







NOTICE OF MEETINGS

Thursday, November 19, 2009

9:00 a.m. - Advisory Committee Meeting

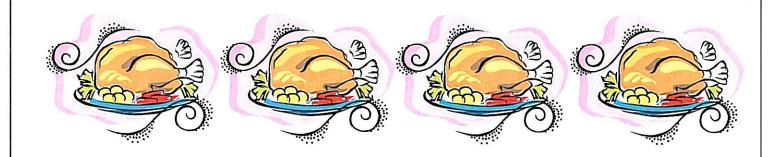
AT THE CHINO BASIN WATERMASTER OFFICES

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





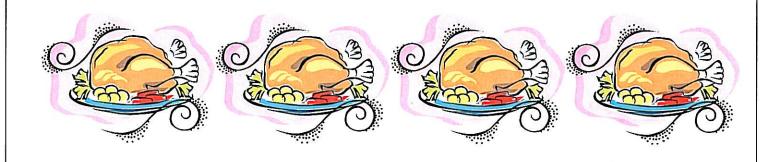




Thursday, November 19, 2009

9:00 a.m. - Advisory Committee Meeting

AGENDA PACKAGE



CHINO BASIN WATERMASTER ADVISORY COMMITTEE MEETING WITH

Mr. Gene Koopman, Chair, Agricultural Pool
Mr. Robert DeLoach, Vice-Chair, Appropriative Pool
9:00 a.m. – November 19, 2009
At The Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

Minutes of the Advisory Committee Meeting held October 15, 2009 (Page 1)

B. FINANCIAL REPORTS

- 1. Cash Disbursements for the month of September 2009 (Page 5)
- 2. Watermaster Visa Check Detail for the month of September 2009 (Page 9)
- 3. Combining Schedule for the Period July 1, 2009 through September 30, 2009 (Page 11)
- Treasurer's Report of Financial Affairs for the Period September 1, 2009 through September 30, 2009 (Page 13)
- 5. Budget vs. Actual July through September 2009 (Page 15)

C. SEMI-ANNUAL REPORT

1. Consider Approval of Status Report 2009-1 (Page 17)

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. Completion of SWRCB Santa Ana River Process
- 2. Implementation of Plan B for Purchase of Overlying Non-Agricultural Pool Water (Page 29)

B. WATERMASTER FINANCIAL REPORT

- 1. PERS Audit
- 2. Engineering Budget Update
- 3. Disposition of Water Purchased from the Non-Agricultural Pool

C. CEO/STAFF REPORT

- 1. Legislative Update
- 2. Recharge Report
- 3. State of the Basin Report
- 4. Manning 4th Annual Holiday Gathering

D. INLAND EMPIRE UTILITIES AGENCY

- 1. Recycled Water Update oral
- Status Report on DYY and Drought Allocation Implementation oral
 Recycled Water Program Update (Page 33)
- 4. Water Resources & Conservation Programs Monthly Report (Page 45)
- 5. Quarterly Water Resources & Conservation Programs Monthly Report (Page 55)
- 6. Monthly Water Use Report (Page 68)
- 7. Recycled Water Newsletter (Page 79)
- 8. State and Federal Legislative Reports (Page 83)
- 9. Community Outreach/Public Relations Report (Page 121)
- 10. Peace II SEIR Schedule (Page 123)

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

III. INFORMATION

Newspaper Articles (Page 125)

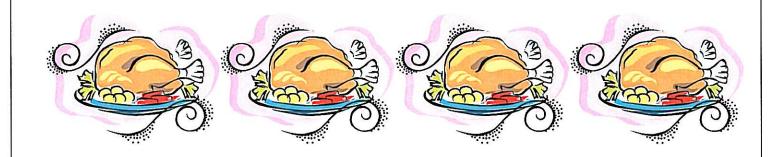
IV. COMMITTEE MEMBER COMMENTS

V. OTHER BUSINESS

VI. FUTURE MEETINGS

TATATA MENTING		
November 19, 2009	8:00 a.m.	IUEA Dry Year Yield Meeting @ CBWM
November 19, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
November 19, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
December 3, 2009	1:00 p.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
December 10, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
December 17, 2009	8:00 a.m.	IUEA Dry Year Yield Meeting @ CBWM
December 17, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
December 17, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
December 17, 2009	1:00 p.m.	Recharge Master Plan Workshop @ CBWM

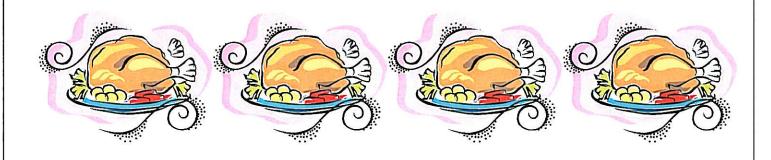
Meeting Adjourn



I. CONSENT CALENDAR

A. MINUTES

 Advisory Committee Meeting – October 15, 2009



Draft Minutes CHINO BASIN WATERMASTER **ADVISORY COMMITTEE MEETING**

October 15, 2009

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on October 15, 2009 at 9:00 a.m.

City of Ontario

Cucamonga Valley Water District

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Robert DeLoach, Chair

Ken Jeske

Mark Kinsey Monte Vista Water District

Dave Crosley City of Chino John Mura City of Chino Hills Raul Garibay City of Pomona

Charles Moorrees San Antonio Water Company J. Arnold Rodriguez Santa Ana River Water Company Tom Harder Jurupa Community Services District

Josh Swift Fontana Water Company

Anthony La City of Upland

Agricultural Pool Jeff Pierson Ag Pool - Crops

State of California, Dept. of Justice, CIM Jennifer Novak

Rick Rees Department of Justice, CIM

Non-Agricultural Pool

Kevin Sage Vulcan Materials Company (Calmat Division)

Watermaster Board Members Present

Michael Camacho Inland Empire Utilities Agency

Watermaster Staff Present

Sheri Rojo CFO/Asst. General Manager Ben Pak Senior Project Engineer Danielle Maurizio Senior Engineer Sherri Lynne Molino Recording Secretary

Watermaster Consultants Present

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

Others Present

Bill Kruger City of Chino Hills Steve Nix City of Chino Hills Eunice Ulloa

Chino Basin Water Conservation District

Gil Aldaco City of Chino

Marty Zvirbulis Cucamonga Valley Water District

Steven Lee Reid & Hellyer

Martha Davis Inland Empire Utilities Agency

Chair DeLoach called the Advisory Committee meeting to order at 9:05 a.m.

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AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held September 24, 2009

B. FINANCIAL REPORTS

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

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

Moved to approve Consent Calendar A through B, as presented

II. BUSINESS ITEM

A. CHINO BASIN WATERMASTER 2009-2010 ASSESSMENT PACKAGE

Ms. Rojo noted this presentation was given at the Pool meetings. Chair DeLoach asked that the summary page be reviewed for the Advisory Committee. Ms. Rojo noted the 2009-2010 Assessment Package does not address the Dry Year Yield and the calculation of the storage losses and how they will be reallocated. The Metropolitan Water District (MWD) losses are going to get distributed to the Appropriator's; however the methodology still needs to be determined. The Assessment Package does contain the assessment adjustment for the cumulative unmet replenishment obligation (CURO) and is listed in the previous year assessment adjustment column. Ms. Rojo reviewed the Summary Page in detail and noted Watermaster is operating with the budget that was approved in May, 2009. Mr. Kinsey inquired about the reduction in inflow and the pickup of 2% losses on Desalters. A discussion regarding Mr. Kinsey's inquiry ensued. Mr. Garibay inquired if identifying fixed and variable costs are being considered and Ms. Rojo noted this is currently not being discussed.

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

Moved to approve the Chino Basin Watermaster 2009-2010 Assessment Package, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Court Transition Process

Counsel Fife stated Watermaster does have a new judge, Judge Reichert and he is assigned to the Chino Division. There is nothing on calendar to be presented to the court until July, 2010 and that item is the approval of the Recharge Master Plan which will be a significant approval item. Counsel Fife stated it might behoove Watermaster to try and come before the judge before the July date to engage him on our case. Counsel Fife noted the time limit to file a 170.6 regarding the assignment of Judge Reichert has expired.

2. DYY/Storage Update

Counsel Fife stated this is a recurring update item on the agenda. This item is regarding a whole constellation of issues surrounding the LRP funding for the Desalters, the expansion of the MWD storage account. A meeting took place a few weeks ago to lay out the process for dealing with this matter and the group from that meeting agreed the first thing that needed to happen was the accounting on the LRP needed to be worked out with MWD. Inland Empire Utilities Agency and Western Municipal Water District met with MWD staff recently; however it was reported that nothing was resolved at that meeting. Once that issue is resolved the other issues will be tackled.

C. CEO/STAFF REPORT

1. Legislative Update

No comment was made regarding this item.

2. Recharge Report

No comment was made regarding this item.

3. Auction Update

Ms. Rojo stated there is a lot of interest in the upcoming water auction and staff has been receiving many phone calls from interested bidders and curious parties. The deadline for the first part of the application is next Tuesday. The interested bidders have been ranked into three tiers of interest with tier one being the highest interest level. Tier one bidders are being pursued with aggressive follow up; there are about 10 to 15 bidders in tier one. Follow up is being done on the other two tiers as well to make sure they have what they need to decide if they want to submit an application. Once the applications are received by Tuesday, part two of the application will be due back the following Tuesday. Next week at the Watermaster Board meeting there will be a more detailed report since the deadline will have come and gone for part one of the application process.

4. Strategic Planning Conference Recap

Ms. Rojo stated Watermaster staff is working on recapping the notes and feedback that was captured at the recent Strategic Planning Conference in a matrix form at which will be handed out as a draft at the Watermaster Board meeting on October 22, 2009.

D. INLAND EMPIRE UTILITIES AGENCY

1. Annual Water Conservation Program and Water Use Reports

Ms. Davis stated that IEUA is wrapping up its summary reports for the preceding year for conservation programs and for the Water Use Report. Ms. Davis highlighted the Conservation Report and noted how successful conservation efforts were this past year. All the information for this report is available on the IEUA website.

2. Status Report on DYY and Drought Allocation Implementation

Ms. Davis stated MWD is now sending out a monthly report on the status of how well parties are performing under the Water Supply Allocation Plan. Ms. Davis offered comment on the first monthly report. Chair DeLoach commented on the reduction numbers that could possibly be used against the parties in the future. A discussion regarding Mr. DeLoach's comments, the possibility of retroactively placing penalties on the parties, and the CURO ensued. Ms. Davis stated there next DYY Workshop will be held at Watermaster on October 22, 2009 from 9:00 a.m. to 11:00 a.m. and noted that will be a good time to raise questions about these discussed issues.

3. Water Resources & Conservation Programs Monthly Report

No comment was made regarding this item.

Annual Water Conservation Program Report

No comment was made regarding this item.

5. Annual Water Use Report

No comment was made regarding this item.

6. Monthly Water Use Report

Ms. Davis noted this report is now available on the back table for review.

7. Recycled Water Newsletter

No comment was made regarding this item.

- 8. State and Federal Legislative Reports
 - Ms. Davis gave a brief update on current State and Federal legislative events and noted the water softener bill has finally passed.
- 9. <u>Community Outreach/Public Relations Report</u> No comment was made regarding this item.
- 10. Peace II Schedule

No comment was made regarding this item.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

No comment was made regarding this item.

IV. INFORMATION

Newspaper Articles

No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

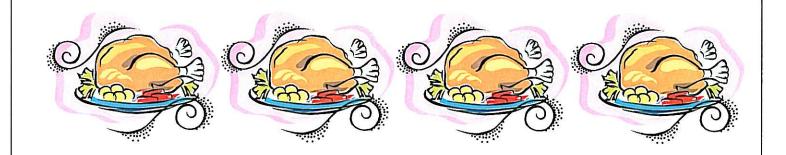
No comment was made regarding this item.

VII. FUTURE MEETINGS

October 15, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
October 22, 2009	9:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
October 22, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
October 22, 2009	1:00 p.m.	Recharge Master Plan Workshop @ CBWM
October 27, 2009	9:00 a.m.	GRCC Meeting @ CBWM
November 5, 2009	1:00 p.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
November 12, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
November 19, 2009	8:00 a.m.	IUEA Dry Year Yield Meeting @ CBWM
November 19, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
November 19, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
December 3, 2009	1:00 p.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
December 10, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
December 17, 2009	8:00 a.m.	IUEA Dry Year Yield Meeting @ CBWM
December 17, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
December 17, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM

The Advisory Committee meeting was dismissed by Chair DeLoach at 9:35 a.m.

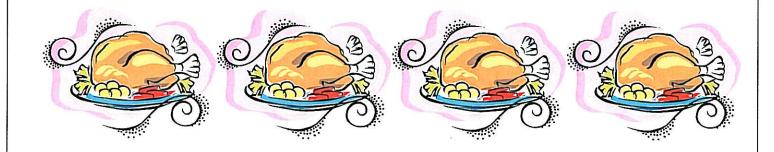
	Secretary:	
Minutes Approved:		



I. CONSENT CALENDAR

B. FINANCIAL REPORTS

- 1. Cash Disbursements for the month of September 2009
- 2. Watermaster Check Detail for the month of September 2009
- 3. Combining Schedule for the Period July 1, 2009 through September 30, 2009
- 4. Treasurer's Report of Financial Affairs for the Period September 1, 2009 through September 30, 2009
- 5. Budget vs. Actual July through September 2009





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

KENNETH R. MANNING Chief Executive Officer

STAFF REPORT

DATE:

November 19, 2009

TO:

Advisory Committee Members

SUBJECT:

Cash Disbursement Report

SUMMARY

Issue - Record of cash disbursements for the month of September 2009.

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

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

BACKGROUND

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

DISCUSSION

Total cash disbursements during the month of September 2009 were \$575,832.80. The most significant expenditures during the month were FTI Consulting in the amount of \$33,000.00, Brownstein Hyatt Farber Schreck in the amount of \$55,567.82, and Wildermuth Environmental Inc. in the amount of \$279,740.21.

ACTIONS:

11-05-09 Appropriative Pool moved to approve September Financial Reports unanimously

11-05-09 Non-Agricultural Pool moved to approve September Financial Reports unanimously

11-12-09 Agricultural Pool moved to approve September Financial Reports unanimously

11-17-09 Advisory Committee

11-17-09 Watermaster Board

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CHINO BASIN WATERMASTER Cash Disbursement Detail Report September 2009

Туре	Date	Num	Name	Amount
Sep 09				
Bill Pmt -Check	9/2/2009	13539	CITISTREET	-14,208.54
Bill Pmt -Check	9/2/2009	13540	COMPUTER NETWORK	-315.06
Bill Pmt -Check	9/2/2009	13541	PUBLIC EMPLOYEES' RETIREMENT SYS	-5,971.66
Bill Pmt -Check	9/2/2009	13542	STATE COMPENSATION INSURANCE FU	-1,125.76
Bill Pmt -Check	9/3/2009	13543	APPLIED COMPUTER TECHNOLOGIES	-4,398.00
Bill Pmt -Check Bill Pmt -Check	9/3/2009 9/3/2009	13544	CAMACHO, MICHAEL	-125.00
Bill Pmt -Check	9/3/2009	13545 13546	GUARANTEED JANITORIAL SERVICE, INC. HSBC BUSINESS SOLUTIONS	-865.00 -353.73
Bill Pmt -Check	9/3/2009	13547	JAMES JOHNSTON	-840.00
Bill Pmt -Check	9/3/2009	13548	NAKANO, JUSTIN	-2,000.00
Bill Pmt -Check	9/3/2009	13549	PARK PLACE COMPUTER SOLUTIONS, I	-4,125.00
Bill Pmt -Check	9/3/2009	13550	PAYCHEX	-259.03
Bill Pmt -Check	9/3/2009	13551	PURCHASE POWER	-77.51
Bill Pmt -Check	9/3/2009	13552	SAGE, KEVIN	-125.00
Bill Pmt -Check	9/3/2009	13553	UNION 76	-46.73
Bill Pmt -Check	9/3/2009	13554	VANDEN HEUVEL, GEOFFREY	-125.00
Bill Pmt -Check	9/3/2009	13555	VERIZON	-433.20
Bill Pmt -Check	9/3/2009	13556	W.C. DISCOUNT MOBILE AUTO DETAILI	-100.00
Bill Pmt -Check	9/3/2009 9/3/2009	13557	WILLIS, KENNETH	-125.00
Bill Pmt -Check Bill Pmt -Check	9/3/2009	13558 13559	YOUNG, ROBERT YUKON DISPOSAL SERVICE	-125.00 -142.88
Bill Pmt -Check	9/3/2009	13560	COMPUTER NETWORK	-1,265.54
Bill Pmt -Check	9/3/2009	13561	RBM LOCK & KEY	-256.50
Bill Pmt -Check	9/3/2009	13562	INLAND EMPIRE UTILITIES AGENCY	-320.54
General Journal	9/5/2009	090903	PAYROLL	-6,867.84
General Journal	9/5/2009	090903	PAYROLL	-26,996.32
Bill Pmt -Check	9/10/2009	13563	UPS STORE	-107.66
Bill Pmt -Check	9/17/2009	13564	ACWA SERVICES CORPORATION	-229.51
Bill Pmt -Check	9/17/2009	13565	BANC OF AMERICA LEASING	-3,985.40
Bill Pmt -Check	9/17/2009	13566	BANK OF AMERICA	-1,958.50
Bill Pmt -Check	9/17/2009	13567	BROWNSTEIN HYATT FARBER SCHRECK	-55,567.82
Bill Pmt -Check Bill Pmt -Check	9/17/2009	13568 13569	COMPUTER NETWORK CUCAMONGA VALLEY WATER DISTRICT	-1,882.96
Bill Pmt -Check	9/17/2009 9/17/2009	13570	FIRST AMERICAN REAL ESTATE SOLUTI	-5,792.00 -125.00
Bill Pmt -Check	9/17/2009	13571	FTI CONSULTING, INC.	-33,000.00
Bill Pmt -Check	9/17/2009	13572	JAMES JOHNSTON	-1,620.00
Bill Pmt -Check	9/17/2009	13573	LOS ANGELES TIMES	-48.00
Bill Pmt -Check	9/17/2009	13574	MCI	-1,232.93
Bill Pmt -Check	9/17/2009	13575	PETTY CASH	-451.24
Bill Pmt -Check	9/17/2009	13576	PREMIERE GLOBAL SERVICES	-1,055.26
Bill Pmt -Check	9/17/2009	13577	PRINTING RESOURCES	-8,137.68
Bill Pmt -Check	9/17/2009	13578	REID & HELLYER	-13,238.95
Bill Pmt -Check	9/17/2009	13579	RUTH CAZDEN	-725.00
Bill Pmt -Check Bill Pmt -Check	9/17/2009	13580	SAFEGUARD DENTAL & VISION	-57.68
Bill Pmt -Check	9/17/2009 9/17/2009	13581 13582	STAPLES BUSINESS ADVANTAGE STAULA, MARY L	-698.58 -136.61
Bill Pmt -Check	9/17/2009	13583	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	9/17/2009	13584	THREE VALLEYS MUNICIPAL WATER DI	-35.00
Bill Pmt -Check	9/17/2009	13585	VERIZON WIRELESS	-503.05
Bill Pmt -Check	9/17/2009	13586	W.C. DISCOUNT MOBILE AUTO DETAILI	-75.00
Bill Pmt -Check	9/17/2009	13587	WESTERN DENTAL SERVICES, INC.	-28.06
Bill Pmt -Check	9/17/2009	13588	COMPUTER NETWORK	-206.63
Bill Pmt -Check	9/17/2009	13589	PUBLIC EMPLOYEES' RETIREMENT SYS	-6,849.60
Bill Pmt -Check	9/17/2009	13590	UNITED PARCEL SERVICE	-35.85
General Journal	9/19/2009	090905	PAYROLL	-7,061.95
General Journal	9/19/2009	090905	PAYROLL	-26,634.19
Bill Pmt -Check Bill Pmt -Check	9/23/2009	13591	INLAND EMPIRE UTILITIES AGENCY	-320.54
Bill Pmt -Check	9/23/2009 9/23/2009	13592 13593	PUBLIC EMPLOYEES' RETIREMENT SYS CALPERS	-5,971.66 -4,006.80
Bill Pmt -Check	9/23/2009	13594	CUCAMONGA VALLEY IAAP	-4,006.80 -50.00
Bill Pmt -Check	9/23/2009	13595	KONICA MINOLTA BUSINESS SOLUTIONS	-444.06
Bill Pmt -Check	9/23/2009	13596	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	9/23/2009	13597	PRINTING RESOURCES	-1,602.79
Bill Pmt -Check	9/23/2009	13598	RICOH BUSINESS SYSTEMS-Lease	-897.19
Bill Pmt -Check	9/23/2009	13599	BLACK & VEATCH CORPORATION	-14,648.75
Bill Pmt -Check	9/23/2009	13600	WILDERMUTH ENVIRONMENTAL INC	-279,740.21
Bill Pmt -Check	9/23/2009	13601	STAPLES BUSINESS ADVANTAGE	-375.25
Bill Pmt -Check	9/25/2009	13602	COMPUTER NETWORK	-315.06

CHINO BASIN WATERMASTER Cash Disbursement Detail Report September 2009

Type	Date	Num	Name	Amount
Bill Pmt -Check	9/25/2009	13603	CITISTREET	-2,009.24
Bill Pmt -Check	9/25/2009	13604	CITISTREET	-2,273.07
Bill Pmt -Check	9/25/2009	13605	CITISTREET	-2,273.07
Bill Pmt -Check	9/25/2009	13606	PUBLIC EMPLOYEES' RETIREMENT SYS	-6,959.77
Bill Pmt -Check	9/25/2009	13607	PUBLIC EMPLOYEES' RETIREMENT SYS	-6,906.78
Bill Pmt -Check	9/28/2009	13608	ETIWANDA GARDENS	-3,704.45
Sep 09			-	-575,832.80

CHINO BASIN WATERMASTER Check Detail September 2009

Туре	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	13566	9/17/2009	BANK OF AMERICA	1012 · Bank of America G	
Bill	4024	8/31/2009		6909.1 · OBMP Meetings 6141.3 · Admin Meetings 6312 · Meeting Expenses 6212 · Meeting Expense 6909.1 · OBMP Meetings 7604 · PE8&9-Supplies 6191 · Conferences 6191 · Conferences 6174 · Transportation	-17.38 -603.56 -178.79 -178.78 -331.69 -144.10 -125.00 -349.20 -30.00
TOTAL				emigranti 96 iliganti-common 🕯 (12-14-2-14-2-1)	-1,958.50

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

	WATERMASTER ADMINISTRATION M	OPTIMUM PO BASIN AI MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE AGRICULTURAL NON-AGRIC. POOL POOL	FION AND SPECIA GRICULTURAL I POOL	AL PROJECTS NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER SB222 REPLENISHMENT FUNDS	PERATIONS SB222 FUNDS	EDUCATION FUNDS	GRAND	BUDGET 2009-2010
Administrative Revenues Administrative Assessments Interest Revenue			11,738	1,068	529			2	13,337	\$7,340,839 191,540
Mutual Agency Project Revenue Grant Income			,						1 1 0	148,410 0
Miscellaneous Income Total Revenues	111,000		11,738	1,068	529	•	3	2	124,337	7,680,789
Administrative & Project Expenditures Watermaster Administration Watermaster Board-Advisory Committee Pool Administration Optimum Basin Mgnt Administration OBMP Project Costs Debt Service Education Funds Use Mutual Agency Project Costs	121,103	454,186 1,029,406 567,042	7,604	36,442	1,582				121,103 13,666 45,628 454,186 1,029,406 567,042	580,238 61,901 229,860 1,557,820 4,109,362 1,131,233 375 10,000
Total Administrative/OBMP Expenses Net Administrative/OBMP Expenses	134,769 (23,769)	2,050,634 (2,050,634)	7,604	36,442	1,582			21	2,231,031	7,680,789
Allocate Net Admin Expenses To Pools Allocate Net OBMP Expenses To Pools ' Allocate Debt Service to App Pool	23,769	1,483,592 567,042	16,607 1,036,547 567,042	6,301 393,282	861 53,763				sis i i	
Agricultural Expense Transfer* Total Expenses Net Administrative Income		. 1. 1	436,025 2,063,825 (2,052,087)	(436,025) - 1,068	56,206 (55,677)	1	31	- 5	2,231,031 (2,106,694)	7,680,789
Other Income/(Expense) Replenishment Water Assessments Interest Revenue Water Purchases Balance Adjustment Groundwater Replenishment		I				8,492 (1,003,000)			8,492 (1,003,000)	00000
Net Order Income Net Transfers To/(From) Reserves		(3,101,202)	(2,052,087)	1,068	(55,677)	(994,508)		2	(3,101,202)	P .
Working Capital, July 1, 2009 Working Capital, End Of Period		. 1 1	5,942,967 3,890,880	470,719 471,787	256,577 200,900	4,166,457 3,171,949	158,251 158,251	995	10,995,966 7,894,764	7,894,764
08/09 Assessable Production 08/09 Production Percentages			84,716.450 69.867%	32,142.764 26.509%	4,393.990 3.624%				121,253.204 100.000%	

*Fund balance transfer as agreed to in the Peace Agreement. o. Frances Sutementa VOS-1009 00 (Combining Sept BEFORE interest shighwest

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

	DEPOSITORIES: Cash on Hand - P	ILES: Id - Pe	OSITORIES: on Hand - Petty Cash							↔	200
	Bank of America Governmental Checking-Demand Deposits Zero Balance Account - Payroll Local Agency Investment Fund - Sacramento	inca intal Cl ince Ac / Inves	ank of America Governmental Checking-Demand Deposits Zero Balance Account - Payroll ocal Agency Investment Fund - Sacramento	mand Deg roll I - Sacran	osits			€	114,393		114,393
	TOTAL CASH IN BANKS AND ON HAND TOTAL CASH IN BANKS AND ON HAND	E N N	ANKS AND ANKS AND	ON HAN	Ω α		9/30/2009 8/31/2009	600		vs	8,309,092 8,882,980
	PERIOD INC	REAS	OD INCREASE (DECREASE)	ASE)						⇔	(573,888)
CHANGE IN CASH POSITION DUE TO: Decrease/(Increase) in Assets: Accounts Receivable Assessments Receive Prepaid Expenses, De (Decrease)/Increase in Liabilities Accounts Payable Accrued Payroll, Payr	: Accounts Receivable Assessments Receivable Prepaid Expenses, Deposits & Other Current Assets s Accounts Payable Accrued Payroll, Payroll Taxes & Other Current Liabilities Transfer to/(from) Reserves	ceivab s Rece snses, yable roll, Pa	ie ivable Deposits & yroll Taxes teserves	Other Cu & Other (rrent A	ssets Liabilities				₩.	(21,830) - (20) (71,924) (38,335) (441,779)
	PERIOD INC	REAS	OD INCREASE (DECREASE)	ASE)						es	(573,888)
	Petty Cash		Govt'l Checking Demand	ecking and	Zero Ac Pr	Zero Balance Account Payroll	Local Agency Investment Funds	s s	Totals		
SUMMARY OF FINANCIAL TRANSACTIONS: Balances as of 8/31/2009 Deposits Transfers Withdrawals/Checks	€ ·	200	6	388,281 1,955 232,440 (508,283)	↔	- 67,560 (67,560)	\$ 8,494,199 - (300,000)	\$ (OC -	8,882,980 1,955 - (575,843)		
Balances as of 9/30/2009	€	200	€ S	114,393	↔	1	\$ 8,194,199	\$ 66	8,309,092		
PERIOD INCREASE OR (DECREASE)	8	1 1	49	(273,888)	€9		\$ (300,000)	, (00	(573,888)		

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	**	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
9/23/2009 Withdrawal	thdrawal	L.A.I.F.	↔	(300'000)				
TOTAL INVESTMENT TRANS	NT TRANSAC	ACTIONS	69	(300,000)	•			

^{*} The earnings rate for L.A.I.F. is a daily variable rate; 0.9% was the effective yield rate at the Quarter ended September 30, 2009.

