



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, December 17, 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*





CHINO BASIN WATERMASTER

Thursday, December 17, 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. – December 17, 2009

At The Offices Of

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

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Advisory Committee Meeting held November 19, 2009 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of October 2009 *(Page 5)*
2. Watermaster Visa Check Detail for the month of October 2009 *(Page 9)*
3. Combining Schedule for the Period July 1, 2009 through October 31, 2009 *(Page 11)*
4. Treasurer's Report of Financial Affairs for the Period October 1, 2009 through October 31, 2009 *(Page 13)*
5. Budget vs. Actual July through October 2009 *(Page 15)*

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** - Chino Basin Watermaster will purchase 21.215 acre-feet of water from Aqua Capital Management to offset the Assessment Year 2008-09 replenishment obligation. Watermaster will purchase the water at \$321.76 per acre-foot, which is the Assessment Year 2008-09 replenishment rate collected, plus accumulated interest. The transfer will be made from Aqua Capital Management's net under-production in Fiscal Year 2009-10.
Date of Application: September 18, 2009 *(Page 17)*
2. **Consider Approval for Notice of Sale or Transfer** - Monte Vista Water District is purchasing 5.188 acre-feet of water from the San Antonio Water Company. This purchase is made first from San Antonio's net underproduction, if any, in Fiscal Year 2009-10, with any remainder to be recaptured from storage. Date of Application: October 8, 2009 *(Page 29)*

D. VOLUME VOTE

1. Consider Approval of Volume Vote for Advisory Committee *(Page 43)*

II. BUSINESS ITEM

A. 2010 Community Outreach Campaign

Consider Approval for Expenditure of \$10,000 for Participation in the Joint Chino Basin Public Outreach Campaign for 2010 *(Page 47)*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. December 11, 2009 Hearing

B. WATERMASTER FINANCIAL REPORT

1. Financial Update

C. ENGINEERING REPORT

1. State of the Basin Report

D. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Report
3. Scheduled Board Changes for 2010
4. Manning 4th Annual Holiday Gathering

E. INLAND EMPIRE UTILITIES AGENCY

1. Recycled Water Update - oral
2. Status Report on DYY and Drought Allocation Implementation - oral
3. Water Resources & Conservation Programs Monthly Report *(Page 55)*
4. Monthly Water Use Report - *Handout*
5. State and Federal Legislative Reports *(Page 65)*
6. Community Outreach/Public Relations Report *(Page 89)*
7. Peace II SEIR Schedule *(Page 91)*

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

1. Newspaper Articles *(Page 93)*

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

December 16, 2009	10:00 a.m.	Water Quality Committee Meeting @ CBWM
December 17, 2009	8:00 a.m.	IEUA 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
January 7, 2010	1:00 p.m.	Annual Non-Agricultural Pool Elections @ CBWM
January 7, 2010	1:05 p.m.	Annual Appropriative Pool Elections @ CBWM
January 7, 2010	1:15 p.m.	Annual Joint Appropriative & Non-Ag Pool Meeting @ CBWM
January 14, 2010	9:00 a.m.	Annual Agricultural Pool Meeting @ IEUA
January 21, 2010	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
January 21, 2010	9:00 a.m.	Annual Advisory Committee Meeting @ CBWM
January 25, 2010	9:00 a.m.	GRCC Meeting @ CBWM
January 28, 2010	11:00 a.m.	Annual Watermaster Board Meeting @ CBWM

Meeting Adjourn



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting – November 19, 2009



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

November 19, 2009

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on November 19, 2009 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Robert DeLoach, Chair

Ken Jeske

Mark Kinsey

Dave Crosley

John Mura

Raul Garibay

Charles Moorrees

J. Arnold Rodriguez

Tom Harder

Robert Young

Josh Swift

Agricultural Pool

Jeff Pierson

Jennifer Novak

Non-Agricultural Pool

Kevin Sage

Cucamonga Valley Water District

City of Ontario

Monte Vista Water District

City of Chino

City of Chino Hills

City of Pomona

San Antonio Water Company

Santa Ana River Water Company

Jurupa Community Services District

Fontana Water Company

Fontana Union Water Company

Ag Pool – Crops

State of California, Dept. of Justice, CIM

Vulcan Materials Company (Calmat Division)

Watermaster Board Members Present

Michael Camacho

Inland Empire Utilities Agency

Watermaster Staff Present

Ken Manning

Sheri Rojo

Ben Pak

Danielle Maurizio

Sherri Lynne Molino

CEO

CFO/Asst. General Manager

Senior Project Engineer

Senior Engineer

Recording Secretary

Watermaster Consultants Present

Michael Fife

Brownstein, Hyatt, Farber & Schreck

Others Present

Bill Kruger

Steve Nix

Mike Maestas

Ron Craig

Doug LaBelle

Steven Lee

Martha Davis

Rich Atwater

Terry Catlin

City of Chino Hills

City of Chino Hills

City of Chino Hills

City of Chino Hills

City of Chino Hills

Reid & Hellyer

Inland Empire Utilities Agency

Inland Empire Utilities Agency

Inland Empire Utilities Agency

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

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 October 15, 2009

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of September 2009
2. Watermaster Visa 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

C. SEMI-ANNUAL REPORT

1. Consider Approval of Status Report 2009-1

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

Moved to approve consent calendar items A through C, as presented

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Completion of SWRCB Santa Ana River Process
Counsel Fife stated as reported at the Pool meetings, this process is now complete and there were no challenges to the permit.
2. Implementation of Plan B for Purchase of Overlying Non-Agricultural Pool Water
Counsel Fife stated discussion took place in closed session at the last Appropriative Pool meeting earlier this month regarding this matter. Counsel Fife noted this item is provided for in the Purchase and Sale Agreement; Watermaster will handle this water upon direction from the Appropriative Pool members. Watermaster staff is seeking direction from that Pool now that the water auction has been postponed. The Appropriative Pool provided direction to Watermaster staff as to how to revise the proposed Plan B and that was done and a copy of that revised plan is in the meeting package. This Plan B is not on the agenda for action but for information only. A brief discussion regarding the water auction ensued.

B. WATERMASTER FINANCIAL REPORT

1. PERS Audit
Ms. Rojo stated Watermaster underwent a PERS audit recently and PERS will be issuing a report on their findings in the next several months. That report will be presented to the Watermaster Board.
2. Engineering Budget Update
Ms. Rojo stated Watermaster staff finished the Wildermuth Environmental budget update. That update is now complete and is on the back table for your review. This is an inclusive report and provides a breakdown of what work is done, by each budget category. This report presents the information for the first quarter of the fiscal year.
3. Disposition of Water Purchased from the Non-Agricultural Pool
Ms. Rojo stated on the back table is a breakdown of the cost to purchase the Non-Agricultural Pool water. Ms. Rojo noted it is a two sided document and reviewed the document in detail. Ms. Rojo stated the assessments should be mailed out next week and a copy of this document will be included in the assessment package/invoice mailing for your accounting department.

C. CEO/STAFF REPORT1. Legislative Update

Mr. Manning stated there is a copy of the Department of Water Resources Summary of Legislation that recently passed. This is the better summaries that have been published in a long time. There will be several questions regarding what is specifically the bond will provide for and it will be approximately a year before the election regarding the bond element that is included in the summary is voted on. A discussion regarding the legislative groundwater issues including the financial aspect of these bonds ensued. A discussion regarding the legislative groundwater issues including the financial aspect of these bonds ensued.

2. Recharge Report

Mr. Manning noted the most current Recharge Report is on the back table for your review.

3. State of the Basin Report

Mr. Manning stated this report is now complete in draft form and the final edits are being worked on now.

4. Manning 4th Annual Holiday Gathering

Mr. Manning invited all parties to join him and his wife for their 4th Annual Holiday Open House at their home on Thursday, December 17, 2009 starting at 4:00 p.m.

D. INLAND EMPIRE UTILITIES AGENCY1. Recycled Water Update

Mr. Atwater provided an update on recycled water.

2. Status Report on DYY and Drought Allocation Implementation

Mr. Atwater stated all parties are right on target for the drought plan. Mr. Atwater reviewed the numbers being seen from the efforts on fighting the drought situation.

3. Recycled Water Program Update

No comment was made regarding this item.

4. Water Resources & Conservation Programs Monthly Report

No comment was made regarding this item.

5. Quarterly Water Resources & Conservation Programs Monthly Report

No comment was made regarding this item.

6. Monthly Water Use Report

No comment was made regarding this item.

7. Recycled Water Newsletter

No comment was made regarding this item.

8. State and Federal Legislative Reports

No comment was made regarding this item.

9. Community Outreach/Public Relations Report

No comment was made regarding this item.

10. Peace II SEIR Schedule

No comment was made regarding this item.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

No comment was made regarding this item.

III. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

IV. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

V. OTHER BUSINESS

No comment was made regarding this item.

VI. FUTURE MEETINGS

November 19, 2009	8:00 a.m.	IEUA 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.	IEUA 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

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

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

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5. Budget vs. Actual July through October 2009





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: December 17, 2009
TO: Committee Members
SUBJECT: Cash Disbursement Report

SUMMARY

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

Recommendation – Staff recommends the Cash Disbursements for October 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 October 2009 were \$696,077.47. The most significant expenditures during the month were Brownstein Hyatt Farber Schreck in the amount of \$82,137.00, Inland Empire Utilities Agency in the amount of \$166,828.59 and Wildermuth Environmental Inc. in the amount of \$202,841.78.

ACTIONS:

12-03-09 Appropriative Pool – moved to approved unanimously
12-03-09 Non-Agricultural Pool – moved to approved unanimously
12-10-09 Agricultural Pool – moved to approved unanimously
12-17-09 Advisory Committee
12-17-09 Watermaster Board

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
October 2009

Type	Date	Num	Name	Amount
Oct 09				
Bill Pmt -Check	10/1/2009	13609	ARROWHEAD MOUNTAIN SPRING WATER	-53.28
Bill Pmt -Check	10/1/2009	13610	DIRECTV	-79.99
Bill Pmt -Check	10/1/2009	13611	JAMES JOHNSTON	-810.00
Bill Pmt -Check	10/1/2009	13612	PARK PLACE COMPUTER SOLUTIONS, I...	-3,525.00
Bill Pmt -Check	10/1/2009	13613	R&D PEST SERVICES	-85.00
Bill Pmt -Check	10/1/2009	13614	STANDARD INSURANCE CO.	-551.10
Bill Pmt -Check	10/1/2009	13615	STATE COMPENSATION INSURANCE FU...	-858.59
Bill Pmt -Check	10/1/2009	13616	VISION SERVICE PLAN	-64.98
Bill Pmt -Check	10/1/2009	13617	W.C. DISCOUNT MOBILE AUTO DETAILI...	-75.00
Bill Pmt -Check	10/1/2009	13618	YUKON DISPOSAL SERVICE	-142.88
Bill Pmt -Check	10/1/2009	13619	CORO SOUTHERN CALIFORNIA	-1,500.00
General Journal	10/3/2009	091003	PAYROLL	-7,539.42
General Journal	10/3/2009	091003	PAYROLL	-26,696.85
Bill Pmt -Check	10/5/2009	13620	APPLIED COMPUTER TECHNOLOGIES	-2,673.75
Bill Pmt -Check	10/5/2009	13621	CAMACHO, MICHAEL	-750.00
Bill Pmt -Check	10/5/2009	13622	COMPUTER NETWORK	-97.88
Bill Pmt -Check	10/5/2009	13623	DE BOOM, NATHAN	-375.00
Bill Pmt -Check	10/5/2009	13624	DURRINGTON, GLEN	-250.00
Bill Pmt -Check	10/5/2009	13625	FEENSTRA, BOB	-1,125.00
Bill Pmt -Check	10/5/2009	13626	HSBC BUSINESS SOLUTIONS	-648.43
Bill Pmt -Check	10/5/2009	13627	HUITSING, JOHN	-375.00
Bill Pmt -Check	10/5/2009	13628	KOOPMAN, GENE	-750.00
Bill Pmt -Check	10/5/2009	13629	PIERSON, JEFFREY	-1,125.00
Bill Pmt -Check	10/5/2009	13630	PUMP CHECK	-3,420.00
Bill Pmt -Check	10/5/2009	13631	PURCHASE POWER	-47.69
Bill Pmt -Check	10/5/2009	13632	SAGE, KEVIN	-125.00
Bill Pmt -Check	10/5/2009	13633	STAPLES BUSINESS ADVANTAGE	-1,309.55
Bill Pmt -Check	10/5/2009	13634	VANDEN HEUVEL, ROB	-250.00
Bill Pmt -Check	10/5/2009	13635	WHITEHEAD, MICHAEL	-125.00
Bill Pmt -Check	10/8/2009	13636	ADLIN, BEN	-2,300.00
Bill Pmt -Check	10/8/2009	13637	BROWNSTEIN HYATT FARBER SCHRECK	-82,137.00
Bill Pmt -Check	10/8/2009	13638	MAYER HOFFMAN MC CANN P.C.	-4,325.00
Bill Pmt -Check	10/8/2009	13639	MIJAC ALARM	-141.00
Bill Pmt -Check	10/8/2009	13640	MWH LABORATORIES	-414.00
Bill Pmt -Check	10/8/2009	13641	PAYCHEX	-215.72
Bill Pmt -Check	10/8/2009	13642	PREMIERE GLOBAL SERVICES	-585.71
Bill Pmt -Check	10/8/2009	13643	PUMP CHECK	-4,635.00
Bill Pmt -Check	10/8/2009	13644	REID & HELLYER	-4,950.50
Bill Pmt -Check	10/8/2009	13645	SAFEGUARD DENTAL & VISION	-50.00
Bill Pmt -Check	10/8/2009	13646	THE STANDARD INSURANCE COMPANY	-156.56
Bill Pmt -Check	10/8/2009	13647	UNION 76	-149.97
Bill Pmt -Check	10/8/2009	13648	UNITED PARCEL SERVICE	-175.70
Bill Pmt -Check	10/8/2009	13649	VERIZON	-448.79
Bill Pmt -Check	10/8/2009	13650	INLAND EMPIRE UTILITIES AGENCY	-166,828.59
Bill Pmt -Check	10/16/2009	13651	JAMES JOHNSTON	-720.00
Bill Pmt -Check	10/16/2009	13652	W.C. DISCOUNT MOBILE AUTO DETAILI...	-75.00
General Journal	10/17/2009	091005	PAYROLL	-7,643.88
General Journal	10/17/2009	091005	PAYROLL	-26,786.94
Bill Pmt -Check	10/20/2009	13653	ACWA SERVICES CORPORATION	-219.03
Bill Pmt -Check	10/20/2009	13654	BANC OF AMERICA LEASING	-3,215.74
Bill Pmt -Check	10/20/2009	13655	BANK OF AMERICA	-6,575.22
Bill Pmt -Check	10/20/2009	13656	BLACK & VEATCH CORPORATION	-4,727.50
Bill Pmt -Check	10/20/2009	13657	CUCAMONGA VALLEY WATER DISTRICT	-5,792.00
Bill Pmt -Check	10/20/2009	13658	MCI	-1,230.47
Bill Pmt -Check	10/20/2009	13659	MWH LABORATORIES	-44,215.00
Bill Pmt -Check	10/20/2009	13660	NORDBAK'S PROMOTIONAL PRODUCTS	-146.07
Bill Pmt -Check	10/20/2009	13661	PITNEY BOWES CREDIT CORPORATION	-473.07
Bill Pmt -Check	10/20/2009	13662	SAFEGUARD DENTAL & VISION	-7.68
Bill Pmt -Check	10/20/2009	13663	STAPLES BUSINESS ADVANTAGE	-242.96
Bill Pmt -Check	10/20/2009	13664	STAULA, MARY L	-136.61
Bill Pmt -Check	10/20/2009	13665	VERIZON WIRELESS	-532.75
Bill Pmt -Check	10/20/2009	13666	WESTERN DENTAL SERVICES, INC.	-46.22
Bill Pmt -Check	10/20/2009	13667	WILDERMUTH ENVIRONMENTAL INC	-202,841.78
Bill Pmt -Check	10/28/2009	13668	CUCAMONGA VALLEY IAAP	-79.00
Bill Pmt -Check	10/29/2009	13669	ARROWHEAD MOUNTAIN SPRING WATER	-53.32
Bill Pmt -Check	10/29/2009	13670	FIRST AMERICAN REAL ESTATE SOLUTI...	-125.00
Bill Pmt -Check	10/29/2009	13671	GOLDMAN COMMUNICATIONS INC.	-2,312.50
Bill Pmt -Check	10/29/2009	13672	INLAND EMPIRE UTILITIES AGENCY	-320.54

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
October 2009

Type	Date	Num	Name	Amount
Bill Pmt -Check	10/29/2009	13673	KONICA MINOLTA BUSINESS SOLUTIONS	-577.81
Bill Pmt -Check	10/29/2009	13674	PRE-PAID LEGAL SERVICES, INC.	-103.60
Bill Pmt -Check	10/29/2009	13675	PUBLIC EMPLOYEES' RETIREMENT SYS...	-6,124.46
Bill Pmt -Check	10/29/2009	13676	RICOH BUSINESS SYSTEMS-Lease	-897.19
Bill Pmt -Check	10/29/2009	13677	STANDARD INSURANCE CO.	-551.10
Bill Pmt -Check	10/29/2009	13678	STAPLES BUSINESS ADVANTAGE	-461.52
Bill Pmt -Check	10/29/2009	13679	STATE COMPENSATION INSURANCE FU...	-868.87
Bill Pmt -Check	10/29/2009	13680	VISION SERVICE PLAN	-64.98
Bill Pmt -Check	10/29/2009	13681	W.C. DISCOUNT MOBILE AUTO DETAILI...	-100.00
Bill Pmt -Check	10/29/2009	13682	ACWA	-14,020.00
Bill Pmt -Check	10/30/2009	13683	ADLIN, BEN	-1,725.00
Bill Pmt -Check	10/30/2009	13684	APPLIED COMPUTER TECHNOLOGIES	-1,992.25
Bill Pmt -Check	10/30/2009	13685	BETTY J. KELLEY, C.S.R.	-30.00
Bill Pmt -Check	10/30/2009	13686	PARK PLACE COMPUTER SOLUTIONS, I...	-3,300.00
General Journal	10/31/2009	091007	PAYROLL	-7,358.81
General Journal	10/31/2009	091007	PAYROLL	-26,440.67
Oct 09				<u>-696,077.47</u>

11:18 AM
11/30/09

CHINO BASIN WATERMASTER
Check Detail
October 2009

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Ch...	13655	10/20/2009	BANK OF AMERICA	1012 · Bank of America Gen'l Ckg	
Bill	4024...	9/30/2009		6312 · Meeting Expenses	-267.80
				6212 · Meeting Expense	-267.80
				6191 · Conferences	-2,122.18
				6909.1 · OBMP Meetings	-42.78
				6909.1 · OBMP Meetings	-3,874.66
TOTAL					-6,575.22

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE
 PERIOD JULY 1, 2009 THROUGH OCTOBER 31, 2009

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATE AGRICULTURAL POOL	NON-AGRIC. POOL	GROUNDWATER REPLENISHMENT POOL	GROUNDWATER OPERATIONS SB222 FUNDS	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2009-2010
Administrative Revenues	111,000	-	-	-	-	-	-	111,000	0
Administrative Assessments	111,000	-	-	-	-	-	-	111,000	\$7,340,839
Interest Revenue	-	11,739	1,068	529	-	-	2	13,338	191,540
Mutual Agency Project Revenue	-	-	-	-	-	-	-	-	148,410
Grant Income	-	-	-	-	-	-	-	-	0
Miscellaneous Income	-	-	-	-	-	-	-	-	0
Total Revenues	111,000	11,739	1,068	529	-	-	2	124,338	7,680,789
Administrative & Project Expenditures	175,721	-	-	-	-	-	-	175,721	580,238
Watermaster Administration	20,028	-	-	-	-	-	-	20,028	61,901
Watermaster Board-Advisory Committee	-	-	-	-	-	-	-	-	229,860
Pool Administration	-	10,004	46,093	2,179	-	-	-	58,276	1,557,820
Optimum Basin Mgmt Administration	541,835	-	-	-	-	-	-	541,835	4,109,362
OBMP Project Costs	1,452,731	-	-	-	-	-	-	1,452,731	1,131,233
Debt Service	567,042	-	-	-	-	-	-	567,042	375
Education Funds Use	-	-	-	-	-	-	-	-	10,000
Mutual Agency Project Costs	-	-	-	-	-	-	-	-	-
Total Administrative/OBMP Expenses	195,749	10,004	46,093	2,179	-	-	-	2,815,633	7,680,789
Net Administrative/OBMP Expenses	(84,749)	(2,561,608)	-	-	-	-	-	(2,691,295)	-
Allocate Net Admin Expenses To Pools	84,749	-	-	-	-	-	-	-	-
Allocate Net OBMP Expenses To Pools	1,994,566	59,212	22,466	3,071	-	-	-	-	-
Allocate Debt Service to App Pool	567,042	1,393,551	528,735	72,279	-	-	-	-	-
Agricultural Expense Transfer*	567,042	567,042	(597,294)	-	-	-	-	-	-
Total Expenses	2,627,104	597,294	(597,294)	77,529	-	-	-	2,815,633	7,680,789
Net Administrative Income	(2,615,365)	1,068	1,068	(77,000)	-	-	2	(2,691,295)	-
Other Income/(Expense)	-	-	-	-	-	-	-	-	0
Replenishment Water Assessments	-	-	-	-	-	-	-	-	0
Interest Revenue	-	-	-	-	8,492	-	-	8,492	0
Water Purchases	-	-	-	-	(1,011,482)	-	-	(1,011,482)	0
Balance Adjustment	-	-	-	-	-	-	-	-	0
Groundwater Replenishment	-	-	-	-	(1,002,990)	-	-	(1,002,990)	0
Net Other Income	-	-	-	-	(1,002,990)	-	-	(1,002,990)	0
Net Transfers To/(From) Reserves	(3,694,285)	(2,615,365)	1,068	(77,000)	(1,002,990)	-	2	(3,694,285)	-
Working Capital, July 1, 2009	5,942,967	470,719	470,719	256,577	4,166,457	158,251	995	10,995,966	-
Working Capital, End Of Period	3,327,602	471,787	471,787	179,577	3,163,457	158,251	997	7,301,681	7,301,681
08/09 Assessable Production	84,716,450	32,142,764	32,142,764	4,393,990	-	-	-	121,255,204	-
08/09 Production Percentages	69.867%	26.509%	26.509%	3.624%	-	-	-	100.000%	-

* Fund balance transfer as agreed to in the Peace Agreement.

