



CHINO BASIN WATERMASTER

III. REPORTS / UPDATES

D. INLAND EMPIRE UTILITIES AGENCY

3. Water Resources & Conservation Programs
Monthly Report
4. Annual Water Conservation Program Report
5. Annual Water Use Report
6. Monthly Water Use Report (handout)
7. Recycled Water Newsletter
8. State and Federal Legislative Reports
9. Community Outreach/Public Relations Report
10. Peace II Schedule



CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

October 15, 2009

AGENDA

INTERAGENCY WATER MANAGERS' REPORT

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

Discussion Items:

- Annual Water Conservation Program and Water Use Reports (oral)
- Status Report on DYY and Drought Allocation Implementation (oral)

*Reminder: Next DYY Meeting/Drought Allocation Workshop on October 22nd,
9:00 a.m. - 11:00 a.m., at Chino Basin Watermaster*

Written Items:

- Water Resources & Conservation Programs Monthly Report
- Annual Water Conservation Program Report
- Annual Water Use Report
- Monthly Water Use Report (handout)
- Recycled Water Newsletter
- State and Federal Legislative Reports
- Community Outreach/Public Relations Report
- Peace II SEIR Schedule

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Water Resources and Conservation Programs

Monthly Report

SEPTEMBER 2009 (REPORTING AUGUST 2009 DATA)

Highlights

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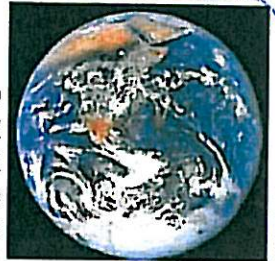
Imported Water Deliveries.....Page 7

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

Delta Package Update

The California Legislature's 2009 session came to a close on 9/11/09 without passage of comprehensive Delta legislation. The proposed package (SB 68, formerly SB 22-Steinberg) was developed through a Conference Committee in late August and addressed five broad policy areas: 1) creation of a Delta Stewardship Council to coordinate agency actions in the estuary; 2) creation of a Delta Plan that guides the actions of the new Stewardship Council; 3) creation of a Delta Conservancy that advances habitat restoration and economic sustainability activities; 4) enactment of water use efficiency performance standards to achieve a 20% reduction in per-capita water use by 2020; and 5) expansion of water use reporting and groundwater management by the State Water Resources Control Board.

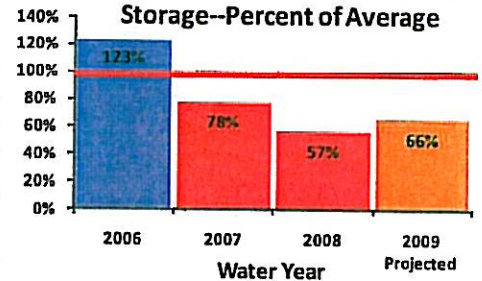


To address financing of the Delta package, AB 893 (Carballero/Cogdill/Florez) proposed two general obligation bond measures that would authorize continuous appropriation of \$12 million (to be placed on the ballot in 2010 and 2014). The Legislature is expected to convene a special session in the fall to continue negotiations on the Delta measures.

Drought Update

The Water Year ending in October will be the third consecutive dry year for California. Key reservoir storage going into the next Water Year will be about 66% of average. Climatologists are watching the El Niño conditions developing over the Pacific Ocean. Not all El Niño events produce wet years; so the impact on the state's water supplies is uncertain.

End of Water Year Key Reservoir Storage--Percent of Average



Water Supply News

Comparing July and August 2009 water delivery data versus July and August 2008 data, **MWD saw an 18% decrease in imported water sales.** As the picture here shows, the MWD deliveries were also below the Water Supply Allocation Plan (WSAP) baseline and the recent historical average. For the same period of comparison, **IEUA member agencies have reduced water demand by an estimated 10-15% !!.**

2009-10 Water Supply Allocation

July-August Deliveries



IEUA Water Supply Programs



Imported Water Deliveries

For the month of August, IEUA purchased 4,967 acre feet (AF) of Tier I water, increasing the cumulative total for the calendar year to 37,858 AF (see graph below).

Dry Year Yield (DYY) Program

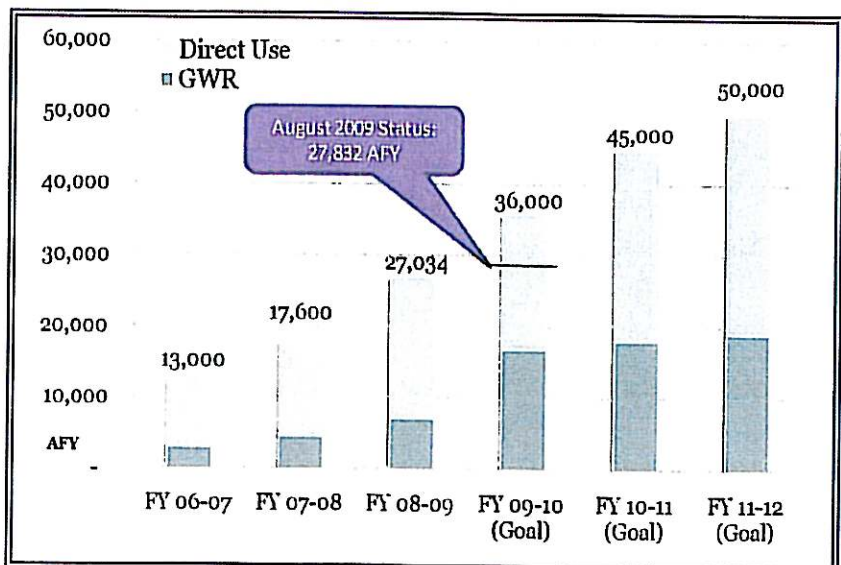
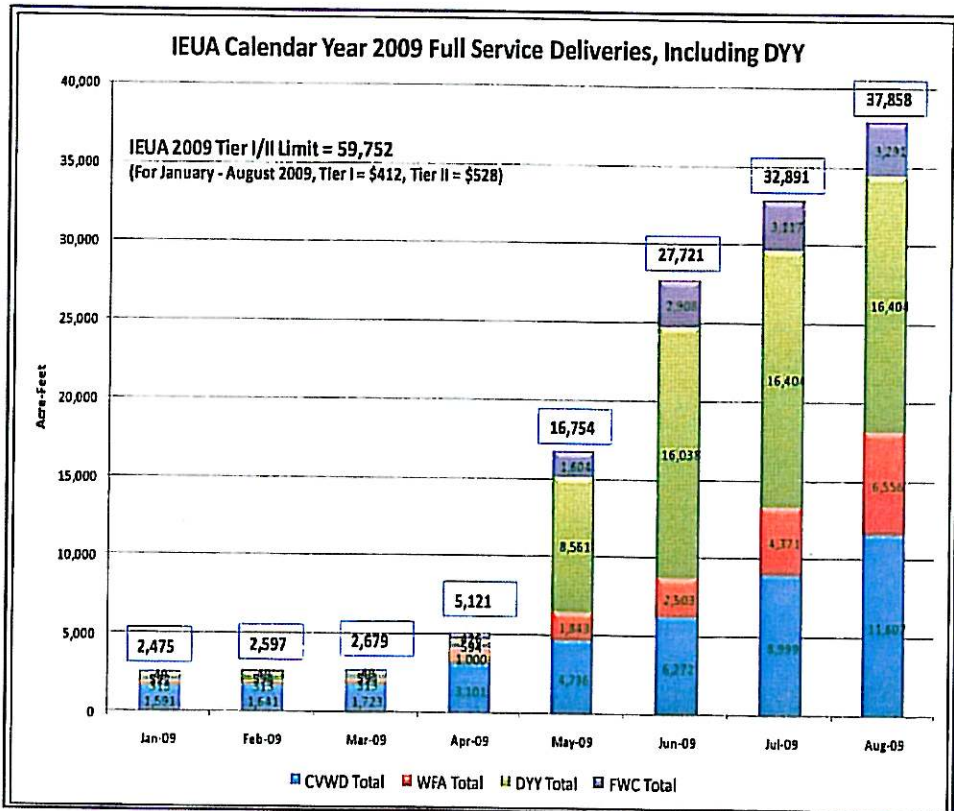
Through August of the second "call" year, IEUA DYY participants have certified that they have pumped 15,811 AF (51% of IEUA's obligation of 31,000 AF) from the groundwater storage account.

Chino Desalter Authority (CDA)

For the month of August, the two desalters produced 2,270 AF of water (of which 1,300 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.

Recycled Water Program

For the month of August, 242 AF of recycled water demand was connected, bringing the total connected demand to 27,832 AFY. Another 7,000 AFY of new customers will be connected during the next four months!



Conservation Program News



MWD Conservation Programs—Rebate Program Restarts

All MWD Conservation Programs will re-launch on Monday, September 21, 2009 with substantially reduced rebate incentives. The residential rebate program, So-Cal Water \$mart will no longer require reservations and accessibility to rebates is on a first come, first served basis while funding is available. The commercial, institutional, industrial (CII), Save-A-Buck Program will continue to require customers to obtain a reservation prior to any purchase of eligible equipment. MWD will no longer provide customer rebate checks to vendors installing equipment or member agencies. Rebate checks will only be paid directly to the property owner or water customer.

Long-Term Water Use Efficiency Business Plan

On August 19, 2009, the IEUA Board of Directors approved the contract with Maureen Erbeznik & Associates for the development of a long-term Water Use Efficiency Business Plan. The first kick-off meeting was held on August 24, 2009 with all member agency staff in attendance. Ms. Erbeznik provided the group with the plan and schedule. Key milestone dates included setting individual agency meetings to obtain customer profiles and water usage information. Work is ongoing and the plan is on-track to be completed in the Spring of 2010.

Conservation Activities and Outreach

Inland Empire Landscape Alliance

A Landscape Alliance Technical Committee meeting was held on August 25th regarding updates on the DWR's ordinance and support materials for implementation of the cities' water efficient landscape ordinances. The DWR's ordinance passed final review with the Office of Administrative Law on September 10th. The regulatory action becomes effective immediately.

Landscape Evaluation and Audit Program

IEUA's audit program is now in Phase III and is administered through the Chino Basin Water Conservation District (CBWCD). In this phase, 197 landscape audits have been completed with a potential savings of 1,259 AFY. This is in addition to water savings of 1,200 AFY in Phase II. There is currently one site scheduled for auditing, 9 sites awaiting scheduling, and 135 release forms pending processing. CBWCD will be hosting California Friendly landscape professional classes sponsored by the district in English on October 6, 2009 and in Spanish on October 7, 2009.

Water Wise Residential Landscape Program

With the conclusion of the Water Wise Program on July 31, 2009, staff has begun preparation of an evaluation of the success of the program. California-Friendly[®] Landscape signs have been placed in the lawns of each WaterWise participant in the cities of Chino, Chino Hills and Ontario, with the remainder of local agencies to be placed within the next month.



Garden in Every School®

The garden dedication for Ontario Center Elementary School (Ontario) was held on Wednesday, August 26th. Dedication for Stork Elementary School (Alta Loma) will be held October 29th from 1:00 pm to 2:00 pm. Jasper Elementary School (Rancho Cucamonga) will hold its dedication in the afternoon on October 22nd. The installation of the garden at Baldy View Elementary School (Upland) was completed on September 11th and its dedication will be forthcoming.



Public Outreach Activities

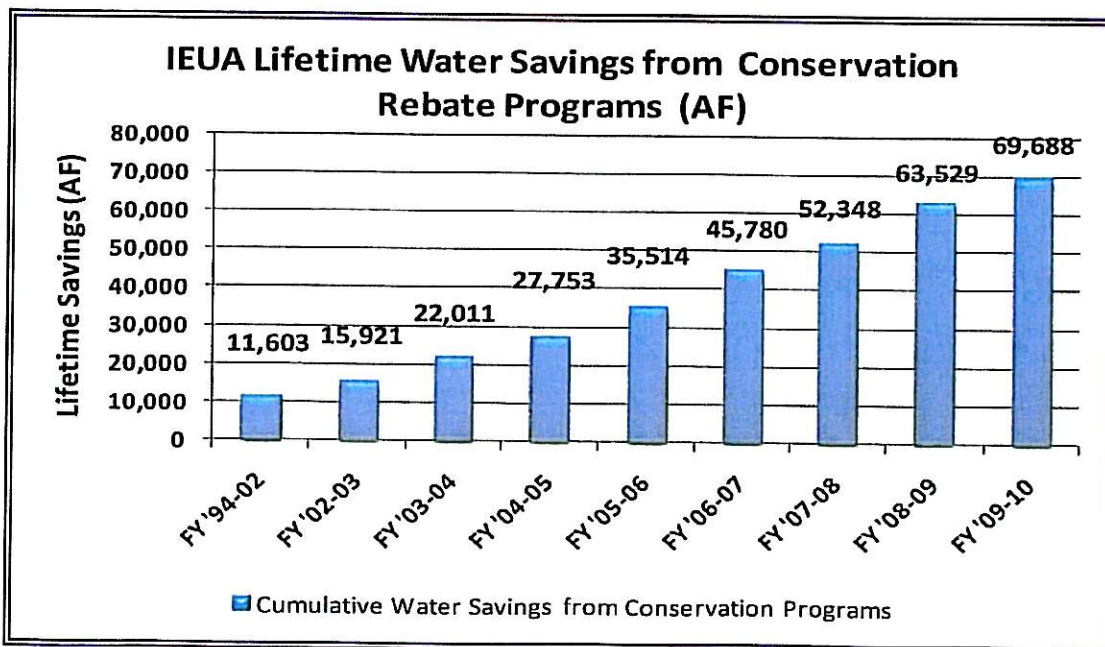
MWD's 30-minute water awareness campaign and 30-second TV ad campaign will run through October 15th at numerous local movie theatres.

IEUA's Member Agencies have agreed to put ACWA's "Save Out Water" logo on the two billboards that are being donated by Lamar Advertising. One billboard will be located on the 10 freeway in Fontana near the Cherry Street exit. The other will be on Foothill Boulevard in Upland.

Rebates Issued and Water Savings

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 69,688 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, including the Save-A-Buck Program (CII and Multi-family Residential) and the MWD Public Agency Sector Rebate Program.



MWD Public/Private and Public Agency Rebate Programs

TABLE I—MWD Public/Private Sector Rebate Programs

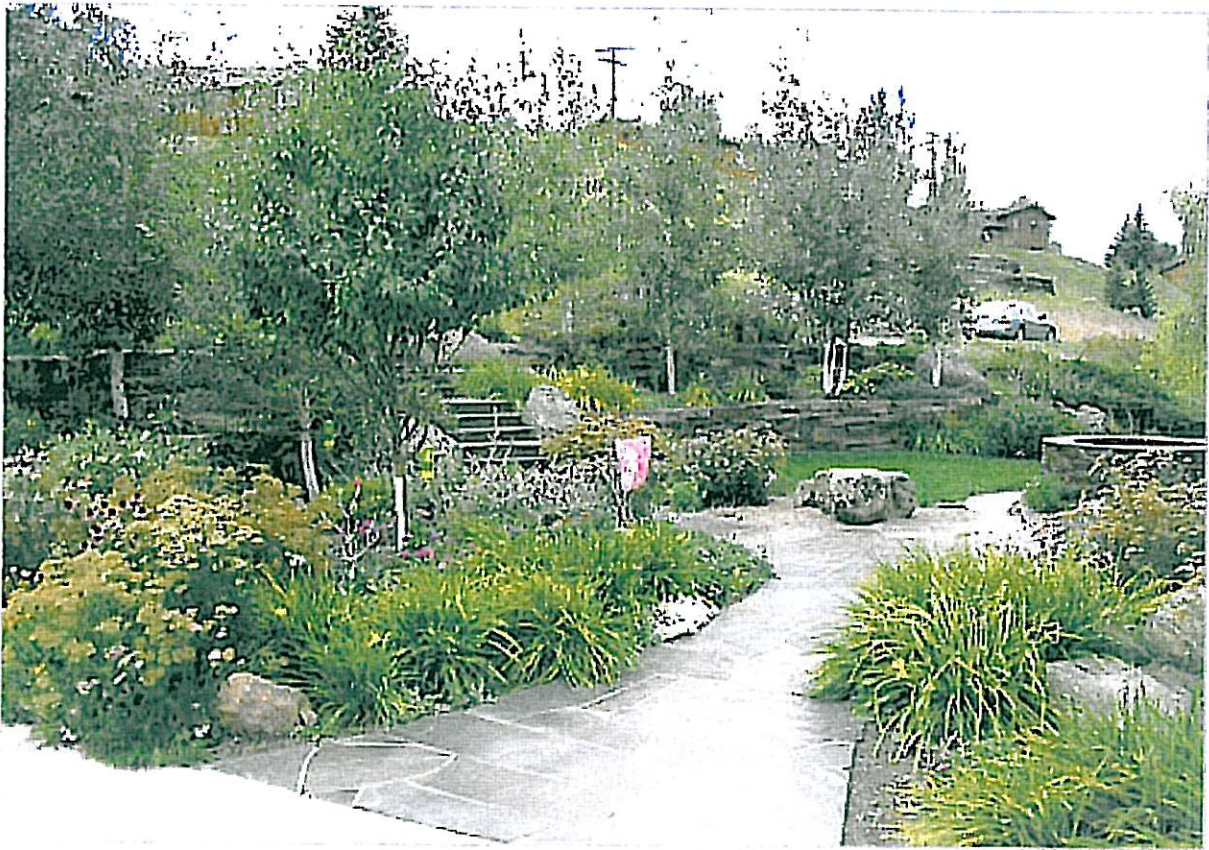
Device Name	Current Fiscal Year through August '09		Since Program Inception	
	# Devices Installed	Equivalent Annual Water Savings (AFY)	Cumulative # Devices Installed	Equivalent Annual Savings (AFY)
Commercial, Industrial, Institutional Program				
High-Efficiency Clothes Washers	28	2.4	494	41.8
Multi-Family High-Efficiency Clothes Washers	0	0.0	11	0.9
Cooling Tower Conductivity & pH Controllers	0	0.0	28	18.0
Ultra-Low-Flush Toilets	0	0.0	1,895	657.6
ULFT Flushometers	0	0	4	0.3
High-Efficiency Toilets	104	4	3,487	148.2
Zero Water Urinals	37	5	1,219	149.3
High-Efficiency Urinals	0	0	8	0.5
Weather-Based Irrigation Controllers	10	6.5	47	30.6
Rotating Nozzles for Pop-Up Spray Heads	0	0.0	183	15.5
Synthetic Turf for CII (rebates)	0	0	5	4.7
High-Efficiency Nozzles for Large Rotary	0	0	120	21.6
Dry Vacuum Pumps	0	0	0	0
Steam Sterilizer Retrofits	0	0	0	0
Pre-Rinse Spray Head (PRSH)	0	0.0	33	8.4
Water Broom	0	0.0	701	107.5
X-Ray Recirculation Units	0	0	11	35.2
Subtotal	179	17.8	8246	1240.1
Multi-Family Direct-Install Program				
Ultra Low-Flush Toilets	0	0	14,283	495.6
High-Efficiency Toilets	0	0.0	1744	74.1
Subtotal	0	0.0	16,027	569.7
Residential Program				
Ultra Low-Flush and High Efficiency Toilets	219	7.6	11,788	409.0
High-Efficiency Clothes Washers	84	7.1	9,644	815.9
Weather-Based Irrigation Controllers	3	2.0	395	256.8
Rotating Nozzles for Pop-Up Spray Heads	5	0.0	1,694	6.8
Synthetic Turf Retrofit (rebates)	7	0.6	88	14.3
Water-Wise Residential Landscape Retrofit Program (rebates)	0	0.0	137	24.4
Subtotal	318	17.3	23,746	1527.2
TOTALS	497	35.1	48019	3337.0

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

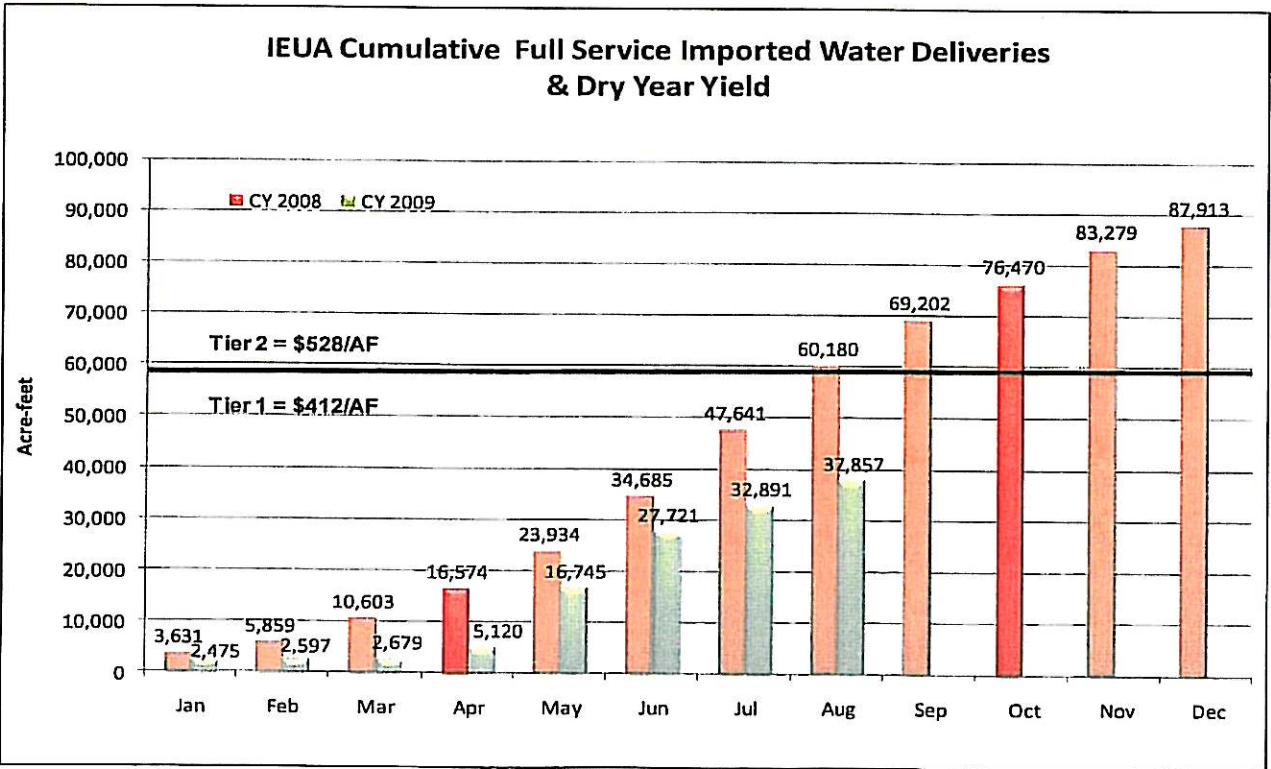
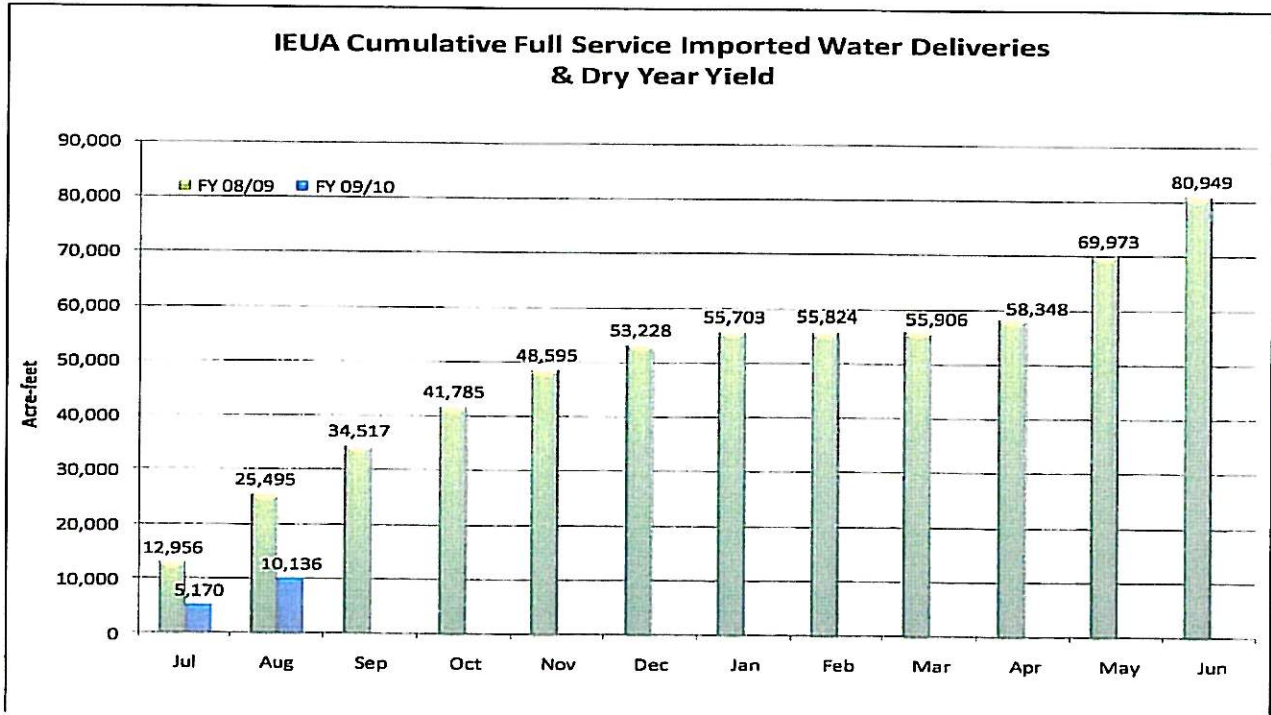
Customer	Device Quantity	Award	Annual Water Savings (AFY)	Lifetime Water Savings (AF)
City of Ontario	72	\$445,340.02	95.8	956.9
Chino Valley Unified School District (Cities of Chino, Chino Hills, Ontario)	277	\$361,375.30	123.5	1200
Cucamonga School District	20	\$20,347.13	7.7	76.9
Central School District	32	\$31,619.94	11.9	119.3
Fontana School District	39	\$125,206.38	32.2	321.8
Chaffey Joint Union School District (City of Ontario, CVWD, MVWD)	86	\$222,031.30	45.5	454.3
Monte Vista Water District	6	\$2,356.46	0.4	0.3
Alta Loma School District	22	\$36,538.62	16.7	166.7
City of Fontana	9	\$94,087.30	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	\$697,425.00	195.5	1994.9
TOTALS	906	\$2,672,227	575.4	5,703