INVESTMENT STATUS September 30, 2009

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

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

Respectfully submitted,

Sheri M. Rojo, CPA

Chief Financial Officer & Assistant General Manager

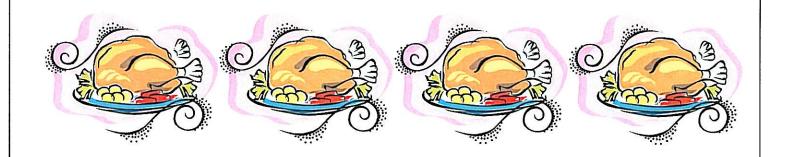
Chino Basin Watermaster

Q:\Financial Statements\09-10\09 08\Treasurers Report aUGUST.xls|Sheet1

	Jul - Sep 09	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense		,		
Income				
4010 · Local Agency Subsidies	0	148,410	-148,410	0%
4110 · Admin Asmnts-Approp Pool	0	7,185,411	-7,185,411	0%
4120 · Admin Asmnts-Non-Agri Pool	0	155,427	-155,427	0%
4700 · Non Operating Revenues	13,337	191,540	-178,203	7%
4900 · Miscellaneous income	111,000			
Total Income	124,337	7,680,788	-7,556,451	2%
Gross Profit	124,337	7,680,788	-7,556,451	2%
Expense				
6010 ⋅ Salary Costs	72,572	487,838	-415,266	15%
6020 · Office Building Expense	21,894	102,500	-80,606	21%
6030 · Office Supplies & Equip.	10,619	43,500	-32,881	24%
6040 · Postage & Printing Costs	19,288	84,300	-65,012	23%
6050 · Information Services	37,828	148,500	-110,672	25%
6060 · Contract Services	44,330	98,000	-53,670	45%
6080 · Insurance	15,934	16,730	-796	95%
6110 · Dues and Subscriptions	94	17,000	-16,906	1%
6140 · WM Admin Expenses	814	3,000	-2,186	27%
6150 · Field Supplies	24	2,800	-2,776	1%
6170 · Travel & Transportation	6,621	37,800	-31,179	18%
6190 · Conferences & Seminars	8,625	26,500	-17,875	33%
6200 · Advisory Comm - WM Board	3,951	18,078	-14,127	22%
6300 · Watermaster Board Expenses	9,715	43,823	-34,108	22%
8300 · Appr PI-WM & Pool Admin	7,604	23,069	-15,465	33%
8400 · Agri Pool-WM & Pool Admin	7,104	25,114	-18,010	28%
8467 · Ag Legal & Technical Services	25,363	98,000	-72,637	26%
8470 · Ag Meeting Attend -Special	3,975	12,000	-8,025	33%
8471 · Ag Pool Expense	0	65,000	-65,000	0%
8500 · Non-Ag PI-WM & Pool Admin	1,582	6,677	-5,095	24%
6500 · Education Funds Use Expens	0	375	-375	0%
9500 · Allocated G&A Expenditures	-117,540	-488,230	370,690	24%
	180,397	872,374	-691,977	21%
6900 · Optimum Basin Mgmt Plan	421,209	1,399,371	-978,162	30%
6950 · Mutual Agency Projects	0	10,000	-10,000	0%
9501 · G&A Expenses Allocated-OBMP	32,977	148,448	-115,471	22%
	454,186	1,557,819	-1,103,633	29%
7101 · Production Monitoring	33,512	107,047	-73,535	31%
7102 · In-line Meter Installation	12,608	56,179	-43,571	22%
7103 · Grdwtr Quality Monitoring	79,742	214,362	-134,620	37%

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

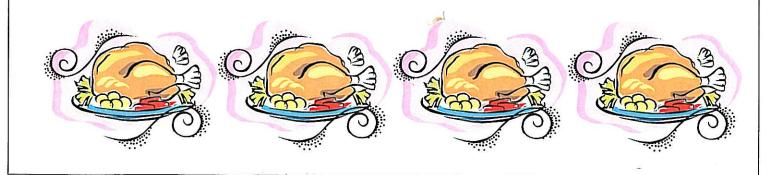
	Jul - Sep 09	Budget	\$ Over Budget	% of Budget
7104 · Gdwtr Level Monitoring	83,516	366,956	-283,440	23%
7105 · Sur Wtr Qual Monitoring	434	43,912	-43,478	1%
7107 · Ground Level Monitoring	30,370	550,059	-519,689	6%
7108 · Hydraulic Control Monitoring	93,481	567,022	-473,541	16%
7109 · Recharge & Well Monitoring Prog	1,105	9,152	-8,047	12%
7200 · PE2- Comp Recharge Pgm	515,153	1,478,560	-963,407	35%
7300 · PE3&5-Water Supply/Desalte	7,078	96,003	-88,925	7%
7400 · PE4- Mgmt Plan	34,922	91,985	-57,063	38%
7500 · PE6&7-CoopEfforts/SaltMgmt	34,070	163,727	-129,657	21%
7600 · PE8&9-StorageMgmt/Conj Use	18,852	29,550	-10,698	64%
7690 · Recharge Improvement Debt Pymt	567,042	1,131,233	-564,191	50%
7700 · Inactive Well Protection Prgm	0	5,066	-5,066	0%
9502 · G&A Expenses Allocated-Projects	84,563	339,782	-255,219	25%
	1,596,448	5,250,595	-3,654,147	30%
Total Expense	2,231,031	7,680,788	-5,449,757	29%
Net Ordinary Income	-2,106,694		-2,106,694	100%
Other Income/Expense				
Other Income				
4225 · Interest Income	8,492			
Total Other Income	8,492			
Other Expense				
5100 · Other Water Purchases	1,003,000			
9999 · To/(From) Reserves	-3,101,202			
Total Other Expense	-2,098,202			
Total Other Expende	-2,030,202			
Net Other Income	2,106,694			
Net Income	0		0	0%
		a a a a a a a a a a a a a a a a a a a		



I. CONSENT CALENDAR

D. STATUS REPORT

1. Consider Approval of Status Report 2009-1





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

KENNETH R. MANNING Chief Executive Officer

STAFF REPORT

DATE:

November 19, 2009

TO:

Advisory Committee Members

SUBJECT:

Status Report 2009-1

SUMMARY

Recommendation - Approve Status Report 2009-1 for filing with the Court

BACKGROUND

Status Report 2009-1 covers the period of January 1, 2009 through June 30, 2009. While the bulk to the report describes work conducted for each element of the Optimum Basin Management Program (OBMP) during the 6 month period, it also references the reports and court filings made to address the issues of the Peace II implementation.

Staff recommends approval of the report for filing with the Court.

ACTIONS:

11-05-09 Appropriative Pool moved to approve Status Report 2009-1 with minor language changes unanimously

11-05-09 Non-Agricultural Pool moved to approve Status Report 2009-1 with minor language changes unanimously

11-12-09 Agricultural Pool moved to approve Status Report 2009-1 unanimously

11-17-09 Advisory Committee

11-17-09 Watermaster Board

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Status Report 2009-1: January to June 2009

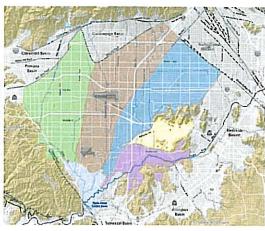


CHINO BASIN WATERMASTER

Optimum Basin Management Program

Highlighted Activities

- The Chino Basin Facilities Improvement Project (CBFIP) Phase II, a joint effort of Watermaster, the Chino Basin Water Conservation District (CBWCD), Inland Empire Utilities Agency (IEUA), and the San Bernardino County Flood Control District (SBCFCD) to increase the annual recharge of storm, imported, and recycled water and to reduce long-term maintenance costs, has shown considerable progress in its construction and is expected to be completed by October 2009. The project is co-funded by Watermaster and IEUA with matching fund from the California Department of Water Resources.
- A series of court hearings have taken place for the purpose of testifying on the program elements in the Optimum Basin Management Plan (OBMP).
- The Hydraulic Control and Monitoring Report was prepared and delivered to the Regional Board in April.
- Ongoing work continued to prepare the Recharge Master Plan. Watermaster held workshops and technical group meetings. The Chino Basin Water Conservation District is currently working on the stormwater section of the recharge master plan. This section is anticipated to be completed by October 2009. IEUA has provided water demand forecasting. Watermaster's consultant, Wildermuth Environmental Inc, has released estimates for the supplemental water recharge requirements for the future.



Chino Groundwater Basin

Important Court hearings and orders

- Feb 3 First Hearing With New Hon. Judge Wade
- MARCH 2—TRANSMITTAL OF THIRTY-FIRST ANNUAL REPORT
- APRIL 27 EXPERT WIT-NESS TESTIMONY ON PROGRAM ELEMENTS NO. 1, 2, AND 3
- June 29 Expert Wit-NESS TESTIMONY ON PROGRAM ELEMENTS NO. 4, 5, AND 6

Program Element 1: Develop and Implement a Comprehensive Monitoring Program

Groundwater Level Monitoring

Watermaster has three active groundwater level monitoring programs operating in the Chino Basin: 1) A semiannual basin-wide well monitoring program, 2) A key well monitoring program associated with the Chino I/II Desalter Well Fields and the Hydraulic Control Monitoring Program (HCMP), and 3) A piezometric monitoring program associated with land subsidence and ground fissuring in Management Zone 1 (MZ-1). The frequency of groundwater level monitoring varies with each program, depending on the needs of the data analyst. These groundwater level monitoring programs also rely on municipal producers, other government agencies, and private entities to supply their groundwater level measurements on a cooperative basis. Watermaster digitizes all these measurements and combines them into a relational database for general usage.

Desalter Product Water

AS CALIFORNIA IS
FACING THE MOST
SIGNIFICANT
WATER CRISIS IN
HISTORY, IT IS
CRITICAL THAT
WATER SYSTEMS
AND THEIR
CUSTOMERS
PROPERLY
CONSERVE AND
MANAGE OUR
WATER RESOURCES.



New MWD Turnout (CB-20)

Optimum Basin Management Program

Program Element 1: Develop and Implement a Comprehensive Monitoring Program (Continued)

Groundwater Quality Monitoring

Watermaster initiated a comprehensive monitoring program as part of the implementation of the OBMP. The groundwater quality monitoring program consists of the following four components:

- An Annual Key Well Water Quality Monitoring Program designed to target privately owned agricultural wells in the southern portion of Chino Basin that are otherwise not included in an established sampling program.
- Quarterly sampling at nine HCMP multi-port monitoring wells strategically placed between the Chino Basin Desalter well fields and the Santa Ana River. Results of the quarterly sampling are used to analyze the effect of the desalter pumping over time by comparing water quality of the native groundwater and the Santa Ana River.
- 3. Monthly sampling at four near-river wells to characterize the Santa Ana River's influence to nearby groundwater. These shallow monitoring wells along the Santa Ana River consist of two former United States Geologic Survey (USGS) National Water Quality Assessment Program (NAWQA) wells (Archibald 1 and Archibald 2), and two wells (well 9 and well 11) owned by the Santa Ana River Water Company (SARWC).
- 4. A cooperative basin-wide data collection effort known as the Chino Basin Data Collection (CBDC) program which relies on municipal producers and other government agencies to supply groundwater quality data on a cooperative basis. These sources include the appropriators, Department of Toxic Substance Control (DTSC), Regional Water Quality Control Board (RWQCB), US Geological Survey (USGS), the Counties, and other cooperators.

All water quality data are routinely collected, QA/QC'd, and loaded into Watermaster's relational database.

Groundwater-Production Monitoring

All active wells (except for minimum user wells) are now metered. Watermaster reads the agricultural production data from the meters on a quarterly basis and enters these data into Watermaster's relational database.

Surface Water Monitoring

Water Quality and Quantity in Recharge Basins. Watermaster measures the quantity and quality of storm and supplemental water entering the recharge basins. Pressure transducers or staff gauges are used to measure water levels during recharge operations. In addition to these quantity measurements, imported water quality data for State Water Project water are obtained from the Metropolitan Water District of Southern California (MWDSC) and recycled water quality data for the RP-1 and RP-4 treatment plant effluents are obtained from IEUA. Watermaster monitors the storm water quality in the eight major channels (San Antonio, West Cucamonga, Cucamonga, Deer Creek, Day Creek, San Sevaine, West Fontana, and DeClez), usually after each major storm event. Combining the measured flow data with the respective water qualities enables the calculation of the blended water quality in each recharge basin, the "new yield" to the Chino Basin, and the adequate dilution of recycled water.

Program Element 1: Develop and Implement a Comprehensive Monitoring Program (Continued)

Surface Water Monitoring in the Santa Ana River (SAR). Watermaster measures the discharge of the River and selected water quality parameters to determine those reaches of the SAR that are gaining flow from the Chino Basin and/or, conversely, those reaches that are losing flow into the Chino Basin. These bi-weekly flow and water quality measurements are combined with discharge data from permanent USGS and Orange County Water District (OCWD) stream gauges and discharge data from publicly owned treatment works (POTWs). These data are used along with groundwater modeling to assess the extent of hydraulic control.

HCMP Annual Report

In January 2004, the RWQCB amended the Water Quality Control Plan (Basin Plan) for the Santa Ana River Basin to incorporate an updated total dissolved solids (TDS) and nitrogen (N) management plan. The Basin Plan Amendment includes both "antidegradation" and "maximum benefit" objectives for TDS and nitrate-nitrogen for the Chino and Cucamonga groundwater management zones. The application of the "maximum benefit" objectives relies on Watermaster and IEUA's implementation of a specific program of projects and requirements, which are an integral part of the OBMP. On April 15, 2005, the RWQCB adopted resolution R8-2005-0064; thus approving the Surface Water Monitoring Program and Groundwater Monitoring Program in support of maximum benefit commitments in the Chino and Cucamonga Basins.

Pursuant to the Basin Plan Amendment and the Watermaster/IEUA permit to recharge recycled water, Watermaster and IEUA have conducted groundwater and surface water monitoring programs. During this reporting period, Watermaster measured 641 manual water levels at private wells throughout the Chino Basin, conducted two quarterly downloads at the 130 wells containing pressure transducers, and collected 66 groundwater quality samples, and 212 surface water quality samples. Quarterly Surface Water Monitoring Program reports that summarize data collection efforts were submitted to the RWQCB in January and April of 2009. The Chino Basin Maximum Benefit Monitoring Program 2008 Annual Report was submitted in April 2009.

Chino Basin Groundwater Recharge Program

IEUA, Watermaster, CBWCD, and the SBCFCD jointly sponsor the Chino Basin Groundwater Recharge Program. This is a comprehensive water supply program to enhance water supply reliability and improve the groundwater quality in local drinking water wells throughout the Chino Basin by increasing the recharge of storm water, imported water, and recycled water. The recharge program is regulated under RWQCB Order No. R8-2007-0039 and Monitoring and Reporting Program No.R8-2007-0039.

Recharge Activities. On-going recycled water recharge occurred in the Brooks, 8th Street, Hickory, Turner, RP-3, and Ely Basins this reporting period.

Monitoring Activities. Watermaster and IEUA collect weekly water quality samples from basins that are actively recharging recycled water and from lysimeters installed within those basins. During this reporting period, approximately 271 basin and lysimeter samples were collected and two recycled water samples were collected for alternative monitoring plans that include the application of a correction factor for Soil-Aquifer Treatment determed from each bains's start-up period. Monitoring wells located downgradient of the recharge basins were sampled quarterly at a minimum, however, some monitoring wells were sampled more frequently during the reporting period for a total of 108 samples.



New Radio Antenna for the SCADA system

CALIFORNIA GOVERNOR
ARNOLD
SCHWARZENEGGER HAS
DEMANDED THAT PRESIDENT
BARACK OBAMA'S CABINET
RETHINK FEDERAL POLICY
THAT WOULD DIVERT
WATER FROM PARCHED
FARMS AND CITIES TO
THREATENED FISH.

"I AM CONCERNED THAT
THE CATASTROPHIC
IMPACTS OF THE CURRENT
CRISIS ON OUR ECONOMY
AND ENVIRONMENT COULD
TAKE DECADES TO REVERSE
AND SIGNIFICANTLY
HAMPER ANY LONG-TERM
SOLUTIONS"



Victoria Basin

Program Element 1: Develop and Implement a Comprehensive Monitoring Program (Continued)



Rubber dam inflated near Lower Day Basin

Construction Activities. Lysimeters and monitoring wells associated with the 7th and 8th Street Basins were installed in the first half of fiscal year (FY) 2007/08. There have been no further construction activities since that time.

Reporting. Watermaster and IEUA completed the following required reports concerning the recharge program during the reporting period:

- 4Q08 Quarterly Report, submitted to the RWQCB February 2009
- 1Q09 Quarterly Report, submitted to the RWQCB May 2009

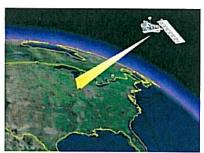
Land Surface Monitoring

The MZ-1 Subsidence Management Plan (MZ-1 Plan) was approved by Watermaster in October 2007, and was approved by the Court in November 2007 which ordered its implementation (see Program Element 4: Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1). The MZ-1 Plan calls for a number of activities with the goal of minimizing or completely abating the future occurrence of land subsidence and ground fissuring in Chino Basin. Some of these activities include:

- Continuing the scope and frequency of monitoring within the so-called Managed Area (southwest MZ-1) that was conducted during the period when the MZ-1 Plan was being developed.
- Expanding the monitoring of the aquifer system and land subsidence into other areas of MZ-1 and Chino Basin where the data indicate concern for future subsidence and ground fissuring.
- Monitoring of horizontal strain across the historical fissure zone.
- Further evaluating the potential contribution of pumping in the central and northern portions of MZ-1 on groundwater conditions in the central and southern portions of MZ-1.
- Conducting additional testing and monitoring to refine the Guidance Criteria.
- Developing alternative pumping plans for the MZ-1 producers that are impacted by the MZ-1 Plan.
- Constructing and testing a lower-cost extensometer facility at Ayala Park.
- Evaluating and comparing ground-level surveying and InSAR, and recommending future monitoring protocols for both techniques.
- Conducting an ASR (aquifer injection and recovery) feasibility study at a production well owned by the City of Chino Hills within the Managed Area.
- Providing for recovery of groundwater levels.

With regard to monitoring and testing, Watermaster began or continued the implementation of some of these activities called for in the MZ-1 Plan. During this reporting period these activities included:

> The continuation of detailed water-level monitoring at wells within the Managed Area and at wells in central MZ-1.



Use of InSAR to monitor subsidence

Page 4

Program Element 1: Develop and Implement a Comprehensive Monitoring Program (Continued)

- Replacement of two water-level-recording transducers at wells where these transducers have failed after about seven years of reliable service.
- Continuation of monitoring and maintenance at the Ayala Park Extensometer Facility. This includes monitoring at the
 newly installed lower-cost pair of cable extensometers within two piezometers at Ayala Park to test this technology
 for possible application in other parts of the Basin.
- Collection of InSAR data from radar satellites during all six months of the reporting period, which will be analyzed for land surface displacement in early 2010.
- Collection of vertical and horizontal strain data across the historical zone of ground fissuring during April 2009, which will be analyzed for land surface displacement in early 2010.

Program Element 2: Develop and Implement a Comprehensive Recharge Program

Construction on the Chino Basin Facilities Improvement Project (CBFIP) Phase I was completed by December 31, 2005 at a cost of \$38M; 50-percent from a State Water Resources Control Board (SWRCB) Proposition 13 Grant, and 25-percent each from Watermaster and IEUA. A CBFIP Phase II list of projects was developed by Watermaster and IEUA, including monitoring wells, lysimeters, recycled water connections, Supervisory Control And Data Acquisition (SCADA) system expansions, three MWDSC turnouts, and berm heightening and hardening. At a cost of approximately \$10.5M, these Phase II facilities were financed through a 50-percent Grant from DWR and 25-percent each from Watermaster and IEUA.

In FY 2007/08, the CBFIP Phase I facilities were able to recharge approximately 13,000 Acre-Feet (AF) of storm and recycled water. With the completion of the Phase II facilities by October 2009, the total recharge capacity will be about 96,000 AF. By the start of FY 2009/10, most of the basins will be able to operate on a 12 months-per-year basis with combinations of storm, imported, and recycled water, with occasional downtime for silt and organic growth removal. Operations and basin planning are coordinated through the Groundwater Recharge Coordinating Committee (GRCC), which met quarterly during this reporting period.

Because of the drought and Delta water quality, water supply, and environmental issues, MWDSC has been unable to provide replenishment water to southern California since May 1, 2007. This greatly restricts Watermaster's ability to recharge recycled water, since the California Department of Public Health requires that approximately four parts of diluent water (imported or storm water) be blended with each part of recycled water. Watermaster and IEUA are working closely with DPH and the Regional Water Quality Control Board to reduce the blend ratio. For this reporting period, about 5,300 AF of storm and recycled water were recharged.

Preparation of the Recharge Master Plan update is underway, in satisfaction of Condition Subsequent No. 5. On March 28, 2008, the initial meeting of the Recharge Master Plan group occurred. A detailed outline of the scope and content of the Recharge Master Plan update was filed with the Court for approval on June 30, 2008. A progress report was provided to the Court on January 1, 2009. Since that time the Court has relieved Watermaster of the semi-annual project reporting. During the reporting period two technical memoranda have been prepared and workshops were conducted for project stakeholders. The project website has been maintained as a receptacle for project references, memoranda, meeting notes and presentations. The final updated Recharge Master Plan is due to the Court by July 1, 2010.

Recharge Activities 3500 Α 3000 C 2500 Recycled 2000 Storm 1500 Imported 1000 500 Jan Feb Mar Apr May

Page 5

Program Element 3: Develop and Implement Water Supply Plan for the Impaired Areas of the Basin; and Program Element 5: Develop and Implement Regional Supplemental Water Program

Construction of the Chino I Desalter Expansion and the Chino II Desalter facilities was completed in February 2006. As currently configured, the Chino I Desalter provides 2.6 million gallons per day (MGD) of treated (air stripping for VOC removal) water from Wells Nos. 1-4, 4.9 MGD of treated (ion exchange for nitrate removal) water from Well Nos. 5-15, and 6.7 MGD of treated (reverse osmosis for nitrate and TDS removal) water from Wells Nos. 5-15 for a total of 14.2 MGD (15,900 AFY). The Chino II Desalter provides 4.0 MGD of ion exchange treated water and 6.0 MGD of reverse osmosis treated water from eight additional wells for a total of 10.0 MGD (11,200 AFY).

During the reporting period, negotiations continued between the Chino Desalter Authority (CDA) and Western Municipal Water District (WMWD) to allow WMWD to join the CDA and to expand the Chino II Desalter by 10.5 MGD (11,800 AFY). The CDA approved WMWD membership in November 2008. Planning and engineering investigations related to the expansion are ongoing. The expansion will be completed in 2013. Raw water will be drawn from existing CDA II wells, and possible additional new wells, if needed. In addition, a new Chino Creek Desalter Well Field, required for the hydraulic control commitment associated with Maximum Benefit, will provide additional raw water to the Chino I Desalter, enabling some existing wells to direct production to the expanded Chino II Desalter facility, if approved by the Chino Basin Desalter Authority.

Program Element 4: Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1 and Management Zone 3

MZ-1 Management Plan

Because of the historical occurrence of pumping-induced land subsidence and ground fissuring in southwestern Chino Basin (southern MZ-1), the OBMP called for the development and implementation of an interim management plan for MZ-1 that would:

- Minimize subsidence and fissuring in the short-term,
- Collect information necessary to understand the extent, rate, and mechanisms of subsidence and fissuring, and
- Formulate a management plan to reduce to tolerable levels or abate future subsidence and fissuring.

From 2001-2005, Watermaster developed, coordinated, and conducted an Interim Monitoring Program (IMP) under the guidance of the MZ-1 Technical Committee, which is composed of representatives from all major MZ-1 producers and their technical consultants. The IMP was an aquifer-system and land subsidence investigation focused in the southwestern region of MZ-1 that would support the development of a long-term management plan to minimize and abate subsidence and fissuring (MZ-1 Plan). The IMP involved the construction of highly-sophisticated monitoring facilities, such as deep borehole extensometers and piezometers, the monitoring of land surface displacements through traditional ground-level surveys and remote-sensing techniques, the detailed monitoring of the aquifer system with water-level-recording transducers installed at an array of production and monitoring wells, and the purposeful stressing of the aquifer system through multiple controlled pumping tests.

The investigation methods, results, and conclusions are described in detail in the MZ-1 Summary Report, dated February 2006. The investigation provided enough information for Watermas-

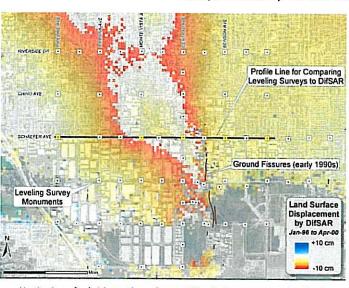
Program Element 4: Develop and Implement a Comprehensive Groundwater Management Plan for Management Zone 1 and Management Zone 3 (Continued)

ter to develop Guidance Criteria for the MZ-1 producers in the investigation area that, if followed, would minimize the potential for subsidence and fissuring during the completion of the MZ-1 Plan. The Guidance Criteria included a listing of Managed Wells and their owners subject to the criteria, a map of the so-called Managed Area, and an initial threshold water level (Guidance Level) of 245 feet below the top of the PA-7 well casing. The MZ-1 Summary Report and the Guidance Criteria were adopted by the Watermaster Board in May 2006. The Guidance Criteria formed the basis for the MZ-1 Plan, which was approved by Watermaster in October 2007. The Court approved the MZ-1 Plan in November 2007 and ordered its implementation.

During this reporting period, Watermaster continued implementation of the MZ-1 Plan with the exception of the implementation of prescribed groundwater level recovery periods (see Land Surface Monitoring under Program Element1: Develop and Implement a Comprehensive Monitoring Program). A new scope of work for FY 2009/10 was developed by the MZ-1 Technical Committee and was approved for implementation by Watermaster. All data collected during 2008, including InSAR, ground-level survey, extensometer, and groundwater-level data, were compiled, analyzed, and are being included in the 2008 MZ-1 Annual Report which will be published during the next reporting period.

MZ-3 Monitoring Program

Watermaster performed a groundwater investigation to characterize groundwater levels and quality in Management Zone 3 (MZ-3) of the Chino Basin. The OBMP Implementation Plan states that MZ-3 is hydrologically out of balance and that new storm water and supplemental water recharge will be required to keep MZ-3 in balance. The blend of storm water, imported water, and recycled water used in the future to hydrologically balance MZ-3 must be of a quality to protect beneficial uses and comply with the proposed Title 22 regulations for planned recharge projects that use recycled water. Watermaster drilled, installed, developed, and sampled two nested, multiple-depth piezometers in the projected path of the Kaiser Steel plume, which is an immediate threat to potable supply wells owned by the City of Ontario and Jurupa Community Services District. The monitoring program also incorporated four quarters of



Monitoring of subsidence through use of Synthetic aperture radar (SAR)

sample collection and analyses from 22 wells in MZ-3 to assess other groundwater quality issues, including total dissolved solids (TDS), nitrate, and perchlorate. Watermaster also continued to download transducer data from the six new monitoring wells. The perchlorate may have originated from the Mid-Valley Landfill (in Rialto Basin, across the Rialto-Colton fault) or it may be a non-point source that resulted from the historical application of Chilean fertilizer. Watermaster completed and submitted the final report to the California Department of Water Resources (DWR) in December 2008, in partial fulfillment of the AB303 Grant requirements. In January 2009, Watermaster coordinated with IEUA staff to ensure that DWR's comments were addressed in the letter addendum to the Technical Memorandum. On March 19, 2009 the project was formally accepted by DWR, who issued a very good Grantee Performance Evaluation, which covered all aspects of grant project performance such as project completeness, budget, timeliness, compliance, reporting, invoicing and communication.

