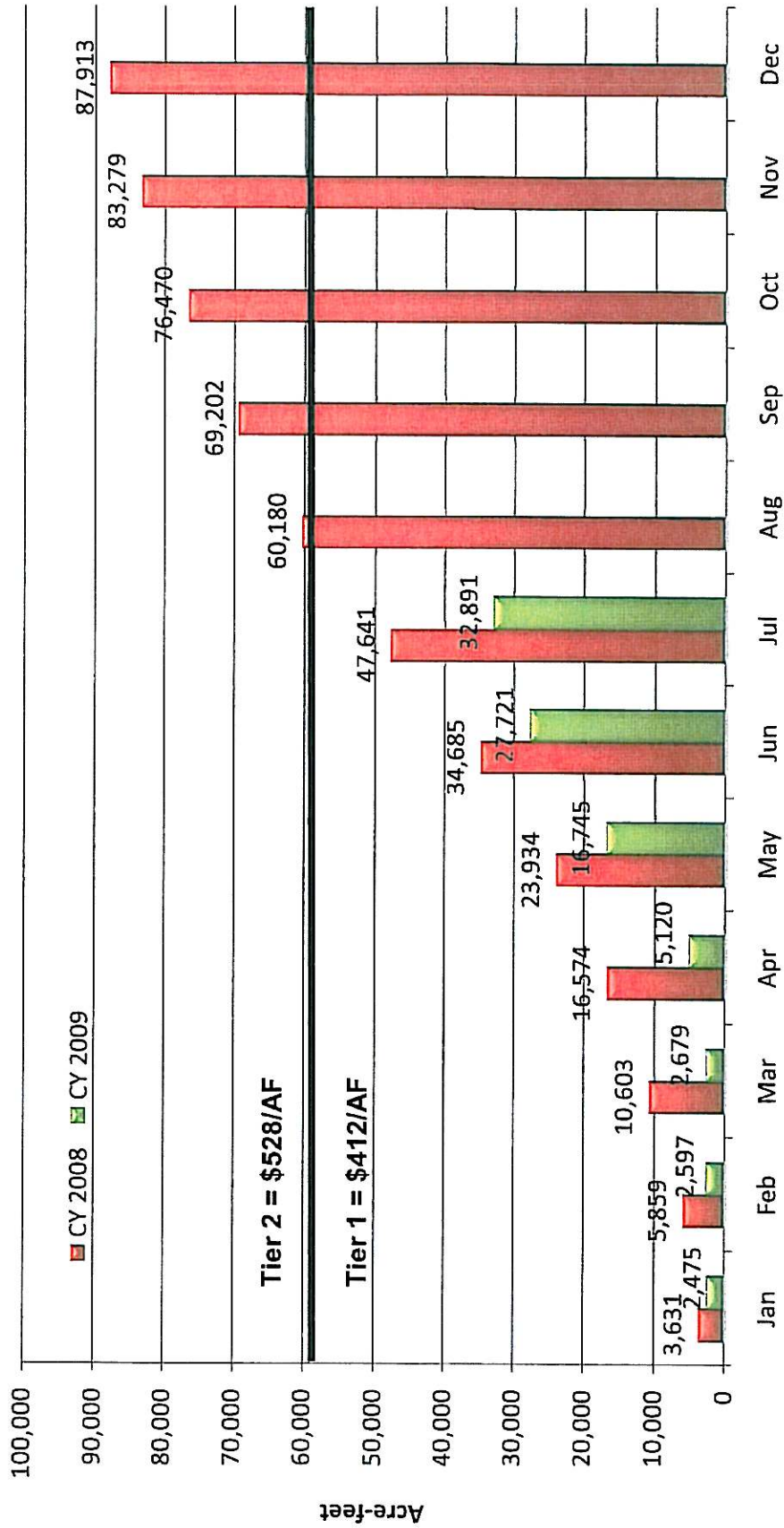
IEUA 2009 Tier I/II Limit = 59,752
 (For January - August 2009, Tier I = \$412, Tier II = \$528)



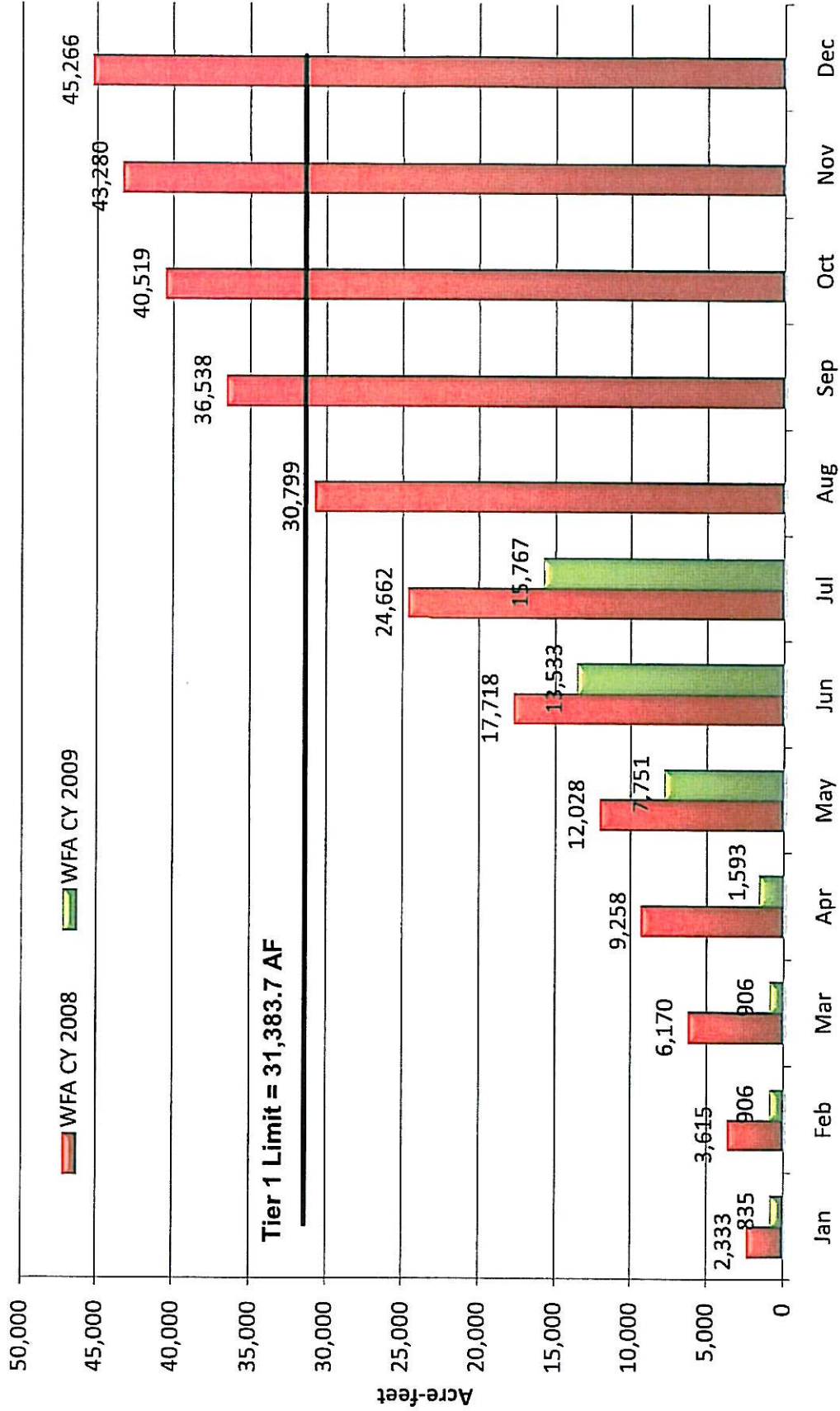
Attachment 2 IEUA Cumulative Full Service Imported Water Deliveries & Dry Year Yield



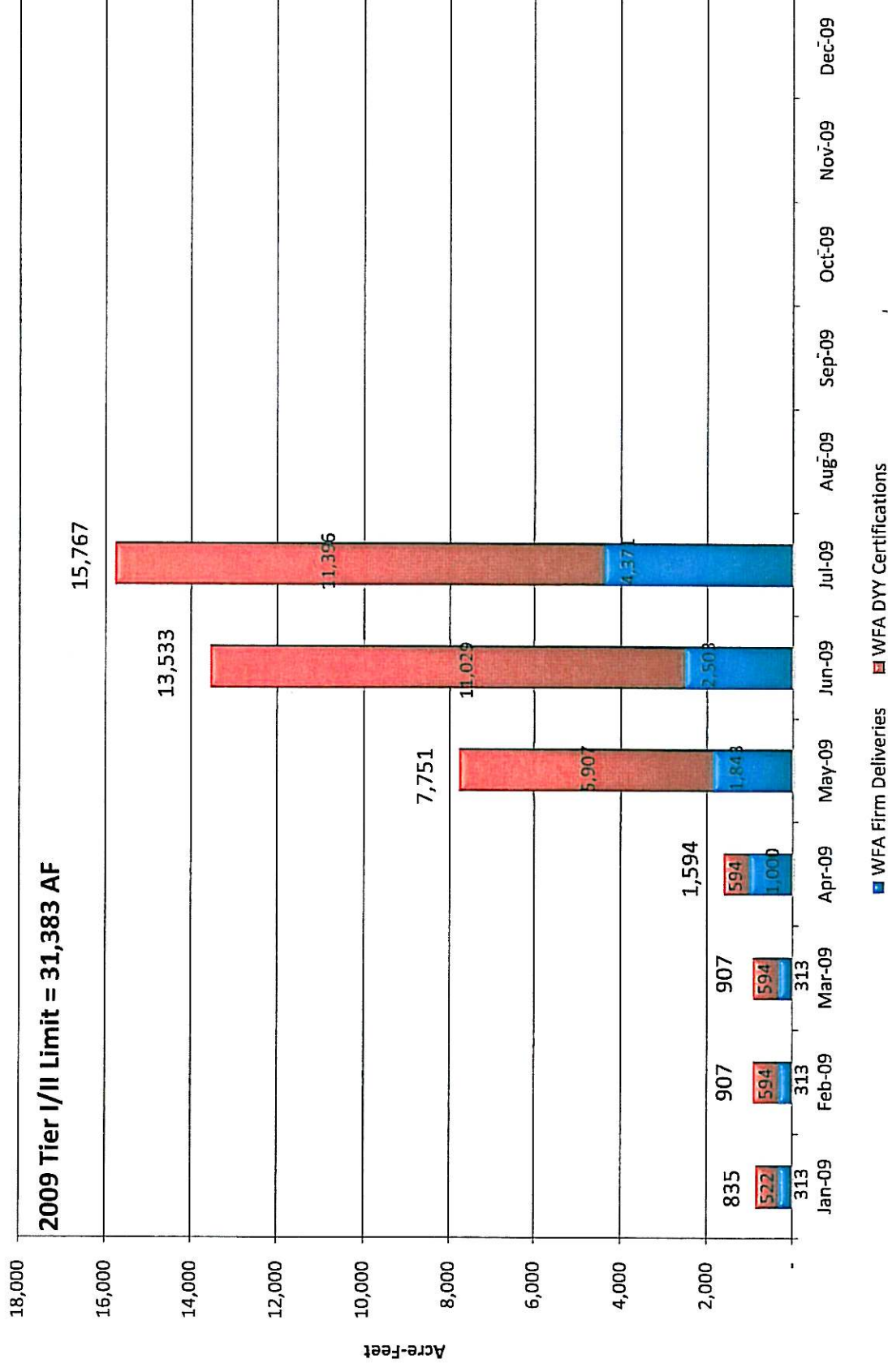
Attachment 3 IEUA Cumulative Full Service Imported Water Deliveries & Dry Year Yield



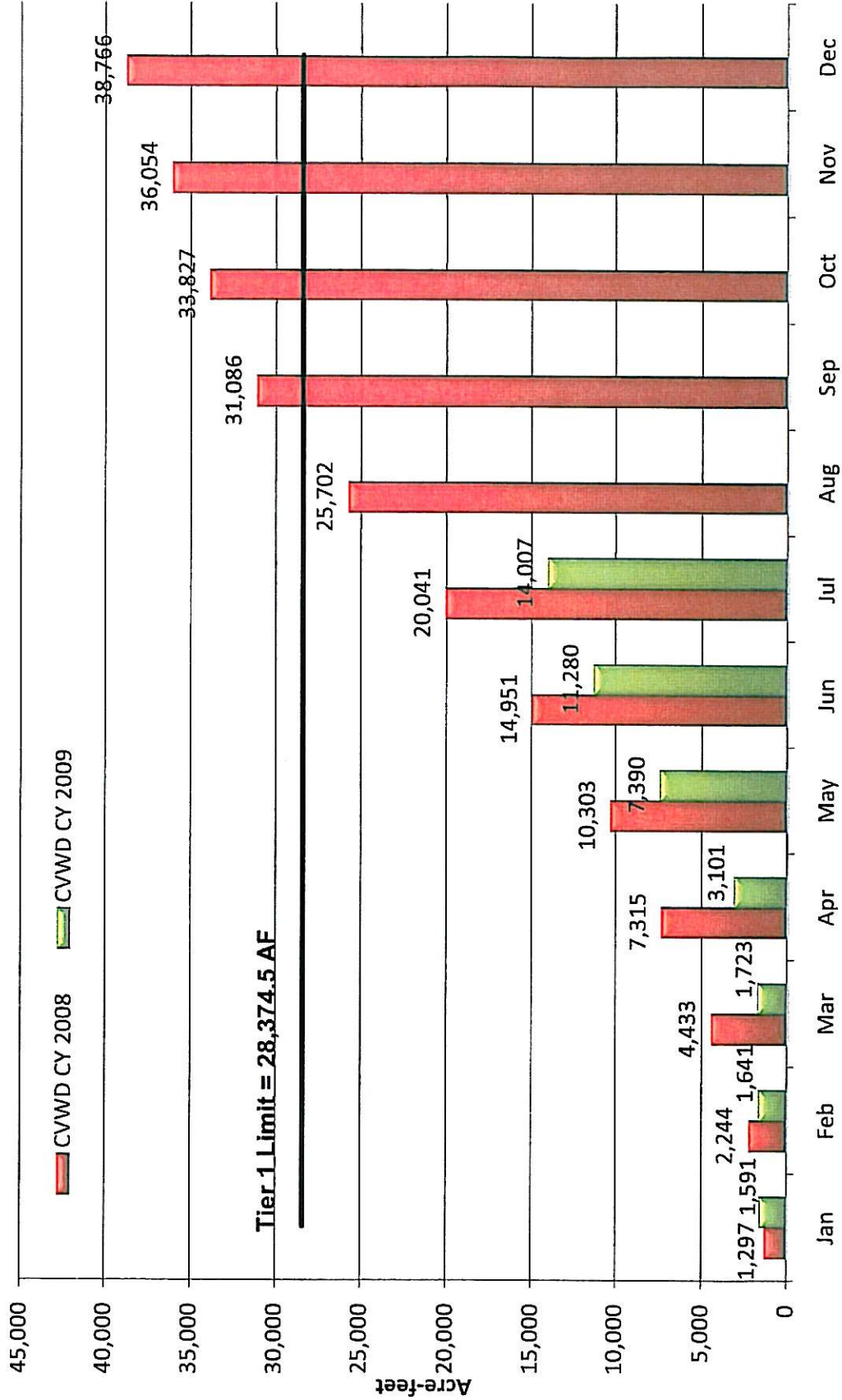
Attachment 4 WFA Cumulative Full Service Imported Water Deliveries & Dry Year Yield



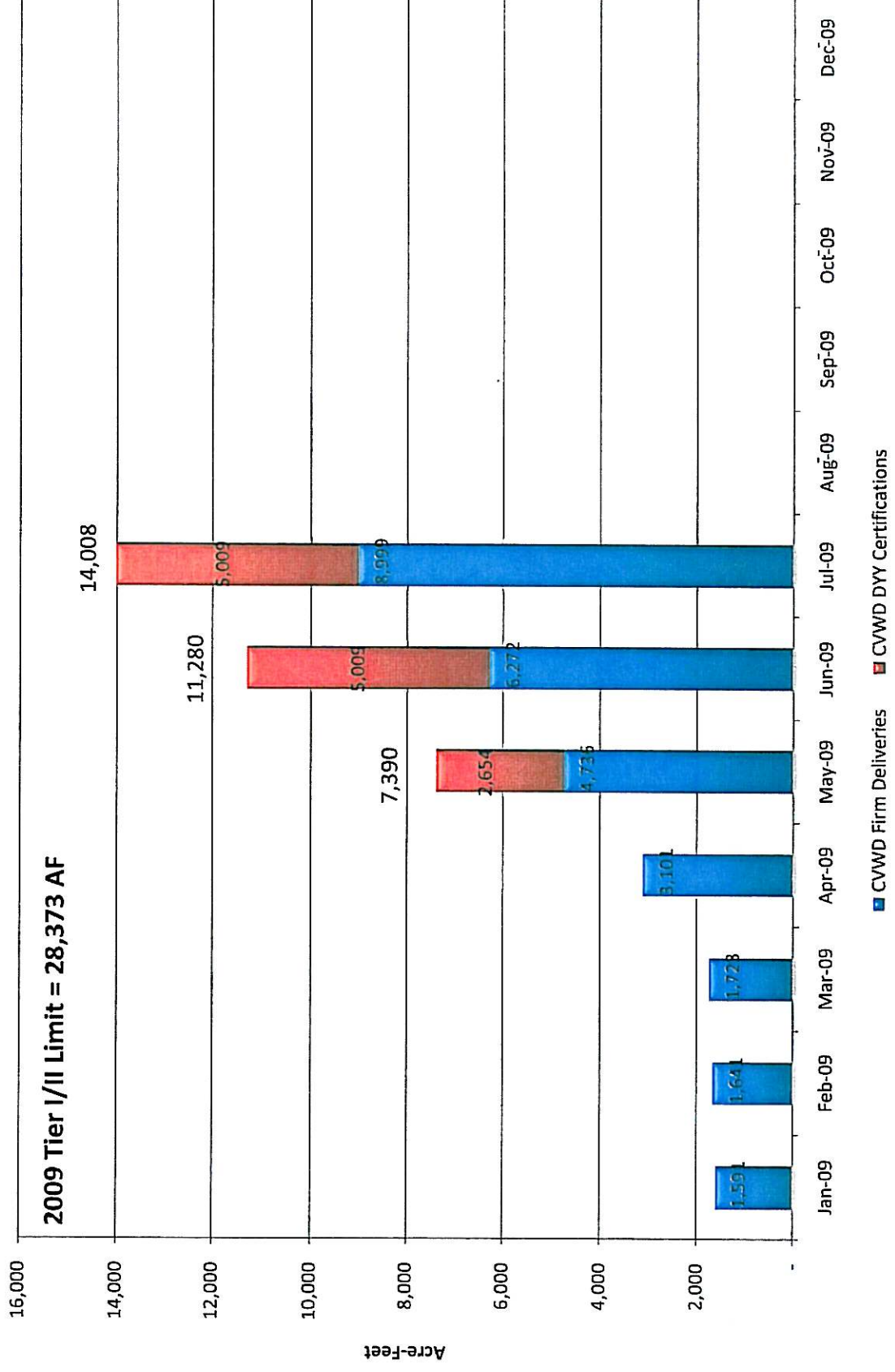
Attachment 5 WFA 2009 Imported Water Totals