Calendar of Upcoming Events and Meetings

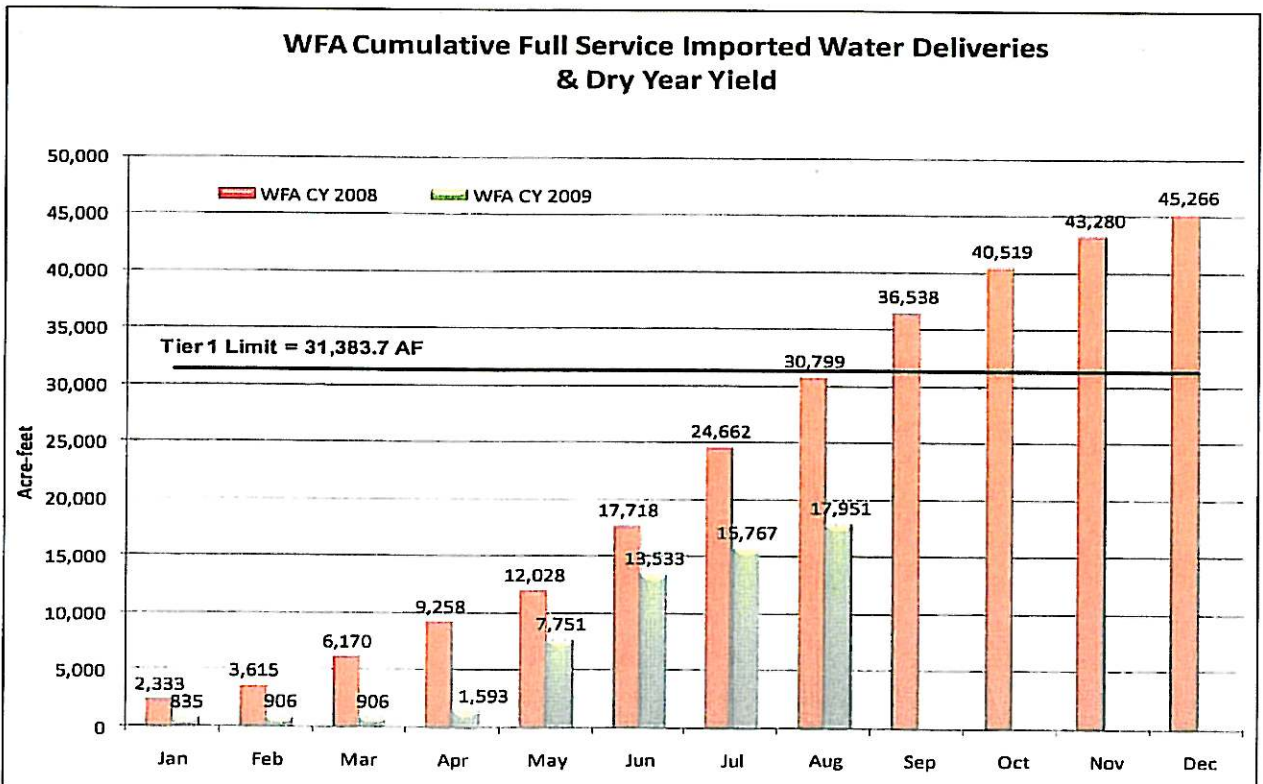
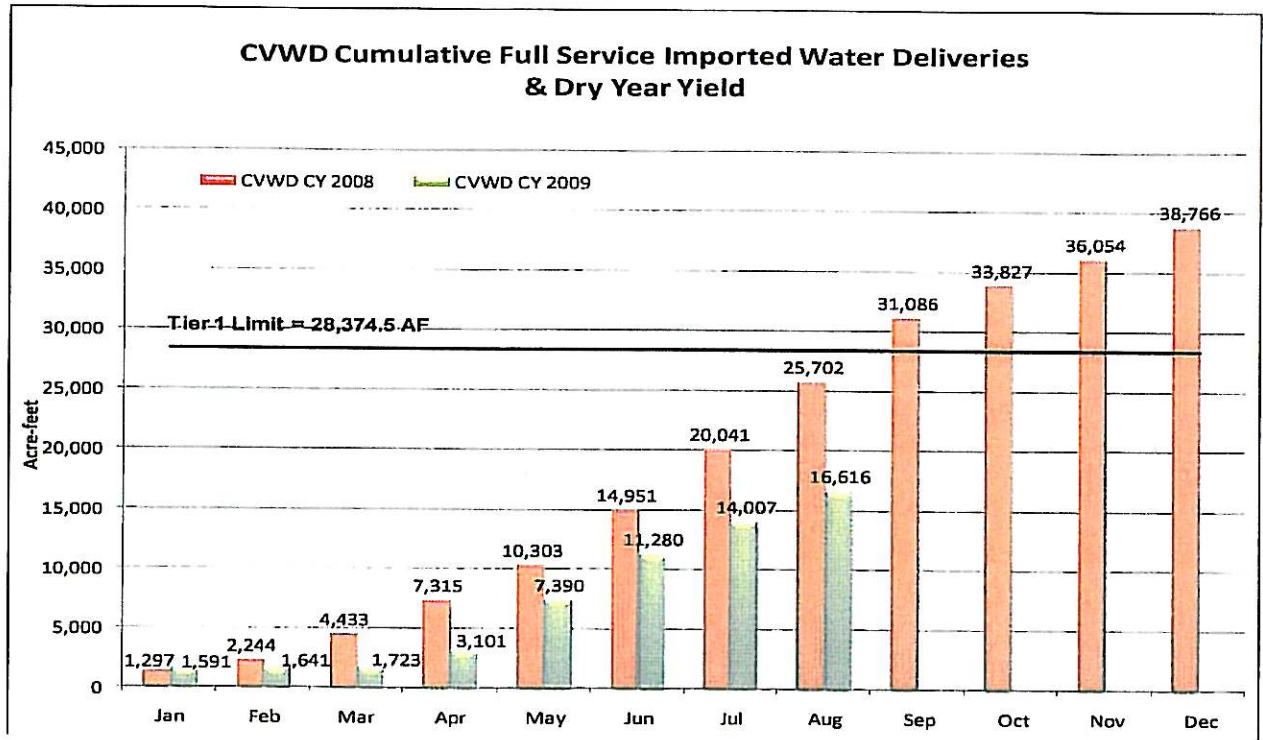
October 1, 2009	Project WET Workshop (CVWD, 9:00 am - 3:00 pm)
October 3, 2009	Volunteer Work Party and Herbarium Workshop, Chino Creek Wetlands and Education Park/SAWA Interpretive Center (8:30 am—11:30 am)
October 15, 2009	Three Valleys Municipal Water District Leadership Breakfast, Fairplex Sheraton, 7:30 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



Imported Water Deliveries (Continued)



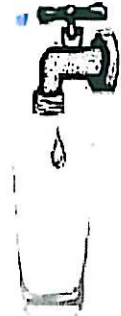
Summary of 2008 & 2009 Imported Water Purchases

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
2008 Imported Water Sales													
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													
Water Facilities Authority													
Direct Deliveries	312	0	0	687	844	660	1,868	2,184					6,555
Dry Year Yield	522	71	0	0	5,314	5,122	366	0					11,396
Sub-Total	834	71	0	687	6,158	5,782	2,234	2,184	0	0	0	0	17,951
Cucamonga Valley Water District													
Direct Deliveries	1,591	50	82	1,378	1,635	1,535	2,728	2,608					11,607
Dry Year Yield	0	0	0	0	2,654	2,355	0	0					5,009
Sub-Total	1,591	50	82	1,378	4,289	3,890	2,728	2,608	0	0	0	0	16,615
Fontana Water Company													
Direct Deliveries	49	0	0	376	1,179	1,304	208	174					3,290
Sub-Total	49	0	0	376	1,179	1,304	208	174	0	0	0	0	3,290
Inland Empire Utilities Agency													
Direct Deliveries	1,952	50	82	2,441	3,658	3,499	4,804	4,966					21,452
Dry Year Yield	522	71	0	0	7,968	7,477	366	0					16,404
TOTAL	2,474	121	82	2,441	11,625	10,976	5,170	4,966	0	0	0	0	37,856

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Landscape & Water Conservation Fair 2009

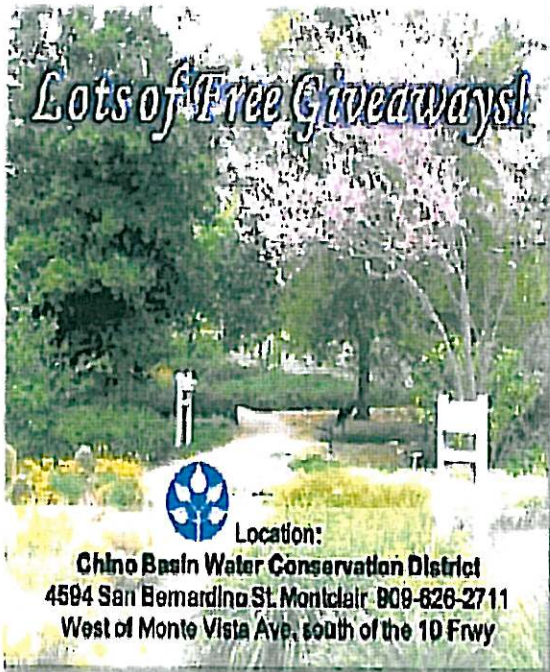
Fun for the whole family!



Saturday, October 24th
9:00 a.m. - 2:00 p.m.

For the Adults

- Free raffles & free exhibits
- Drought-resistant plant sale
- Landscape & irrigation vendors
- Water conservation education
- Demonstration Garden



For the Family



- Pumpkin Patch
- Free Buckets & raffles

For the Kids (All ages)

- National Children's Theater
- Giant slide
- Face painting
- Petting zoo
- Police & Fire Dept exhibits

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Date: October 21, 2009

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (10/14/09)

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: FY 2008/09 IEUA Annual Water Conservation Programs Report

RECOMMENDATION

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

BACKGROUND

Since 1991, the Agency has been an active member of the California Urban Water Conservation Council and a signatory to the Memorandum of Understanding (MOU) accepting and supporting voluntary water use efficiency Best Management Practices, and has been committed to promoting and implementing measures that will save water within its service area.

On January 1, 2009, Assembly Bill 1420 (Laird) was enacted making award of all state water management grants and loans contingent on compliance with the implementation of water demand management measures (DMMs) described in the Urban Water Management Planning (UWMP) Act, and also known as best management practices (BMPs) as written in the California Urban Water conservation Council's MOU.

The Agency's mandated responsibilities under the DMMs/BMPs, include providing regional assistance through technical support, program implementation and management, activity tracking, data collection, and reporting on the implementation of rebate and educational conservation programs that meet DMM/BMP criteria throughout the service area. The IEUA Annual Conservation Programs Report has been compiled annually since 2003 by Agency staff, and disseminated to the member agencies for their submission to the California Urban Water Conservation Council, biennially. Agency staff also provides monthly and quarterly updates, including rebate activity on all water use efficiency activities in addition to providing the annual report.

Over the last fiscal year, there were a total of **8,985** water saving devices, such as high efficiency toilets, urinals, clothes washers, weather based irrigation controllers, and synthetic turf installed. *The amount of estimated annual water savings was 963 acre-feet, a 50% increase over the previous year's average of 478.* This year's activity represents the highest level of recorded water savings since the regional programs began in FY 2002/03.

Over **62%** of the growth in water reduction can be attributed to the addition of the MWD Public Sector Program that targeted publicly-owned facilities, such as schools, cities, and special districts. This pilot program was completed in June 2009, and is projected to achieve water savings of **5,702 acre-feet** over the life of the devices.

In the last seven years (since 2002), IEUA has tracked and reported on the distribution and installation of 78,798 water conserving devices. These devices are expected to save an estimated 3,958 acre-feet of water per year, and projected to save 63,529 acre-feet over the expected lifetime of the devices (5-20 years, varying by device).

The water conservation rebate programs are only one component of the water savings programs that are promoted and implemented by IEUA and the retail agencies throughout the service area. Other activities include, educational programs (the award-winning) Garden In Every School Program, National Theatre for Children, Landscape Alliance, monthly water conservation tips, Water Fair and the Water Education/Water Awareness Committee, Landscape evaluations, installation of California Friendly landscaping (Ontario Cares and California Friendly New Builders program), and retail agency support programs. The water savings from these other programs are more difficult to quantify, but they clearly support the effective outreach and education that encourages and supports water use efficiency and installation of conservation devices achieved through the rebate programs.

PRIOR BOARD ACTION

In September 1991, the IEUA Board of Directors approved signing the Urban Water Conservation Council Memorandum of Understanding accepting and supporting voluntary water use efficiency Best Management Practices.

IMPACT ON BUDGET

There is no impact on the Agency's Fiscal Year 2009/10 Budget as a result of this item.

IEUA Annual Conservation
Programs Report

FY 2008-2009

Annual Programs Summary

- ▶ Annual water savings from water saving devices totals 963 AF
- ▶ A 50% increase over the previous year's average of 478 AF
- ▶ A total of 8,985 water saving devices installed
- ▶ Lifetime water savings projected to be 63,529 AF
- ▶ Total outside funding sources received is \$3,904,795



INITIATIVES

- ▶ Implementation of AB 1420 (Demand Management Measures)
 - ▶ January 2009
- ▶ Completion/adoption of the Chino Basin Water Efficient “Model” Landscape Ordinance (Landscape Alliance)
 - ▶ February 2009
- ▶ Member Agency Water “Extraordinary Conservation” Ordinance updates and enforcement
 - ▶ July 2009
- ▶ Metropolitan’s Water Supply Allocation Plan
 - ▶ Adopted April 2009, Implemented July 2009

INITIATIVES, continued

- ▶ **IEUA Drought Plan**
 - ▶ Adopted April 2009, Implemented July 2009
 - ▶ **Evolving Water Conservation Legislation**
 - ▶ AB 49 (Feuer/Huffman) establishes agency methodology for achieving Governor's call for 20% GPCD reduction in water use;
 - ▶ SB 261 (Dutton/Ducheny/Hollingsworth) establishes a statewide methodology for achieving a Governor's call for 20% GPCD reduction in water use;
 - ▶ SB 68 (Steinberg) Bay-Delta Package
 - ▶ AB 1465 (Hill) Urban Water Management Planning
-

INITIATIVES, continued

- ▶ IEUA Water Use Efficiency Interim Business Plan
 - ▶ Completed in July 2009
- ▶ IEUA Water Use Efficiency Long-Term Business Plan
 - ▶ April 2010
 - ▶ Component of the Urban Water Management Plan

FY 2008-2009 Program Highlights

- ▶ **Garden-In-Every School**
 - ▶ Six schools participated in the FY 2008-2009 Program
- ▶ **National Theatre for Children**
 - ▶ 85 shows conducted reaching 51,285 students and 989 teachers
- ▶ **California Friendly Landscape Classes**
 - ▶ 40 workshops were held covering landscape design, irrigation, maintenance and care, and plant selection
- ▶ **Phase III Landscape Water Audit Program (CBWCD)**
 - ▶ 135 landscape audits performed by CBWCD on 75 acres with an estimated annual water savings of 771 AF per year if all recommendations are implemented

FY 2008-2009 Program Highlights, Cont.

- ▶ **Pilot Water Wise Landscape Rebate (Turf Removal) Program**
 - ▶ 137 landscape conversions completed
 - ▶ 174,311 square-feet of turf removed
 - ▶ Annual water savings of 24.4 AF

- ▶ **Water Softener Rebate Program**
 - ▶ 76 water softeners removed
 - ▶ \$53,440 in incentives paid to program participants.
 - ▶ Annual water savings: 1.5 AF
 - ▶ Annual salt removal: 17.6 tons

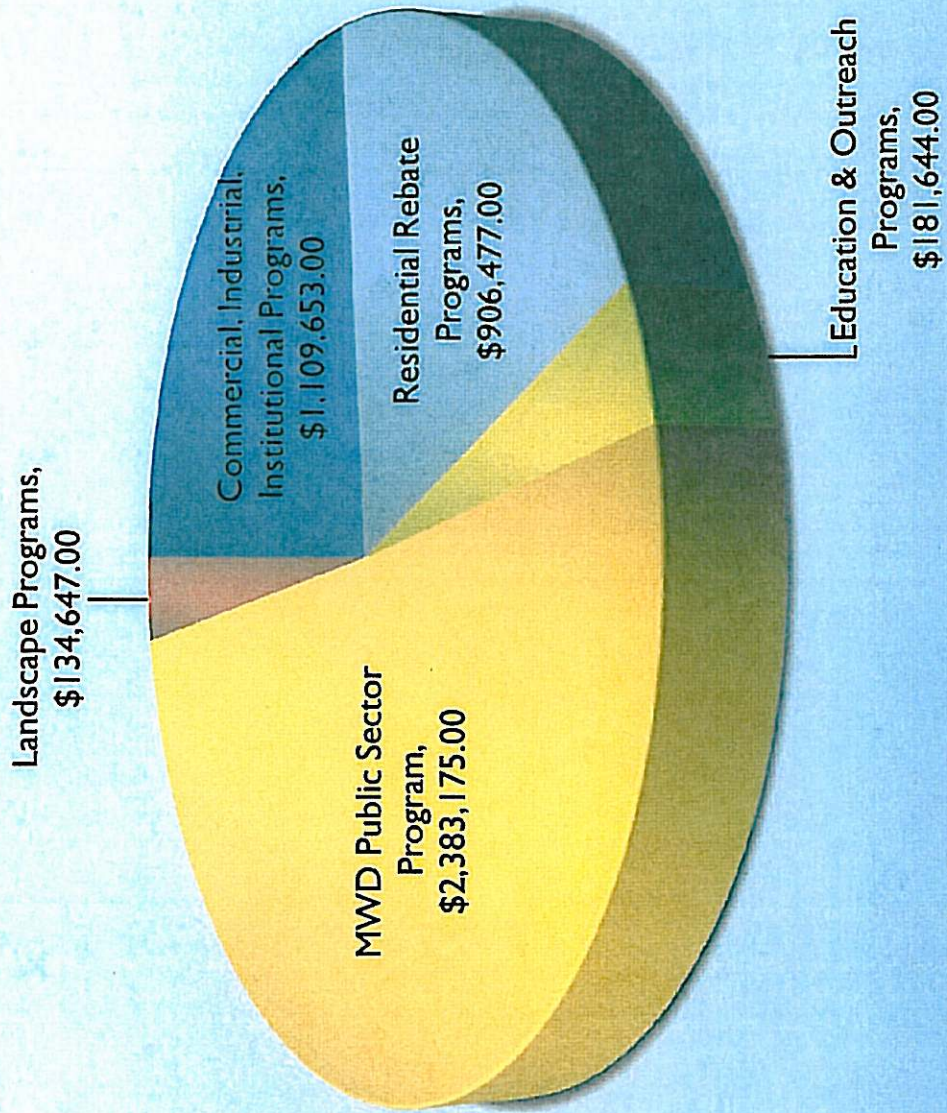
- ▶ **MWD Region-Wide Public Sector Program**
 - ▶ 906 devices funded
 - ▶ Annual water savings of 575 AF
 - ▶ Lifetime savings of 5,702 acre-feet

FY 2008-2009 Program Highlights, Cont.

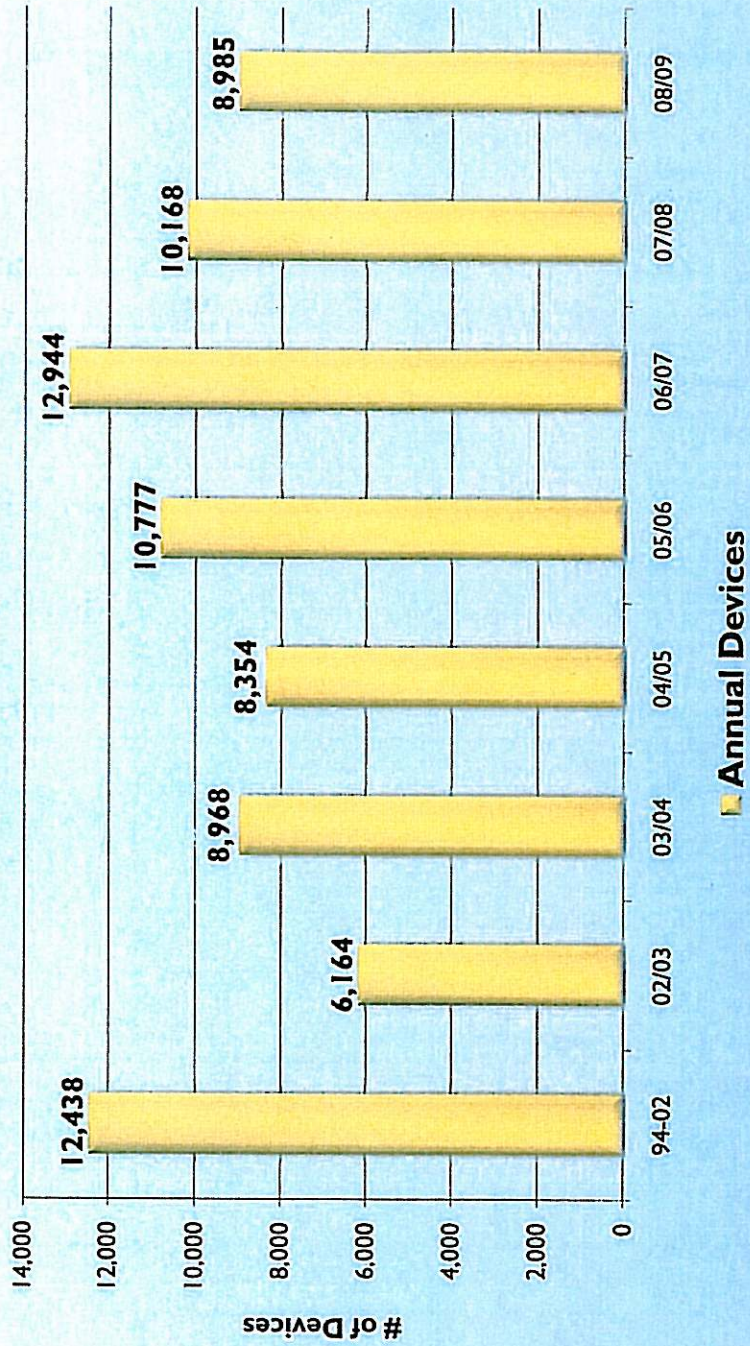
- ▶ **MWD So Cal Water\$mart Residential Rebate Program**
 - ▶ 4,490 devices funded
 - ▶ Annual water savings: 66 AF
 - ▶ Lifetime water savings: 2,693 AF
- ▶ **MWD CII Save-A-Buck Program**
 - ▶ 2,168 devices funded
 - ▶ Annual Water Savings: 137 AF
 - ▶ Lifetime water savings of 3,242 AF



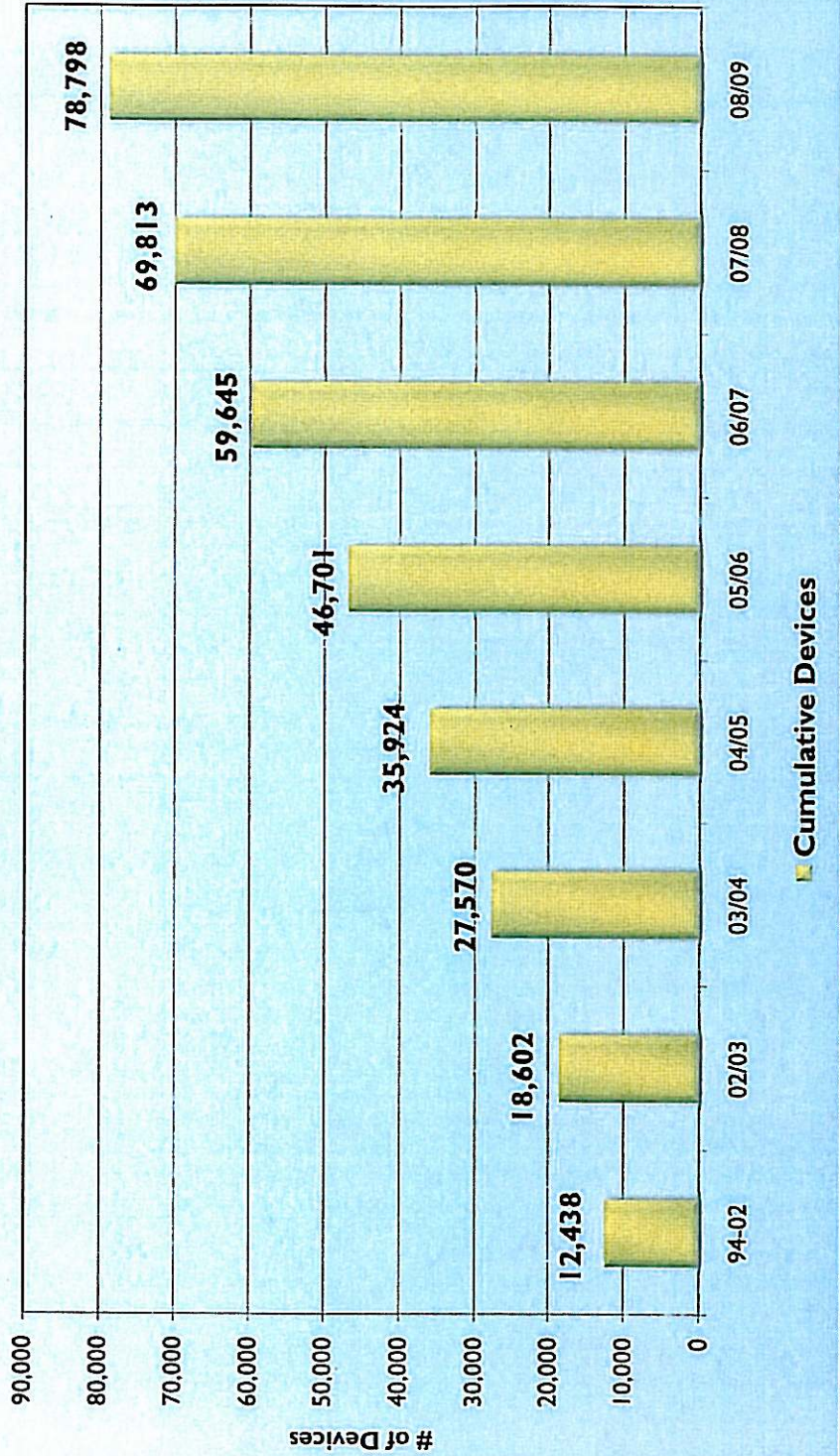
FY 2008-2009 Water Use Efficiency Programs
For every \$1 invested, IEUA received \$4.61 in outside funding



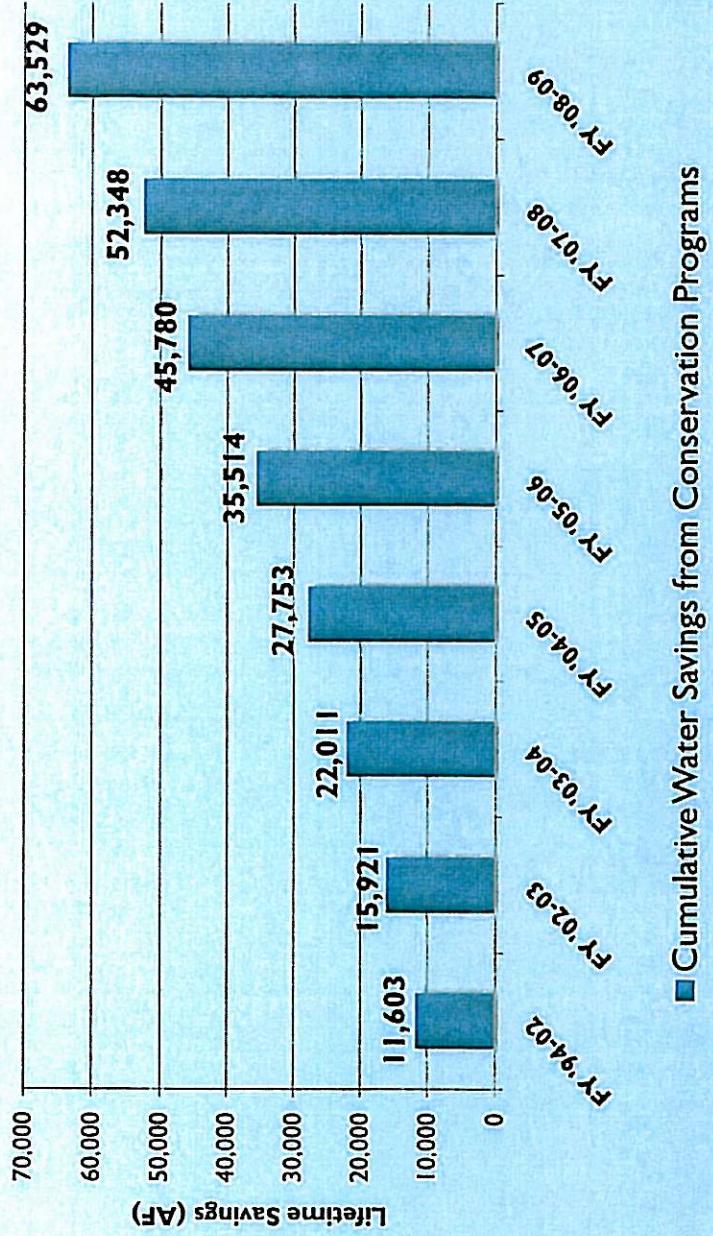
IEUA Conservation Devices Installed



IEUA Cumulative Conservation Devices Installed



IEUA Lifetime Water Savings from Conservation Rebate Programs (AF)



The complete report with appendices can be found

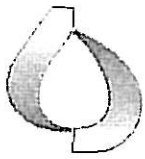
on the Agency website

www.IEUA.org

and on the FTP site

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Inland Empire
UTILITIES AGENCY

Date: October 21, 2009

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (10/14/09)

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: Draft Annual Water Use Report for Fiscal Year 2008/09

RECOMMENDATION

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

BACKGROUND

IEUA staff monitors and compiles water use data from each of the eight retail agencies in with the Agency's service area to track overall water demands and sources of supply. Each year, this data is compiled into an Annual Water Use Report and placed on the Agency's web site for public use. Data includes monthly water use (by each agency and with all sources of supply), five-year history of water use, and retail agency water usage as a percentage of the total water used in the service area. Also included is a recap of the Dry Year Yield (DYY) program. In the future it will include MWD/IEUA Drought Plan compliance.