Financial Statements 05-1003 05/Combining Sept. 18/Sheet

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
OCTOBER 1 THROUGH OCTOBER 31, 2009**

DEPOSITORIES:		
Cash on Hand - Petty Cash	\$	500
Bank of America		
Governmental Checking-Demand Deposits	\$	218,316
Zero Balance Account - Payroll		-
Local Agency Investment Fund - Sacramento		<u>7,394,199</u>
TOTAL CASH IN BANKS AND ON HAND		\$ 7,613,015
		8,309,092
PERIOD INCREASE (DECREASE)		\$ <u>(696,077)</u>

	10/31/2009
	9/30/2009

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets: Accounts Receivable	\$	(39,700)
Assessments Receivable		-
Prepaid Expenses, Deposits & Other Current Assets		10
(Decrease)/Increase in Liabilities		(63,304)
Accrued Payroll, Payroll Taxes & Other Current Liabilities		-
Transfer to/(from) Reserves		<u>(593,083)</u>
PERIOD INCREASE (DECREASE)		\$ <u>(696,077)</u>

SUMMARY OF FINANCIAL TRANSACTIONS:

	Balances as of	9/30/2009	Petty Cash	Gov't'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 9/30/2009		\$	500	114,393	-	8,194,199	\$ 8,309,092
Deposits			-	-	-	-	-
Transfers			-	697,533	102,467	(800,000)	-
Withdrawals/Checks			-	(593,610)	(102,467)	-	(696,077)
Balances as of 10/31/2009		\$	500	218,316	-	7,394,199	\$ 7,613,015
PERIOD INCREASE OR (DECREASE)			\$	103,923	\$	(800,000)	\$ (696,077)

**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
OCTOBER 1 THROUGH OCTOBER 31, 2009**

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
10/15/2009	Withdrawal	L.A.I.F.	\$ (500,000)				
10/22/2009	Withdrawal	L.A.I.F.	\$ (300,000)				

TOTAL INVESTMENT TRANSACTIONS \$ (800,000)

* 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
October 31, 2009**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 7,394,199			
TOTAL INVESTMENTS	\$ <u>7,394,199</u>			

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

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

Respectfully submitted,



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

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

	<u>Jul - Oct 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies		148,410	-148,410	0%
4110 · Admin Asmnts-Approp Pool		7,185,411	-7,185,411	0%
4120 · Admin Asmnts-Non-Agri Pool		155,427	-155,427	0%
4700 · Non Operating Revenues	13,338	191,540	-178,202	7%
4900 · Miscellaneous income	111,000			100%
Total Income	<u>124,338</u>	<u>7,680,788</u>	<u>-7,556,450</u>	<u>2%</u>
Gross Profit	124,338	7,680,788	-7,556,450	2%
Expense				
6010 · Salary Costs	116,094	487,838	-371,744	24%
6020 · Office Building Expense	29,185	102,500	-73,315	28%
6030 · Office Supplies & Equip.	12,471	43,500	-31,029	29%
6040 · Postage & Printing Costs	24,529	84,300	-59,771	29%
6050 · Information Services	47,427	148,500	-101,073	32%
6060 · Contract Services	65,034	98,000	-32,966	66%
6080 · Insurance	15,934	16,730	-796	95%
6110 · Dues and Subscriptions	14,489	17,000	-2,511	85%
6140 · WM Admin Expenses	847	3,000	-2,153	28%
6150 · Field Supplies	170	2,800	-2,630	6%
6170 · Travel & Transportation	9,751	37,800	-28,049	26%
6190 · Conferences & Seminars	9,893	26,500	-16,607	37%
6200 · Advisory Comm - WM Board	6,276	18,078	-11,802	35%
6300 · Watermaster Board Expenses	13,752	43,823	-30,071	31%
8300 · Appr PI-WM & Pool Admin	10,004	23,069	-13,065	43%
8400 · Agri Pool-WM & Pool Admin	8,797	25,114	-16,317	35%
8467 · Ag Legal & Technical Services	33,321	98,000	-64,679	34%
8470 · Ag Meeting Attend -Special	3,975	12,000	-8,025	33%
8471 · Ag Pool Expense		65,000	-65,000	0%
8500 · Non-Ag PI-WM & Pool Admin	2,179	6,677	-4,498	33%
6500 · Education Funds Use Expens		375	-375	0%
9500 · Allocated G&A Expenditures	-170,103	-488,230	318,127	35%
Subtotal G&A Expenditures	<u>254,025</u>	<u>872,374</u>	<u>-618,349</u>	<u>29%</u>
6900 · Optimum Basin Mgmt Plan	487,426	1,399,371	-911,945	35%
6950 · Mutual Agency Projects		10,000	-10,000	0%
9501 · G&A Expenses Allocated-OBMP	54,409	148,448	-94,039	37%
Subtotal OBMP Expenditures	<u>541,835</u>	<u>1,557,819</u>	<u>-1,015,984</u>	<u>35%</u>
7101 · Production Monitoring	41,792	107,047	-65,255	39%
7102 · In-line Meter Installation	19,889	56,179	-36,290	35%
7103 · Grdwtr Quality Monitoring	89,237	214,362	-125,125	42%

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

	<u>Jul - Oct 09</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
7104 · Gdwtr Level Monitoring	107,966	366,956	-258,990	29%
7105 · Sur Wtr Qual Monitoring	765	43,912	-43,147	2%
7107 · Ground Level Monitoring	42,078	550,059	-507,981	8%
7108 · Hydraulic Control Monitoring	107,078	567,022	-459,944	19%
7109 · Recharge & Well Monitoring Prog	1,105	9,152	-8,047	12%
7200 · PE2- Comp Recharge Pgm	807,068	1,478,560	-671,492	55%
7300 · PE3&5-Water Supply/Desalte	10,984	96,003	-85,019	11%
7400 · PE4- Mgmt Plan	46,930	91,985	-45,055	51%
7500 · PE6&7-CoopEfforts/SaltMgmt	39,397	163,727	-124,330	24%
7600 · PE8&9-StorageMgmt/Conj Use	22,748	29,550	-6,802	77%
7690 · Recharge Improvement Debt Pymt	567,042	1,131,233	-564,191	50%
7700 · Inactive Well Protection Prgm		5,066	-5,066	0%
9502 · G&A Expenses Allocated-Projects	115,694	339,782	-224,088	34%
Subtotal Project Expenditures	<u>2,019,773</u>	<u>5,250,595</u>	<u>-3,230,822</u>	<u>38%</u>
Total Expense	<u>2,815,633</u>	<u>7,680,788</u>	<u>-4,865,155</u>	<u>37%</u>
Net Ordinary Income	-2,691,295		-2,691,295	100%
Other Income/Expense				
Other Income				
4225 · Interest Income	8,492			
Total Other Income	<u>8,492</u>			
Other Expense				
5010 · Groundwater Replenishment	8,482			
5100 · Other Water Purchases	1,003,000			
9999 · To/(From) Reserves	<u>-3,694,285</u>			
Total Other Expense	<u>-2,682,803</u>			
Net Other Income	<u>2,691,295</u>			
Net Income	<u><u>0</u></u>		<u><u>0</u></u>	<u><u>0%</u></u>



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer -**
Chino Basin Watermaster will purchase 21.215 acre-foot of water from Aqua Capital Management to offset the Assessment Year 2008-09 replenishment obligation. Watermaster will purchase the water at \$321.76 per acre-foot, which is the Assessment Year 2008-09 replenishment rate collected, plus accumulated interest. The transfer will be made from Aqua Capital Management's net under-production in Fiscal Year 2009-10
2. **Consider Approval for Notice of Sale or Transfer -**
Monte Vista Water District is purchasing 5.188 acre-foot of water from the San Antonio Water Company. This purchase is made first from San Antonio's net underproduction, if any, in Fiscal Year 2009-10, with any remainder to be recaptured from storage



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

October 28, 2009

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **September 18, 2009** Date of this notice: **October 28, 2009**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 21.215 acre-feet of water from Aqua Capital Management to offset the Assessment Year 2008-09 replenishment obligation. Watermaster will purchase the water at \$321.76 per acre-foot, which is the Assessment Year 2008-09 replenishment rate collected, plus accumulated interest. The transfer will be made from Aqua Capital Management's net under-production in Fiscal Year 2009-10.

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

Appropriative Pool:	November 5, 2009
Non-Agricultural Pool:	November 5, 2009
Agricultural Pool:	November 12, 2009

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: October 28, 2009

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

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: October 28, 2009
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 21.215 acre-feet of water from Aqua Capital Management to offset the Assessment Year 2008-09 replenishment obligation. Watermaster will purchase the water at \$321.76 per acre-foot, which is the Assessment Year 2008-09 replenishment rate collected, plus accumulated interest. The transfer will be made from Aqua Capital Management's net under-production in Fiscal Year 2009-10.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 21.215 acre-feet of water from Aqua Capital Management to offset the Assessment Year 2008-09 replenishment obligation. Watermaster will purchase the water at \$321.76 per acre-foot, which is the Assessment Year 2008-09 replenishment rate collected, plus accumulated interest. The transfer will be made from Aqua Capital Management's net under-production in Fiscal Year 2009-10.

Notice of the water transaction identified above was mailed on October 28, 2009 along with the materials submitted by the requestors.

DISCUSSION

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

Chino Basin Watermaster has a carryover Non-Agricultural Pool replenishment obligation (due to overproduction within the Basin) of 21.215 AF for Assessment Year 2008-09. Due to the fact that MWD does not have replenishment water available, Watermaster wishes to use the option to purchase water from Parties to fulfill the replenishment obligation. Watermaster is taking advantage of Aqua Capital Management's offer to sell 21.215 AF of water to Watermaster. The transfer will be made from Aqua Capital Management's net under-production in Fiscal Year 2009-10. The 85/15 Rule does not apply to this transfer because 85/15 payments and credits were already established in the Assessment Package. This transfer is functioning in a similar manner as replenishment Watermaster purchases from MWD/IEUA.



CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

September 18, 2009

AQUA CAPITAL MANAGEMENT'S ACCEPTANCE OF WATERMASTER'S WATER TRANSFER TERMS

Chino Basin Watermaster will purchase 21,215 AF of water from Aqua Capital Management. Watermaster will purchase the water at \$321.76 per acre-foot, which is the Assessment Year 2008-09 replenishment rate collected, plus accumulated interest. The transfer will be made from Aqua Capital Management's net under-production in Fiscal Year 2009-10.

If these terms are acceptable to the Aqua Capital Management, please sign below and return to Watermaster at your earliest convenience.

Signature:

Printed Name:

David Penrice

Title:

CEO

Date Signed:

9/28/09

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**CONSOLIDATED WATER TRANSFER FORMS:
 FORM 3: APPLICATION FOR SALE OR TRANSFER OF RIGHT TO PRODUCE WATER FROM STORAGE
 FORM 4: APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE
 FORM 5: APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD**

FISCAL YEAR 20⁰⁹- 20¹⁰

DATE REQUESTED: September 18, 2009

AMOUNT REQUESTED: 21.215 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<u>Aqua Capital Management</u>	<u>Chino Basin Watermaster</u>
Name of Party	Name of Party
<u>444 Regency Parkway Drive, Suite 300</u>	<u>9641 San Bernardino Road</u>
Street Address	Street Address
<u>Omaha</u> <u>NE</u> <u>68114</u>	<u>Rancho Cucamonga</u> <u>CA</u> <u>91730</u>
City State Zip Code	City State Zip Code
<u>402-934-0066 Ext 205</u>	<u>909-484-3888</u>
Telephone	Telephone
<u>402-934-0085</u>	<u>909-484-3890</u>
Facsimile	Facsimile

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

PURPOSE OF TRANSFER:

- Pump when other sources of supply are curtailed
- Pump to meet current or future demand over and above production right
- Pump as necessary to stabilize future assessment amounts
- Other, explain To fulfill the Non-Agricultural Pool replenishment obligation for Assessment Year 2008-09

WATER IS TO BE TRANSFERRED FROM:

- Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool)
- Storage
- Annual Production Right / Operating Safe Yield first, then any additional from Storage
- Other, explain _____

WATER IS TO BE TRANSFERRED TO:

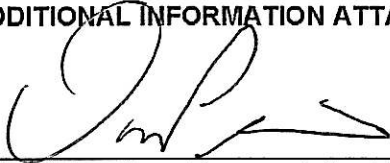
- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain Non-Agricultural Pool replenishment obligation for Assessment Year 2008-09

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature

Dave Penrice

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Kenneth R. Manning

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

October 28, 2009

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

NOTICE OF APPLICATION(S) RECEIVED

Date of Application: **October 8, 2009**

Date of this notice: **October 28, 2009**

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

- Notice of Sale or Transfer – Monté Vista Water District is purchasing 5.188 acre-feet of water from the San Antonio Water Company. This purchase is made first from San Antonio’s net underproduction, if any, in Fiscal Year 2009-10, with any remainder to be recaptured from storage.

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

Appropriative Pool:	November 5, 2009
Non-Agricultural Pool:	November 5, 2009
Agricultural Pool:	November 12, 2009

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: October 28, 2009

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

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: October 28, 2009
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- **Notice of Sale or Transfer** – Monte Vista Water District is purchasing 5.188 acre-feet of water from the San Antonio Water Company. This purchase is made first from San Antonio's net underproduction, if any, in Fiscal Year 2009-10, with any remainder to be recaptured from storage.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Monte Vista Water District is purchasing 5.188 acre-feet of water from the San Antonio Water Company. This purchase is made first from San Antonio's net underproduction, if any, in Fiscal Year 2009-10, with any remainder to be recaptured from storage.

Notice of the water transaction identified above was mailed on October 28, 2009 along with the materials submitted by the requestors.

DISCUSSION

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

The 85/15 rule does not apply for this water transaction because Monte Vista Water District is utilizing this transaction to produce their San Antonio Water Company shares.

Monte Vista

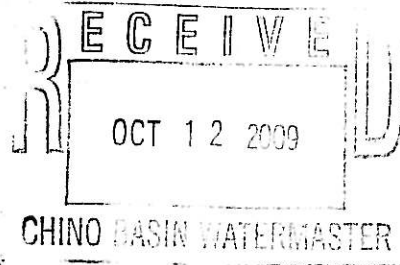
Dedicated to Quality,

Service and Innovation

October 8, 2009

Mark N. Kinsey
GENERAL MANAGER

Mr. Ken Manning, Chief Executive Officer
CHINO BASIN WATERMASTER
9641 San Bernardino Road
Rancho Cucamonga, California 91730



Purchase of Water in Storage: Fiscal Year 2009-10

Dear Mr. Manning 

This letter is to notify Watermaster of the purchase of 5.188 acre-feet of water from the San Antonio Water Company. This purchase is made first from San Antonio's net underproduction, if any, in Fiscal Year 2009-10, with any remainder to be recaptured from storage.

This purchase will be utilized by the District to offset projected Fiscal Year 2009-10 or future fiscal year obligations within the Chino Basin. Attached is an executed application for lease or transfer of a right to produce water from storage and a recapture plan for consideration by Watermaster. Please agendize this item at the earliest possible opportunity.

If you have any questions or require additional information concerning this matter, please call me at 624-0035, extension 170. Thank you.

Sincerely,

Monte Vista Water District



Mark N. Kinsey
General Manager

Attachments

Water District

10575 Central Avenue, Post Office Box 71 • Montclair, CA 91763 • (909) 624-0035 • FAX (909) 624-4725 • www.mvwd.org

Sandra S. Rose
PRESIDENT

Maynard B. Lenhart
VICE PRESIDENT

Tony Lopez
DIRECTOR

Philip L. Erwin
DIRECTOR

G. Michael Milhiser
DIRECTOR

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CONSOLIDATED WATER TRANSFER FORMS:
FORM 3: APPLICATION FOR SALE OR TRANSFER OF RIGHT TO PRODUCE WATER FROM STORAGE
FORM 4: APPLICATION OR AMENDMENT TO APPLICATION TO RECAPTURE WATER IN STORAGE
FORM 5: APPLICATION TO TRANSFER ANNUAL PRODUCTION RIGHT OR SAFE YIELD

FISCAL YEAR 2009 - 2010

DATE REQUESTED: October 14, 2009

AMOUNT REQUESTED: 5.188 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):			TRANSFER TO (BUYER / TRANSFEREE):		
<u>San Antonio Water Company</u>			<u>Monte Vista Water District</u>		
Name of Party			Name of Party		
<u>139 North Euclid</u>			<u>10575 Central Avenue</u>		
Street Address			Street Address		
<u>Upland</u>	<u>CA</u>	<u>91786</u>	<u>Montclair</u>	<u>CA</u>	<u>91763</u>
City	State	Zip Code	City	State	Zip Code
<u>909-982-4107</u>			<u>909-624-0035</u>		
Telephone			Telephone		
<u>909-920-3047</u>			<u>909-624-0037</u>		
Facsimile			Facsimile		

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

- Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool) Storage
- Annual Production Right / Operating Safe Yield first, then any additional from Storage
- Other, explain _____

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain _____

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.")

Yes No

Is the Buyer an 85/15 Party?

Yes No

Is the purpose of the transfer to meet a current demand over and above production right?

Yes No

Is the water being placed into the Buyer's Annual Account?

Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

Projected Rate of Recapture

Projected Duration of Recapture

METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):

Pumping

PLACE OF USE OF WATER TO BE RECAPTURED:

Regular production wells

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

WATER QUALITY AND WATER LEVELS

Are the Parties aware of any water quality issues that exist in the area? Yes No

If yes, please explain:

Nitrate concentrations range between 19-70 ppm

What are the existing water levels in the areas that are likely to be affected?