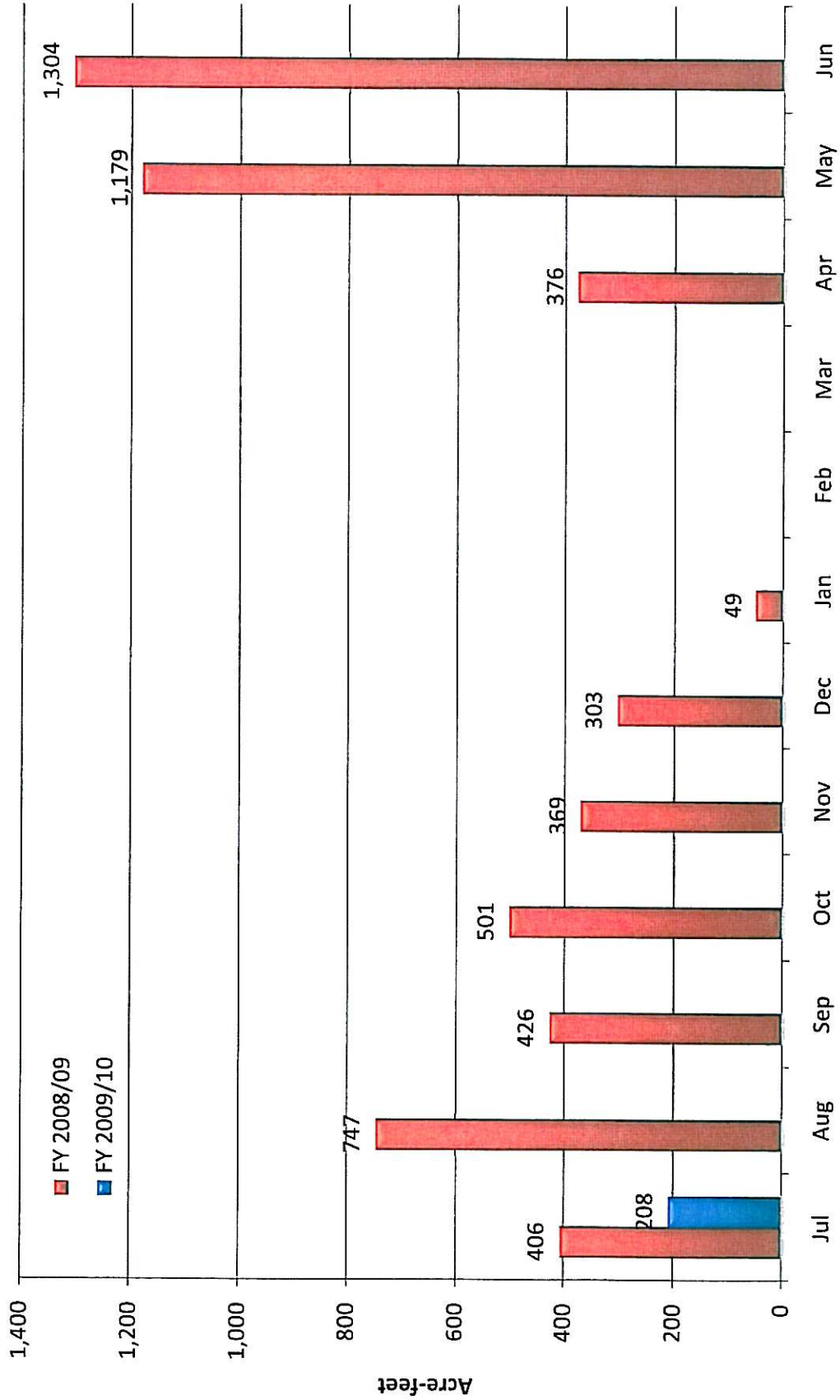
Attachment 6 CVWD Cumulative Full Service Imported Water Deliveries & Dry Year Yield



Attachment 7 CVWD 2009 Imported Water Totals



Attachment 8 FWC Monthly Full Service Imported Water Deliveries



Attachement 9 Inland Empire Utilities Agency Imported Water Sales

2008 Imported Water Sales	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Water Facilities Authority													
Direct Deliveries	2,333	1,282	2,555	3,088	1,332	1,682	2,730	3,450	2,913	2,836	1,444	1,060	26,705
Dry Year Yield					1,438	4,008	4,214	2,686	2,827	1,145	1,317	926	18,561
Sub-Total/	2,333	1,282	2,555	3,088	2,770	5,690	6,944	6,136	5,740	3,981	2,761	1,986	45,266
Cucamonga Valley Water District													
Direct Deliveries	1,297	947	2,189	2,883	2,988	3,046	3,074	3,129	2,857	2,741	2,182	1,213	28,546
Dry Year Yield					1,603	2,016	2,532	2,527	0	44	1,499	1,131	11,352
Sub-Total/	1,297	947	2,189	2,883	4,591	5,062	5,606	5,656	2,857	2,785	3,681	2,344	39,898
Fontana Water Company													
Direct Deliveries	0	0	0	0	0	15	406	747	426	501	369	303	2,767
Sub-Total/	0	0	0	0	0	15	406	747	426	501	369	303	2,767
Inland Empire Utilities Agency													
Direct Deliveries	3,631	2,229	4,744	5,971	4,320	4,743	6,210	7,326	6,196	6,078	3,995	2,576	58,018
Dry Year Yield	0	0	0	0	3,041	6,024	6,746	5,213	2,827	1,189	2,816	2,057	29,913
TOTAL	3,631	2,229	4,744	5,971	7,360	10,767	12,956	12,539	9,023	7,267	6,811	4,633	87,931

2009 Imported Water Sales	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Water Facilities Authority													
Direct Deliveries	312	0	0	687	844	660	1,868						4,371
Dry Year Yield	522	71	0	0	5,314	5,122	366						11,396
Sub-Total/	834	71	0	687	6,158	5,782	2,234	0	0	0	0	0	15,766
Cucamonga Valley Water District													
Direct Deliveries	1,591	50	82	1,378	1,635	1,535	2,728						8,999
Dry Year Yield	0	0	0	0	2,654	2,355	0						5,009
Sub-Total/	1,591	50	82	1,378	4,289	3,890	2,728	0	0	0	0	0	14,007
Fontana Water Company													
Direct Deliveries	49	0	0	376	1,179	1,304	208						3,117
Sub-Total/	49	0	0	376	1,179	1,304	208	0	0	0	0	0	3,117
Inland Empire Utilities Agency													
Direct Deliveries	1,952	50	82	2,441	3,658	3,499	4,804						16,486
Dry Year Yield	522	71	0	0	7,968	7,477	366						16,404
TOTAL	2,474	121	82	2,441	11,625	10,976	5,170	0	0	0	0	0	32,890

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AUGUST 2009

RECYCLED WATER PROGRAM NEWSLETTER

Highlights:

- 578 AFY New Recycled Water Customers Connected.....Page 2
- Visit from US Senator Feinstein’s Office on Stimulus Funding.....Page 3
- Capital Improvement Program.....Page 4
- Recycled Water Operations Update.....Page 4

GROUNDBREAKING NEWS: On Thursday, September 3, 2009, the Inland Empire Utilities Agency and Cucamonga Valley Water District will hold the groundbreaking ceremony for the North East Regional Recycled Water Program. The event will take place at Victoria Gardens beginning at 10:00 a.m. For more information, or to RSVP, please call Sondra Elrod at 909-993-1747, selrod@ieua.org.

IEUA UPDATES: On Wednesday, August 05, 2009, Chino Basin Leaders joined the Inland Empire Utilities Agency for a tour of Brooks, Turner 7th and 8th Street regional recharge basins. Since June 2005, over 21,000 AFY of water has been recharged into the three basins, and over 110,000 AFY into all of the recharge basins.

MEMBER AGENCY UPDATE: CITY OF ONTARIO



GUASTI PARK - The first part of the irrigation system retrofit was completed in the month of July. The park consists of two ponds, a swimming pool, water playground, and park facilities including a snack bar and three restrooms. Utilization of the Recycled Water will be used to fill the ponds and irrigate the park facilities. The RW demand will be approximately 220 acre-feet per year.



ONTARIO CENTER –

The City of Ontario made another significant Recycled Water connection for Ontario Center, which is located in the eastern portion of Guasti Park and consists of multiple industrial sites. The total estimated demand for this retrofit is approximately 90 acre-feet per year.



UPCOMING EVENTS

- Red Team Meeting (IEUA and Member Agency Implementation).....3:30 pm August 6, 2009 at CVWD
- BIA/San Bernardino County Water Conference.....Time (TBD), August 20, 2009 at Ontario Convention Center
- Recycled Water Site Supervisor Training8:00am–12:00pm, September 10th, 2009 at IEUA
- Landscape Workshop (professionals).....1pm-3pm, September 11th, 2009 at IEUA HQ.B
- Landscape Workshop (Homeowners).....10:00am-12pm, September 12th, 2009 at IEUA HQ.B
- SAWA Bird Festival.....9am-1pm, September 26,2009 at Chino Creek Wetlands & Educational Park

Recycled Water Customers and Usage Data:

Recent Connections:

- Cleveland Farm (Ontario, 477 AFY)
- Ontario Center (Ontario, 90 AFY)
- College Park Comm (Ontario, 5 AFY)
- Equip. Wholesalers (Ontario, 3 AFY)
- RidgetGate HOA (Ontario, 3 AFY)

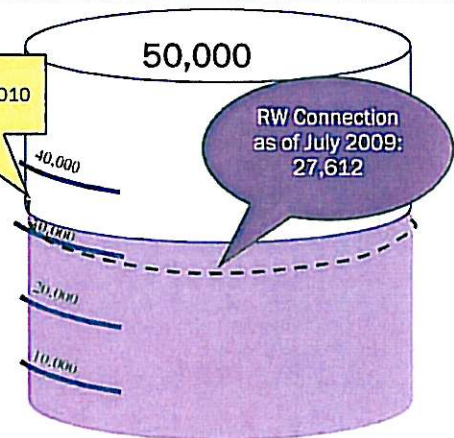
Total New Connections:
578 AFY

Upcoming Connections (30–90 days):

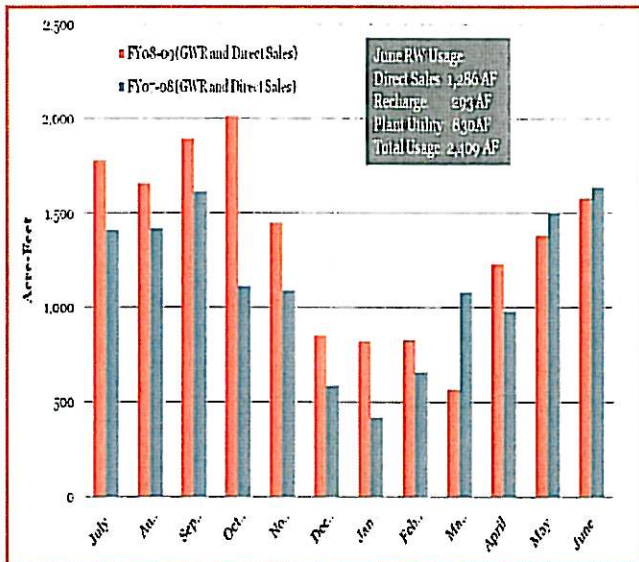
- Vellano Golf Course (Chino Hills, 800 AFY)
- Lee Farm on Schaeffer Ave (Ontario, 1,200 AFY)
- Lee Farm on Whispering Lakes (Ontario, 1,200 AFY)
- Lee Farm on Chino Avenue (Ontario, 1,200 AFY)
- Lee Farm on Edison Avenue (Ontario, 1,200 AFY)
- CIM Farm N Connection (Chino, 1,200 AFY)
- Bellevue Cemetery (Ontario, 220 AFY)
- Kellogg on Schaffer Avenue (Ontario, 200AFY)
- Guasti Park (Ontario, 220AFY)
- MVWD and CVWD Sites, 113 AFY

Total Upcoming Connections:
7,553 AFY

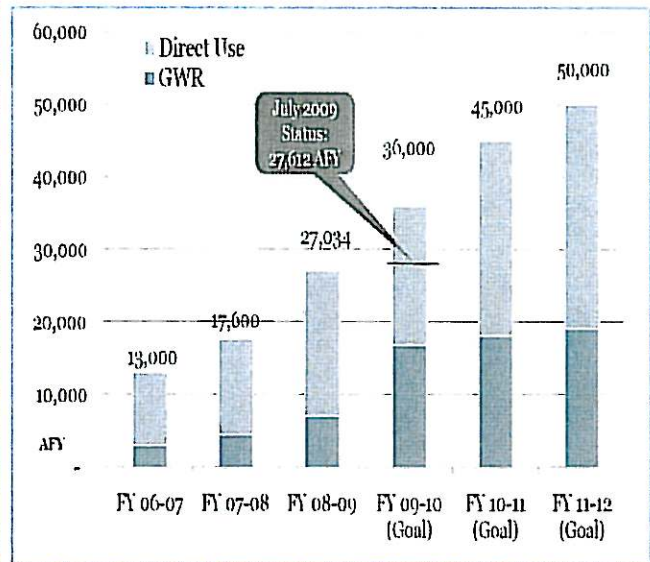
Annual Goal
36,000 AFY by June 2010



Monthly Recycled Water Sales



RW Connected Demand Goals



Projected Direct Use Connections (AFY)

	Jul-09	Aug-09	Sep-09	Oct-09	Total
Chino			1,200		1,200
Chino Hills		800			800
Ontario	1,200	1,840		2,400	5,440
MVWD				81	81
CVWD		32			32
Total (AFY)		3,672	2,081	4,000	7,553

Funding Developments

DWR URBAN DROUGHT ASSISTANCE

The Agency received the DWR Drought Assistance Grant for recycled water retrofits in the amount of \$1 million. The deadline for completion of the retrofit was June 30, 2009. The Agency is at present requesting that all invoices be submitted with associated progress reports to Rocky Welborn at rwelborn@ieua.org.

STIMULUS FUNDING

Stimulus Funding: President Obama signed the American Recovery and Reinvestment Act of 2009 on February 17, 2009 that allocated \$6 billion for water and wastewater infrastructure improvements. Wastewater Projects in California will receive \$280 million dollars through the Clean Water State Revolving Fund (CWSRF) Program and drinking water projects in California will receive \$160 million through the Drinking Water State Revolving Fund (DWSRF) Program. IEUA has executed funding agreements for stimulus funding for the Northeast Area Project through the CWSRF Program. Also, the United States Department of Interior, Bureau of Reclamation (USBR) has been allocated \$126 million for the Title XVI projects in the stimulus bill recently passed by Congress. IEUA is in line for \$19 million of the total appropriation through its Title XVI Recycled Water Business Plan Authorization. The President's 2009 Budget contained a \$5 million appropriation for the IEUA project. A request for these funds has been processed and the funds have been received. Based on its application, IEUA was awarded \$14 Million as Title XVI Stimulus money.

Northeast Area Project = \$10 million
 Northwest Area Project = \$4 million
 Total = \$14 million

VISIT FROM US SENATOR FEINSTEIN'S OFFICE

Stimulus Funding: On July 15th, Martin Zvirbulis, Deputy Manager of Cucamonga Valley Water District joined IEUA's Executive Manager of Engineering Tom Love and Deputy Manager of Engineering Sylvie Lee, to provide a tour of the Inland Empire Recycled Water Program to U.S. Senator Dianne Feinstein's field representative Chris Carrillo.

The Inland Empire Regional Recycled Water Program recently received \$14 million in funding from the U.S. Bureau of Reclamation Title XVI stimulus grant to complete the recycled water pipelines in the Cities of Fontana, Ontario, Rancho Cucamonga and Upland expanding the deliveries of IEUA's high quality recycled water, guaranteeing that the Chino Basin is protected from future droughts and other water shortages.



Clean Water State Revolving Fund (CWSRF): The California Water Resources Control Board adopted a new CWSRF Policy at their March 17, 2009 meeting. The new policy is designed to streamline and simplify the financial aid application process. The revised policy allows financing of soft costs (design, etc) and public sector on-site retrofits as an eligible cost.

RETROFIT REBATES

MWD Public Sector Retrofit Rebates: IEUA has received rebate requests totaling \$110,000 for processing through MWD. If you have not submitted your retrofit cost back-up information, please do so to ensure funding availability to Gary Hackney at: ghackney@ieua.org. The \$110,000 in requests are being processed and some funding is starting to come in.

Chino Basin Water Conservation District Rebates:

CBWCD also provides incentives for Public Sector Schools and Parks within its service area to help offset the costs of onsite irrigation system conversion as a result of connecting to the recycled water system. Please contact Gerry Foote at: gfoote@cbwcd.org for more information on how to apply.

Capital Improvement Program

- Northeast Area Recycled Water Projects:** CVWD and IEUA received construction bids for the NorthEast Area projects in the Cities of Rancho Cucamonga and Fontana. These recycled water projects include the conversion of a 3.5 MG steel reservoir from domestic to recycled water; a 1200 HP Pump Station; approximately 29,200 LF of 36" diameter pipeline and 12" diameter pipeline; three monitoring wells and two lysimeters. Some of the locations benefiting from these projects include; the Cities of Rancho Cucamonga and Fontana public facilities, the Epicenter, Victoria Garden Shops, Bass Pro Shop, Inland Greenhouse, Stadium Plaza North, Chaffey Joint Union High School District, Foothill Crossing as well as basin groundwater replenishment. Currently the approval of award packages are being reviewed by the State. Construction is anticipated to commence by Mid September 2009.
- MW & Lysimeters at Victoria & San Sevaline Basins -** The design has been completed on these facilities and the permits have been received. The Facility Plan Approval for the projects has been received by IEUA. The project was advertised for construction June 2009 and a bid opening is scheduled for August 2009.

PROJECTS IN PLANNING

Northwest Project Area: The project will design the 1630 pressure zone pipeline pump station and reservoir in the City of Upland. The project is in the preliminary design stage with anticipated design completion in Summer 2010.