For a second year in a row, water use by the Inland Empire Utilities Agency (IEUA) member agencies has significantly declined. IEUA's member agencies' overall water use decreased approximately 22,000 acre-feet over the past two years. FY 2008/09 overall water use was 234,000 acre-feet, lower than the preceding year's water use of 241,000 acre-feet. This can be largely attributed to IEUA and its member agencies' public education, water use efficiency programs, ordinance enforcement and the economic downturn. In addition, weather always is a factor in water demands.

The continuing downward trend in overall water use is an excellent indicator of how well the IEUA member agencies have responded to the current water supply challenges including a third consecutive year of drought, MWD's call for stored water under the Chino Basin Dry Year Yield Program, Judge Wanger's Delta Decision which significantly restricted diversions from the delta, the Governor's declaration of a Statewide Water Emergency, MWD's adoption of a Water

Supply Allocation Plan and its call for both voluntary conservation and implementation of mandatory water conservation ordinances.

In response to these growing water supply challenges, IEUA and its member agencies have made aggressive efforts to diversify and maximize local resources and water conservation. These efforts have better prepared the service area to cope with the current imported water supply constraints.

- Over the past year, all of IEUA's member agencies came into full compliance with MWD's water conservation ordinance requirement;
- Approximately half of IEUA's member agencies have adopted mandatory water use restrictions and activated their water supply shortage contingency plans (Water Reduction Stages), consistent with the IEUA Regional Urban Water Management Plan;
- Over the Dry Year Yield (DYY) Program's twelve month period, IEUA DYY Program participating agencies successfully pumped 30,509 AF (99% of IEUA's obligation of 31,000 AF) from the groundwater storage account and reduced their direct deliveries of imported water by 30,589 AF (99% of IEUA's obligation of 31,000 AF);
- The IEUA Recycled Water Program expanded its connected demand to over 27,000 acre-feet/year. IEUA and its member agencies also increased recycled water usage by over 3,000 acre-feet (23%), giving a total of over 16,000 acre-feet in FY 2008/2009 (this includes direct reuse and recharge); and
- The Chino Desalters also continued to maximize production, as they produced just over 25,000 acre-feet, of which IEUA member agencies used approximately 15,000 acre-feet.

To ensure adequate water supplies in the future, IEUA and its member agencies will continue to make aggressive efforts to diversify and maximize local resources and water conservation.

- IEUA and its member agencies are developing an Inland Empire Regional Water Use Efficiency Plan that will provide the guidance needed for the development of new cost-effective water use efficiency programs and allow agencies to focus goals on those activities yielding the highest water savings potential given the limited financial and program resources currently available. This Plan will also be incorporated into the 2010 Urban Water Management Plan.
- IEUA and its member agencies will continue working towards completing its Recycled Water Three Year Business Plan, which will give IEUA the ability to deliver 50,000 AFY of recycled water.
- IEUA and its member agencies will continue working towards completing the Phase III expansion of the Chino Desalters, which will increase capacity from 24,600 AFY to 40,000 AFY.

IEUA would like to thank the cities, retail water agencies and Chino Basin Watermaster for their assistance in compiling the data contained in this production report.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

There is no impact on the Agency's Fiscal Year 2009/10 Adopted budget.

Attachment:

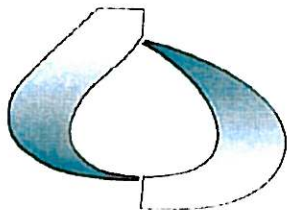
1. Draft FY 2008/09 Annual Water Use Report

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Draft
Annual Water Use Report
for IEUA Service Area

FY 2008-09
Retail Agency Water Use
and Five-Year History



Inland Empire
UTILITIES AGENCY

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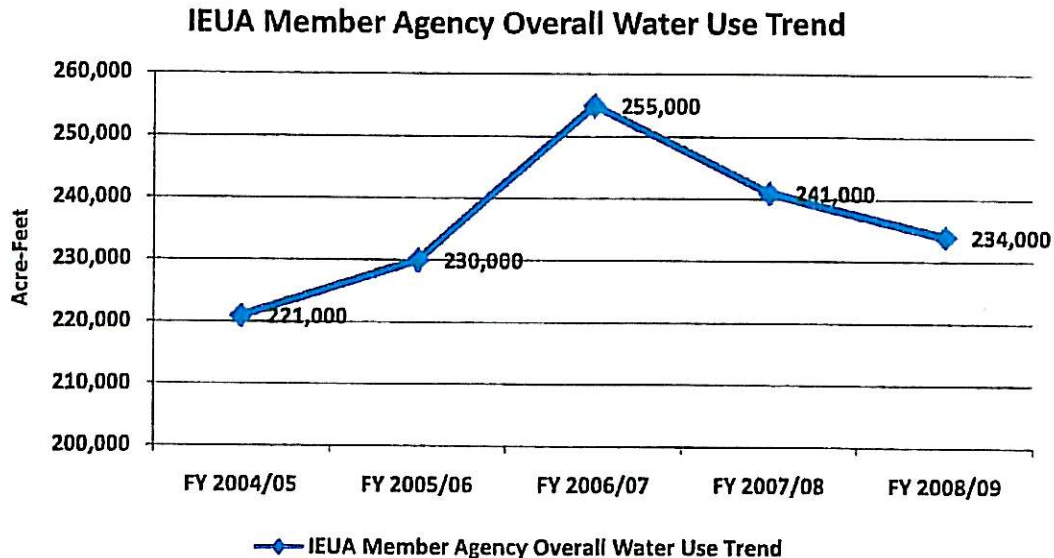
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Preface
FY 2008-2009 Water Use Summary Report

For a second year in a row, water use by the Inland Empire Utilities Agency (IEUA) member agencies has significantly declined. IEUA's member agencies overall water use decreased approximately 22,000 acre-feet over the past two years. This can be largely attributed to IEUA and its member agencies' public education, water use efficiency programs, ordinance enforcement and the economic downturn.



The continuing downward trend in overall water use is an excellent indicator of how well the IEUA member agencies have responded to the current water supply challenges including a third consecutive year of drought, MWD's call for stored water under the Chino Basin Dry Year Yield Program; Judge Wanger's Delta Decision which significantly restricted diversions from the delta, the Governor's declaration of a Statewide Water Emergency, MWD's adoption of a Water Supply Allocation Plan and its call for both voluntary conservation and implementation of mandatory water conservation ordinances.

In response to these growing water supply challenges, IEUA and its member agencies' have made aggressive efforts to diversify and maximize local resources and water conservation. These efforts have better prepared the service area to cope with the current imported water supply constraints.

- Over the past year, all of IEUA's member agencies came into full compliance with MWD's water conservation ordinance requirement;
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- The IEUA Recycled Water Program expanded its connected demand to over 27,000 acre-feet/year. IEUA and its member agencies also increased the recycled water usage by over 3,000 acre-feet (23%), giving a total of over 16,000 acre-feet in FY 2008/2009 (this includes direct reuse and recharge); and
- The Chino Desalters also continued to maximize production, as they produced just over 25,000 acre-feet, of which IEUA member agencies used approximately 15,000 acre-feet.

To ensure adequate water supplies in the future, IEUA and its member agencies will continue to make aggressive efforts to diversify and maximize local resources and water conservation.

- IEUA and its member agencies are developing an Inland Empire Regional Water Use Efficiency Plan that will provide the guidance needed for the development of new cost-effective water use efficiency programs and allow agencies to focus goals on those activities yielding the highest water savings potential given the limited financial and program resources currently available. This Plan will also be incorporated into the 2010 Urban Water Management Plan.
- IEUA and its member agencies will continue working towards completing its Recycled Water Three Year Business Plan, which will give IEUA the ability to deliver 50,000 AFY of recycled water
- IEUA and its member agencies will continue working towards completing the Phase III expansion of the Chino Desalters, which will increase capacity from 24,600 AFY to 40,000 AFY.

The Metropolitan Water District of Southern California (MWD), through its recent drought planning process, recognized IEUA as having one of *three most reliable water supplies* within southern California.

IEUA would like to thank the cities, retail water agencies and Chino Basin Watermaster for their assistance in compiling the data contained in this production report.

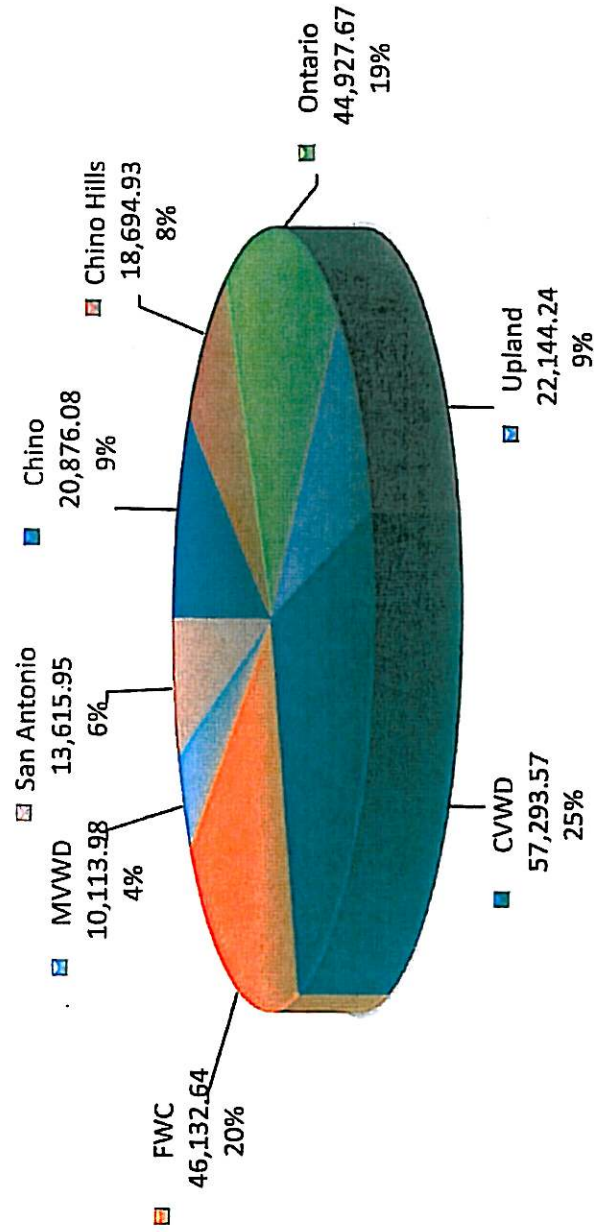
SECTION 1

This section contains water resources data from FY 2008-09, by IEUA member agency.

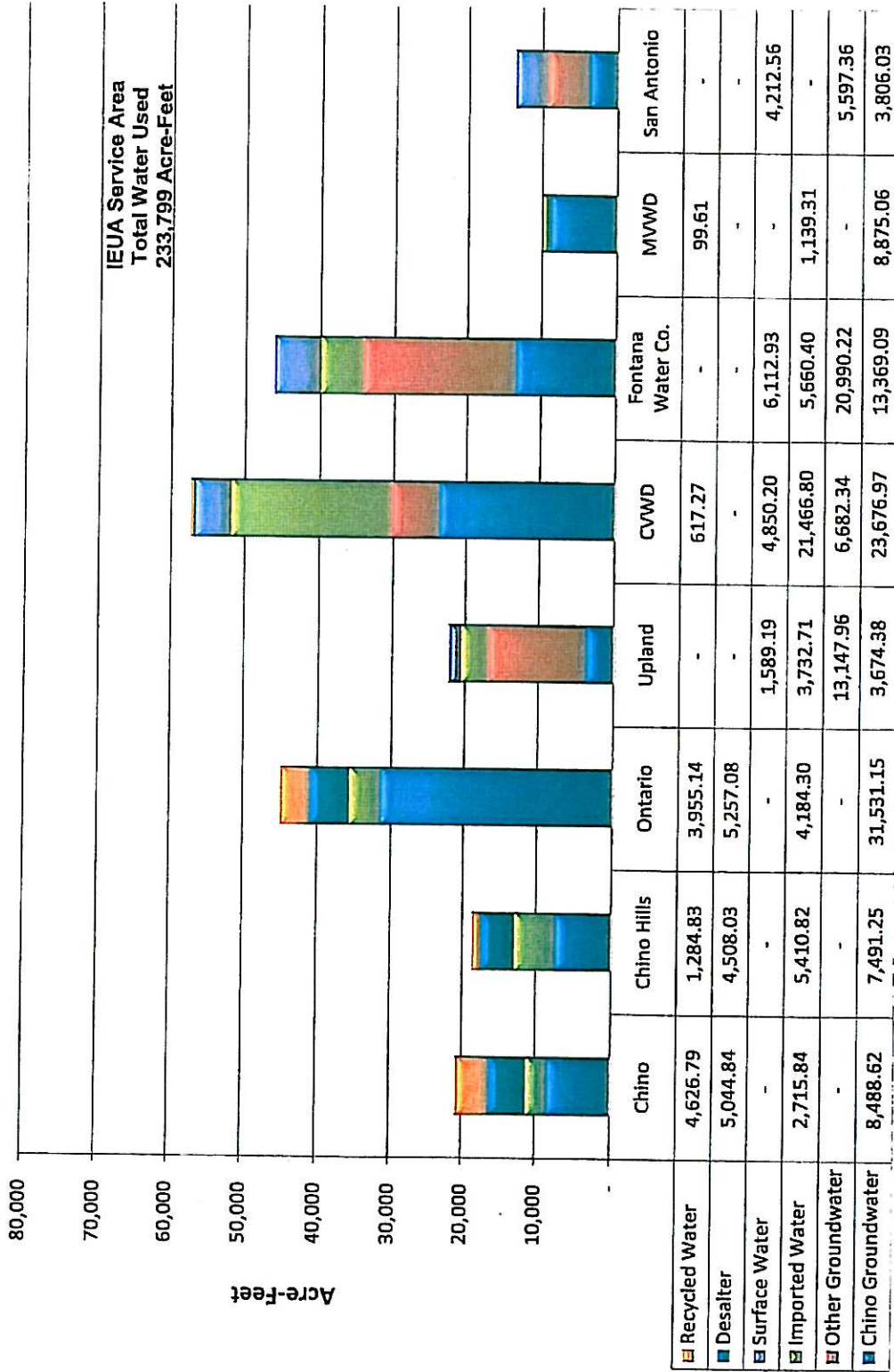
Table 1. Total IEUA Service Area Water Use by Retail Agency for FY 2008-09

	Chino	Chino Hills	Ontario	Upland	CVWD	FWC	MVWD	San Antonio	TOTAL
Imported									
Direct Deliveries (MWD)	2,715.84	5,410.82	4,184.30	3,732.71	21,466.80	5,660.40	1,139.31	-	44,310.18
Dry Year Yield (MWD)	1,043.09	-	12,247.99	2,703.30	12,742.28	-	5,825.00	-	34,561.66
SUBTOTAL	3,758.93	5,410.82	16,432.29	6,436.01	34,209.08	5,660.40	6,964.31	-	78,871.84
Chino Groundwater									
Recycled Water	7,445.53	7,491.25	19,283.16	971.08	10,934.69	13,369.09	3,050.06	3,806.03	66,350.89
Other Groundwater	4,626.79	1,284.83	3,955.14	-	617.27	-	99.61	-	10,583.63
Surface Water	-	-	-	13,147.96	6,682.34	20,990.22	-	5,597.36	46,417.88
Desalter	5,044.84	4,508.03	5,257.08	1,589.19	4,850.20	6,112.93	-	4,212.56	16,764.87
SUBTOTAL	17,117.15	13,284.11	28,495.38	15,708.23	23,084.50	40,472.24	3,149.67	13,615.95	154,927.22
TOTAL	20,876.08	18,694.93	44,927.67	22,144.24	57,293.57	46,132.64	10,113.98	13,615.95	233,799.06

Total IEUA Service Area Water Used For FY 2008/2009



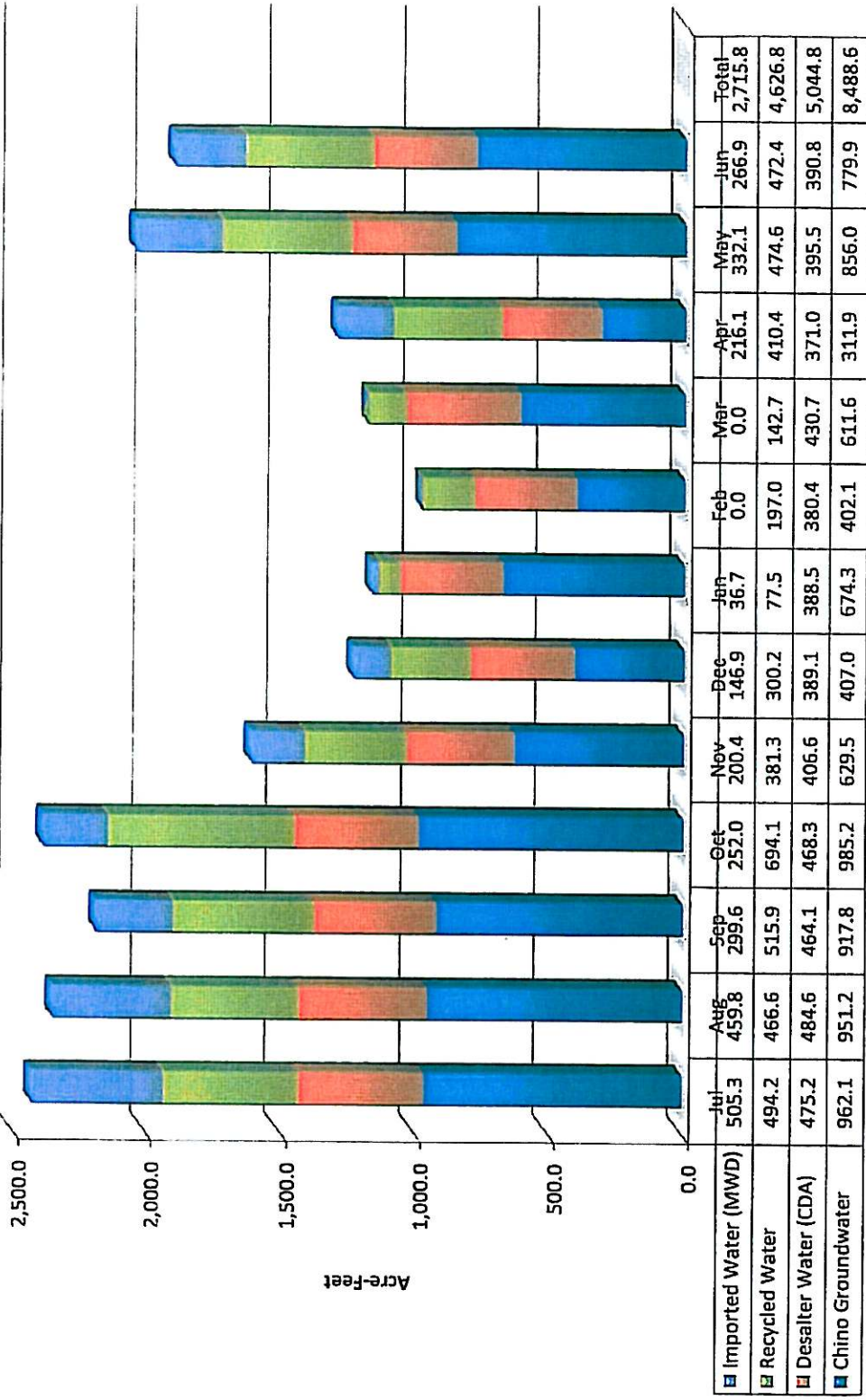
Total IEUA Service Area Water Used For FY 2008-09



SECTION 2

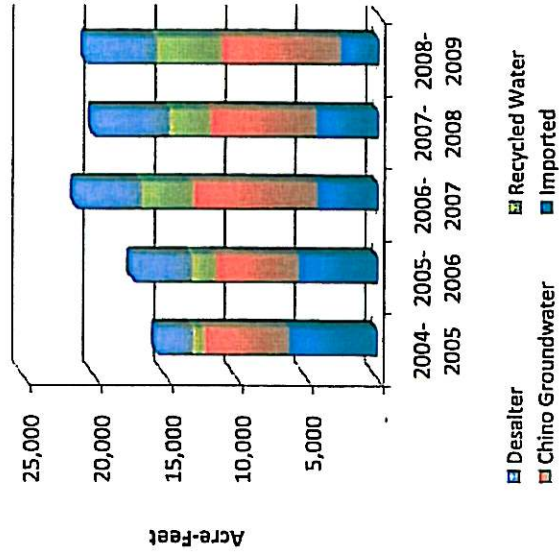
This section contains water resources data from FY 2008-09 and 5-year water use, by agency. The following section contains water use data from each individual IEUA member agency. Each agency will have its own sub-section that contains data about FY 2008-09 water use, including the water pumped out of the MWD Dry Year Yield groundwater storage account, as well as historical water use trends over the past 5-years.