Program Element 6: Develop and Implement Cooperative Programs with the Regional Water Quality Control Board, Santa Ana Region (Regional Board) and Other Agencies to Improve Basin Management; and Program Element 7: Develop and Implement a Salt Management Program

Ontario International Airport

Watermaster coordinated with EcoGeo and GeoTrans, Inc. regarding the drilling schedule for the Ontario International Airport (OIA) monitoring wells and provided technical input on the well design for MW-4. Watermaster reviewed EcoGeo monthly reports and received electronic data deliverables that were uploaded into Watermaster's database. Watermaster began coordination with the OIA parties for rounds of split sampling of the recently installed OIA monitoring wells.

Chino Airport

Watermaster coordinated with the County of San Bernardino, Department of Airports (County) and exchanged pertinent well, water level, and water quality for wells that the County has installed and for wells that Watermaster samples. Watermaster prepared a map that shows all current Chino Airport monitoring wells, planned Chino Creek Desalter wells (as described in Carollo Engineers Preliminary Design Report, dated May 2009), proposed Chino Airport monitoring wells, groundwater flow vectors, and nearby private wells. This map is to be used in working with the County to possibly locate one of their proposed nests of monitoring wells to a location that, while still addressing the County's needs, would also be beneficial to Watermaster's HCMP. This would result in substantial cost savings to Watermaster parties.

Perchlorate in MZ-3

A regional study, the Cross-Fault Isotope Study, whose objective is to determine the source of the wide-spread, low-level perchlorate in groundwater in MZ-3, was proposed and Watermaster was asked to participate. The project is to be funded by the Environmental Security Technology Certification Program (ESTCP), which is a Department of Defense (DoD) program that promotes innovative, cost-effective environmental technologies through demonstration and validation at DoD sites. Watermaster met with the parties involved in the study, contacted the University of Illinois/Chicago – who would perform the isotope work, and helped draft the study work plan. Watermaster's role in this study is to provide feedback and review, but not to fully participate or contribute funding to the study.

Hexavalent Chromium

Watermaster intelligence suggested that the California Environmental Protection Agency's Office of Environmental Health Hazard Assessment (OEEHA) was considering the adoption of a Public Health Goal (PHG) below 1 ug/L for hexavalent chromium. Watermaster queried its database and created summary tables and maps describing the prevalence and extent of hexavalent chromium in groundwater in the Chino Basin. Watermaster reviewed the Regional Board minutes from 1958, which details a release of chromic acid waste (hexavalent chromium) from the GE Flat Iron facility into the City of Ontario sewer system in 1948. Watermaster attended a meeting at the Regional Board on April 8, 2009 to discuss the chromic acid disposal issue. Watermaster also compiled historical maximum nitrate, TCE, and hexavalent chromium data for the Chino Basin by decade (1950s, 1960s, 1970s, 1980s, and 1990s) and created completed maps of these constituents overlying the 1938 aerial photograph showing Cucamonga Channel. These maps clearly show that contaminants could have percolated in an area to the east of the current Cucamonga Channel, due to stream braiding.

Crown Coach Facility

Watermaster reviewed the report, "Effectiveness of Remedial Actions – Former Crown Coach Facility, Chino, California." This report was prepared for the General Electric Company (GE) by AMEC Geomatrix and asked the Regional Board for a finding of No Further Action. Watermaster met with the Regional Board on May 27, 2009 and prepared a comment letter that petitioned the Regional Board to have GE continue monitoring the TCE plume because the concentrations are still quite high and there are no data to suggest that the plume has not reached the main aquifer.



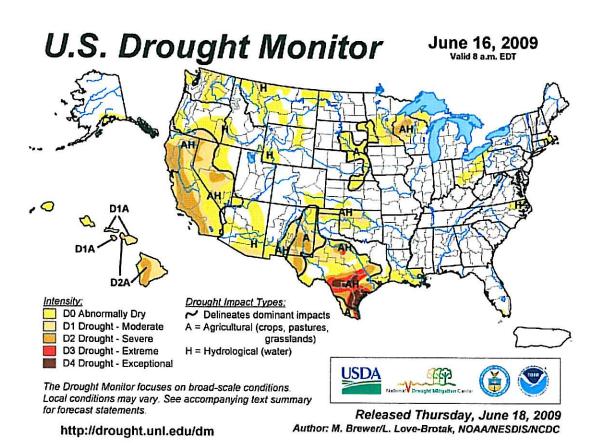
DROUGHTS DIFFER FROM **TYPICAL EMERGENCY EVENTS SUCH AS** FLOODS OR FOREST FIRES, IN THAT THEY OCCUR SLOWLY OVER A MULTIYEAR PERIOD. DROUGHT **IMPACTS INCREASE WITH** THE LENGTH OF A DROUGHT, AS **CARRY-OVER** SUPPLIES IN **RESERVOIRS ARE DEPLETED AND** WATER LEVELS IN **GROUNDWATER** BASINS DECLINE.

Program Element 8: Develop and Implement a Groundwater Storage Management Program; and Program Element 9: Develop and Implement a Storage and Recovery Program

The existing Watermaster/IEUA/MWDSC Dry-Year Yield (DYY) program continued during the reporting period. All DYY program construction projects have been completed and are currently being used for a DYY take, or removal from storage.

Due to the current drought conditions throughout the state of California, Metropolitan has not provided water for the DYY account since April 2007. As of April 30, 2008, about 86,000 AF had been stored in the Basin in Metropolitan's DYY account. On May 1, 2008, Metropolitan called for the parties to begin withdrawing water from the DYY account in the amount of 33,000 AF per 12-month period. At the end of the calendar year, the account balance was 34,493 AF.

In February 2008, the DYY Expansion Project was initiated by IEUA and Watermaster to evaluate increasing the DYY storage account. The purpose of the DYY Expansion Project was to determine the facilities needed to store up to 150,000 AF and to recover up to 50,000 AFY. The expansion project analysis was completed in December 2008. The expansion project evaluated the technical, financial, and institutional frame work for individual projects to move forward. Negotiations to-date related to actual projects and the amount of expansion have not resulted in any planned expansion projects.



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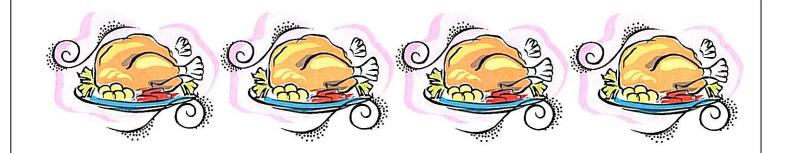
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II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNCEL REPORT

3. Implementation of Plan B for Purchase of Overlying Non-Agricultural Pool Water



Plan Regarding Disposition of Water Purchased from the Non-Agricultural Pool Pursuant to the Peace II Purchase and Sale Agreement

November 5, 2009

- (1) By December 21, 2009, Watermaster, under the direction of the Appropriative Pool, will send the Notice of Intent to Purchase pursuant to the Purchase and Sale Agreement.
- (2) A Special Assessment will be levied by Watermaster on the Appropriative Pool in an amount necessary to fund the purchase of the water. This assessment shall be levied according to a 50/50 split between shares of Operating Safe Yield and the previous year's production. The previous year's production shall be calculated as the average of columns 2L and 2J from the Pool 3 Water Production Summary in the 2008-2009 Watermaster Assessment Package. The assessment allocation used for the first installment of the purchase price shall also be used for the subsequent three installments.
- (3) All purchased water shall be placed into a Watermaster storage account called the Purchased Water Account.
- (4) Watermaster shall hold the Purchased Water Account in trust for the members of the Appropriative Pool, and shall allocate the water held in the Purchased Water Account according to direction from the Appropriative Pool. However, pursuant to the Purchase and Sale Agreement and the Peace II Agreement, the water may only be used pursuant to a Storage and Recovery Program or for use as Desalter Replenishment.
- (5) Watermaster shall assess losses against the Purchased Water Account at the same rate as loses are assigned against all other Local Storage accounts.
- (6) The water held in the Purchased Water Account shall remain exportable pursuant to the Court's August 11, 2009 Order. As exportable water, the water in the Purchased Water Account shall be designated as Supplemental Water.
- (7) If the water in the Purchased Water Account is sold pursuant to a Storage and Recovery Program, at auction or otherwise, then each Appropriator shall be reimbursed from the sale proceeds in an amount equal to the amount assessed to purchase the water, without interest.
- (8) If the water in the Purchased Water Account has not been utilized in a Storage and Recovery Program or Desalter Replenishment within 3 years from the date it is placed into the storage account, then the Appropriative Pool may elect to distribute the water according to the same formula used to allocate the cost of purchasing the water from the Non-Agricultural Pool.

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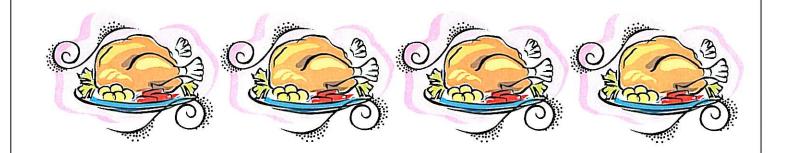
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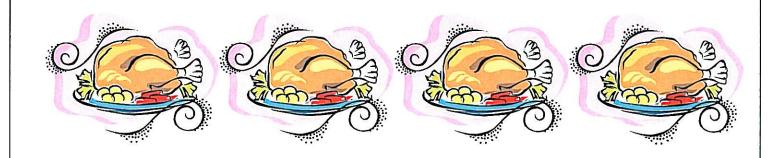


CHINO BASIN WATERMASTER

II. REPORTS / UPDATES

D. INLAND EMPIRE UTILITIES AGENCY

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



CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

November 19, 2009

AGENDA

INTERAGENCY WATER MANAGERS' REPORT

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

Discussion Items:

- Recycled Water Update (oral)
- Status Report on DYY and Drought Allocation Implementation (oral)

Written Items:

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

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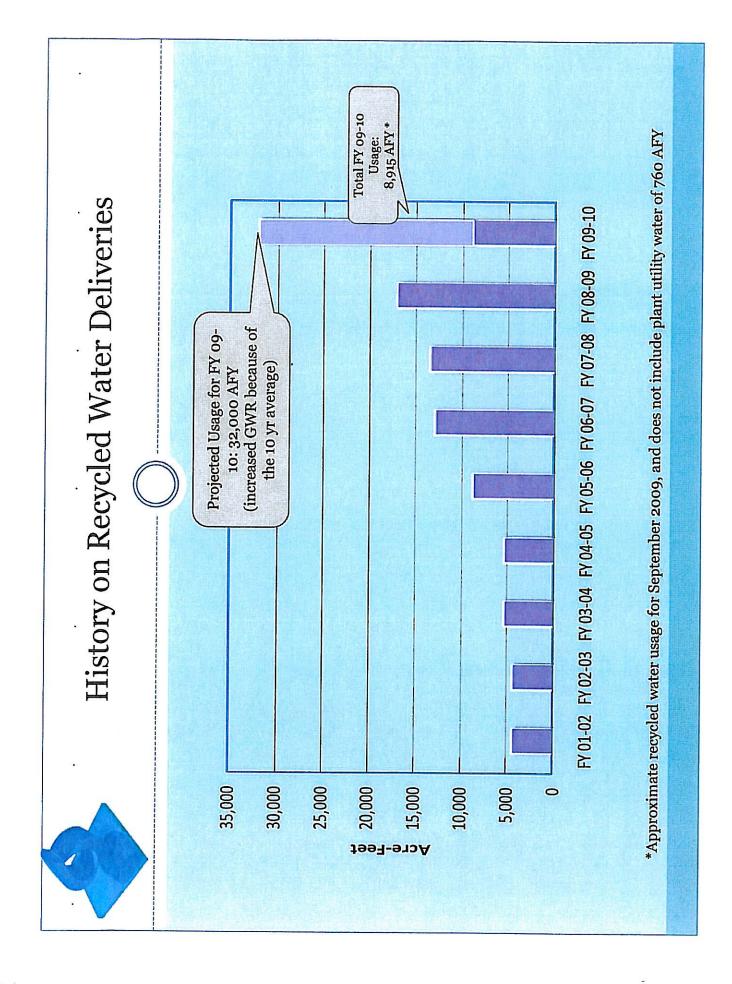
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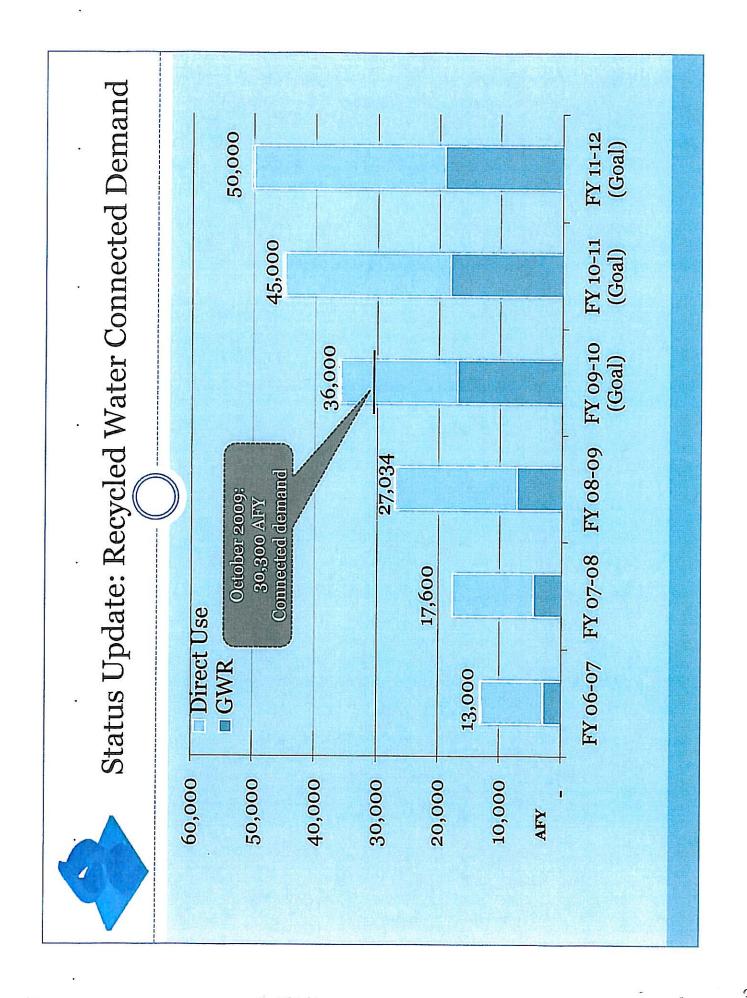
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RECYCLED WATER PROGRAM UPDATE

NOVEMBER 2009









Status Update: New Connections in September 2009

- Recent Connections:
- Haliburton (Ontario: 6 AFY)
- Caterpillar Logistics (Ontario, 5 AFY)
- Spectrum Business Center (Ontario, 3 AFY)
- MT Airport (Ontario, 4 AFY)
- Kohl's (Ontario, 9 AFY)
- Vintage Apts (Ontario 10 AFY)
- Lee Farm on Whispering Lakes Lane (Ontario, 1,200 AFY)

Total New Connected Demand September 2009: 1,237 AFY

Total Connected	471*	30,300
FY to Date	18	3,266
	Total Customers	Demand

*Reported are total number of recycled water meters



Status Update: New Connections



Upcoming Connections (30 – 90 days):

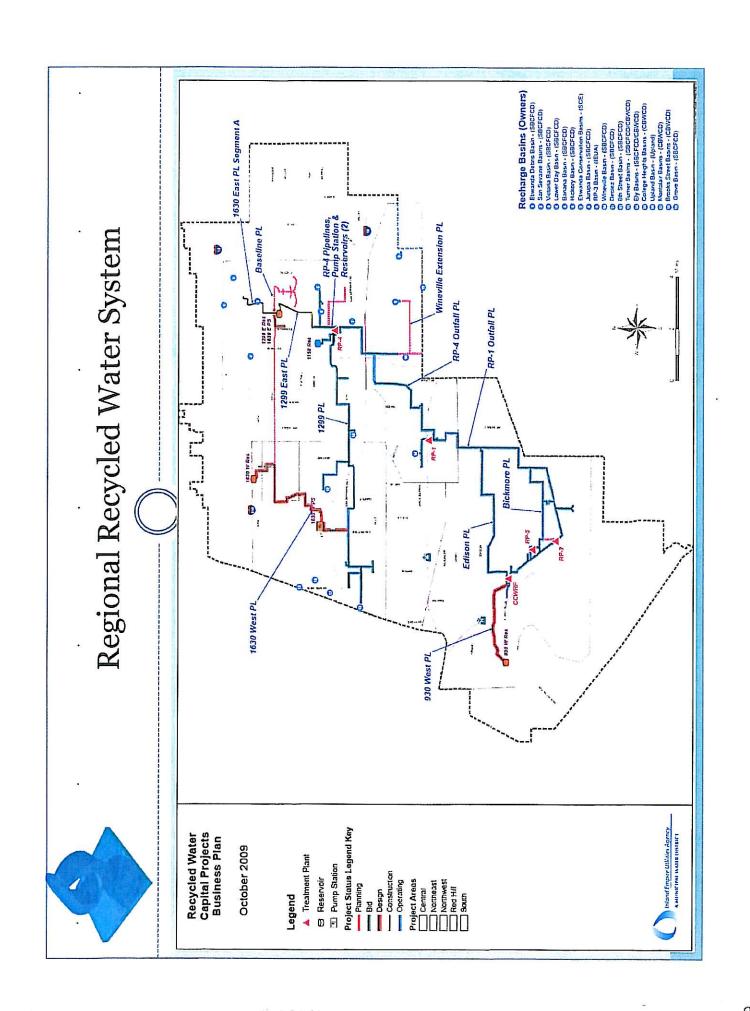
- Cal Poly, CIM North Connection (Chino: 1,200 AFY)
- Vellano Golf Course (Chino Hills: 800 AFY)
- Lehigh ES (Montclair: 16 AFY)
- Montclair Hospital (Montclair: 10 AFY)
- Montclair HOA (Montclair: 40 AFY)
- Lady of Lourdes School/Church (Montclair: 15AFY)
- Euclid Median (Ontario: 27 AFY)
- Lee Farm on Whispering Lakes Lane (Ontario: 1,200 AFY)
- Lee Farm on Edison Avenue at Vineyard Ave (Ontario: 1,200 AFY)
- Lee Farm on Chino Avenue at County Rd (Ontario: 1,200 AFY)
- Kellogg on Schaeffer Avenue (Ontario: 200 AFY)

Anticipated Connected Demand: 5,908 AFY (~5 MGD)



Status Update: Customer Connection Plan

	9 Total	1,200	800	3,827	81		5,908
tions (ALFY)	Jan 09				81		81
Projected Direct Use Connections (AFY)	Dec 09			1,200			1,200
ected Direct	Nov 09	1,200	800	2,627			7) 4,627
Proj		Chino	Chino Hills	Ontario	MVWD/Montclair	CVWD	Total (AFY)





Status Update: Northeast Area

The Northeast Area project primarily serves recycled water to CVWD service

construction Project Actual Cost Status ted Jun-10 \$5,375,000 \$865,345 Construction ted Jun-10 \$8,700,000 \$1,111,000 Construction ted Jun-10 \$8,500,000 \$1,175,006 Construction ress Jul-10 \$1,750,000 CVWD Final Design ted Feb-10 \$1,500,000 \$111,325 Construction	area in the Cities of Fontana and Rancho Cucamonga. Estimated connected demand is 10,120 AFY
Jun-10 \$5,375,000 \$865,345 Jun-10 \$8,700,000 \$1,111,000 Jul-10 \$1,750,000 \$1,175,006 Feb-10 \$1,500,000 \$111,325	Design
Jun-10 \$8,700,000 \$1,111,000 Jun-10 \$8,500,000 \$1,175,006 Jul-10 \$1,750,000 CVWD Feb-10 \$1,500,000 \$111,325	Completed
Jun-10 \$8,500,000 \$1,175,006 Jul-10 \$1,750,000 CVWD Feb-10 \$1,500,000 \$111,325	Completed
Jul-10 \$1,750,000 CVWD Feb-10 \$1,500,000 \$111,325	Completed
Feb-10 \$1,500,000 \$111,325	In-Progress
	Completed



Status Update: Capital Projects Summary

Project	Design	Construction	Project Cost	Status	Demand
NE Area Regional Facilities Completed	Completed	Summer 2010	\$28,000, 000 Construction	Construction	10,120
NW Area Regional Facilities	Summer 2010	Winter 2011	\$31,000,000	Pre Design	1,300
Southern Area Regional Facilities	Summer 2010	Winter 2011	\$18,000,000	Pre Design	4,900
Central Area Regional Facilities	On Hold	On Hold	\$15,000,000	Pre Design	3,100
					The second secon



Status Update: RW Capital Projects Summary

	Updated I Cost (Willfons)	Demand (ANFY)	Updated Cost (Cost (AIFY)Cost (\$/AIFY)Incremental RW RaiteMillions)RW Raite	Incremental RW Rate
Northeast Area 😭	\$28	10,000	2800	23.8
Northwest Area	27 - 31	1,300	1,300 21,000 - 24,000	177 - 200
Village of Heritage	10 - 11	1,063	1,063 9,400 - 10,350	80 - 88
Central Area	13 - 15-5	3,100	4,200 - 5,000	36 - 43
Southern Area	15 - 18	4,900	3,060 - 3675	26 - 31
Agricultural Demands	9 - 11	10,000	900 - 1,100	8-9
Agricultural Demands	12.5 - 15	12,000	1,040 - 1,250	9-11
Southern Area and Ag Demands	24 - 29	14,900	1,610 - 1,950	14 - 17

Notes

These projects have a benefit over the costs/demands stated because of the Regional Storage that is made available

☐Incremental Recycled Water Rate Assumptions:

°Calculated for each area, assuming 25% Grant, 75% Loan at 2%, and the incremental cost to repay the associated debt service for each area Does not calculate the recycled water rate for the entire service area, or other subsidies received by the program



Recycled Water Capital Projects Priorities

Priority	1	ત	2	Ø	က	6
Benefit	Increase peak RW availability from RP-4 to the south zone by another 7 - 14 MGD	Processing Purchase To validate member agency reports and account Order for variances in the revenue	To validate member agency reports and account for variances in the revenue	To validate member agency reports and account for variances in the revenue	Collect zone demand data to better optimize and operate the system; will be useful in sizing future reservoirs	Reduce chemical, power costs and reduce excess water delivery to Prado Lake (no revenue source)
Status	Bid	Processing Purchase Order	Awaiting response (Ont)	Awaiting response (Chino)	Initial Evaluation	Initial Evaluation
Project Cost Estimate	\$185,000	\$42,500	\$15,000	\$15,000	\$160,000	\$160,000
Description	RP-1 1158 to 1050 PRV	Flow Meter Calibration – Plants	Flow Meter Calibration – Ontario	Flow Meter Calibration – Chino	930 - 800 Flow Meter	Prado Lake Discharge Control Valve



Recycled Water Capital Projects Priorities

Priority	4	ro	9	L	
Benefit	Allow the unused RW of ~6 - 8 MGD into the 800 zone distribution system (inlcludes dechlorination pump station to Chino Creek Park)	The pumps have reached capacity, and the additional supply available cannot be supplied to the South without the increase in the pump capacity. Also needed for reliability and redundancy since all pumps at present are operational	All pumps at present are running, with no back-up pumps. Need a backup pump	Allow the possibility to bill monthly Regional Facilities with just the regional RW meters, as opposed to the use of the member agency meters; exception would be the utilization of the meters along 4th street located, CVWD customers.	
Status	Initial Evaluation	Initial Evaluation	Initial Evaluation	Initial Evaluation Completed	
Project Cost Estimate	\$1.5 - \$3 Million	\$900,000	\$500,000	\$70,000	\$3.5 M - 5 M
Description	RP-5 UWPS Upgrades	Install fifth pump at 930 PZ at RP-1	RW Pumping at CCWRF	Installation of (2) Regional Flow Meters to segregate MVWD, Chino and Ontario	TOTAL

These projects are short term with high priorities, and at this time, not included as part of SRF Loan Applications

IEUA

INLAND EMPIRE UTILITIES AGENCY

Water Resources and Conservation Programs

Monthly Report

NOVEMBER 2009 (REPORTING OCTOBER 2009 DATA)

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

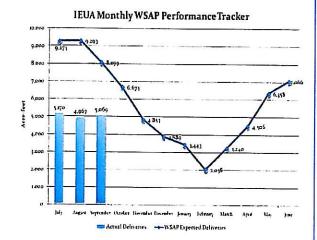
Metropolitan Water District http://mwdh2o.com/

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

http://www.ieua.org

Water Use Trends

For the first three months of performance under the MWD Water Supply Allocation Plan, IEUA's service area has taken delivery of 15,206 AF which is 43% under the Plan's expected delivery of 26,645 AF. Overall, the combined regional deliveries to MWD's service area were 12% less than anticipated under the Plan.



Conservation Report

The FY 2008-2009 IEUA Annual Conservation Programs Report was completed on October 5. Over the last fiscal year, direct water savings achieved through regional water conservation programs increased by 50% over the prior year's average. It was a record breaking year with an estimated annual reduction of 963 acre-feet. Last year's activity represents the highest level of recorded water savings since the regional programs began in 2002-2003. The full report and supporting materials can be found on IEUA's website at www.ieua.org/news reports/misc.html.

Drought Update

October 1 is the start of the new water year, with concerns about a fourth consecutive year of drought, serious water shortages and uncertain weather ahead. As of September 1, statewide precipitation was at 85 % for the year. Water Year 2007-08 was even drier, resulting in only 63 % of average annual precipitation. Water Year 2008-09 was slightly better, bringing 72 % of average annual precipitation.

Water Supply News

The Operating Committee certified that that the DYY performance for the first year of the program achieved its performance goals. Overall, the participating agencies reduced MWD deliveries by 33,000 AF.

IEUA distributed the draft Annual Water Use Report for FY 2008-2009. Overall demand has dropped by 22,000 AF since 2006-2007 (from 255,000 AF to 233,000 AF). The draft report and supporting materials can be found on IEUA's website at www.ieua.org/news_reports.

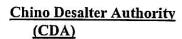
IEUA Water Supply Programs

Imported Water Deliveries

For the month of September, IEUA purchased 5,069 acre feet (AF) of Tier I water, increasing the cumulative total for the calendar year to 43,596 AF (see graph below).

Dry Year Yield (DYY) Program

Through September of the second "call" year, IEUA DYY participants have certified that they have pumped 17,073 AF (55% of IEUA's obligation of 31,000 AF) from the groundwater storage account. The City Pomona has also certified 2,000 AF.