Southern Project Area: The project will design the 930 pressure zone pipeline and reservoir in the City of Chino Hills. The project is in the preliminary design stage with anticipated construction completion in Fall 2010.

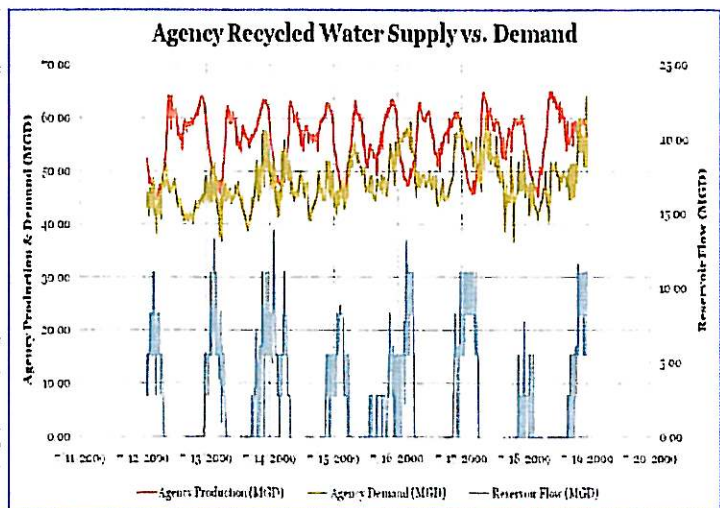
Central Project Area:

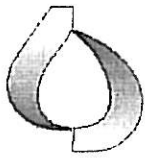
The second draft of the North Chino Master Plan is being completed by IEUA and the City of Chino.

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

Recycled Water Operations Update

- Service Interruption:** On July 12, 2009, at 10:30 pm the 1299 PS at RP-4 shut down due to communication failure between RTU 5C and RTU 5. Pressure in the system dropped to 58 psi and was restored back to 85 psi within 10 minutes. This incident caused Empire Lakes Golf Course pump station to shut off on low suction pressure.
- On Friday afternoon, July 17, 2009 at 3:30 pm the AC in the RP-1 stilt building went out.** This building controls both the Zone 2B (1158) and Philly (1050) pump stations. The 1158/1050 cross connect was opened to keep the Philly pumps from running until the AC units were repaired. Electricians arrived on site and called an outside AC contractor to assist. AC units were repaired by 8:00 pm and Philly pumps were re-started. Thanks to the support from Electrical/Ops/TS departments, no service interruptions or pressure drops were created by this incident.
- 1299 pump station continues to maintain a pressure set point of 85 psi and experiences less than 10 psi pressure drop when Empire Lakes Golf Course begins their irrigation cycle.**
- Operators cycle 1299 pumps in manual to relieve any trapped air in the system to prevent the pumps from getting air locked when they are called on.**
- System Demands:** This past week showed record RW demand averaging 80% of the total treated water at all Regional Plants with a maximum of 88%. This demand includes in-plant utility water at RP-1 and RP-2. At this time everything treated at RP-1, RP-4 and Carbon Canyon was being pumped into the RW Distribution System. Managing these demands would have been impossible without the 1158 Reservoirs.





Date: August 19, 2009

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (08/12/09)

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: July Legislative Report from Agricultural Resources

RECOMMENDATION

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

BACKGROUND

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

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD

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Agricultural Resources

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

July 31, 2009

Legislative Report

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

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

SU: Legislative Report, July 2009

Highlights:

- *BuRec – Stimulus Funding Announced, IEUA to Get \$14 million*
- *BuRec Title XVI Stimulus Funding – Congress and Water Users Not Happy With Manner in Which Program Handled*
- *Commissioner Connor Testifies – Title XVI Part of BuRec’s Core Mission*
- *Unintended Consequences – BuRec Failure Disrupts Energy and Water Appropriations Subcommittee Work*
- *Drought Conditions/Water Supply*
- *News and Notes*
- *IEUA Working Partners*

BuRec Finally Announces Stimulus Funding – IEUA Awarded \$14 million. In early July, the Bureau of Reclamation finally announced the projects to receive Title XVI Stimulus funding. A total of 27 projects were funded, all in California except one in New Mexico – totaling \$135 million. IEUA received \$14 million – the full amount requested.

BuRec Title XVI Stimulus Funding – Congress and Water Users Not Happy With Manner in Which Program Handled. At ACWA meetings, the Bureau announced that Title XVI Stimulus funding would be announced before Memorial Day. In Congress, Chairwoman Napolitano, the Water Subcommittee and Members from the region were told the list would be announced in April, then May, then June and finally, it didn't happen until early July. The delays were considered nexcusable and unacceptable to all concerned. The Corps processed its priorities – with hundreds of projects in half the time. Same with EPA. BuRec took almost four months to select 27 projects – projects that BuRec already was fully familiar with. These delays all occurred prior to the new Commissioner – Mike Connor – being confirmed and on the job. This delay contributed to significant frustrations – among and with all parties, interests and elected officials at all levels.

Commissioner Connor Testifies – Title XVI Part of BuRec's Core Mission. The Subcommittee on Water and Power held a legislative hearing on five Title XVI bills. The Administration opposed all five citing the backlog of authorized but unfunded Title XVI projects as the reason. During the hearing, Rep. George Miller asked Commissioner Connor whether or not BuRec considered Title XVI as part of the agency's "core mission." To everyone attending the hearing, a very important question. In the last Administration, BuRec justified lack of support for Title XVI because it was not part of or consistent with the agency's "core mission." Connor, in his reply, declared Title XVI to be part of BuRec's "core mission." In one exchange with Napolitano's Subcommittee, altered policy and reestablished Title XVI as part of the agency's "core mission."

Unintended Consequences – BuRec Failure Impacts Energy and Water Appropriations Subcommittee Work – Committee Not Happy with BuRec. Last month, I reported that "In late June, the Energy and Water Appropriations Subcommittee met, marked up the FY 2010 bill, but was unable to fund the Title XVI program. The Subcommittee was unable to assign "real numbers" to the Title XVI projects because the Bureau had yet to release its stimulus numbers. Thus, the BuRec's failure to process stimulus funding on a timely basis now disrupted the work of the congressional funding subcommittee. The subcommittee, to deal with the situation, assigned 10-11 projects \$100,000 each, including IEUA. These are "space-holder" funding numbers, to be adjusted as appropriate after Stimulus numbers are released." The delay, intended or not, had the effect of disrupting congressional funding for FY 2010. The Full Committee reported the bill, and the space-holder numbers were unchanged (there was insufficient time, after stimulus funding was announced, to modify the annual Energy and Water funding bill. This means that none of the projects in the backlog were able to get a penny in next year's bill. As a result, there are few new Title XVI projects in the funding stream – a blow to the program. Given bigger water challenges throughout California, this means that this program, which can help the State stretch existing water supplies, is not being used.

Drought Conditions and Water Supplies. The NOAA/USDA Drought Monitor reports for the past several months remains constant. California remains in moderate to severe drought, from

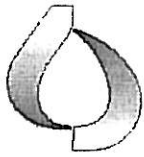
the Oregon to the Mexican border, with the severe conditions predominantly found along the Coast, and less severe conditions found inland. South Texas has the worst drought conditions in the West.

News and Notes. MWD's *Pete Silva* was confirmed by the US Senate to serve as Assistant Administrator, EPA. *Tanya Trujillo* was appointed as Counsel, Senate Energy Committee to work on water issues. She replaced Mike Connor (who became Commissioner) *Corps of Engineers* – New Principles and Standards being written. *Stimulus II* – with spike in unemployment, talk in Washington of a second Stimulus program. *EPA New initiative on Water Quality* Announced by Administrator Jackson. Office of Enforcement and Compliance Assurance at EPA given new assignments. *Judy Chu* sworn in to replace Rep. Hilda Solis (now Labor Secretary). *National Water Policy Event* – MWD and others sponsored a film on drought and conference (very well attended). Director Angel Santiago attended.

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

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

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Inland Empire
UTILITIES AGENCY

Date: August 19, 2009

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (08/12/09)

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: July Legislative Report from Innovative Federal Strategies, LLC

RECOMMENDATION

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

BACKGROUND

Letitia White provides a monthly report on their federal activities on behalf of IEUA.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD

Enclosure

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Innovative Federal Strategies LLC

Comprehensive Government Relations

MEMORANDUM

To: Rich Atwater and Martha Davis
IEUA

From: Letitia White, Alex Shockey and Heather McNatt

Date: July 31, 2009

Re: July Monthly Legislative Update

Legislative work on Capitol Hill during the month of July has been happening at a breakneck pace. Despite the week-long Fourth of July recess, much has been accomplished this month. House and Senate committee chambers, as well as the floors of each body, have been active with debate and votes. The House wrapped up their legislative business on Friday, July 31 while the Senate will stay in session one more week, with plans to recess on August 7, in order to accomplish more legislative work.

IEUA Summary

July was a fantastically successful month for IEUA's federal agenda. The award of our full funding amount from Title XVI proved to be worth the wait. Now that the ARRA funding announcement has been made by the Bureau of Reclamation, it is our expectation that the Energy and Water Appropriations Committee staff will remove the \$100,000 that is pending in that bill for IEUA. We are looking forward to hearing more news about the groundbreaking event you are planning for September and working with you to help invite Members of Congress to attend.

That being the case, IFS is looking forward to crafting a new federal legislative strategy for IEUA in the coming few months. Our work this fall will focus on reviewing your ongoing programs and developing a new list of priorities for federal legislative work and/or funding requests.

Energy and Water Appropriations

The Energy and Water Appropriations bill for FY 2010 passes both chamber of Congress during July. First, the House passed its version on July 17th by a vote of 320 to 97, and the Senate followed on July 29th passing it by a vote of 85 to 9. As is typically the case, most of the policy debate over the bill focused on the nuclear waste repository at Yucca Mountain and other controversial Energy Department programs. With both versions of the bill through the respective chambers, the House and Senate staff will work to resolve the differences between the two bills and produce a conference version. Hopefully, that bill will be ready for movement during September.

Innovative Federal Strategies LLC

Fiscal Year 2010 Appropriations

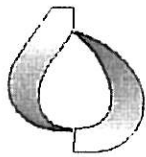
With the passage of the Defense Appropriations bill this week, House Appropriations Committee Chairman David Obey (D-WI) reached his goal of passing all twelve appropriations bills off of the House floor by August recess. This is quite an accomplishment! But, in an effort to move the bills quickly, Democrats severely restricted the number of amendments that Members were allowed to offer which caused much upset among Members who wished to offer amendments as well as the Minority party.

Due to its more deliberative nature, the Senate has passed only four of the appropriations bills – Legislative Branch, Homeland Security, Energy and Water and Agriculture. The Senate will continue work on its version of the twelve appropriations bills in an effort to pass and conference as many as possible with the House before the end of the federal fiscal year on September 30.

August Outlook

The House and Senate are slated to go into recess for the month of August. This is the time that staff typically takes vacation and Members of Congress and Senators go back to their home districts. After Labor Day, Congress will come back into session to tackle health care, the Highway Trust Fund money shortfall and many other issues that have carried over from the summer. Also, the October 1st start of the next fiscal year will keep pressure on Senate Appropriators to finish their work and push the spending bills through conference.

As always, we will keep you posted on items critical to your agenda.



Inland Empire
UTILITIES AGENCY

Date: August 19, 2009

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (08/12/09)

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: July Legislative Report from Dolphin Group

RECOMMENDATION

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

BACKGROUND

Michael Boccadoro provides a monthly report on the Dolphin Group's activities on behalf of the Chino Basin/Optimum Basin Management Program Coalition.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD

Enclosure

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July 31, 2009

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



Please find attached the status report from The Dolphin Group for the month of July 2009.

What was once an annual budget process in California has now become a semi-annual adventure, with the Legislature and the Governor finally completing their fourth budget deal in two years in late July. Many pundits already predict the next “budget crisis” to hit in just a few months, continuing the six-month rule yet again.

Following months of negotiations, including a voter rejection of increased taxes in the May special election, the final \$24 billion solution came down to cuts, borrowing and accounting gimmicks. For the first time since it was approved by voters in 2004, lawmakers suspended Proposition 1A and borrowed more than \$2 billion in property taxes from local governments and special districts. This debt must be repaid within three years – with interest – and prevents the State Government from again tapping local property taxes until it is repaid.

On the regulatory front, the California Energy Commission inched forward with dispensing over half a billion dollars of stimulus package monies, although access to the funds remains months away.

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Chino Basin / OBMP Coalition

Status Report – July 2009

ENERGY/REGULATORY

CEC Begins to Dispense Stimulus Dollars

Months after it was announced that the California Energy Commission (CEC) would have access to hundreds of millions of dollars of federal stimulus dollars for investment in energy efficiency and other related projects, the Commission finally issued some preliminary guidelines for the at least one of the major program areas, the State Energy Program (SEP).

On July 16th, the CEC released guidelines for SEP, which will target three main areas:

1. Municipal Financing District Program (“AB 811 type programs”)
2. California Comprehensive Residential Building Retrofit Program
3. Municipal and Commercial Building Targeted Measure Retrofit Program

These guidelines pertain to only a portion of the overall \$226 million available to the SEP, constituting \$96 million of the available funding. All eligible projects under these guidelines must be completed before March 31, 2012.

The CEC expects to offer a request for proposal (RFP) in October of 2009, with responses due in November. It proposed to begin awarding projects in December 2009-January 2010.

Other SEP programs are as follows:

- DGS Revolving Loan Program - \$25 million
- Employment Development Dept/Employment Training Panel Green Jobs Training Program - \$20 million
- Energy Conservation and Assistance Account
 - Loans – Up to \$25 million
 - Competitive Grants – Up to \$50 million
- Clean Energy Systems Program (combined heat/power, distributed energy, bioenergy) – Up to \$35 million

STATE BUDGET AGREEMENT REACHED

Over two months after voters rejected a series of initiatives that included prolonging the tax increases and additional borrowing that made the February deal possible, Governor Schwarzenegger and the Legislature were finally able to reach another accord on the 2009-10 budget. Although the budget was technically approved in February, the rejection of propositions to implement the deal in May, and a worsening economy quickly threw the budget out of balance, and by late June the State Controller was required to issue IOUs as the State ran out of cash in the face of a \$24 billion deficit.

The revised budget was comprised nearly entirely of program cuts and additional borrowing, mostly from local governments.

Specifically, the deal slashed nearly \$9 billion from public schools, colleges and universities, \$1.3 billion from Medi-Cal, and \$1.2 billion from corrections. Additional cuts and state employee furloughs accounted for another \$3 billion in budget reductions.

The deal also included a Proposition 1A (2004) property tax shift from local governments and special districts. Under Proposition 1A, this shift must be repaid within three years, with interest. Furthermore, the state is prohibited from further borrowing additional property taxes from these agencies until the debt is repaid. Unlike previous property tax shifts, this budget did not exempt many non-enterprise special districts, as occurred in previous budgets. Rather, the 8% property tax shift will equally applied to all cities, counties and special districts. The exact amount of the interest to be paid on the load is not yet know.

The deal also took \$1 billion in redevelopment agency monies. Another proposal to take nearly \$1 billion in local transportation gas tax funds was defeated by the Assembly.

In response to the Assembly's failure to approve the shift in transportation funds, the Governor utilized his line-item veto power to further cut programs to balance the budget. Schwarzenegger cut another \$496 million in spending, mainly in social services, subsequently angering legislative Democrats.

The final result is a budget agreement through June 2010 that will maintain a small \$500 million reserve (the Governor had originally called for a \$4 billion reserve in the May Revise). Many analysts are concerned that overly optimistic economic forecasts and the small reserve may force the lawmakers to again revisit the current budget in just a few months

DETAILS OF BUDGET AGREEMENT

Spending Cuts

- \$6 billion from K-12 schools and community colleges over a two-year span.
- Nearly \$3 billion from the University of California and California State University systems.
- \$1.3 billion from Medi-Cal, the state's health care program for the poor. Also includes a proposal to bill the federal government for more money.
- Saves \$1.3 billion by retaining three unpaid furlough days per month for state workers.
- Includes \$1.2 billion in unallocated cuts to the state Department of Corrections. Does not include Schwarzenegger's proposal to release some inmates early.
- Cuts \$528 million from CalWORKS, the state's welfare-to-work program, partly by increasing sanctions for families that fail to meet work requirements. Schwarzenegger had proposed eliminating the program entirely.
- Cuts \$124 million from Healthy Families, a program that provides health insurance for 930,000 low-income children. Lawmakers hope nonprofits, foundations and other groups can fill in some of the losses.
- Cuts \$226 million from the state's in-home supportive services program for the frail and disabled. Also includes Schwarzenegger's plans to require fingerprinting of caregivers and recipients, and would require caregivers to undergo background checks.
- Cuts about \$8 million from state parks, allowing the majority of state parks, beaches and attractions to stay open. Some parks are likely to close, however, based on popularity and use.

Other Measures:

- Borrows about \$2 billion from local governments' property tax revenue, money that would have to be repaid with interest in three years. As a concession to angry local officials, the deal would prioritize repayment of the so-called Proposition 1A money after schools and bond holders are paid.
- Takes \$1 billion in redevelopment money from local governments.
- Sought to take \$1 billion in transportation funding from local governments. **(FAILED PASSAGE IN ASSEMBLY)**
- Speeds up collection of 2010 personal income and corporate taxes to bring in revenue earlier than anticipated.
- Sells off part of the State Compensation Insurance Fund, which the administration values at \$1 billion. The fund is a quasi-governmental agency that is the state's largest writer of workers' compensation insurance.
- Sought to allow a limited expansion of oil drilling off the Santa Barbara coast, bringing in \$100 million in the current fiscal year. **(FAILED PASSAGE IN ASSEMBLY)**
- Eliminates the Integrated Waste Management Board and the Board of Geologists and Geophysicists, which Schwarzenegger had targeted as wasteful and unnecessary.
- Gives school districts the option of cutting the school year by five days.
- Defers state employee paychecks by one day for a paper savings of \$1.2 billion, which has been criticized by some as a gimmick. Instead of being issued on June 30, 2010, the paychecks would be issued on July 1, the start of the 2010-11 fiscal year.
- Gives the governor authority to pursue the sale of about 10 state-owned buildings as a potential revenue source in future years, including the Orange County Fairgrounds, the Public Utilities Commission Building in San Francisco and the Ronald Reagan State Office Building in Los Angeles.

LEGISLATIVE UPDATE

In early July, most authors spent their time in the other Legislative house, as July 10 was the deadline for all measures to be approved by policy committees before the Summer recess.