City of Chino FY 2008-09 Monthly Water Use

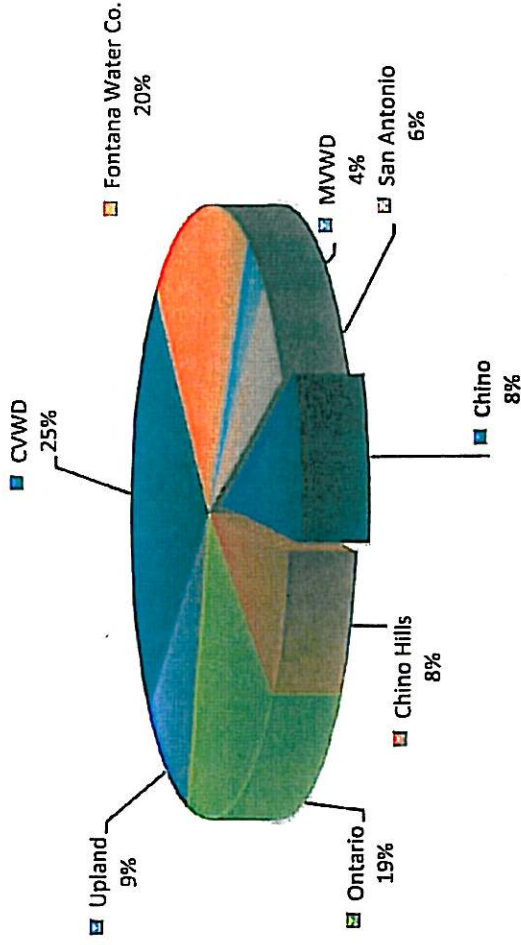


City of Chino FY 2008-09 Water Use Report

5 Year Water Use Trends

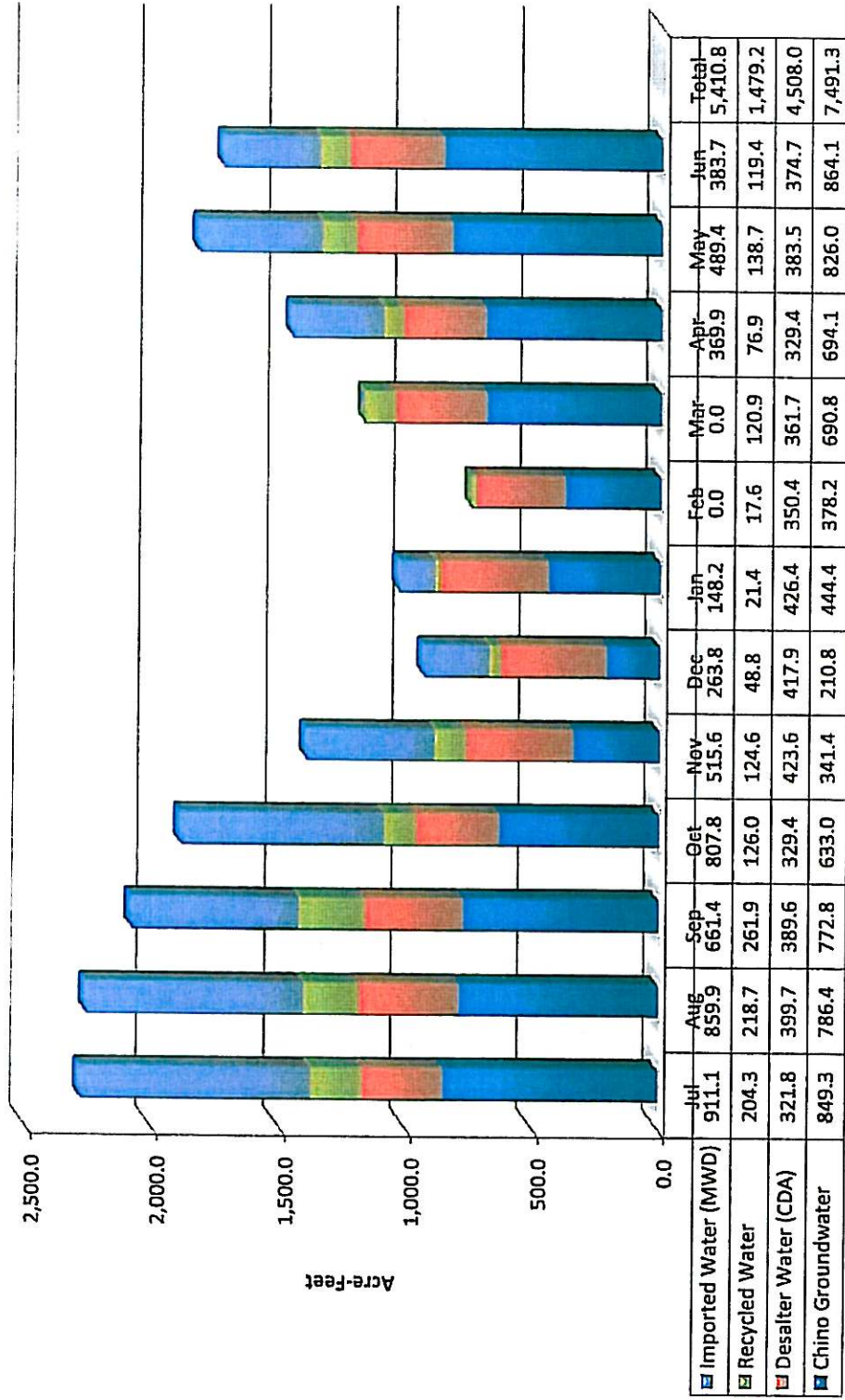


FY 2008/09 Total Water Used



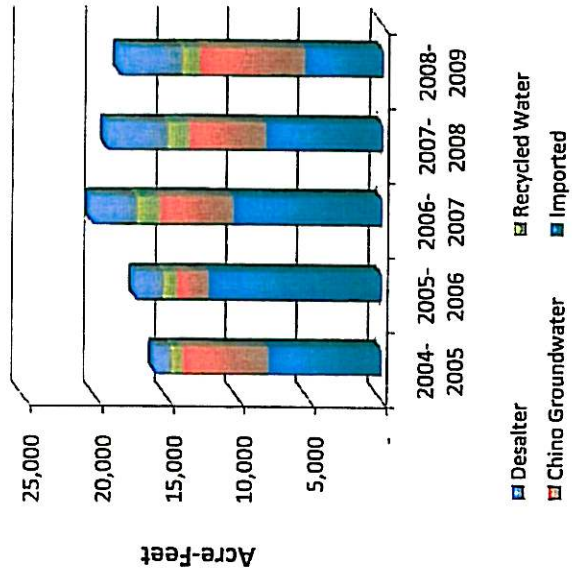
The City of Chino used 8% (20,876 acre-feet) out of 233,799 acre-feet used in the IEUA service area.

City of Chino Hills FY 2008-09 Monthly Water Use

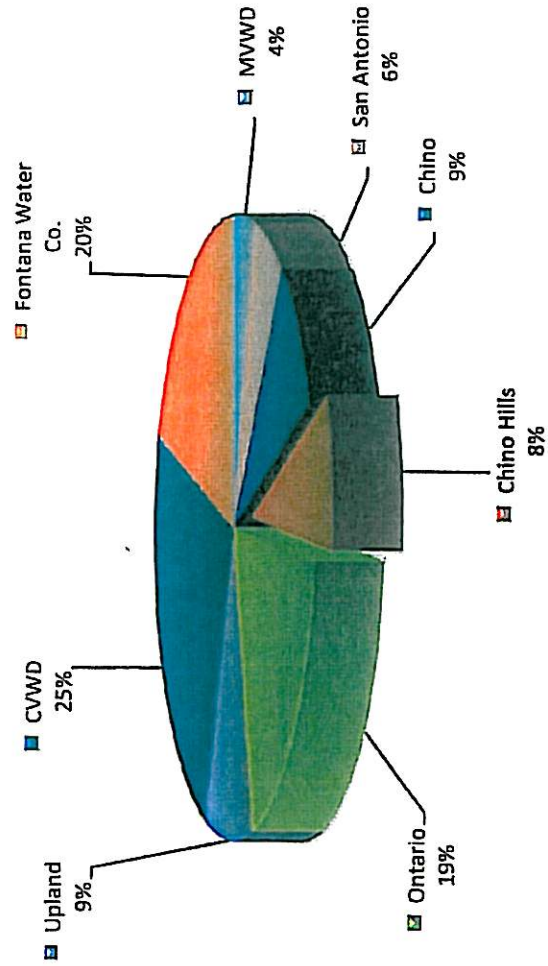


City of Chino Hills FY 2008-09 Water Use Report

5 Year Water Use Trends

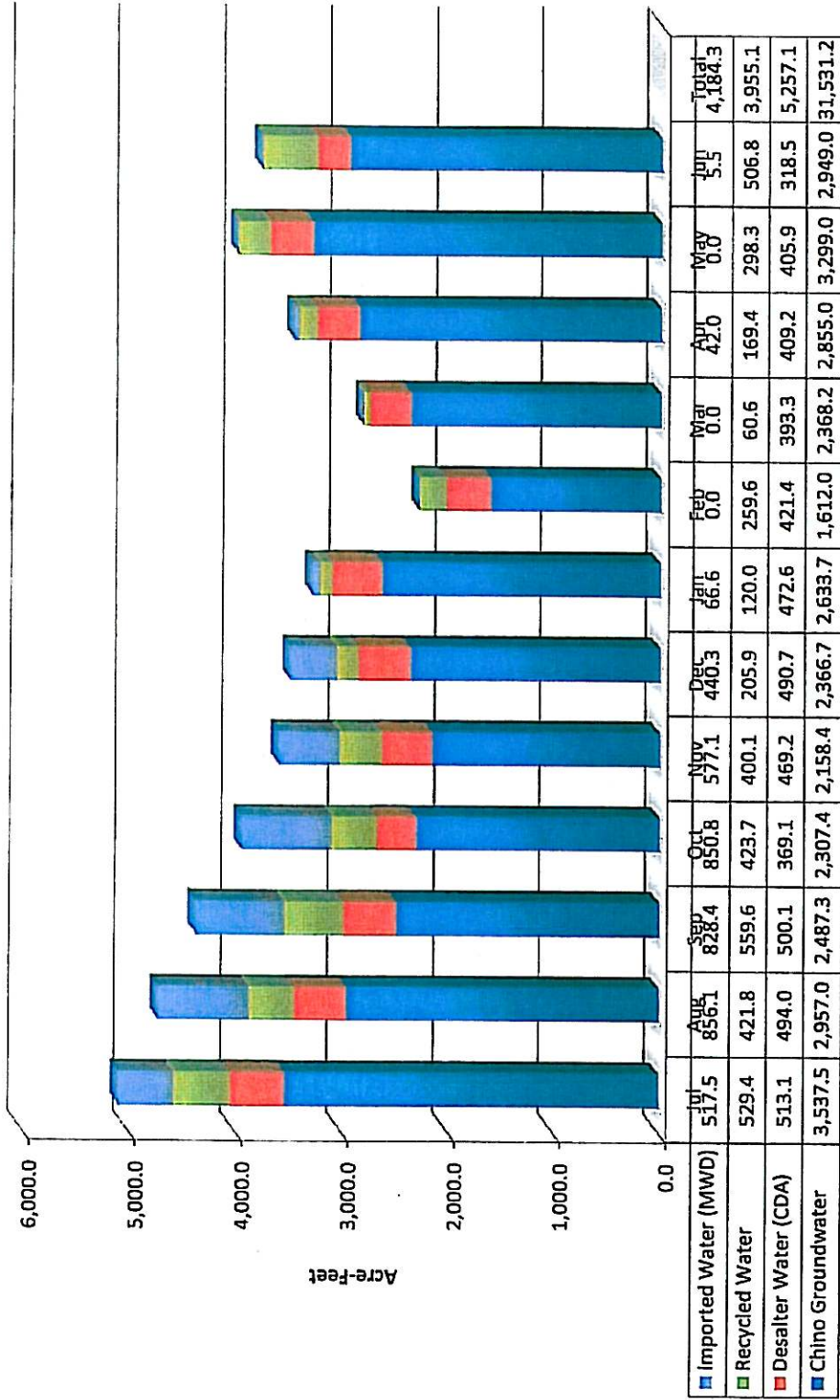


FY 2008/09 Total Water Used



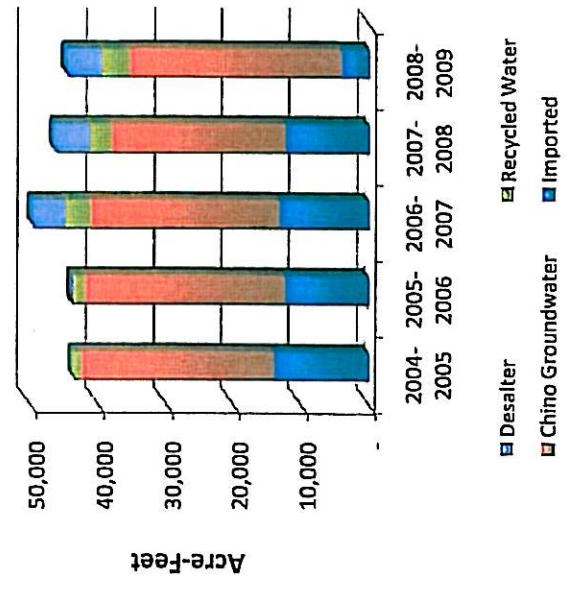
The City of Chino Hills used 8% (18,695 acre-feet) out of 233,799 acre-feet used in the IEUA service area.

City of Ontario FY 2008-09 Monthly Water Use

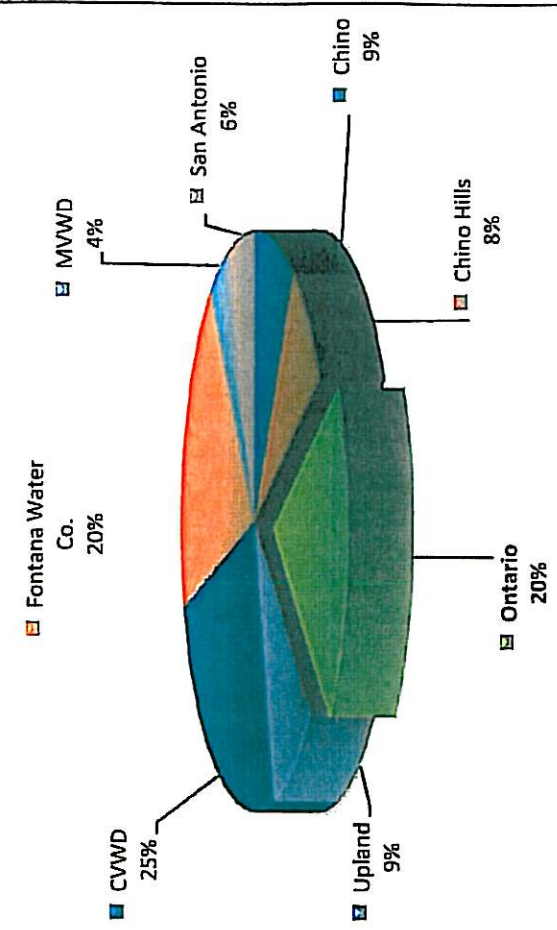


City of Ontario FY 2008-09 Water Used Report

5 Year Water Use Trends

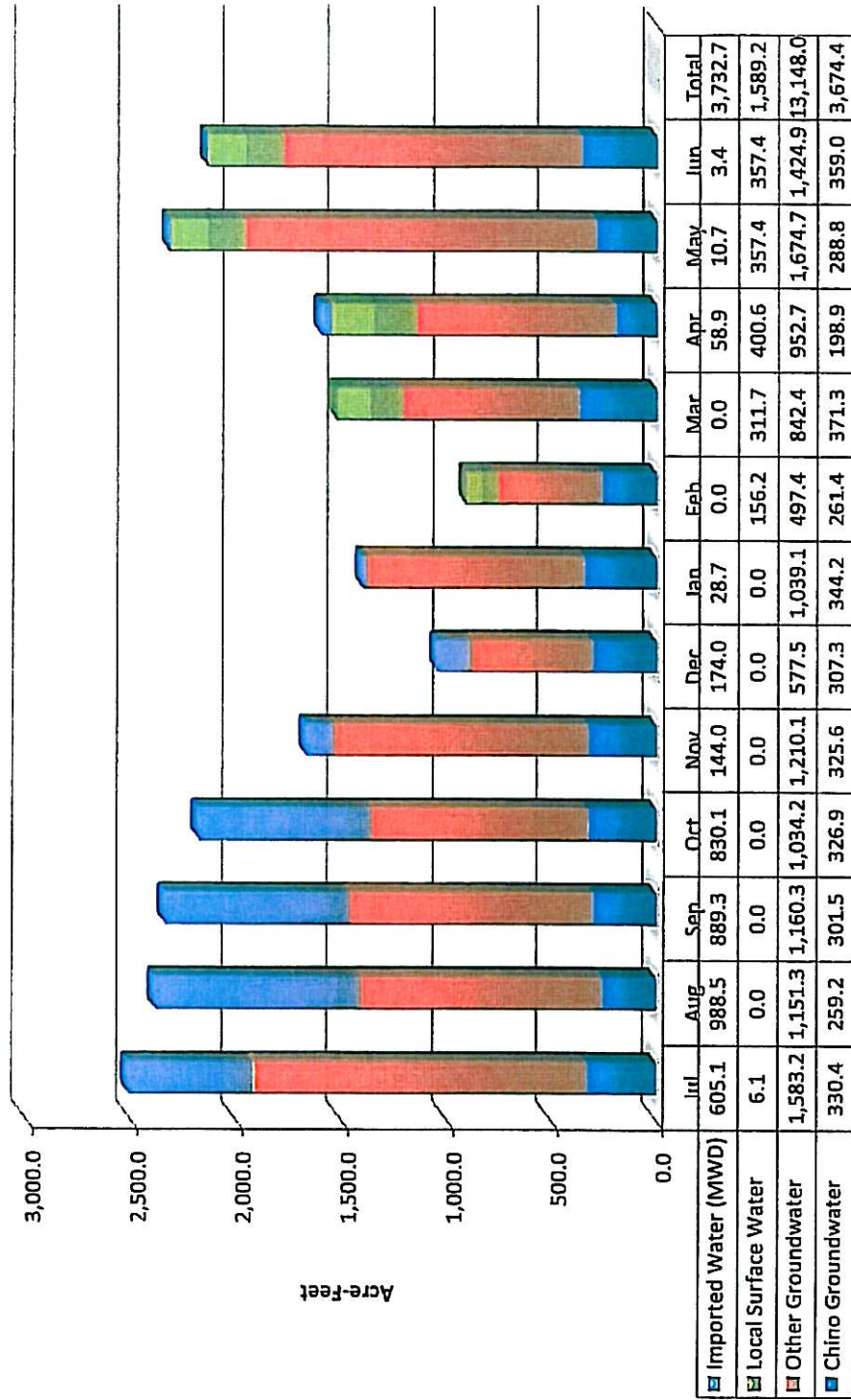


FY 2008/09 Total Water Used



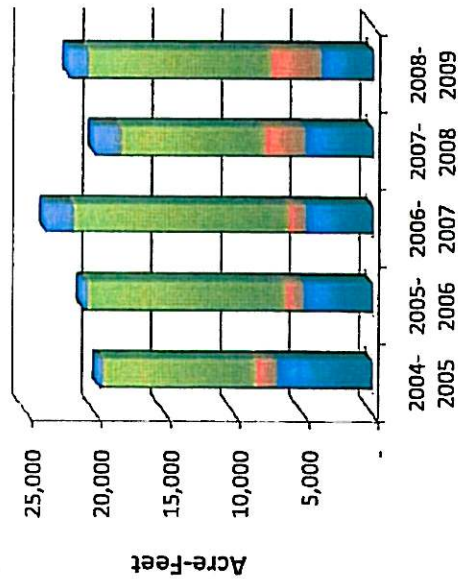
The City of Ontario used 20% (44,298 acre-feet) out of 233,799 acre-feet used in the IEUA service area.

City of Upland FY 2008/09 Monthly Water Use



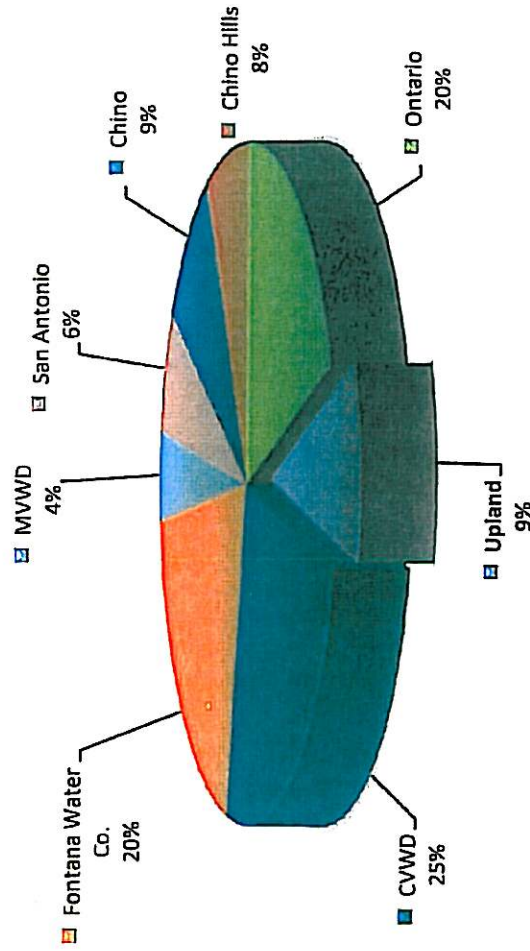
City of Upland FY 2008-09 Water Used Report

5 Year Water Use Trends



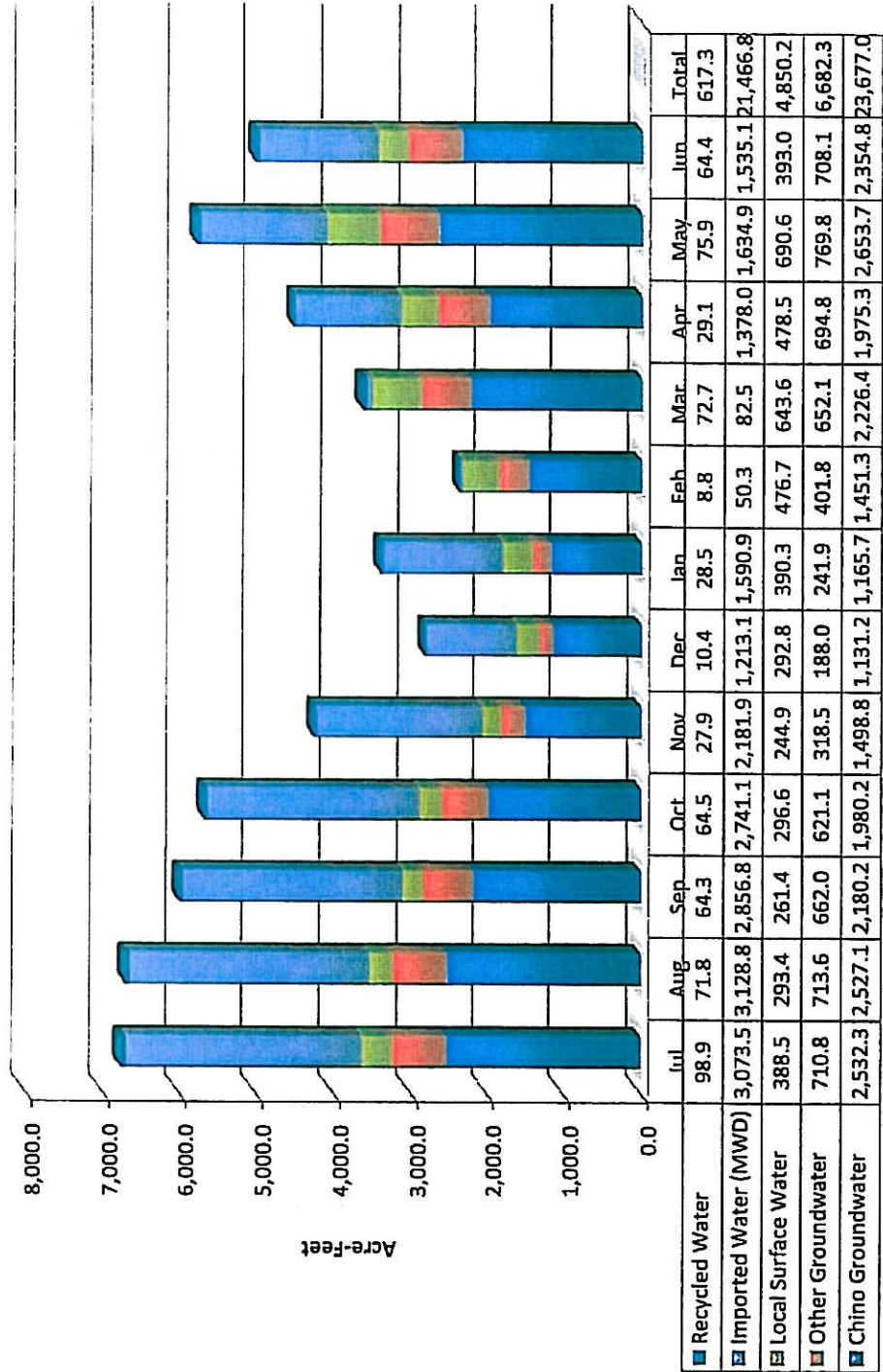
- Surface Water
- Chino Groundwater
- Other Groundwater
- Imported

FY 2008/09 Total Water Used



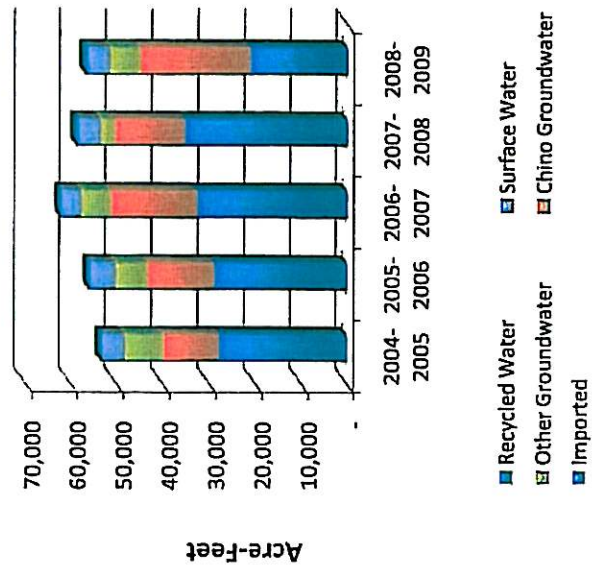
The City of Upland used 9% (22,144 acre-feet) out of 233,799 acre-feet used in the IEUA service area.