504-533

MATERIAL PHYSICAL INJURY

Are any of the recapture wells located within Management Zone 1? Yes No

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

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

SAID TRANSFER SHALL BE CONDITIONED UPON:


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

ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature



Buyer / Transferee Representative Signature

Charles Moorrees

Seller / Transferor Representative Name (Printed)

Mark N. Kinsey

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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MONTE VISTA WATER DISTRICT

Recapture Plan

Location of where the recaptured water will be extracted by the District is within Management Zone 1 of the Chino Basin and will be accomplished by any or all of the 13 wells owned and operated by the District. The approximate daily production capacity of these wells is noted below.

The 5.188 AF transfer will be utilized for delivery to the District's retail customers, for delivery to the City of Chino Hills, or to offset the District's Fiscal Year 2009-10 replenishment obligation.

<u>Well</u>	<u>Production Acre-Feet/Day</u>
4	4.2
5	6.1
6	5.2
10	5.2
19	9.0
20	5.8
26	9.0
27	9.0
28	9.0
30	9.0
31	9.0
32	9.0
33	4.5

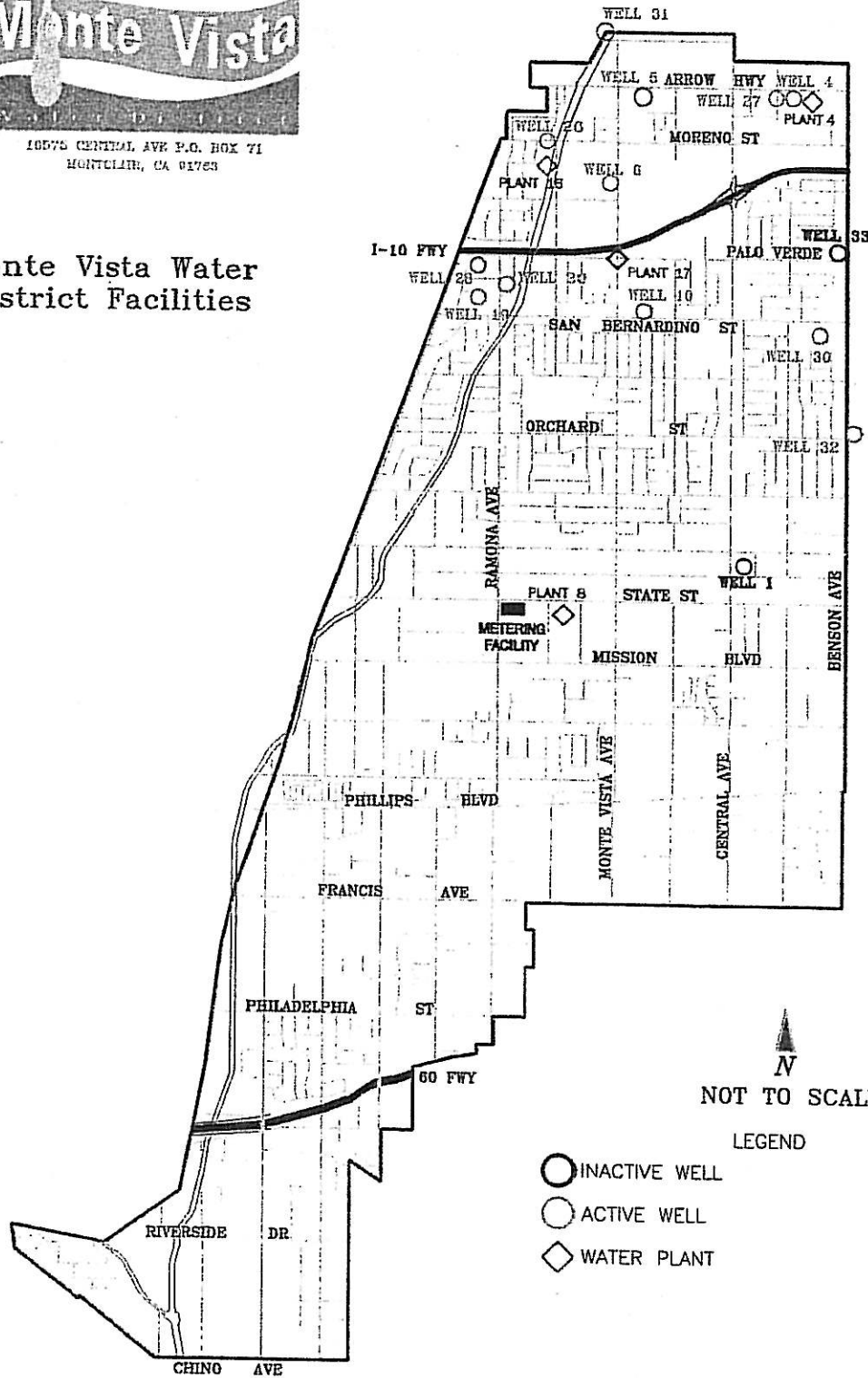
Daily Total 94.0

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



10575 CENTRAL AVE P.O. BOX 71
MONTCLAIR, CA 91763

Monte Vista Water District Facilities



N
NOT TO SCALE

- LEGEND
- INACTIVE WELL
 - ACTIVE WELL
 - ◇ WATER PLANT

Jdizon M:\Presentation\Facilities.dwg



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

D. Volume Vote





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: December 17, 2009
TO: Committee Members
SUBJECT: Volume Votes

SUMMARY

Issue – The Advisory Committee need to adopt their respective volume vote.

Recommendation – It is recommended that each Committee take action to adopt their respective volume votes for the upcoming calendar year.

Fiscal Impact – None.

BACKGROUND

Following the approval of each Assessment Package, volume vote calculations are performed and agencies are allocated a voting percentage. The Advisory Committee adopt the Volume Vote which is prepared according to their respective rules. The 2009-2010 Assessment Package was approved on October 22, 2009.

DISCUSSION

The Volume Votes are calculated based on a combination of safe yield rights and assessable production. If there are any questions regarding the calculations, please contact Ms. Sheri Rojo at 909-484-3888 or by email at srojo@cbwm.org.

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Peace II

Chino Basin Watermaster 2009-2010 Advisory Committee Volume Vote

Assessment Year 2009-2010 (Production Year 2008-2009)

	Pool 3 Vote	% Vote	Advisory Vote
Minor 1	79.28	7.928%	2.97
Minor 2	79.28	7.928%	2.97
Chino Hills, City Of	30.99	3.099%	2.32
Chino, City Of	50.03	5.003%	3.75
Cucamonga Valley Water District	97.96	9.796%	7.35
Fontana Union Water Company	58.29	5.829%	4.37
Fontana Water Company	77.93	7.793%	5.84
Jurupa Community Services District	120.07	12.007%	9.01
Metropolitan Water District	0.00	0.000%	0.00
Monte Vista Water District	100.17	10.017%	7.51
Ontario, City Of	181.75	18.175%	13.63
Pomona, City Of	171.51	17.151%	12.86
Upland, City Of	32.04	3.204%	2.40
			75.00
AGRICULTURAL POOL			20.00
NON-AGRICULTURAL POOL			5.00
			25.00
TOTAL		108%	100

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

A. 2010 COMMUNITY OUTREACH CAMPAIGN





CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
Chief Executive Officer

STAFF REPORT

DATE: December 17, 2009
TO: Committee Members
SUBJECT: Participation with the Chino Basin Public Outreach Campaign

Summary

Issue – Informing the public about water issues facing the Region and State

Fiscal Impact – This item is a budgeted expense. Cost \$10,000

Background

Starting in 2005 Watermaster, in cooperation with Inland Empire Utilities Agency, Three Valley's MWD, Western MWD and the Chino Basin Conservation District have cosponsored the Public Outreach Campaign through the Inland Valley Daily Bulletin. This year IEUA has negotiated a campaign that has no increase in cost and includes more copy space in the actual newspaper as well as increased space on the newspaper's web site. The total cost for this year's program will be \$137,368. This change in strategy will assist the group in reaching more constituents.

IEUA will coordinate the campaign with representatives from the other contributing agencies providing input. The first publication that will be a part of this year's campaign will be seen in early February. It will be a two page education piece highlighting the need to conserve. This will also allow the participating agencies an opportunity to start the awareness campaign for the bond measure. It will be strictly educational and explain why additional infrastructure is needed.

Recommendation

Approve the expenditure of \$10,000 for participation in the joint Chino Basin Public Outreach Campaign for 2010

ACTIONS:

12-03-09 Appropriative Pool – moved to approved unanimously
12-03-09 Non-Agricultural Pool – moved to approved unanimously
12-10-09 Agricultural Pool – moved to approved unanimously
12-17-09 Advisory Committee
12-17-09 Watermaster Board

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Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT
Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

6075 Kimball Ave, • Chino, CA 91708
P.O. Box 9020 • Chino, Hills, CA 91709
TEL (909) 993-1600 • FAX (909) 597-8875
www.ieua.org



November 6, 2009

Mr. Ken Manning
Chief Executive Officer
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, California 91730

Dear Ken:

On December 16, 2009, the Inland Empire Utilities Agency's Board of Directors will consider approving a 12-month advertising agreement with the Los Angeles Newspaper Group (Inland Valley Daily Bulletin) for a 2010 community outreach campaign.

Since 2005, with the assistance of Mr. Christopher Lancaster, Government Relations Directors for the Los Angeles Newspaper Group, IEUA, in corporation with the Chino Basin Watermaster, Western Municipal Water District, Three Valleys Municipal Water District, and Chino Basin Water Conservation District, ran full page ads as well as a few editorials in the Inland Valley Daily Bulletin. In 2009, we ran 29 in full color and 16 eighth-of-a-page black and white ads (which we used for our *water conservation tip of the month*).

IEUA staff is proposing that we continue our community outreach with another 12-month advertising campaign with the Inland Valley Daily Bulletin. Attached is a copy of the advertising agreement (the cost of the campaign is the same as for 2009) that is being considered. The Inland Empire Utilities Agency is hoping that Chino Basin Watermaster will participate again in this year's program.

Thank you for your consideration. If you have any questions, please don't hesitate to call.

Sincerely,

INLAND EMPIRE UTILITIES AGENCY

Richard W. Atwater
Chief Executive Officer
General Manager

Attachment

Fifty-Five Years of Excellence in Water Resources & Quality Management

Terry Catlin
President

Angel Santiago
Vice President

Michael E. Camacho
Secretary/Treasurer

Gene Koopman
Director

John L. Anderson
Director

Richard W. Atwater
Chief Executive Officer
General Manager

Inland Valley Daily Bulletin

1210 North Azusa Canyon Rd

West Covina CA. 91790

626-962-8811

November 5, 2009

Ms. Sondra Elrod
Director of Public Information
Inland Empire Utilities Agency
6075 Kimball Ave.
Chino, CA 91710

Dear Ms. Elrod:

Attached is a contract agreement to utilize the *Inland Valley Daily Bulletin* for public outreach in 2009. The agreement is for \$137,368—the same as last year (No rate increase).

In summary, the agreement prioritizes your involvement with six (6) special sections, an eight-page stand alone insert, eleven (11) full-page ads in ROP and sixteen (16) added value ads. Also, included in this year's agreement as added value, 700,000 internet impressions (banner ad) on the Inland Valley Daily Bulletin's website to promote IEUA events and water conservation messages.

As always we appreciate your business and thank you for choosing the Inland Valley Daily Bulletin as your partner for delivering your public outreach message.

If you have any questions I can be reached at 626-962-8811 ext. 2302.

Best wishes,

Christopher W. Lancaster
Director of Government Relations

Inland Valley Daily Bulletin

PUBLIC OUTREACH AGREEMENT

This agreement is between the Inland Empire Utilities Agency and the Los Angeles Newspaper Group (*Inland Valley Daily Bulletin*). This agreement confirms the Inland Empire Utilities Agency's purchase of:

<u>Publication</u>	<u>Cost</u>	<u>Value</u>	<u>Publication Date</u>
1. Education Week Two-pages	\$7,219	\$16,191	February 2010
2. Civic Leadership One-page	\$4,969	\$8,095	March 2010
3. Earth Day Two-pages	\$7,219	\$16,191	April 2010
4. Water Awareness Month Two-page	\$7,219	\$16,191	May 2010
5. LA County Fair One-page (Full-color)	\$4,950	\$4,950	September 2010
6. Think Environment Week Two-pages	\$7,219	\$16,191	September 2010
7. Eleven (11) Full-page ROP Ads (Full-Color)	\$69,525	\$89,050	Dates of your choice
8. Eight-Page Section (Tab.) (Full-Color)	\$29,048	\$32,382	February 2010
9. Sixteen (16) eighth-of-a- page (Black and White ads)	\$0.00	\$16,191	Dates of your choice
10. Banner Ad (IVDB Website) (700,000 Impressions)	\$0.00	\$14,160	59,000 Impressions per Month
Grand Total	\$137,368	\$232,592	

Distribution

All public outreach/educational advertisements are distributed in the Inland Valley Daily Bulletin newspaper property only.

Production

All prices include design, layout, printing and distribution.

Added Value

- (Total value \$232,592)-(Total costs \$137,368) = *Added value \$95,224*

The Los Angeles Newspaper Group agrees to provide all services listed in this agreement, and the Inland Empire Utilities Agency agrees to pay the Los Angeles Newspaper Group (Inland Valley Daily Bulletin) a total of \$137,368

All terms of this agreement must be fulfilled by December 31, 2010.

Los Angeles Newspaper Group

Date

Inland Empire Utilities Agency

Date



CHINO BASIN WATERMASTER

III. REPORTS / UPDATES

E. INLAND EMPIRE UTILITIES AGENCY

3. Water Resources & Conservation Program Report
4. Monthly Water Use Report
5. State and Federal Legislative Reports
6. Community Outreach/Public Relations Report
7. Peace II Schedule



CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

December 17, 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:

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

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Water Resources and Conservation Programs

Monthly Report

NOVEMBER 2009 (REPORTING OCTOBER 2009 DATA)

Contents

Delta PackagePage 1

Water Use TrendsPage 1

Water Supply & Drought UpdatePage 2

IEUA Water Supply ProgramsPage 2-3

Conservation Program NewsPage 3-4

Conservation Activities & OutreachPage 4-5

Rebates Issued and Water SavingsPage 6-7

Calendar of EventsPage 6

Imported Water DeliveriesPage 8-10

Links

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

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

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

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

Save Our Water Program
www.saveourh2o.org

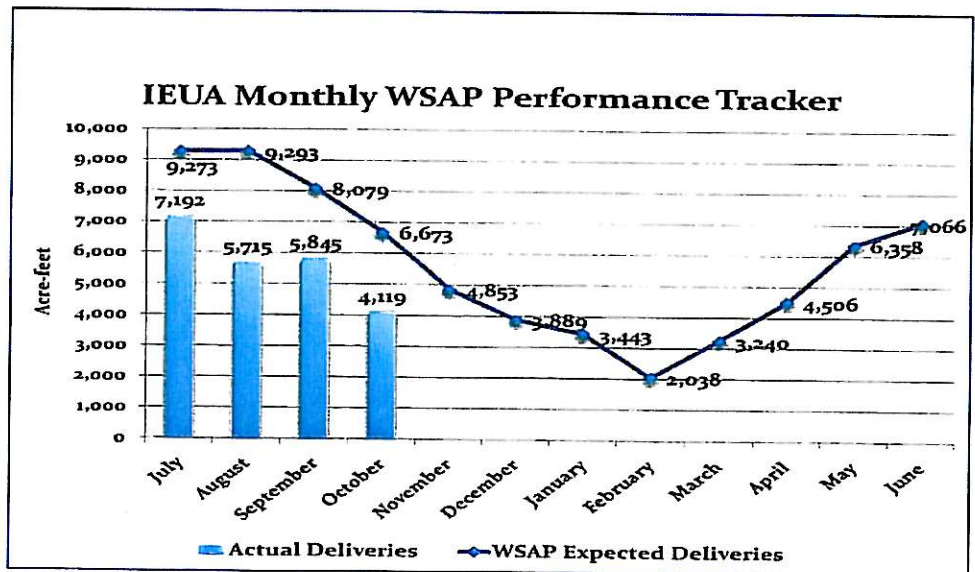
2009 Comprehensive Water Package

In early November, the Governor and California Legislature successfully crafted a historic plan to help improve statewide water reliability as well as to restore the Sacramento-San Joaquin Delta and other ecologically sensitive areas. The plan is comprised of four policy bills and an \$11.14 billion bond. The package establishes a Delta Stewardship Council, sets an ambitious water conservation policy, ensures better groundwater monitoring and provides funds for the State Water Resources Control Board for increased enforcement of illegal water diversions. The bond will fund, with local cost-sharing, drought relief, water supply reliability, Delta sustainability, statewide water system operational improvements, watershed protection, groundwater protection, and water recycling and conservation programs. Implementation of the policy bills is independent of the passage of the bond, although the bond will provide funding for critical elements of the policy package. The bond will be voted upon in November 2010.

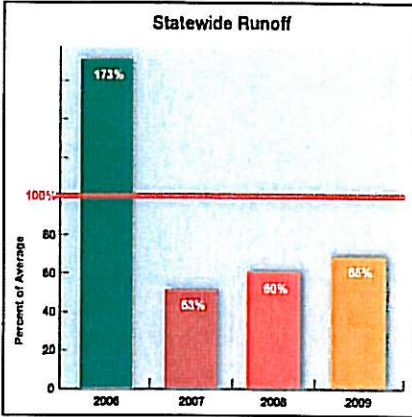


Water Use Trends

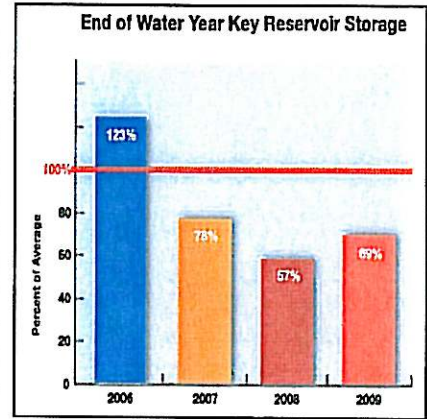
For the first four months of performance under the MWD Water Supply Allocation Plan, IEUA's service area has taken delivery of 22,870 AF which is 31% under the Plan's expected delivery of 33,319 AF. Overall, the combined regional deliveries to MWD's service area were 15% less than anticipated under the Plan.



Water Supply & Drought Update



The current drought period beginning in 2007, has left a significant deficit in our reservoir's carry-over supplies. Based on storage for key reservoirs at the end of the last three water years, the state entered the 2009-2010 Water Year, beginning October 1, with its key supply reservoirs at only 69% of average and 42% of capacity. Water Year 2008-09 ended with 65% of average statewide runoff.



IEUA Water Supply Programs

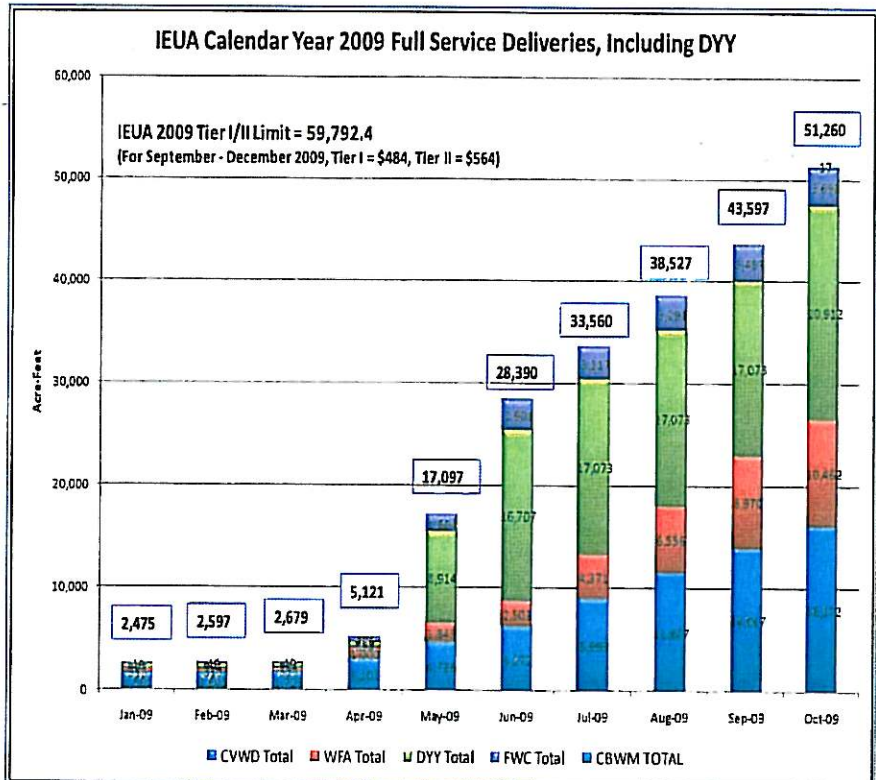
While the recent cumulative water supply deficits from below average rainfall and runoff are not as deep as some past severe droughts, California's upcoming winter season is uncertain, so the State continues to prepare for the possibility of a dry 2010.