The Legislature completed its business on non-budgetary items on July 17, and will return on August 17 to complete the current year's legislative session ends on September 11. The Governor will then have until October 11 to sign or veto all legislation.

Major Legislation

SB 32 (Negrete-McLeod D-Chino) continued to weave its way through the legislative process, as it was approved by both the Assembly Utilities and Commerce Committee and the Assembly Natural Resources Committee. It will be heard by the Assembly Appropriations Committee in late August.

CA SB 32 **AUTHOR:** Negrete McLeod [D]
 TITLE: Renewable Electric Generation Facilities.
 LAST AMEND: 07/13/2009
 DISPOSITION: Pending
 LOCATION: Assembly Appropriations Committee
 SUMMARY:
 Requires an electrical corporation to file with the Public Utilities Commission a standard tariff for electricity purchased from an electric generation facility located within the service territory of, and developed to sell electricity to, the electric corporation. Requires the facility to have a specified effective capacity. Amends provisions regarding owners, payments by a market price referent, peak demand, expedited interconnection procedures, net metering, rate-payer funded incentives and contracts.
 VOTES:
 04/21/2009 Senate Energy, Utilities and P 10-0
 Communications Committee
 05/28/2009 Senate Appropriations Committee P 11-0
 06/03/2009 Senate Floor P 34-0
 07/06/2009 Assembly Utilities and Commerce P 10-4
 Committee
 07/08/2009 Assembly Natural Resources Committee P 7-1

CA AB 560 **AUTHOR:** Skinner [D]
 TITLE: Net Energy Metering
 LAST AMEND: 07/16/2009
 DISPOSITION: Pending
 COMMITTEE: Senate Appropriations Committee
 HEARING: 08/17/2009 11:00 am
 SUMMARY:
 Requires that the standard contract or tariff for net energy metering be offered on a first-come-first-served basis until the time that the total rated generating

capacity used by customer-generators exceeds a specified percentage of an electric distribution utility or cooperative's peak demand.

VOTES:

04/20/2009	Assembly Utilities and Commerce Committee	P 10-3
04/29/2009	Assembly Appropriations Committee	P 11-5
05/14/2009	Assembly Floor	P 47-22
07/07/2009	Senate Energy, Utilities and Communications Committee	P 9-1

CA AB 920

AUTHOR: Huffman [D]
TITLE: Solar and Wind Distributed Generation
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/17/2009 11:00 am
SUMMARY:

Revises provisions of the Public Utilities Act regarding electric utilities and solar and wind distributed generation. Relates to standard contracts and tariffs between the utility and customer-generators. Relates to net energy surpluses counting towards the utility's renewable portfolio standard purchasing requirements.

VOTES:

04/20/2009	Assembly Utilities and Commerce Committee	P 11-3
04/27/2009	Assembly Natural Resources Committee	P 6-3
05/28/2009	Assembly Appropriations Committee	P 12-5
06/01/2009	Assembly Floor	P 51-26
07/07/2009	Senate Energy, Utilities and Communications Committee	P 6-4

Air Permit Legislation

Two measures are being considered by the Legislature that would lift the moratorium for air permits in the South Coast Air Quality Management District. Both are urgency measures, and are therefore both exempt from other legislative timelines associated with normal legislation.

CA AB 1318

AUTHOR: Perez V [D]
TITLE: South Coast Air Quality Management District
LAST AMEND: 07/06/2009
DISPOSITION: Pending
LOCATION: Senate Unfinished Business
SUMMARY:

Requires the Executive Officer of the South Coast Air Quality Management District to transfer a specified quantity of emission reduction credits for certain pollutants from the south coast district's internal emission credit accounts to eligible electrical generating facilities and to credit and transfer as many internal emission credits as are needed to grant a permit to the essential public service facility. Exempts these actions from the CEQA.

VOTES:

05/11/2009	Assembly Natural Resources Committee	P 7-0
05/18/2009	Assembly Utilities and Commerce	P 13-0

Committee
07/08/2009 Assembly Appropriations Committee P 15-0
07/13/2009 Assembly Floor P 63-3

CA SB 696 **AUTHOR:** Wright [D]
TITLE: CEQA Exemptions: Emission Reduction Credits
LAST AMEND: 06/17/2009
DISPOSITION: Pending
LOCATION: Senate Environmental Quality Committee
SUMMARY:

Exempts from the requirements of the State Environmental Quality Act, the adoption and implementation of specified air pollution control district or air quality management district rules relating to emission credits. Provides exceptions.

VOTES:

06/16/2009 Senate Energy, Utilities and P 6-3
Communications Committee

Other Energy Legislation

CA AB 45 **AUTHOR:** Blakeslee [R]
TITLE: Distributed Generation: Small Wind Energy Systems
LAST AMEND: 07/23/2009
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/17/2009 11:00 am
SUMMARY:

Authorizes a local agency to provide for the installation of small wind energy systems and to establish a process for the issuance of conditional use permits for these systems. Authorizes the agency to impose conditions on the installation. Provides an application approval process for a local agency which has not established such permit process. Authorizes a local agency to require a system be removed if it is inoperable for a specified period of time, and the system would be subject to nuisance codes.

VOTES:

05/13/2009 Assembly Local Government Committee P 6-0
05/28/2009 Assembly Floor P 78-0
06/17/2009 Senate Local Government Committee P 4-1
07/06/2009 Senate Environmental Quality Committee P 4-2

CA AB 46 **AUTHOR:** Blakeslee [R]
TITLE: Energy
LAST AMEND: 07/15/2009
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/17/2009 11:00 am
SUMMARY:

Decreases the board membership of the State Assistance Fund for Enterprise Business and Industrial Development Corporation. Extends provisions that provide for the administration of the Energy Conservation Assistance Account

that provides grants and loans to local governments and public institutions for energy use savings. Extends the operation of a program that requires the providing of loans to local jurisdictions for energy projects to purchase, maintain, and evaluate energy efficient equipment.

VOTES:

03/23/2009	Assembly Utilities and Commerce Committee	P 14-0
05/28/2009	Assembly Appropriations Committee	P 17-0
06/01/2009	Assembly Floor	P 76-0
07/07/2009	Senate Energy, Utilities and Communications Committee	P 11-0

CA AB 51

AUTHOR: Blakeslee [R]
TITLE: Electrical Corporation Energy Efficiency Programs
LAST AMEND: 06/01/2009
DISPOSITION: Pending
LOCATION: Senate Energy, Utilities and Communications Committee
SUMMARY:

Requires the Public Utilities Commission to limit the administrative costs for energy efficiency programs administered by electrical corporations.

VOTES:

04/27/2009	Assembly Utilities and Commerce Committee	P 13-0
05/28/2009	Assembly Appropriations Committee	P 15-0
06/02/2009	Assembly Floor	P 65-2

CA AB 64

AUTHOR: Krekorian [D]
TITLE: Renewable Energy Resources: Generation and Transmission
LAST AMEND: 06/23/2009
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/17/2009 11:00 am
SUMMARY:

Recasts the renewables portfolio standard program to require that a retail seller and a local publicly owned electric utility procure specified percentages of its electricity from renewable resources. Relates to tariffs filed by electrical corporations for energy purchased from small-scale renewable source facilities. Provides for renewable energy designation and transmission corridor zones. Establishes the Energy Planning and Infrastructure Coordinating Committee. Imposes duties on the Energy Commission.

VOTES:

04/01/2009	Assembly Utilities and Commerce Committee	P 8-5
04/29/2009	Assembly Natural Resources Committee	P 6-3
05/28/2009	Assembly Appropriations Committee	P 12-5
06/03/2009	Assembly Floor	P 44-31
07/07/2009	Senate Energy, Utilities and Communications Committee	P 6-5

CA AB 210

AUTHOR: Hayashi [D]
TITLE: Green Building Standards
DISPOSITION: To Governor
LOCATION: Enrolled

SUMMARY:

Specifies that the requirements and regulations that a city or county is authorized to change or modify building standards includes, but is not limited to, green building standards.

VOTES:

03/31/2009	Assembly Business and Professions Committee	P 11-0
04/20/2009	Assembly Natural Resources Committee	P 8-0
05/11/2009	Assembly Floor	P 74-4
06/16/2009	Senate Transportation and Housing Committee	P 10-0
07/06/2009	Senate Environmental Quality Committee	P 7-0
07/16/2009	Senate Floor	P 33-2

CA AB 222

AUTHOR: Adams [R]
TITLE: Energy: Biofuels
LAST AMEND: 07/08/2009
DISPOSITION: Pending
LOCATION: Senate Environmental Quality Committee
SUMMARY:

Modifies the definition of in-state renewable electricity generation facility under the Public Interest Research, Development, and Demonstration Program to include a facility that uses conversion at a biorefinery. Amends the definition of solid waste facility under the Integrated Waste Management Act of 1989 to include a biorefinery. Authorizes a jurisdiction to include solid waste diverted to a biorefinery in meeting a requirement to divert solid waste through source reduction, recycling, and composting.

VOTES:

04/27/2009	Assembly Utilities and Commerce Committee	P 11-0
05/20/2009	Assembly Appropriations Committee	P 14-1
06/01/2009	Assembly Floor	P 54-13
07/07/2009	Senate Energy, Utilities and Communications Committee	P 6-1

CA AB 413

AUTHOR: Fuentes [D]
TITLE: Energy: Rates
LAST AMEND: 07/13/2009
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/17/2009 11:00 am
SUMMARY:

Prohibits the Public Utility Commission from requiring or permitting an electrical corporation to employ mandatory or default time-variant pricing for residential customers. Authorizes the commission to allow such corporation to offer customers the option of receiving service pursuant to such pricing under certain conditions. Requires the establishment of a CARE program for electricity and gas customer assistance with specified requirements. Relates to charges for baseline quantities or electricity.

VOTES:

04/27/2009	Assembly Utilities and Commerce Committee	P 11-1
05/28/2009	Assembly Appropriations Committee	P 12-5

06/02/2009 Assembly Floor P 68-6
07/07/2009 Senate Energy, Utilities and P 11-0
Communications Committee

CA AB 758

AUTHOR: Skinner [D]
TITLE: Energy: Energy Audit
LAST AMEND: 07/14/2009
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/17/2009 11:00 am
SUMMARY:

Requires the Energy Commission to establish a regulatory proceeding to develop a program to achieve greater energy savings in the state's existing residential and nonresidential buildings. Requires a new proceeding by the Public Utilities Commission to investigate the ability of electrical and gas corporations to provide customers energy efficiency financing options. Provides for no-cost energy audits. Requires a local publicly owned utility to be responsible for implementing an energy efficiency program.

VOTES:

04/20/2009 Assembly Utilities and Commerce P 11-4
Committee
05/28/2009 Assembly Appropriations Committee P 12-5
06/02/2009 Assembly Floor P 50-29
07/07/2009 Senate Energy, Utilities and P 11-0
Communications Committee

CA AB 828

AUTHOR: Lieu [D]
TITLE: Green Building Standards
LAST AMEND: 07/23/2009
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/17/2009 11:00 am
SUMMARY:

Requires the Buildings Standards Commission and other state agencies proposing green building standards to seek input from other agencies and specified groups. Requires any agency providing input to recommend whether the standard should be voluntary or mandatory. Authorizes the Energy Resources Conservation and Development Commission to develop and adopt voluntary energy efficiency standards.

VOTES:

04/14/2009 Assembly Business and Professions P 7-3
Committee
04/27/2009 Assembly Natural Resources Committee P 6-3
05/06/2009 Assembly Appropriations Committee P 11-5
05/28/2009 Assembly Floor P 50-30
07/07/2009 Senate Transportation and Housing P 6-3
Committee
07/13/2009 Senate Environmental Quality Committee P 5-2

CA SB 7

AUTHOR: Wiggins [D]
TITLE: Renewable Energy Sources: Tariff: Net Metering
LAST AMEND: 07/13/2009

DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:

Relates to the Public Utilities Act, which imposes various duties and responsibilities on the Public Utilities Commission. Relates to a standard contract or tariff for net energy metering. Requires an electricity distribution utility or cooperative to allow an eligible customer-generator to apply net surplus electricity as a credit for kilowatthours consumed as a specified formula. Requires that the commission evaluate allowing customer-generators to apply for a specified net electricity surplus.

VOTES:

04/27/2009	Senate Energy, Utilities and Communications Committee	P 11-0
06/03/2009	Senate Floor	P 34-0
07/06/2009	Assembly Utilities and Commerce Committee	P 10-3

CA SB 14

AUTHOR: Simitian [D]
TITLE: Utilities: Renewable Energy Resources
LAST AMEND: 07/14/2009
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:

Revises the requirement for retail sellers of electricity to meet and exceed a specified percentage of their procurement targets from renewable energy resources. Requires an accounting system to verify compliance by retail sellers and local publicly owned electric utilities to comply with the renewables portfolio standards program. Relates to Public Utility Commission and Independent System Operator responsibilities under the program. Relates to thermal energy facilities certification. Requires reports.

VOTES:

03/03/2009	Senate Energy, Utilities and Communications Committee	P 6-3
03/23/2009	Senate Appropriations Committee	P 7-5
03/31/2009	Senate Floor	P 21-16
07/06/2009	Assembly Utilities and Commerce Committee	P 10-5
07/08/2009	Assembly Natural Resources Committee	P 5-3

CA SB 412

AUTHOR: Kehoe [D]
TITLE: Electricity: Self-Generation Incentive Program
LAST AMEND: 07/14/2009
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:

Requires the Energy Commission to require the collection of funding for the self-generation incentive program for nonsolar distributed generation resources to a certain date. Authorizes the commission to authorize the annual collection of not more than the amount authorized for the program in a certain calendar year. Limits the eligibility for incentives to such resources that will support the state's goals for reduction of greenhouse gas emissions. Prohibits recovery from CARE program participants.

VOTES:

04/21/2009 Senate Energy, Utilities and P 10-1
Communications Committee
05/28/2009 Senate Appropriations Committee P 11-0
06/01/2009 Senate Floor P 37-0
06/29/2009 Assembly Utilities and Commerce P 13-0
Committee
07/06/2009 Assembly Natural Resources Committee P 9-0

CA SB 488

AUTHOR: Pavley [D]
TITLE: Energy: Energy Usage Information
LAST AMEND: 07/15/2009
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:

Relates to reporting requirements of electrical and gas corporation to the Public Utilities Commission on the comparative energy usage disclosure program and the reporting requirements of such program by local publicly owned electric utilities to the Energy Commission on the net energy savings that are currently being achieved and which could be achieved through expansion of the programs. Requires the commission to consider such reporting in developing energy efficiency savings and demand reduction targets.

VOTES:

04/27/2009 Senate Energy, Utilities and P 11-0
Communications Committee
06/01/2009 Senate Floor P 34-3
07/06/2009 Assembly Utilities and Commerce P 13-0
Committee

CA SB 581

AUTHOR: Leno [D]
TITLE: Hetch Hetchy Water and Power
LAST AMEND: 06/25/2009
DISPOSITION: Pending
LOCATION: Assembly Third Reading File
SUMMARY:

Authorizes the City and County of San Francisco to elect to designate specific renewable electricity generation facilities at-site renewable generation as Hetch Hetchy Water and Power remote renewable generation. Authorizes the City and County of San Francisco to elect to designate specific renewable facilities or a portion of specific renewable electricity generation facilities. Requires PG&E to accept any electricity exported to the grid by such renewable generation.

VOTES:

05/05/2009 Senate Energy, Utilities and P 7-3
Communications Committee
05/26/2009 Senate Floor P 25-14
06/22/2009 Assembly Utilities and Commerce P 13-0
Committee
07/06/2009 Assembly Natural Resources Committee P 9-0

CA SB 605

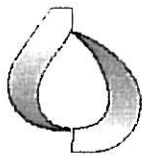
AUTHOR: Ashburn [R]
TITLE: California Environmental Quality Act: Biogas Pipelines
LAST AMEND: 05/04/2009

DISPOSITION: Pending
LOCATION: Assembly Consent Calendar
SUMMARY:

Relates to the Environmental Quality Act that provides some exemptions from its requirements for specified projects including a project that consists of the inspection, maintenance, repair, restoration, reconditioning, relocation, replacement, or removal of an existing pipeline. Provides that for purposes of that exemption, pipeline means a pipeline located in specified counties, that is used to transport biogas, and meets the existing requirements for the exemption and all local, state, and federal laws.

VOTES:

04/27/2009	Senate Environmental Quality Committee	P 7-0
05/26/2009	Senate Floor	P 39-0
07/06/2009	Assembly Natural Resources Committee	P 9-0
07/15/2009	Assembly Appropriations Committee	P 16-0



Date: August 19, 2009

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (08/12/09)

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: July Legislative Report from Geyer and Associates

RECOMMENDATION

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

BACKGROUND

Bill Geyer and Jennifer West provide a monthly report on their state activities on behalf of IEUA.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD

Enclosure

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MEMORANDUM

TO: Rich Atwater and Martha Davis

FROM: Jennifer West

DATE: July 30, 2009

RE: July Legislative Report

Budget Slimmed and Signed Into Law

This week the Governor signed a budget bill that temporarily solves the \$24 billion budget deficit. The budget contains no new taxes, \$16.1 billion in spending reductions and significant borrowing from local government. Because the entire budget was not approved, the Governor used his veto pen to eliminate an additional \$498 million in spending so that the state could retain a \$500 million reserve. Most of these cuts came from health and human services program. The Williamson Act subvention funding was almost completely "blue lined" – a farmland protection program that has been heavily used in the Chino Basin.

As part of the budget, the Legislature voted to suspend Proposition 1A (2004) and borrow property tax funds from local government. As a result, the state will collect the 8% property tax dollars from cities, counties and special districts beginning December 1, 2009. The borrowing must be repaid with interest by the state no later than 2013. The only exemption from the Proposition 1A borrowing is for local agencies experiencing "extreme hardship," which was defined as being on the verge of going bankrupt. This determination will be made by the Department of Finance.

Conference Committee to Tackle Water Conservation and Delta Policy

When the Legislature returns from summer break on August 17, it is expected to tackle some of the most pressing water issues facing the state, including water conservation, Delta governance, Delta conveyance and potentially a water bond. The Legislative leadership in both houses has selected five measures to be included for consideration by a Legislative conference committee. At this point the members of the committee have not been selected.

One bill IEUA has been following closely is AB 49, which will be the conference committee vehicle for achieving the 20% water conservation goal set forth by the Governor last year. The five bills in conference are:

AB 49 (Feuer-Huffman) Water Conservation: Urban and Agriculture
AB 39 (Huffman) Delta Plan
SB 12 (Simitian) Delta Stewardship Council

SB 229 (Pavley) Actions Prior to Adoption of Delta Plan
SB 458 (Wolk) Delta Conservancy and Delta Protection Committee

All measures have been stripped of their operative provisions and are considered just placeholders at this point. The Governor has also insisted that he would like to see a water bond as part of the mix. Legislators have indicated they might consider this if the funding mechanism for the bond does not put additional pressure on the General Fund.