Cucamonga Valley Water District FY 2008/09 Monthly Water Use

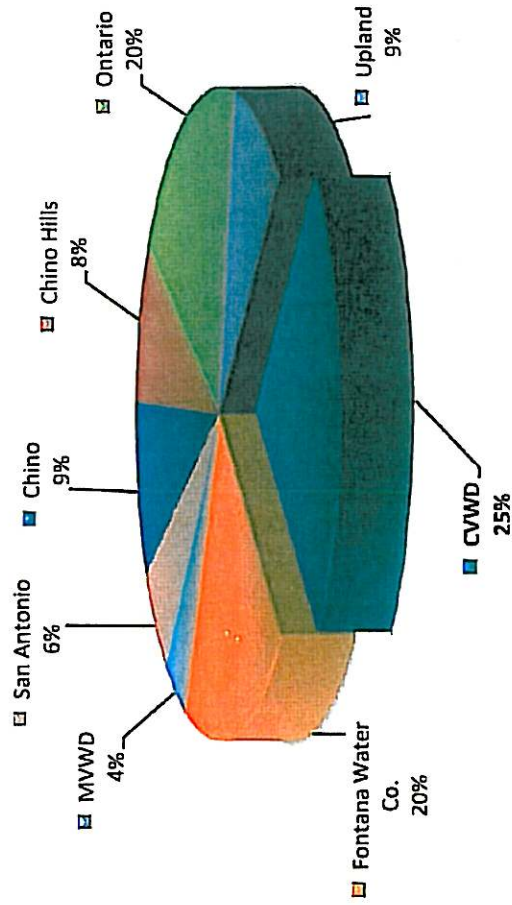


Cucamonga Valley Water District FY 2008-09 Water Used Report

5 Year Water Use Trends

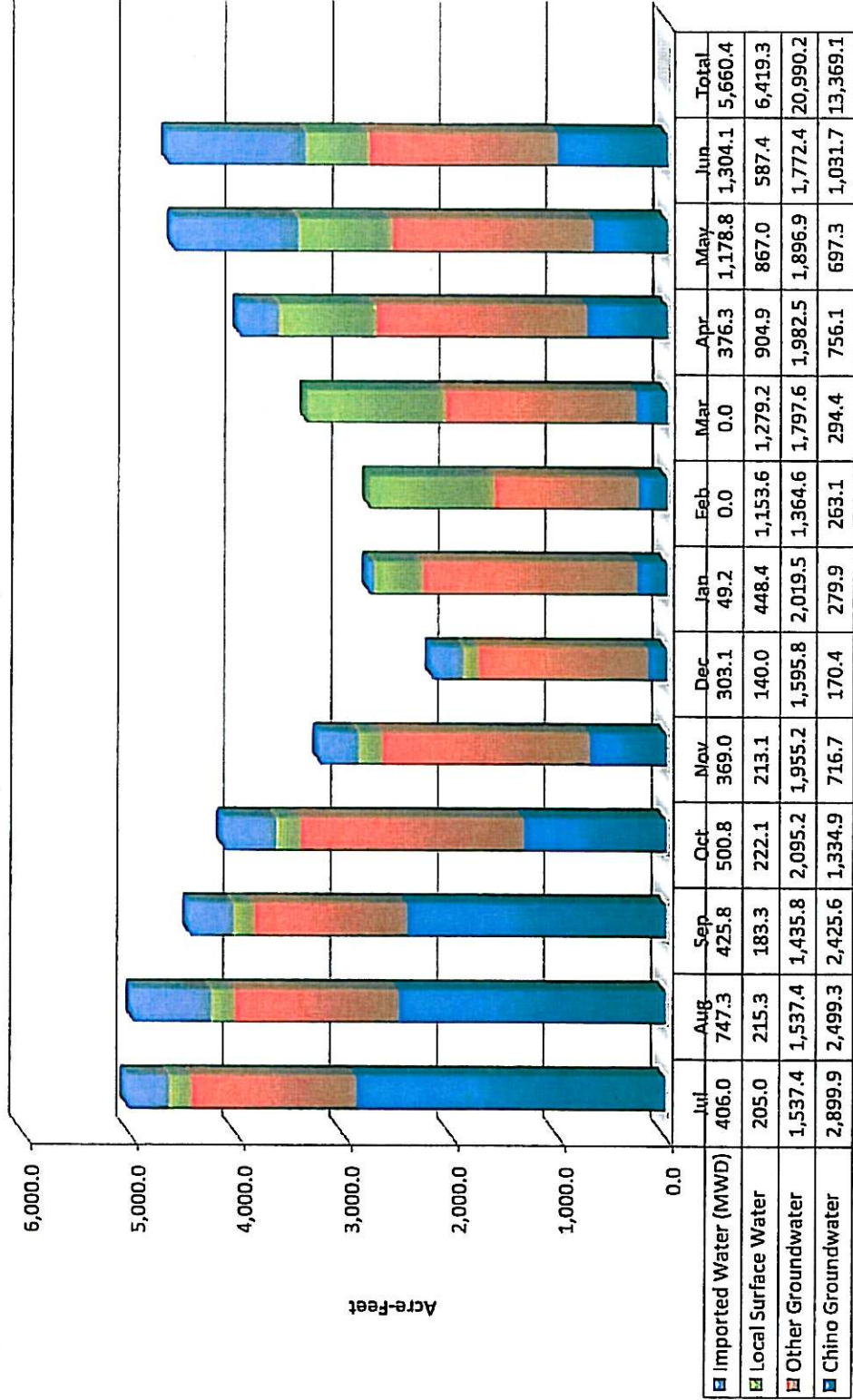


FY 2008/09 Total Water Used



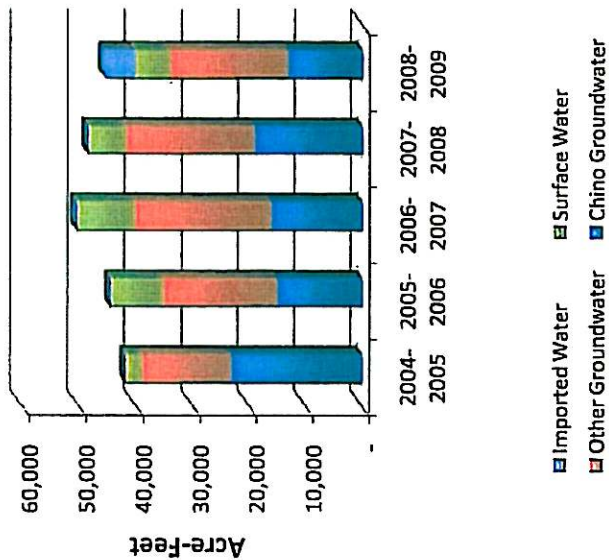
The CVWD used 25% (57,294 acre-feet) out of 233,799 acre-feet used in the IEUA service area.

**Fontana Water Co.
FY 2008/09 Monthly Water Use**

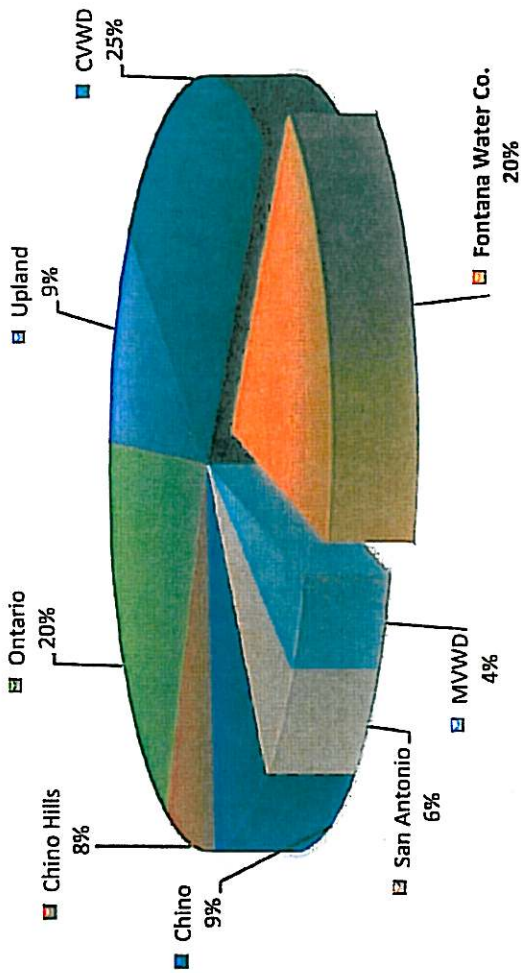


Fontana Water Company FY 2008-09 Water Used Report

5 Year Water Use Trends

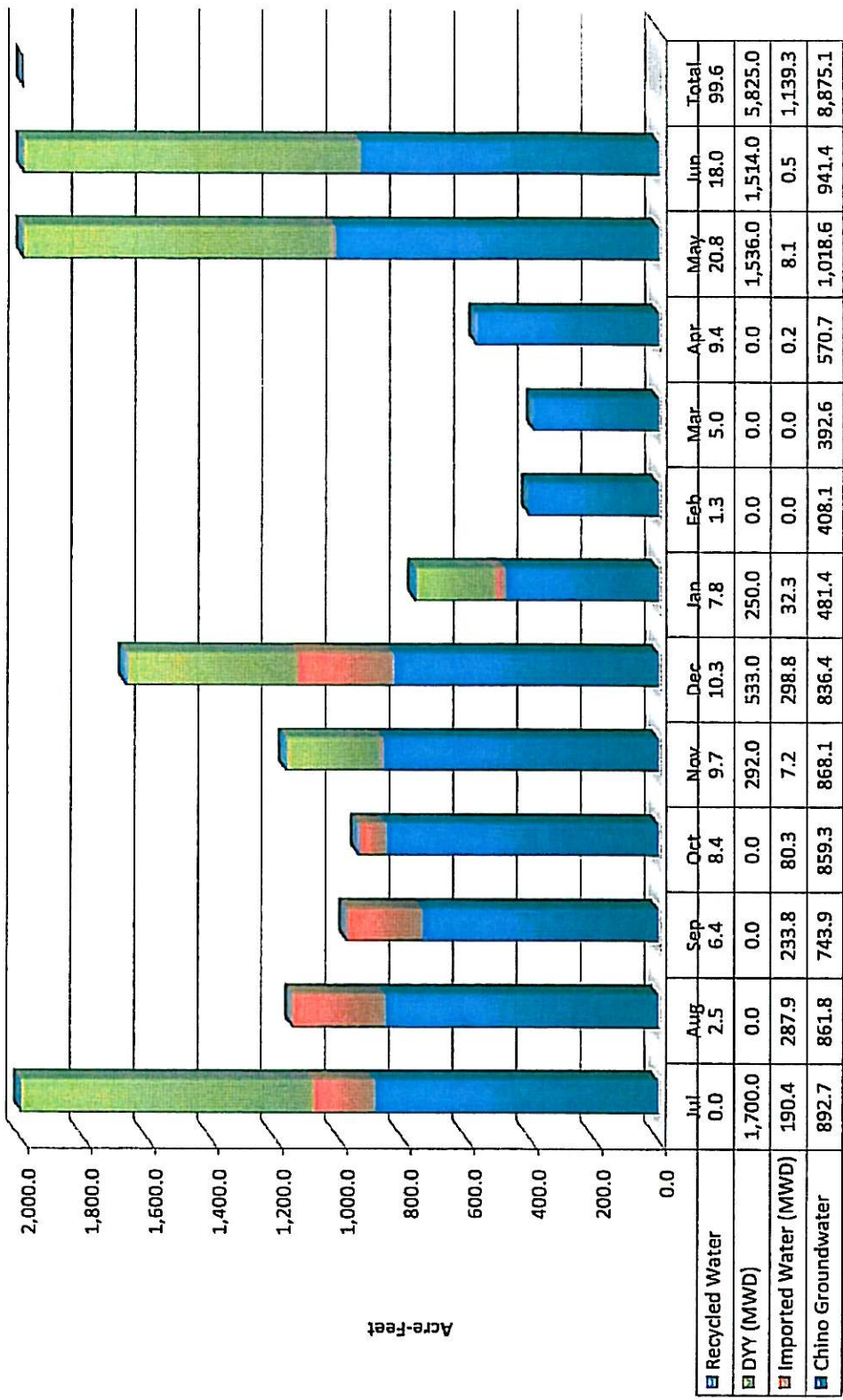


FY 2008/09 Total Water Used



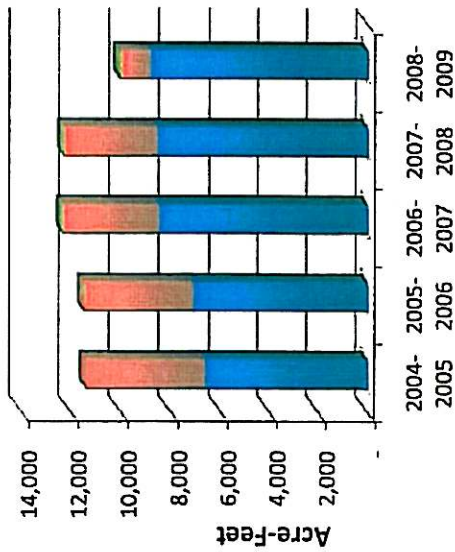
The Fontana Water Company used 20% (46,133 acre-feet) out of 233,799 acre-feet used in the IEUA service area.

Monte Vista Water District FY 2008/09 Monthly Water Use



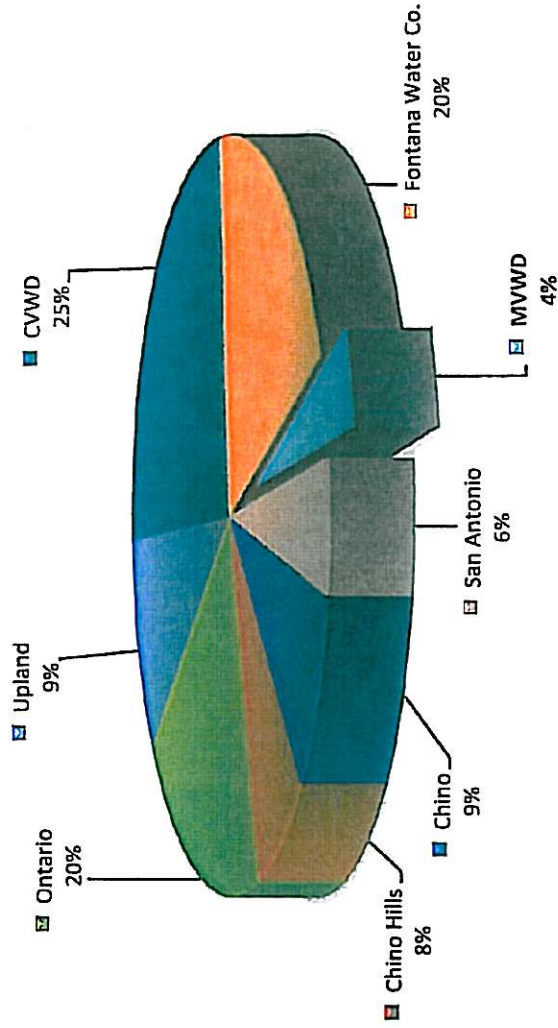
Monte Vista Water District FY 2008-09 Water Used Report

5 Year Water Use Trends



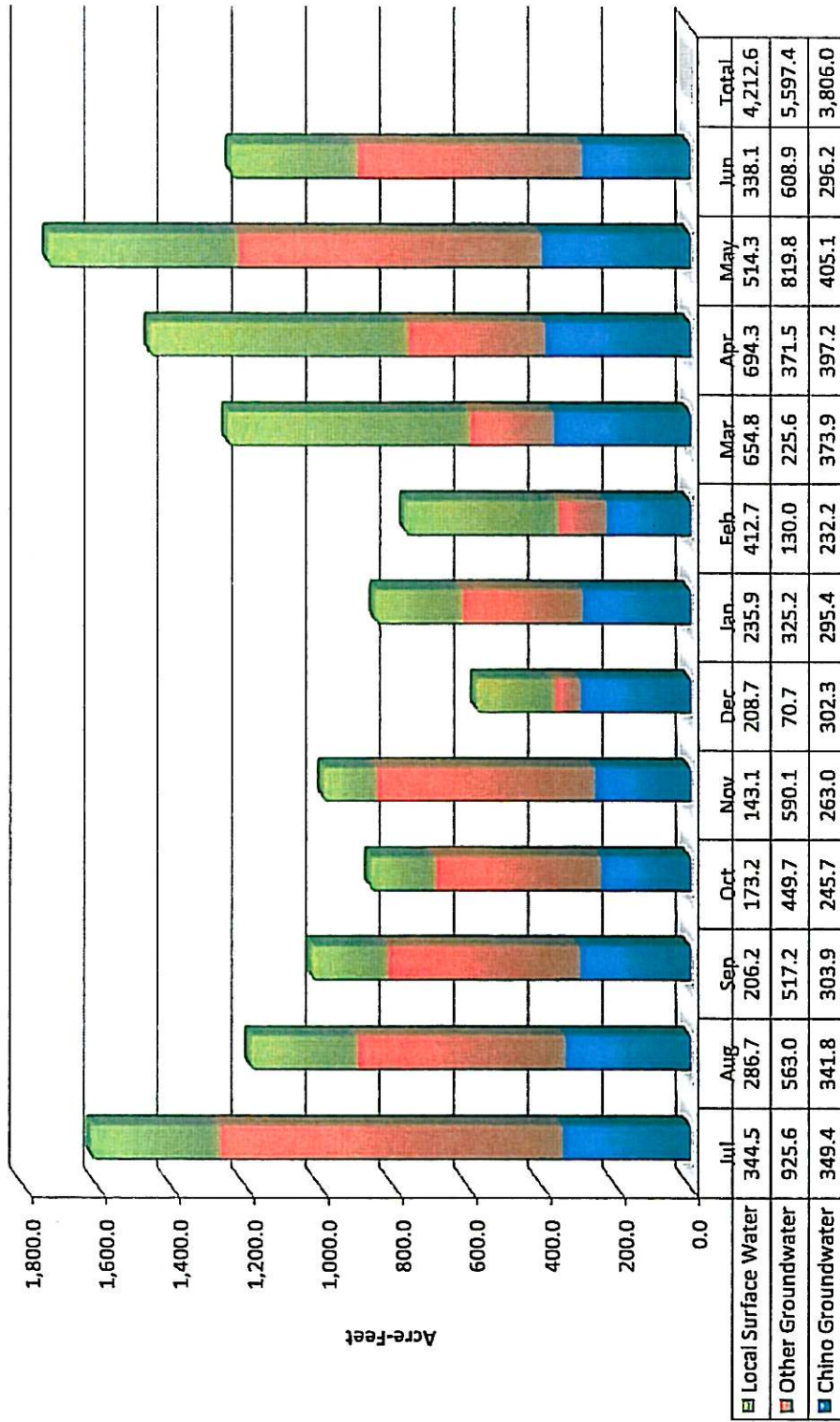
■ Recycled Water ■ Imported ■ Chino Groundwater

FY 2008/09 Total Water Used



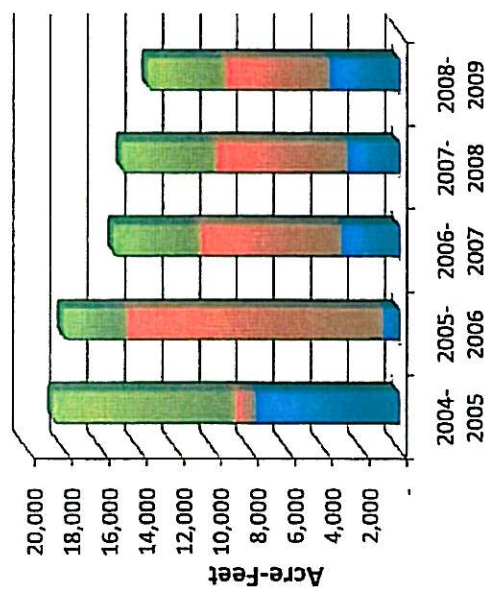
The Monte Vista Water District used 5% (10,144 acre-feet) out of 233,799 acre-feet used in the IEUA service

San Antonio Water Co. FY 2008/09 Monthly Water Use

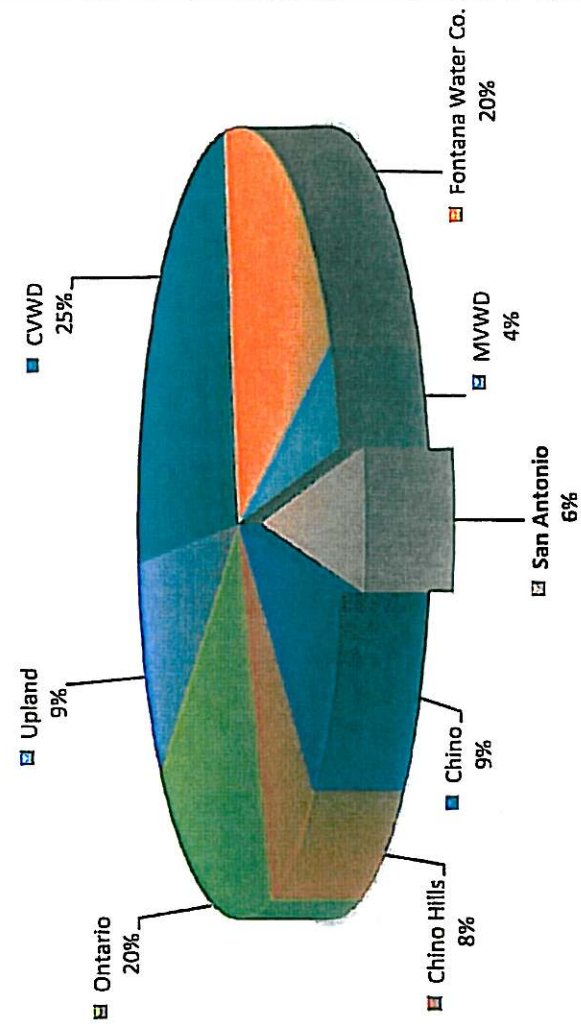


San Antonio Water District FY 2008-09 Water Used Report

5 Year Water Use Trends



FY 2008/09 Total Water Used



The San Antonio Water District used 6% (13,616acre-feet) out of 233,799 acre-feet used in the IEUA service area.

Appendix A

FY 2008-09 Water Use Data

City of Chino	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	962.1	951.2	917.8	985.2	629.5	407.0	674.3	402.1	611.6	311.9	856.0	779.9	8,488.6
Imported Water (MWD)	505.3	459.8	299.6	252.0	200.4	146.9	36.7	0.0	0.0	216.1	332.1	266.9	2,716.8
DYY (MWD)	0.0	0.0	0.0	238.4	629.5	175.2	0.0	0.0	0.0	0.0	0.0	0.0	1,043.1
Recycled Water	494.2	466.6	515.9	694.1	381.3	300.2	77.5	197.0	142.7	410.4	474.6	472.4	4,626.8
Desalter Water (CDA)	475.2	484.6	464.1	468.3	406.6	389.1	388.5	380.4	430.7	371.0	395.5	390.8	5,044.8
Total	2,438.8	2,362.2	2,197.4	2,399.6	1,617.8	1,243.2	1,177.1	979.5	1,185.0	1,309.3	2,058.2	1,910.0	20,876.1

City of Chino Hills	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	849.3	788.4	772.8	833.0	341.4	210.8	444.4	378.2	690.8	694.1	826.0	864.1	7,491.3
Imported Water (MWD)	911.1	859.9	661.4	807.8	515.6	263.8	148.2	0.0	0.0	369.9	489.4	383.7	5,410.8
DYY (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recycled Water	110.8	238.5	161.9	140.6	124.0	47.7	39.0	40.8	32.9	85.8	118.6	143.2	1,284.8
Desalter Water (CDA)	321.8	399.7	389.6	329.4	423.6	417.9	426.4	350.4	361.7	329.4	383.5	374.7	4,508.0
MVWD Well Water	659.1	653.2	606.8	470.2	341.4	210.6	252.2	275.5	407.2	416.9	518.1	673.1	5,366.5
MVWD/WFA Allotment	911.1	859.9	661.4	807.8	515.6	263.8	148.2	0.0	0.0	369.9	489.4	383.7	5,410.8
Total	2,183.1	2,284.6	1,985.6	1,910.7	1,404.5	940.3	1,058.0	769.4	1,085.4	1,479.3	1,818.5	1,765.7	16,694.9

City of Ontario	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	3,537.5	2,957.0	2,487.3	2,307.4	2,158.4	2,366.7	2,633.7	1,612.0	2,368.2	2,855.0	3,299.0	2,949.0	31,531.2
Imported Water (MWD)	517.5	856.1	828.4	850.8	577.1	440.3	66.6	0.0	0.0	42.0	0.0	5.5	4,184.3
DYY (MWD)	2,000.0	2,000.0	2,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3,299.0	2,949.0	12,248.0
Recycled Water	529.4	421.8	559.6	423.7	400.1	205.9	120.0	259.6	60.6	169.4	298.3	506.8	3,855.1
Desalter Water (CDA)	513.1	494.0	500.1	369.1	469.2	490.7	472.8	421.4	383.3	409.2	405.9	318.5	5,267.1
Total	6,097.5	4,728.9	4,375.4	3,951.0	3,604.8	3,593.6	3,292.9	2,823.0	2,822.0	3,475.6	4,003.2	3,779.8	44,927.7

City of Upland	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	330.4	259.2	301.5	326.9	325.6	307.3	344.2	261.4	371.3	196.9	288.8	359.0	3,674.4
Imported Water (MWD)	605.1	888.5	889.3	830.1	144.0	174.0	28.7	0.0	0.0	58.9	10.7	3.4	3,732.7
DYY (MWD)	330.0	259.0	302.0	326.9	276.6	217.6	272.3	72.1	0.0	0.0	288.8	359.0	2,703.3
Other Groundwater	1,583.2	1,151.3	1,160.3	1,034.2	1,210.1	577.5	1,039.1	497.4	842.4	952.7	1,674.7	1,424.9	13,148.0
Local Surface Water	6.1	0.0	0.0	0.0	0.0	0.0	0.0	156.2	311.7	400.6	357.4	357.4	1,589.2
Recycled Water	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	2,524.8	2,399.0	2,351.1	2,181.2	1,679.7	1,058.8	1,411.9	915.0	1,525.4	1,611.1	2,331.6	2,144.7	22,144.2

CVWD	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	2,532.3	2,527.1	2,180.2	1,980.2	1,498.8	1,131.2	1,165.7	1,451.3	2,226.4	1,975.3	2,653.7	2,354.8	23,677.0
Imported Water (MWD)	3,073.5	3,128.8	2,856.8	2,741.1	2,181.9	1,213.1	1,590.9	50.3	82.5	1,378.0	1,634.9	1,535.1	21,466.8
DYY (MWD)	2,632.3	2,527.1	0.0	44.4	1,498.8	1,131.2	0.0	0.0	0.0	0.0	2,653.7	2,354.8	12,742.3
Recycled Water	98.9	71.6	64.3	64.5	27.9	10.4	28.5	8.8	72.7	29.1	75.9	64.4	617.3
Other Groundwater	710.8	713.6	662.0	621.1	318.5	188.0	241.9	401.8	652.1	694.8	769.8	708.1	6,682.3
Local Surface Water	388.5	293.4	261.4	296.6	244.9	292.8	390.3	476.7	643.6	478.5	690.6	393.0	4,850.2
Total	6,804.0	6,734.7	6,024.7	5,703.5	4,272.0	2,835.5	3,417.2	2,388.9	3,677.3	4,555.5	5,824.8	5,055.4	57,293.6

Fontana Water Co	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	2,899.9	2,499.3	2,426.6	1,334.9	716.7	170.4	279.9	263.1	284.4	756.1	697.3	1,031.7	13,369.1
Imported Water (MWD)	406.0	747.3	425.8	500.8	369.0	303.1	49.2	0.0	0.0	376.3	1,178.8	1,304.1	5,860.4
Other Groundwater	1,537.4	1,537.4	1,435.8	2,095.2	1,955.2	1,595.8	2,019.5	1,364.6	1,797.6	1,982.5	1,896.9	1,772.4	20,890.2
Local Surface Water	296.9	253.9	331.4	431.7	426.3	549.3	593.7	654.8	919.8	586.6	481.1	587.4	6,112.9
Total	5,140.2	5,037.8	4,618.6	4,362.6	3,467.2	2,618.6	2,942.3	2,282.5	3,011.7	3,701.4	4,254.1	4,695.6	46,132.6

MVWD	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	892.7	861.8	743.9	859.3	868.1	836.4	481.4	408.1	392.6	570.7	1,018.8	941.4	8,875.1
Imported Water (MWD)	190.4	287.9	233.8	80.3	7.2	298.8	32.3	0.0	0.0	0.2	8.1	0.5	1,139.3
DYY (MWD)	1,700.0	0.0	0.0	0.0	292.0	533.0	250.0	0.0	0.0	0.0	1,536.0	1,514.0	5,826.0
Recycled Water	0.0	2.5	6.4	8.4	9.7	10.3	7.8	1.3	5.0	9.4	20.8	18.0	89.6
Total	1,083.1	1,152.2	984.2	948.0	885.0	1,145.5	521.4	409.4	397.5	580.3	1,047.4	959.9	10,114.0

San Antonio Water Co	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	349.4	341.8	303.9	245.7	263.0	302.3	295.4	232.2	373.9	397.2	405.1	296.2	3,806.0
Other Groundwater	925.6	563.0	517.2	449.7	590.1	70.7	325.2	130.0	225.6	371.5	819.8	608.9	5,597.4
Local Surface Water	344.5	286.7	205.2	173.2	143.1	208.7	235.9	412.7	654.8	694.3	514.3	338.1	4,212.6
Total	1,619.4	1,191.5	1,027.3	868.7	896.2	581.8	856.5	774.9	1,254.2	1,463.1	1,739.2	1,243.2	13,616.0

TOTAL	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Chino Groundwater	12,353.6	11,183.7	10,133.1	8,672.7	6,801.5	5,732.1	6,318.9	5,008.4	7,329.0	7,759.1	10,044.4	9,576.0	100,912.6
Recycled Water	1,233.3	1,201.2	1,308.1	1,331.4	943.0	574.6	272.8	507.4	313.8	704.0	989.2	1,204.9	10,683.6
Other Groundwater	4,756.9	3,965.4	3,775.4	4,200.2	4,073.8	2,432.0	3,625.7	2,393.8	3,517.7	4,001.5	5,161.1	4,514.3	46,417.9
Surface Water	1,035.9	834.0	798.0	901.5	814.3	1,050.9	1,219.8	1,700.4	2,529.8	2,159.9	2,043.5	1,675.9	16,764.9
Desalter	1,310.1	1,378.3	1,353.8	1,166.8	1,299.4	1,297.7	1,287.5	1,152.2	1,185.6	1,109.6	1,184.9	1,084.0	14,809.9
Imported Water (MWD)	6,208.9	7,328.3	6,195.1	6,062.8	3,995.2	2,840.0	1,952.6	50.3	82.5	2,441.4	3,653.9	3,499.2	44,310.2
DYY (MWD)	6,582.3	4,786.1	2,302.0	609.7	2,695.9	2,057.0	522.3	72.1	0.0	0.0	7,777.5	7,176.7	34,561.7
Totals	26,898.8	25,890.9	23,564.4	22,335.3	17,927.2	13,927.3	14,677.3	10,812.6	14,958.5	18,176.6	23,077.0	21,554.2	233,799.1

Note: DYY data is shown for each agency. It is not included in the total columns. It is accounted for in the Chino Basin Groundwater resource.