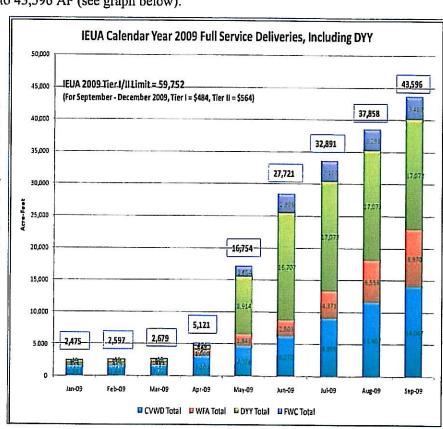
For the month of September, the two desalters produced 2,144 AF of water (of which 1,235 AF was delivered to IEUA retail agencies). The current production capacity is 24,600 AFY and it

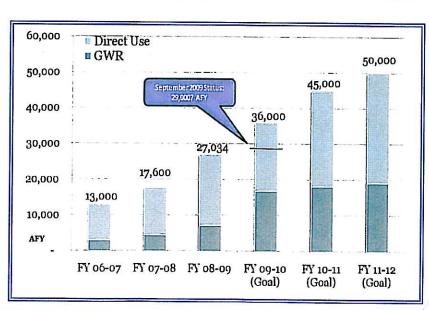
is scheduled to be expanded to approximately 40,000 AFY by 2012, with the implementation

of CDA Phase III.



During the month of August, IEUA sold 3,779 AF (2,810 AF = direct sales, 209 AF = recharge, 760 AF = plant use). As of September 2009, 29,000 AF have been connected.





Conservation Program News

Comprehensive Water Package

The California Legislature was unable to reach agreement on the Comprehensive Water Package at the end of the legislative session and has spent the month in intense negotiations over the proposed bills and bond measure. The Governor called a special water session at the end of September based upon the level of progress that had been made in working out issues related to conservation, groundwater monitoring and the bond. A formal vote is not expected to take place until late October.



DWR Workshop AB 1881 Model Landscape Ordinance

The Department of Water Resources held a workshop on its AB 1881 Model Ordinance at IEUA on October 22nd. The purpose of the workshop was to review the requirements of the AB 1881 legislation and to present the Model Landscape Ordinance that was recently released by DWR. Cities and Counties are required to adopt a model landscape ordinance that is "at least as effective" as the DWR model ordinance by December 31, 2009. The Inland Empire Landscape Alliance completed its regional model ordinance in February which addresses all of the elements included in the DWR model ordinance.

MWD Conservation Programs—Rebates

MWD Conservation Programs re-launched on September 21 with substantially reduced rebate incentives. IEUA has augmented those incentives by adding additional funding to specific devices in both the So-Cal Water \$mart and Save-A-Buck Programs. Approximately \$90,000 was recommended and approved in the IEUA FY 2009-2010 budget to prepare for MWD incentive reductions. To date, the residential program has consumed only 4% of the FY 2009-2010 budget while the commercial, industrial, institutional program has consumed 50%.

MWD Conservation Programs—Enhanced Conservation Grant Program

In March 2009, IEUA submitted two grant proposals to MWD's Enhanced Conservation Program for water budget development and residential water surveys. On September 21, 2009, MWD notified IEUA of the cancellation of this program due to the budget constraints.

MWD Conservation Programs—Initial Long-Term Program Plan

On September 17, MWD presented their initial long-term plan for administering regional conservation programs. Some of those priorities included evaluation of MWD's role in water use efficiency locally, regionally, legislatively, etc. MWD's objectives included meeting resource goals, meeting legislative expectations, maintaining a regional image, and maintaining budget sustainability and efficiency. Many member agencies expressed concern about the development of this initial plan as there was no inclusion of member agency staff in the process and no regional collaboration. MWD staff has since revisited this approach and will be presenting a revised process to develop long-term strategies. An MWD Board Letter is planned for presentation in March 2010.

Conservation Activities & Outreach

Inland Empire Landscape Alliance & Model Landscape Ordinance

Inland Empire Utilities Agency (IEUA) is the recipient of Rain Bird Corporation's prestigious 2009 Intelligent Use of Water - State of the Union Award for its innovative Inland Empire Landscape Alliance Program. The Inland Empire Landscape Alliance was honored by Rain Bird as being one of the most innovative and successful programs in the country to develop a collaborative approach to outdoor water conservation. The Alliance developed a model regional landscape ordinance and a successful pilot landscape rebate program to encourage the removal of turf and use of water efficient plants. Cities participating in the Alliance are bringing their ordinances to their respective councils during November/December. The next Alliance meeting is scheduled for Wednesday, November 18 at IEUA at 3:30 pm.

Multi-Family Direct Installation Program

The Multi-Family Direct Installation Program has been on hold since January 2009 due to the State bond fund suspension. On September 27, IEUA received authorization from the Department of Water Resources to restart the multi-family direct installation program and anticipates the re-launch of this program within the next 90 days. Since the suspension of the State bond funds, MWD, who provides a cost share in this program, reduced their funding levels by 50% for member agency administered programs. As a result, staff is currently working with the vendor and DWR to negotiate terms under the reduced funding structure in order to re-launch the program without changing the original grant terms. In addition, staff must issue an amendment to the vendor contract for the funding change and a contract extension. Upon completion of these items, the vendor will be authorized to re-start the work. The Multi-Family Direct Installation Program began in October 2006 through a funding partnership with DWR, MWD and IEUA. To date, 16,027 toilet retrofits have been completed leaving 6,473 remaining to be completed under this grant program.

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, 201 landscape audits have been completed with a potential savings of 1,316 AFY. This is in addition to water savings of 1,200 AFY in Phase II. There are currently two sites scheduled for auditing, 5 sites awaiting scheduling, and 50 release forms pending processing. CBWCD hosted professional California Friendly® landscape classes on October 6 in English and on October 7 in Spanish.



National Theatre for Children

The Fall schedule for the National Theatre for Children was finalized on October 2. There are currently 30 elementary school performances scheduled to be conducted during the month of November.

Garden in Every School®

The dedication for Stork Elementary School (Alta Loma) was held October 29. Jasper Elementary School (Rancho Cucamonga) held its dedication on October 22. The installation of the garden at Baldy View Elementary School (Upland) was completed on September 11 and its dedication will be in the spring. Howard Cattle Elementary school will have its garden completed the week of October 24, which is also California School Garden Week. Student volunteers, along with landscape architecture university students from Cal Poly Pomona, will begin clearing a site for a demonstration garden in the park on October 10.

Public Outreach Activities

The Water Education Water Awareness Committee (WEWAC) held a Project WET Workshop. Nineteen teachers attended where they took part in a variety of activities that fit within the California State Education Standards curriculum. EduGrant Applications are due by the beginning of November. This grant offers \$500 per teacher to help supply items for a water related activity to be done in the classroom. The Annual Regional Water Fair will be held at the Chino Basin Water Conservation District on October 24.

Pervious Concrete Program & Grant

Cucamonga Valley Water District's Frontier Project, City of Ontario, and Chino Basin Water Conservation District are participating in the pervious concrete rebate program to install an estimated total of 18,237 square feet. CVWD has completed its installation and projects in Ontario and CBWCD are expected to be installed this winter. An extension to the grant has been added, allowing participants through the end of February to complete their projects.

Ontario Cares

IEUA staff, along with program partners from the Bureau of Reclamation, the City of Ontario and Dudek (an MWD consultant), prepared and gave a presentation on the CARES Program on October 8, 2009 at the Water Smart Innovations Conference, in Las Vegas, Nevada.

Federal Conservation Legislation

Senator Harry Reid (NV-D) introduced three water efficiency bills (The Water Efficiency and Conservation Investment Act; The Water Efficiency, Conservation and Adaptation Act; and The Water Efficiency via Carbon Harvesting and Restoration Act) on Thursday, September 24, 2009, designed to conserve the nation's water supply through efficiency and adapting to the effects of climate change. Congresswoman Shelley Berkley (NV-D-1) will introduce companion bills in the House. These bills will help ensure that future generations will have access to the water they need to live.

Comprehensive State Water Legislative Package

Governor Schwarzenegger called a special legislative session in October in order to continue intense negotiations over the proposed comprehensive package of water bills that are intended to address improvements in the San Francisco Bay Delta as well as statewide water policy. Included in the package is a general obligation bond measure that would provide funding for local water supply development, environmental mitigation, and construction of dams.



California Urban Water Conservation Council Plenary Meeting

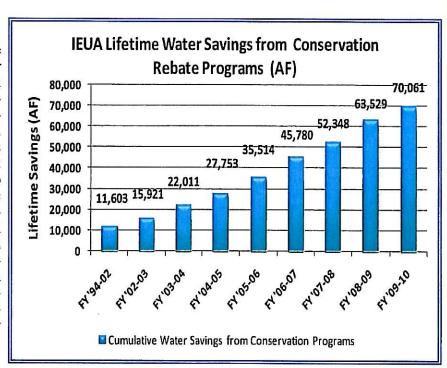
The third quarterly Plenary Meeting was held on September 16 in Santa

Barbara with the following items reported: (1) passage of BMP 1.2, Leak detection and Water Loss (revision and bylaws changes); (2) Steering Committee nominations were held and voting on new members will take place at the December Plenary meeting; (3) Council received verbal awards from DWR to conduct 6-8 workshops around the State on the "Model Landscape Ordinance" (AB 1881); (4) Council received a grant from the Bureau of Reclamation for the updating of the BMP reporting database with the new BMP revisions; (5) Council received a grant from the EPA to fund workshops on the beneficial impacts of conservation on wastewater avoided costs; (6) Council will be updating their website to include services and products that will be beneficial to its members; and (7) Council is designing a newsletter to be distributed via e-mail.

Rebates Issued and Water Savings

Cumulative Water Savings

The cumulative expected lifetime water savings from water conservation devices that have been installed in the service area through rebates currently totals 70,061 acre feet. The Lifetime Water Savings graph illustrates the growth trend in water savings due to rebate and retrofit programs and does not include the savings from public educational and outreach programs, which are difficult to quantify. Additional details are provided in Table I on the next page, including the Save-A-Buck Program (CII and Multi-family Residential).

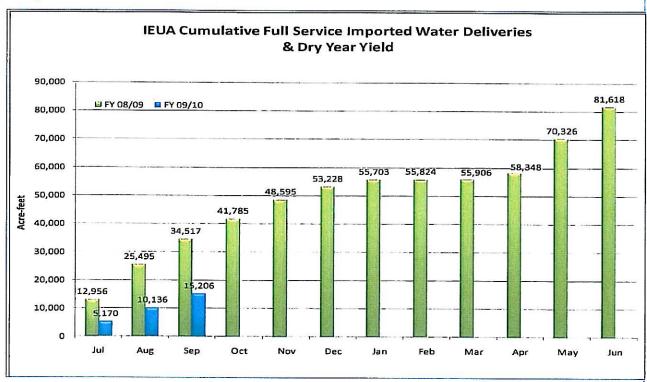


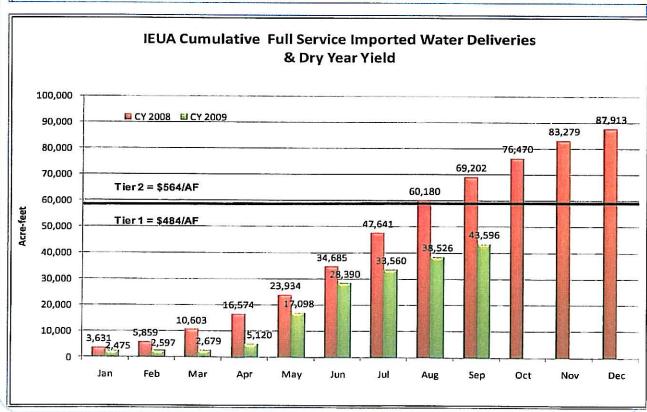
Calendar of Upcoming Events and Meetings

November 12, 2009	CORO "Drought Survival Luncheon", Westin Bonaventure Hotel, 11:00 am - 1:30 pm
November 14, 2009	Water Resources Institute Awards Banquet honoring Gerard Thibeault
November 18, 2009	Landscape Alliance Board Meeting (IEUA Board Room, 3:00 pm—4:00 pm)
February 27, 2010	Garden In Every School Intro Workshop (IEUA Event Center, TBD)
April 17, 2010	Project Learning Tree Workshop (TBD)
April 22, 2010	Earth Day (Chino Creek Wetlands and Educational Park, 4:00 pm - 7:00 pm)

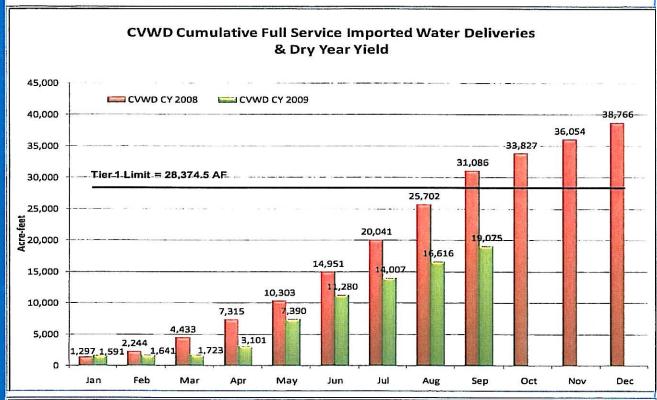
TABLE I—MWD Pub	lic/Private S	ector Rebut	e Programs	
		l Year through		am Inception
Device Name	# Devices Installed	Equivalent Annual Water Savings (AFY)	Cumulative # Devices Installed	Equivalent Annual Savings (AFY)
Commercial, In	dustrial, Institu	itional Program		
High-Efficiency Clothes Washers	28	2.4	494	41.8
Multi-Family High-Efficiency Clothes Washers	2	0.2	13	1.1
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	282	12	3,665	155.8
Zero Water Urinals	106	13	1,288	157.8
High-Efficiency Urinals	0	0	8	0.5
Weather-Based Irrigation Controllers	13	8.45	50	32.5
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	431	36.0	8498	1258.3
Multi-Fam	ily Direct-Insta	ll 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
	sidential Progra		10,027	50717
Ultra Low-Flush and High Efficiency Toilets	240	8.3	11,809	409.8
High-Efficiency Clothes Washers	103	8.7	9,633	815.0
Weather-Based Irrigation Controllers	3	2.0	395	256.8
Rotating Nozzles for Pop-Up Spray Heads	6	0.0	2,018	8.1
Synthetic Turf Retrofit (rebates)	10	1.1	91	14.8
Water-Wise Residential Landscape Retrofit Program (rebates)	0	0.0	137	24.4
Subtotal	362	20.1	24,083	1528.8
TOTALS	793	56.1	48608	3356.8

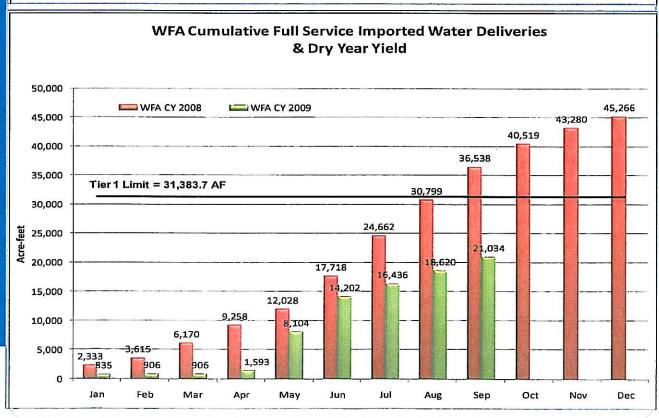
Imported Water Deliveries





Imported Water Deliveries (Continued)





mmary of 2008 & 2009 Imported Water Purchases

2008 Imported Water Sales	January	February March April	March	April	May	June	July	August	August September October November December	October	November	Decembe	Pr TOTAL
Water Facilities Authority													
Direct Deliveries	2,333	1,282	2,555	3,088	1,332	1,682	2,730	3,450	2,913	2,836	1,444	1,060	26,705
Dry Year Yield					1,438	4,008		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									·			X 3	
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		2,527	0	4	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								•			000000000000000000000000000000000000000		
Direct Deliveries		0	0	0	0	15	406	747	426	501	369	303	2,767
Sub-Total	0	0	0	0	0	15	406	747	426	501	369	303	2,767
Inland Empire Utilities Agency													
Direct Deliveries	3,631	2,229	4,744	5,971	4,320	4,743	6,210	7,326	6,196	6,078	3,995	2,576	58,018
Dry Year Yield	0	0	0	0	3,041	6,024	6,746	5,213	2,827	1,189	2,816	2,057	29,913
TOTAL	3,631	2,229	4,744	5,971	7,360	10,767	12,956	12,539	9,023	7,267	6,811	4,633	87,931
2009 Imported Water Sales	January	February March April	March	April	May	June	July	August	August September October November December	October	November	Decembe	r TOTAL
Water Facilities Authority)					
Direct Deliveries	312	0	0	687	844	099	1,868	2,184	2,414				8,969
Dry Year Yield	225	71	0	0	2,667	5,438	366	0	0				12,065
Sub-Total	834	11	0	687	6,511	860'9	2,234	2,184	2,414	0	0	0	21,034
Cucamonga Valley Water District													2
Direct Deliveries	1,591	20	85	1,378	1,635	1,535	2,728	2,608	2,460				14,066
Dry Year Yield	0	0	0	0	2,654	2,355	0	0	0				5,009
Sub-Total	1,591	20	82	1,378	4,289	3,890	2,728	2,608	2,460	0	0	0	19,075
Fontana Water Company													
Direct Deliveries	49	0	0	376	1,179	1,304	208	174	196				3,486
Sub-Total	49	0	0	376	1,179	1,304	208	174	196	0	0	0	3,486
Inland Empire Utilities Agency									٠				
Direct Deliveries	1,952	S	82	2,441	3,658	3,499	4,804	4,966	5,069				26,522
Dry Year Yield	275	77	0	0	8,321	7,793	366	0	0				17,073
TOTAL	2,474	121	82	2,441	11.978	11.292	5.170	4.966	5,069	c	C	c	A2 FOE



WATER RESOURCES & CONSERVATION PROGRAMS UPDATE

1ST QUARTER ACTIVITIES

JULY - SEPTEMBER 2009

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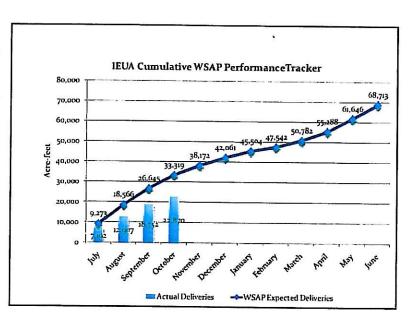
HIGHLIGHTS

Drought Allocation

The IEUA member agencies are on track to comply with MWD's WSAP. Through three months of the twelve month allocation period (July 2009 – June 2010), the total deliveries to IEUA are 43% less than the Agency's projected WASP allocation. For comparison, the combined regional MWD deliveries are only 12% less than anticipated WASP allocation.

2009/10 DYY Performance

The IEUA member agencies have certified that they have pumped 17,073 AF out of the MWD Groundwater Storage Account. This is 55% of IEUA's obligation of 31,000 AF.



Comprehensive Water Package

Since mid-summer, the California Legislature has been involved in intense negotiations over a plan to overhaul California's water system including improvements to the San Francisco Bay Delta. A package of five bills, also known as the "Delta Package," went before a joint Senate-Assembly policy committee for information hearings on August 18, 2009. The legislative session ended on September 11, 2009 without reaching agreement on the package or a proposed bond measure. The Governor convened a special session to continue work on the water package to address the Delta, water conservation and other issues.

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Water Supply Conditions

October 1 is the start of the new water year, with concerns about a fourth consecutive year of drought, serious water shortages and uncertain weather ahead. As of September 1, statewide precipitation was at 85% for the year. Water Year 2007/08 was even drier, resulting in only 63% of average annual precipitation. Water Year 2008/09 was slightly better, bringing 72% of average annual precipitation.

PLANNING & WATER RESOURCES

Building Activity Report & Growth Forecast

Through the first quarter of FY 2009/10, there were approximately 700 EDUs reported, generating over \$3.25 million for the Regional Capital Fund. This is surprisingly more growth than projected for FY 2009/10. The first quarter growth alone was almost 50% of what IEUA member agencies projected and 70% of what IEUA budgeted. IEUA member agencies FY 2009/10 Ten-Year Growth Forecasts show just over 37,000 EDUs being added to the system. This is significantly less than the past three year's projections.

Prado Basin Clean-Up Grants

IEUA received approval to use \$2 million in American Recovery and Reinvestment Act (ARRA) funding from the State Water Resources Control Board (SWRCB) to substitute for halted state bond funding of two water quality/habitat projects in the Prado Basin, specifically along Chino Creek and Mill Creek. The scopes of these two projects will achieve the same goals as originally approved by the SWRCB: removal of invasive species, debris removal and habitat restoration. In addition, a land use survey will be performed under one of the grants. This will assist in the region's goal of identifying pervious vs. impervious areas in the Prado Basin, as well as help define existing and potential stormwater capture projects. Construction is scheduled to begin by November 1, 2009 and be completed by March 2011.

Prado Master Plan/First Thursday Update

Participants in the First Thursday meetings are working with the Army Corps of Engineers to coordinate the development of the Corps' Prado Area Master Plan, which will define which activities and projects will be permitted on Corps land within the Prado Basin. The group also focused on urban runoff management and the complementary roles of Low Impact Development (LID) small-scale systems and regional recharge on a large scale. In July, the group toured the Kimball and Bickmore Avenue Stormwater Retention Ponds and Water Quality Wetlands constructed at The Preserve Development in the City of Chino by Lewis Homes. The August meeting focused on LID techniques and the draft area-wide municipal NPDES stormwater permits under development by the Regional Water Quality Control Board and reviewed the Orange County Stormwater Permit and the Aliso Creek Stormwater Recovery, Reuse, and Conservation Project as a case study. The September meeting reviewed the Army Corps project development process and ongoing feasibility and pilot studies as well as opportunities for future studies authorized by Congress.

CBWM Strategic Conference

Chino Basin Watermaster held its annual Strategic Planning Conference on September 29. The focus of the conference was the potential cumulative unmet replenishment obligation (CURO) that appropriators would create with the current Chino Basin groundwater pumping projections. In smaller group sessions, the following was discussed: the reality of the CURO, physical answers to the CURO, existing market for groundwater rights and other supplemental water supplies. Watermaster will be including many of the potential solutions in the Chino Basin Groundwater Recharge Master Plan Update, which is scheduled to be completed by July 2010.

Regulatory Compliance Developments

On August 20, a Section 401 permit was obtained from the Regional Water Quality Control Board to cover routine operation and maintenance of 25 recharge basins operated by IEUA and Chino Basin Watermaster to replenish the groundwater in Chino Basin with storm water, recycled water and imported water. An application was submitted to the Department of Fish and Game on July 14, 2009 for jurisdictional determination and renewal of permits to perform O&M on the recharge basins.

Planning Model Updates

The Modeling Team performed several model runs on wastewater routing alternatives using the San Bernardino Lift Station. Using Optimo, the advantages and disadvantages of using the lift station to route sewage to RP-1 versus RP-4 were compared, and the differences in costs for recycled water pumping, sewage pumping, and treatment system O&M were compared for both summer and winter conditions. The model was updated to reflect the changes in the system since the San Bernardino Lift Station came on line in June 2009. The Operations Division will use the results to develop an operational plan for the next year including when to divert flow to RP-1 versus RP-4.

IEUA Urban Water Management Plan Update

The Urban Water Management Plan (UWMP) update kicked off in July. The first draft is scheduled to be complete in March 2010. Work has been initiated on the first three chapters (introduction, population, water use and land use, and water supplies). IEUA staff is coordinating with DWR, MWD, CBWM and each of its member agencies during the updating process.

Chino Basin Recycled Water Recharge Permit Amendment

The Regional Water Quality Control Board - Santa Ana Region drafted an amendment to IEUA and Chino Basin Watermaster's Recycled Water Recharge Program Permit and provided a copy of the tentative order to IEUA for review. It extends the averaging period for compliance with the approved maximum recycled water contribution and total organic carbon limits, for each recharge basin, to a maximum of 120 months. This action reflects the strong support of the regulators, including both the State Department of Public Health and the Regional Board, for the program.

Chino Basin Groundwater Recharge Master Plan Update

During the first quarter of FY 2009/10, Chino Basin Watermaster and its consultant Wildermuth Environmental Inc. (WEI) worked with Chino Basin Water Conservation District and IEUA on two key areas of the Chino Basin Groundwater Recharge Master Plan Update (Master Plan Update): supplemental recharge and stormwater capture. Bi-weekly meetings, along with monthly workshops, were held throughout the first quarter. Modeling results done by WEI will be incorporated into Master Plan Update. The first draft of the Master Plan Update is scheduled to be completed in January 2010. Watermaster is required, pursuant to the Peace II Agreement and the December 21, 2007 Court Order approving the Peace II Agreement, to prepare an update of the Chino Basin Groundwater Recharge Master Plan by July 2010.

Peace II/EIR

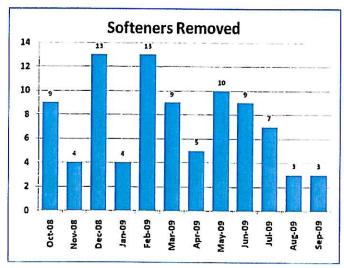
Pursuant to the Peace II Agreement, a Subsequent EIR is required to be completed and IEUA is serving as the lead agency for the preparation and approval of this document for Chino Basin Watermaster. IEUA originally anticipated the Subsequent EIR would be completed in May 2009. However, WEI is completing work on modeling runs that has taken longer than expected. Based on information received from WEI, IEUA now anticipates the adoption of the Subsequent EIR to occur by March 2010.

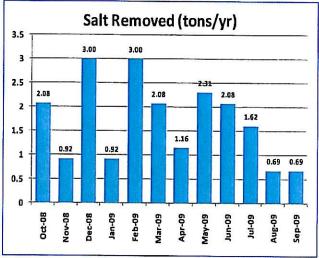
SAWPA Planning

SAWPA technical work groups continued to meet monthly with the Regional Water Quality Control Board and address several basin planning issues. The Basin Monitoring Program Task Force completed an initial round of model runs using the Basin Planning Wasteload Allocation Model to evaluate ambient water quality compliance with water quality objectives. An agreement for additional runs was completed. The Storm Water Quality Standards Task Force is continuing to develop ground rules whereby it may be possible to re-classify concrete-lined flood control channels to a limited recreation beneficial use designation, after performing a use/attainability analysis. The Middle Santa Ana River Total Maximum Daily Load Task Force developed a work plan for the next phase of their study, which is to develop control strategies for water bodies which exceed bacterial water quality objectives. The group also offered input to the Regional Board staff on the proposed municipal storm water permit language. A new work group was formed to perform a Salinity Management Study for the region. A consultant was selected and a scope of work was developed. The first phase is nearly complete, with an assessment by CDM, Inc. and Wildermuth Environmental, Inc. of recent changes and expected future trends in Santa Ana River discharges and salt budgets.

Pilot Automatic Water Softener Removal Rebate Program Update

The Water Softener Program, which was launched by IEUA's Pretreatment Program in September 2008, has removed 89 automatic water softeners (AWS) and 20 tons of salt per year. Water savings from the removal of the 89 water softeners is 552,000 gallons per year. IEUA received 165 inquiries about the program in response to local advertising in the newspaper.





Chino Desalter

For the first quarter of FY 2009/10, the two desalters produced 6,480 AF of water (of which 3,734 AF was delivered to IEUA retail agencies). The current production capacity is 24,600 AFY, which is scheduled to be expanded to approximately 40,000 AFY by 2012, with the implementation of CDA Phase III. The development of a Phase III Chino Desalter expansion plan and application to MWD for Local Resources Program funding is under discussion. MWD is currently funding \$4.5 million of the Phase 2 improvements.

DYY Expansion Program

At the August 27, 2009 Chino Basin Watermaster Board meeting, action was taken to amend the Agreement 44690 (LRP/CDA funding agreement w/MWD). The key deal points from this Watermaster Board action are: (1) MWD's groundwater storage account will receive a "no losses" provision (these will be re-assigned to the Appropriative Pool); (2) CDA will continue to receive the \$250/AF subsidy from MWD; and (3) Negotiations addressing the expansion of the DYY Program will continue.