Positions
Inland Empire Utilities Agency
July 30, 2009

AB 13 (Salas) Sacramento-San Joaquin Delta Conservancy
Status: Senate Natural Resources and Water – Two year bill
Support

This bill would establish the Sacramento-San Joaquin Delta Conservancy to provide policy oversight, foster implementation of, and manage funds to implement the restoration and management of habitat and lands in the Sacramento-San Joaquin Delta and Suisun Marsh, and to develop and implement projects to address the economic viability of the Delta region, consistent with a comprehensive Delta sustainability program.

AB 28 (Jeffries) Natural Gas Engines: water pumps
Status: Assembly Natural Resources –Two year bill
Support

The bill prohibits air pollution control districts and air quality management districts from restricting the use of engines powered by natural gas by a city, county, or special district, including a water district, to operate water pumps.

AB 49 (Feuer/Huffman) Water Conservation
Status: Conference Committee
Support

The bill would state the intent of the Legislature to enact legislation to establish 20% water efficiency requirements for the year 2020 for agricultural and urban water users. Sponsored by MWD and NRDC.

AB 234 (Huffman) Water/Energy Efficiency Projects
Status: Senate Appropriations 8-17
Support

The bill would have required the CEC to coordinate with the SWRCB and local water suppliers on planning and implementation of energy efficiency actions that also can result in water use savings when using funding received pursuant to the federal stimulus package.

The July 16 amendments strip the bill of its operative provisions. It now only contains intent language. This is because Speaker Bass reportedly wants to work with Assemblyman Huffman on the bill. She has a similar measure on the federal stimulus funding, which was also stripped of its contents.

AB 410 (De La Torre) IRWMP Funds/Recycling
Status: Senate Environmental Quality 7/6
Support

This bill would have provided that, of the \$100 million unallocated in Prop. 84 for the IRWMP, \$5,000,000 would be made available to specified regions for the preparation of salt and nutrient management plans consistent with the recycled water policy of the SWRCB.

The July 13 amendments, as required by the Senate Water Committee, removed this \$5 million “earmark”. The bill now requires DWR to give additional consideration to IRWMP proposals that include the preparation of salt and nutrient management plans consistent with the recycled water policy of the SWRCB. The bill additionally sets a target to recycle 1.525 MAF per year by 2020 and 2.525 MAF per year by 2030. Would require DWR to assess progress towards meeting this target every five years based on information in the UWMPs.

AB 474 (Blumenfield) Contractual Assessments: Water efficiency Improvements

Status: Senate Floor

Support

MWD Sponsored. It expands the AB 811 program to include water conservation efforts. The measure would authorize public agencies to provide upfront financing for the installation of permanently fixed water use efficiency improvements. Property owners within a designated assessment area would agree to assess themselves for associated principal, interest and administrative costs. Property owners would pay an annual assessment until costs advanced are repaid to the public agency.

AB 804 (Hall) Invasive Species: Mussels

Status: Senate Floor, Consent Calendar

Support

Would ensure that if a water supply system operator follow the requirements of current law to address quagga infestation, then the water entity and its employees will not be held civilly or criminally liable for the spread of quaggas.

AB 900 (DeLeon) Water Diversions

Status: Senate Appropriations 8-17

Support

Will require every person who diverts water to measure and report diversions to the State Water Resources Control Board thus creating a baseline of water diversion information, parallel to that required of other diverters in the state.

AB 560 (Skinner) Net Energy Metering

Status: Senate Appropriations 8-17

Support

Increases the current cap on the amount of electricity that can be generated under the net-metering program for solar and wind generation. Currently the cap for the net metering is set at 2.5 % of each of the participating electric utilities’ aggregate peak demand. This bill increases the cap to 10%.

AB 1061 (Lieu) Common Interest Development: Water Efficient Landscapes

Status: Senate Floor

Support

Sponsored by MWD. Will eliminate the ability for CIDs to prohibit, fine or assess a property owner for installing or maintaining water efficient landscaping that is in compliance with the state’s model landscape ordinance, local ordinances or water conservation requirements adopted pursuant to Water Code Section 353 or 375.

AB 1366 (Feuer/Caballero/A. Strickland) Residential self-regenerating water softeners

Status: Senate Appropriations 8-17

IEUA Sponsor

Gives local agencies additional control over salt discharges from residential self-regenerating water softeners, consistent with the recommendations of the Water Recycling Task Force. IEUA is leading a major lobbying effort on this measure, which is strongly opposed by the water softening industry.

AB 1465 (Hill) Urban Water Management Plan

Status: Senate Appropriations

Support

This bill would deem water suppliers that are members of the council and comply with the "Memorandum of Understanding Regarding Urban Water Conservation in California," dated December 10, 2008, as it may be amended, to be in compliance with the requirement to describe the supplier's water demand management measures in its urban water management plan.

AB 1520 (Evans) Statewide Watershed Program

Status: Assembly Appropriations –two year bill

Support

This bill would establish the Statewide Watershed Program as a voluntary and nonregulatory program to provide the means by which the state may provide assistance and funds to local community-based efforts in the conservation, protection, and restoration of the state's watersheds and to promote coordinated management of watersheds under the authority of the Secretary of the Natural Resources Agency and the Department of Conservation.

SB 26 (Simitian) Home Generated Pharmaceutical Waste

Status: Senate Appropriations –two year bill

Support

This bill would require the California State Board of Pharmacy to coordinate with other state agencies, local governments, drug manufacturers, and pharmacies to develop sustainable, efficient policies and programs to manage pharmaceutical wastes and the disposal of devices. The bill would authorize a pharmacy to accept the return of home-generated pharmaceutical waste and home-generated sharps waste, as defined. The measure would make local pharmaceutical waste disposal programs available for grant funding.

SB 261 (Dutton/Ducheny) Water Use/Water Management Plans

Status: Assembly Appropriations

Support

Requires each urban water supplier, or regional water management group acting on behalf of the urban water supplier, to develop and implement a water use efficiency and efficient water resources management plan. Requires DWR and SWRCB, by April 1, 2010, to convene a task force to develop best management practices for commercial, industrial, and institutional (CII) water uses. Sponsored by SAWPA and Western Municipal Water District

SB 283 (DeSaulnier) Dual Plumbing Recycled Water

Status: Assembly Floor

Support

Requires the Department of Water Resources, on or before December 31, 2009 and in consultation with Department of Public Health (DPH), to adopt and submit to the Building Standards Commission (BSC) regulations to establish a version of Appendix J of the Uniform Plumbing Code for California for design standards for both potable and recycled water systems.

SB 407 (Padilla) Plumbing Fixtures: High Water Use

Status: Assembly Appropriations

Support

This bill requires the owner of a property to replace residential high-water-using plumbing fixtures prior to any sale or transfer of the property that occurs on or after January 1, 2014.

MWD sponsored.

SB 696 (Wright) Emission Reduction Credits

Status: Senate Energy

Support

Due to a state court CEQA decision, the SCAQMD has been forced to stop issuing any permits relaying the District's internal offset accounts. Over 1000 permits are now on hold. This bill provides a limited CEQA exemption for implementation of specific SCAQMD rules creating or providing offset from the SCAQMD's internal bank. Individual permits would not be exempted from CEQA. The bill would require SCAQMD rules to apply stringent best available control technology, air quality impact modeling and air toxics limits.

SB 802 (Leno) Retention Proceeds

Status: Assembly Appropriations

Oppose

The bill requires that local governments reduce their payment retention amount from 10% to a 5% cap for construction projects. A large coalition of labor unions and contractors are supporting this measure.

Inland Empire Utilities Agency
Watch List
July 30, 2009

AB 39 (Huffman) Final Delta Vision

Status: Conference Committee

The bill states the intent of the Legislature to enact legislation to establish a Sacramento-San Joaquin Delta Plan.

AB 231 (Huffman) Climate Protection Trust Fund

Status: Senate Environmental Quality

Requires CARB to adopt by regulation no later than March 30, 2010, after a public workshop, a schedule of fees to be paid by the sources of regulated greenhouse gas emissions regulated. The fees would go into a Legislative controlled "Climate Protection Trust Fund."

AB 300 (Caballero) Subdivisions: Water Supply

Status: Senate Natural Resources and Water – Two year bill

This bill would require, until January 1, 2020, any city, county, or public water system preparing a water supply assessment to reduce the projected water demand for the project to an amount below the current statutory and regulatory requirements, as defined, based on the project applicant's voluntary water demand management measures, as defined. Water savings projections would be authorized to be calculated using the water savings projections adopted by the California Urban Water Conservation Council. Water savings projections for measures for which the California Urban Water Conservation Council does not have adopted findings would be required to be based on substantial evidence in the record and included in the water supply assessment adopted by the water supplier. If a project applicant proposes to use a new voluntary water reduction demand management measure that is not based on water savings projections adopted by the California Urban Water Conservation Council, the legislative body of a city or county or the advisory agency would be required to have the project applicant enter into an agreement with the water utility to implement and monitor the actual water savings over time, as specified. The public water system would be required to prepare a written report of the projected water demand versus the actual water use 5 years after the project has been fully developed. By adding to the duties of the public water system, this bill would impose a state-mandated local program.

Sponsored by CBIA

AB 626 (Eng) IRWMP: Disadvantaged Communities

Status: Senate Appropriations 8-17

For Proposition 84 IRWMP grants, the bill requires DWR to allocated 10% of the total grant amount in each hydrologic regional of the state to disadvantaged communities.

AB 752 (Arambula) State Water Pollution Control Revolving Fund: Severely Disadvantage Communities

Status: Senate Floor, Consent

This bill defines "severely disadvantaged community," as that term is used in relation to Chapter 6.5 of the Water Code, as a median household income that is less than 60 % of the statewide average.

AB 958 (Eng) Design-Build: Metropolitan Water Districts: Solar Energy Systems

Status: Senate Appropriations

This bill would authorize a metropolitan water district to enter into design-build contracts for projects involving the design, construction, fabrication, and installation of a solar energy system in excess of \$1,000,000, in accordance with specified provisions.

AB 1100 (Duvall) Potable Reuse Demonstration

Status: Senate Environmental Quality – two year bill

This bill would allow the bottling of potable reuse demonstration water, as defined, to be distributed, free of charge, for educational purposes or to promote water recycling. The bill would establish specific bottling, labeling, and sanitation for potable reuse demonstration water. The bill failed passage in Senate Environmental Quality.

AB 1187 (Huffman) Water Bond 2010

Status: Assembly Water Parks and Wildlife

Assembly Water Bond vehicle

AB 1242 (Ruskin) State Water Policy

Status: Senate Appropriations 8-17

Declares that it is the "established policy of the state" that a human being has the right to clean and accessible water, that is adequate for the health and well-being of the individual and family, and that no one shall be deprived of that access or quality of water due to individual economic circumstances. Requires relevant state agencies, including the Department of Water Resources (DWR), the State Water Resources Control Board (SWRCB) and the State Department of Public Health (DPH), employ all feasible means to implement this policy.

AB 1438 (Conway) Safe Drinking Water State Revolving Fund

Status: Senate Appropriations 8-17

This bill would allow the Department of Public Health to establish a wellhead protection account within the Safe Drinking Water State Revolving Fund.

SB 7 (Wiggins) Renewable Energy: Net Metering

Status: Assembly Appropriations

This bill requires an electrical distribution utility or cooperative to allow eligible energy generation customers to apply for kilowatt-hour credits on net surplus electricity generated during a 24 month period.

SB 12 (Simitian) Delta

Status: Conference Committee

The bill would declare legislative intent to enact legislation to establish the Sacramento- San Joaquin Delta Stewardship Council.

SB 301 (Florez) Water Supply Reliability and Ecosystem Recovery and Restoration Act of 2009

Status: Senate Natural Resource & Water

Senate vehicle for 2010 water bond.

SB 310 (Ducheny) Water Quality: Stormwater and Other Runoff

Status: Assembly Appropriations

This bill would authorize a county, city, or special district that is a permittee or copermitttee under an NPDES permit for a municipal separate storm sewer system to develop a watershed improvement plan that addresses major sources of pollutants in receiving water, stormwater, urban runoff, or other surface runoff pollution within the watershed or subwatershed to which the plan applies. The regional boards would be authorized to participate in the preparation of the watershed improvement plan. The bill would authorize a county, city, or special district, or combination thereof, to impose fees on activities that generate or contribute to runoff, stormwater, or surface runoff pollution to pay the costs of the preparation of a watershed improvement plan or the implementation of a plan that is approved by a regional board if the plan will facilitate compliance with one or more water quality requirements. The bill would authorize a county, city, or special district, or combination thereof, to plan, design, implement, construct, operate, and maintain controls and facilities to improve water quality. Sponsored by CBIA.

SB 371 (Cogdill) Safe, Clean, Reliable Drinking Water Supply Act of 2009

Status: Senate Natural Resources & Water

Governor's Water Bond Proposal

SB 456 (Wolk) Safe, Clean, Reliable Drinking Water Supply Act of 2010

Status: Senate Natural Resources & Water

Water Bond proposal for 2010

SB 457 (Wolk) Sacramento-San Joaquin Delta

Status: Assembly Water Parks and Wildlife – Two year bill

This bill requires the Delta Protection Commission to review all general plans of cities and counties within the Delta, and the resource management plan, to be consistent with any new Delta management plan that may be created or adopted by the commission. This bill authorizes the commission to cover the cost of the review by imposing a per acre-foot fee on any water diversion within the Delta Watershed, and a fee on any water conveyed through or around the Delta.

SB 458 (Wolk) Conservancies: Sacramento-San Joaquin Delta Conservancy

Status: Conference Committee

The bill states the intent of the Legislature to enact legislation to establish a Sacramento-San Joaquin Delta Conservancy and to modify the Delta Protection Commission.

SB 565 (Pavley) Water Recycling

Status: Assembly Water Parks and Wildlife – Two year bill

This bill would require the state board to develop a plan to ensure that at least 50% of wastewater that is annually discharged into the ocean, as of the year 2009, is recycled and put to beneficial use by the year 2030. The bill would prescribe various requirements with respect to that plan. The bill would require the state board to impose a fee on each person discharging wastewater into the ocean and would require that fee to be deposited into the Ocean Discharge Recycling Fund, which the bill would establish. The bill would authorize the state board to expend the moneys in that fund, upon appropriation by the Legislature, for the purposes of carrying out the wastewater recycling plan.

SB 735 (Steinberg) Safe, Clean, and Reliable Drinking Water Supply Act of 2010

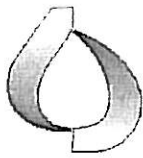
Status: Senate Natural Resources & Water and E.Q.

Senate Water Bond proposal

SB 790 (Pavley) Stormwater Management

Status: Assembly Appropriations – Suspense file

Under the Watershed, Clean Beaches, and Water Quality Act Clean Beaches Program, the bill authorizes grants to implement or promote low impact development that will contribute to improving water quality or reducing stormwater runoff, and to implement a stormwater management plan. Under the Integrated Regional Water Management Planning Act, it authorizes a regional water management group to coordinate its planning activities to also incorporate stormwater management planning. The bill also authorizes a city, county, or special district (individually or jointly) to develop a stormwater management plan that meets certain requirements (e.g., be developed on a watershed basis, provide for community participation, assist in compliance with TDML implementation plans and applicable NPDES permits). Provides that a stormwater management plan must be designed to augment local water supply through infiltration, and reuse of stormwater; reestablish natural water drainage treatment and infiltration systems.



Date: August 19, 2009

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (08/12/09)

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

Submitted by: Sondra Elrod
Public Information Officer

Subject: Public Outreach and Communications

RECOMMENDATION

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

Calendar of Events

August 2009

- **August 5**, Tour of Recharge Basins.
- **August 20**, BIA, San Bernardino Water Conference, Ontario Convention Center.

October 2009

- **October 1**, Project WET Workshop, Cucamonga Valley Water District, 8:00 a.m. to 3:00 p.m.
- **October 24**, Regional Water Fair, Chino Basin Water Conservation District, 9:00 a.m. to 2:30 p.m.
- **October 26**, Project Webfoot Workshop, IEUA, 8:00 a.m. to 4:00 p.m.

Outreach/Educational Inland Valley Daily Bulletin Newspaper Campaign

The 5 tips on ways to help conserve water ad will appear in the Daily Bulletin on the first Sunday of each month. The May Water Awareness two-page advertisement ran on Sunday, May 31, 2009.

Water Conservation Outreach

IEUA is continuing to work with conservation partners to plan the Regional Conservation message. The new slogan is *Saving Water...It's the Right Thing to Do.*

GIES program school sites are being completed during the summer with dedications taking place in the fall during the schools back-to-school nights.

Beginning June 12 and running through October 18, IEUA will be running MWD's 30 second conservation ad on 71 screens in our local movie theatres. It is expected that the message will be seen by approximately 2,000 people each week or about 1.4 million people over the 18 week schedule.

Regional Conservation Outreach Campaign

- Ongoing monthly 1/4 page ads in the Inland Valley Daily Bulletin, Champion Newspaper, Fontana Herald News, La Opinion, and Inland Empire Magazine.
- Ongoing water wise gardening classes.
- 30 second PSA's on community TV/movie theaters/radio/internet with conservation tips
- Billboards.

Agency Tours

During the month of July, staff provided a few tours of the HQ. Numerous tours of the Chino Creek Wetlands and Educational Park were provided by SAWA.

Educational Updates

- The Water Education Water Awareness Committee (WEWAC) has begun planning for the garden that is placed at the Pomona Fairplex during the LA County Fair. The theme is *Safari*. The garden will be displayed during the complete run of the Fair.
- Conservation Messages are being displayed during the Quakes home games in Rancho Cucamonga. The Water Education Water Awareness Committee has provided the support in order for this program to run.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The above mentioned activities are budgeted in the FY 2009/10 Public Information Services budget.



CHINO BASIN WATERMASTER

VI. INFORMATION

1. Newspaper Articles



seen

Chaffey College Foundation

CHINO HILLS

For the past 19 years, the Chaffey College Foundation has hosted a golf tournament to raise money for student scholarships. This year's event, along with a putting contest, luncheon, awards banquet and auction, was held at the Los Serranos Country Club in Chino Hills. Sponsors included Verizon, Bernards, Vavrinek, Day & Co., P2S Engineering, HMC Architects and Coca-Cola.