APPENDIX B

Calendar Year 2008 Water Use Data

City of Chino	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	194.7	284.1	440.7	894.1	764.2	876.3	962.1	951.2	917.8	985.2	629.5	407.0	8,305.9
Imported Water (MWD)	277.0	183.6	257.7	181.2	331.6	499.9	505.3	459.8	299.6	252.0	200.4	146.9	3,695.0
DYY (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	238.4	629.6	175.2	1,043.1
Recycled Water	165.5	89.7	323.3	270.0	426.9	448.2	494.2	466.6	515.9	694.1	381.3	300.2	4,575.9
Desaliner Water	471.1	463.2	464.2	467.3	472.4	423.1	475.2	484.6	464.1	468.3	406.6	389.1	5,469.2
TOTAL	1,108	1,021	1,506	1,813	1,995	2,247	2,437	2,362	2,197	2,400	1,618	1,243	21,946

City of Chino Hills	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	202.4	260.6	226.5	211.1	202.9	188.2	849.3	786.4	772.8	633.0	341.4	210.8	4,885.3
Imported Water (MWD)	185.1	177.1	658.6	940.2	557.1	544.9	911.1	859.9	661.4	807.8	615.6	263.8	7,082.6
DYY (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recycled Water	21.4	17.6	120.9	76.9	138.7	119.4	110.8	238.5	161.9	140.6	124.0	47.7	1,318.4
Desaliner Water	423.3	355.9	334.2	328.7	326.2	295.5	321.6	399.7	389.6	329.4	423.6	417.9	4,345.8
TOTAL	832	811	1,340	1,557	1,225	1,148	2,193	2,285	1,986	1,911	1,404	940	17,632

City of Ontario	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	882.9	1,117.8	1,476.2	2,037.2	3,276.0	3,410.8	3,537.5	2,957.0	2,487.3	2,307.4	2,168.4	2,366.7	28,016.3
Imported Water (MWD)	1,139.0	783.7	1,103.2	1,102.1	199.4	287.3	517.5	856.1	828.4	850.8	577.1	440.3	6,684.9
DYY (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	2,000.0	2,000.0	2,000.0	0.0	0.0	0.0	6,000.0
Recycled Water	68.1	44.0	156.8	217.1	292.9	336.5	529.4	421.8	559.6	423.7	400.1	205.9	3,655.9
Desaliner Water	363.3	346.9	450.1	463.9	517.4	549.2	513.1	494.0	500.1	369.1	469.2	490.7	5,525.9
TOTAL	2,453	2,282	3,186	3,820	4,286	4,584	5,097	4,729	4,375	3,951	3,605	3,504	45,883

City of Upland	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	344.0	248.0	333.5	328.4	297.1	288.1	330.4	259.2	301.5	326.9	325.6	307.3	3,891.0
Imported Water (MWD)	600.8	1.5	0.0	250.0	110.4	220.6	605.1	988.5	889.3	830.1	144.0	174.0	4,714.3
DYY (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	330.0	259.0	302.0	326.9	275.6	217.6	1,711.1
Other Groundwater	202.5	240.0	714.0	784.0	1,216.1	1,443.1	1,583.2	1,151.3	1,160.3	1,034.2	1,210.1	577.5	11,316.5
Surface Water	87.1	420.0	445.6	412.0	399.5	310.2	6.1	0.0	0.0	0.0	0.0	0.0	2,080.4
Recycled Water	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	1,134	910	1,493	1,774	2,023	2,263	2,525	2,399	2,351	2,181	1,680	1,059	21,802

CVWD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	692.7	727.5	1,058.1	1,284.7	1,602.8	2,016.4	2,532.3	2,527.1	2,180.2	1,980.2	1,498.8	1,131.2	19,232.1
Imported Water (MWD)	1,286.5	947.4	2,188.6	2,882.7	2,987.4	3,045.5	3,073.5	3,128.8	2,856.8	2,741.1	2,181.9	1,213.1	28,543.3
DYY (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	2,532.3	2,527.1	0.0	44.4	1,498.8	1,131.2	11,316.5
Recycled Water	25.5	68.1	61.7	22.6	56.4	122.8	98.9	71.8	64.3	64.5	27.9	10.4	695.0
Other Groundwater	303.0	116.1	15.1	54.0	270.1	477.8	710.8	713.6	662.0	621.1	318.5	186.0	4,450.1
Surface Flows	394.2	683.9	785.2	656.5	529.4	495.9	388.6	293.4	261.4	206.6	244.9	292.8	5,282.7
TOTAL	2,712	2,543	4,109	4,901	5,446	6,098	6,804	6,735	6,025	5,703	4,272	2,835	58,183

Fontana Water Co	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	409.7	394.8	508.3	995.1	1,501.3	2,335.8	2,899.9	2,499.3	2,425.6	1,334.9	716.7	170.4	16,191.7
Imported Water (MWD)	0.0	0.0	0.0	0.0	0.0	14.7	406.0	747.3	425.6	500.6	369.0	303.1	2,642.9
Other Groundwater	1,803.6	1,016.8	1,713.7	2,148.8	2,030.8	1,772.4	1,537.4	1,537.4	1,435.8	2,095.2	1,955.2	1,595.8	20,642.9
Surface Water	448.4	1,153.6	1,279.2	904.9	867.0	587.4	298.9	253.9	331.4	431.7	426.3	549.3	7,530.0
TOTAL	2,662	2,565	3,501	4,049	4,399	4,710	5,140	5,038	4,619	4,363	3,467	2,819	44,365

MWWD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	692.9	548.1	617.6	687.3	653.3	358.8	892.7	861.8	743.9	859.3	868.1	836.4	8,418.3
Imported Water (MWD)	231.8	180.7	487.3	606.7	133.2	128.2	190.4	287.9	233.8	80.3	7.2	298.8	2,867.2
DYY (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	1,700.0	0.0	0.0	0.0	292.0	533.0	2,525.0
Recycled Water	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5	6.4	8.4	8.7	10.3	37.3
TOTAL	825	729	1,105	1,294	686	486	1,083	1,152	984	948	885	1,146	11,323

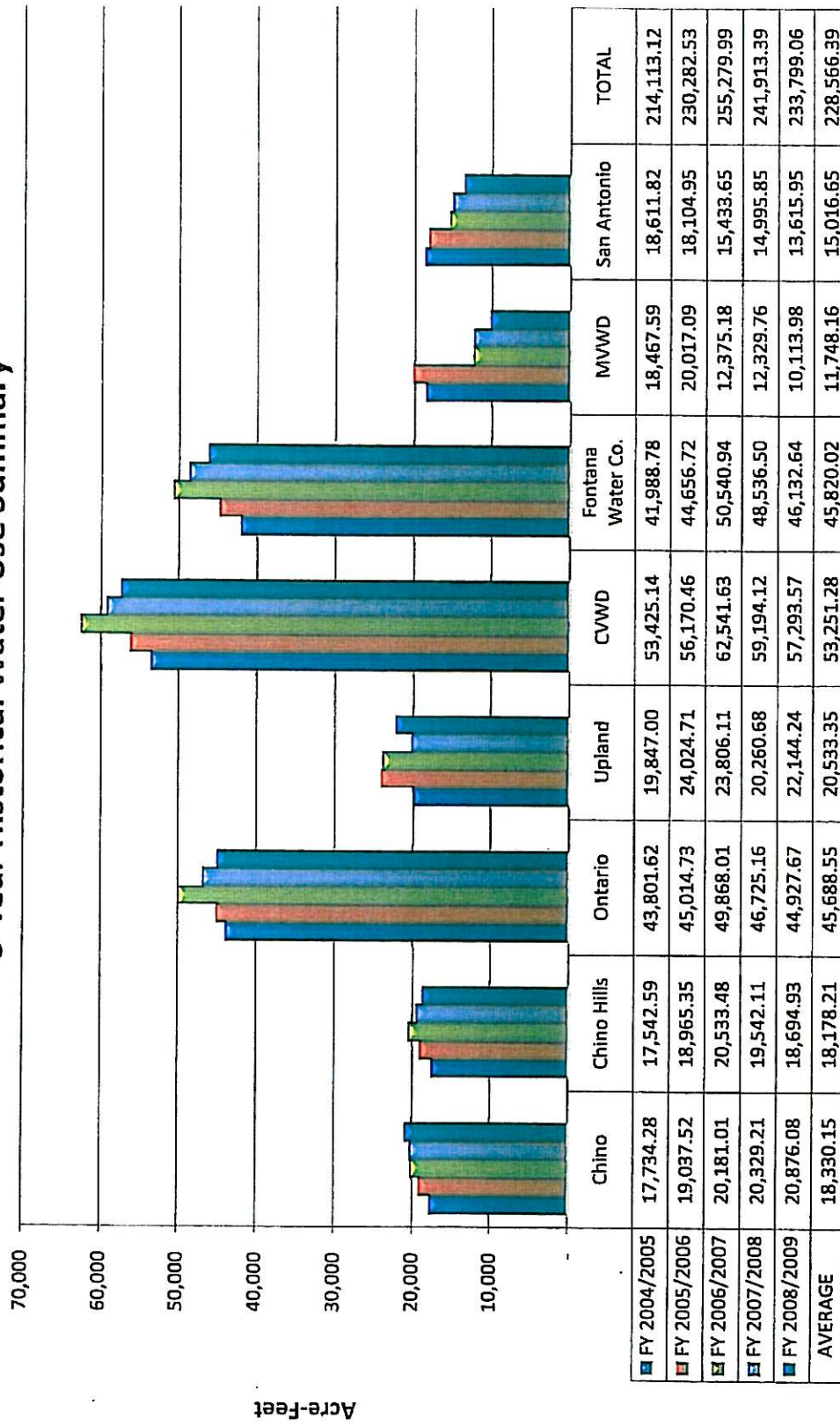
San Antonio Water Co	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Groundwater	206.0	219.2	216.4	211.1	228.9	213.6	349.4	341.8	303.9	245.7	263.0	302.3	3,101.5
Other Groundwater	12.05	63.59	220.92	412.82	665.85	872.85	925.6	563.0	517.2	449.7	590.1	70.7	5,364.4
Surface Water	272.5	971.37	1,094.08	977.13	692.04	457.64	344.5	286.7	206.2	173.2	143.1	208.7	5,827.1
TOTAL	491	1,254	1,531	1,601	1,587	1,544	1,619	1,192	1,027	869	996	582	14,293

All Agencies	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Chino Groundwater	3,525.2	3,800.2	4,877.3	6,649.0	8,426.4	9,686.1	12,353.6	11,183.7	10,133.1	8,672.7	6,801.5	5,732.1	91,841.1
Recycled Water	280.5	219.4	662.7	586.6	915.0	1,026.9	1,233.3	1,201.2	1,308.1	1,331.4	943.0	574.6	10,282.5
Other Groundwater	2,321.2	1,436.5	2,663.8	3,399.6	4,182.9	4,566.2	4,766.9	3,866.4	3,775.4	4,200.2	4,073.8	2,432.0	41,773.8
Surface Water	1,202.2	3,228.9	3,604.1	2,950.5	2,487.8	1,791.0	1,035.9	834.0	799.0	901.5	814.3	1,050.9	20,700.3
Desaliner	1,257.7	1,166.0	1,288.6	1,259.9	1,316.0	1,267.8	1,310.1	1,378.3	1,353.8	1,166.8	1,299.4	1,297.7	15,342.0
Imported Water (MWD)	3,630.2	2,274.0	4,695.4	5,962.9	4,319.1	4,727.4	6,802.9	6,581.0	5,769.3	5,562.0	3,626.2	2,636.9	55,487.3
DYY (MWD)	0.0	0.0	0.0	0.0	0.0	0.0	4,030.0	2,259.0	2,302.0	566.3	1,187.1	925.8	11,279.2
TOTALS	12,217	12,125	17,772	20,809	21,847	23,066	28,493	25,144	23,139	21,835	17,658	13,624	235,427

Note: DYY data is shown for each agency. It is not included in the total columns. It is accounted for in the Chino Basin Groundwater resource.

APPENDIX C

Retail Agency
5-Year Historical Water Use Summary



APPENDIX D

As of June 30, 2009, after the first "call" year, there is approximately 55,000 acre-feet of water left in the MWD Dry Year Yield (DYY) groundwater storage account. DYY participants within IEUA's service area include, the City of Chino, the City of Chino Hills, the City of Upland, the Cucamonga Valley Water District and the Monte Vista Water District. In addition the City of Pomona and the Jurupa Community Services District are participants in the program.

IEUA Dry Year Yield Certifications for FY 2008/09

Total to be certified out of Trust Storage =	7,283.2	This water should be billed at the 2008 UT Replenishment rate of \$258/AF and should not affect Tier 1 or 2
Total to be certified out of DYY/GUP =	25,224.5	This water should be billed at the 2008 UT Basic rate (Tier 1 and 2 apply) with the following credits: Power = \$116.31/AF, O&M = \$18.74/AF, Treatment = \$9.13/AF
Total certified for FY 2008/09 =	32,507.7	

Agency	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Total
Monta Vista/Chino Hills	1,056.0	1,580.0	1,700.0				292	533	250.0				5,411.0
Cucamonga Valley WD	1,602.8	2,016.4	2,532.3	2,527.1	0.0	44.4	1,498.8	1,131.2	0.0	0.0	0.0	0.0	11,353.0
Jurupa CSD	45.0	119.0	184.0	427.0	525.0	580.0	119.5			0.0			1,999.5
Ontario		2,000.0	2,000.0	2,000.0	2,000.0					0.0			8,000.0
Upland	337.0	309.4	330.4	259.2	301.5	326.9	275.6	217.6	272.3	71.2	0.0	0.0	2,701.1
Chino	0.0	0.0	0.0			238.4	629.5	175.2					1,043.1
Pomona	1,000.0		1,000.0										2,000.0
IEUA Total	4,040.8	6,024.8	7,746.7	5,213.3	2,826.5	1,189.7	2,815.4	2,057.0	522.3	71.2	0.0	0.0	32,507.7
WFA Members	1,438.0	4,008.4	4,214.4	2,686.2	2,826.5	1,145.3	1,316.6	925.8	522.3	71.2	0.0	0.0	19,154.7

APPENDIX E

Definitions

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

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

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

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

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

Water From Other Groundwater Basins – Means water produced from other local groundwater basins to retail water agencies operating within the IEUA service area. In this report, “water from other basins” is shown within the category of “other groundwater.”

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Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

RECYCLED WATER NEWSLETTER

OCTOBER 2009

Safe, Reliable Recycled Water

UPCOMING EVENTS:

- Regional water fair - CBWCD, October 24th, 2009 from 9am -2pm
- Project Web-foot Workshop October 26th, 2009 from 9am -3pm

INSIDE THIS ISSUE:

RW Connected Demand & Goals 2

Monthly RW sales 3

Funding developments 4

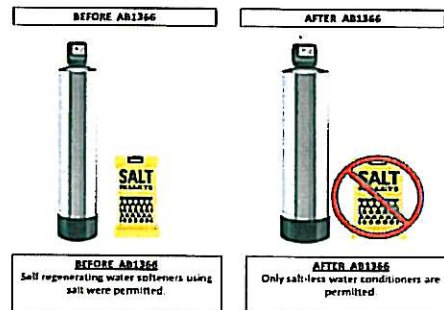
Think Environment, Assembly Bill 1366

Assembly Bill 1366, which provides our community with the authority to protect our water quality from the salinity impacts caused by the use of self-regenerating water softener devices that require the use of bags of salt to make the equipment work, has been sent to the Governor for his signature.

Residents and businesses in the Inland Empire have invested hundreds of millions of dollars in the development of our local recycled water and groundwater supplies to drought-proof our economy. One typical self-regenerating home water softener can dump up to **30 pounds** of salt into the sewer system each month, contributing salinity that can make water recycling cost-prohibitive.

It is time to change the law that continues to place the interests of one industry over the interests of all other businesses, agriculture, and, significantly, ratepayers.

California is facing the worst water crisis in its history and we cannot afford to waste a single drop of water. AB 1366 provides a critical and effective tool for local agencies to protect the quality of our water supplies. The implementation of this bill will help



stretch the state's drinking water supplies and reduce the amount of salt in our local water supplies.

The Inland Empire Utilities Agency offers residential self-generating water softener rebates of up to \$2,000 with free disconnection and removal. For more information, please visit www.ieua.org.

The high quality recycled water produced as a result of these efforts, in addition to the best available treatment processes at the Agency, enable IEUA to recycle more water into ground water recharge, contributing to a drought proof water supply.

Help us keep Recycled Water Rates Low

IEUA is in the process of implementing the LRP Agreement that MWD approved for the IEUA Recycled Water Program last March. The Agreement will provide for a payment of up to \$250/AF for each AF of recycled water used. Payment is based on the cost to produce recycled water that exceeds MWD's melded treated water rate (\$684/AF). To get \$1/AF, the production cost must be \$685/AF. To get \$250/AF the production cost must be equal to or in excess of \$934/AF. Production costs include both capital and O&M cost for delivery to the user's site (on-site

costs are not eligible) and both IEUA and retail agency costs are eligible.

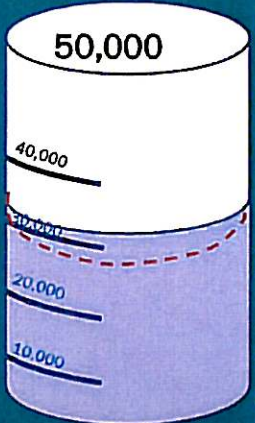
You can assist IEUA in receiving the maximum rebate possible by providing your distribution system O&M costs and capital costs for local distribution laterals, reservoirs, and pump stations bid after September 1, 2008. Thank you for your assistance and for participating in the regions recycled water program. If you have any questions about the Local Resources Program please contact Gary Hackney at: 909-993-1720 or ghackney@ieua.org.

FY 2009-10

GOAL :

36,000 AFY

50,000



RW CONNECTED
DEMAND
29,074 AFY

RW SUPPLY
& DEMAND

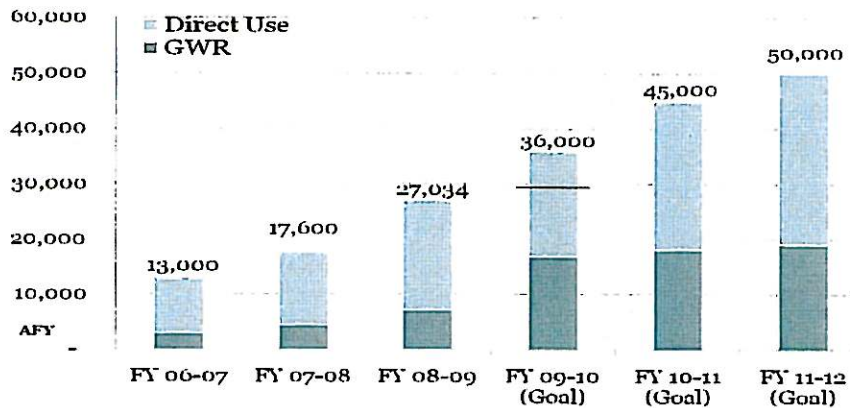
Recycled Water Connected Demand

Upcoming Connections (30-90 days): 5,893 AFY:

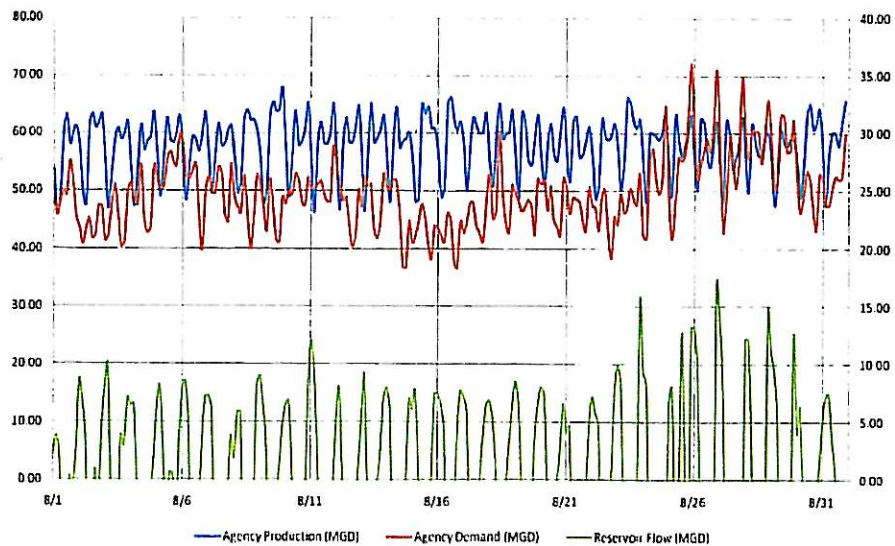
- CIM Farm N Connection (Chino, 1,200 AFY)
- Vellano Golf Course (Chino Hills, 800 AFY)
- Lehigh ES (Montclair, 16 AFY)
- Montclair Hospital (Montclair, 10 AFY)
- Montclair HOA (Montclair, 40 AFY)
- Euclid Median (Ontario, 27 AFY)
- Lee Farm on Whispering Lakes (Ontario, 1,200 AFY)
- Lee Farm on Chino Avenue (Ontario, 1,200 AFY)
- Lee Farm on Edison Avenue (Ontario, 1,200 AFY)
- Kellogg on Schaeffer Avenue (Ontario, 200 AFY)

Recent Connections (1,242 AFY):

- Lee Farm on Schaeffer Ave (Ontario, 1,200 AFY)
- Niagara Water (Ontario, 9 AFY)
- CCC-N 2 connections (Ontario, 20 AFY)
- 24 Hour Fitness (Ontario, 2 AFY)
- Halliburton (Ontario, 6 AFY)
- Caterpillar Logistics (Ontario, 5 AFY)



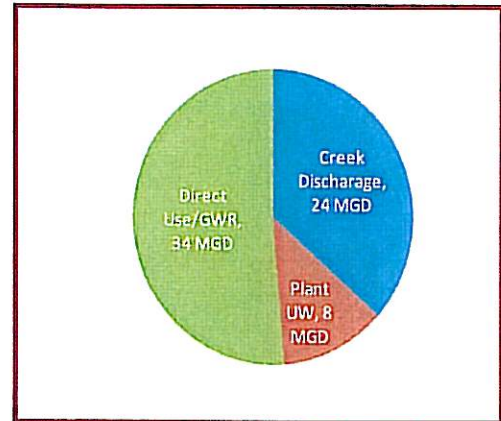
RW Supply vs. Demand August 2009



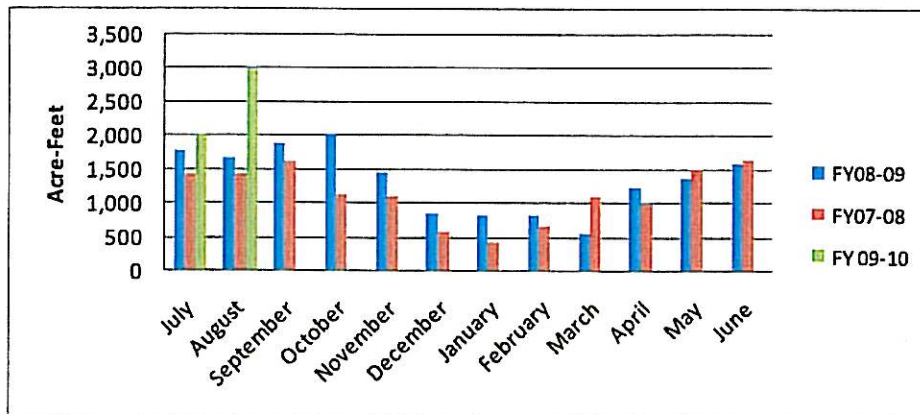
Recycled Water Usage: August 2009

- Total Recycled Water available supply: 66 MGD (including Utility Water)
- 63% of supply is currently consumed on a monthly basis
- Reported Direct Use and GWR based on plant meter readings

Note: The data presented are meter readings from IEUA Treatment Plants. Staff is in the process of calibrating meters of large customers and plant effluent meters to correlate usage information and effluent data. Reported usage and actual Recycled Water use may differ due to the meter reading schedules.