Imported Water Deliveries

For the month of September, IEUA purchased 3,826 acre feet (AF) of Tier I water, increasing the cumulative total for the calendar year to 51,260 AF (see graph). This is 86% of IEUA's Tier I allocation of 59,792 AF.

Dry Year Yield (DYY) Program

Through October of the second "call" year, IEUA DYY participants certified that they have pumped 20,318 AF (66% of IEUA's obligation of 31,000 AF) from the groundwater storage account. The City of Pomona has also certified 2,000 AF.



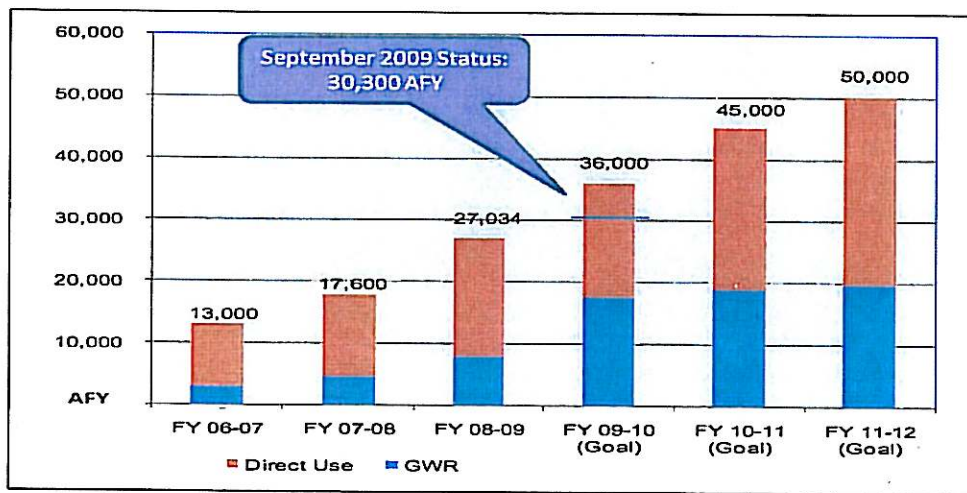
IEUA Water Supply Programs (continued)

Chino Desalter Authority (CDA)

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). The current production capacity is 24,600 AFY and it is scheduled to be expanded to approximately 40,000 AFY by 2012, with the implementation of CDA Phase III.

Recycled Water Program

During the month of September, IEUA sold 2,833 AF (2,537 AF = direct sales, 296 AF = recharge, 760 AF = plant use). As of October 2009, 30,300 AF have been connected.



As a result of the new CBWM/IEUA recycled water permit approved by the SARWQCB on October 26, 2009, the recharge of recycled water has increased to about 1,200 AF per month.

Conservation Program News

The California Water Plan

The Pre-Final Draft of the California Water Plan was released in October. IEUA and dozens of other agencies submitted comment letters. IEUA's comments addressed errors in the discussion of water recycling and local water management strategies and noted inconsistencies with other state policies and initiatives. This is the 9th update of the California Water Plan, which was first developed 50 years ago as a requirement of the state legislature. The theme of the 2009 update is Integrated Water Management, reinforcing the need to develop sustainable regional water management strategies and to integrate them with flood control and environmental protection objectives. The final plan is expected to be submitted to the Governor for approval in December and published on the web in February (www.waterplan.water.ca.gov).

MWD Conservation Programs—Rebates

After re-launching both the residential and commercial, institutional, and industrial (CII) rebate programs on September 21, 2009, currently CII reservations encumber 70% of the FY 2009-10 budget while the residential program administered on a first come, first served basis has consumed approximately 6% of the budget. It is anticipated that the CII Program will be closed by the end of the year, fully expending the FY 2009-10 budget.

Conservation Program News (continued)

MWD Conservation Programs—Initial Long-Term Water Use Efficiency Program Planning

On October 15, 2009, MWD communicated they will be utilizing the Strategic Vision and the 2009 IRP processes for planning of the long-term WUE Programs. A subsequent meeting was held on November 4, 2009 led by Brandon Goshi who presented several components being used in the development of the long-term WUE programs.

Those elements include a residential web-based market saturation study for toilets and washers, review of the 20% X 2020 Legislation requirement, regional demand reduction estimates, discussion and refinement of potential regional goals, projected water savings, and discussion of new WUE elements.

It was clearly communicated in the initial demand forecast modeling that MWD will miss their goal by 15,000 AFY of active conservation savings. Suggestions made by member agency staff include behavior-based programs, AMI-Leak Detection, budget-based rate structures, prohibited uses, landscape potential, conservation credits trading, performance based programs, sub- and dual-metering, etc. Staff is preparing an informational Board Letter to be presented in December on the planning efforts.

California Washing Machine Efficiency Standards Approved

On October 28, 2009, the Ninth Circuit Court of Appeals overturned the U.S. Department of Energy's denial of an Energy Commission's waiver request requiring more efficient washing machines statewide. Under state legislation passed in 2002, the energy Commission established standards to ensure washing machines sold in California after 2007 use no more than 8.5 gallons of water per cubic foot of washing machine capacity and later decreased to six gallons by 2010. In its testimony, the Energy Commission noted that in addition to consumers, the standards will also benefit local governments as decreased water and electrical use reduces the need for additional generation of power.

Conservation Activities & Outreach

Inland Empire Landscape Alliance & Model Landscape Ordinance

Cities participating in the Inland Empire Landscape Alliance are bringing their ordinances to their respective councils during November/December.

Multi-Family Direct Installation Program

The contract extension and amendment for the Multi-Family Direct Installation Program were completed during the first week in November. The Program will re-launch no later than December 1, 2009. To date, 16,027 toilet retrofits have been retrofitted, leaving 6,473 remaining to be completed under this grant program.



Conservation Activities & Outreach (continued)

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, 202 landscape audits have been completed with a potential savings of 1,321 AFY. This is in addition to water savings of 1,200 AFY in Phase II. There are currently three sites scheduled for auditing, 2 sites awaiting scheduling, and 50 release forms pending processing. Tracking of post audit water use is being recorded for each program participant. CBWCD hosted professional California Friendly® landscape classes during the month of October in English and Spanish.



National Theatre for Children

There were 40 theatre performances conducted during the month of October and first week in November. With the completion of the Fall schedule, NTC staff is in the process of scheduling the Spring performances. Agency staff has developed an in-home student water evaluation survey and will distribute the survey in the Spring with NTC's student materials.

Garden in Every School®

The Garden dedications for FY 2009-2010 schools will take place during the spring of 2010. Student volunteers and landscape architecture university students from Cal Poly Pomona cleared a site for a demonstration garden in the park, which will be dedicated at IEUA's Earth Day event on April 22, 2010.

Public Outreach Activities

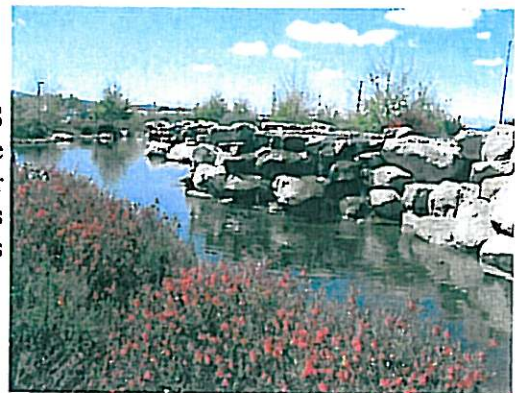
The Water Education Water Awareness Committee (WEWAC) collected twenty-five EduGrant applications from various schools within WEWAC's service area. The Committee will review these grants in December and make the decision as to which specific schools will receive them.

MWD's Solar Cup 2010 preparations have begun and IEUA along with the City of Chino Hills is sponsoring Ayala High School to participate.

IEUA along with Santa Ana Watershed Authority (SAWA) hosted a Project Webfoot Workshop on October 26 where fifteen educators learned about the Wonders of Wetlands curriculum.

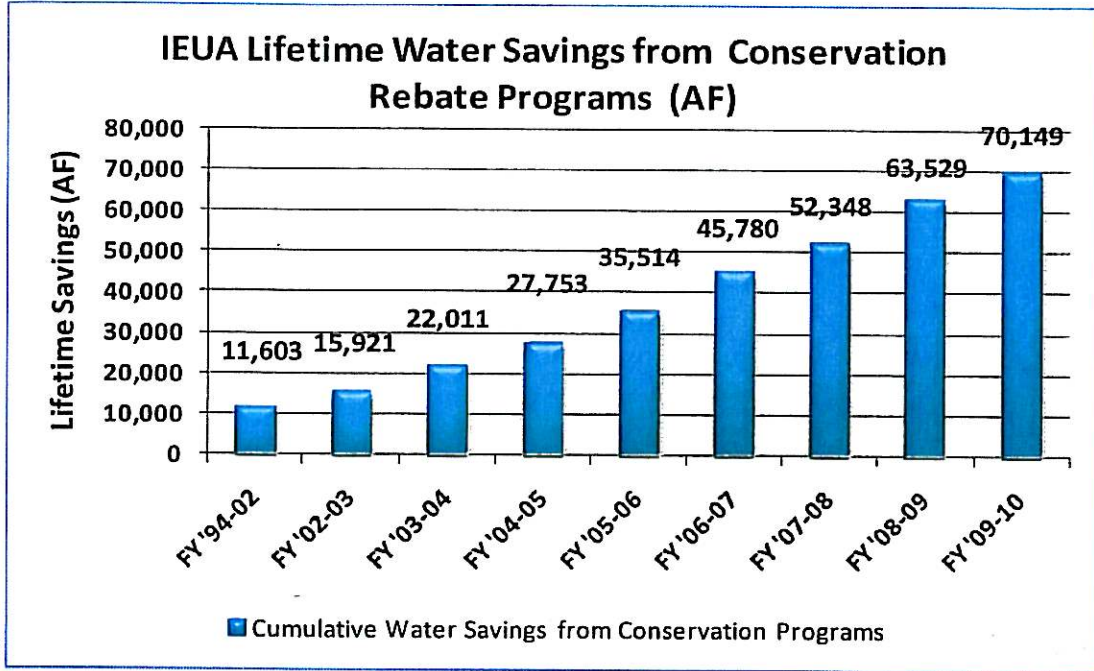
Ontario Cares

The City of Ontario staff will be presenting the Ontario CARES Program at the November 18, 2009 Landscape Alliance Board meeting. The pilot is scheduled to close in December 2009 with 24 California Friendly Landscape conversions completed under this program. It is the City of Ontario's intent to continue implementing this program on its own.



Rebates Issued and Water Savings

The cumulative expected lifetime water savings from water conservation devices that have been installed in the service area through rebates and retrofits currently totals 70,149 acre feet.



See more details on rebate programs in Table 1 on the next page.

Calendar of Upcoming Events and Meetings

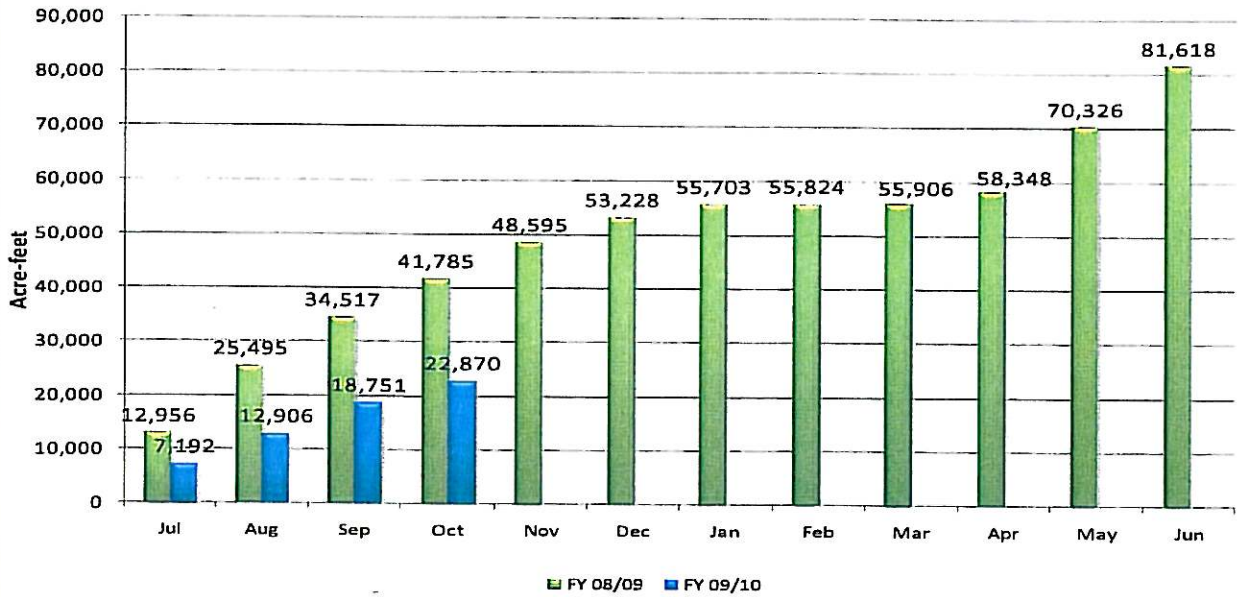
December 5, 2009	Volunteer Work Party @ Chino Creek Wetlands & Educational Park
February 27, 2010	Garden In Every School Intro Workshop (IEUA Event Center, TBD)
April 17, 2010	Project Learning Tree Workshop (TBD)
April 22, 2010	Earth Day (Chino Creek Wetlands and Educational Park, 4:00 pm - 7:00 pm)

TABLE I—MWD Public/Private Sector Rebate Programs

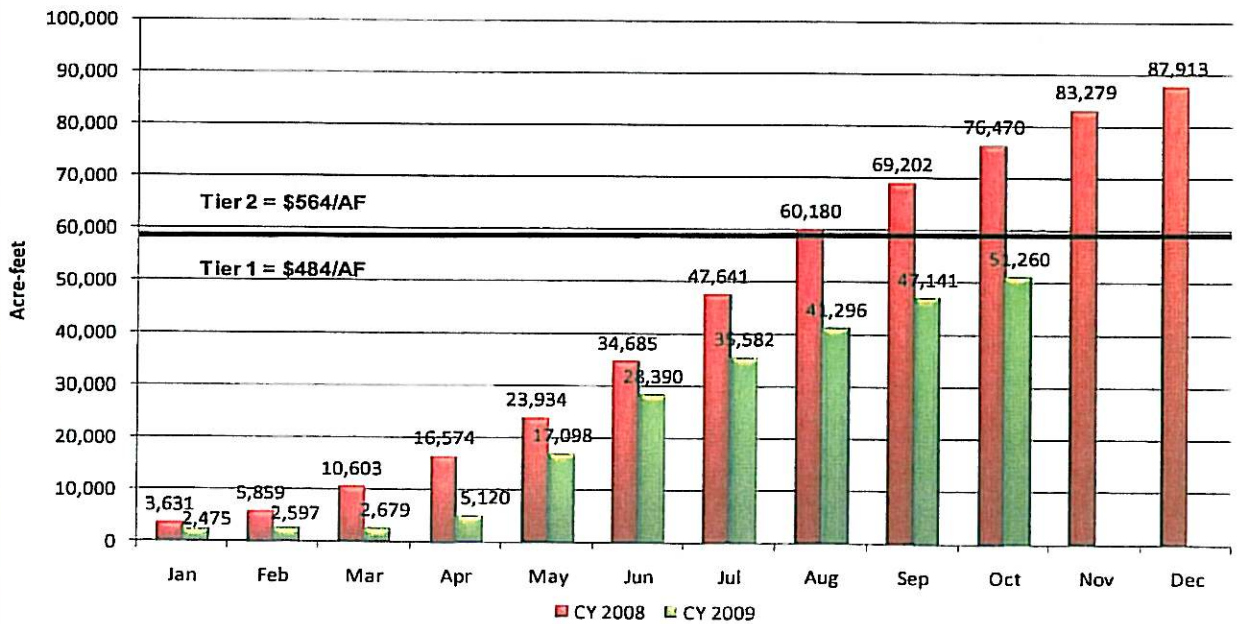
<i>Device Name</i>	<i>Current Fiscal Year through October '09</i>		<i>Since Program Inception</i>	
	<i># Devices Installed</i>	<i>Equivalent Annual Water Savings (AFY)</i>	<i>Cumulative # Devices Installed</i>	<i>Equivalent Annual Savings (AFY)</i>
Commercial, Industrial, Institutional Program				
High-Efficiency Clothes Washers	28	2.4	494	41.8
Multi-Family High-Efficiency Clothes Washers	3	0.3	14	1.2
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	0.0	4	0.3
High-Efficiency Toilets	293	12.5	3,676	156.2
Zero Water Urinals	119	14.6	1,301	159.4
High-Efficiency Urinals	0	0.0	8	0.5
Weather-Based Irrigation Controllers	15	9.8	52	33.8
Rotating Nozzles for Pop-Up Spray Heads	1642	6.6	1825	154.4
Synthetic Turf for CII (rebates)	0	0.0	5	4.7
High-Efficiency Nozzles for Large Rotary	0	0.0	120	21.6
Dry Vacuum Pumps	0	0.0	0	0.0
Steam Sterilizer Retrofits	0	0.0	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	0.0	11	35.2
Subtotal	2100	46.0	10167	1400.6
Multi-Family Direct-Install Program				
Ultra Low-Flush Toilets	0	0.0	14,283	495.6
High-Efficiency Toilets	0	0.0	1744	74.1
Subtotal	0	0.0	16,027	569.7
Residential Program				
Ultra Low-Flush and High Efficiency Toilets	240	8.3	11,809	409.8
High-Efficiency Clothes Washers	113	9.6	9,643	815.8
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	372	21.0	24,093	1529.6
TOTALS	2472	67.0	50287	3500.0