(1) Jeff Camacho, left, Sheri and John Rojo, and Michael Camacho standing (2) Tony Dillinger, Dave Padilla, Randy Miller; standing: Alan Bodor, left, and Dean Parker (3) Ben Pakt, left, Ken Manning and Joe LeClaire (4) Lee McDougal, Gary George, Henry Shannon and Paul Gomez (5) Heather Menzel-Hightower and Steve Menzel (6) Sandy Sheen, left, Sue Herman, Sharon Schroeder and Peggy Cartwright

PHOTOS BY ERIC REED



Save the Date

The Ontario Convention Center & SAVOR ... Catering
Presents the 1st annual

Ontario Jazz, Wine and Dine An International Food, Wine & Jazz Celebration

Featuring Renown Guitarist Ray Fuller & Special Guests

Guests will have an opportunity to purchase tickets for either the Food & Wine Pairing, or an all inclusive Jazz Concert & Wine Dinner

'SAVOR' exquisite tastes from the finest Restaurants, Caterers, and Wineries of the Inland Empire and beyond... while enjoying live Jazz performed by an array of exceptional local artists.

Dinner ticket features an All Star Jazz Concert in our Ballroom and Pairings by our own Executive Chef Jennifer Minichiello.

Details:

Saturday
September 26
4pm - 9pm

Must be over 21 to attend

For tickets and information contact:
Victoria VanDamme
909.937.3063
vdamme@ontariocc.com

*A portion of the proceeds from this event will be donated to:
Weeper's Friends CARES
'ARTIST 4 CHILDREN - ONTARIO'
Artists + Children Support Local Arts & Advocacy Awareness*



Ontario Convention Center
2000 E. Convention Center Way
Ontario, CA 91764

SAVOR... Ontario

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Water project funded

\$49M for recycling to bring needed jobs

Sarah Jo, Correspondent

Created: 07/05/2009 10:30:53 PM PDT

CHINO - Two grants will allow the Inland Empire Utility Agency to increase its recycled-water capacity by about 10 million gallons a day.

The \$49 million in state and federal stimulus money help make the area less dependent on imported water.

The \$14 million in American Recovery and Reinvestment Act funds accompany \$35 million from the State Water Resources Control Board to finance the IEUA's Northeast Area Regional Recycled Water Project.

That project will supply more recycled water to Rancho Cucamonga and Fontana by fall 2010 and boost job opportunities for contractors.

"We will have more of a reliable water supply in the future, ensuring that businesses and homeowners will have

more reliable, less expensive local supplies than the more expensive imports," said Rich Atwater, CEO and general manager of IEUA.

The project could mean more than 600 local construction jobs over the next year.

The funding comes as cities are low on both cash and water because of the recession and a statewide drought.

The IEUA has been looking for long-term ways to avoid water shortages. The agency recycles about 25million gallons of water per day and expects the northeast project to recycle 10million more gallons a day, serving an additional 40,000 to 50,000 people, Atwater said.

In Rancho Cucamonga, the agency will install three purple pipelines for recycled water, buy and convert a reservoir into a recycled-water system, build a pump station to improve water pressure in some areas, and install wells and equipment to analyze water for contamination.

Places with irrigation needs, such as schools, parks and golf courses, will receive recycled water by fall 2010.

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The estimated cost of the northeast project is \$28 million. IEUA originally estimated the cost to be \$40 million and now finds itself under budget with extra stimulus funding.

Atwater said his agency is planning to expand the northeast project's construction and will make final decisions on how to spend the extra stimulus money in the fall, with state water board approval.

Judie Panneton, a spokeswoman for the State Water Resources Control board, said the projects were approved based upon their environmental benefits and viability, how quickly they could be completed and the financial hardship in the service region.

IEUA board President Terry Catlin said in a statement that the recycled-water projects will help create jobs in areas that have unemployment rates exceeding 12 percent.

The stimulus money also brings relief to some local contractors that have been struggling to find work in a slow economy.

WEKA Inc., a general engineering

contractor business in Redlands, was one of about 20 companies bidding for the construction jobs.

Jared Himle, president of WEKA, said the competition was tough because many specialized pipeline companies are suffering.

"My competitors were all basically fighting and hurting for work," Himle said. "Contractors are trying to hang in there."

His own business took the economic slump hard. In 2007, Himle had 50 employees. He now has 20.

Himle said the two low-bid construction jobs he was awarded are fair-sized and specialized because of the quality of pipes he will be installing. He added that he will have no problem finishing on time.

"Now, finding manpower is easy," he said.

Atwater said two construction jobs, the Church Street Lateral pipeline and the installations of monitoring wells and lysimeters, will go out to bid in the next few months.

But the federal stimulus money will not

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stop there.

Over the next few months, the IEUA will begin planning more water-conservation projects in Fontana, Ontario, Upland and Rancho Cucamonga with the recent influx of \$14 million from the U.S. Bureau of Reclamation.

An additional \$773,045 from the state water board will help fund a separate IEUA project in the Chino area.

The approved Magnolia Channel project will plant and restore wetland habitats such as the Chino Creek and Prado Wetlands, which naturally purify water. The total cost of the project is estimated at \$1.9 million. **Upcoming projects**

1299 East Recycled Water Pipeline

Estimated cost: \$3.6 million

Estimated number of jobs: 108

1299 East Reservoir and 1630 East Pump Station

A tank reservoir will be modified for recycled water rather than drinking water.

Estimated cost: \$5.7 million

Estimated number of jobs: 171

1630 East Recycled Water Pipeline - Segment A

Estimated cost: \$5.2 million

Estimated number of jobs: 156

Church Street Lateral Pipeline

Estimated cost: \$5 million

Estimated number of jobs: 150

Open for contractors' bids in August

Monitoring wells and lysimeter clusters

Estimated cost: \$2 million

Estimated number of jobs: 60

Open for contractors' bids in late July

Source: Inland Empire Utilities Agency

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Stricter labeling urged for bottled water

By EMILY FREDRIX, AP Food Industry Writer

1 hr 36 mins ago

Consumers know less about the water they pay dearly for in bottles than what they can drink almost for free from the tap because the two are regulated differently, researchers and congressional investigators say in new reports.

Both the Government Accountability Office and the Environmental Working Group, a research and advocacy organization, recommend in reports being released Wednesday that bottled water be labeled with the same level of information municipal water providers must disclose.

The researchers plan to urge Americans to make bottled water "a distant second choice" to filtered tap water during their testimony before a congressional subcommittee Wednesday morning.

Bottled water — an industry worth about \$16 billion in sales last year — has been suffering lately as colleges, communities and some governments take measures to limit or ban its consumption. As employers, they are motivated by cost savings and environmental concern because the bottles create unnecessary waste and can be hard to recycle.

Bottled water sales were growing by double-digit percentages for years and were helping buoy the U.S. beverage industry overall. But they were flat last year, according to trade publication Beverage Digest.

Beverage Digest editor John Sicher said some consumers are turning on the tap during the recession simply because it's cheaper.

From 1997 to 2007, the amount of bottled water consumed per person in the U.S. more than doubled, from 13.4 gallons to 29.3 gallons, the GAO report said.

The issue on Wednesday though, before a subcommittee of the Energy and Commerce Committee, was less about waste and water quality concerns and more about the mechanics of regulating bottled water.

As a food product, bottled water is regulated by the Food and Drug Administration and required to show nutrition information and ingredients on its labels. Municipal water is under the control of the Environmental Protection Agency.

The two agencies have similar standards for water quality, but the FDA has less authority to enforce them, the GAO said, and the environmental agency requires much more testing.

The GAO noted the FDA also has yet to set standards for chemicals called phthalates, found in many household products, while the EPA limits their presence in tap water.

In a survey of officials in all 50 states and the District of Columbia, the GAO found they think consumers are misinformed about bottled water.

"Many replied that consumers often believe that bottled water is safer or healthier than tap water," according to the GAO report.

The Washington, D.C.-based Environmental Working Group said in its report that consumers do not get enough information to determine which water best for them.

Both groups said some bottled water brands include the same information required of tap water providers on either labels or company Web sites.

The GAO called for more research but said the FDA should start by requiring that bottled water labels tell consumers where to find out more.

Community water systems must distribute annual reports about their water's source, contaminants and possible health concerns.

Consumers should know where all their water comes from, how it is treated and what is found in it, said Richard Wiles, senior vice president for policy and communications for the Environmental Working Group.

"If the municipal tap water systems can tell their customers this information, you would think that bottled water companies that charge 1,000 times more for this water could also let consumers know the same thing," he told The Associated Press.

The bottled water industry's trade group, the International Bottled Water Association, planned to testify Wednesday that the product, — subject to the same regulation as other soft drinks, teas, juices and other beverages — is safe. Additional standards apply for bottled water products labeled as "purified water" or "spring water," among other labels, because they must meet prove a connection to those sources, according to planned testimony from Joseph Doss, president and chief executive of the International Bottled Water Association.

Doss said consumers can learn about bottled water by contacting the company, reading its Web site and visiting sites run by state governments.

State safeguards for bottled water often exceed the federal, though they are less stringent than for tap water, the GAO wrote.

The trade group declined to comment on the reports before they are released.

http://www.latimes.com/business/la-fi-calpers22-2009jul22,0,5416427_story

From the Los Angeles Times

PENSIONS

California's biggest government pension funds lose almost \$100 billion

CalPERS' preliminary losses were \$56.2 billion in the fiscal year that ended last month, while the California State Teachers' Retirement System lost \$43.4 billion.
By Marc Lifsher

July 22, 2009

Marc Lifsher Reporting From Sacramento — With a state budget agreement at hand, look for Gov. Arnold Schwarzenegger to tackle the state's troubled retirement system.

On Tuesday, the country's two biggest public pension funds reported losing almost \$100 billion in the fiscal year that ended June 30. And the governor is expected to highlight the new numbers as he renews a campaign to trim the cost of providing lifetime, fixed benefits to hundreds of thousands of government retirees.

"No long-term fix is more important to our state's solvency," Schwarzenegger wrote in an opinion column in The Times this month. The governor plans to ask the Legislature to approve changes in the system.

The state, he said, would save money by giving smaller pensions to new state workers through changing "our unsustainable retiree pension formulas."

The governor's push for a pension overhaul took on a new urgency when the California Public Employees' Retirement System and a sister agency, the California State Teachers' Retirement System, separately announced that they'd lost about a quarter of the value of their investment portfolios. CalPERS' preliminary losses were \$56.2 billion, while the teachers' retirement system lost \$43.4 billion.

Schwarzenegger told reporters last week that the big pension funds could face an estimated \$300-billion shortfall in covering the cost of pensions to current and future retirees.

The financial hemorrhaging underscores the risk to taxpayers of ensuring generous fixed benefits to retired government workers, said Marcia Fritz, vice president of the California Foundation for Fiscal Responsibility, which seeks to revamp the pension system.

"It's crazy to put so much of our resources into such a generous retirement," said Fritz, a certified public accountant in the Sacramento suburbs.

The tremendous drop in the portfolios' value is expected to have a direct effect on the amount of money that the state and about 2,000 local governments and school districts must contribute in coming years to pay for pensions for more than 1.6 million government workers, retirees and their families.

As income from the pension investments falls, the governments would have to make up the difference to meet the state's pension obligations to workers and retirees. CalPERS expects to hike government contributions for the state in 2010 and for local governments in 2011.

According to CalPERS actuaries, it must earn an average of 7.75% annually to avoid such annual increases. That target is reachable over time, CalPERS said in a statement Tuesday, noting that its "long-term 20-year investment return remained positive at 7.75%" despite the current global economic crisis.

The most recent losses were not a surprise, CalPERS Chief Investment Officer Joseph Dear said Tuesday.

"The system has more than enough cash through contributions and income from investments to meet our present liabilities, so we are in a good position to ride out the current downturn and come out stronger," Dear said.

CalPERS has modified its investment mix and risk-management policies in an effort to boost earnings, Dear said. The pension fund, he noted, already has rebounded by \$20 billion since dipping to a recent low of \$160 billion in March.

As of June 30, 2008, CalPERS' holdings in stocks, private equity, real estate and commodities positions were worth \$239.2 billion. The value fell to \$180.9 billion by the end of last month, according to preliminary results.

CalPERS hit a record-high balance of \$247.7 billion two years ago after earning double-digit returns for the five fiscal years that ended June 30, 2007.

To ease the damage on cash-strapped cities and counties, CalPERS' board has approved a plan that would spread the latest fiscal year's deep losses over the next 30 years, beginning in mid-2011.

The teachers' fund, which provides retirement benefits for 833,000 public school educators and their families, reported investments worth \$118.8 billion on June 30, down 25% from \$162.2 billion a year earlier.

It suffered severe losses across its portfolio, which was hit hard by a 43% decline in its real estate values, a 28.2% drop in the value of its stock holdings and a 27.6% loss in private equity holdings.

Investment earnings over time won't be enough to meet all the fund's obligations to retirees, Chief Executive Jack Ehnes said.

"We are not in a crisis to resolve the contribution gap," he said. "But the sooner a solution is found, the lower the cost."

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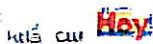
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Water factor raised

Issue seen as role player in recovery

Matt Wrye, Staff Writer

Created: 07/22/2009 06:12:03 PM PDT

Buried in a report released Wednesday are two words increasingly becoming an issue in the topic of economic recovery for the Inland Empire: "water supply."

While the Inland Empire forecast by the Los Angeles County Economic Development Corp., a research group, pushes recovery prospects to 2011 or 2012, the region's water supply could play a bigger role in shaping that recovery than people realize.

"Water costs are going to be very important," said Jack Kyser, the agency's lead economist. "Water is obviously going to become more expensive."

If job growth goes hand in hand with attracting new companies, water issues might keep the area's job base from reaching its full potential.

Besides a skilled work force and inexpensive real estate, certain textile

manufacturers, food processors and other businesses look to expand in regions with low water costs.

"First of all, are you even going to have available water?" said Kyser, citing some of those industries' concerns. "It's definitely a concern. California is already seen as a high-cost state to do business in."

Lee Harrington, executive director of the Southern California Leadership Council, a Los Angeles-based group of business and community leaders that works with the county agency, agreed.

But he noted that some water agencies and districts are already at the forefront of the water-conservation issue.

"You've got some pretty creative water agencies out there doing some cutting-edge things," Harrington said.

He said new development cuts to the core of how water conservation will shape the region's economic recovery. On top of maneuvering through the environmental report process, developers will increasingly have to demonstrate cost-effective conservation measures.

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"The Inland Empire ... needs to overcome the perception that somehow water availability is more challenged there than other places," Harrington said. "It isn't necessarily true."

The economic development corporation's report says a rebound in the Inland Empire housing market - hopefully by the end of 2010 - will signal a turnaround in the region's economy.

The logistics industry will still fuel growth, although it will be tepid.

Also, according to the report, the commercial real estate market, already showing major weakness, will remain a huge risk for at least the next couple of years.

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Perfect storm hits district

Wendy Leung, Staff Writer

Created: 07/22/2009 03:44:11 PM PDT
RANCHO CUCAMONGA - Cucamonga Valley Water District officials said they have been hit by a perfect storm.

Actually, the state is in desperate need of a different kind of storm but we have not had one those in a while.

Several years of a serious drought coupled with a court decision to limit the amount of water that can be pumped from a Northern California delta have created this so-called perfect storm.

To cope, Metropolitan Water District, which sells imported water to the Cucamonga Valley Water District, is raising rates in September, which is three months earlier than usual.

The local water agency will then pass the cost right to residents later that month.

If the Cucamonga Valley Water District Board of Directors passes the rate hike at

its Aug. 11 meeting, an average household will see their bill go up \$4.16 every two months.

At a community meeting on Tuesday, water district General Manager Robert DeLoach said the agency has been hardly immune from the current economic slowdown.

"We're no different than any other business," DeLoach said. "We're no different than your household."

In June, the district cut its budget by 10 percent and laid off 13 employees. It was the first time the district has been affected by layoffs.

Residents on Tuesday asked questions about the rate hike, and some took the opportunity to complain about the tiered rate system that the district implemented last year. Residents will have another opportunity to provide comment on the rate increase at a public hearing on Aug. 11.

About 53 percent of the water supply comes from water imported from Northern California and purchased from the MWD.

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In years past, MWD rates have either remained stagnate or increased by about 5 percent or less. This year, however, the agency is raising rates by about 17 percent and is expected to increase by another 17 percent next year.

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MWD is charging its customers more because of the ongoing drought as well as a decision by a federal judge in 2007 calling for a reduction in water exports from the Sacramento-San Joaquin Delta to protect the delta smelt, an endangered species of fish.

The water district just can't absorb the rate hikes implemented by MWD any longer, according to DeLoach.

The proposed increase is expected to begin on Sept. 1, when a unit of water will increase by 8 cents. The increase will appear as a separate line item on the bill.

A typical household pays \$97.66 for 52 units of water every two months. With the proposed hike, the average household will pay \$4.16 more.

For more information, call (909) 987-2591 or visit www.cvwdwater.com

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Economy has halted dairies' departure to greener pastures

Mediha Fejzagic DiMartino, Staff Writer

Created: 07/20/2009 04:49:12 PM PDT

ONTARIO - The cows are here to stay - for now.

The uncertainty in the housing market is putting brakes on dairymen's plans to cash in their land and move on to greener pastures.

A third of the 120 farms in Chino Valley are in escrow with no closing date in sight, while developers lay low and wait out the turbulent times.

"No one really knows how, when and if the housing market will return," said Sybrand Vander Dussen, real estate broker and president of the Milk Producers Council. "It's a total crapshoot."

During the first half of the decade, a gold rush mentality was consuming the Chino Valley, which once ranked as the No. 1 milk-producing area in the United States.

In 1999, Ontario annexed 13 square miles of land that was once a part of the San Bernardino County Agricultural Preserve. The general plan of the New Model Colony called for 30,000 homes to be built in the next 20 years.



Joe De Hoog tends to his cattle at the Three D Dairies on Saturday in Ontario. (Mediha Fejzagic DiMartino/Staff Photographer)

"The offers from the developers were coming in fast and furious, dairyman Joe De Hoog said.

In some instances, the price of the land also went up from an average of \$160,000 per acre to \$700,000, Vander Dussen said.

The De Hoog family, which runs Michael De Hoog and Three D Dairies in south Ontario, in 2005 accepted an offer from Brookfield Homes to sell its land.

The escrow was set to close this year, but after two rounds of negotiations, it was extended until 2014.

The purchase price that De Hoog initially negotiated also dropped 35 percent.

"This is the reality of the economic situation," De Hoog said. "It eliminated the family's opportunity to relocate. I would have preferred to close on

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the original offer, but it's still a decent price we are comfortable with."