MWD Conservation Programs and Budget

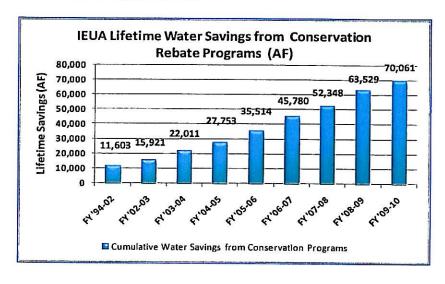
On July 14, 2009, the Metropolitan Board approved an inter-fund transfer of an additional \$14.2 million to increase the Conservation Programs Budget to cover the outstanding backlog of customer applications from FY 2008/09. In addition, the Board approved the implementation of administrative improvements and substantial program changes that included the elimination of the Public Sector Program, Enhanced Conservation Grant Program, several water saving devices, a 50% reduction in funding of member agency administered programs, and incentive reductions on all water saving devices continued to be offered through Metropolitan Rebate Programs. The budget of \$19.1 million for FY 2009/10 did not change and had been approved by a prior board action.

Pervious Concrete Workshop and Grant

The program opened and received applications from the cities of Ontario, Chino, Cucamonga Valley Water District, and the Chino Basin Water Conservation District for a potential total of 21,557 square feet. Partners in the program, including San Bernardino County Flood Control District, Southern California Concrete Producers, and Chino Basin Water Master, established monitoring techniques and conducted site visits on the City of Ontario and CVWD's sites. CVWD has completed the installation of pervious concrete onsite and it is anticipated that the other sites will begin construction over the winter. An extension was added to the grant, allowing participants two additional months to complete their projects (construction must be completed by February 2010, with invoices received by March 2010). A Pervious Concrete Training Certification workshop was held on August 21 with 30 attendees from a variety of local cities, agencies and contractors.

Water Savings Due to Rebates and Incentives

The expected cumulative water savings over the lifetime of water conservation devices that have been applied in the service area has increased to 70,061 acre feet.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA ACTIVITIES

MWD Water Deliveries

For the first nine months of calendar year 2009, IEUA has purchased 43,596 AF (73%) of its Tier 1 limit of 59,752 AF (see attached graphs).

DYY Implementation

The second "call" year for the DYY Program began in May and IEUA retail agencies have certified 17,074 AF (55% of IEUA's obligation of 31,000 AF). The first "call" year was successfully completed with DYY participants certifying they pumped 30,509 AF (99% of IEUA's obligation of 31,000 AF) from the groundwater storage account. MWD imported water deliveries were reduced by 30,589 AF (99% of IEUA's obligation of 31,000 AF).

MWD Integrated Water Resources Plan (IRP)

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

CB-19 Status Update

The Letter Agreement among Metropolitan, IEUA, San Bernardino Valley Municipal Water District (Valley District) and Fontana Water Company (FWC) expired on October 31, 2009. The Letter Agreement allows an option for a one-year extension in order to provide sufficient time for FWC to complete construction of a new service connection that will deliver State Project Water (SWP) water to FWC. On October 21, 2009 the IEUA Board of Directors approved the one-year extension. When the Board approved the Letter Agreement in July, it was anticipated that construction of the new water service connection to FWC was going to be complete by October 2009. According to FWC, the water service connection is now scheduled to be completed around March 2010. A separate, long-term agreement will be required to address the allocation of SWP water deliveries to FWC by IEUA and Valley District.

STATE ACTIVITIES

Statewide Renewable Energy Survey

The California Energy Commission, in partnership with the Association of California Water Agencies, PGE, SCE and the California Association of Sanitation Agencies, are sponsoring a statewide survey of water and wastewater agencies to assess the amount of renewable energy that is being produced within this sector as well as the total additional amount of renewable energy that is planned to be brought on line within the next ten years. The survey is expected to bolster efforts to secure federal and state funding for renewable energy projects. For more information see http://www.surveymonkey.com/.



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California Water Plan 2009 Update (Bulletin 160)

The 2009 update of the California Water Plan (Bulletin 160) is nearing completion. Comments on the "prefinal" draft are due October 30, 2009. This will be the last opportunity to submit comments on the plan before it is presented to the Administration in December. The final 2009 Plan update is expected to be issued in early 2010. The entire plan is available at http://www.waterplan.water.ca.gov/cwpu2009/index and comments may be submitted via links at the same location.

AB 1366 (Water Softener Legislation) Update

AB 1366 provides local agencies with the authority to regulate the residential use of self-regenerating water softeners in order to protect groundwater quality as well as recycled water supplies. This legislation was approved by the California Legislature in early September and signed into law by Governor Schwarzenegger.

Climate Change/AB 32 Implementation

The California Department of Water Resources released an assessment of climate change adaptations in September. California Air Resources Board (CARB) staff is continuing to implement the AB 32 Scoping Plan, including developing the elements of a cap and trade program. The proposed cap and trade system would cover 85% of California's largest emission sources, including electricity generation, large industrial sources, transportation fuels, and residential and commercial use of natural gas, and is expected to have significant implications for the costs and benefits to consumers and businesses.

CEC Blue Ribbon Panel

Constituents/Chemicals of Emerging Concern (CECs) represent a challenging problem for regulators to address, owing to limited scientific knowledge about their sources, fates, and effects. The California State Water Resources Control Board (SWRCB) recently issued a Recycled Water Policy that included a requirement for an assessment of the most current science on CECs and how it would be incorporated into regulatory policy impacting the use of recycled water. The Southern California Coastal Water Research Project (SCCWRP) was asked to convene a panel of six experts to provide recommendations to the SWRCB. This "Blue Ribbon Panel" held its first full meeting September 30 - October 2 and concluded that they intend to prioritize chemicals based on the data showing that there are measured concentrations; that have reliable laboratory methods; and that are of concern based on the known health effects and toxicology information. Subsequent Blue Ribbon Panel meetings are expected to be held in mid-January, February, and April, with a final report to be issued in May 2010.

Recycled Water Program

Through August 2009, IEUA has connected a total demand of 29,074 AFY recycled water. The Agency anticipates connecting another 5,893 AFY within the next 30 to 90 days, increasing the total connected demand to over 35,000 AFY, and expects to surpass the fiscal year goals of 36,000 AFY for FY 09/10. Following are some of the upcoming priority customers.

Name	City	Demand (AFY)
Vellano Golf Course	Chino Hills	800
CIM Farm N Connection	Chino	1,200
Lehigh ES	Montelair	16
Montclair Hospital	Montclair	10
Montclair HOA	Montclair	40
Euclid Median	Ontario	27
Lee Farm on Whispering Lakes	Ontario	1,200
Lee Farm on Chino Avenue	Ontario	1,200
Lee Farm on Edison Avenue	Ontario	1,200
Kellogg on Schaeffer Avenue	Ontario	200
Total Demand		5,893

WATER CONSERVATION ACTIVITIES

Federal Conservation Legislation

Senator Harry Reid (NV-D) introduced three water efficiency bills on September 24, 2009, designed to conserve the nation's water supply through efficiency and adapting to the effects of climate change. Congresswoman Shelley Berkley (NV-D-1) will introduce companion bills in the House. These bills will help ensure that future generations will have access to the water they need to live. The bills are titled as follows:

- The Water Efficiency and Conservation Investment Act:
- The Water Efficiency, Conservation and Adaptation Act; and
- The Water Efficiency via Carbon Harvesting and Restoration Act

Inland Empire Regional Water Use Efficiency Interim Business Plan

On April 13, 2009, staff convened an ad-hoc committee consisting of several member agency representatives to undertake the development of an interim water use efficiency compliance plan in response to the enactment of AB 1420 (Demand Management Measures) on January 1, 2009. The purpose and goal of the plan was to begin an analysis of current levels of AB 1420 compliance and to ensure that all agencies within IEUA's service area achieve compliance with the statute. The regional interim plan was completed in July 2009 and the final plan presented to the IEUA Board on September 2, 2009. The plan includes a limited assessment of existing conditions and a work plan to implement short-term initiatives. The Plan is intended to assist IEUA's member agencies with AB 1420 compliance from August 2009 through June 2010 and will serve as a guide for water use efficiency programs and planning activities over the next year.

Inland Empire Regional Long Term Water Use Efficiency (WUE) Business Plan

As a component of the 2010 Urban Water Management Plan and an extension of the Inland Empire Regional WUE Interim Plan, IEUA staff and member agencies determined that the development of a long term WUE plan would be essential to meeting current and future regulatory requirements and invaluable in guiding regional WUE programs and planning activities going forward. Maureen Erbeznik & Associates was hired to assist the member agencies in completing the plan. The project kick-off meeting was held on August 24, 2009 and the project is expected to be completed by spring 2010.

Inland Empire Landscape Alliance

On July 15, the Inland Empire Landscape Alliance Board met for updates on the status of the Department of Water Resources' (DWR) model ordinance and presentations on the implication of Low Impact Development and stormwater practices on landscapes. The DWR's ordinance was finalized on September 10. Cities participating in the Landscape Alliance prepared their landscape ordinances, which they will be presenting to their respective Commissions and Councils in November and December.

Phase III Landscape Audit Program

CBWCD has completed 201 landscape audits with a potential savings of 1,316 acre feet per year since the program began in January 2009. There are currently 2 sites scheduled to be audited and 5 sites pending to be scheduled. Presently there are 50 Release Forms waiting to be returned and processed. CBWCD will host California Friendly landscape professional classes sponsored by the District in English on October 6, 2009 and in Spanish on October 7, 2009.

Garden In Every School

A total of 36 schools have participated in the program to date. Stork Elementary (Alta Loma) and Baldy View Elementary (Upland) gardens have been completed. Garden sites for Howard Cattle (Chino) and Mariposa Elementary (Ontario) have been identified and designs are in progress.

Ontario Cares Program

To date, 12 California-Friendly landscape conversions have been completed, with 12 sites in some stage of construction. IEUA staff, along with program partners from the Bureau of Reclamation, the City of Ontario and Dudek (an MWD consultant), prepared a presentation on the CARES Program and are scheduled to jointly present the project on October 8, 2009 at the Water Smart Innovations Conference. This program has been a great success and is anticipated to be complete 24 California Friendly Landscape conversions by December 2009.

Residential Rebate Program

The Residential Rebate Program began in FY 02/03. On July 1, 2008, the program was transitioned to an MWD region-wide vendor, SoCal WaterSmart. The following is a list of residential rebate activity for FY 09/10 through September 2009:

Device Name	# of Rebates Issued	Cumulative Total # Installed Since FY 02/03
Ultra Low-Flush and High Efficiency Toilets	240	11,809
High-Efficiency Clothes Washers	103	9,633
Weather-Based Irrigation Controllers	3	395
Rotating Nozzles for Pop-Up Spray Heads	6	2,018 (nozzles)
Synthetic Turf Retrofit	10	105,833 sf

CII Save-A-Buck

For fiscal year 09/10, to date there have been 431 devices rebated. From program inception (FY 02/03) to date, a total of 8,498 devices have been rebated, representing a lifetime savings of almost 8,950 AF.

Multi-Family Direct Installation Program

The Program was placed on hold in January 2009 due to the State bond fund suspension. On September 27, 2009, IEUA received authorization from the Department of Water Resources to restart this program and IEUA anticipates the re-launch to occur within the next 90 days. Since the January suspension, Metropolitan, who provides a cost share in this program, reduced their funding levels by 50% for member agency administered programs. As a result, staff is currently working with the vendor and DWR to negotiate terms under the reduced funding structure in order to re-launch the program without changing the original grant terms. In addition, staff must issue an amendment to the vendor contract for the funding change and a contract extension. Upon completion of these items, the vendor will be authorized to re-start the work. Since October 2006, the Multi-Family Direct Installation Program has retrofitted 16,027 ultra low flush and high efficiency toilets through a funding partnership with DWR, MWD and IEUA. There are 6,473 retrofits remaining to be completed under this grant program.

National Theatre For Children (NTC)

The NTC Program contract amendment was approved by the Board on July 14, 2009. This year's live theatre performance is entitled "The Aqua League and The Drought Dilemma" and will focus more on the drought and advancing outdoor water conservation awareness. The first half of this year's program performances have been scheduled and will occur during the month of November. The second half will be scheduled in the spring. The NTC Program will further act as a conduit in educating residential customers through providing indoor and outdoor water survey information provided by IEUA which students will complete at home with their parents. This activity will assist IEUA and member agencies in meeting partial compliance with the residential Best Management Practice required under AB 1420 and the California Urban Water Conservation Council.

Water Education Water Awareness Committee (WEWAC)

The WEWAC Committee designed a garden plot that was displayed at the LA County Fair in the Home and Garden Section. The garden showed how drought tolerant plants look and how one's garden/landscape can be beautified with drought tolerant plants. The WEWAC Committee distributed all EduGrant applications which are due November 2009. WEWAC held a Project WET Workshop at Cucamonga Valley Water District's Learning Center. Nineteen teachers from the region attended.

MWD Education Coordinator's Committee

Solar Cup 2010 has begun. IEUA is co-sponsoring two schools this year: Ayala High School (Chino Hills) and Upland High School (Upland). MWD has launched a new Education Website in which a variety of information is offered to both students and teachers. MWD is working on their Conservation Connection teacher and student activity books that are geared toward middle school. The finalization of these booklets should be complete by the end of the year.

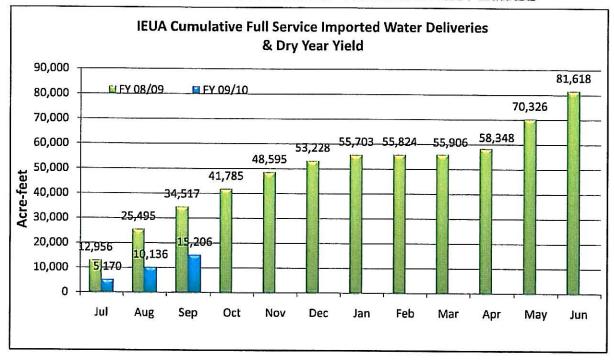
Conservation Advertising/PIO Activities

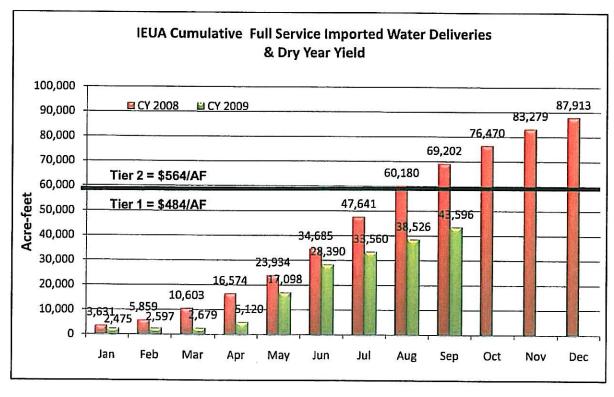
Beginning June 12 and running through October 18, IEUA ran MWD's 30-second conservation ad on 71 screens in our local movie theatres. During the 18-week run, there were about 4,898 movie-goers in the four theatres. The conservation partners have installed ACWA's "SAVE OUR WATER" logo on two billboards that were donated by Lamar Advertising. One billboard is located on the 10 Freeway in Fontana near the Cherry Exit and the other is located on Foothill Boulevard in Upland. There is also a "billboard" at the Big League Ball Field in Chino Hills.

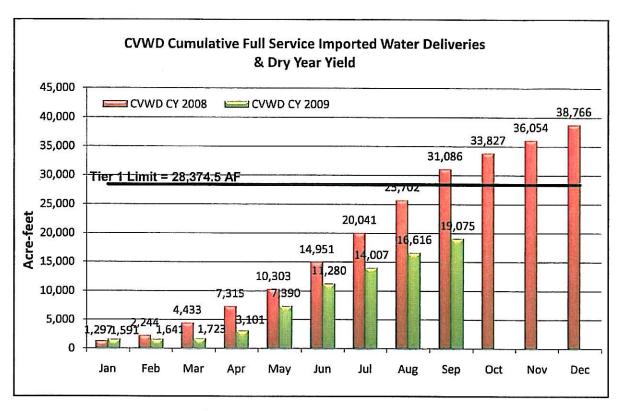


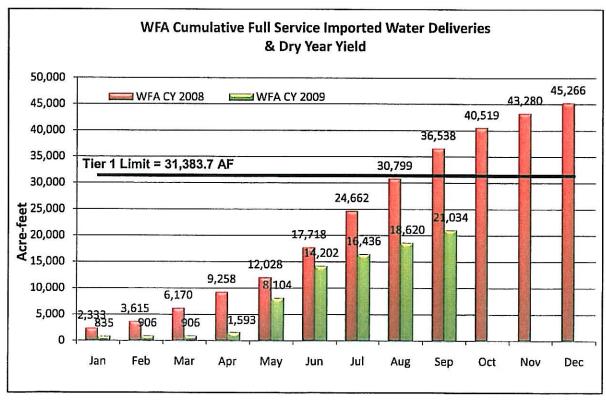
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ATTACHMENT: IMPORTED WATER DELIVERIES









G:\Board-Rec\2009\09437 1st Quarter Planning & Water Resources Update 11-18-09

SUMMARY OF 2008 & 2009 IMPORTED WATER PURCHASES

2008 Imported Water Sales	January	January February March	March	April	May	June	July	August	August September October November December TOTAL	· October	November	Decembe	r TOTAL
Water Facilities Authority													
Direct Deliveries	2,333	1,282	2,555	3,088	1,332	1,682	2,730	3,450	2,913	2,836	1,444	1,060	26,705
Dry Year Yield					1,438	4,008	4,214	2,686	2,827	1,145	1,317	926	18,561
Sub-Total	2,333	1,282	2,555	3,088	2,770	5,690	6,944	6,136	5,740	3,981	2,761	1,986	45,266
Cucamonga Valley Water District													
Direct Deliveries	1,297	947	2,189	2,883	2,988	3,046	3,074	3,129	2,857	2,741	2,182	1,213	28,546
Dry Year Yield					1,603	2,016	2,532	2,527	0	4	1,499	1,131	11,352
Sub-Total	1,297	947	2,189	2,883	4,591	5,062	2,606	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	201	369	303	2,767
Inland Empire Utilities Agency													
Direct Deliveries	3,631	2,229	4,744	5,971	4,320	4,743	6,210	7,326	6,196	6,078	3,995	2,576	58,018
Dry Year Yield	0	0	0	0	3,041	6,024	6,746	5,213	2,827	1,189	2,816	2,057	29,913
TOTAL	3,631	2,229	4,744	5,971	7,360	10,767	12,956	12,539	9,023	7,267	6,811	4,633	87,931
2009 Imported Water Sales	January	February March	March	April	May	June	July	August	September	October	August September October November December TOTAL	Decembe	r TOTAL
Water Facilities Authority													
Direct Deliveries	312	0	0	687	844	099	1,868	2,184	2,414				8,969
Dry Year Yield	225	71	0	0	2,667	5,438	366	0	0				12,065
Sub-Total	834	11	0	687	6,511	860'9	2,234	2,184	2,414	0	0	0	21,034
Cucamonga Valley Water District													
Direct Deliveries	1,591	20	82	1,378	1,635	1,535	2,728	2,608	2,460				14,066
Dry Year Yield	0	0	0	0	2,654	2,355	0	0	0				5,009
Sub-Total	1,591	20	82	1,378	4,289	3,890	2,728	2,608	2,460	0	0	0	19,075
Fontana Water Company													
Direct Deliveries	49	0	0	376	1,179	1,304	208	174	196				3,486
Sub-Total	49	0	0	376	1,179	1,304	208	174	196	0	0	0	3,486
Inland Empire Utilities Agency													
Direct Deliveries	1,952	22	82	2,441	3,658	3,499	4,804	4,966	5,069				26,522
Dry Year Yield	225	71	0	0	8,321	7,793	366	0	0				17,073
TOTAL	2,474	121	82	2,441	11,978	11,292	5,170	4,966	5,069	0	0	0	43,595



IEUA Monthly Water Use Report - November 2009

The purpose of this report is to track IEUA and its member agencies water use on a monthly basis. Over the next 12 months, tracking water use will be essential to complying with the Drought Allocation Plan, Dry Year Yield Program and Tier I/Tier II limit. Below is a summary of current water use and programs that IEUA and its member agencies are participating in. Attached are several tables and graphs representing overall water use and imported water purchases.

SINCE JULY 1, 2009 IMPORTED WATER USE DOWN ALMOST 55%!!!

Imported Water Deliveries

For the month of October, IEUA purchased 3,826 acre feet (AF) of Tier I water, increasing the cumulative total for the calendar year to 51,260 AF. This is 86% of IEUA's Tier I allocation of 59,792 AF. Of the 3,826 AF purchased in October, 17.1 AF was purchased by Chino Basin Watermaster for testing purposes.

Dry Year Yield (DYY) Program

IEUA member agencies certified an additional 3,838.8 AF for the months of July – October 2009. IEUA DYY participants have certified 20,318.3 AF (66% of IEUA's obligation of 31,000 AF).

Recycled Water Program

During the month of September, IEUA sold 2,833 AF (2,537 AF = direct sales, 296 AF = recharge, 760 AF = plant use). As of September

2009, IEUA has connected 30,300 AF of recycled water demand. IEUA is implementing a 3-Year Business Plan that will increase recycled water connected capacity to 50,000 AFY by 2010.

Chino Desalter Authority (CDA)

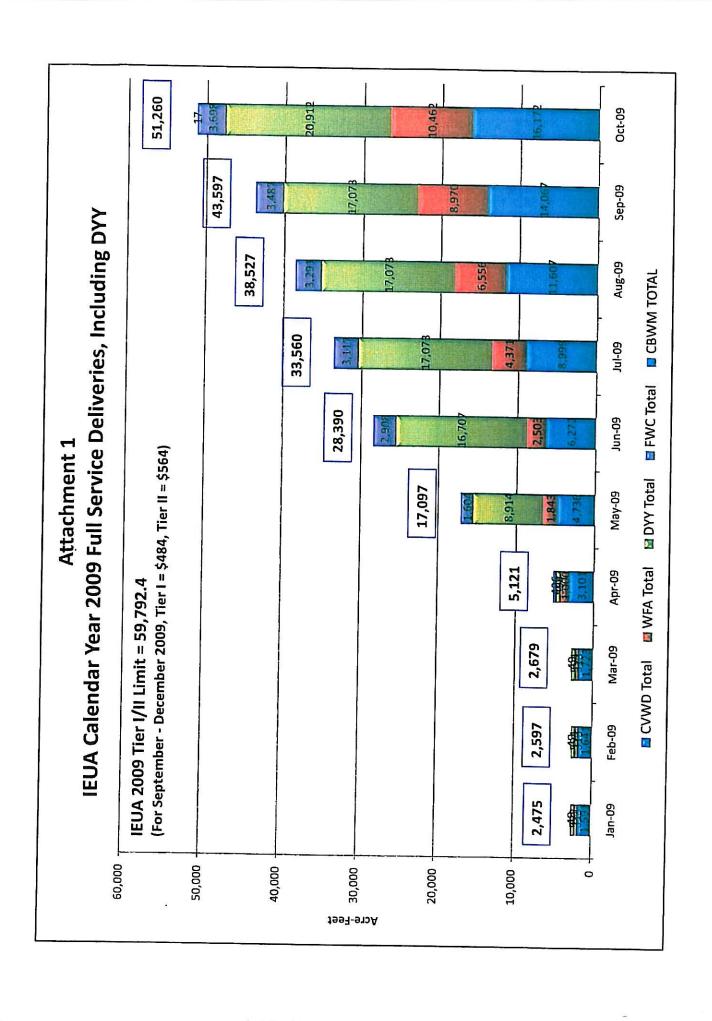
The current production capacity is 24,600 AFY, and it is scheduled to be expanded to approximately 40,000 AFY by 2012, with the For the month of October, the two desalters produced 2,094 AF of water (of which 1,211 AF was delivered to IEUA retail agencies). implementation of CDA Phase III.