Imported Water Deliveries

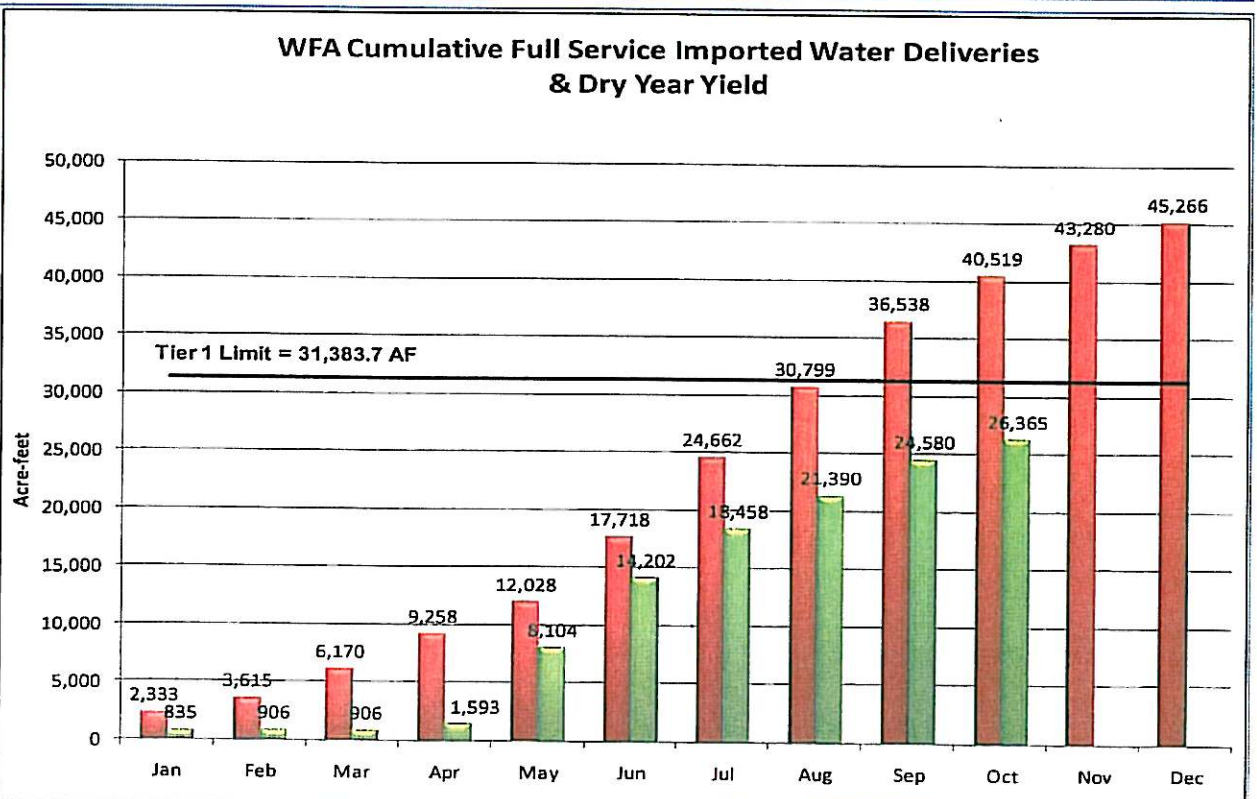
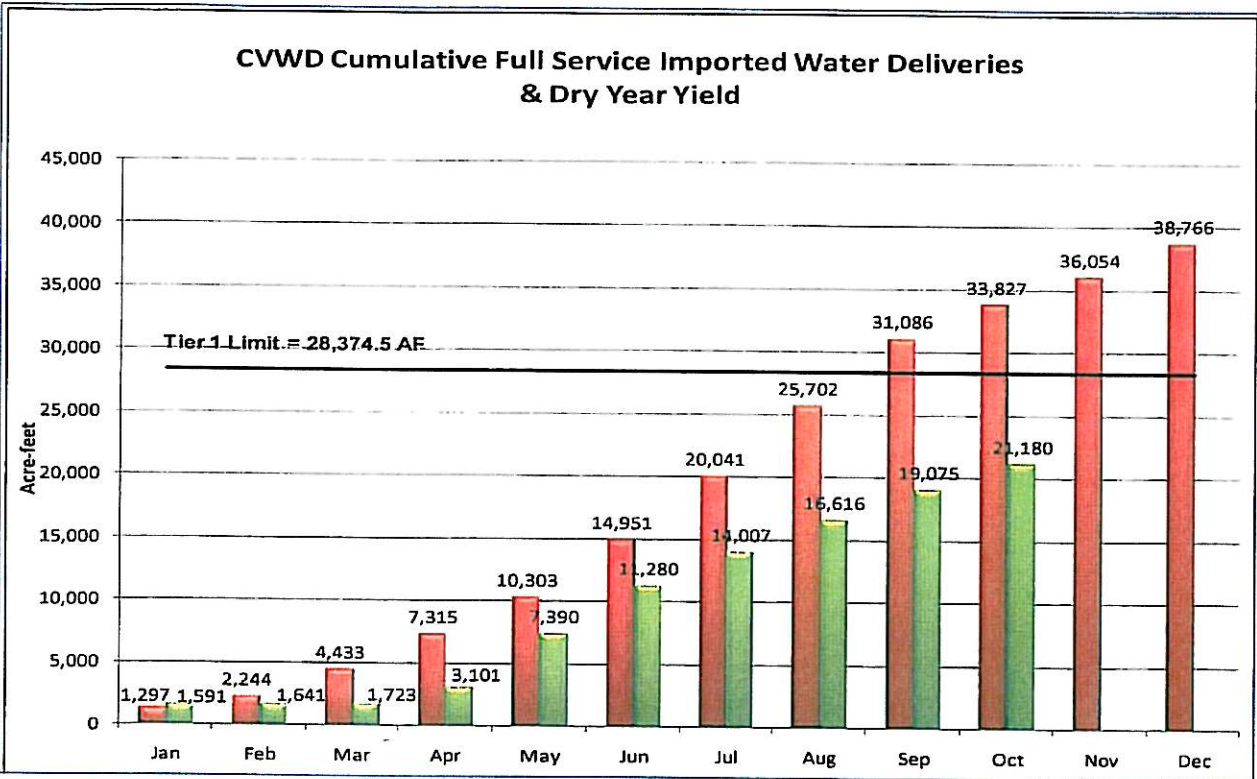
IEUA Cumulative Full Service Imported Water Deliveries & Dry Year Yield



IEUA Cumulative Full Service Imported Water Deliveries & Dry Year Yield

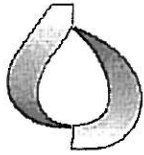


Imported Water Deliveries (continued)



Summary of 2008 & 2009 Imported Water Purchases

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
2008 Imported Water Sales													
Water Facilities Authority													
Direct Deliveries	2,333	1,282	2,555	3,088	1,332	1,682	2,730	3,450	2,913	2,836	1,444	1,060	26,705
Dry Year Yield					1,438	4,008	4,214	2,686	2,827	1,145	1,317	926	18,561
Sub-Total	2,333	1,282	2,555	3,088	2,770	5,690	6,944	6,136	5,740	3,981	2,761	1,986	45,266
Cucamonga Valley Water District													
Direct Deliveries	1,297	947	2,189	2,883	2,988	3,046	3,074	3,129	2,857	2,741	2,182	1,213	28,546
Dry Year Yield					1,603	2,016	2,532	2,527	0	44	1,499	1,131	11,352
Sub-Total	1,297	947	2,189	2,883	4,591	5,062	5,606	5,656	2,857	2,785	3,681	2,344	39,898
Fontana Water Company													
Direct Deliveries	0	0	0	0	0	15	406	747	426	501	369	303	2,767
Sub-Total	0	0	0	0	0	15	406	747	426	501	369	303	2,767
Inland Empire Utilities Agency													
Direct Deliveries	3,631	2,229	4,744	5,971	4,320	4,743	6,210	7,326	6,196	6,078	3,995	2,576	58,018
Dry Year Yield	0	0	0	0	3,041	6,024	6,746	5,213	2,827	1,189	2,816	2,057	29,913
TOTAL	3,631	2,229	4,744	5,971	7,360	10,767	12,956	12,539	9,023	7,267	6,811	4,633	87,931
2009 Imported Water Sales													
Water Facilities Authority													
Direct Deliveries	312	0	0	687	844	660	1,868	2,184	2,414	1,493			10,462
Dry Year Yield	522	71	0	0	5,667	5,438	2,388	748	776	293			15,903
Sub-Total	834	71	0	687	6,511	6,098	4,256	2,932	3,190	1,786	0	0	26,365
Cucamonga Valley Water District													
Direct Deliveries	1,591	50	82	1,378	1,635	1,535	2,728	2,608	2,460	2,105	0	0	16,171
Dry Year Yield	0	0	0	0	2,654	2,355	0	0	0	0	0	0	5,009
Sub-Total	1,591	50	82	1,378	4,289	3,890	2,728	2,608	2,460	2,105	0	0	21,180
Fontana Water Company													
Direct Deliveries	49	0	0	376	1,179	1,304	208	174	196	211	0	0	3,697
Dry Year Yield	49	0	0	376	1,179	1,304	208	174	196	211	0	0	3,697
Chino Basin Watermaster													
Replenishment	0	0	0	0	0	0	0	0	0	17	0	0	17
Sub-Total	0	0	0	0	0	0	0	0	0	17	0	0	17
Inland Empire Utilities Agency													
Direct Deliveries	1,952	50	82	2,441	3,658	3,499	4,804	4,966	5,069	3,808			30,330
Dry Year Yield	522	71	0	0	8,321	7,793	2,388	748	776	293			20,912
Replenishment	0	0	0	0	0	0	0	0	0	17	0	0	17
TOTAL	2,474	121	82	2,441	11,978	11,292	7,192	5,714	5,845	4,119	0	0	51,259



Inland Empire
UTILITIES AGENCY

Date: December 16, 2009

To: The Honorable Board of Directors

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

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: November Legislative Report from Innovative Federal Strategies, LLC

RECOMMENDATION

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

BACKGROUND

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

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD

Enclosure

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MEMORANDUM

To: Rich Atwater and Martha Davis, IEUA

From: Letitia White, Heather Hennessey, and Alex Shockey

Date: November 25, 2009

Re: November Monthly Legislative Update

Congress remained focused on healthcare legislation during the month of November, with both the House and Senate taking action on massive reform packages. Between the continued healthcare debate and two weeks of recess for the Veteran's Day and Thanksgiving holidays, it was not a very productive month on Capitol Hill.

Meanwhile, IFS and IEUA are turning our attention to your FY 2011 priorities. We have had some initial conversations, and we look forward to focusing our attention and drafting new whitepapers over the next few weeks. Now is the perfect time to devote our energies to the upcoming appropriations cycle.

Appropriations Update

November provided a frustrating lack of action on the remaining FY 2010 appropriations bills. Because the government is currently operating under a Continuing Resolution (CR) that does not expire until December 18th, there was little pressure on legislators to move the bills this month. The Senate made several attempts to move individual bills, none of which were successful. Partisan wrangling and policy disputes will probably continue to prevent further action and cause the bills to be packaged into an Omnibus bill close to Christmas.

Transportation Authorization Legislation

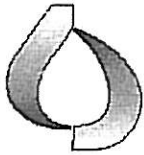
As a part of the continuing resolution (CR) mentioned above, Congress extended the current surface transportation authorization until December 18. Conflicts between House and Senate leadership about how to treat further extensions seems to be intensifying as more legislators see increased transportation funding as being necessary for job creation. Longer extensions, favored by the Senate and White House, are seen as providing critical contract authority to localities, enabling them to start big-dollar projects and hire the workers to carry them out. Meanwhile, House Transportation and Infrastructure Chairman Oberstar remains wedded to the strategy he has pursued all year – short term extensions of the existing law to keep the issue on Congress' front burner. The next round of this debate will play out during December.

Health Care Legislation

Late at night on Saturday, November 7th, the House passed the Affordable Health Care for America Act. With a price tag of \$1.05 trillion, the bill was approved by a narrow vote after a very contentious debate focusing on federal funding for abortions. Two weeks after the House vote, the Senate voted to move forward with debate on its version of the bill. With that procedural hurdle crossed, the Senate will begin work on their \$848 billion bill after Thanksgiving.

Again, both versions of the healthcare bill are extremely long and complicated. If you have questions about any specific provisions, please let us know.

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Inland Empire
UTILITIES AGENCY

Date: December 16, 2009

To: The Honorable Board of Directors

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

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: November Legislative Report from Geyer and Associates

RECOMMENDATION

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

BACKGROUND

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

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD

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MEMORANDUM

TO: Rich Atwater and Martha Davis
FROM: Jennifer West
DATE: November 23, 2009
RE: November Legislative Report

The Delta Water Package (SB 7X 1, SB 7X 2, SB 7X 6, SB 7X 7, SB 7X 8) was passed in the early morning hours of November 4 and signed into law this month. All the measures, except for SB X7 2, will become law February 2, 2010.

SBX7 2 is an \$11.14 billion general obligation bond measure that will not become law unless passed by the voters in the November 2, 2010 election. Of the \$11.14 billion, the bill specifies that no more than \$5.57 billion in bond funds can be sold by the Treasurer before 2015. This provision is intended to spread the bond debt out over time.

The policy legislation has many components and there have been numerous summaries of the bills' provisions. Below is an overview of all the "early actions" contained in the bills – detailing all the date certain actions required by 2010 or early 2011 by state and local agencies.

SB 7X 1 Delta Governance

- Appoint the 7 members of the Delta Stewardship Council (Council). Four members are appointed by the Governor, one by the Senate Rules Committee and one by the Assembly Speaker. (Delta Protection Commission ((DPC)) chair will also permanently serve on the Council.) *July 1, 2010*
- Newly constituted DPC elects new chair person to serve on the Council. *2010*
- DPC prepares and submits to the Legislature recommendations for the potential expansion of the Primary Zone of the Delta. *July 1, 2010*
- DWR constructs Two-Gates Fish Protection Demonstration Project. \$28 million from Prop. 84 was appropriated in SB7X 1 for this purposes. *December 1, 2010*
- SWRCB submits to the Legislature a prioritized schedule and estimate of costs to complete instream flow studies for the Delta and for high priority rivers and streams in the Delta watershed. *December 31, 2010*
- SWRCB establishes an "effective system of Delta watershed diversion data collection and public reporting." *December 31, 2010*

- Council develops and recommends to the SWRCB Delta flow criteria (as defined in SB7X 1) and quantifiable biological objectives for aquatic and terrestrial species of concern dependent on the Delta. *February 2011*

SB 7X 6 Groundwater Monitoring

(The bill requires the reporting of groundwater elevations to DWR for all basins and subbasin in the state on or before January 1, 2012.)

- Local agencies or watermasters notify DWR that they intend to assume the groundwater monitoring function. DWR has three months to advise each party of the status of its notification. *On or before January 1, 2011*

SB 7X 7 Water Conservation

- DWR convenes a broad-based task force to develop BMPs for commercial, industrial, and institutional water users and an assessment of the potential statewide water use efficiency improvements from this sector. *April 1, 2010*
- DWR, in consultation with the California Urban Water Conservation Council, develops technical methodologies and criteria for the development of the following water measurement requirements, as defined in the bill (Baseline per capita daily water use, urban water use targets, interim urban water use targets, compliance daily per capita water use.) *October 1, 2010*
- DWR develops a method for urban water retail agencies to determine an “urban water use target.” *December 31, 2010*
- Urban retail water agencies develop the following water use measurement targets, using the above DWR criteria and the requirements of SB 7X 7:
 - Baseline per capita daily water use
 - Urban water use targets
 - Interim urban water use targets
 - Compliance daily per capita water use

On or before July 1, 2011 for inclusion in the 2010 UWMPs. (Note the December 31, 2010 UWMPs deadline has been extended 6 months to comply with the bill requirements.)

IEUA Legislative Priorities 2010

- **Cleanup legislation on Water policy- bond package**
 - Senator Pavley and Assemblyman Huffman have expressed interest in carrying legislation next year to strengthen the groundwater reporting requirements contained in SB7X 6. IEUA was successful in securing amendments in this bill to protect existing reporting requirements for adjudicated basins and will need to ensure that future legislation does not negatively impact or unnecessarily complicate these reporting requirements.
 - Assemblyman Huffman has said he is interested in carrying legislation to increase penalties for some types of illegal water diverters, a provision that was taken out of the final water package.
 - SB7X 2 is the \$11.2 billion water bond that will be before the voters in November 2010. As in past bond measures, there may be attempts to direct the funds to certain projects by legislation even before it has passed.

- **Recycled Water Funding in SB7X 2**

IEUA and the recycled water community succeeded in including \$1 billion in the water bond solely for water recycling. This is 10 times more than has ever been included in a water bond for recycling. While no one will know the fate of the water bond until next fall, IEUA and WaterReuse should attempt to “occupy the field” on how the \$1 billion in the bond for recycled water should be spent this year. Developing a recycling community consensus and path for implementation is critical so that when/if the bond passes, legislation and/or budget proposals can be introduced in the beginning of 2011. There are a number of issues that need to be determined, including: Is the current SWRCB recycled water grant program appropriate and robust enough to award \$1 billion in grants and loans? How will the loan program work – should a revolving fund be started for recycled water? Should funding be set aside for the development of salt management plans? Below is the language contained in SB7X 2.

“The sum of one billion dollars (\$1,000,000,000) shall be available, upon appropriation by the Legislature from the fund, for grants and loans for water recycling and advanced treatment technology projects, including all of the following:

- (a) Water recycling projects.
- (b) Contaminant and salt removal projects, including groundwater and seawater desalination.
- (c) Dedicated distribution infrastructure for recycled water, including commercial and industrial end-user retrofit projects to allow use of recycled water.
- (d) Pilot projects for new salt and contaminant removal technology.
- (e) Groundwater recharge infrastructure related to recycled water.
- (f) Technical assistance and grant writing assistance for disadvantaged communities.”

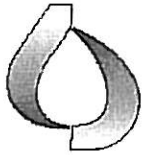
- **SB 565 (Pavley) Recycled Water**

As introduced last year, SB 565 requires the State Water Resources Control Board, in collaboration with the Department of Public Health and the Department of Water Resources, to adopt a statewide plan to ensure that at least 50 percent of the wastewater that is annually discharged directly into the ocean, as of the year 2009, is recycled and put to beneficial use by the year 2030. The bill stalled in the Assembly Water Parks and Wildlife Committee. The Senator's staff says she intends to continue the bill's focus on recycled water, but she is not sure at this point whether it will be the same bill. IEUA will need to work closely with WateReuse, and the bill's sponsors, the Planning and Conservation League, to ensure the legislation is helpful for the water recycling community.

- **Water softening industry efforts against AB 1366**

Senator Runner (R-Lancaster) threatened to introduce a bill to revise or repeal AB 1366. As the sponsor of AB 1366, IEUA will need to take the lead in any effort to weaken this new law.

- **Work closely with the development community to develop stormwater recharge opportunities, including issues associated with the MS4 permit.**



Inland Empire
UTILITIES AGENCY

Date: December 16, 2009

To: The Honorable Board of Directors

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

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: November Legislative Report from Dolphin Group

RECOMMENDATION

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

BACKGROUND

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

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD

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November 24, 2009

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



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

After months of negotiation, the Legislature and the Governor finally reached a comprehensive water package in early November. In addition to an \$11 billion bond that likely will be placed on the November 2010 ballot, other significant legislation was passed to address Delta governance, water conservation and other water policy issues.

Despite two special agreements this year to address budget issues, recent analysis from the Legislative Analyst Office predicts that the 2010-11 budget will still be out-of-balance by more than \$20 billion. While approximately \$6 billion of this shortfall is due to the failure to achieve predicted budget cuts in the current 2009-10 cycle, LAO predicts an additional \$14 billion shortfall for the budget cycle beginning in July 2010.

LAO offered few specific solutions beyond the need for significant budgetary cuts to almost every major expenditure category, as well as enhanced revenues by addressing tax loop holes and existing exemptions. The Governor will be releasing his proposed budget in early January 2010.

On the regulatory front, a joint study is under way by the Association of California Water Agencies (ACWA), California Energy Commission and other parties to study renewable energy opportunities. The study will analyze the potential renewable energy projects that could be built by California water and wastewater agencies. The results of the study are due in early 2010.

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Chino Basin / OBMP Coalition

Status Report – November 2009

ENERGY/REGULATORY

ACWA/CEC Study Moving Forward

Earlier this year, a broad group of public and private agencies combined to sponsor a study and report by the California Energy Commission (CEC) related to public water and wastewater agencies. Specifically, the project will examine the potential of these agencies to produce renewable electricity through net-metering, feed-in tariff and other potential programs.

Partners in the study include the CEC, ACWA, the California Association of Sanitation Agencies (CASA), Pacific Gas & Electric and Southern California Edison. IEUA and DGI are also assisting and advising with the study.

The preliminary survey of the 400+ water and wastewater agencies has been completed, with follow-up interviews with key agencies to follow. Parties are hopeful that the study can highlight opportunities, identify barriers and provide valuable data as the Legislature and CPUC continue to design, debate and implement power-purchase programs.

The final report is expected to be completed by early 2010.

WATER AGREEMENT REACHED

It took decades, including numerous attempts over the last few months, but the California Legislature finally reached a comprehensive water package that strives to address everything from water storage to the Sacramento-San Joaquin Delta ecosystem. Both the short and long-term implications of the package remain unknown, as well as what additional actions the Legislature and Governor may take in the next legislative session.

After months of negotiations and wrangling, the Legislature was finally able to reach an accord in early November on a number of bills and financing intended to address the Delta and other water issues. Eventually, they approved five measures in Extraordinary Legislative Session 7, all of which were signed by the Governor.