When selling farmland, two- to five-year contracts are standard, Vander Dussen said. Also, the seller is under the contract to sell but the buyer is not required to close the deal - as long as he or she makes the quarterly deposits to the seller.

Typically, if a 40-acre property is sold for \$300,000 an acre, a quarterly payment could be as much as \$50,000, Vander Dussen said.

If a buyer backs out of the deal, the seller keeps the land and any deposits made thus far.

The reasoning behind such a seemingly one-sided business practice is closely related to housing market fluctuations and land's residual value.

Pricing a piece of land requires several steps, Vander Dussen said. A market study is done to show what kind of homes can be built on the property and at what price level. The developer then subtracts the construction and infrastructure costs as well as desired profit from the potential sales price of the home.

"What is left is what the land is worth," he said.

Some dairymen were not eager to renegotiate the terms of their deals, and developers have in turn canceled their contracts.

In 2005, Xavier Aghessetche agreed to sell his

52 acres property to Hillcrest Homes. The portion that was zoned for medium density housing Aghessetche sold for \$800,000 an acre, while the rest, to be used for commercial purposes, went for \$500,000 per acre.

The developer paid \$1 million initial deposit and made \$400,000 quarterly payments. Two years later, while on a vacation in France, Aghessetche got a call that Hillcrest Homes did not make the expected payment.

"The deal went sour," he said. "They wanted to renegotiate the price and I refused. They backed out of it."

If the sale did go through, Aghessetche was set to pocket \$32 million.

Nowadays, without a buyer in sight, he is renting out the land to five tenants, one of them a plant nursery.

"Maybe I should have compromised," Aghessetche said. "But a contract is a contract."

With housing prices plunging 50 percent in San Bernardino County, land residual value of Chino Valley dairy farms has also spiraled.

For developers, making quarterly deposits instead of closing on land that may be worth less next year makes more sense.

"The overall plan of the New Model Colony is an excellent plan," said Randall Lewis, executive vice president of Lewis Operating Corp. "It will be

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a great place to live. But right now, it's a victim of the turmoil, not just the real estate turmoil but also the economic turmoil that California is facing."

Lewis Operating Corp. has two projects in New Model Colony - Parkside and Park Place.

To get the first phase started, it would take more than \$100 million, Lewis said. To complete the infrastructure for the entire 13 square miles would cost \$500 million.

"A lot of money is already spent, \$95 million so far by the development group," he said. "But it will take a significant future investment. Market needs to get better before the developers will want to invest the money and take on the risk."

If the groundbreaking happened tomorrow, it would take 22 months before a first house could be built.

"Who knows what the market will look like then?" Vander Dussen said.

Nestled in the corner of Riverside Drive and Milliken Avenue, Edenglen is the first and only community in New Model Colony that has moved beyond the architectural drawings stage.

Its developer, Brookfield Homes, has sold 187 homes in five neighborhoods and has 390 left to go. It also has 15 properties in escrow, including De Hoog's.

"We have a long-term investment in the city of

Ontario," said Adrian Foley, president of Brookfield Southland.

"The current market market conditions are not as favorable as they will be in the future. We are prepared to wait it out and work out this transition period with assistance of the city and land owners."

The wait does not bother De Hoog much.

The dairy industry is not doing well, he said. There is a surplus of milk, and everybody is losing money.

"California is very restrictive and land is expensive," De Hoog said. "If the deal goes through we'll end up moving the cows out of the state. But there is still no guarantee that it will close at this price. And who knows what will happen in the future. It could be a good deal for the buyer."

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Health Home > Health Experts > Eat This, Not That > The Truth About Bottled Water

The Truth About Bottled Water

By David Zinczenko, with Matt Goulding - Posted on Tue, Jul 21



Imagine you've just been given a choice: You have to drink from one of two containers. One container is a cup from your own kitchen, and it contains a product that has passed strict state, federal and local guidelines for cleanliness and quality. Oh, and it's free. The second container comes from a manufacturing plant somewhere, and its contents—while seemingly identical to your first choice—have not been subjected to the same strict national and local standards. It costs approximately four times more than gasoline. These products both look and taste nearly identical.

Which do you choose?

If you chose beverage A, congratulations: You just saved yourself a whole lot of money, and, perhaps, even contaminants, too. But if you picked beverage B, then you'll be spending hundreds of unnecessary dollars on bottled water this year. Sure, bottled water is convenient, trendy, and may well be just as pure as what comes out of your tap. But it's hardly a smart investment for your pocketbook, your body or our planet. Eat This, Not That! decided to take a closer look at what's behind the pristine images and elegant-sounding names printed on those bottles.

You may actually be drinking tap water.

Case in point: Dasani, a Coca-Cola product. Despite its exotic-sounding name, Dasani is simply purified tap water that's had minerals added back in. For example, if your Dasani water was bottled at the Coca-Cola Bottling Company in Philadelphia, you're drinking Philly tap water. But it's not the only brand of water that relies on city pipes to provide its product. About 25 percent of all bottled water is taken from municipal water sources, including Pepsi's Aquafina.

Bottled water isn't always pure.

Scan the labels of the leading brands and you see variations on the words "pure" and "natural" and "pristine" over and over again. And when a Cornell University marketing class studied consumer perceptions of bottled water, they found that people thought it was cleaner, with less bacteria. But that may not



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actually be true. For example, in a 4-year review that included the testing of 1,000 bottles of water, the Natural Resources Defense Council—one the country's most ardent environmental crusaders—found that "about 22 percent of the brands we tested contained, in at least one sample, chemical contaminants at levels above strict state health limits."

It's not clear where the plastic container ends and the drink begins.

Turns out, when certain plastics are heated at a high temperature, chemicals from the plastics may leach into container's contents. So there's been a flurry of speculation recently as to whether the amounts of these chemicals are actually harmful, and whether this is even a concern when it comes to water bottles—which aren't likely to be placed in boiling water or even a microwave. While the jury is still out on realistic health ramifications, it seems that, yes, small amounts of chemicals from PET water bottles such as antimony—a semi-metal that's thought to be toxic in large doses—can accumulate the longer bottled water is stored in a hot environment. Which, of course, is probably a good reason to avoid storing bottled water in your garage for six months—or better yet, to just reach for tap instead.

Our country's high demand for oil isn't just due to long commutes.

Most water bottles are composed of a plastic called polyethylene terephthalate (PET). Now, to make PET, you need crude oil. Specifically, 17 million barrels of oil are used in the production of PET water bottles ever year, estimate University of Louisville scientists. No wonder the per ounce cost of bottled water rivals that of gasoline. What's more, 86 percent of 30 billion PET water bottles sold annually are tossed in the trash, instead of being recycled, according to data from the Container Recycling Institute. That's a lot of waste—waste that will outlive you, your children, and your children's children. You see, PET bottles take 400 to 1000 years to degrade. Which begs the question: If our current rate of consumption continues, where will we put all of this discarded plastic?

To learn the truth about diet soda, energy drinks and discover the best no-diet weight loss solutions on the planet, check out all of the eye-popping lists at eatthis.com. Also, sign up for your FREE Eat This Not That! newsletter and stay informed about the best choices for you and your family.

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Economy has halted dairies' departure to greener pastures

Mediha Fejzagic DiMartino, Staff Writer

Created: 07/20/2009 04:49:12 PM PDT

ONTARIO - The cows are here to stay - for now.

The uncertainty in the housing market is putting brakes on dairymen's plans to cash in their land and move on to greener pastures.

A third of the 120 farms in Chino Valley are in escrow with no closing date in sight, while developers lay low and wait out the turbulent times.

"No one really knows how, when and if the housing market will return," said Sybrand Vander Dussen, real estate broker and president of the Milk Producers Council. "It's a total crapshoot."

During the first half of the decade, a gold rush mentality was consuming the Chino Valley, which once ranked as the No. 1 milk-producing area in the United States.

In 1999, Ontario annexed 13 square miles of land that was once a part of the San Bernardino County Agricultural Preserve. The general plan of the New Model Colony called for 30,000 homes to be built in the next 20 years.



Joe De Hoog tends to his cattle at the Three D Dairies on Saturday in Ontario. (Mediha Fejzagic DiMartino/Staff Photographer)

"The offers from the developers were coming in fast and furious, dairyman Joe De Hoog said.

In some instances, the price of the land also went up from an average of \$160,000 per acre to \$700,000, Vander Dussen said.

The De Hoog family, which runs Michael De Hoog and Three D Dairies in south Ontario, in 2005 accepted an offer from Brookfield Homes to sell its land.

The escrow was set to close this year, but after two rounds of negotiations, it was extended until 2014.

The purchase price that De Hoog initially negotiated also dropped 35 percent.

"This is the reality of the economic situation," De Hoog said. "It eliminated the family's opportunity to relocate. I would have preferred to close on

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the original offer, but it's still a decent price we are comfortable with."

When selling farmland, two- to five-year contracts are standard, Vander Dussen said. Also, the seller is under the contract to sell but the buyer is not required to close the deal - as long as he or she makes the quarterly deposits to the seller.

Typically, if a 40-acre property is sold for \$300,000 an acre, a quarterly payment could be as much as \$50,000, Vander Dussen said.

If a buyer backs out of the deal, the seller keeps the land and any deposits made thus far.

The reasoning behind such a seemingly one-sided business practice is closely related to housing market fluctuations and land's residual value.

Pricing a piece of land requires several steps, Vander Dussen said. A market study is done to show what kind of homes can be built on the property and at what price level. The developer then subtracts the construction and infrastructure costs as well as desired profit from the potential sales price of the home.

"What is left is what the land is worth," he said.

Some dairymen were not eager to renegotiate the terms of their deals, and developers have in turn canceled their contracts.

In 2005, Xavier Aphetsetche agreed to sell his

52 acres property to Hillcrest Homes. The portion that was zoned for medium density housing Aphetsetche sold for \$800,000 an acre, while the rest, to be used for commercial purposes, went for \$500,000 per acre.

The developer paid \$1 million initial deposit and made \$400,000 quarterly payments. Two years later, while on a vacation in France, Aphetsetche got a call that Hillcrest Homes did not make the expected payment.

"The deal went sour," he said. "They wanted to renegotiate the price and I refused. They backed out of it."

If the sale did go through, Aphetsetche was set to pocket \$32 million.

Nowadays, without a buyer in sight, he is renting out the land to five tenants, one of them a plant nursery.

"Maybe I should have compromised," Aphetsetche said. "But a contract is a contract."

With housing prices plunging 50 percent in San Bernardino County, land residual value of Chino Valley dairy farms has also spiraled.

For developers, making quarterly deposits instead of closing on land that may be worth less next year makes more sense.

"The overall plan of the New Model Colony is an excellent plan," said Randall Lewis, executive vice president of Lewis Operating Corp. "It will be

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a great place to live. But right now, it's a victim of the turmoil, not just the real estate turmoil but also the economic turmoil that California is facing."

Lewis Operating Corp. has two projects in New Model Colony - Parkside and Park Place.

To get the first phase started, it would take more than \$100 million, Lewis said. To complete the infrastructure for the entire 13 square miles would cost \$500 million.

"A lot of money is already spent, \$95 million so far by the development group," he said. "But it will take a significant future investment. Market needs to get better before the developers will want to invest the money and take on the risk."

If the groundbreaking happened tomorrow, it would take 22 months before a first house could be built.

"Who knows what the market will look like then?" Vander Dussen said.

Nestled in the corner of Riverside Drive and Milliken Avenue, Edenglen is the first and only community in New Model Colony that has moved beyond the architectural drawings stage.

Its developer, Brookfield Homes, has sold 187 homes in five neighborhoods and has 390 left to go. It also has 15 properties in escrow, including De Hoog's.

"We have a long-term investment in the city of

Ontario," said Adrian Foley, president of Brookfield Southland.

"The current market market conditions are not as favorable as they will be in the future. We are prepared to wait it out and work out this transition period with assistance of the city and land owners."

The wait does not bother De Hoog much.

The dairy industry is not doing well, he said. There is a surplus of milk, and everybody is losing money.

"California is very restrictive and land is expensive," De Hoog said. "If the deal goes through we'll end up moving the cows out of the state. But there is still no guarantee that it will close at this price. And who knows what will happen in the future. It could be a good deal for the buyer."

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Gina Ferazzi / Los Angeles Times
Environmental activist turned utility executive Martha Davis has championed water-recycling programs

THIRST: CALIFORNIA'S WATER CRISIS

Utility reverts to the long ago and not-so-far-away Inland Empire agency bucks a century-old Southern California tradition by using local water sources to meet 70% of local demand. Its innovative programs could be replicated elsewhere, officials say.

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July 20, 2009

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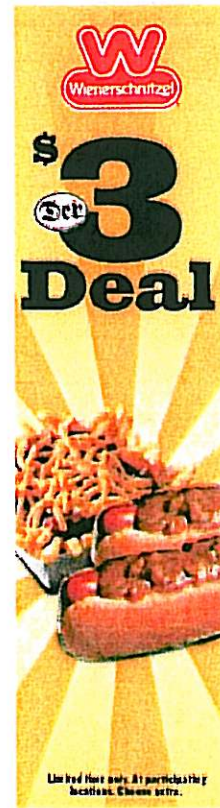
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THIRST: California's water crisis

Utility reverts to the long ago and not-so-far-away

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July 20, 2009

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Upland council approved \$165,000 emergency repair of water well

Michael Escanuelas, Correspondent

Created: 07/15/2009 03:19:55 PM PDT

UPLAND - The City Council has unanimously approved a \$165,000 emergency repair of one of its city water wells.

After experiencing a recent malfunction, City Well No. 17, on the east side of Benson Avenue and north of 16th Street, was subjected to video inspection where it was determined that major repair work was needed to restore its production capacity.

"The well was not pumping anything. It is just old and needs major repair work immediately," said Anthony La, public works director.

The emergency approval of the contract will speed up the repair process and avoid advertising for bids, a process that takes up to 30 days for approval.

During the summer, water shortage becomes a grave issue locally.

Upland is using deeper wells to pump water and is pushing shallow wells to new depths to secure proper amounts of water.

Failure of any of the wells in the city could affect

its ability to provide potable water to residents and businesses.

"When you are in a drought like ours, we must utilize the assets we got," Councilman Ken Willis said. "This is basically normal maintenance."

The cost of the work was estimated at \$165,000 and will be paid for from the city's operating budget, which is used for emergency situations.

The contract will go to SoCal Pump & Well Drilling, Inc.

Work should be completed within the next couple weeks.

Repairs will include installation of a new pump, column pipe, tube and assemblies, and a cleaning of the well casing.

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Upland applying water restrictions

Number of gallons used down so far in 2009

Sandra Emerson, Staff Writer

Created: 08/11/2009 10:45:17 PM PDT
 UPLAND - In the heat of summer, the city is enforcing long-term water-conservation measures to combat the shortage being felt throughout the state.

Residents are prohibited from running lawn sprinklers between 10 a.m. and 6 p.m. and must keep a close eye on any water runoff and leaks.

The city has used 26 million gallons of water so far this year, 2 million less than last year, said Councilman Ken Willis.

"What scientists are telling us is we may be in the seventh or eighth year of potentially a 50-year drought," Willis said. "That's the worst-case scenario, but with weather patterns being as freaky as they have been, I don't know if it will exacerbate the drought or bring it to an end."

About 80 percent of Upland's water comes from local sources, but the city must reduce its demand for imported water.

Water-conservation efforts have been made by the city for the last few months, said Anthony La, public works director.

"Normally, we like to encourage people to voluntarily comply because our intent is to conserve water, not penalize individuals," La said.

Residents who are seen violating any of the regulations can expect a letter from the city informing them of their violation. Two warning letters will be issued and fines will be assessed after the third offense. The fines are \$25 to \$100.

The following actions are prohibited in the city:

Use of sprinklers to water landscape outdoors from 10 a.m. to 6 p.m.

Washing of sidewalks, walkways, driveways, public and private parking areas, and all other impervious hard-surfaced areas by direct hosing when runoff water directly flows to a gutter or storm drain.

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Allowing, permitting or causing the escape of water through breaks or leaks in the customer's plumbing or private water distribution system for any substantial period. Breaks and leaks shall be repaired within 72 hours.

Washing of automobiles, trucks, trailers, boats, airplanes and other types of equipment unless done with a hand-held bucket or hose equipped with a positive shut-off nozzle for quick rinses.

All eating and drinking establishments, whether public or private, shall not provide drinking water to any person unless it is requested.

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Local water authorities seek permission to save more recycled water

Mediha Fejzagic DiMartino, Staff Writer

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CHINO -- Local authorities have come up with an alternate way to use more recycled water to reduce the region's dependency on imported water.

Inland Empire Utilities Agency and Chino Basin Watermaster have asked a state board to allow them to change the formula allowing more recycled water to be saved in western San Bernardino County.

"It will provide us with greater flexibility with water resources that we have control over, such as recycled water," said Kenneth Manning, Watermaster's CEO.

To make sure the quality of water is not compromised, Department of Public Health requires local agencies to mix recycled water with storm runoff and imported water before it is allowed to be

sunk into the ground for storage.

The amount of recycled water that can be saved in the region is calculated through a formula based on the last five years rainfall.

The local agencies have asked the Regional Water Quality Control Board to allow them to use a 10-year period. This will usually allow more recycled water to be recovered rather than sent to the Santa Ana River and the ocean.

Since each designated time period does not have the same number of dry and wet years, the opportunity to use recycled water decreases when there is not enough rainfall to match it.

Also during wet years, when the recharge basins fill up, the excess water cannot be captured and flows to the ocean - essentially wasting it away.

"Our goal is to use as much water as possible here in San Bernardino County," said Andy Campbell, groundwater recharge coordinator with IEUA.

Setting the time limit at 120 months would allow 10 to 20 percent more recycled water to be added to local

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supply and provide much needed relief during the dry years, Campbell said.

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Both the Department of Public Health and regional board are supportive of the time expansion.

"They understand our logic behind it," Manning said.

IEUA recycles 45 million gallons of water per day. Currently, one third of local water supply that passes through recharge basins and into the ground consists of recycled water.

Adding more recycled water have no effect on the quality of groundwater, Manning said. Because of the layers of clay barriers in the Chino Groundwater Basin, it takes five years for water to sink deep enough before it can be pumped out of wells.

"This is a natural way to purify the water," he said. "We are drinking the same water that the dinosaurs used to drink."

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Los Angeles Times

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From the Los Angeles Times

Democratic lawmakers introduce bills to deal with California water policy

The package would create a politically appointed council that could approve projects, such as a canal, involving the Sacramento-San Joaquin River Delta. Local farm interests are critical.

By Bettina Boxall

August 5, 2009

Democratic lawmakers unveiled a package of water bills Tuesday that would create a politically appointed council with power to push through projects dealing with the Sacramento-San Joaquin River Delta, the troubled hub of California's waterworks.