Recycled water usage: August 2009



- AUGUST 2009 USAGE SUMMARY:**
- Recharge: 209 AFY
 - Direct Sales: 2,810 AFY
 - Plant Utility Water: 760 AFY
 - Total RW Usage: 3,779 AFY

IEUA Recycled Water User Manual

In California, Recycled Water (RW) will be an important component in water supply for years to come. IEUA is committed to the development of RW and to invest in the planning, design and construction of reclamation facilities and distribution infrastructure.

The RW User Manual is being prepared to convey the rules, regulations and guidelines regarding the safe introduction and use of RW in IEUA's service area.

The purpose of this manual is to provide the RW users a source

for the day to day operation and control of their system, in order to protect the health and welfare of the personnel involved with its use, as well as the general public.

The final draft copy of the manual will be distributed among IEUA member agencies for their review and comments. All comments and concerns will be discussed in a Red Team Meeting workshop to be set up by IEUA sometime in December 2009, prior to the distribution and use of the final RW User Manual.

DWR Urban Drought Assistance

The Agency received the DWR Drought Assistance Grant for recycled water retrofits in the amount of \$1 million. The Agency is at present requesting that all invoices be submitted with associated progress reports to Rocky Welborn at rwelborn@ieua.org. Any unspent portion of DWR funds is subject to relocation.



Halliburton, Ontario

Stimulus Funding

Stimulus Funding: 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. The funds have been received. IEUA was awarded \$14 million as Title XVI Stimulus money. IEUA received \$7 million for the Northeast Area Projects, and was approved for another \$7 million for the Northwest Area Projects, totaling \$14 million.

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 has been processed and the funding has been received. Staff is processing the rebates along with invoicing for retrofit costs.

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 Eunice Ulloa at: eulloa@cbwcd.org or at (909) 267-3220 for more information on how to apply.

Capital Improvement Programs

Northeast Area Recycled Water Projects: 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 projects are in the construction phase and are expected to be completed by summer 2010.

Northwest Area Recycled Water Projects:

The project will design the 1630 pressure zone pipeline pump station and reservoir in the City of Upland. This project is currently in the preliminary design phase with an anticipated design completion date of summer 2010.

Southern Area Recycled Water Projects:

The project will design the 930 pressure zone pipeline and reservoir in the City of Chino Hills. This project is currently in the preliminary design phase with an anticipated design completion date of summer 2010.



Date: October 21, 2009

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (10/14/09)

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: September 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, Heather McNatt and Alex Shockey

Date: October 1, 2009

Re: September Monthly Legislative Update

The House and Senate returned from August recess on September 8; both bodies have been hard at work ever since! While the list of legislative items on the Congressional agenda is very long, the first priority for Congressional leadership and the White House is the passage of health care reform legislation.

Throughout the month of September, we monitored the Energy and Water Appropriations bill on behalf of IEUA. The conference efforts to resolve the differences between the House and Senate bills encountered several problems during late September, which delayed the conference by over two weeks. We have also remained aware of SAWPA's efforts to schedule a Washington fly-in during October, and we continue to coordinate with other SAWPA representatives in DC about whether the trip will occur. It was a thrill to read the press coverage of the event on September 3rd, which sounds like it was a huge success!

FY 2010 Energy and Water Appropriations

The Energy and Water Appropriations bill became available today, the first day of the new federal fiscal year. Unfortunately, the Cucamonga recycling project did not receive any funding from the Bureau of Reclamation. The Bureau of Reclamation is funded at \$1.1 billion for FY 2010, while the Corps of Engineers receives \$5.4 billion.

According to a press release from Congressman Jerry Lewis:

"The bill provides \$33.5 billion in total funding, which is \$200 million - or less than 1% - over last year's level. However, this is in addition to the more than \$58.7 billion provided for these programs in emergency spending this year, most of which was included in the "stimulus" legislation. Overall, these programs have benefitted from an increase of more than 180% over the last two fiscal years."

Health Care Legislation

On Wednesday, September 16, Senate Finance Chairman Max Baucus (D-MT) released a \$774 billion health care overhaul bill that would expand Medicaid coverage and establish consumer-owned insurance cooperatives in lieu of a government-run insurance "public option". The bill would impose new fees on several sectors of the health care industry, with the amount of the fees determined by a company's market share within each sector. The bill envisions obtaining \$2.3

Innovative Federal Strategies LLC

billion a year from the pharmaceutical industry, \$4 billion a year from medical device-makers, \$6 billion a year from health insurance companies and \$750 million a year from clinical laboratories.

The Senate Finance Committee started marking up the bill on September 22. However, Democratic leadership does not believe that there will be the necessary 60 votes on the floor to pass healthcare legislation with a public insurance option. As of September 30, the Finance Committee's fifth day marking up the bill, Chairman Baucus stated that the Committee had not had a mark-up run so long since 1994. The Committee is not finished its work and is still marking up today. Senator Rockefeller (D-WV) said that the half day debate on the "public option" was the longest he has seen in his 25 years serving on the Finance Committee.

With committee work dragging on and many prior deadlines having gone unmet, Congressional Leaders are no longer setting deadlines for passing health care legislation. In an effort not to hang their Members out politically for too long, the House does not intend to take up its version of health care reform until the Senate has completely finished with floor debate and successfully passed a bill.

Climate Change

The Senate Environment and Public Works Committee (EPW) unveiled a bill on September 30 that aims to make strong cuts in U.S. greenhouse gas emissions while setting a limit on the cost of carbon allowances. The bill, authored by EPW Chairman Barbara Boxer (D-CA) and Senate Foreign Relations Chairman John Kerry (D-MA), would make it easier for businesses to compensate for their carbon pollution by expanding the available pool of domestic offsets by 40 percent. The Senate bill calls for deeper cuts to U.S. emissions - - 17 percent deeper - - than a similar bill that passed in the House several months ago. The bill includes provisions aimed at reducing speculation in the carbon market and would reserve some carbon allowances in a market-stability fund that would ensure those allowances would not exceed \$28 per ton, a provision known as a "carbon collar." The bill would also emphasize transportation efficiency, with provisions designed to get communities of 200,000 or more to plan public transportation and bike paths.

Passage of the bill will depend on language left out of Senator Boxer and Senator Kerry's bill, including how the bill will allocate emission credits to businesses. Adding to the complexity of the legislation, other Senate Committees in addition to EPW will have jurisdiction over the language of the bill, including the Senate Finance Committee, which will adjust language that would aim to protect US manufacturers by allowing for tariffs to be levied against developing nations that do not reduce their emissions. The Senate Agriculture Committee will weigh in on how a carbon market would be overseen and the Foreign Relations Committee has jurisdiction over issues like helping nations adapt to climate change.

Appropriations Update - Continuing Resolution (CR)

Late on Wednesday, September 30, the last day of federal fiscal year 2009, the Senate sent President Obama legislation to temporarily continue funding federal government programs

Innovative Federal Strategies LLC

through October 31. This legislation was attached to the \$4.6 billion fiscal year 2010 Legislative Branch Appropriations Act which passed the Senate by a 62-38 vote. The House passed it last Friday. The continuing resolution will give Congress a month longer to finish work on the 12 annual appropriations bills. The CR funds most government programs at FY09 levels, but funding increases will be provided to the Veterans Health Administration to help cope with 6.1 million more patients in FY10, and to the Census Bureau. In addition, the measure extends various authorizations, including surface transportation (TEA) legislation and aviation (FAA) programs.

To date, the House has completed its versions of all the bills; the Senate has completed only six. The Legislative Branch bill is the first FY10 spending bill to be sent to the President. The House and Senate are both pressing forward with other appropriations conference reports. Energy and Water Appropriations and Agriculture Appropriations are both ready to go back to the two chambers for a final vote and the House could take up Energy and Water as early as today; the Senate will likely work on the bills next week.

Transportation Authorization Legislation

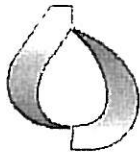
On September 23, the House passed a three month extension of the current surface transportation legislation which expired on September 30. On September 29, after casting aside their previous desire for an 18 month extension, Barbara Boxer (D-CA) and James Inhofe (R-OK), leaders of the Senate Environment and Public Works Committee which authorizes surface transportation programs, agreed on a three-month highway bill extension but also included language, which the House bill did not have, that would repeal an \$8.7 billion budget cut that is set to take effect this week.

Despite backing from both parties, the Senate deal to extend surface transportation law for three months as well as restore the \$8.7 billion in spending authority collapsed late last night when several Republicans objected to the source of money - - TARP funds - - to pay for the fix. The breakdown leaves states facing the prospect of halting projects and laying off thousands of workers because the one-month extension approved by both chambers does not include the renewed spending authority.

Despite the worry over lost jobs and concern from cash-strapped states, it is not clear how severe the immediate impact of the failure to pass a bill with the elimination of the \$8.7 billion rescission will really be. Since there is a one-month extension of the current law, which was included in the continuing resolution (see above), many feel that the fallout will not be too bad. The expectation is that once the financing issue is resolved, a three month extension with the rescission fix will quickly pass and be signed into law.

We will continue to keep you informed on all activities here in Washington. Please let us know if you have any questions.

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Date: October 21, 2009
To: The Honorable Board of Directors
Through: Public, Legislative Affairs and Water Resources Committee (10/14/09)
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: September 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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Positions
Inland Empire Utilities Agency
September 23, 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 (Contents have been moved into SB 68 draft)
Status: Conference Committee
Support

The bill establishes the framework to reduce urban water use by 20% by the year 2020, consistent with the Governor's Executive Order. The measure creates a performance-based system that establishes reasonable targets for reduced demand, gives credits for past investment to those who have already achieved an objective measure of efficient water management, and requires compliance in order to be eligible for state financial assistance.

AB 234 (Huffman) Water/Energy Efficiency Projects
Status: Senate Appropriations --Suspense
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 Appropriations --Suspense
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 (Blumenfeld) Contractual Assessments: Water efficiency Improvements

Status: Enrolled

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: Enrolled

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 Floor

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 Floor

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: Enrolled

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: Enrolled

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: Enrolled

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 --Suspense

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. The measure allows the development of new local and regional supplies to count toward attainment of the "conservation" objective of meeting the 20% conservation goal. 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: Enrolled

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: Enrolled

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 ---- SB 827 (Wright)

Status: Enrolled

Support

In the last week of the session, the contents of SB 696 were moved into SB 827 because SB 696 had missed key legislative deadlines. As enrolled, SB 827 authorizes SCAQMD to issue permits in reliance on, and in compliance with specified district rules for "essential public services." SCAQMD defines essential public services as including sewage treatment and water delivery operations.

SB 802 (Leno) Retention Proceeds

Status: Enrolled

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
September 23, 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: Enrolled

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 – Two year bill

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.

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: October 21, 2009

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (10/14/09)

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: September 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

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October 1, 2009

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



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

After a raucous and interesting legislative session, which was largely overshadowed by California's persistent budget problems for most of the year, the Legislature finally adjourned on September 11. Collectively, the Senate and the Assembly send over 1,000 bills to the Governor for his consideration, the vast majority of which were passed in the last two weeks of session. During the final few weeks, Legislative leaders made a last-ditch attempt to forge a comprehensive water package, but failed to reach a deal. While the Legislature was able to pass two measures aimed at increasing the amount of renewable energy purchased by California utilities, the package was immediately met with a veto by the Governor. More recently, the Governor issued an Executive Order to increase the renewables standard through a different regulatory framework, CARB.

SB 32, a measure co-sponsored by IEUA which aims to improve and expand the existing feed-in tariffs offered by electric utilities, was approved by both houses and sent to the Governor's desk. Extensive efforts are underway to ensure the Governor signs SB 32.

On the regulatory front, the CEC continues its efforts to disburse incentives associated with the economic stimulus package, while the California Air Resources Board prepares to expand into regulating the utilities' compliance with the Governor's recent Executive Order regarding renewable energy.

The Legislature will likely return to Sacramento this fall, possibly as early as mid-October, for one more special sessions. On September 29, the Governor called for a Special Session of the Legislature to review the tax reform recommendations of the Commission on the 21st Century Economy. Legislators are also widely expected to return if a comprehensive Delta water agreement can be reached.

Chino Basin / OBMP Coalition

Status Report – September 2009

ENERGY/REGULATORY

CEC Releases Energy Efficiency Conservation Block Grants for Cities and Counties

On September 22nd, the California Energy Commission released details related to the Energy Efficiency Conservation Block Grants (EECBG) available for cities and counties. The US Department of Energy has allocated \$49.6 million for this program, with a minimum allocation amount of \$25,000. These funds will be compatible with, and may be complimentary to, other CEC projects, such as the State Energy Projects (SEP) awards currently being considered by the Commission.

The CEC has listed the following projects as the most cost-effective, though the list is not exclusive to potential projects:

- Lighting retrofits and controls;
- Street lighting and traffic signal retrofits;
- Heating, ventilation and air conditioning (HVAC) modifications and controls;
- Automated energy management systems, motors, variable speed drives and pumps; and
- Water/wastewater system process and control retrofits.

All projects must be completed by September 13, 2012 to qualify for the funding.

Governor Schwarzenegger Charges California Air Resources Board with Achieving Increased Renewables Standard

Shortly after promising to veto two measures aimed at increasing the renewables portfolio standard (RPS), Governor Schwarzenegger signed Executive Order S-21-09, which orders the California Air Resources Board (CARB) to implement a 33% RPS standard on the state's electric utilities. The current statutory standard is 20% by 2010, although both the Governor and CARB have adopted the 33% RPS standard by 2020 as essential to complying with AB 32 (Nuñez – 2006), the greenhouse gas reduction act.

SB 12 (Simitian D-Palo Alto) and AB 64 (Kerkorian D-Burbank), which competed against each other for most of the legislative session, both aimed to increase the RPS to 33%. By the end of session, they had been amended to be complementary measures which, when combined, ordered the state's utilities to achieve 33% RPS and made a number of policy determinations.

However, even after the final amendments the bills were not without controversy. Key issues remained regarding counting out-of-state resources towards achieving the RPS. The combined effect of both measures would have essentially restricted public and investor-owned utilities from importing renewable energy from beyond the state's borders.

Only a few days after the legislative session ended on September 11, Governor Schwarzenegger promised to veto both measures, and instead implement the 33% standard through the Executive Order to CARB. The order specifically includes resources from out-of-state. The Executive Order makes the following declarations:

1. CARB shall adopt a 33% RPS regulation, but shall have the ability to be flexible with respect to time frames, technical feasibilities, system reliability and cost;
2. CARB shall work with the CEC and the California Public Utilities Commission (CPUC) to encourage renewable development and shall regulate all investor-owned, publicly-owned, and direct-access providers;
3. The CPUC and the CEC shall advise and assist in the developing these regulations, and CARB may choose to delegate certain policy determinations to either agency; and
4. CARB shall consult with the California Independent System Operator (CALISO) to place the highest priority on reliable and cost-effect operations located throughout the Western Interconnection.

The Governor followed up this Executive Order with comments that the state should renew efforts to combine the state's energy oversight agencies, which currently consists of over a half-dozen governmental and quasi-governmental agencies, such as the CPUC, CEC, CARB, CALISO and other agencies created during the deregulation era of the late 1990's. The Governor has made similar proposals over the last few years.

WATER DEAL FAILS

During the helter-skelter last few weeks of the legislature, a comprehensive water deal remained among the most important goals for legislative leaders, and ultimately proved to be the most elusive.

With two weeks remaining in session, the Legislature formed a special conference committee of fourteen members (seven from each house) to provide a comprehensive water package for consideration by both houses. A standard conference committee consists of only 6 legislators.

Charged with addressing 5 specific measures relating to the governance of the San Joaquin/Sacramento Delta, future funding for this body, water quality, water rights, and groundwater issues, the conference committee had only a few days to strike a deal. Not included at the outset of the process, but demanded by the Governor as part of any comprehensive deal, was a funding mechanism or bond to finance the package.

Ultimately, a partisan divide emerged in the conference committee. As a result, the conference committee report failed to be brought up in either house.

After this process failed, informal discussions continued for the rest of session, with some legislators optimistic that a deal could be struck as late as the last day of the legislative session, September 11. However, no deal was reached when both houses adjourned early in the morning on September 12.

Legislators are expected to return if a bipartisan comprehensive agreement on a "Delta Package" is reached.

LEGISLATURE ENDS SESSION

On September 11, the Legislature completed their 2009 session. On the whole, it proved to be less productive than the average year. In total, 3,052 bills were introduced in both the Senate and the Assembly, and 1,108 were sent to the Governor for his signature or veto.

The Governor has until October 11 to sign or veto each of the measures sent to his desk.

Major Legislation

SB 32 (Negrete-McLeod D-Chino) is co-sponsored by IEUA. The bill was approved by both houses and sent to the Governor for his consideration. This bill expands and improves the feed-in tariffs originally created by AB 1969 (Yee -2006), a measure sponsored by IEUA. The measure will also expand opportunities for customers to switch from net-metering programs to feed-in tariffs, a move currently restricted by the CPUC.

CA SB 32	AUTHOR:	Negrete McLeod [D]	
	TITLE:	Renewable Electric Generation Facilities.	
	DISPOSITION:	To Governor	
	SUMMARY:	Requires an electrical corporation to file a standard tariff for electricity purchased from an electric generation facility within the service territory of 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. Provides for alternate requirements if certain conditions do not occur.	
	VOTES:		
	04/21/2009	Senate Energy, Utilities and Communications Committee	P 10-0
	05/28/2009	Senate Appropriations Committee	P 11-0
	06/03/2009	Senate Floor	P 34-0
	07/06/2009	Assembly Utilities and Commerce Committee	P 10-4
	07/08/2009	Assembly Natural Resources Committee	P 7-1
	08/27/2009	Assembly Appropriations Committee	P 13-3
	09/11/2009	Assembly Floor	P 62-16
	09/11/2009	Senate Floor	P 37-0

CA AB 560

AUTHOR: Skinner [D]
TITLE: Net Energy Metering
DISPOSITION: Pending
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. Prohibits certain contractors from constructing, altering, or installing a solar photovoltaic electrical generating facility with a specified generation capacity.

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
08/27/2009	Senate Appropriations Committee	P 12-1

CA AB 920

AUTHOR: Huffman [D]
TITLE: Solar and Wind Distributed Generation
DISPOSITION: To Governor
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
08/27/2009	Senate Appropriations Committee	P 8-5
09/11/2009	Senate Floor	P 21-18
09/12/2009	Assembly Floor	P 54-23

Air Permit Legislation

CA AB 1318

AUTHOR: Perez V [D]
TITLE: South Coast Air Quality Management District
DISPOSITION: To Governor
SUMMARY:

Requires the Executive Officer of the South Coast Air Quality Management District to transfer emission reduction credits for certain pollutants from the 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 certain

actions from the CEQA. Requires a report evaluating the electrical reliability needs for the South Coast Air Basin.

VOTES:

05/11/2009	Assembly Natural Resources Committee	P 7-0
05/18/2009	Assembly Utilities and Commerce Committee	P 13-0
07/08/2009	Assembly Appropriations Committee	P 15-0
07/13/2009	Assembly Floor	P 63-3
08/24/2009	Senate Energy, Utilities and Communications Committee	P 6-0
08/26/2009	Senate Environmental Quality Committee	P 5-2
09/11/2009	Assembly Floor	P 65-4
09/11/2009	Senate Floor	P 23-6

CA SB 696

AUTHOR: Wright [D]
TITLE: South Coast Air Quality Management District: CEQA
DISPOSITION: Pending
SUMMARY:

Relates to the California Environmental Quality Act and environmental impact reports required of lead agencies carrying out certain projects. Relates to certain exemptions from air contaminant emission offset requirements. Authorizes the South Coast Air Quality Management District to issue certain permits.

VOTES:

06/16/2009	Senate Energy, Utilities and Communications Committee	P 6-3
08/26/2009	Senate Environmental Quality Committee	P 7-0
09/02/2009	Senate Floor	P 31-2

Other Energy Legislation

CA AB 45

AUTHOR: Blakeslee [R]
TITLE: Distributed Generation: Small Wind Energy Systems
DISPOSITION: To Governor
SUMMARY:

Authorizes a county 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 county to impose conditions on the installation. Provides an application approval process for a county which has not established such permit process. Authorizes a county 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. Requires a report.

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
08/17/2009	Senate Appropriations Committee	P 9-3
09/04/2009	Senate Floor	P 30-7
09/09/2009	Assembly Floor	P 78-0

CA AB 46

AUTHOR: Blakeslee [R]
TITLE: Energy
DISPOSITION: Pending
SUMMARY:

Relates to the appointment of a designee to serve on the Board of Directors of SAFE-BIDCO. 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
08/27/2009	Senate Appropriations Committee	P 13-0

CA AB 64

AUTHOR: Krekorian [D]
TITLE: Renewable Energy Resources: Generation and Transmission
DISPOSITION: To Governor
SUMMARY:

Relates to Renewable Energy Resources Program statutes changes, the Public Utility Commission directing electrical corporations to prepare a renewable energy procurement plan meeting targets in the Renewable Portfolio Standard Program, certificates of public convenience and necessity, comprehensive planning and environmental compliance services, the integration and interconnection of renewable energy resources to the transmission grid, and the effective load of wind and solar energy resources on the grid.

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
08/27/2009	Senate Appropriations Committee	P 8-5
09/10/2009	Senate Energy, Utilities and Communications Committee	P 6-3
09/11/2009	Senate Floor	P 23-14
09/12/2009	Assembly Floor	P 50-28

CA AB 64

AUTHOR: Krekorian [D]
TITLE: Renewable Energy Resources: Generation and Transmission
DISPOSITION: To Governor
SUMMARY:

Relates to Renewable Energy Resources Program statutes changes, the Public

Utility Commission directing electrical corporations to prepare a renewable energy procurement plan meeting targets in the Renewable Portfolio Standard Program, certificates of public convenience and necessity, comprehensive planning and environmental compliance services, the integration and interconnection of renewable energy resources to the transmission grid, and the effective load of wind and solar energy resources on the grid.

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
08/27/2009	Senate Appropriations Committee	P 8-5
09/10/2009	Senate Energy, Utilities and Communications Committee	P 6-3
09/11/2009	Senate Floor	P 23-14
09/12/2009	Assembly Floor	P 50-28

CA AB 162

AUTHOR: Ruskin [D]
TITLE: Disclosure of Sources of Electrical Generation
DISPOSITION: To Governor
SUMMARY:

Amends existing law that establishes a program under which entities offering electric services disclose information on the sources of energy that are used to provide such services. Defines the term unspecified sources of power for disclosure requirements. Changes reporting requirements from quarterly to annually. Amends other details regarding disclosures and eliminates certain reporting requirements. Provides that meeting disclosure requirements is compliance with renewables reporting requirements.

VOTES:

03/23/2009	Assembly Utilities and Commerce Committee	P 14-0
04/22/2009	Assembly Appropriations Committee	P 16-0
05/04/2009	Assembly Floor	P 79-0
07/07/2009	Senate Energy, Utilities and Communications Committee	P 11-0
08/24/2009	Senate Floor	P 39-0
08/27/2009	Assembly Floor	P 77-0

CA AB 413

AUTHOR: Fuentes [D]
TITLE: Energy: Rates
DISPOSITION: Pending
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 Communications Committee	P 11-0
08/27/2009	Senate Appropriations Committee	P 12-0

CA AB 758

AUTHOR: Skinner [D]
TITLE: Energy: Energy Audit
DISPOSITION: To Governor
SUMMARY:

Requires the Energy Commission to establish a proceeding to develop a program to achieve greater energy savings in the state's existing residential and nonresidential buildings. Requires a proceeding by the Public Utilities Commission to investigate the ability of electrical and gas corporations to provide customers energy efficiency financing options and to make reports. Provides for 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 Committee	P 11-4
05/28/2009	Assembly Appropriations Committee	P 12-5
06/02/2009	Assembly Floor	P 50-29
07/07/2009	Senate Energy, Utilities and Communications Committee	P 11-0
08/27/2009	Senate Appropriations Committee	P 10-3
09/10/2009	Senate Floor	P 27-8
09/11/2009	Assembly Floor	P 51-27

CA AB 958

AUTHOR: Eng [D]
TITLE: Design-build: Metropolitan Water District
DISPOSITION: To Governor
SUMMARY:

Authorizes the Metropolitan Water District of Southern California to enter into design-build contracts for projects involving the design, construction, fabrication, and installation of a solar energy system in excess of a specified amount. Establishes a procedure for submitting bids.

VOTES:

04/15/2009	Assembly Local Government Committee	P 5-1
05/13/2009	Assembly Appropriations Committee	P 11-3
05/28/2009	Assembly Floor	P 51-28
07/01/2009	Senate Local Government Committee	P 3-2
08/31/2009	Senate Floor	P 23-12
09/02/2009	Assembly Floor	P 49-26

CA SB 7

AUTHOR: Wiggins [D]
TITLE: Renewable Energy Sources: Tariff: Net Metering
DISPOSITION: Pending
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 us 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
08/19/2009	Assembly Appropriations Committee	P 12-4

CA SB 14

AUTHOR: Simitian [D]
TITLE: Utilities: Renewable Energy Resources
DISPOSITION: To Governor
SUMMARY:

Revises requirements that retail sellers of electricity meet and exceed procurement targets from renewable energy resources. Requires compliance by sellers and local publicly owned electric utilities with the renewables portfolio standards program. Relates to hydroelectric power. Relates to Public Utility Commission and Independent System Operator responsibilities, thermal energy facilities certification and reports. Requires studies on load carrying capacity of wind and solar on the electrical grid.

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
08/27/2009	Assembly Appropriations Committee	P 12-5
09/09/2009	Assembly Utilities and Commerce Committee	P 10-5
09/12/2009	Assembly Floor	P 49-28
09/12/2009	Senate Floor	P 22-13

CA SB 17

AUTHOR: Padilla [D]
TITLE: Electricity: Smart Grid Systems
DISPOSITION: To Governor
SUMMARY:

Requires the Public Utilities Commission to determine the requirements for a smart grid deployment plan consistent with the policies set forth in federal law. Requires that the smart grid improve overall efficiency, reliability, and cost-effectiveness of electrical system operations, planning, and maintenance. Requires each electrical corporation to develop and submit a smart grid deployment plan to the Commission. Authorizes deployment of the plan. Requires related reports by the commission.