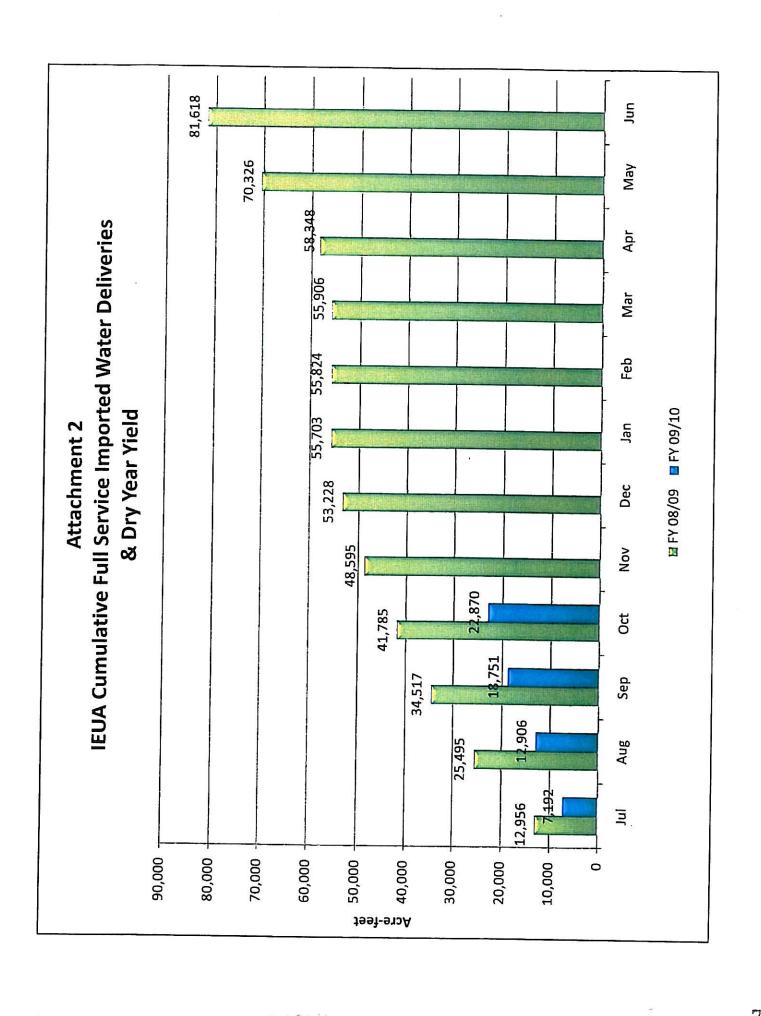
Attachments

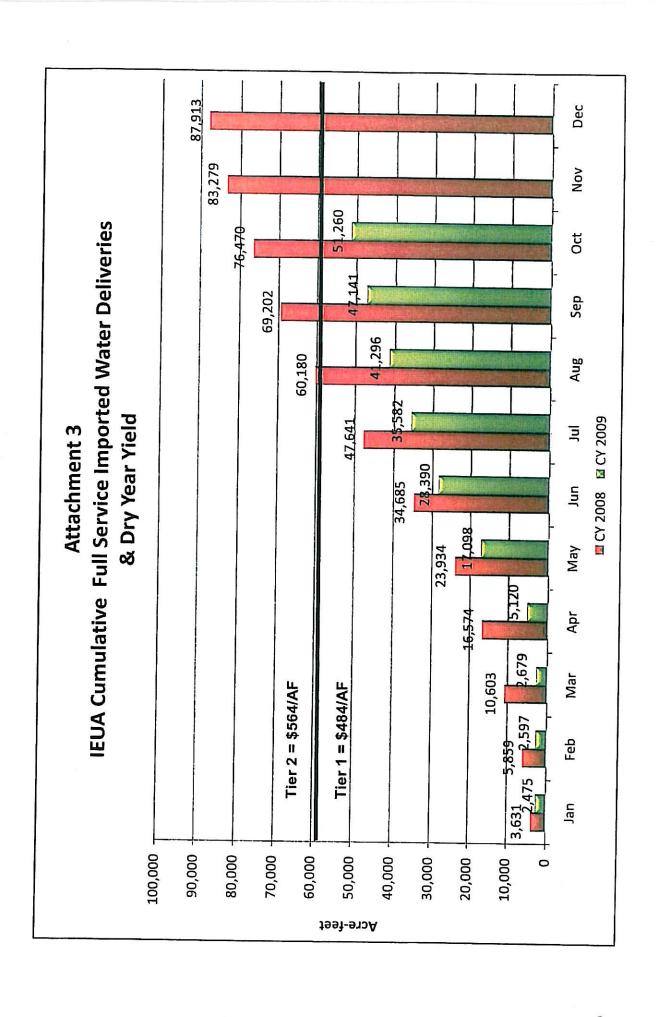
- Attachment 1 IEUA Calendar Year 2009 Full Service Deliveries, Including DYY (Graph)
- Attachment 2 IEUA Cumulative Full Service Imported Water Deliveries & Dry Year Yield (Graph)
- Attachment 3 IEUA Cumulative Full Service Imported Water Deliveries & Dry Year Yield (Graph)

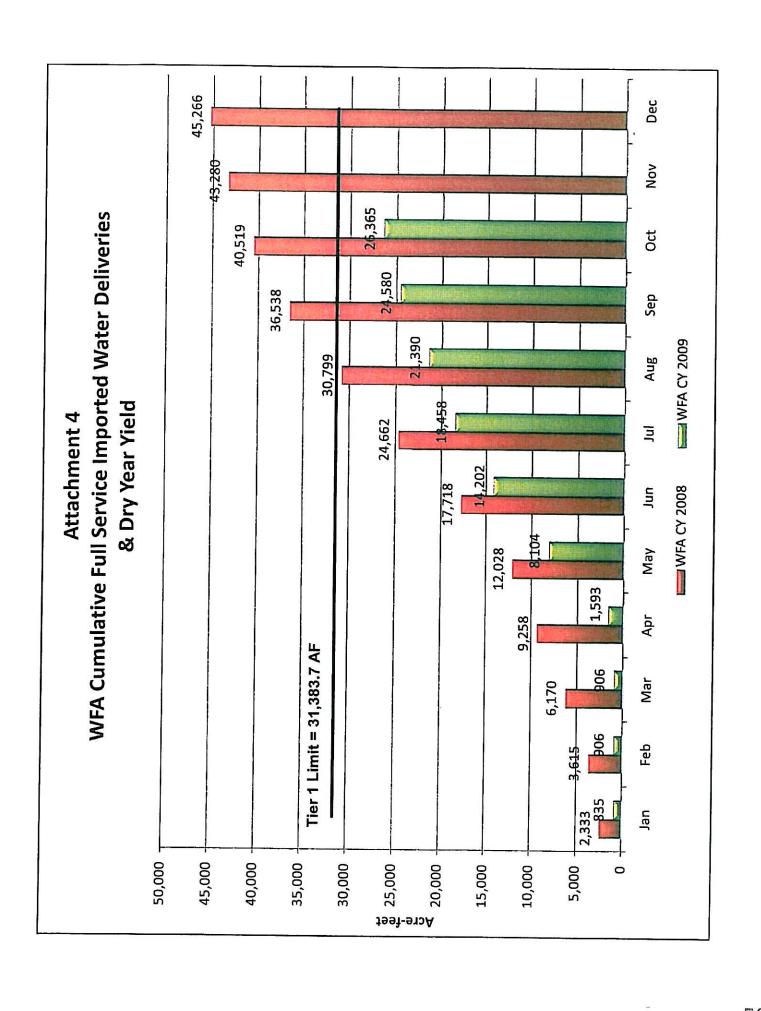
Attachment 4 – WFA Cumulative Full Service Imported Water Deliveries & Dry Year Yield (Graph)

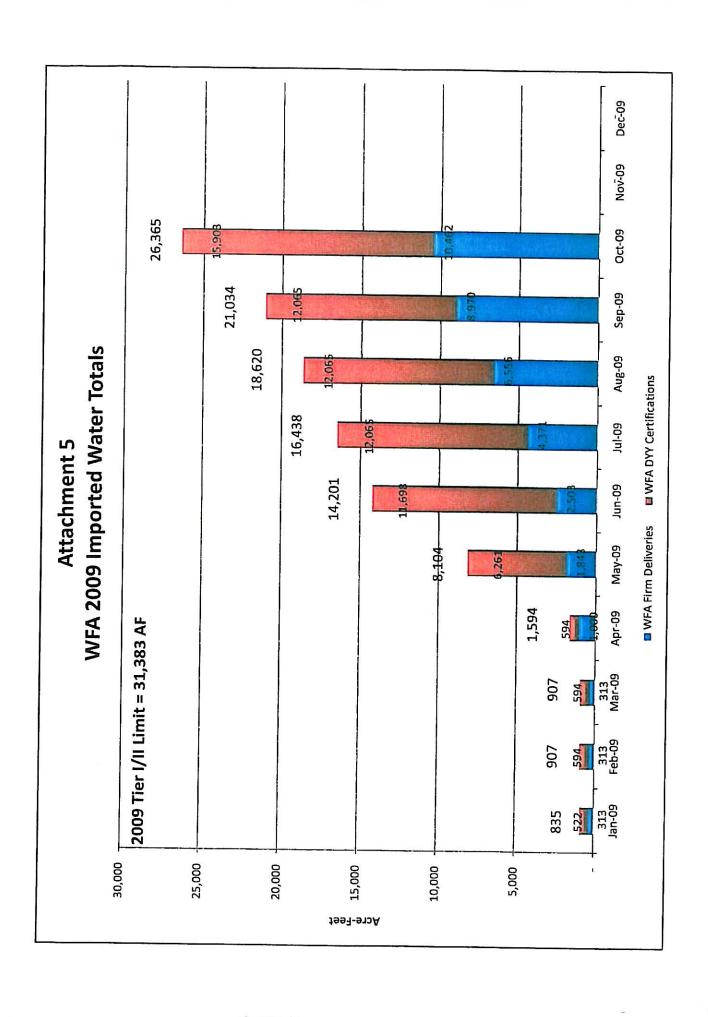
- Attachment 5 WFA 2009 Imported Water Deliveries (Graph)
- Attachment 6 CVWD Cumulative Full Service Imported Water Deliveries & Dry Year Yield (Graph)
 - Attachment 7 CVWD 2009 Imported Water Deliveries (Graph)
- Attachment 8 FWC Cumulative Full Service Imported Water Deliveries (Graph)
 - Attachment 9 IEUA Imported Water Sales (Table)

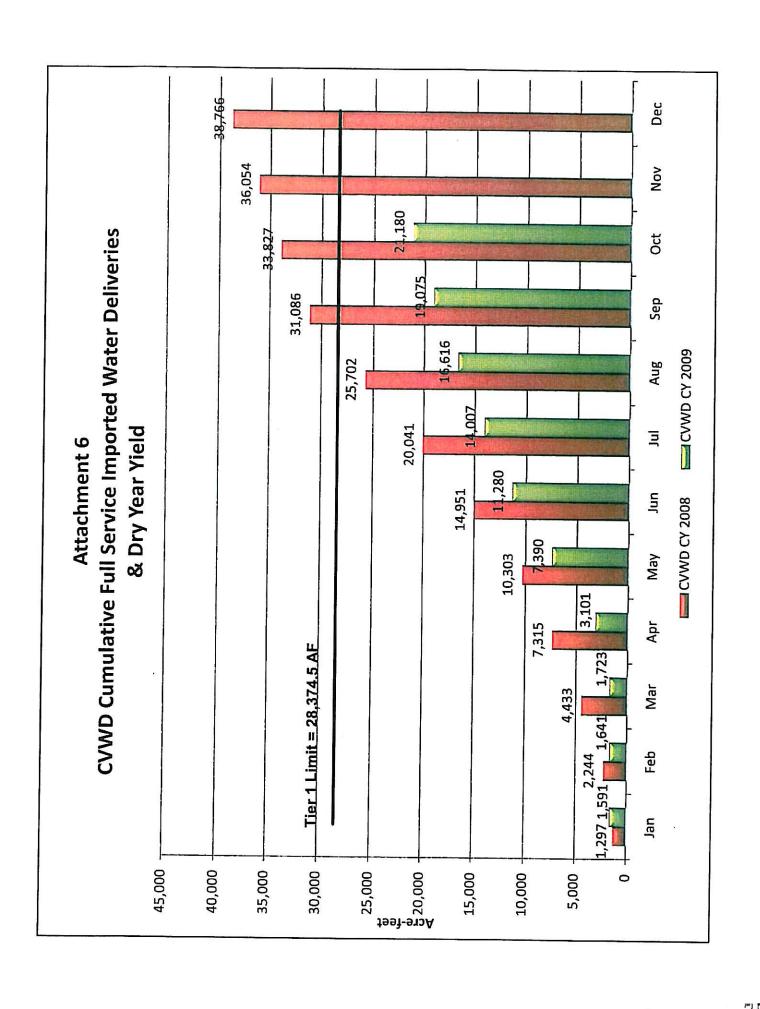


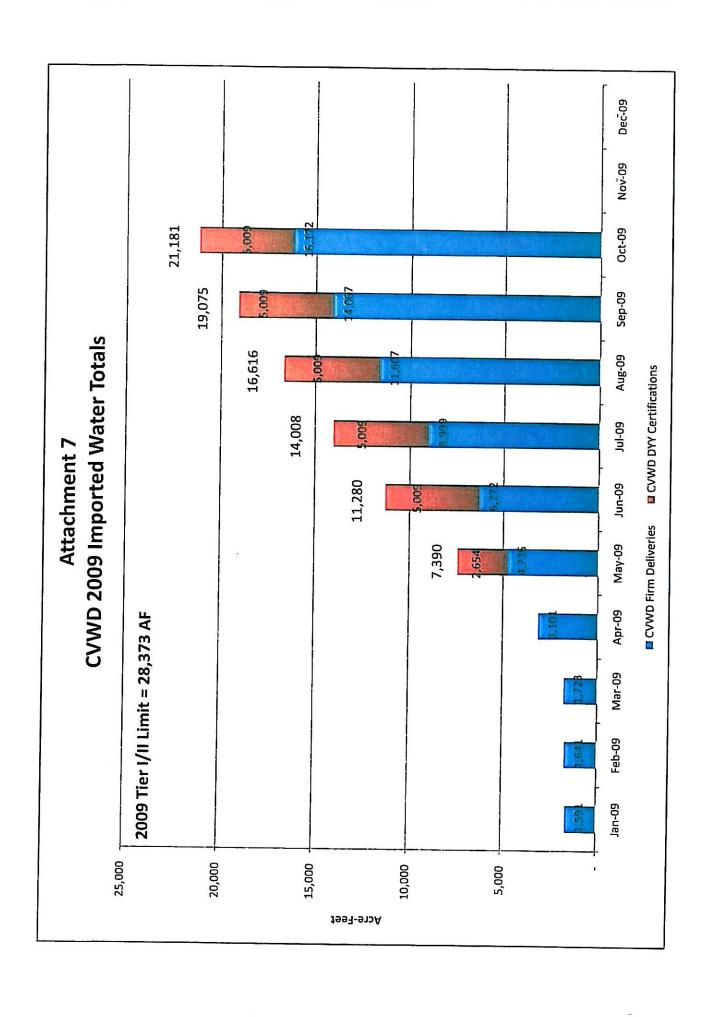


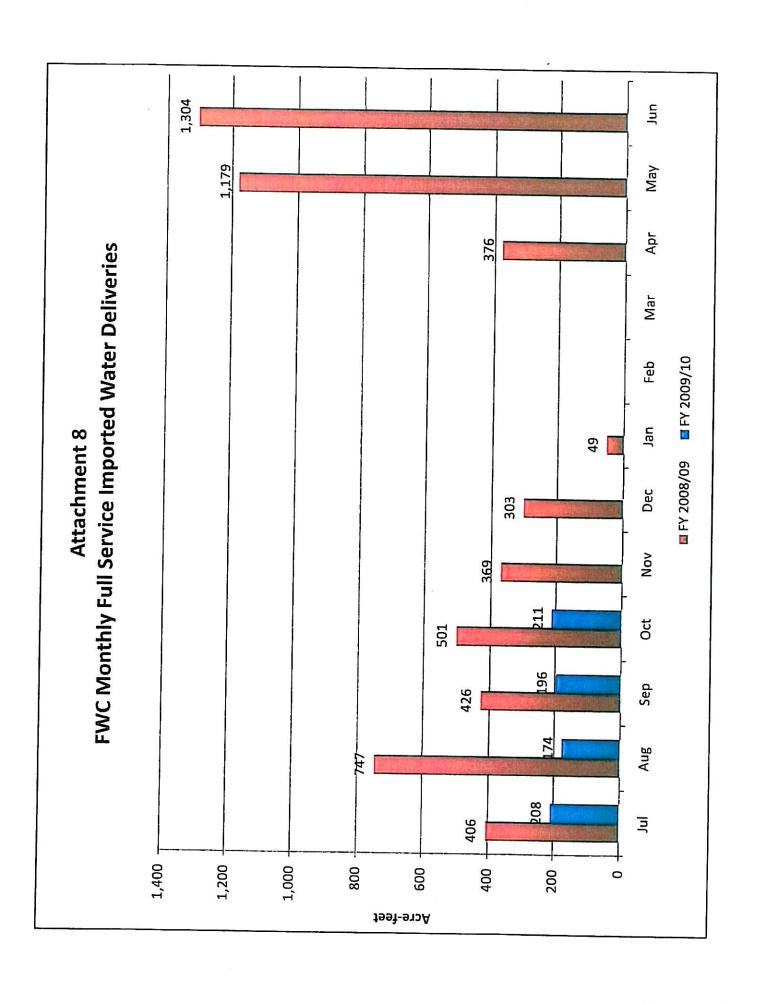










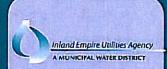


Attachement 9

Inland Empire Utilities Agency Imported Water Sales

2008 Imported Water Sales	January Febr	February	March	April	May	June	Vint	August	Sentember	Ortohor	Nowahor	Docombos	TOTAL
Water Facilities Authority								0	indinas dan		MOVEMBE	Jacullanac	OIAL
Direct Deliveries	2,333	1,282	2,555	3.088	1.337	1.687	7 730	3.450	2 013	2000	,	,	1
:				1	1	1	2,1	יייי	CTC'7	2,630	7,444	1,050	26,705
Ury 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	7 761	1 006	200 20
Cucamonga Valley Water District	· · · · · · · · · · · · · · · · · · ·			is:						1000	7,101	1,300	43,200
Direct Deliveries	1,297	947	2,189	2.883	2,988	3 046	2074	2 1 20	7 957	1741	,	,	
	9.5			1111			2	7,167	7,00,7	74/17	7,182	1,413	28,546
Dry Year Yield					1,603	2,016	2,532	2,527	0	44	1 499	1111	11 252
Sub-Total	1,297	947	2.189	2.883	4 501	5 062	בעפ	ם עם	00.0			1011	70017
	•			1	1	4000	2,000	00010	700'7	4,785	3,681	2,344	39,898
rontana water company													
Direct Deliveries	0	0	0	0	0	15	406	747	476	501	096	נטנ	171
Sub-Total	0	0	0	0	0	15	406	747	426	5 5	606	כחכ	79/7
Inland Empire Utilities Agency										125	505	202	79/77
Direct Deliveries	3.631	2 229	A 7AA	5 071	000	277	,	,	,	1			
		1111			4,320	4,740	0,210	1,320	6,136	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	20 012
TOTAL	3,631	2,229	4,744	5,971	7.360	10.767	12.956	12 539	9 0 23	7 36 7	1011	100	1000
							2000		7,040	1071	1100	4,033	8/,931

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ries ield ital												
ield ita/	0	0	687	844	099	1,868	2,184	2.414	1 493			10.462
ta/	71	0	0	2,667	5,438	2,388	748	776	597			10,402
Company Valley, 197-1-1 Prints	71	0	_	6.511	6.098	4.256	2 932	2 100	1 705	c	c	13,503
cacamonga valley water District							1	2000	7,700	>	>	cq5'q7
Direct Deliveries 1,591	20	82	1,378	1,635	1,535	2,728	2.608	7.460	2 105			15 171
Dry Year Yield 0	0	0	35 8	2,654	2,355	0	0	2	- C			171,01
Sub-Total 1,591	20	82	1,378 4	4.289	3.890	2.728	2,608	2 460	2 105	c	c	200,0
Fontana Water Company) i		2011	6,103	>	>	71,180
Direct Deliveries 49	0	0	376 1	1,179	1,304	208	174	196	711			2 607
Sub-Total 49	0	0	***	1,179	1,304	208	174	196	117	c	c	2,037
Chino Basin Watermaster) 	i	3	777	•	>	760'6
Replenishment 0	0	0	0	0	0	0	0	C	17			17
Sub-Total 0	0	0		0	0	0	0		12	c	c	1 :
Inland Empire Utilities Agency											,	1
Direct Deliveries 1,952	20	82	2,441 3	3,658	3,499	4.804	4.966	5.069	3,808			025 05
Dry Year Yield 522	71	0			7,793	2,388	748	776	293			20,220
Replenishment 0	0	0	0		0	0	0	0	17			17
TOTAL 2,474	121	82 2	2,441 11	11,978 1	32	7.192	5.714	5.845	4 119			E1 250



UPCOMING EVENTS

Park Volunteer work party @ Chino Creek Wetlands Educational Park - December 5th, 8:30am-12pm

INSIDE THIS ISSUE:

RW Connected Demand & Goals

Monthly RW Sales

Funding developments

ECYCLED WATER EWSLETTE

NOVEMBER 2009

Safe, Reliable Recycled Water

City of Ontario: Lee Farm on Whispering Lakes Lane



Agricultural Irrigation is estimated to use 40% of total water demand in the United States and 80%-85% in

the State of California. Considering this tremendous volume of water, it is easy to see how great an impact the use of water for agricultural irrigation could have on the overall water supply picture.

IEUA has worked very closely with its member agencies and their customers, especially the farmers, to bring Recycled Water to their doorsteps to use in their fields.

Just in the past 3 months, we have connected three (3) farm lands, Chad Farms, College Park, City of Chino, Lee Farm, Schaeffer Avenue, and Lee Farm, whispering Lake Lane, in the City of Ontario for a total demand of 2,877 Acre-Feet a year, AFY (I AFY = 325,851 Gallons).

IEUA Wins National Award

On October 8, 2009, at the annual Water Smart In- Rain Bird's intelligent use of Water Summit XI to novations Conference held in Las Vegas, IEUA provide a formal presentation showcasing the Land-(represented by Lisa Perales) received the Rain Bird's scape Alliance program to U.S. and international waprestigious "2009 Intelligent Use of Water — State of ter management leaders. The Summit will be held at the Union" award on behalf of the Inland Empire the Smithsonian Institute in April, 2010. Landscape Alliance.

water agencies nation-wide that excel in implementing Please join me in congratulating the Planning and Waeffective landscape water-efficiency programs and ter Resources and Public Information teams and espeinitiatives. The Inland Empire Landscape Alliance was one of four award recipients in the nation.

The Inland Empire Landscape Alliance was honored by Rain Bird as being one of the most innovative and The Inland Empire Utilities Agency distributes imsuccessful programs in the country to develop a collaborative approach to outdoor water conservation. The Alliance develop a model regional landscape ordinance and a successful pilot landscape rebate program ter, and other related utility services for a 242-square to encourage the removal of turf and use of water mile area in the western portion of San Bernardino efficient plants. Tours and informational workshops County. Approximately 850,000 people reside in sponsored by the alliance have reached hundreds of IEUA's service area. residents, city employees and landscape professionals. For more information, contact Sondra Elrod at: (909) As part of the award, IEUA will be invited to attend 993-1747.

We will be celebrating this honor with the Landscape The award recognizes city and state municipalities and Alliance members at their next meeting in November. cially Elizabeth Hurst for all of her dedicated work in staffing the Landscape Alliance and making this award possible.

> ported water from Metropolitan Water District and provides industrial/municipal wastewater collection and treatment services, operates the Chino I Desal-

NOVEMBER 2009

FY 2009-10 GOAL: 36,000 AFY 50,000 40,000 RW CONNECTED DEMAND 30,300 AFY RW SUPPLY & DEMAND

Recycled Water Connected Demand

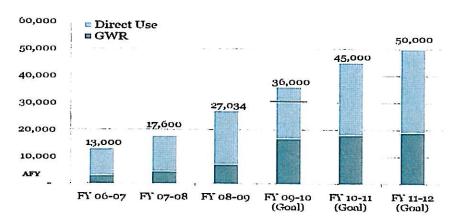
Upcoming Connections (30-90 days) 4,708 AFY:

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) Lady of Lourdes School/Church (Montclair, 15 AFY)

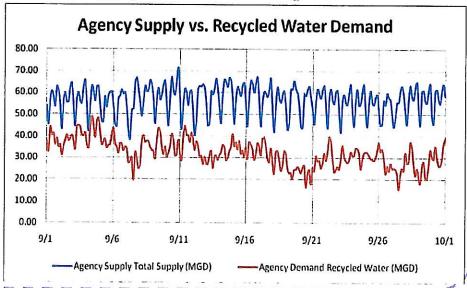
Lee Farm on Chino Avenue (Ontario, 1,200 AFY) Lee Farm on Edison Avenue (Ontario, 1,200 AFY) Kellogg on Schaeffer Avenue (Ontario, 200 AFY)

Recent Connections (1,237 AFY):

Lee Farm on Whispering Lake Lane (Ontario, 1,200 AFY)
Vintage Apts (Ontario, 10 AFY)
Kohl's (Ontario, 9 AFY)
MT Airport (Ontario, 4 AFY)
Spectrum Bus. Center (Ontario, 3 AFY)
Caterpillar Logistics (Ontario, 5 AFY)
Haliburton (Ontario, 6 AFY)



RW Supply vs. Demand: September 2009



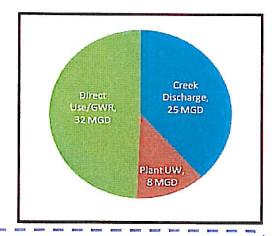


Safe, Reliable Recycled Water

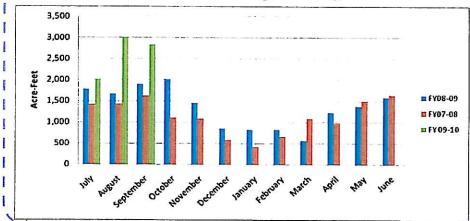
Recycled Water Usage: September 2009

- Total Recycled Water available supply: 65 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: September 2009



SEPTEMBER 2009

USAGE SUMMARY:

- Recharge: 296 AFY
- Direct Sales: 2,537 AFY
- Plant Utility Water: 760 AFY
- Total RW Usage: 2,833 AFY

NorthEast Area Under Construction



Pothole for Utilities on Arrow Rte & Etiwanda Ave



Locating Electrical Duct Bank



Safe, Reliable Recycled Water

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



Reservoir at East Ave Facility

Stimulus Funding

Stimulus Funding: IEUA has executed funding agree- Recycled Water Business Plan Authorization. The Presi-\$19 million of the total appropriation through its Title XVI Area Projects, totaling \$14 million.

ments for stimulus funding for the Northeast Area Project dent's 2009 Budget contained a \$5 million appropriation for through the CWSRF Program. Also, the United States De- the IEUA project. The funds have been received. IEUA was partment of Interior, Bureau of Reclamation (USBR) has awarded \$14 million as Title XVI Stimulus money. IEUA been allocated \$126 million for the Title XVI projects in the received \$7 million for the Northeast Area Projects, and stimulus bill recently passed by Congress. IEUA is in line for was approved for another \$7 million for the Northwest

MWD Public Sector Retrofit Rebates: IEUA has re- Chino Basin Water Conservation District Rebates: ceived rebate requests totaling \$110,000 for processing through MWD. No new sites will be approved by MWD. Approved sites must complete construction and commence use of recycled water by December 31, 2009. MWD needs to receive all final invoices by March 1, 2010. 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.

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.

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 30% design phase with an anticipated design completion date of summer 2010.





Date:

November 18, 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:

October Legislative Report from Agricultural Resources

RECOMMENDATION

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

BACKGROUND

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

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD

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Agricultural Resources

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

October 28, 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, October 2008

Highlights:

- Energy and Water for FY 2010 Enacted Signed Into Law
- Boxer Readies Climate Bill for Committee Action GOP Threatens Markup Boycott
- Secretary Salazar Interior "Plan" for Delta Still Not Presented
- Water Recycling Bill for Bay Area Caught in Cross-Fire, Killed on House Floor Once, Then Passed
- Drought Conditions/Water Supply
- News and Notes
- IEUA Working Partners

Energy and Water Bill Enacted. The Energy and Water Appropriations bill – which contains funding for the Corps, BuRec and DOE was signed into law early in October.

Boxer Readies Senate Climate Bill for Committee Action – GOP Threatens Markup Boycott. . In late October, Senator Boxer, Chair, Senate Environment and Public Works

Committee, introduced a revised bill for markup and announced markup on the climate bill would commence in early November. The GOP members of the Committee subsequently "suggested" or "implied" that they would not participate in the committee business meeting. Won't know more until next month.

Salazar – Interior Department Delta Water Plan – Still Pending. In late August, Chairwoman Napolitano submitted a proposal to develop 1 MAF of new water annually through water recycling and improved water management. The Secretary, shortly after Labor Day, insisted that he would present his own plan – but now, at the end of October, a plan for Interior has yet to emerge.

Water Recycling Bill for Bay Area – Caught in Political Cross-Fire – Killed on the House Floor Once, Then Passed. As reported last month, a Bay Area recycling bill was defeated on the House Floor in a partisan vote. Two weeks later, the bill was considered under "regular order" (a different floor procedure) and passed. The bill is now pending in the Senate. The bill was considered at subcommittee hearings, subcommittee markup and full committee markup and each step of the way was given bi-partisan support. In almost 20 years since Title XVI was enacted, this was the first time any project in this program was politicized. MWD, ACWA, WateReuse weighed in on behalf of the bill Chairwoman Napolitano and others are deeply troubled – alarmed – that a Title XVI bill was, for the first time, subject to this kind of conflict. The subcommittee has two additional recycling bills pending for consideration and another five or more expected to be introduced before the end of the year. The programmatic implications are unclear.

Drought Conditions and Water Supplies. The NOAA/USDA Drought Monitor report at the end of October reveals that almost all of California (except Tahoe region) remains in some level of drought and almost all of "coastal California" is in moderate-to-severe drought. Southern California and most of the Inland Empire's drought condition is considered "severe" by NOAA-USDA. Similar conditions have persisted throughout the State for many months now, though overall, the drought condition appears to be lessening. As reported a month ago, 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 again, this has been persistent for many months.