The package included the following legislation:

- Safe, Clean, and Reliable Drinking Water Supply Act of 2010
 - \$11.14 billion bond, to be placed on the November 2010 ballot
 - Conservation and Watershed Protection - **\$1.785 billion**
 - Drought Relief - **\$455 million**
 - Delta Sustainability - **\$2.25 billion**
 - Water Supply Reliability - **\$1.4 billion**
 - Santa Ana Subregion - **\$128 million**
 - Statewide Water System Operational Improvement - **\$3 billion**
 - Groundwater Protection and Water Quality - **\$1 billion**
 - Water Recycling and Water Conservation - **\$1.25 billion**
- Senate Bill 7X 1, in part:
 - Creates the Delta Stewardship Council consisting of seven members tasked with:
 - Developing a Delta Plan to guide state and local actions
 - Tracking progress towards the co-equal goals of protecting the values of the Delta
 - Determining if state or local projects are consistent with the Delta Plan
 - Establishes the Delta Conservancy to implement ecosystem restoration in the Delta
 - Appropriates funds from Proposition 84 for species and water management in the Delta
- Senate Bill 7X 6, in part:
 - Requires DWR to establish a priority schedule for monitoring groundwater basins
 - Allows local entities to determine regionally how to monitor groundwater
 - DWR may implement groundwater monitoring for a region if they fail to implement a program
- Senate Bill 7X 7, in part:
 - Establishes the goal of a 20% per capita water consumption reduction for urban water agencies
 - Requires agricultural water management plans to reduce water consumption
- Senate Bill 7X 8, in part:
 - Requires stronger accounting of water diversions and use in the Delta

The bond measure will likely be placed on the November 2010 General Election ballot. This election will include every constitutional office in California, as well as State Assembly, Senate and House of Representative seats. Currently, three other initiatives have qualified for this ballot, with many more pending.

Many are skeptical that the state's budget situation or the economy will have improved to a level that would make voters willing to endorse an additional \$11 billion bond by that time next year.

The one issue that the special session considered, but was unable to pass the Legislature, pertained to water rights and expanding powers of the State Water Resources Control Board to enforce illegal diversions and other water rights issues. All indications suggest that many Democratic legislators expect to reconsider this issue in early 2010.

BUDGET OUTLOOK IS DIRE

Only months after reaching a mid-year budget accord, the non-partisan Legislative Analyst Office has issued a frightening report of California's finances. On November 18, the LAO released a report estimating that next year's fiscal budget is expected to be \$20.7 billion out of balance.

\$6.3 billion of this projected deficit stems from the current 2009-10 fiscal year. LAO estimates that the state will be unable to realize billions in savings from Medi-Cal and the prison system that were incorporated into the 2009-10 budget. LAO also pointed out that other expected savings adopted by the Legislature earlier this year are unlikely to be realized, including a projected \$1 billion from the state of the State Compensation Insurance Fund.

However, LAO also identified the larger problem of a continued structural deficit implicit in the State's budget, which will provide a \$14.4 billion shortfall next year. With Proposition 98 funding at a near minimum (provides for education funding) and other encumbrances, LAO suggests that significant funding cuts will again be necessary for the state to meet its obligations next year. Also included in the report was that the State should enhance revenues by removing tax loopholes and other existing exemptions.

LAO estimates that the structural deficit of approximately \$20 billion per year will persist absent strong action by the Legislature and the Governor to address the issue. Part of the recurring problem is the \$2 billion borrowed from local agencies this year under Proposition 1A, which must be repaid by the 2012-2013 fiscal year. Due to the provisions of Proposition 1A, the State is prohibited from any further borrowing from local property tax revenues until this debt is repaid.

The Governor will be releasing his proposed 2010-11 budget in early January. As yet, there is no indication from the Governor as to how he will propose to span the shortfall, other than public comments that additional cuts to the state budget will be necessary. Election year politics will further complicate the process as Republicans will be much less likely to entertain revenue and tax increases and Democrats will be much less likely to accept further budget cuts.

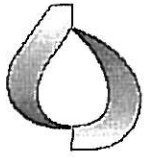
LEGISLATURE PREPARES FOR 2010 SESSION

The California Legislature is set to resume activity on January 4, 2010, for the second half of their legislative session. Members of both the Assembly and the Senate will have the opportunity to introduce additional legislation, as well as reconsider some legislation that failed passage during 2009.

February 19 marks the final day for members to introduce legislation for consideration next year. By June 4, legislation is required to have been approved by the House of Origin, meaning that legislation that begins in the Assembly must have been approved by the full membership of that house, and the same for the Senate.

As with most election years, both houses will finish their business on August 31, providing them with leave to pursue re-election or other pursuits related to the November 2010 election. The Governor will have until September 30 to sign or veto any measures approved by the Legislature.

DGI has already participated in discussions with IEUA, MWD, ACWA and other parties related to potential legislation for 2010, and will continue to work with staff to develop any needed legislation for the next legislative session.



Inland Empire
UTILITIES AGENCY

Date: December 16, 2009
To: The Honorable Board of Directors
Through: Public, Legislative Affairs, and Water Resources Committee (12/09/09)
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: November Legislative Report from Agricultural Resources

RECOMMENDATION

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

BACKGROUND

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

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

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Agricultural Resources

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Washington, D.C. 20002-5811
(202) 546-5115
(202) 546-4472-fax
agresources@erols.com

November 23, 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, November 2008

Highlights:

- *Four Major Issues Dominate the National Agenda – Health Care, War in Afghanistan, Jobs (Jobless Recovery) and Climate Change*
- *New Jobs Bill – Focus on Infrastructure*
- *Boxer Still Trying to Markup Climate Bill*
- *Secretary Salazar – Interior “Plan” for Delta, California Water – Still Not Presented*
- *Drought Conditions/Water Supply*
- *News and Notes*
- *IEUA Working Partners*

Four Major Issues Dominate the National Agenda – Health Care, the War in Afghanistan, Jobs (the Jobless Recovery) and Climate Change – These four issues are both dominating and now, overwhelming, the national agenda here in Washington and all around the world. Each is enormously complex. Each is (multi-billion dollar) expensive. Each involves choices with far-reaching and often unknown consequences. Collectively – taken together –

these four issues ARE the national agenda. None lend themselves to bumper-sticker, three-syllable solutions. All are complex and each contains scores of significant sub-issues. The Senate, between now and adjournment in mid-late December, will likely be consumed by the Health Care debate. Majority Leader Reid had to invoke cloture to overcome a filibuster – over just bringing the bill to the floor. Health care and related issues will be the near-exclusive agenda item after the Senate returns from the Thanksgiving break in early December.

New Jobs Bill, Focus on Infrastructure – Opportunity To Address California Water Crisis – Fund New Generation of Title XVI? The House, meanwhile, is shifting its focus to the limitations of the recovery – the failure of the recovery to create and sustain jobs. Nationally, unemployment leaped over 10%. The House leadership has openly begun discussing job creation and how to achieve it (and how to fund it). Just before the Thanksgiving break, Speaker Pelosi and the Democratic leadership instructed several committees to begin preparing legislation. The target, pass a “jobs” bill by December 18. Based on preliminary reports, the bill will focus on “infrastructure” funding. As a result, preliminary discussions are underway to recommend that (a) Title XVI be funded; (b) Title XVI be funded to develop new water throughout California to help alleviate the current water crisis; and (c) that the Napolitano recommendations be implemented. Some are already evaluating whether or not the need to invest in jobs can become an opportunity to address the current California water crisis and invest in the development of new supplies through the Title XVI water recycling program. ACWA, MWD and others are already addressing the proposition. Preliminary discussions in the House are underway. The Senate has signaled that they will begin work on a jobs bill as well – with Senators Durbin and Dorgan in the lead.

Boxer Still Trying to Move Climate Bill in Senate Environment Committee. .
Chairwoman Boxer was unable to begin the long-awaited markup, notwithstanding an effort to do so. How much progress will be made between now and mid-December is unknown – and less and less likely as each day passes. With international meetings pending in Copenhagen, there was enormous pressure to act, but it will not happen at this time. Climate change legislation remains an active part of the agenda, but is more and more a 2010 issue.

Salazar – Interior Department Delta Water Plan – Still Pending. Despite various commitments and public pledges, the Interior Department has yet to advance any kind of plan for the Delta and/or California water supplies. One small sign of encouragement – WasteReuse Association reports that Deputy Secretary Hayes made general comments in a talk just before Thanksgiving that water recycling was considered part of the solution. That is a first time the senior leadership at Interior has said this. Specifics are, however, lacking.

Drought Conditions and Water Supplies. The NOAA/USDA Drought Monitor report at the end of November that almost all of California (except a small area south of lake Tahoe, but in the mountains) remains in some level of drought and almost all of “coastal California” remains in moderate-to-severe drought. Southern California and most of the Inland Empire’s drought condition is considered “severe” by NOAA-USDA. As reported last month, similar conditions

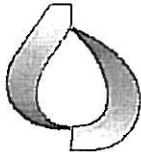
persisted throughout the State for many months now. Drought conditions curl down the entire West Coast and are particularly bad in Arizona and parts of Nevada right now. South Texas remains the nation's hot spot – and again, this has been persistent for many months. Overall, across the Nation, right now drought trends are lessening.

News and Notes. California Bond – Washington. Events in Sacramento are being watched very carefully here in DC. The California Congressional Delegation is asking – in general, what can be done at the Federal level to support or compliment the State's efforts. Those conversations have just begun. ***Secretary Salazar Established December 15 Target for Federal Inter-Agency MOU to Address Water Crisis.*** In a press statement issued in the aftermath of agreement in Sacramento, Secretary Salazar announced that an inter-departmental agreement between Interior and Commerce (NOAA and NMFS) would be issued by December 15. ***GE Water Reuse Conference.*** GE hosted a conference in NY that garnered national attention – GE Leadership Summit on Water Reuse Solutions, "From Used to Useful." ***Appropriations Still Pending in Congress.*** Several key funding bills require action for the current fiscal year. Expect action on four annual spending bills between now and mid-December adjournment.

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

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

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Date: December 16, 2009

To: The Honorable Board of Directors

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

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

December 2009

- **December 10**, State Water Control Board meeting, Event Room, beginning at 8:00 a.m.
- **December 24**, IEUA Employee Holiday Breakfast hosted by IEUA management team, IERCF/RP-4 at 7:00 a.m., RP-1 Operations at 8:00 a.m., RP-1 Maintenance at 8:30 a.m., and HQ staff in Event Center, beginning at 9:00 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.

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*.

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

On November 5, IEUA hosted a Career Day for Chaffey College. Chaffey brought in two classes, one high school class from Alta Loma High School and one Jr. High class from Ramona Jr. High in Chino. Key IEUA staff gave presentations to the students on the benefits of IEUA as a career option. A tour of RP-5 and the Chino Creek Wetlands and Educational Park were also provided.

Educational Updates

- The Garden in Every School Garden Project in the Park is being planted and irrigation is being installed. Volunteers have been helping to clear the site, trench, place irrigation pipes in the soil and plant.
- IEUA will be sponsoring Ayala High School (City of Chino Hills) for the Metropolitan Water District's Solar Cup 2010.
- Three students from within IEUA's service area were recognized at MWD's Student Art Event on December 3, 2009: Selena Zhang (5th grade from CVWD's service area), Diego Zamudio (5th grade from MVWD's service area), and Lauren Tessier (5th grade from MVWD's service area). Each student was a winner in MWD's Annual "Water is Life" Poster Contest and will be featured in the "Water is Life" calendar.
- The Water Education Water Awareness Committee (WEWAC) will be meeting on December 8th to review the EduGrant applications. Twenty-five applications were received.

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 – (12/2/09)

(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)**

1/16/10—SEIR Document released for public for review for 45 days.

3/10/10—End of 45-day public review period.

3/25/10—TDA finishes responses to comments.

April 2010—IEUA Board adoption.

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CHINO BASIN WATERMASTER

IV. INFORMATION

1. Newspaper Articles



AHEAD OF THE FRONTIER



With 'one-team, one vision,'
DeLoach explores an eco-friendly future

By SUZANNE SPROUL

ROBERT DELOACH is standing on the edge of what we know, and he's confident of the future. "I've been called a dreamer, and I'm not shy about saying how much I love public service," he said. "I view it as part of my job to help educate the next generation of individuals about sustainability.

"It's not the current generation we have to worry about. They get it. It started years ago with the recycling program. What we need to make sure of is that the knowledge continues to be passed on."

Water and its use may not be the final frontier, but it's crucial to life as we know it, particularly here in the Southland where it can be considered California's real gold.

Water sustains life. It also plays a key role in the production of electricity. Regardless of how one looks at it, water is an important resource. Conserving natural resources and preserving a healthy environment are important to the quality of life locally and beyond.

Standing as a testament to that and the idea that sustainability also makes good business sense is the new Frontier Project from the Cucamonga Valley Water District

and the Frontier Project Foundation.

As the general manager and chief executive officer of the Cucamonga Valley Water District, DeLoach years ago became convinced that the district should take a lead role in environmental education. He and numerous architects, employees and designers have spent hours poring over the Frontier Project, detail by detail, to produce a building that is an open demonstration facility of how conservation, business and the public can work together for the betterment of all three. He is the chief cheerleader behind the district management concept of "One Team, with One Vision."

And that vision is on display at the Ashford Street Frontier Project in Rancho Cucamonga.

"Years ago when the Foundation started this, we were hoping that we would one day have a building and concept that would stand the test of time and meet the needs of the next generation. Dreams do come true," said DeLoach, a Rancho Cucamonga resident and Cal Poly Pomona graduate with a bachelor's degree in administration.

He worked construction and in the private sector as well as being the director of public works for Pomona before he was approached in 1997 with what he called an opportunity too good to pass up — helping to lead the



'It's not the current generation we have to worry about. They get it. It started years ago with the recycling program. What we need to make sure of is that the knowledge continues to be passed on.'



PHOTO BY JENNIFER CAPPUCCIO MAHER

General manager and CEO Robert DeLoach at the Frontier Project at the Cucamonga Valley Water District in Rancho Cucamonga.

Cucamonga Valley Water District. He believes strongly in the message that conservation and sustainability not only are possible, but the new Frontier Project will demonstrate how easy it can be.

Back in 2004-2005, the district office was faced with growing pains, necessitating a need for physical expansion. A new building was needed to accommodate employees, but while plans were being drawn district officials got an idea — could the success of the environmental campaigns such as recycling be translated to the use of natural resources

and could this new building somehow play a role?

“At a bare minimum we were looking at installing a drought-tolerant landscape around the new building to show the district believed in what it was promoting, conservation,” he said.

But then visions of *Sunset* magazine’s annual Idea House, where industry experts and innovators try to build a house of the future, came up.

“When I was back in the private sector years ago, I actually put a bid on one of those houses,” he said. “I didn’t get it, but it started us thinking, could we do

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the same thing with a public building that could demonstrate how people can make sound environmental choices every day?"

Yes, was the collective answer.

The Frontier Project Foundation was formed and the foundation of the building began to form. The result is the newly opened structure that is designed as a hands-on example of what can and is being done to live comfortably and environmentally.

"The building is designed to have multiple components, set up side by side, so people can see how to compare them. It is meant to demonstrate that a sustainable lifestyle and business can coexist and be innovative and efficient," he said.

District employees will occupy the second floor. First floor space is available to organizations and companies that embrace the same ideals as the project.

Green Afternoon seminars and workshops are scheduled and open to the public. Tours are available. Plans are to incorporate more local schools and to expand on present educational programs.

The 14,000-square-foot facility showcases the latest technologies in water, energy and site conservation. It heralds the use of recycled materials, includes a live and growing "green" roof, a water cistern and cool tower and solar chimneys.

And it aims to achieve the LEED (Leadership in Energy and Environmental Design) platinum certification, the Holy Grail of sorts for environmental efficiency, from the U.S. Green Building Council.

"But the Frontier Project is more than a building," DeLoach said. "The finished project has far exceeded our expectations. There isn't a place in the building that doesn't show you what can be done to conserve energy. This is the public's building, and we hope the community comes to see what it offers. We want the public to come and go away saying, 'We want that in our own homes,' even if it's a small piece."

Together, all those pieces will add up to a collective example of success.



The Frontier Project's Green Tie Gala

RANCHO CUCAMONGA

It was easy to be green at the inaugural gala of the Frontier Project Foundation in Rancho Cucamonga. The highly anticipated event gave the public a sneak preview of the now open Frontier Project, located adjacent to the Cucamonga Valley Water District. The building represents a hands-on example of how renewable and sustainable design work. The evening also served as a platform to recognize leaders in sustainability. Honored during the event were Herman Miller Inc. and the Lewis Group of Companies.



(1) The Frontier Project board members
 (2) Jennifer Gould and Mark Kriski from KTLA (Channel 5) (3) Janis and Bruce Kato
 (4) The Ratpack, Robbie Howard as Dean Martin, Nicholas Brooks as Sammy Davis Jr. and Nick D'Egidio as Frank Sinatra (5) Brian and Patty Johnson, left, and Andy and Angella Lorraine (6) Kevin and Michele Dow
 (7) Darron and Donna Poulsen
 (8) Guests mingle during the gala.

PHOTOS BY JAMES CARBONE

dailybulletin.com

Superfund cleanup could mean refunds, water bill cuts for Rialto residents

Josh Dulaney, Staff Writer

Created: 11/02/2009 04:07:14 PM PST

RIALTO - Residents here might soon be getting money back from their local government - and they can thank Uncle Sam.

City officials are turning over cleanup of contaminated groundwater to the federal government, which means local residents could see surcharges for perchlorates removed from their water bills and reimbursement of charges already paid.

"I think what this means is the residents of Rialto can be assured their water will be kept safe for their families and the brunt of this cleanup is not going to be borne by them," Councilman Ed Scott said.

The City Council in a 5-0 unanimous vote last week withdrew from the Rialto-Colton Joint Powers Authority, which was formed in early 2008 with San Bernardino County and other agencies to seek funding to solve the perchlorate problem at a 160-acre site on the north end.

The site landed on the EPA's Superfund National Priorities List in September, which makes it eligible for federal funding.

The EPA has been developing a cleanup proposal that should be ready at the beginning of the year, said Alejandro Diaz, community involvement coordinator for the agency.

Perchlorates are naturally occurring and man-made chemicals found in rocket fuel and explosives, among other things.

In sufficient doses, it can interfere with iodide uptake into the thyroid gland, according to the EPA. Poor thyroid function can result in symptoms ranging from hair loss and weight gain, to general weakness, dementia or immune system problems.

Currently, perchlorates are flowing from the site, where fireworks companies and defense contractors operated after World War II.

The EPA has listed five parties - BF Goodrich, Emhart Industries, Pyro Spectaculars, Ken Thompson Inc. and Chung Ming Wong - potentially responsible for hazardous waste at the location. If they refuse to pay for the cleanup, the agency will go forward with the work and sue them afterward, EPA officials have said.

The EPA's involvement means cleanup is years ahead of where it would have been if local governments were forced to pursue the alleged contaminators.

The city, which has spent roughly \$30 million in cleanup, litigation, consultants and investigation costs, has filed litigation against 39 parties

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potentially involved in polluting the site.

That number includes four of the five on the EPA's list and 35 others. The city is negotiating with Goodrich.

As to why the city didn't go through the EPA when perchlorates were first discovered here in 1997, Scott said officials were concerned about the stigma of a Superfund site, and the EPA itself didn't have enough of a case to pursue it.

The \$30 million was money well spent because the information collected enabled the EPA to be ahead in its cleanup process, Scott said.

Diaz wouldn't confirm that notion, but said the fact that the EPA has a cleanup plan to unveil next year is remarkable.

"It is lightning fast compared to other sites," Diaz said. "To come up with a proposed plan this soon is unheard of."

Scott said any money that comes to the city through litigation or negotiations will go to recoup out-of-pocket expenses, remediation, and reimbursing residents who have paid a perchlorate surcharge on their water bills since its inception in 2004.

Rialto taxpayers have paid about \$2 million a year in such charges, he said.

The city also expects to receive a \$4 million settlement from the county early next year, which also will go to pay back the surcharges,

Scott said.

The settlement stems from contamination that migrated from the county landfill into one of the city's wells, Scott said.

The surcharge could be lifted altogether if three parties who have sued the city - including Black & Decker and Pyro Spectaculars - drop their litigation, Scott said.

The city has a zero-tolerance policy on perchlorate and either shuts down wells where the contaminant is found or else places filters on them, Scott said.

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Schwarzenegger signs part of water package

One of the bills establishes a statewide program to measure groundwater elevations. The other adds 25 state enforcement officers to track down illegal water diversions.