VOTES:

04/27/2009	Senate Energy, Utilities and Communications Committee	P 10-0
05/26/2009	Senate Appropriations Committee	P 8-0

06/01/2009	Senate Floor	P 38-0
06/22/2009	Assembly Utilities and Commerce Committee	P 14-0
08/27/2009	Assembly Appropriations Committee	P 17-0
09/01/2009	Assembly Floor	P 77-0
09/04/2009	Senate Floor	P 37-0

CA SB 412

AUTHOR: Kehoe [D]
TITLE: Electricity: Self-Generation Incentive Program
DISPOSITION: To Governor
SUMMARY:

Relates to existing law which provides for a self-generation incentive program for distributed generation resources. Requires the Energy Commission to extend the administration of the program through a specified date. Limits eligibility to distributed resources that will achieve a greenhouse gas emissions reduction. Prohibits the recovery of costs from ratepayers. Eliminates a study concerning the costs of providing ratepayer subsidies for renewable and fossil fuel low-emission distributed generation.

VOTES:

04/21/2009	Senate Energy, Utilities and Communications Committee	P 10-1
05/28/2009	Senate Appropriations Committee	P 11-0
06/01/2009	Senate Floor	P 37-0
06/29/2009	Assembly Utilities and Commerce Committee	P 13-0
07/06/2009	Assembly Natural Resources Committee	P 9-0
08/19/2009	Assembly Appropriations Committee	P 15-0
09/03/2009	Assembly Floor	P 71-3
09/08/2009	Senate Floor	P 36-0

CA SB 488

AUTHOR: Pavley [D]
TITLE: Energy: Energy Usage Information
DISPOSITION: To Governor
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 Communications Committee	P 11-0
06/01/2009	Senate Floor	P 34-3
07/06/2009	Assembly Utilities and Commerce Committee	P 13-0
08/27/2009	Assembly Appropriations Committee	P 15-1
09/02/2009	Assembly Floor	P 68-6
09/08/2009	Senate Floor	P 34-4

CA SB 581

AUTHOR: Leno [D]
TITLE: Hetch Hetchy Water and Power
DISPOSITION: To Governor
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 Communications Committee	P 7-3
05/26/2009	Senate Floor	P 25-14
06/22/2009	Assembly Utilities and Commerce Committee	P 13-0
07/06/2009	Assembly Natural Resources Committee	P 9-0
09/01/2009	Assembly Floor	P 74-1
09/08/2009	Senate Floor	P 30-9

CA SB 605

AUTHOR: Ashburn [R]
TITLE: California Environmental Quality Act: Biogas Pipelines
DISPOSITION: To Governor
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
08/17/2009	Assembly Floor	P 76-0



Date: October 21, 2009

To: The Honorable Board of Directors

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: September 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.

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September 29, 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, September 2009

Highlights:

- *Energy and Water for FY 2010 Finalized*
- *Boxer Introduces Climate Bill – Major Sections on Water*
- *Major Leader Reid Introduces Trio of Water Efficiency Bills*
- *Secretary Salazar Hosts Major California Water Meeting in DC*
- *Secretary Salazar to Chairwoman Napolitano on Need to Stretch Water Supplies – Pledge to Work Together*
- *Water Recycling Bill for Bay Area Caught in Cross-Fire*
- *Drought Conditions/Water Supply*
- *News and Notes*
- *IEUA Working Partners*

Energy and Water Bill Conferenced. Ready for Final Approval, Submission to President. House and Senate conferees completed action on the FY 2010 Funds for Title 16 – minimal west-wide. Since IEUA received \$14 million in Stimulus funding, additional funds were not provided (with the \$14 million, IEUA reached its statutory federal contribution cap –

pursuant to the 96 amendments to the Title XVI program, no project could received more than 25% up to \$20 million. IEUA is now at that level).

Boxer, Chair, Senate Environment and Public Works Introduces Major Climate Change Bill – Plans to Mark-Up Bill in October. Senator Boxer, joined by Senator John Kerry, introduced a sweeping 800-page climate change bill. The bill was released at the end of the month and is only now being reviewed. It does contain significant sections on “adaptation” which, if enacted, may mean new resources for communities, water districts and water agencies. Overall, climate change legislation will be considered after the health care bill is finalized, not before. Even if health care moves relatively soon, it is highly unlikely that climate change will be put into final form before next year.

Water Becoming More Important – Majority Leader Reid Introduces Trio of Water Efficiency Bills – Proposes to Make \$700 Million Available for Initiative. Nevada’s senior senator and the Senate’s Majority Leader, Sen. Harry Reid, introduced three water efficiency bills in late September. The first, according to Reid is “Water Efficiency, Conservation and Adaptation Act will preserve limited water resources by encouraging individuals to make their homes and yards more water efficient, while helping states, local governments and water utilities adapt to the serious impacts of climate change on water resources.” The second bill is the “*Water Efficiency via Carbon Harvesting and Restoration Act of 2009 provides for guaranteed loans for the acquisition or construction of biochar production facilities, and for the development of biochar production technology that can be deployed to remote landscapes. These facilities and new technology will be put to work on the public lands turning Mojave Desert tamarisk, Great Basin excess pinyon-juniper, and bark beetle-killed trees across the Intermountain West into biochar and bioenergy.*” The third bill is the “*Water Efficiency and Conservation Investment Act will encourage consumers to use water more efficiently, and create much needed financing opportunities for states, local governments and water utilities to invest in water saving infrastructure and renewable energy facilities to power water systems.*”

Salazar Holds California Water Meeting in Washington at the Interior Department. In response to the water crisis in California, the Secretary, early in September, announced the second “listening” meeting in which was held at the end of the month. Some 200-225 people jammed into an Interior Department auditorium to express their views. Salazar was joined by the Deputy Secretary (David Hayes), the head of NOAA, CEQ and DWR’s Lester Snow. When she arrived, Senator Feinstein was invited to sit on the dias. Some 13 House Members attended – and spoke – representing every region and interest. From the IEUA service area, the only member to attend was Chairwoman Grace Napolitano, who highlighted the need for additional funding for Title XVI and the need to stretch our existing water supplies. The Secretary announced that a new “CALFED” type process. Senator Feinstein announced that she would introduce new – comprehensive – legislation.

Chairwoman Napolitano to Secretary Salazar – California Water Crisis Solutions Need

to Include Programs that Stretch Existing Water Supplies – Calls for 1 MAF of New Water Financed By Title XVI, New starts for Dozens of New Water Projects to “Grow” Water in California – Recommended \$250 Million Budget Amendment. As reported last month, just before Congress reconvened after Labor Day Rep. Grace Napolitano, Chairwoman, Subcommittee on Water and Power, with jurisdiction over the Bureau of Reclamation sent a six-page letter to Secretary Salazar recommending that (a) the Administration submit a \$250 million budget amendment to Congress targeted for a program to address the California water crisis; (b) the funds be included in the pending Energy and Water Development Appropriations Act for FY 2010 beginning October 1, 2009; (c) the funds be targeted for Title XVI; (d) the targeted funds should underwrite new starts for not less than 40 new water recycling projects up and down the State of California; (e) the funds be used for a new “farmer-helping-farmer” water stretching program and an urban water conservation program (both already authorized); and (f) the funds be used to develop, within 48-60 months, 1 MAF of new water annually.

Secretary Salazar, Deputy Secretary of the Interior David Hayes, and newly confirmed Commissioner Mike Connor met with Rep. Napolitano shortly after Congress returned from the August break. She emphasized the importance of “stretching” water supplies and funding Title XVI. They have committed to taking a “hard look” at this program. Napolitano is pushing them to “move faster.”

Water Recycling Bill for Bay Area – Caught in Cross-Fire – Killed on the House Floor, Will be Reconsidered. A hallmark of the Title XVI – since enactment in 1992, it has enjoyed strong bi-partisan support at the local, state and Federal level. Bills are considered without partisan consideration. In the past few years, some 20 or more bills have moved through the Committee and the respective bodies without conflict or controversy from within the Congress. That changed a week ago. Rep. George Miller advanced a Title XVI water recycling bill through the Water and Power Subcommittee and it was reported from Committee without a single dissenting vote. As a non-controversial bill, it was placed on a special Calendar – the Suspension Calendar – reserved for expediting such bills. Rep. Devin Nunes, out of the blue, objected, rallied all House GOP members to object and blocked the bill from passage. He wants the bill to amend the bill to exempt the CVP water deliveries from ESA – a highly controversial proposition. The outcome, should that happen, is that the recycling bill will be killed. MWD, ACWA, WateReuse and others are urging that the bill be reconsidered without amendment. Chairwoman Napolitano and others are alarmed that a Title XVI bill has been, for the first time, subject to this kind of conflict. This issue will be tracked as it further unfolds over the next few months.

Drought Conditions and Water Supplies. The NOAA/USDA Drought Monitor report at the end of September reveals that all of California remains in drought and almost all of “coastal California” is in severe drought. Same as last month. Similar conditions have persisted for many months now. Drought extends along with Pacific Coast with all of Washington and most of Oregon in dry conditions. Same with Arizona and most of Nevada. South Texas remains the nation’s hot spot – and this has been persistent for many months.

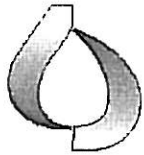
News and Notes. **BuRec Commissioner, Michael Connor**, appointed Roseann Gonzalez-Schreiner as the new Director, Policy and Administration at the Bureau of Reclamation. **Interior Secretary Ken Salazar** named David Nawi as Senior Advisor to the Secretary on California and Nevada. Earlier in his career, Nawi served as Regional Solicitor. **Commissioner Connor** also announced the appointment of Kira Finkler to serve as Deputy Commissioner for External and Intergovernmental Affairs. Finkler worked for the Senate Energy Committee previously. The **Bureau of Reclamation** announced that they would restart the previously moth-balled Yuma Desalting Plant (Yuma, AZ) and operate it at one-third capacity for 365 days (a form of feasibility study). **EPA Petitioned to regulate CAFOs.** This month a coalition of environmental groups submitted a petition to EPA urging that CAFO's be regulated pursuant to the Clean Water Act. No indication when or how EPA will respond. **Senate Majority Leader Reid** just announced that he was cancelling the traditional October break and will force the Senate to deal with health care. The disposition of health care directly impacts when the Senate takes up climate change legislation (which potentially will have a significant impact on water – and water agencies). **Washington Post profiles new technology to measure water use from space** – to measure the amount of consumed water.. The program, called METRIC for Mapping EvapoTranspiration with High Resolution and Internalized Calibration, was launched in 2000 with a NASA/Raytheon Synergy Project grant and is used by 11 states. According to the Post, "Using surface temperature readings from government satellites, air temperature and a system of algorithms, the new method lets officials measure how much water is "consumed" on a certain piece of land through evapotranspiration. Evapotranspiration is a combination of the evaporation of water into the atmosphere and the water vapor released by plants through respiration -- basically, a measurement of the water that leaves the land for the atmosphere, not water that is diverted or pumped onto land but then returned quickly to the water table or river for other users." **Bureau of Reclamation – Presented its Proposed Budget to OMB for FY 11.** BuRec submitted its proposed budget to OMB for consideration. It will be reviewed, finalized in late December or early January and then submitted to Congress for its consideration on or about February 1 of next year. **Lt. Governor John Garamendi** is running for a House Seat in the East Bay. A special election will be held in early November. When he served as Deputy Secretary of the Interior, in the mid-90s, was an early supporter of Title XVI.

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

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

- k. Chino Basin Watermaster
- l. Western Urban Water Coalition
- m. National Water Resources Association

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Date: October 21, 2009

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (10/14/09)

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

October 2009

- **October 15**, Three Valleys Municipal Water District Leadership Breakfast, Fairplex Sheraton, 7:30 a.m.
- **October 17**, Cucamonga Valley Water District's Frontier Project Green Tie Gala, 6:00 p.m.
- **October 22**, Southern California Water Committee Annual Meeting/Dinner, Pacific Palms Resort, 5:30 p.m. reception, 7:00 p.m. dinner.
- **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.
- **October 29**, GIES dedication at Stork Elementary, 1:00 p.m. for lower grades and 1:45 p.m. for upper grades.

November 2009

- **November 12**, CORO "Drought Survival Luncheon", Westin Bonaventure Hotel, 11:00 a.m. - 1:30 p.m.
- **November 12**, Inland Empire Landscape Alliance Board Meeting, IEUA Board Room, 3:00 p.m. to 4:00 p.m.
- **November 14**, Water Resources Institute Awards Banquet honoring Gerard Thibeault.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

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

DRAFT PEACE II CEQA Schedule

Version Date – (10/5/09)

(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)

9/30/09—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. (report pending)

11/2/09—SEIR Document released for public for review for 45 days. (assumes report delivered by 10/15/09)

12/21/09—End of 45-day public review period.

1/15/10—TDA finishes responses to comments.

February/March 2010—IEUA Board adoption.

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CHINO BASIN WATERMASTER

IV. INFORMATION

1. Newspaper Articles





Officials: Water transfers won't increase

Updated: Thursday, September 24, 2009 10:04 AM

'Water is so scarce in California, when people have it they want to hang on to it'

By WES SANDER

Capital Press

When Don Mills caught wind of the largest known water transfer to have ever happened in Kings County, he didn't take it well.

A partner in a local farming operation had sold his share of state-allocated water to the Mojave Water Agency, which encompasses an area of growing urban development in the desert northeast of Los Angeles.

The sale was significant for its permanence as well as its size. It would ultimately transfer 14,000 acre feet annually, the amount increasing by increments over an 11-year period beginning in 2010. The reported sale amount: \$5,500 per acre foot.

It's the kind of transfer that happens every once in a while in California, and tends to strike fear among locals that water will keep flowing away from agriculture as urban jurisdictions pay prices farmers can't afford.

The Kings County Water Commission, of which Mills is a member, spent much of its August meeting discussing the transfer's implications. Mills said that he would like to halt the deal, were there a legal avenue for doing so. The fact that the landowner hails from the Bay Area seemed to make the situation all the worse.

"None of us like it, but it's the free market at work," said Mills, who manages the Kings County Water Agency, in an interview. "We're going to see more (big water sales). The economics are in place for more of it to happen."

But that perception isn't shared by observers and state officials. Despite ongoing swings in crop markets and California's difficulties with delivering water, transfers of this size are considered anomalies, occasional occurrences whose frequency likely won't increase by much.

More common are temporary transfers, often single-year sales from one landowner to another within the San Joaquin Valley. But even those don't happen as often as the state Department of Water Resources would like, and for similar reasons.

For one thing, users are protective of their water rights and contract allocations, says Teresa Geimer, who coordinates the state's drought water bank with the Department of Water Resources.

That prevents more transfers, event the short-term transfers the state is trying to encourage through its drought water bank, from happening, Geimer said.

"I've gotten calls from people out of state, and they're very confused why we don't have more (transfers)," Geimer said. "Water is so scarce in California, when people have it they want to hang on to it."

When California created its first drought water bank during the dry years of the early 1990s, it took plenty of coaxing to assure landowners that the transaction process would keep their water rights and allocations intact, Geimer says.

There are other speed bumps in the process -- environmental reviews, routine challenges from conservation groups and resistance from local jurisdictions fearing economic impacts.

"One of our biggest adversaries ... are the counties," said Wendy Martin, DWR's statewide drought coordinator, discussing water transactions before the state agriculture board in May. "Every portion of every transaction has had a fight associated with it. We have to stop fighting about this stuff and figure out what will work.

"Transfers are one of the ways that we can balance the water portfolio," Martin said. "We have to be more effective at it."

Ellen Hanak, director of research at the Public Policy Institute of California, says ag-to-urban water transfers will never expand enough to significantly alter the ratio of farm-to-urban usage. Agriculture uses about four-fifths of all water consumed by farm and urban users combined, says Hanak, who published a 2003 study on the economic impacts of water transfers.

"Based on the math, transfers are going to (remain) a marginal thing," she said.

Gary Sawyers, attorney for Dudley Ridge Water District in Kings County, agreed that although landowners will continue seeking solutions to water shortages, they're not likely to begin selling water in larger numbers.

Urban buyers are instead working to increase efficiency while developing alternate sources, like desalination technology, until the state overcomes its challenges in managing the Sacramento-San Joaquin Delta, Sawyers said.

"I think it's probably the case that there are not a lot of (urban) buyers out there because the water is unreliable," he said.

Meanwhile, plenty of farmers are looking to buy, Sawyers says, but the hesitation to part with water will likely keep much of it from moving.

In Kings County, talk has surfaced of turning the recent transfer into a local advantage.

As part of his effort to rearrange assets, the landowner intends to fallow the land to which the allocation was attached. The ground is considered marginal, with weak fertility and limited groundwater access. Now a plan is taking shape to encircle it in levees and create a local storage reservoir, said Don Mills.

Mills said his negative reaction changed after meeting the landowner, who was simply aiming to trade state-allocated water for a more reliable source, possibly groundwater pumped from land purchased elsewhere.

"The ultimate trigger that made him make this decision is the Delta issues and the fact that the water supply is not reliable," Mills said. "I wasn't real happy in the beginning, but after sitting with this fella and having him explain, I can't blame him."

latimes.com/business/la-fi-water-auction24-2009sep24,0,1797172.story

latimes.com

UTILITIES

Water to be auctioned by Chino Basin Watermaster

The auction is bound to raise the price. Putting water up for bid seems to be a first in California.

By Bettina Boxall

September 24, 2009

Need more water? If you've got \$30 million or so, you can bid for it at an auction this fall.

In what officials believe is a first for the state, a Southern California water agency is planning to auction off enough water to supply about 70,000 homes for a year.

Water sales are not uncommon in California, especially when supplies are tight, as they are in the current drought.

But putting water up for bid in an auction -- which is bound to drive up the price -- appears to be unprecedented in the state.

"Water in general has always been a very low-priced commodity, and I think the reality is, it's going to start catching up with other utilities. It's going to fluctuate with markets," said Ken Manning, chief executive of Chino Basin Watermaster, a quasi-public entity that manages the basin. "Whether that's right or wrong, I don't know. I just know where it's going."

The Chino Basin, most of which lies in western San Bernardino County, is one of the largest groundwater basins in Southern California.

Pumping rights were settled in a 1978 state court judgment that divvied them up among local farms, industry and water agencies.

Some of the businesses, including a Sunkist packing plant, have since closed operations and don't need all of their supplies.

So in a court-approved deal, the companies are selling the unused water to Chino Basin Watermaster.

The water agency, in turn, intends to auction the supplies at a much higher price and use the proceeds to pay for new facilities to replenish the aquifer.



The town of Prescott Valley, Ariz., helped blaze the water-bidding trail two years ago when it auctioned off permanent rights to a small block of its water for about \$67 million.

The buyer was a New York investment firm that is marketing the water options to developers, who will need the supplies to get approval for any new residential projects in the area.

"You have to get creative," Assistant Town Atty. Colleen Auer said. "We knew if we sat in a typical backroom deal with the development community, there was no guarantee we would get the best price."

Prescott Valley, which was experiencing explosive growth until the real estate bust, is planning to spend the money on new water infrastructure.

Michael Hanemann, a resource economics professor at UC Berkeley, called water auctions "an idea that makes sense" but wasn't sure whether they would take off as a trend.

Water "is a limited resource and we need to be aware of that. Putting a price on that is good. It makes the real value of the water transparent," he said. "Raising the price, while unpleasant, is telling us something we need to know."

Manning said that three categories of potential bidders are surfacing: local water agencies, Southland developers who under state law have to demonstrate there is enough water to supply new projects, and private investment groups that deal in natural resources.

Chino Basin Watermaster will offer a total of 36,000 acre-feet, sold in four blocks, in the online auction to be held Nov. 4. An acre-foot is roughly a year's supply for two Southern California households.

Manning anticipates that the water will fetch \$800 to \$1,000 an acre-foot, or roughly \$30 million. Underground storage in the basin will cost another \$30 million.

"We think we're offering a reliable product. It's in the ground. So it will demand a higher price," he said.

Federal officials estimate that about 600,000 acre-feet -- slightly less than Los Angeles residents, combined, use in a year -- will change hands in California water sales in 2009 thanks to a supply shortage caused by the statewide drought and environmental restrictions on pumping water from Northern California.

The sellers are typically agricultural irrigation districts that leave some of their land unplanted for a year and negotiate short-term, individual deals with other farm districts or municipal water agencies that need water.

Supplies sold through the state's Drought Water Bank this year are going for \$275 an acre-foot plus conveyance costs, which can amount to an additional \$150 or more per acre-foot, depending on how far the water is piped.

Under fallowing agreements with the Palo Verde Irrigation District in southeastern California, the Metropolitan Water District of Southern California is paying roughly \$210 and \$410 an acre-foot, including transport, for two separate large blocks of water.

The higher rate is for drought supplies.

When the Mojave Water Agency looked for more long-term supplies for Victorville and the other high

desert towns it serves, it pursued a different tack.

It is buying a portion of a state water contract from a Kings County farm enterprise for \$73.5 million.

The deal, which is awaiting state approval, would entitle the Mojave district to an additional 14,000 acre-feet a year.

Kirby Brill, the agency's general manager, said it took a while to find a state contractor willing to give up water not just for a season or two, but forever.

"Everybody's just hanging on to what they have to sustain their operation. We're never going to have a real loose, EBay type of water market in California," he said. "There are so many hurdles."

bettina.boxall@latimes.com

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Wednesday, October 7, 2009

Editorial: Governor turns up the water pressure

Pending bills held hostage to a deal on fixing state's contrived water shortage.

An Orange County Register editorial

There may be a can't-lose situation brewing in Sacramento, where Gov. Arnold Schwarzenegger is holding 700-plus bills hostage to pressure legislators into agreeing on a solution to the state's water distribution problem.

It's only fitting that political arm-twisting be used to solve California's manufactured water shortage, itself the result of competing political interests. As we note in our [accompanying editorial](#) calling for restoration of water flow to San Joaquin Valley farmers, the state's water problems can be traced back to politics, not the climate, not the drought.

Even amid successive years of drought, California has more than enough water to meet its needs. The problem lies in how that water is distributed. The governor's threatened veto tacitly acknowledges that reality. Mr. Schwarzenegger isn't threatening to turn away rain clouds unless there's a water agreement. He's threatening to reject legislation.

The bottom line is competing interests battling for decades over life-sustaining, crop-nourishing, environment-nurturing water have refused to budge in negotiations. Gov. Schwarzenegger realizes these intractable interests may never be dislodged – unless they have something to lose.

There's little the political powers that be value more than the fruits of their power, in this case 700-plus individual bills, each ingratiating their authors and legislative supporters with constituencies who stand to benefit from the new laws.

The governor threatens to kill these legislative payoffs unless lawmakers resolve their differences over water. That would benefit the entire state, not merely San Joaquin Valley farmers. We say, "Hold your ground, governor." Even if you don't get the water flowing, killing 700-plus new laws isn't a bad week's work, either.

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Wednesday, October 7, 2009

Editorial: Growing food takes water

Government has put smelt above farmers.

An Orange County Register editorial

Finally acknowledging that there is a significant government-created crisis in the San Joaquin Valley, the Interior Department convened a public hearing Sept. 30, and Sen. Dianne Feinstein has announced she has asked her staff to begin assembling a major piece of legislation to address the water crisis facing the Sacramento-San Joaquin River Delta. Interior Secretary Ken Salazar has issued a "memorandum of understanding" that will keep representatives from six federal agencies talking to various interest groups in California.

The problem is that it will take months to make such decisions and years for results to be apparent. The crisis is immediate for San Joaquin Valley farmers in the agricultural breadbasket for California and much of the nation. While the search for long-range

solutions is worthy, in the short run the best and highest-impact option is to reverse a questionable decision to cut off irrigation water to Central Valley farmers.

The decision to cut off water to farmers resulted from a decision by the U.S. Fish and Wildlife service that the delta smelt, a three-and-a-half-inch-long minnow, was threatened, as defined by the Endangered Species Act. That announcement led to lawsuits by environmental groups arguing that sending water to farmers disrupted the fish's fall spawning season. In 2007, U.S. District Judge Oliver Wanger agreed and ordered the 6 million-acre-feet of water normally sent to farmers to be cut by a third.

The result has been agricultural devastation. A reader who recently drove home from Sacramento told us of miles and miles of brown fields, of groves of fruit and nut trees dying. A UC Davis study estimated farm revenue losses of \$482 million to \$647 million a year. To be sure, California's water troubles are driven by a number of factors, but the smelt ruling greatly exacerbated the problem.


Of course, it is not just farmers who are affected. Farm workers find themselves jobless, supply stores have to lay off workers or go out of business, real estate prices are plummeting, grocery stores, restaurants and all manner of businesses are seeing hard

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times of Dust Bowl proportions.

"Communities in my district are facing unemployment of 30 percent, 34 percent, 38 percent and, mind you, those are Depression-like numbers," Democratic Rep. Jim Costa of Hanford told the Interior Department hearing.

It might well make sense to study and refurbish the Delta, whose infrastructure of canals and levees is aging and, in some cases, crumbling. The best thing to do now, however, is to reverse the decision on water. That might or might not harm the delta smelt – the science is far from settled. But continuing to skew policy to favor fish over people will devastate California's heartland.

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Daily Bulletin

MWD

Money spigot to drain consumers

Considering all the talk about fat pensions threatening to bankrupt government entities, we were intrigued to hear that the giant Metropolitan Water District was planning to fatten its employee pensions. What's more, we're supposed to believe the plan will cost consumers less, not more.

Pardon us if we have a few doubts about exactly who is getting hosed. The inflated pension obligations would come at the same time the MWD is planning a 30 percent increase in water rates.

Still, we want to be fair to the MWD. If all goes as planned, this deal would cut costs, a little.

Here are some details. The MWD, which imports water for millions of consumers throughout Southern California, has negotiated an agreement with its six unions that would give employees a 25 percent increase in pension benefits and a 23 percent increase in wages over the next five years. The cost-cutting provision is that employees would pay 8 percent of their salaries toward the cost of the pensions.

But do you see the problem? The pension increase gets locked into place for life, but the employees' commitment doesn't. If the next labor agreement erased employees' pension contributions, the pension increase would cost many millions, and ratepayers would be the only ones on the hook.

How likely are ratepayers to end up losers? Look around you. Many government employee unions have "negotiated" deals that excuse employees from having to contribute to pension costs totally, or nearly totally, supposedly instead of wage increases (yet their wages keep going up, and the splendidiferous pensions become the taxpayers' problem).

The proposed MWD pension increase would allow employees to retire at age 55, a decade before the traditional retirement age, with up to 75 percent of their salaries, compared to zero for most taxpayers who work in the private sector.

We put "negotiated" in quotation marks because nobody at the negotiating table represents taxpayers or ratepayers. People on the management side will be entitled to the same fat pension rates, only with bigger monthly checks.

What's worse is that the pension increases are retroactive, in the sense that employees who are ready to retire under the existing terms suddenly find even more money pouring in, for the rest of their lives.

The MWD board of directors was ready to approve the new contract last month, then put things off because of a public outcry, stirred by news coverage and righteous editorials published by the Orange County Register. But the issue hasn't gone away.

You won't get a chance to vote on this give-away, but you certainly can express your opinion. Write a letter to the editor or better yet, contact the MWD at (213) 217-6000 or www.mwdh2o.com.

It's your money.

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