News and Notes. BuRec To Restart Yuma Desalting Plant – Test – Run At One-Third Capacity for 365 Days. Burec approved a new plan to run the plant at limited capacity for a year to determine viability and long-term costs. Plant has been moth-balled for year. 50 California Counties Approved for Drought Disaster – San Bernadino Among Them. State of California made the disaster declaration request – the USDA approved it for primary and adjoining counties. San Bernadino is an adjoining county (and clearly in the drought impact zone). Stimulus II? Since Labor Day, there have been periodic signals from congressional leaders that a second major "jobs" bill will be considered. No action yet, but the "buzz" continues. Feinstein-Boxer Water Transfer Bill. California's senators announced the pending introduction of legislation to allow

expedited water transfers - in response to the drought. Adaptation Legislation to Aid Water Utilities Introduced in House. H.R. 3727, from Rep. Diana DeGette (D-Colo.), would authorize \$250 million over 10 years for a new federal research program to help drinking water utilities better plan for climate change. Research should focus on probable water quality impacts resulting from extreme rain events; watershed vegetation changes; the impact of carbon sequestration on groundwater supplies; and the effect of sea-level rise on water infrastructure, among other issues, according to the measure. Adaptation will become more prominent as climate legislation and climate impacts are considered. BuRec Chief Congressional Affairs Named. Bureau of Reclamation Commissioner Michael L. Connor has appointed Dionne E. Thompson to serve as Reclamation's Chief, Congressional and Legislative Affairs. She previously worked for Senator Bennett Johnston and Senator Mary Landrieu, both of LA. Most recently, she worked in the Solicitor's Office at Interior. NOAA, El Nino Forming - Maybe. Others Don't Agree. According to NOAA, meteorologists now anticipate a moderate El Niño will bring drier winter weather to the Pacific Northwest and wetter weather to California, possibly ending a three-year drought there. Others don't agree and it will be another month or so before we know what's unfolding.

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)
- Cucamonga Valley Water District (CVWD)
- j. Western Municipal Water District
- k. Chino Basin Watermaster
- Western Urban Water Coalition
- m. National Water Resources Association

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Date:

November 18, 2009

To:

The Honorable Board of Directors

Through:

Public, Legislative Affairs, and Water Resources Committee (11/11/09)

From:

Richard W. Atwater

Chief Executive Officer/General Manager

Submitted by:

Martha Davis

Executive Manager of Policy Development

Subject:

October Legislative Report from Dolphin Group

RECOMMENDATION

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

BACKGROUND

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

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD

Enclosure

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October 29, 2009

To:

Chino Basin/OBMP Coalition

From:

Michael Boccadoro

President

RE:

October Status Report



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

Weeks after the Legislature sent Governor Schwarzenegger over 700 measures for his signature or veto, the Governor had yet to rule on all but a small number of bills. As the October 11 deadline for his decisions approached, the Governor continued to press for a comprehensive water package, and he had threatened to veto every measure if one was not reached.

In the end, a water deal was not reached, and on last day, the Governor released his decisions on hundreds of bills within a few short hours. He signed 478 measures and vetoed 229.

Among those measures signed was SB 32 (Negrete-McLeod D-Chino) which expands and improves the feed-in tariffs originally established by AB 1969 (Yee – 2006), a measure sponsored by IEUA. Other great news was also received, as AB 1366 (Feuer D-Los Angeles) was also signed into law.

Legislative leaders and the Governor's office have continued discussions on water issues after two failed efforts to reach an accord earlier this year, and have called another special session in an attempt to resolve California's water issues.

Chino Basin / OBMP Coalition Status Report - October 2009

ENERGY/REGULATORY

CPUC Solicits Comments on Feed-in Tariffs

Concurrent with legislative efforts to expand and improve feed-in tariffs (FiTs) through SB 32, which was signed into law by Governor Schwarzenegger, the California Public Utilities Commission (CPUC) is likewise investigating expansion of FiT programs.

In mid-October, numerous parties supplied comments on a CPUC staff proposal to increase the size of the FiT program to 10 MW, as well as to implement an alternative pricing structure for some projects which differ from the current method of using the Market Price Referent (MPR) for renewable energy.

In light of SB 32's passage, projects under 3 MW will still be subject to provisions in statute and past CPUC decisions, however the CPUC retains the latitude to implement an additional FiT program for projects between 3-10 MW.

Additional rounds of comments and briefs will be occurring in the coming months, with a Commission decision expected in early 2009. The scope of the case will likely be expanded in the coming weeks to implement the specific provisions of SB 32.

DGI will continue to monitor this case and provide comments as appropriate on the implementation of SB 32.

WATER TALKS CONTINUE

A concerted effort at the end of the legislative session in September failed to reach a comprehensive water deal. A similar effort at the end of Governor Schwarzenegger's window to sign or veto each bill by mid-October also was unsuccessful.

Nevertheless, legislative leaders, the Governor and interested parties have continued these discussions in the seventh special legislative session of the year, which began in mid-October.

While issues such as governance of the Delta, storage projects and groundwater monitoring have all been the subject of earnest debate, the issue of water rights has remained the most significant obstacle to agreement.

By late October, two specific financing proposals had emerged from Legislative leaders on potential financing packages:

- 1. Senate President Pro Tem Darryl Steinberg (D-Sacramento) introduced a \$9.39 billion bond measure.
- 2. Senator Dave Cogdill (R-Modesto) introduced a \$9.4 billion bond proposal

If any of the introduced measures pass, it would be placed on the November 7, 2010 Gubernatorial General Election. It is expected that the full Senate and/or Assembly will begin debating and voting on these proposals by early November.

How these issues will be ultimately resolved remains to be seen, and numerous proposals and financing schemes continue to emerge and will be amended. Discussions are expected to continue in earnest, with at least some proposals expected to be brought forward for votes in the Senate and the Assembly well into November.

GOVERNOR RULES ON LEGISLATION

On September 11, the Legislature completed their 2009 session, giving the Governor until October 11 to sign or veto each of the measures sent to his desk. In all, the Governor had approximately 700 measures for his consideration by the October 11 deadline.

With resolution of water issues still outstanding, the Governor threatened to veto every measure unless a deal was reached. By October 9 it was evident that such a deal would not be reached, and the Governor softened his position on the deadline date of October 11, he hurriedly released his decisions on all the bills on his desk, vetoing approximately 33% of the measures before him.

One of the measures able to escape the Governor's veto was SB 32 (Negrete-McLeod D-Chino), a bill co-sponsored by IEUA. It was signed into law by Governor Schwarzenegger, and will take effect on January 1.

The Legislature will return to the second half of this Legislative Session on January 4, 2010.

Major Legislation

SB 32 (Negrete-McLeod D-Chino) was co-sponsored by IEUA, and was signed into law by Governor Schwarzenegger on October 11. 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: LOCATION:

Enacted Chaptered

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.

CA AB 560

AUTHOR:

Skinner [D]

TITLE:

Net Energy Metering

DISPOSITION:

Pendina

LOCATION:

Senate Business, Professions & Economic Development

Committee

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.

CA AB 920

AUTHOR:

Huffman [D]

TITLE:

Solar and Wind Distributed Generation

DISPOSITION:

Enacted

LOCATION:

Chaptered

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.

CA AB 1366

AUTHOR:

Feuer [D]

TITLE:

Residential Self-Regenerating Water Softeners

DISPOSITION:

Enacted

LOCATION:

Chaptered

SUMMARY:

Authorizes any local agency that owns or operates a community sewer system or water recycling facility within specified areas of the state to take action, by ordinance or resolution, after a public hearing, to control salinity inputs from residential self-regenerating water softeners to protect the quality of the waters of the state under a specified condition.

Air Permit Legislation

CA AB 1318

AUTHOR:

Perez V [D]

TITLE:

South Coast Air Quality Management District

DISPOSITION: LOCATION:

Enacted

LUCATION.

ON: Chaptered

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.

CA SB 696

AUTHOR:

Wright [D]

TITLE:

South Coast Air Quality Management District: CEQA

DISPOSITION:

Pending

LOCATION:

ASSEMBLY

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.

Other Energy Legislation

CA AB 45

AUTHOR:

Blakeslee [R]

TITLE:

Distributed Generation: Small Wind Energy Systems

DISPOSITION:

Enacted

LOCATION:

Chaptered

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.

CA AB 46

AUTHOR:

Blakeslee [R]

TITLE:

Energy

DISPOSITION:

Pendina

LOCATION:

Senate Inactive File

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.

CA AB 64

AUTHOR:

Krekorian [D]

TITLE:

Renewable Energy Resources: Generation and Transmission

DISPOSITION:

Vetoed

LOCATION:

Vetoed

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.

CA AB 162

AUTHOR:

Ruskin [D]

TITLE:

Disclosure of Sources of Electrical Generation

DISPOSITION:

Enacted

LOCATION:

Chaptered

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.

CA AB 212

AUTHOR:

Saldana [D]

TITLE:

Energy: Building Standards: Zero Net Energy Buildings

DISPOSITION:

LOCATION:

Assembly Appropriations Committee

SUMMARY:

Requires the State Energy Resources Conservation and Development Commission to adopt building design and construction standards and energy and water conservation standards to require new residential constructions on a date by which the commission determines that the use of photovoltaic technology is cost effective, to be zero net energy buildings.

CA AB 413

AUTHOR:

Fuentes [D]

TITLE:

Energy: Rates

DISPOSITION:

Pending

LOCATION:

Senate Inactive File

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.

CA AB 758

AUTHOR:

Skinner [D]

TITLE:

Energy: Energy Audit

DISPOSITION:

Enacted

LOCATION:

Chaptered

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.

CA AB 958

AUTHOR:

Eng [D]

TITLE:

Design-build: Metropolitan Water District

DISPOSITION: LOCATION:

Vetoed

Vetoed

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.

CA SB 7

AUTHOR:

Wiggins [D]

TITLE:

Renewable Energy Sources: Tariff: Net Metering

DISPOSITION:

Pending

FILE:

A-21

LOCATION:

Assembly Inactive File

Dolatos t

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.

CA SB 14

AUTHOR:

Simitian [D]

TITLE:

Utilities: Renewable Energy Resources

DISPOSITION:

Vetoed

LOCATION:

Vetoed

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.

CA SB 17

AUTHOR:

Padilla [D]

TITLE:

Electricity: Smart Grid Systems

DISPOSITION:

Enacted

LOCATION:

Chaptered

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.

CA SB 412

AUTHOR:

Kehoe [D]

TITLE:

Electricity: Self-Generation Incentive Program

DISPOSITION:

Enacted

LOCATION:

Chaptered

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.

CA SB 581

AUTHOR:

Leno [D]

DICEOCYTYCH

Hetch Hetchy Water and Power

DISPOSITION:

Enacted Chaptered

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.

CA SB 605

AUTHOR:

Ashburn [R]

TITLE:

California Environmental Quality Act: Biogas Pipelines

DISPOSITION:

Enacted

LOCATION:

Chaptered

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.

CA SB 805

AUTHOR:

Wright [D]

TITLE:

Energy: Renewable Energy Sources: Procurement

DISPOSITION:

Pending

LOCATION:

Senate Appropriations Committee

SUMMARY:

Revise the renewables portfolio standard. Requires each retail seller, in order to fulfill long-term resource needs, to increase its total procurement of eligible renewable energy resources so that a certain percentage are procured from eligible renewable energy resources. Requires an electrical corporation to procure a minimum quantity of electricity from such resources. Provides that the cost limitation on electrical corporations shall be a percentage of the annual revenue requirement.



Date:

November 18, 2009

To:

The Honorable Board of Directors

Through:

Public, Legislative Affairs, and Water Resources Committee (11/11/09)

From:

Richard W. Atwater

Chief Executive Officer/General Manager

Submitted by:

Martha Davis

Executive Manager of Policy Development

Subject:

October 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

MEMORANDUM

To: Rich Atwater and Martha Davis, IEUA

From: Letitia White, Heather Hennessey, and Alex Shockey

Date: October 30, 2009

Re: October Monthly Legislative Update

During the month of October, Congress continued to focus on healthcare as well as the task of wrapping up the fiscal year 2010 appropriations bills. Unfortunately, the intense focus on a healthcare overhaul package has drastically slowed down work on the appropriations bills and all other legislation.

It was great to see Rich during his visit to DC with WateRuse earlier this week. We were happy to help with the meeting schedule and really enjoyed attending lunch with the group. Our conversations about FY 2011 priorities for IEUA will need to continue over the next couple of months, but we made a good start while Rich was in town. IFS just got our first look at the FY 2010 Interior Appropriations Conference Report, and it contains \$2 billion more in funding for Clean Water and Drinking Water Revolving Funds than last year's bill. IEUA already has a track record of success with Revolving Fund applications, and we encourage you to remain engaged. In addition to watching the Energy and Water and Interior Appropriations bills complete the process, IFS also worked during October to provide you with updated information on federal grants.

Appropriations Update

The Congress has now completed and sent President Obama conference reports for five appropriations bills: Legislative Branch, Agriculture, Energy and Water, Homeland Security and Interior Appropriations. The House has cleared its version of all 12 spending bills, while the Senate has finished only seven. We understand that the House and Senate Appropriations Committees staffs are now operating under a plan which can lead to passage of the remaining fiscal year 2010 appropriations bills with a target of completing conference bills and reports by November 20. One source suggests that the Defense, Commerce-Justice, and Military Construction bills may yet be passed as stand-alone bills, while others may be bundled into "omnibus" legislation. If there is omnibus legislation, it would be considered to be a new bill in both the House and Senate and could therefore carry new matter, like health care reform, DC voting rights, alternate minimum or estate tax extensions, or a debt limit increase.

The Subcommittees whose bills have not yet been finalized have been asked to get together and resolve as many issues as possible, and then to turn a list of open items into the Full Committee offices by November 9. If the Appropriations Committees were to meet this timeline, resolve all issues, and finish drafting conference bills and their associated reports, then the resulting conference report(s) would have to be considered on the House and Senate floors and then be sent to the President for signature (or veto), presumably before the Thanksgiving Congressional

recess. The situation remains highly fluid, but the good news is that the staffs have a game plan that moves the process forward. We will keep you posted on new developments as the process unfolds.

Continuing Resolution (CR)

On October 29, only two days before the current continuing resolution (CR) is set to expire, the House and Senate passed a new CR, which was attached to the \$32.2 billion FY10 Interior-Environment Appropriations conference report. The new CR will fund government programs at FY09 levels through December 18, giving Congress more time to finish work on the remaining seven appropriations bills. The CR also includes three "stimulus" provisions. The first extends higher limits for federally backed home loans that were increased as part of the original stimulus and which are set to expire at the end of the year. The provision allows Federal Housing Administration, Fannie Mae and Freddie Mac mortgages to be as large as \$729,750 after December. The loan limits were scheduled to go down to their pre-stimulus levels of \$625,500 in January. Another provision provides about \$200,000 for public housing vouchers for approximately 10,000 families. The third provision provides approximately \$17.2 million to guarantee Small Business Association (SBA) loans for firms having trouble getting credit from private lenders.

Transportation Authorization Legislation

As a part of the continuing resolution (CR) mentioned above, Congress extended the current surface transportation authorization until December 18. The House, Senate and White House have been at odds over how long to extend current law. House Transportation and Infrastructure Chairman James Oberstar (D-MN) wants only a three month extension so he can move forward with a far reaching six year reauthorization bill this year. Until recently, Senate Environment and Public Works Committee Chair Barbara Boxer (D-CA) and James Inhofe (R-OK) have sided with the White House preference of an eighteen month extension. Last week, however, they acquiesced to a six month stop gap.

Many Members on both sides of the aisle and in both Chambers hope that transportation authorization will become the focus after the healthcare debate is finished. Many see it as a way to stimulate the sagging economy without passing another, stand-alone "Stimulus" bill. One of the biggest stumbling blocks remains: how to finance a \$500 billion reauthorization plan.

Health Care Legislation

Both the House and Senate worked during October to produce merged versions of their different healthcare bills. The situation remained very fluid as leaders in both chambers tried to craft legislation that will win enough votes to pass. After months of exhaustive negotiations, Senate Leader Harry Reid is still working to merge the versions from Senate HELP and Finance Committees. The Senate will probably produce a bill in early November.

Meanwhile, on October 29, House Democrats introduced a 1,990-page, \$894 billion healthcare reform bill (called H.R. 3962 or the Affordable Health Care for America Act). It would expand coverage to 96 percent of Americans by broadening Medicaid and providing premium subsidies to help individuals and families purchase coverage. Further, the bill would create an insurance

exchange that offers private plans as well as a public option with negotiated provider reimbursement rates.

In a preliminary analysis, the Congressional Budget Office (CBO) said the House bill has a projected cost of \$894 billion during the years 2010-2019 and would provide insurance to 96 percent of legal non-elderly residents, up from about 83 percent currently. This would leave about 18 million people still uninsured, a third of whom would be illegal immigrants. To offset the costs of reform, the bill would include a 5.4 percent surtax on high-income households with a modified adjusted gross income of more than \$1 million, as well as savings from changes to the Medicare and Medicaid.

House leaders have promised to provide a 72-hour viewing period for the bill and manager's amendment to it. Thus, floor consideration will not begin until late the week of November 2. Leaders are unlikely to allow Members to offer amendments on the House floor are pushing for a vote before November 11. But first they still must resolve the many difficult questions over abortion and immigration status, which could delay their ambitious push for passage.

Since this is a very long and complex bill, we have only provided a brief overview. If you have specific questions on HR 3962 please let us know and we will be very happy to research them for you.

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



Date:

November 18, 2009

To:

The Honorable Board of Directors

Through:

Public, Legislative Affairs and Water Resources Committee (11/11/09)

From:

Richard W. Atwater

Chief Executive Officer/General Manager

Submitted by:

Martha Davis

Executive Manager of Policy Development

Subject:

October 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



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

MEMORANDUM

TO:

Rich Atwater and Martha Davis

FROM:

Jennifer West October 29, 2009

DATE:

RE:

October Legislation Report

AB 1366 Signed Into Law

AB 1366 (Feuer/Caballero/A. Strickland) was signed into law by the Governor on October 11. The bill will give local agencies additional authority to control salinity discharges from self-regenerating water softeners. The Governor's signature on this bill was the culmination of two years of intensive lobbying. As lead sponsor, IEUA had to counter a multi-million dollar lobbying and public relations opposition campaign from the water softener industry. In the end, the Pacific Water Quality Association and the Water Quality Association removed their opposition, but the California Retailers Association and Culligan remained opposed and continued to run full page newspaper ads against the bill in Sacramento. This week the editorial page of the Los Angeles Times complimented the Governor for signing the bill in the face of this opposition.

Governor Continues to Seek Comprehensive Water Deal

The Governor and the Senate and Assembly leadership continue to seek a comprehensive water package. They were unable to reach agreement by the end of the regular legislative session, so a special water session has been called in an effort to continue negotiations on the package. As you can see from the description below, if this deal is singed into law, it will be one of the most comprehensive pieces of water legislation ever passed by the California Legislature.

SB 1 7X (Steinberg) is the compilation of four policy bills that include the following provisions:

Delta governance and planning

Reconstitutes and redefines the role of the Delta Protection Commission (DPC) Creates a new Sacramento-San Joaquin Delta Conservancy

Repeals the California Bay-Delta Authority Act

Establishes the coequal goals in statute of water reliability and delta restoration Provides \$28 million for the Two-Gates Fish Protection Demonstration Project from the unallocated account of IRWMP Proposition 84 funds.

Requires SWRCB to develop new flow criteria for the Delta ecosystem.

Creates the Delta Stewardship Council (Council) as an independent state agency.

Creates a Delta Watermaster

Requires the Council to develop, adopt and commence implementation of a "Delta Plan" by 2012. This Plan would include actions to promote water conveyance improvements.

Urban and Agricultural Water Conservation

Establishes a statewide urban water conservation target of 10% by 2015 and 20% by 2020.

Provides four methodologies for urban water suppliers to choose from to set and achieve their water use targets.

Requires a minimum of 5% reduction in base water use by 2020 for all urban water suppliers.

Allows recycled water to count toward meeting urban supplier's water use targets. Prohibits urban water suppliers from requiring changes that reduce processed water from commercial activities.

Creates a CII taskforce to develop BMPs for statewide water savings. Re-establishes agricultural water management planning program. This would only apply to agricultural operations of 25,000 irrigated acres and up. Does not require any reduction in agricultural water use.

Groundwater Monitoring

Requires that groundwater elevations for all basins and subbasins in the state be reported to DWR by 2012 and then every five years after.

Allows existing monitoring information to be used to fulfill this requirement, such as Chino Basin Watermaster groundwater elevation information.

In those areas where basins and subbasin are not monitored, it requires the counties either perform the monitoring, or work with local agencies to have them monitor the basins.

Allows land owners to prohibit a local agency from coming onto their property. Bars counties and local agencies from receiving water grants if DWR does not receive the information.

States that the DWR funding for this program "may" come from the unallocated account of the IRWMP of Proposition 84.

Water Rights Enforcement

Under its own motion, authorizes SWRCB to initiate statutory adjudication to determine rights of various claimants to the water of a stream system.

Increases penalties for not reporting water diversions or use.

Imposes or increases penalties for violating water rights laws.

Expands list of filing fees including registration for small domestic use or livestock ponds.

The water rights section of the bill remains very controversial, as is the Delta governance section, which is strongly opposed by Delta legislators, Delta counties and some environmental groups like the Sierra Club. The counties are also opposed to their new

role in the groundwater reporting section and there remains urban water district opposition to the water conservation section.

\$9.4 Billion Water Bond Introduced - SB 2 7X Cogdill

The Governor declared in August that he would not sign a water policy package (now SB 1 7X) without a water bond. This week two water bond proposals were introduced, but it appears that the Cogdill bond will be the vehicle for further negotiations.

This bond has many of the same categories of funding we have seem in previous water bond measures, including \$1.1 billion for IRWMP, \$1.5 billion for Delta ecosystem restoration, \$3 billion for water storage projects (continuously appropriated), \$1.5 billion for statewide watershed and ecosystem projects and \$250 million for water recycling.

In the \$250 million funding for water recycling, a provision was inserted into the bill stating that at least 40 percent of the recycling funding (\$100 million) will go to "advanced treatment projects." IEUA, WateReuse and other water agencies in Southern California are asking that the recycling funding be increased to \$500 million and all "carve outs" for specific technologies or projects be deleted.

Conclusion

Politically this package still faces a major uphill battle, including divided, but fairly strong environmental opposition, united opposition from Delta interests and continued oppositions from some but not all urban water agencies. The bond is particularly controversial. The largest state worker and the teachers unions have said they will oppose the bond if and when it goes before the voters, simply on the basis that the state does not have enough money to service the new bond indebtedness. In a hearing this week, it was estimated that servicing the new debt from this bond would cost the state between \$400 --\$700 million a year.

Inland Empire Utilities Agency Watch List October 29, 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: Signed into law, Chapter 367

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.

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

Status: Veoted

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

AB 1100 (Duvall) Potable Reuse Demonstration

Status: Senate Environmental Quality - two year bill

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

AB 1187 (Huffman) Water Bond 2010

Status: Assembly Water Parks and Wildlife

Assembly Water Bond vehicle

AB 1242 (Ruskin) State Water Policy

Status: Veoted

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

AB 1438 (Conway) Safe Drinking Water State Revolving Fund

Status: Signed into law, Chapter 531

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

SB 7 (Wiggins) Renewable Energy: Net Metering

Status: Assembly Floor --- Two year bill

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

SB 12 (Simitian) Delta

Status: Conference Committee

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

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

Status: Senate Natural Resource & Water

Senate vehicle for 2010 water bond.

SB 310 (Ducheny) Water Quality: Stormwater and Other Runoff Status: Signed into law, Chapter 577

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

SB 371 (Cogdill) Safe, Clean, Reliable Drinking Water Supply Act of 2009 Status: Senate Natural Resources & Water Governor's Water Bond Proposal

SB 456 (Wolk) Safe, Clean, Reliable Drinking Water Supply Act of 2010 Status: Senate Natural Resources & Water Water Bond proposal for 2010

SB 457 (Wolk) Sacramento-San Joaquin Delta

Status: Assembly Water Parks and Wildlife - Two year bill

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

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

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

SB 565 (Pavley) Water Recycling

Status: Assembly Water Parks and Wildlife - Two year bill

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

SB 735 (Steinberg) Safe, Clean, and Reliable Drinking Water Supply Act of 2010 Status: Senate Natural Resources & Water and E.Q. Senate Water Bond proposal

SB 790 (Pavley) Stormwater Management Status: Signed into law, Chapter 620

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.

Final Action Positions Inland Empire Utilities Agency October 29, 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 (Now largely incorporated into SB 1 7X Steinberg) 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 —Senate Suspense Appropriations 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 federal stimulus funding.

AB 410 (De La Torre) IRWMP Funds/Recycling Status: Senate Appropriations – Senate Suspense Appropriations Support

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

The July 13 amendments, as required by the Senate Water Committee, removed this \$5 million "earmark". The bill now requires DWR to give additional consideration to

IRWMP proposals that include the preparation of salt and nutrient management plans consistent with the recycled water policy of the SWRCB. The bill additionally sets a target to recycle 1.525 MAF per year by 2020 and 2.525 MAF per year by 2030. Would require DWR to assess progress towards meeting this target every five years based on information in the UWMPs.

AB 474 (Blumenfield) Contractual Assessments: Water efficiency Improvements Status: Signed into law, Chapter 444

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: Vetoed

Support

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

AB 900 (DeLeon) Water Diversions

Status: Senate Appropriations Suspense

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 Business and Professions Committee

Support

Increases the current cap on the amount of electricity that can be generated under the netmetering 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: Signed into law, Chapter 503

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: Signed into law, Chapter 527

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 was the coalition leader of this major lobbying effort. IEUA's efforts helped defeat a multi-million dollar lobbying and public relations campaign against the bill by water softening companies.

AB 1465 (Hill) Urban Water Management Plan Status: Signed into law, Chapter 534

Support

This bill would deem water suppliers that are members of the Urban Water Conservation 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 homegenerated 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: Signed into law, Chapter 178

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: Signed into law, Chapter 587

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 827 (Wright) SCAQMD Emission Reduction Credits (Content amended into this bill from SB 696 (Wright))

Status: Signed into law, Chapter 206

Support

SB 827 authorizes SCAQMD to issue permits in reliance on, and in compliance with specified district rules for "essential public services." SCAQMD definition of essential public services includes sewage treatment and water delivery operations.

SB 802 (Leno) Retention Proceeds

Status: Vetoed

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.



Date:

November 18, 2009

To:

The Honorable Board of Directors

Through:

Public, Legislative Affairs and Water Resources Committee (11/11/09)

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

November 2009

- November 5, Chaffey College Career Day at IEUA, Event Room, 9:00 a.m. to 1:00 p.m.
- November 12, CORO "Drought Survival Luncheon", Westin Bonaventure Hotel, 11:00 a.m. 1:30 p.m.
- November 14, Water Resources Institute Awards Banquet honoring Gerard Thibeault.
- November 18, Inland Empire Landscape Alliance Board Meeting, IEUA Board Room, 3:00 p.m. to 4:00 p.m.

December 2009

• **December, 24,** IEUA Employee Holiday Breakfast hosed by IEUA management team, Event Center, 9:00 a.m. to 11:00 a.m.

Outreach/Educational Inland Valley Daily Bulletin Newspaper Campaign

The five tips on ways to help conserve water ad will appear in the Daily Bulletin on the first Sunday of each month. A full page ad on the Garden in Every School ad ran on October 28 in conjunction with California School Garden week.

Water Conservation Outreach

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

Public Outreach and Communications October 21, 2009 Page 2

The annual regional water fair was held on Saturday, October 24 from 9:00 a.m. to 2:00 p.m. at the Chino Basin Water Conservation District. The event had a few hundred people come through to learn on ways to conserve water and rebates available to help save money. The Fair included an outdoor zone, indoor zone, kid's zone, teachers' zone, pumpkin patch, petting zoo, etc. Vendors arrived displaying different water-saving options for residents.

Regional Conservation Outreach Campaign

- Ongoing monthly ¼-page ads in the Inland Valley Daily Bulletin, Champion Newspaper, Fontana Herald News, La Opinion, and Inland Empire Magazine.
- Ongoing water wise gardening classes.
- Billboards.