The legislation, which deals with issues including conservation, ecosystem restoration and water rights, aims to break the stalemate over state water policy.

But the proposals are already under fire from some interests that fear the bills are a blueprint for jamming through big construction projects, such as a canal that would carry water around the delta.

The legislation, which is to be fleshed out in a conference committee when lawmakers return to Sacramento later this month, does not specifically authorize any projects. Rather, it creates the Delta Stewardship Council, which would have the authority to pursue delta restoration work and a "water conveyance facility."

Four of the council's seven members would be appointed by the governor and two by the Legislature. The seventh would be the chair of the Delta Protection Commission.

The bills call for water conservation and delta protections. They would also set in motion a potentially explosive examination of water rights in the delta watershed.

"Neither the delta ecosystem nor the state's water needs have been well served by decades of benign neglect," said Silicon Valley Sen. Joe Simitian, author of one of five bills in the package and chair of the Senate Environmental Quality Committee. "The system of governance is broken and the system of conveyance is broken."

Backers hope that a confluence of factors has created a window for action on the state's water problems, pushed into headlines this year by drought and environmental restrictions on delta pumping.

They aim to get the package to the Assembly and Senate for floor votes before the Legislature's adjournment in mid-September.

Only majority approval is required for the bills, meaning Democrats would need little Republican support. But that does not necessarily mean smooth sailing.

Delta farm interests and some environmentalists are wary of anything that could clear the way for a delta canal, a version of which was killed by California voters in the early 1980s.

"It's a fairly global, comprehensive package," said Jeffrey Kightlinger, general manager of the Metropolitan Water District of Southern California, which imports water from the delta. "Whenever you do that, you're taking on a lot of sacred cows."

Kightlinger said he was glad the bills dealt with "most of the major issues that need to be addressed. The large 'but' is we have concerns with quite a few of the mechanics of how they want to do it."

Gov. Arnold Schwarzenegger, who has called for construction of new reservoirs and indicated support for a delta canal, said in a statement that "fixing California's broken water system cannot be put off any longer; we must get it done this session."

"I look forward to reviewing their proposal and working in a quick and bipartisan way toward a comprehensive water plan that focuses on water supply reliability, conservation, environmental protection and increased storage."

bettina.boxall@latimes.com

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Unabated use of groundwater threatens Arizona's future

by **Shaun McKinnon** - Aug. 2, 2009 12:00 AM
The Arizona Republic

Thirty years after Arizona tried to stop cities and towns from using up their groundwater, the state still can't shake its thirst for one of its most finite resources.

The steady drain on underground reserves grows out of two realities: Canals and pipelines don't reach far enough to deliver surface water to everyone, and laws don't reach far enough to stop people from drilling.

If the groundwater addiction continues unabated and under-regulated, the effects will be broad and potentially disastrous: Scarcer supplies could push rates higher and create uncertainty about water availability, discouraging new business and slowing economic growth. If wells start to run dry and aquifers collapse, the landscape could be dotted with fissures and sinkholes.

Lawmakers adopted some of the nation's most progressive water-protection laws to avert such crises, but the laws excluded rural areas and allowed changes that let cities and subdivisions resume well-drilling, further depleting exhaustible aquifers.

Meanwhile, the renewable resource intended to replace groundwater - surface water fed by the annual runoff of mountain snow - can't meet the demand of urban areas too far from the delivery canals.

The result is holes in the state's water bucket that are spreading as fast as the holes in the ground.

Rural communities, some of them hurting for water now, are drilling new wells with limited knowledge of how much water is needed or how much remains. A water source intended to serve a few isolated areas is now so widely tapped that it has become an unsustainable drain on the aquifers that hold the groundwater. Cities and towns are even preparing to tap underground reserves set aside as a hedge against future shortages.

And looming over it all are the separate threats of drought and climate change, which could strain surface-water supplies at the same time that groundwater resources are shrinking.

Water providers are scrambling to find more-reliable sources of water, but with no hard deadline, the Legislature has provided little help, rejecting proposals to better link growth with the availability of water and shunting aside measures to aid regional planning.

Yet in a crisis, the needed changes may not occur in time.

The water world moves like a lazy brook, slowly and meanderingly. An effort to allocate water rights and sift through competing claims for water on the Gila River system has been locked up in court for more than 30 years. The Central Arizona Project lumbered through the approval and construction process of the 336-mile Colorado River canal for decades. New conflicts over shrinking resources could mire cities in red tape and legal briefs.

"What we have to do is get out of denial," said Herb Guenther, director of the Arizona Department of Water Resources. "We're spoiled by cheap, easily available water and have been for a long time. We have a lot of water compared to other Western states. But we need to use it in a sustainable way."

Best intentions

For a state so defined by its deserts, Arizona boasts a surprisingly robust water supply. The 7 million acre-feet (about 2.3 trillion gallons) drawn from rivers and wells each year could serve a population four times larger if water went mostly to homes and businesses.

Farmers still use about three-quarters of the surface-water supply, and access to the rest is limited by geography or legal rights. Groundwater supplies are spread thinner, especially in higher elevations. Flagstaff and Williams must drill hundreds of feet deeper than Phoenix or Tucson. And small towns such as Jerome, Mayer, Strawberry and Pine struggle to keep wells from drying up.

In 1980, faced with a federal ultimatum to stop overusing groundwater, the Legislature imposed new rules on five areas of the state: parts of Maricopa, Pinal, Pima and Santa Cruz counties, along with the Prescott area. In general, groundwater use is restricted in those areas, and new homes must come with a provable 100-year supply of renewable water.

The risk to the aquifers at the time was dire. The U.S. Geological Survey estimated that groundwater levels in some parts of metropolitan Phoenix had dropped 220 feet over about 40 years. As the aquifers compacted, the ground sunk, sometimes slowly, sometimes abruptly in the form of gaping sinkholes. The damage cannot be repaired.

"It wasn't the answer to all the problems, but it was intended to reduce reliance on groundwater. And it's doing that," said Sandra Fabritz, assistant director of the state Water Resources Department. "You can't live forever on one resource."

Cities in those five areas rely on water from in-state rivers, such as the Salt and Verde that supply Maricopa County; the Colorado River, delivered through the Central Arizona Project canal; and a smaller mix of groundwater and treated effluent.

The 100-year water-supply rule forced cities to develop long-term water portfolios, but it also erected an obstacle for communities that lacked access to renewable supplies, mostly growing towns on the edge of urban areas.

The paths around the obstacle led to a familiar solution.

Back to the ground

Verrado, the master-planned community built on the far western edge of metropolitan Phoenix, would never have sprouted from the desert under the original groundwater laws.

The location is too far from any renewable water source to serve so many new homes, at least not without a costly delivery and treatment system. The developers of Anthem, almost as far north of Phoenix as Verrado is west, built such a system after leasing Colorado River water from the Ak-Chin Indian Community.

But by the time Verrado came along, the Legislature had smoothed the way with a detour of sorts around renewable-water requirements. The result is a new drain on aquifers.

The Central Arizona Groundwater Replenishment District was meant to help a few outlying communities and subdivisions meet the 100-year water-supply rule until infrastructure, such as pipelines or smaller canals, reached far enough to deliver renewable supplies to them.

Homes in the district use local groundwater as they would have before the 1980 laws were adopted. The homeowners pay monthly water-use charges to a water utility. Then once a year, the homeowners also pay a replenishment fee to the district, which buys surface water equal to the groundwater used. That water goes into recharge basins.

"The GRD has put (water) providers in the driver's seat," said Terri Sue Rossi, a Central Arizona Project analyst who has studied the district's workings. "The district responds to a real need as it's coming to the door. It is a mechanism for infrastructure and water to be paid for by users, and to figure out how to do that is a major success story."

As of March 31, nearly 265,000 homes - about one-third of them built so far - were eligible to use groundwater through the district, homes that, before 1995, could not have been built because they would have lacked a renewable water source.

Those homes represent a steady new demand on aquifers. Although the builders were required to prove the groundwater reserves would last at least 100 years, the wells could lower water tables enough to result in sinkholes or subsidence.

And while the district must offset the groundwater used with surface water, there is no requirement to replenish the water near the wells. Most of the recharge basins sit far from any development.

Meanwhile, the cost to acquire renewable water will continue to rise as the supply shrinks. The district has all but exhausted the cheapest water, excess flow from the Central Arizona Project canal, and will have to buy water on the market to meet future obligations, no matter how much the water costs.

As a result, a homeowner who pays the \$100 replenishment fee to live in the district could pay \$1,000 a year as water becomes more expensive.

The district "has taken the wind out of the sails of the groundwater management act," said Robert Glennon, a law professor at the University of Arizona and author of two books on water management. "It's clear it was a way to help satellite communities develop, but it really is a bastardization of the law."

Back to the ground II

Groundwater removed from within the district is expected to be replenished. A larger stream of water stored in aquifers is on temporary deposit.

The Arizona Water Banking Authority was established by the Legislature in 1996, in part to help the state use its full allocation of the Colorado River. Water is diverted to recharge basins and left to percolate into aquifers. It can be withdrawn later.

So far, the bank holds deposits of nearly 2.7 million acre-feet of water, about 880 billion gallons. A growing amount of the water belongs not to the state or the banking authority but to cities, which are allowed to store excess water for use later, during a drought or when supplies run short.

The storage program has raised groundwater levels near the recharge basins and refilled aquifers that had been pumped dry. But, like the replenishment district, the bank has spawned unintended consequences.

- The water bank operates like a network of ATMs. A bank customer can deposit water at the main recharge basin and then withdraw it, or pump it out, closer to home, where it's convenient to drill a well and distribute the water.

Unlike an ATM network, the water bank isn't connected, which means when water is taken out at a remote site, the user is simply pumping groundwater. Legally, it is counted as a renewable resource, but the withdrawals will drain the local aquifers.

- The banked water was once considered mostly an emergency supply to help cover shortages during a drought or other unexpected event. But cities straining to meet growing demands have begun counting stored water as part of their 100-year supplies, in effect borrowing against the future.

State officials acknowledge they need to address the issue of where banked water can be pumped out. If wells are drilled miles from a recharge basin, the aquifers suffer just like they did before the groundwater act was adopted, shrinking, failing, collapsing and leaving no water for the future.

"The cities have done the right thing, storing water for future use, and we have to make sure they can get it," said Fabritz, the assistant state water director. "We may need a regional solution, some very specific regional cooperation."

Is there enough?

The demand on the state's aquifers runs as wide as it does deep.

Groundwater is typically treated as a property right. If property owners can put the water to beneficial use, it's theirs. In rural Arizona, wells have proliferated, especially small wells that can operate with no metering or reporting requirements.

Certain kinds of wells can operate freely in the five areas regulated by the state. The Legislature carved out a series of exemptions, including some large industrial users, mining operations and utilities. A solar-power plant could spring up and pump all the water it needs out from under other users.

Cities are all too aware of the risk. Mesa has worked for years to bank water it can recover for future homes. But just over its border, wells supplying homes in Apache Junction and Queen Creek, and others operated by private users, are steadily drawing water out of the same regional aquifer.

"That really scares us," said Kathryn Sorensen, water-resources director for the city. "We have recharged water, and we hope it's still there when we need it. But we don't have control over the water pumping to the east."

The problem, some say, is that Arizona has no comprehensive state water plan. The five areas regulated by the state operate with something close to it, but rural Arizona receives little help in resource planning or regional cooperation.

"We should know what we have in the way of groundwater and the rate at which it's being depleted, but we don't," said Sharon Megdal, director of the University of Arizona's Water Resources Research Center. "Communities say they need water to accommodate future

growth, but they're all eyeing the same sources. Shouldn't we know the supply and the needs?"

Others say the law needs to expand its view beyond planning for a defined period, such as 100 years.

"The rule was very important to protect our groundwater supply. If we hadn't had the 100 years, we probably wouldn't be able to have a sustainable plan," said Ray Quay, Phoenix's assistant water director. "But if you really want to be sustainable, you can't plan just for that. You'll fail."

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Unanswered is what happens in the 101st year or the year an aquifer runs dry. Once towns pump an aquifer too deeply, it can't recover. That water supply is gone.

State officials acknowledge that cities will fail to meet the most quantifiable goal of the 1980 laws, that the amount of water pumped from the ground is replenished with an equal amount.

" 'How much water is there?' is the wrong question," said Patricia Gober, co-director of Arizona State University's Decision Center for a Desert City. "We don't know. More important for us, how do we restructure this place so we don't have a crisis? Our institutions for managing water are so fragmented, we can't cooperate in shortages."

Arizona has avoided the water crises of neighboring states because it acted early to manage its existing resources. But many water experts fear that success could become Arizona's downfall if nothing is done to address long-term sustainability.

"The sky is falling," Mesa's Sorensen said. "It's just falling very, very slowly."

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Water crisis threatens county's future

Supervisor Gary C. Ovitt

Created: 08/04/2009 06:39:11 PM PDT
San Bernardino County remains in the midst of our statewide and national recession. The economic challenges are on multiple fronts from the decimated housing industry to a slowdown in manufacturing and logistics. Ultimately, this vicious cycle has led to a near record unemployment rate in the region.

But there is an even greater and fundamental threat to our county's future and that is the rapidly worsening water crisis. Last year Gov. Arnold Schwarzenegger declared a drought and a state of emergency for our water supply. Since that time the problem has gotten worse. Our local water providers are being asked to do more with less due to a snowpack water content decline, reductions from the Colorado River, limited access to the Delta and a less than heightened urgency to conserve by our general population.

So how does our water supply relate to

our economic future? Inland Empire economist John Husing has consistently linked a rebound in new construction to job growth and our future economic prosperity. But future residential and commercial growth along with economic prosperity will be undermined if we do not have an adequate water supply.

Despite the current economic recession and housing depression, our state still faces a severe drought. We must address these challenges now and prepare for the pent-up demand for new housing that will inevitably increase when the housing market improves.

It's been said that new retail follows new rooftops. Or put another way, commercial developments with new jobs are attracted to new home residents who serve as a growing consumer base. But if our county's water supply is uncertain then we cannot meet future new housing demands, commercial growth will also wane and our region could be stuck in the economic doldrums for years.

Waiting for the state and federal agencies to help us with our water situation is not an option. If we want to move our region forward we are going to have to band together and do it

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ourselves. That is why I am glad to be joining my fellow San Bernardino County supervisors to host the third annual San Bernardino County Water Conference on Aug. 20 from 8:30 a.m. to 1:30 p.m., at the Ontario Convention Center, 2000 Convention Center Way, Ontario.

This event annually brings together water officials and representatives of city, county, state and federal governments as well as the private sector to discuss our water future and how to ensure an adequate supply. This year's event will feature topics such as Best Practices of Conservation, the Real Cost of Water, Changing Californians Water Use Habits and the California Drought and Entitlement Implications.

I invite all, especially those representing water agencies and city governments, to attend the water conference and participate however they can. It will be an enlightening and productive step toward developing ideas and strategies for a sustainable water supply in San Bernardino County.

For information about attending or sponsoring the San Bernardino County Water Conference, please call (866) 737-4880. Or visit the Web site at

www.sbcwater.com . Seating is limited. Make your reservation now.

Supervisor Gary C. Ovitt is chairman of the San Bernardino County Board of Supervisors. He represents the 4th District, which includes Chino, Chino Hills, Montclair and Ontario.

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A zanjero is remembered for keeping one step ahead of the water

Joe Blackstock, Staff Writer

Created: 08/10/2009 02:24:47 PM PDT

The race began the same way most summer mornings for James C. McCoy.

Each day about dawn for nearly three decades, he would throw open a barrier, sending a river of water cascading down the slopes of the Inland Valley in one of hundreds of irrigation ditches.

McCoy would then speed off in his truck into the agricultural fields of Ontario and Upland hoping to beat the water to his first customer.

If he was on time to each gate, the groves were irrigated; if he was late, everyone was in a mess of trouble.

Between 1935 and 1965, McCoy followed this hot weather ritual almost daily as part of his work as a zanjero. That position has lost its meaning today,

but at the time it made him one of the most important men around.

The zanjero is a Spanish word used extensively throughout Southern California in the past describing the water master or manager in charge of a system of ditches that delivered water for agriculture and domestic use.

In Los Angeles about 1860, for instance, the zanjero was such an important position that it paid more than the mayor's job.

Working for the San Antonio Water Co., McCoy was charged with delivering water from a reservoir on 15th Street in Upland via a patchwork of small canals and ditches to lemon or orange groves. This water, moved down the slope by gravity, was the way growers kept their trees alive during the months between Southern California's all-too-short rainy seasons.

In an oral history he gave to the Upland Public Library in 1978, McCoy said he drove 2,000 miles a month throughout Ontario and Upland, working every day without break during the summer for the water company.

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And each day was the same race involving time and gravity.

"A zanjero delivered water just like an engineer starting out with a train of boxcars in San Bernardino, and when he lands in Los Angeles, he's supposed to have four boxcars for Los Angeles," he said. "He has distributed so many boxcars at different points along the way to Los Angeles."

McCoy would start the morning armed with that day's list of water orders from the various growers. Each delivery was calculated through a complicated formula based on the size of each gate regulating the water that went into the fields.

McCoy would let out the appropriate amount into the main canal, starting his liquid "boxcars" down the hill. He would race to the gate of his first customer, getting there in time to release the water into the grove. When the requested amount of water was delivered, he would close the gate again, sending the water down the main canal to the next grower.

"You had to stay ahead of the water, it's going to flood somebody if you don't have it under control at all times," he said.

McCoy became the zanjero about 10 years after he came to Upland from his native Indiana. As a young man, he joined the Army's Coast Artillery and was assigned to Hawaii. There he met his wife, and they married in 1925.

He quit the Army shortly thereafter and bought an orange grove at 7th Street and San Antonio Avenue in Upland. McCoy also took a job as a citrus grader for an Upland packing house, where he worked before becoming the zanjero in 1935.

By all accounts, McCoy was not only somebody the ranchers could absolutely count on to keep their trees alive, but he was also a very decent man.

While McCoy worked at the packing house, President Roosevelt declared a bank holiday in March 1933, freezing all U.S. bank assets for four days while the administration worked to prop up the failing banking system. It meant any money in the bank was inaccessible.

This was devastating at the packing house for three of McCoy's co-workers who had families and had no money at all. McCoy broke into a valuable collection of \$5 gold pieces and gave one to each of his fellow workers to get by with until

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the banks reopened.

While the money was repaid by each of the men, the \$5 gold coins had been spent by the families and were gone.

After he retired in 1965, McCoy stayed very active until his death on Nov. 12, 1979, by doing charitable work on the Navajo reservation in Arizona with the First Presbyterian Church in Upland.

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