By Bettina Boxall

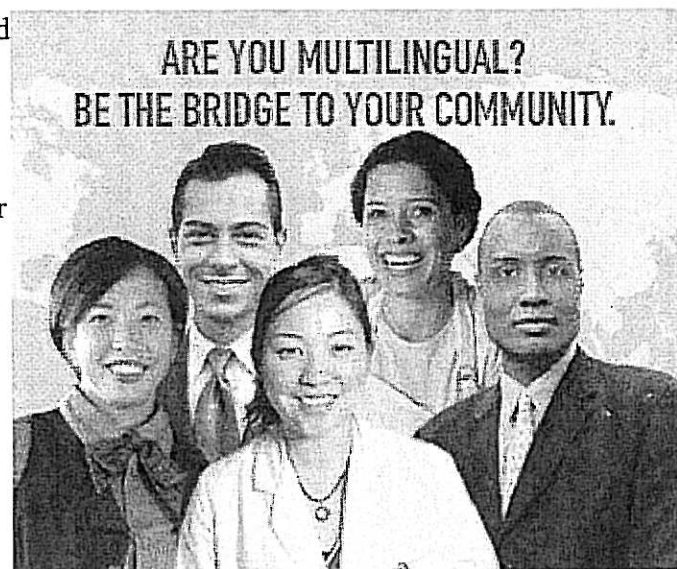
November 7, 2009

Gov. Arnold Schwarzenegger went to a scruffy field in the San Fernando Valley on Friday to sign two pieces of water legislation passed earlier this week.

The setting was the Tujunga well field of the San Fernando Valley aquifer, part of Los Angeles' water supply.

One of the bills the governor signed establishes a statewide program to measure groundwater elevations. The other adds 25 state enforcement officers to track down illegal water diversions.

Schwarzenegger is expected to sign the remaining parts of the water package in the coming days, including an \$11.1-billion bond that will go before voters a year from now.



Surrounded by state lawmakers and local officials, he informally launched the bond campaign.

"We want to invest in the future of California, and this is the best investment we can make," Schwarzenegger said. "It's very important to vote 'yes.' "

The gathering was all smiles as legislators basked in their success at finally reaching a water accord that has eluded them for years.

The package was passed at the end of a 22-hour session, "when we lost track of which day it was," said Assembly Speaker Karen Bass (D-Los Angeles).

"This is just the first step," she added, echoing Schwarzenegger's call to work for the bond's passage.

The groundwater measure ends California's distinction as the only Western state that doesn't monitor or regulate groundwater, which during droughts can make up as much as 40% of the state's supply.

Pumping is so heavy in some parts of the state that the land surface has subsided by more than 50 feet.

The enforcement bill was much stronger in its earlier forms. It called for increased penalties for illegal water diversions and gave the state water board more clout to stop them. But those provisions proved politically explosive and were dropped.

Assemblyman Jared Huffman (D-San Rafael), one of the lead negotiators on the package, said legislation will be introduced again next year to raise penalties.

"We will finish the job," he said.

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CAPITOL JOURNAL

Go with the flow on water legislation

All parties have achieved gains, including construction of a controversial canal and a new dam or two, in their negotiations for major water improvements. Now it's time to make the deal happen.

George Skelton

Capitol Journal

October 22, 2009

From Sacramento

Negotiators are on the brink of achieving the most comprehensive California water legislation in half a century. They're also in danger of an embarrassing belly flop.

Both sides -- whether talking about Democrats vs. Republicans, environmentalists vs. farmers, cities vs. burbs -- have attained their top priorities, realizing gains that seemed almost impossible just 18 months ago.

GOP lawmakers and San Joaquin Valley growers have secured a pathway leading to probable construction of a long-controversial canal to carry fresh Sacramento River water around the fragile, brackish delta and directly into an aqueduct heading south. Also, a new state water planning process would likely result in an additional dam or two.

Everyone who depends on delta water -- and most Californians do -- would wind up with a more reliable flow.

Democrats and environmentalists long have fought against both the so-called peripheral canal and what's euphemistically referred to as "above-ground storage," fearing they'd lead to increased water exports from north to south; more for irrigation and swimming pools, less for fish and wildlife.

But the trade-off for acquiescing to the canal and dams is an ecologically restored delta, a once-fertile estuary that's now in danger of becoming a dead sea for salmon and other fish. The Dems and enviros also would gain significantly improved statewide water conservation.

Financing for the delta restoration and up to half the dam construction would come from a \$9.4-billion



bond proposal on the November 2010 ballot. All the canal cost and at least half the dam funding would be footed by the water users.

The GOP and the farm lobby until recently have shown no interest in fisheries restoration -- indeed, belittling such efforts -- and have been suspicious of state-imposed water conservation. But federal courts have cut off water for irrigation and preserved it for the endangered tiny delta smelt and San Joaquin River salmon. So until the delta is restored ecologically, farmers will be forced to fallow fields and let orchards die.

Meanwhile, there has been a gradual realization among many environmentalists that the biggest threat to the delta is not a carefully regulated peripheral canal. It's the current water transfer system with its giant pumps that have confused, sucked up and decimated the fish.

"The ecosystem of the delta has collapsed," says Barry Nelson, water project director for the Natural Resources Defense Council. "We're risking the permanent loss of the California salmon fishing industry."

Nelson adds that, with or without a new delta plumbing system, agriculture and urban interests "quietly acknowledge that we're not going back to the record water diversions of the past."

That's why big interests -- the Metropolitan Water District of Southern California, the Westlands Water District in the San Joaquin Valley -- aren't really looking for more northern water. They're seeking a more dependable stream.

The politicians and "stakeholders" have been meeting for months and narrowed their differences to relatively small details. Issues within issues.

They're quibbling over the conservation mandate. Everybody's OK with cutting statewide per capita water use 20% by 2020. But there's a dispute over how much should be pared in each region. There's resentment because Los Angeles and San Francisco could end up being required to cut only 5% because they'd get credit for past efforts.

San Francisco and East Bay interests also are suspicious that the grand plan would endanger their water rights. Negotiators will try to satisfy them with non-guaranteeing "comfort language."

There's a debate about how stiff the penalties should be for illegally diverting water.

An ambitious groundwater monitoring program had been controversial, but has been resolved. Rather than state workers checking on farmers' wells, that would be left to local officials. If they were lax, the local areas wouldn't qualify for state bond money.

But the biggies basically are settled: the canal, dams, delta restoration, a new governing structure for the estuary and the conservation concept.

What's needed now are some handshakes and legislative votes.

So far, there isn't even legislation in print. Senate leader Darrell Steinberg (D-Sacramento), the negotiation leader, wants a firmer agreement before he prints the legal language. He doesn't want it nipped to death. Others, however, insist on seeing the language before they sign off on any plan.

"We have a tiny bit of a Catch-22," Steinberg concedes.

"We've beat this horse to death," asserts Sen. Dave Cogdill of Modesto, the Republicans' main man on water. "At some point, somebody's going to have to make a call.

"The real risk is that we make perfect the enemy of good and end up with nothing."

That's what Gov. Arnold Schwarzenegger keeps telling the legislative leaders.

"He's told them they can't get everything they want, but they've already gotten what they need," says a senior advisor, who asked for anonymity.

There is a realization within the Capitol that a unique opportunity exists to finally fix the rotting water system, which hasn't been updated since it was originated by the 1959 Legislature and Gov. Pat Brown.

Schwarzenegger sees himself as a Teddy Roosevelt conservationist and Pat Brown builder. He's eager for a water legacy. The next governor may not be as committed or flexible on policy.

Moreover, legislators are motivated by the third year of drought -- and a desire to prove that they actually can solve big problems.

"What a beginning of a turnaround it would be for the Legislature and state government!" Steinberg says of a potential deal. "We've come too far for this to fall apart. . . . We're coming down to a showdown in the next few days."

The solution is simple: All sides should declare the victory they've won.

george.skelton@latimes.com

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dailybulletin.com

Time to solve water problems

Created: 10/25/2009 07:19:26 PM PDT

By all accounts, state legislators are tantalizingly close to an agreement that would remake California's water delivery system.

They must not fail.

In the long run, access to water is the biggest issue facing California. The governor was right to convene a special session of the Legislature to reach such an agreement.

It's by no means just the ongoing drought, and the current water restrictions affecting many households in California, that are on the table.

Our state has never solved the lingering - and linked - environmental problems surrounding the all-important Sacramento Delta water supplies and both agricultural and residential access to water, since the failure of a plan to build a peripheral canal that would bring water to both farms in the Central Valley and homes and businesses in Southern

California.

A new push for such a canal, first championed by then-state Sen. Ruben Ayala of Chino in the 1970s, is favored by both Gov. Schwarzenegger and fellow moderate Sen. Dianne Feinstein, and is crucial to a future solution to our water woes.

The drought has caused some agricultural interests to tap dangerously into groundwater supplies, threatening the future health of aquifers that are key to nothing less than the sustainability of our state.

Those who object to private interests having to report how much water they are sucking out of the ground on the basis that this is "governmental intrusion" are playing fast and loose with our future. A compromise that would make a water district that has failed to report ineligible for state-backed water bonds is one way out of the dilemma and should get both Democratic and Republican votes.

Though passing big water bonds in the current economy would be tough, the government, just like businesses, must be able to look down the road to a time when the economy is in better shape and

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we're able to make crucial investments in our infrastructure.

It was during the Great Depression of the 1930s when the federal government made many infrastructure improvements.

A package of almost \$10 billion in bonds that would address both the concerns of environmentalists by helping to restore the delta's damaged habitat and at the same time shore up the beleaguered water system, bringing more of the stuff to Southern California, is what GOP and Democratic leaders need to come together to support.

We'll look forward to a time when it's prudent to recommend a "yes" vote on that investment in our common future.

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Jobs will grow where water flows

Sen. Bob Dutton

Created: 10/13/2009 06:25:28 PM PDT

Those who have driven major highways in California have probably seen the billboard that says, "Food grows where water flows."

Seeing that sign made me realize that in addition to food growing where water flows, "jobs also grow where water flows." As the debate about water reaches a climax, it is clear to me that steps must be taken to expand the state's water capacity and to use the water we currently have more efficiently.

The governor and legislative leaders are currently seeking a comprehensive solution to California's future water needs.

In their search for common ground, they would do well to consider the sensible solutions contained in Senate Bill 261, an important piece of legislation I authored along with my principal co-author, Denise Ducheny (D-San Diego), this past year.

SB 261 provides a reasonable approach to achieving the governor's goal of reducing statewide water consumption by 20 percent by 2020. The measure achieves the 20 percent per capita reduction by building on existing water use efficiency efforts and by promoting water use efficiency rather than simply conservation.

SB 261 would encourage the use of renewable alternative sources of water, such as recycled water and stormwater capture.

It would also establish a task force to identify best management practices in the commercial, industrial and institutional industries to reduce the amount of water used without reducing the amount of product produced or jobs supplied.

This common sense measure isn't the only solution to the state's water crisis - but it is an important step. The bill allows the state to reach the 20 percent reduction in a manner that provides fairness and flexibility to local and regional water suppliers without creating unworkable requirements.

It also ensures California will conserve

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water without harming our economy and costing workers their jobs.

Although many different water bills were introduced this year, I'm proud to say that SB 261 received broad support from a diverse coalition including the Santa Ana Watershed Project Authority, the Association of California Water Agencies, the California Farm Bureau, Western Growers, the California Rice Commission and the California Chamber of Commerce.

I'm also proud that SB 261 obtained bipartisan support, who in addition to Senator Ducheny included Ron Calderon (D-Montebello), Lou Correa (D-Santa Ana) and Alex Padilla (D-Van Nuys), Senate Republican Leader Dennis Hollingsworth (R-Temecula), and Assemblyman Juan Arambula (I-Fresno).

You would think with this type of support that SB 261 would have had no trouble passing - but it did.

Despite the broad support, SB 261 was unable to get out of the Legislature. In its place, the hard left wing of the Democratic majority pushed solutions that would cost jobs and leave Californians thirsty.

Make no mistake: California has the ability to capture enough water before it reaches the ocean to meet the needs of everyone - farmers, businesses and homeowners - without harming the environment.

The bottom line is simply that we must use the water we have more efficiently and also expand our water infrastructure system.

A comprehensive solution that accomplishes these goals, while protecting jobs and our economy, will ensure that California's water well will never run dry.

State Sen. Bob Dutton represents the 31st District, which includes Big Bear, Grand Terrace, Highland, Loma Linda, Redlands, Yucaipa, Yucca Valley, Crestline, Lake Arrowhead, Mentone, Running Springs, and portions of San Bernardino and Colton.

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Water conservation efforts paying off

Sandra Emerson, Staff Writer

Created: 10/20/2009 06:01:07 PM PDT

Inland Valley residents' efforts to reduce water use this summer got some relatively high marks from water companies and cities.

The agencies asked their customers to reduce water use due to the state's lack of available water and a relatively dry winter.

The decline ranged from 5 percent to 15 percent.

The Monte Vista Water District in Montclair hoped for a 10 percent to 15 percent decline through various mandatory water use restrictions and so far, use has dropped 12 percent over the last year and 13 percent over the last five years.

"We're quite happy, and I can say that we're achieving the goals of our declaration," said Justin Scott-Coe, public affairs specialist for the Monte Vista

Water District.

Monte Vista provides retail and wholesale water services to communities in Montclair, Chino and Chino Hills and the unincorporated areas between Pomona, Chino Hills and Chino.

To prepare for a fourth year of drought and water shortages, the water district renewed this month a declaration of a Stage 2 water supply shortage for another six months. The first declaration was made in April.

With the declaration came water conservation requirements such as not watering lawns between 7 a.m. and 6 p.m., fixing leaks within 48 hours and placing nozzles on hoses when washing cars.

"Predicting the water supply situation in the future is sort of like predicting the weather," Scott-Coe said. "We hope for the best but prepare for the worst."

The city of Pomona, which uses mostly groundwater accumulated within the city, asked its residents to reduce consumption by 10 percent.

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consumption has declined 15 percent, said Meg McWade, utility services manager for Pomona's public works department.

"Our citizens are doing phenomenal in terms of their efforts in water consumption," McWade said.

Pomona also imports water from the Metropolitan Water District and Three Valleys Municipal Water District, and the use reduction will allow the city to stay within its allotments of water.

"We have been allocated a certain amount we're allowed to use and it will make sure we stay within - almost like a water budget - we'll stay within Pomona's water budget and won't face additional charges," McWade said.

As for the future of water in Pomona, McWade said she had been hearing reports of increased rainfall this winter which would help boost groundwater resources.

The Cucamonga Valley Water District in Rancho Cucamonga serves about 185,000 people in Rancho Cucamonga and portions of Fontana, Ontario, Upland and unincorporated adjacent areas.

In spring, the water district began encouraging customers to voluntarily conserve water to reduce water use by 10 percent, said Kristeen Ramirez, public information officer for the water district, in an e-mail.

Since the call for conservation, customers have reduced water use by about 8 percent.

San Antonio Water Co. operates differently from other water districts in that the customers purchase shares of water. The water company cannot produce more water than they have shares.

"I think a lot of our shareholders are doing pretty good about that," said Charles Moorrees, general manager at San Antonio. "We still see some excess water consumption and try to help them get better control."

So far this calendar year, San Antonio irrigation customers, such as the cities of Upland and Ontario, rock companies and golf courses, have used a little more than 11,064 acre feet of water. Domestic customers, San Antonio Heights residents, have used 2,800 acre feet.

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The company is budgeted for using 16,573 acre-feet of water.

Last year irrigation customers used nearly 16,000 acre-feet and residents used 2,000 acre-feet.

An acre-foot is generally the amount of water used annually by one to two families of four.

The city of Upland, which makes up more than 60 percent of San Antonio Water's shares, has been attempting to comply with a state mandate that requires the reduction of water use by 20 percent by 2020.

The Public Works Department is anticipating a reduction, prior to considering weather, of 8 percent to 10 percent by the end this year, said Anthony La, public works director.

"We know that the state Legislature is starting to take this water issue more seriously," La said. "Another thing we do know is some of the water supply that we've had to rely on in the past, such as quantities in the (Sacramento) Delta, will never be the way it used to be."

Rather than enforcing water conservation

regulations, the city of Ontario put in place a voluntary water conservation effort.

As a result water use within the city has decreased by 2.5 percent this year and 5 percent from the year before, said Marvin Shaw, utilities general manager for Ontario.

"I like to call it 'water use efficiency' because it's a valuable resource and everybody wants to use it wisely," Shaw said. "We work with residents and businesses to ensure that water is not wasted."

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San Antonio Water Co.'s stock up for auction

Sandra Emerson, Staff Writer

Created: 10/11/2009 10:14:56 PM PDT
 UPLAND - The San Antonio Water Co. is trying something different to clean up its books.

They're auctioning off shares of the company, shares whose owners failed to pay off.

"Some of these things go back a number of years to the 1990s," said Tom Thomas, president of the San Antonio board. "These are folks that no longer live in San Antonio Heights, and in many cases their houses were foreclosed, and they just kept the share and maybe they didn't pay their last water bills."

The stock does not stay with the property, so if a home is foreclosed or the owner moves, the stock goes with them. In some cases, the owner may have died and families may not know about the stock, Thomas said.

Much of the stock is tied to San Antonio Heights, which makes up about 10 percent of the water company's shareholders. There are 11,000 to 12,000 connections in the Heights.

Heights residents are individual or "domestic" shareholders, while the cities of Upland, Ontario, Chino, the Cucamonga Valley Water District, Monte Vista Water District and rock companies make up the rest of the shareholders, Thomas said.

Available shares range from quarter shares to half shares. Bids are open to anyone interested in owning water stock. Minimum bid amounts are from \$1,400 to \$3,100.

All bids must be received in the company office by 10 a.m. Nov. 9.

Bidders are required to submit a "stock auction bid form" and a cashier's check. Once the bidding is over, water company officials will award the stock to the highest bidder. The checks submitted by losing bidders will be returned, Thomas said.

If the current stock owners decide they want to hold on to their shares, they will

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need to pay the minimum bid price in order to pay off the debt.

This is the first time in many years, if ever, that the company has decided to auction off delinquent shares, Thomas said.

"We've been working with this issue for quite a while to try and resolve this," said Charles Moorrees, general manager. "We did our due diligence and tried to contact these share holders, and this is the last resort as to closing out this chapter of delinquent accounts."

The minimum bid amount will go to the debt the water district is attempting to pay off. The rest will be sent to the State Controller's Office, Moorrees said.

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The advertisement features a dark background with three main elements. On the left, a digital display shows the number '795' in yellow, with the text 'Average U.S. Credit Score' below it. In the center, a square icon contains a yellow question mark, with the text 'Your Credit Score' below it. On the right, a blue button with white text says 'VIEW YOUR CREDIT SCORE NOW'. Below this button, the text 'Visit FreeCreditReportValue.com' is displayed in yellow.

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Ontario agrees to join project to expand production of local drinking water

Liset Márquez, Staff Writer

Created: 10/16/2009 03:08:09 PM PDT

ONTARIO - Efforts are under way for a \$110 million expansion of the Chino Basin Desalter facilities which bring an additional 10 million gallons of water per day to the area.

The desalter removes salts of nitrogen which are in much of the water in the underground Chino Basin.

The expansion costs will be shared equally between the city, Western Municipal Water District and the Jurupa Community Services District.

On Friday, the City Council had a special meeting to give its approval of the first phase of the project. Ontario will pay nearly \$3 million for the phase, Marvin Shaw, utilities general manager for Ontario, said.

Desalter I and Desalter II treatment plants will be expanded to increase water production from 24,600 acre-feet per year to 35,200 acre-feet per year.

"The expansion will try to make sure no water

leaves the basin. Any water that leaves the basin is considered bad water quality," said John Rossi, general manager for Western Municipal Water District.

It will also add a minimum of six new wells and more than 12 miles of pipeline, said Shaw.

The expansion project is expected to be completed in multiple phases in the next four to five years, he said.

For the water district, the project will provide their first local source of water for that area. Currently almost all of its water comes almost 400 miles away from the Delta and Sacramento, Rossi said.

"To have a local source like the desalter which we knew is extremely reliable is important," he said.

That will also result in an energy savings, Rossi said.