Agency Tours

A tour of RP-5 was provided for CIEE-CPUC during October.

Educational Updates

- SAWA's Inaugural Bird Festival took place at the Chino Creek Wetlands and Educational Park. The event had about 200 people come through visiting different vendors that provided activities and information on the environment. A Bird Walk was also held during the festival so that children and adults could recognize different bird species that inhabit the park.
- WEWAC held a Project WET Workshop at the Environmental Learning Center at Cucamonga Valley Water District. Approximately twenty-one teachers showed up to the workshop where the committee members explained different tools to use to educate students about all aspects of water.
- IEUA and SAWA held an Introduction Workshop/Meeting for all those interested in volunteering for the Garden in Every School Demonstration Garden in the Park. Over 50 volunteers were present. The volunteers voted on a design for the garden. Plant workshops were held for all the volunteers in order to teach them the basics of plants and their structure.

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 – (11/11/09)

(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)

11/11/09—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. (COMPLETE)

12/16/09—SEIR Document released for public for review for 45 days.

2/10/09—End of 45-day public review period.

2/25/10—TDA finishes responses to comments.

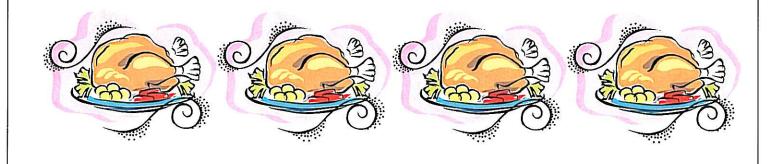
March 2010—IEUA Board adoption.



CHINO BASIN WATERMASTER

III. <u>INFORMATION</u>

1. Newspaper Articles



THE SACRAMENTO BEE sachee.com

California lawmakers pass historic water package

McClatchy Newspapers

Published Thursday, Nov. 05, 2009

SACRAMENTO, Calif. -- It took long months of delicate negotiations - and the last-minute deletion of a project dear to the heart of the state's most powerful legislator - for California lawmakers to craft what could turn out to be one of the most pivotal water deals in state history.

Now comes the hard part:

The plan's proponents must convince a debt-weary, politician-leery electorate that it's a deal worth what could be a \$25 billion-plus price tag by the time it's paid.

"We're done with part one," Assembly Speaker Karen Bass, DLos Angeles, said Wednesday.
"Part two is we need to take the message out (of Sacramento) ... first and foremost we have to begin by educating voters about water."

Bass' remarks came a few hours after legislators had staggered through an all-night session that ended with bipartisan support for a five-bill package of reforms to California's antiquated water system.

The bills were sent to Gov. Arnold Schwarzenegger, who effusively praised them.

"This is without any doubt the most comprehensive water infrastructure package ... in the history of California," the governor said.

The package's pieces range from new ways of protecting the fragile ecosystem of the Sacramento-San Joaquin River Delta to keeping track of how much water is being pumped from California's underground sources.

They also include asking voters to approve - probably next November - an \$11.1 billion bond measure that would pay for recycling, drought relief, water storage and wastewater treatment programs.

What the final package did not include was \$10 million to help build a tolerance center in Sacramento. Construction of the center has long been championed by state Senate President Pro Tem Darrell Steinberg, D-Sacramento, and Steinberg acknowledged Tuesday he had included the provision in the bond bill.

But the earmark sparked a flap in both legislative houses just after midnight, when The Sacramento Bee's story on the plan was published on its Web site.

When it became clear the controversy was delaying approval of the bond measure in the Assembly, Steinberg agreed to drop the idea.

"I have worked my heart out to get this water package passed," he said, "and the last thing I would ever want to do is jeopardize this incredibly important work."

One of the legislators who had pushed for removal of the earmark said it might not have ultimately stopped legislative approval of the bond proposal, but would have become a great campaign weapon for the bond measure's foes.

"In the bigger picture, it's going to take away a distraction that wasn't going to help our institution," said Assemblyman Jared Huffman, D-San Rafael, "and wasn't going to help the chances of this bond with voters."

Legislative leaders acknowledged that further improving the bond measure's chances with voters will take a Herculean effort on their part.

"We need to spend a tremendous amount of time doing the education to break down the historic mistrust and misperceptions that has been the fundamental reason it's taken half a century to make the advancements that we made," said Bass.

Steinberg noted voters surprised pundits and pollsters last November by approving a \$10 billion bond proposal to build a high-speed rail system in the state.

"Voters had a forward vision and they said despite the difficult economic times that they wanted to point toward the future," he said, "and I think with the right campaign, the right education, the right message, that they will do the same again."

But opposition to the high-speed rail measure was scattered and under-financed.

When it comes to the water bond, a potentially formidable odd-fellows coalition could form, consisting of public employee unions, anti-tax groups, some environmental groups and some local water and sewage agencies.

All of those elements have found something to dislike in the water reform package.

The politically potent and financially well-heeled unions fear committing more of the state's parched financial resources to water will mean less money for its payroll, and contend individual water projects should be paid for by those who benefit directly from them.

In a letter sent to lawmakers Monday, the lobbyist for the 700,000-member Service Employees International Union California said it was unacceptable to cut education and social service programs to pay the debt that will be incurred by the water bonds.

"As yet, SEIU has seen no water system improvement financing plan that it would not oppose," wrote union lobbyist Allen Davenport.

Anti-tax groups fear the bonds will increase the state's debt too much; some local agencies contend the reforms provide benefits to those outside their boundaries while sticking their customers with the bills, and some environmental groups oppose elements of the plan that could lead to construction of dams and a canal through the Delta.

"The water package that passed in the dead of night epitomizes the dysfunction that has gripped our legislative process," said Barbara Barrigan-Parrilla, campaign director for Restore the Delta, in a statement. "The package lost any semblance of rational debate and turned into a pork festival."

Whether voters see it that way may depend on which aspect of the potential costs they choose to emphasize.

Jason Dickerson of the Legislative Analysts Office, estimated the annual principal and interest on the water bonds could range from \$724.7 million to \$809.3 million.

But Schwarzenegger spokesman Aaron McLear said because the proposal requires no more than half of the bonds be sold before 2015, much of the state's current public works bond debts will be paid off before the water bonds begin to take effect.

"It's not going to take away money from any of our other priorities," he said.

Jim Sanders, Jack Chang and Torey Van Oot contributed to this report.

THE SACRAMENTO BEE sachee.com

Lawmakers pass water package after removing Sacramento project

jsanders@sacbee.com

Published Wednesday, Nov. 04, 2009

Lawmakers approved a momentous overhaul of California's ailing water system early this morning, but approval came only after Senate President Pro Tem Darrell Steinberg agreed to strip a \$10 million earmark for a Sacramento project he personally has championed.

The five-bill package, including an \$11 billion bond measure, ended months of tense negotiations involving scores of interest groups over how to bolster supply, improve delivery and solve environmental problems plaguing the water system.

"This vote will be remembered years from now," Assembly Republican leader Sam Blakeslee said after an all-night session that ended shortly before 6 a.m. today.

"This Legislature has been able to accomplish something that no Legislature has been able to accomplish in decades," Steinberg said. "We all know that people ask, 'Can this Legislature actually take on the biggest, most intractable problems, and find solutions?' The answer is yes."

A nearly 90-minute impasse in the Assembly, with the proposed \$11 billion bond measure lacking a handful of votes for approval, ended minutes after Steinberg agreed to drop from the bill a \$10 million earmark for a nonprofit tolerance center in Sacramento.

"I have worked my heart out to get this water package passed, and the last thing that I would ever want to do is to jeopardize this incredibly important work," he said of removing the earmark.

Steinberg, D-Sacramento, had requested the \$10 million earmark for a tolerance center that he has championed for years and has assisted in raising millions for its construction.

The tolerance center is proposed for construction on the site of the old Sacramento City Unified School District headquarters at 16th and N streets.

The project is envisioned as a "statewide hub" to teach tolerance to students and encourage "collaborative problem-solving," according to its Web site.

Language in the bond bill stipulated only that the \$10 million "shall be available for capital improvements to nonprofit facilities that provide watershed, environmental justice and urban greening education programs to students in the Sacramento City Unified School District and the surrounding area."

Steinberg, who has been the driving force behind the Legislature's efforts to revamp the state's creaking water system, defended inclusion in the bond bill of a project seemingly unrelated to the state's water problems.

"Frankly, if I have the opportunity to use the power I have to further civil rights and to further California history in any way, I'm going to do that," he said late Tuesday afternoon.

Dennis Mangers, a senior adviser to Steinberg and chairman of the Capital Unity Council, which is overseeing the project, said the proposed center's connection to water was that the center would include an aquarium, a botanical garden and other exhibits dealing with the vital role that water issues have played in the history of California.

The "water education component" would educate visitors about the role water systems play in encouraging successful communities and in triggering conflict.

Mangers said the council, which was created in 1999 in the wake of a series of hate crimes in Northern California, was about halfway to its fundraising goal of \$30 million to build the center.

Mangers said the water education element was included as part of the center's plans long before the bond measure was drafted.

Steinberg's \$10 million earmark for a project he personally has led sparked controversy shortly after midnight when a story by The Bee was published on its Web site and word began circulating among lawmakers of both houses.

Gov. Arnold Schwarzenegger hailed the the approval as "an historic achievement" and singled out Steinberg as "a tireless leader, a relentless advocate for the environment and a true statesman."

In the wee hours of the morning, it became clear that controversy over Steinberg's multimillion-dollar earmark was delaying Assembly passage of the water package's proposed \$11 billion bond.

Needing 54 votes for passage, the proposed bond measure, Senate Bill 2, received only 43 votes initially, a total that was raised to 50 votes after about 40 minutes of arm-twisting.

Behind the scenes, some legislators were requesting that Steinberg's earmark be removed.

"I went over and talked to (Steinberg) and he said, 'I want to come over and take it out,'" Assembly Speaker Karen Bass said.

Bass predicted that enough votes could have been secured to pass the proposed bond measure, even without striking the earmark, but certain members had objected to the \$10 million request and "we were concerned about it, so we struck it out."

Minutes after the earmark was removed, the bond measure passed the Assembly by the bare-minimum of 54 votes needed to secure a two-thirds majority.

Assemblyman Jared Huffman, a San Rafael Democrat who was pushing for removal of the earmark, praised Steinberg's willingness to strike it.

"In the bigger picture, it's going to take away a distraction that wasn't going to help our institution and wasn't going to help the chance of this bond with voters."

In floor debate, Assemblyman Roger Niello, R-Fair Oaks, praised plans for the tolerance center but characterized the \$10 million earmark as "pork."

"It's a wonderful project, I support it myself," Niello said. "It has absolutely nothing to do with water."

The five-bill water package now goes to Gov. Arnold Schwarzenegger, who is expected to sign it.

The bills include efforts to improve conservation, oversee restoration of the Sacramento-San Joaquin Delta, better manage groundwater supplies and stiffen penalties for illegal diversion of water.

The package does not take a stand on whether to construct a controversial canal through or around the Delta, sometimes characterized as a peripheral canal, but it proposes creation of a seven-member to council to oversee management of the Delta and potentially decide such delivery issues.

Assemblywoman Alyson Huber, D-El Dorado Hills, proposed an amendment to require a vote by the Legislature before any peripheral canal could be built. The amendment was shelved.

Perhaps fitting for water negotiations that took long months to complete and came down to the wire, the final piece in the package was delayed for almost 40 minutes this morning while sergeants-at-arms searched for Sen. Tom Harman, R-Huntington Beach.

Shortly before 6 a.m., Harman somewhat sheepishly appeared on the Senate floor, and cast the deciding vote for the revamped bond proposal.

Then legislators finally went home - barely beating sunrise.

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California Further Integrates Stormwater Into Water Supply Planning

November 3, 2009

by Cassie N. Aw-yang cawyang@somachlaw.com



On October 11, 2009, Governor Schwarzenegger signed into law SB 790 (Pavley), which includes the Stormwater Resource Planning Act. The Act addresses stormwater resource planning as a means to reduce surface water pollution and increase the state's water supplies. SB 790 authorizes the State Water Resources Control Board (State Water Board) to award grants for projects that implement a voluntary stormwater resource plan (SRP) (as defined by the Act) or implement or promote low-impact development to improve water quality or reduce stormwater runoff. As a result of SB 790, stormwater may play a more critical role in the development of solutions to address California's water supply crisis.

The Stormwater Resource Planning Act has two overarching goals. First, the Act seeks to reduce the degree to which stormwater pollutes surface waters and groundwater. Moreover, the Act seeks to increase local water supplies for beneficial uses (e.g., drinking supply) and the environment (e.g., wetlands creation). According to the legislative findings, the Act responds to the potential effects of global warming, which may change the hydrologic cycle of California by causing less snowfall and more rainfall.

Operating Provisions of SB 790

To achieve its purpose, the Stormwater Resource Planning Act authorizes any city, county, or special district (individually or jointly) to develop an SRP voluntarily. An SRP must satisfy certain criteria. For example, an SRP must be developed on a watershed basis, allow for community participation, and provide multiple benefits. Such benefits include water supply, water quality, environmental, and other community benefits. An SRP must be consistent with any applicable integrated regional water management plan and waste discharge permit (including those issued under the federal Clean Water Act).

In addition, an SRP must identify certain elements. For example, an SRP must identify: activities that cause stormwater pollution; opportunities for groundwater recharge and stormwater reuse; and projects, ordinances and other mechanisms to implement the SRP effectively. Moreover, an SRP must identify design criteria and best management practices (BMPs) to prevent stormwater pollution and increase effective stormwater management. The design criteria and BMPs must: (1) create and direct stormwater to permeable surfaces, retention basins and other storage for beneficial reuse; (2) increase water storage for beneficial use through various on-site storage techniques; (3) increase groundwater supplies through infiltration where appropriate and feasible; and (4) use low-impact development techniques for new and upgraded infrastructure and development. Such techniques reduce stormwater runoff, filter pollutants, facilitate stormwater storage onsite, infiltrate stormwater in the ground, or improve the quality of receiving groundwater and surface water.

Under the Stormwater Resource Planning Act, existing planning documents may qualify as functionally equivalent to an SRP. The types of planning documents that may so qualify include, but are not limited to, watershed management plans, integrated water resource management plans, and urban water management plans. If a single planning document does not meet the requirements of an SRP, a collection of local and regional plans may constitute a functional equivalent.

The Public Resources Code authorizes the State Water Board to consult with the State Coastal Conservancy to award grants of up to \$5 million to public agencies and nonprofit organizations for certain projects designed to restore and protect water quality. SB 790 expands the list of potential projects eligible for such funding to include those "designed to implement or promote low-impact development for new or existing developments that will contribute to the improvement of water quality or reduce stormwater runoff." The bill also expands the list to include projects designed to implement an SRP. Finally, SB 790 amends the Public Resources Code to authorize regional water management groups to coordinate their planning activities to address or incorporate all or any part of an SRP.

Conclusion and Potential Implications

SB 790 encourages the management of stormwater to augment local water supplies, maintain or enhance surface water quality, and provide other environmental benefits. The bill provides incentives for public agencies and nonprofit organizations to undertake low-impact development projects and develop SRPs. As such, SB 790 is part of a larger trend that recognizes the water supply value of capturing and reusing stormwater. For example, the State Water Board's Recycled Water Policy, adopted in February 2009, establishes a goal to increase reuse of stormwater by 500,000 acre feet by 2020 and one million acre feet by 2030.

SB 790 is likely to elevate stormwater in the ongoing debate on how best to conserve and enhance California's water resources in the face of global climate change and a growing population. The new law regards stormwater as a valuable resource rather than solely as a source of surface water pollution.

For more information on SB 790, contact Cassie Aw-yang at cawyang@somachlaw.com.

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Leftover water becomes a commodity

Watermaster to auction 36,000 acre-feet in blocks

Mediha Fejzagic DiMartino, Staff Writer

Created: 10/03/2009 07:06:45 AM PDT

RANCHO CUCAMONGA - As gusts of Santa Anas sweep across thirsty Southern California terrain, the Chino Basin Watermaster is getting ready to auction off a surplus of water.

Up for sale are 36,000 acre-feet of water, left over after businesses such as Sunkist Growers moved out of the area. Watermaster officials said they hope to net \$30 million and use the money to improve Chino Basin's water-collecting infrastructure.

"Water is the new gold," said Ken Manning, Watermaster's chief executive officer.

He sees water as a commodity, but not everyone agrees.

"Each drought there is an evolution in how water is banked, traded and moved from areas of abundance to areas of need," said Wes Danskin, research hydrologist for the U.S. Geological Survey.

The auction will be Nov. 4 at the Watermaster office in Rancho Cucamonga. The water will be

sold in four blocks, each containing 9,000 acrefeet of water. An acre-foot is 325,851 gallons and is enough to supply two typical households for a year.

The reserve price is set at \$600 per acre-foot.

"We don't think we'll have trouble getting that, Manning said. "The market is very good compared to five years ago."

Water rights in Chino Basin are divided among three types of users and are non-transferrable among the entities. They can sell them to someone else in the same category.

"They can pump as much as they need," Manning said. "They have the overlying right (the right of the owner of the land to take water from the ground underneath for use on his overlying land). If they relocate, the water right shifts to the agency that serves the customer. Just because someone buys the farm, they don't get the water rights unless they will have another farm in the same place."

Most water rights - about 70 percent - belong to agencies who serve the retail customer, such as local cities, Cucamonga Valley Water District or Fontana Water Company, Manning said.

Agricultural concerns such as farms and dairies also have a share, as do the businesses that have been pumping water since before 1978.

"What's happened over last 30 years is that those businesses either have transferred.



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changed or moved out," Manning said. "There aren't as many businesses utilizing their water rights."

Sunkist's water rights went to the city of Ontario, which is not using all the water allotted for the now-closed citrus distributor.

"Water is stranded, sitting in the basin and is not available for others to use," Manning said. "In 1978, the court never anticipated that dynamic taking place."

Watermasters usually do not hold any water rights in the basins they manage and therefore have no water to sell.

That changed in December 2007, when San Bernardino Superior Court approved a purchase agreement and gave the Watermaster an option to acquire up to 40,000 acre-feet of water stored in the basin. The court also mandated that proceeds of any sale be used for the public good.

The member agencies comprising the Watermaster decided that sale receipts should be used to cover the costs of a court-required expansion of the basin's recharge facilities -basins that trap rain runoff and sink the water into the basin.

"Demands are going up," Manning said. "We could take (into the recharge basin) more water in a shorter period of time."

Because of the lack of rainfall and problems at the Sacramento-San Joaquin River Delta, the area is not receiving enough water to supply its needs every year.

"We need to be gulping instead of sipping," Manning said.

Currently, the Watermaster oversees 26 recharge facilities and wants to build four or five more. Modernization of some of the existing facilities, such as San Sevaine in Fontana, is in the plans as well as installing eight to 10 more injection wells throughout the basin. The improvements should be completed by 2015.

The cost of the project will be \$100 million to \$150 million. Manning plans to match money earned in the auction with state and federal grants as well as some stimulus money.

"We are generating money to offset future rate increases," he said. "We could probably go to court and get an approval to use this water to offset the overproduction, but that would be like buying the fish. All that does is it satisfies our needs for today. I proposed we buy the fishing pole and use the money to build facilities that will guarantee future generations will have water."

The auction is considered to be first of its kind in the state. Water sales traditionally are negotiated.

"It's an interesting approach," said Tim Brick, chairman of the board of Metropolitan Water District. "A lot of people are watching how will it develop."

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"It's transparent," said John Rossi, general manager at the Western Municipal Water District, a wholesale agency that supplies water to the Temecula region. "Everyone will have the same opportunity to bid for the water. An auction is a smart way to get the fairest price. The more value they get, the more infrastructure is built."

Rossi's agency is looking forward to owning and storing water in the nearby basin, should it make a winning bid.

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The agency has not had any recent requests for new connections, but it's planning for the future.

"When development starts up again, we are concerned about having enough water for all new demand," Rossi said.

Planning to bid are also "local big real estate developers" whom Manning declined to identify. Before construction of a development can commence, a water agency has to issue a "will serve" letter.

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Hoping to use water as a hedge against inflation, large investment groups and Fortune 500 companies that regularly invest in commodities are also knocking on the Watermaster's door.

"It's easy to predict that the price of water will go up," Manning said. "MWD's wholesale rates are set to go up 15 to 20 percent for the year. For an investor this makes a pretty easy decision. Water is a commodity like gas, electricity or lumber that people are buying or selling."

Meredith McKenzie, a lecturer for Cal Poly Pomona's Urban and Regional Planning Department, considers the Watermaster's auction a very good business strategy since so many districts are in need of water. But she questions labeling water as a commodity.

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Brick agreed.

"Open auction, where people are bidding against each other, it's an unusual way to go," he said. "Water is a natural resource. I'm concerned with it being treated as a commodity. There are broader values associated with it. It's more than just a commodity."

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What is the Watermaster?

Mediha Fejzagic DiMartino, Staff Writer

Created: 10/03/2009 07:06:46 AM PDT

RANCHO CUCAMONGA - Much like a bank, Chino Basin Watermaster's primary job is to make sure its members' water buckets are not overdrawn and that no one is dipping into someone else's supply.

After much quagmire about water rights, "Chino Basin Watermaster Judgment" was procured in 1978 and the board was created.

The entity does not own any water rights but it has authority over water stored in the underground water basin, its distribution and storage, The Watermaster is appointed by the San Bernardino Superior Court to administer the court's judicial decisions.

Watermaster is not a single person but an organization representing a medley of agencies, some with water pumping rights such as local cities, water districts, water companies as well as farms, dairies and commercial businesses.

The Watermaster monitors water levels in the basin, and collects assessments each year to purchase replenishment water to replace overwithdrawal by any water-rights holder.

In cooperation with its member agencies, Watermaster is responsible for the health of the Chino Basin - the 235-square miles of the upper Santa Ana River watershed - and works on "further developing recharge capabilities, storage and recovery projects, managing salt loads, developing new yield such as reclaimed and storm water recharge."

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Chino Basin is home to 6 million acre-feet of water

Mediha Fejzagic DiMartino, Staff Writer

Created: 10/03/2009 03:28:13 PM PDT

Several factors are contributing to the health of Chino Basin - some natural, some planned while others unintended.

While households throughout the state are embracing the water-conservation methods. economic downturn, basin's geographical location and good management are helping it from depleting its supplies.

Covering 235 square miles of land from Chino to the San Gabriel Mountains and Upland to Fontana, the groundwater basin is considered one of the largest in Southern California. It has capacity to store 6 million acre-feet of water.

"We have full control of every drop of water in the basin," said Ken Manning, chief executive officer of the basin's Watermaster, "Chino basin is in an A+ condition and it could be a model for the groundwater management."

Part of good water management is urban planning, said Wes Danskin, a research hydrologist for the US Geological Survey. San Bernardino County still has plenty of open space where storm run off can be collected and guided into recharge facilities. That is not the case with San Diego County, Danskin said.

Compared to its counterparts throughout Southern California, Chino Basin is also "geographically blessed" said Meredith McKenzie, a Cal Poly Pomona lecturer.

Bounded by the San Gabriel Mountains to the north, during the wet years the basin receives plenty of storm run off to replenish its groundwater system - it's natural advantage.

"They are in a good location," Danskin said. "They get rain when San Diego does not."

Waves of foreclosures and businesses leaving the IE have also alleviated some of the strain on the basin's water supply.

"Large factor that has created water surplus for Chino Water Basin has been the unintended result of the housing foreclosure crisis leaving a much lower water usage than projected," said McKenzie. "Businesses have closed, people have moved resulting in lower water use."

Chino Basin Watermaster's move to auction off 36,000 acre-feet of water represents less than one percent of its supply, but it may be a sizable amount for others.

"36,000 acre-feet is 15 percent of water that is used in San Bernardino Basin," Danskin said.

So even though basin's residents seem to have little less water worries than their neighbors, they are still doing their part - watering only on certain days of the week, taking shorter showers, planting foliage that needs less water.



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"It's socially prudent to conserve water," Danskin said. "There is always going to be people who have more water than others because of their geographical position." Amount of water to be auctioned: 36,000 acre-feet.

Date of the auction: Nov. 4.

Expected revenue: \$30 million.

Cost of improvement projects: \$100 million to \$150 million.

Chino Basin's storage capacity: 6 million acrefeet of water.

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Frontier Project draws attention to going green and saving resources, but at a cost

Wendy Leung, Staff Writer

Created: 09/28/2009 10:25:22 PM PDT

Photo Gallery: Frontier Project

RANCHO CUCAMONGA - When it comes to going green, the Cucamonga Valley Water District pulled out all the stops.

The district is near completion on a demonstration building with a conservation message that goes beyond low-flush toilets and drought-resistant plants. It might sound like an oxymoron, but the water district wants to go beyond water.

The Frontier Project is an ambitious \$14.3 million venture that will showcase the latest in sustainability designs. The idea is to not only stress the importance of saving water but to demonstrate how an energy-efficient dishwasher using gray water works or how a solar chimney can cool a building without turning on the air conditioner.



A trellis made of wood planks recycled from Filippi Winery wine barrels shades the staircase at the Frontier Project building in Rancho Cucamonga. The building is designed to be energy-efficient and environmentally friendly. (Jennifer Cappuccio-Maher/Staff Photographer)

"This building and the life of this building is ahead of its time," said Kathy Tiegs, water district board member.

The Frontier Project, adjacent to the water district headquarters on Ashford Street, opens to the public Nov. 7. A "Green Tie Gala," an event giving VIP guests a sneak peek of the project, is Oct. 17.

Once opened, the public can tour the 14,000square-foot building and learn about ways to incorporate green technologies in their homes and businesses. Workshops and trade fairs will also be held here.

In 2005, the water district created the nonprofit Frontier Project Foundation, which is independent of the water agency. The foundation board

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includes all five water district board members and community leaders Carolyn Anderson, Andrea Guillen Dutton and Tim Johnson.

Randall Reed, who was elected to the water district in 2003 and serves as the Frontier Project Foundation chairman, said there was plenty of excitement during the initial planning stages of the project.

"When we were brainstorming, we thought, if we're going to be custodians of natural resources . .. if we're going to use recycled water, why not use recycled building materials?" Reed said. "We thought of solar power, a green roof, a cistern where no water leaves your property. We just didn't limit ourselves."

The "sky's the limit" philosophy, however, has drawn some criticism.

Six years ago when the project was crafted, public and private groups weren't as cash-strapped as they are.

The foundation has a goal of raising \$7 million through grants and other fundraising opportunities but has only reached \$1 million. The foundation board had to issue debts to finance most of the \$14.3 million project.

Board member Hank Stoy, who voiced his objections to the project during his campaign last year and won, said although the project's goals are commendable, it doesn't bring good value to taxpayers.

"I'm not sure conveying messages of solar panels and recycled building materials is our responsibility," Stoy said. "I question why water ratepayers are spending money on those things."

Although the Frontier Project could put the local water agency on the map as one of the most innovative green projects in the region, it opens at a particularly stressful time for the district.

The ongoing drought and skyrocketing costs of imported water has forced the district to raise its rates this month. The district also resorted to layoffs for the first time in history; 13 employees were affected.

It's not opportune timing, admits board member Oscar Gonzalez, but fundraising opportunities will come.

"I'm confident that (sponsorships) will be available," Gonzalez said. "Obviously, I can't say to what extent, but when the construction is finished ... that's not the cutoff date for sponsorships. As the economy gains more traction, the opportunities will come."

The building, in addition to providing office space for some water district employees, also includes rental space that's expected to bring in revenue.

When it comes to jumping aboard the green movement, most board members believe the timing is ideal.

"I would like it to be better timing but at the

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same time, this type of project will help the economy by creating green jobs," Reed said. "The building itself may not be a timely matter, but the ideas it creates, I think it couldn't be more timely."

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