"It takes a lot of energy to move water. Anytime we can get local source, we save on that energy consumption," he said.

The first phase will construct an ion exchange for nitrate removal and a reverse osmosis system for treating groundwater to drinking standards, Rossi said.

On Oct. 21, the water district will approve their contract for the expansion, Rossi said.

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Construction is expected to start in the next 30 to 45 days and will last a year, he said.

Ontario has set aside nearly \$30 million for the project, but the costs could be offset by multiple grants. Recently, Inland Empire Utilities Agency was awarded \$20 million for the expansion project, Shaw said.

Once the project is completed, Ontario will increase its water deliveries from 5,000 acre-feet to 8,533 per year, Shaw said.

"It's proved to be a reliable and valuable water supply for the region as well as Ontario," he said.

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Schwarzenegger backs away from veto threat, vows to weigh bills on merits

The governor, saying lawmakers had made progress in water talks, signed hundreds of measures ahead of the midnight deadline.

By Eric Bailey and Evan Halper

October 12, 2009

Reporting from Sacramento

Although he failed to win bipartisan accord on a sweeping, multibillion-dollar plan to address the state's water problems, Gov. Arnold Schwarzenegger on Sunday night backed down on his threat to veto hundreds of bills as punishment for legislative leaders' inability to reach a deal.

As the midnight deadline for signing or rejecting 704 bills approached, Schwarzenegger said sufficient progress had been made in the water talks, and he planned to act on all of the bills. As negotiations concluded late Sunday, the governor had signed into law 230 bills and vetoed 221.

Those he signed included a measure intended to combat human trafficking and an anti-drunk-driving bill requiring DUI offenders in some counties to install devices in their vehicles that test blood-alcohol content before the vehicles can be started. Those he rejected included bids to force any extension of the 710 Freeway to be done underground, ban pay hikes for top administrators at public universities in bad budget years and tighten oversight on fertility clinics.

Schwarzenegger also called a special legislative session on water to start this week.

"Over the past few days we have made enough progress in our negotiations that I am calling a special session on water," he said in a written statement. "While we still have a few remaining issues to work out, I commend the legislative leaders for their focus and commitment to solving this crisis, and I will weigh all the bills on their merits."

Water negotiations, however, have been slow going, repeatedly becoming stuck in decades-old political and policy feuds. State leaders have been expressing confidence for years that a water deal was close at hand, only to see negotiations collapse.

The governor wants lawmakers to agree to ask voters to borrow billions of dollars to pay for



infrastructure upgrades and other improvements. Legislative aides said the prime obstacles remained the monitoring of groundwater and how to finance big structural improvements that include two possible new dams.

All weekend, the governor and legislative leaders scurried in and out of meetings in their effort to hammer out a deal. As it became clear that an agreement was not at hand, negotiations appeared to shift toward finding a way for Schwarzenegger to retreat from his veto threat -- an option he ultimately did not want to exercise.

"We made great progress," said Assembly Speaker Karen Bass (D-Los Angeles). "But with such a complex issue as water, as much as we wanted to finish by midnight, we're just not quite there."

She said she expects details of a bipartisan plan to be hammered out in time to present to the legislative caucuses within about 48 hours.

One of the bills Schwarzenegger signed Sunday was a hard-fought measure to reduce the prison population by 20,000 to 25,000 inmates, although it stops far short of solving the overcrowding crisis and does not include more extensive reductions that the governor wanted.

The measure, SBX3 18 by Sen. Denise Ducheny (D-San Diego), would also leave California's budget with \$200 million more in red ink. Top finance officials reported Friday that state revenue is already \$1 billion short of their projections.

The drunk-driving bill, AB 91 by Assemblyman Mike Feuer (D-Los Angeles), creates a pilot program in Los Angeles, Alameda, Sacramento and Tulare counties. The program will permit first-time DUI offenders to drive only if they install a breath-testing device on every vehicle they own and pass a test on it before the ignition can be unlocked and the car started.

The human-trafficking bill, AB 17 by Assemblyman Sandre Swanson (D-Alameda), quadruples fines, to \$20,000, on those convicted of such a crime. It also allows law enforcement officers to seize the assets of traffickers. The assets and money collected in increased fines would be spent on local programs serving the victims of trafficking.

Charter schools will be given a boost by two bills the governor signed. SB 592 by Sen. Gloria Romero (D-Los Angeles) tweaks state law to allow the schools access to about \$900 million in voter-approved bond money for construction. SB 191 by Sen. Roderick D. Wright (D-Inglewood) creates a uniform funding model for charters, giving districts more incentive to approve them.

Schwarzenegger also continued his push to expand the use of digital textbooks by approving a package of bills related to them. Part of that package is SB 48 by Sen. Elaine Alquist (D-San Jose), which requires that any companies selling textbooks in California colleges or universities make them available electronically by 2020.

And he signed SB 827, a controversial bill sponsored by Wright that allows the South Coast Air Quality Management District to sidestep a judicial ruling threatening to block several construction projects and cost the region 57,000 jobs. Environmentalists opposed the measure, and state Sen. Alan Lowenthal (D-Long Beach) criticized Wright for opening "the floodgates" to businesses that want to skirt the state's environmental laws.

The governor declined to prohibit completion of the 710 Freeway from the edge of Alhambra to Pasadena using a surface route by vetoing SB 545 by Sen. Gil Cedillo (D-Los Angeles). The bill would

have left only the possibility of a costly 4.5-mile tunnel to finish the highway.

Schwarzenegger wrote in his veto message that decisions on the road extension should be made by the same state agencies that oversee all other freeway projects. He also said the bill could cost the state hundreds of millions of dollars by forcing it to immediately sell properties along the proposed surface route.

On the university pay hike bill, SB 86 by state Sen. Leland Yee (D-San Francisco), Schwarzenegger wrote that "a blanket prohibition" on certain raises would limit the ability of state universities to attract the best staff, ultimately harming the state's students.

Yee responded in an angry statement that the veto "protects the UC and CSU administration's egregious executive compensation practices and allows them to continue to act more like [insurance giant] AIG than a public trust."

The governor vetoed a so-called Octomom bill, derived by the controversy surrounding the octuplets born to Southern California resident Nadya Suleman.

The measure, SB 647 by Sen. Gloria Negrete McLeod (D-Chino), would have created new oversight for clinics that provide in vitro fertilization. Schwarzenegger said the bill did not go far enough, and he hoped to work with medical practitioners to develop even tougher licensing requirements.

In addition, the governor:

- * Vetoed a bill that animal welfare advocates believed would stem the scourge of puppy mills in the state by capping at 50 the number of unsterilized dogs and cats for breeding or selling by one owner.

Schwarzenegger said he supports measures to prevent animal cruelty but felt "an arbitrary cap" had "the potential to criminalize the lawful activities of reputable breeders, pet stores, kennels and charitable organizations engaged in raising service and assistance dogs."

The bill, AB 241, was sponsored by Assemblyman Pedro Nava (D-Santa Barbara).

- * Rejected an extension of a moratorium on new card clubs in the state until 2020. In the veto message he attached to SB 213, by Sen. Dean Florez (D-Shafter), Schwarzenegger noted that there is already a moratorium until 2015.

- * Said no to a measure that would have required police to receive training in how to deal with members of the Sikh faith, who carry a small, curved sword called a *kirpan*.

Civil rights activists pushed for the bill, AB 504 by Assemblyman by Warren Furutani (D-Long Beach), saying Sikhs who carry the blade, which they consider sacred, are being unnecessarily arrested and prosecuted. Schwarzenegger said the state Commission on Peace Officer Standards and Training should set such guidelines, not the Legislature.

- * Signed into law a bill intended to allow California to compete for billions of dollars in new "Race to the Top" education grants from the federal government. The bill, SB 19 by Sen. Joe Simitian (D-Palo Alto), erases some restrictions in state law that may have limited the extent to which student data could be used to judge the quality of instruction, possibly disqualifying California from the federal program.

- * Approved higher penalties on dogfight spectators. AB 242 by Nava subjects those who attend the

fighters to as much as a year in county jail and a \$5,000 fine.

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Ensuring region's water supply will take everyone's effort

Supervisors Gary Ovitt and Paul Biane

Created: 10/17/2009 08:56:16 PM PDT

At the next meeting of the San Bernardino County Board of Supervisors, we plan to bring a resolution to establish a Storm Water Task Force. The purpose of this task force is as simple as it is important.

We want to ensure that our county's flood control operations combine the historical flood control model of capturing storm water and moving it away from populated areas with a new model designed to increase local water supplies, improve water quality, and help minimize the need to purchase an increasingly costly commodity - imported water.

Let us explain our plan and our reasons for it.

Historically, flood control had one purpose - to protect residents from floods and runoff by directing storm water to flood control channels and safely sending water downstream to the Santa Ana River and the Pacific Ocean. In 2006, more than 600,000 acre feet of storm water flowed from our county to the ocean.

Our county has successfully controlled storm water by redirecting it to channels that send it rushing toward the coast. In recent years, we

have not experienced damaging floods similar to what occurred in 1969 when massive amounts of storm runoff devastated communities. While directing floodwater into channels made sense when water was inexpensive and available, now we need to think outside the flood control box and develop a different model.

We need to combine what we currently do very well with a model that captures floodwater and keeps it in our community. Why is this necessary? Well, that 600,000 acre feet of water we sent to the ocean in 2006 was enough to supply the needs of 1.5 million San Bernardino County households for a full year. And with water prices signaling a continued climb for years to come, common sense says we must do a better job of keeping our local water local.

Working with three Chino Basin water agencies, San Bernardino County reached a four-party agreement in 2002. Its purpose was to find better ways to reduce dependence on imported water, provide a local drought-proof water supply, and improve groundwater quality.

That agreement proved that a cooperative effort benefits the entire community. Since 2002, a local investment of \$25 million (matched with federal grants) has helped recharge more than 111,000 acre feet of water into the Chino Basin.

This captured water has a present value of \$60 million and is available to meet the needs of more than 250,000 West Valley families. This investment will pay returns each and every year as it continues to help recharge water into our

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basin. It is also interesting to note that this large volume of water was captured and recharged into our basin during a period of drought.

The Task Force we have proposed will include representatives from San Bernardino County, the city of Ontario, the city of Rancho Cucamonga, West Valley Water District, Chino Basin Water Master, Chino Water Conservation District and the Inland Empire Utilities Agency. The group will work together to develop a fully integrated storm water management system. This system, combined with the best practices of water conservation, will increase local water supply, improve our water quality, and reduce long-term cost increases for an increasingly scarce, yet vital, commodity.

The Task Force's first assignment will be to examine the current configuration of the Turner Basin, which sits on the border of Ontario and Rancho Cucamonga, and recommend a plan to fully utilize the basin.

The plan will detail how we can capture storm water from the Cucamonga and Deer Creek channels in the Turner Basin. The plan will also discuss how we can construct and maintain a wetlands area within the basin to naturally purify runoff while also providing habitat for plants and animals. Finally, the plan will spell out how we can utilize this treated storm water to recharge the underground aquifer.

This is just the first step. We also want the task force to recommend recreational and educational uses for the basin, such as walking trails and

signage that allow residents to learn about water conservation, wetlands biology and flood control systems.

In addition, the basin would feature California-friendly landscaping and architectural features to complement and enhance Archibald Avenue - a gateway to Ontario International Airport and the city of Rancho Cucamonga.

By working together, we can beautify this basin and utilize it more fully while also creating a model that can be used countywide for the long-term benefit of all county residents.

Supervisor Gary Ovitt is chairman of the San Bernardino County Board of Supervisors and represents the 4th District, which includes Chino, Chino Hills, Montclair and Ontario. Supervisor Paul Biane represents the 2nd District, which includes Rancho Cucamonga, Upland, most of Fontana, San Antonio Heights and Mt. Baldy.


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Ontario looks at 9% rate hike

Liset Marquez, Staff Writer

Created: 11/11/2009 05:54:10 PM PST

ONTARIO - The increased cost of importing drinking water has city officials considering a 9 percent spike to the utilities bill for residents.

The proposal, which is expected to be taken up for vote next month by the City Council, also suggests a 9 percent increase for the following year.

If it is approved it would mean about a 27 percent hike for residents to their utilities bill in a three-year period.

"We need an increase and that's primarily due to the rising costs of water," said Greg Devereaux, Ontario city manager.

While residents pay for water, trash and sewage in one bill, but the proposed increases would only be for water and sewerage portion of the bill, he said.

Residents will notice a 9.5 percent increase in their bill Jan. 1, and then another 9.1 percent in 2011, said Marvin Shaw, utilities general manager for the city.

In 2008, residents also received a 9 percent increase to their bill.

The council will discuss the proposed rate ordinance in its Nov. 17 meeting and take a vote at the Dec. 2 meeting, said Mohamed El-Amamy, director of utilities & solid waste for the city.

If approved the new rates will go into effect on Jan. 1. However on July 1 they will also notice a \$1 increase in the portion of the bill from the Inland Empire Utilities Agency.

The news doesn't sit well with long-time resident Dena Sherman, who has lived in her home in the northwest end of Ontario since 1967. Her monthly utilities bill is about \$100.

"It took a big jump last time, and it's going to take another big jump," Sherman said.

Retired, Sherman said the increases will take a financial toll on her and her friends.

"It's very hard, I'm on a fixed income and at this point I'm going to have to find a part-time job," she said.

In terms of the water portion of the bill, the single largest contribution to the increase is the rising cost of purchasing water, Shaw said.

About a third of the water the city receives is imported from Metropolitan Water District and the IEUA.

The city will see an \$158 increase per acre foot of water purchased from these agencies, jumping from \$412 an acre foot to \$570 an acre foot, Shaw said.

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There are also other treatment costs associated to the bill, he said.

at City Hall, 303 E St. in Ontario.

Indirectly, the restrictions in water up north has caused the city to be proactive and make investments to in local water supply to ensure customers can rely on a reliable supply of water, Shaw said.

In the next five years the city will be part of a \$110 million investment to increase local water supplies.

"Our role is to ensure safe and reliable water supply despite the deficiencies in water," Shaw said.

As for the waste water portion of the bill, there are two components that are driving costs up for the city, Shaw said.

The first is the operating costs of the collection system, which the city owns and maintains.

The other portion will help with increased costs to have the water treated by Inland Empire Utilities Agency.

Since 2006 the fee to the city by IEUA has gone up nearly 50 percent, Shaw said.

Also, the city has been required to inspect and repair sewer lines. This year alone, the city will spend nearly \$850,000 to inspect the sewer lines, El-Amamy said.

The council will discuss the item, Nov. 17 at 6:30

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Monte Vista Water District wins water sell-off

Some Heights residents upset

Sandra Emerson, Staff Writer

Created: 11/11/2009 11:39:02 PM PST

The Monte Vista Water District has paid \$264,000 for four shares of water from the San Antonio Water Co., upsetting some San Antonio Heights residents.

San Antonio Water put the shares - which is the amount of water each of its customers are entitled to receive - up for bid after the owners stopped paying.

Bidding was open to the public, and the results were posted Tuesday.

The water district's highest bids were on three half shares with minimum required bids from \$1,633 to \$3,188. The district paid \$24,000 for each.

The rest of the shares, which were quarter shares, went for \$12,000 each.

"Frankly, I personally did not assume or even think that Monte Vista would bid on them," said Ken Willis, secretary/CFO of the San Antonio Water Co. board of directors. "I was really hoping that homeowners in the Heights were going to be able to pick up the quarter shares. Some of them

could use it."

San Antonio Heights residents are individual or "domestic" shareholders, making up about 10percent of the water company's shareholders.

The city of Upland is the biggest shareholder but did not bid on any of the stock.

Willis said quite a few Heights residents bid on the shares.

Bidders were unable to view other bids prior to the final announcement on Tuesday.

Heights resident Ken McNeil had been trying to get the water company to make bidder information public during the process.

All bids were posted after the winning bids were determined and without names.

"I think Monte Vista Water District acted like a vulture in outbidding the residents of San Antonio Heights," McNeil said.

"By participating in the bid, they took the stock out of the hands of the people living in San Antonio Heights who bid on the stock."

Monte Vista will get its shares through a "paper transfer" through the Chino Basin Watermaster board, which will pump the water to Monte Vista, said Charles Moorrees, general manager of the San Antonio Water Co.

"There's not a physical way we can transfer

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water to them since the water company has rights in the Chino Basin and so does Monte Vista - those rights can be exchanged through a paper transfer," Moorrees said.

Purchasing the water through the auction may have been a cheaper option for Monte Vista to get more water, Moorrees said.

"Instead of having to buy water from someone at a higher rate, they can buy it from us and transfer to them at a base rate," Moorrees said. "They know that in the future water is going to cost more."

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Fontana Water Company touts new headquarters

Josh Dulaney, Staff Writer

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FONTANA - Mike McGraw, general manager of Fontana Water Co., hears the occasional wisecrack from customers who suggest the company's shiny new \$18 million complex on Arrow Boulevard was built one water rate increase at a time.

"You get a little bit of that," McGraw said Wednesday from his corner office.

But he said he mostly hears from customers happy not to be standing outside waiting to pay their bills, like they sometimes did when the company was headquartered in seven buildings built in the 1930s on Spring Street and Nuevo Avenue.

"They are very pleased they can walk into a nice building," said McGraw, who is retiring Friday after 42 years.

The 26,000-square-foot administrative building and 14,000-square-foot warehouse on 5 acres made a big splash with officials here last week when it debuted to the public.

"Any individual or business that chooses to invest that kind of money in Fontana is a source of pride for the community," Councilwoman

Janice Rutherford said.

The new complex will house about 125 employees in all, along with a fleet of 70 vehicles in a full-service warehouse and garage that also holds all the gear needed to maintain service to about 165,000 customers on roughly 44,000 connections.

"These are exciting times and exciting challenges," said Robert Young, who is replacing McGraw and is working with the city on an agreement that would bring recycled water to southside landscapes.

"We've had some very positive relationships going on with the city."

That hasn't always been the case, as officials have fought against the company's rate-hike proposals.

Just last year, city officials and representatives from the company stood before an administrative law judge in the Steelworkers' Auditorium to argue over a proposed 26.5 percent rate increase that was to start this past July and last 12 months.

The California Public Utilities Commission ruled in June to cut the increase to roughly 14 percent, partly because the company spent about \$3million too much on its new buildings and that the difference should be reflected in a reduced rate increase to water users.

The commission ruled that the complex was

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bigger than necessary for the amount of employees to be housed there, but McGraw said the complex was built with about 25 percent growth in mind.

He estimated that complete buildout in the city could mean a total of 80,000 connections, almost double today's numbers.

City officials believe that's a good reason to maintain a positive relationship with the private company.

"We don't always agree, but we try to come to an agreement on things we can agree on and move forward," Councilman John Roberts said.

An example would be the headquarters' so-called "demonstration garden" that features green-friendly landscaping and will be used as a teaching space for schools and other civic groups.

The complex overall is certified by the U.S. Green Building Council as eco-friendly.

One feature is a system that collects 2million gallons of storm drain runoff a year, officials said.

"I was impressed with its energy efficiency and green element," Rutherford said. "I always love to see great examples of that kind of stewardship."

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Auction for Chino basin water supplies postponed until next year

Mediha Fejzagic DiMartino, Staff Writer

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The board that oversees the underground water supply in the Chino Basin has postponed this week's water auction, citing bidders' concern about the water recovery process.

"It's disappointing," said Ken Manning, chief executive officer of the Watermaster board. "We thought we had all our bases covered."

The Watermaster board planned to auction off 36,000 acre-feet of water, potentially netting \$30 million. The revenue from the sale was earmarked for improvements to Chino Basin's water-collecting infrastructure. The winning bid had an option, if necessary, to store the water in the groundwater basin.

Last week, bidders from outside the area - whom Manning described as large investment groups and Fortune 500 companies that regularly invest in commodities - have asked for more details about the potential costs and options to recover the purchased water.

"They are not everyday water people," Manning said. "Rather than not have them participate, we decided to postpone the auction and tighten the recovery strategies. We wanted to be fair to

everyone."

Once the clarifications are in place, the auction should take place in April or early May next year.

Water sales traditionally are negotiated. If held, the auction was to be the first of its kind in the state.

"We are blazing the cumbered trail in water sales," Manning said. "We need to define the path a little bit better for those who are following us."

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