



NOTICE OF MEETINGS

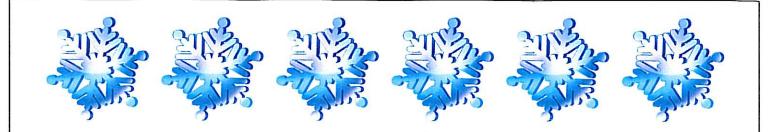
Thursday, December 10, 2009

9:00 a.m. - Agricultural Pool Meeting

AT THE INLAND EMPIRE UTILITIES AGENCY OFFICES

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





Thursday, December 10, 2009

9:00 a.m. - Agricultural Pool Meeting

AGENDA PACKAGE



CHINO BASIN WATERMASTER AGRICULTURAL POOL MEETING

WITH

Mr. Bob Feenstra, Chair Mr. Jeff Pierson, Vice-Chair 9:00 a.m. - December 10, 2009 At The Offices Of **Inland Empire Utilities Agency** 6075 Kimball Ave., Bldg. A, Board Room Chino, CA 91710

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

CONFIDENTIAL SESSION - POSSIBLE ACTION

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

CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held November 12, 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 - The City of Upland will purchase 6,500 acre-feet of water from the West End Consolidated Water Company. This purchase is made first from West End's OSY account of 947.714 acre-feet, second from the carryover account of 947.714 acre-feet, and the remainder from the excess carryover account in the amount of 4604.752 acre-feet. Date of application: November 9, 2009 (Page 17)

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 29)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

- 1. Chino Airport Water Quality Update
- 2. DYY Update

B. WATERMASTER FINANCIAL REPORT

1. Financial Update

C. CEO/STAFF REPORT

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

D. COMMITTEE REPORT

1. City of Chino Report on Provision of Recycled Water to Cal Poly at CIM

IV. INFORMATION

1. Newspaper Articles (Page 35)

V. POOL MEMBER COMMENTS

VI. OTHER BUSINESS

VII. FUTURE MEETINGS

December 10, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
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



I. CONSENT CALENDAR

A. MINUTES

 Agricultural Pool Meeting – November 12, 2009



Draft Minutes CHINO BASIN WATERMASTER AGRICULTURAL POOL MEETING

November 12, 2009

The Agricultural Pool Meeting was held at the offices of the office of Inland Empire Utilities Agency, 6075 Kimball Avenue, Chino, CA, on November 12, 2009 at 9:00 a.m.

Agricultural Pool Members Present

Bob Feenstra, Chair Dairy
John Huitsing Dairy
Pete Hettinga Dairy
Jeff Pierson Crops
Glen Durrington Crops

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

Pete Hall State of California, CIM

Watermaster Board Members Present

Paul Hofer Agricultural

Watermaster Staff Present

Sheri Rojo CFO/Asst. General Manager

Danielle Maurizio Senior Engineer

Ben Pac Senior Project Engineer Sherri Lynne Molino Recording Secretary

Watermaster Consultants Present

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

Others Present

Steven Lee Reid & Hellver

Ryan Shaw Inland Empire Utilities Agency

Dave Crosley

Ken Jeske

City of Chino
City of Ontario

Marsha Westropp Orange County Water District

Chair Feenstra called the Agricultural Pool meeting to order at 9:00 a.m.

AGENDA - ADDITIONS/REORDER

No additions or reorder were made to the agenda.

CONFIDENTIAL SESSION - POSSIBLE ACTION

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

No confidential session was called.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool Meeting held October 8, 2009

- 1

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. WATER TRANSACTION

- 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.
- 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.

D. SEMI-ANNUAL REPORT

Consider Approval of Status Report 2009-1

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

Moved to approve Consent Calendar item A through D, as presented

Added Comment:

Mr. Manning noted there are not action items on the agenda this month. Chair Feenstra inquired as to the status of the Water Auction. Mr. Manning stated the auction has been postponed due to a number of organizations that wanted more information particularly on the recovery strategies that were going to be implemented. The decision to postpone was a unanimous decision by staff and the Appropriative Pool members and to move on Plan B. Mr. Manning described Plan B in detail and how the process of buying the Non-Agricultural pool water would move forward. A discussion regarding the water auction, Plan B, and the future of the auction ensued.

II. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

Completion of SWRCB Santa Ana River Process
 Counsel Fife stated there was a State Water Resource Control Board hearing on October 22, 2009 and at that hearing the state board approved the Western Municipal Water District permit; this brings this permit process to a close.

B. WATERMASTER FINANCIAL REPORT

PERS Audit

Ms. Rojo stated Chino Basin Watermaster underwent a PERS audit a few weeks ago and the report from that audit will be ready in a few months. Once staff receives the report they will be given to the Watermaster Board.

2. Engineering Budget Update

Ms. Rojo stated the current Wildermuth Environmental budget update will be ready to distribute at the Advisory Committee meeting later this month. Ms. Rojo noted this is a very informative report. Chair Feenstra asked for a follow up report to be given at a future meeting regarding budgets.

3. Disposition of Water Purchased from the Non-Agricultural Pool

Ms. Rojo stated the payment for the purchase of the Non-Agricultural Pool water that was to be auctioned off will be invoiced along with the current Assessments. A discussion regarding assessments payments ensued. Mr. Jeske offered comment regarding assessment and the purchase of the Non-Agricultural Pool water at a good price. A discussion regarding taxes and revenues ensued. Mr. Manning offered comment on payment options being discussed with various Appropriative Pool members.

CEO/STAFF REPORT

1. Legislative Update

Mr. Manning stated legislature did pass the bond measure which consisted of SBX7-1 Delta Plan/Governance, 7-2 Bond Measure, 7-6 Groundwater Monitoring, 7-7 Water Use Efficiency, and 7-8 Water Quality/Diversions. This is a monumental 11.3 billion dollar bond that will go a long way to solidifying the future of California's water.

2. Recharge Report

Mr. Manning stated the most current recharge report is available on the back table and there was stormwater capture of approximately 1,300 acre-feet last month.

Added Comment:

Mr. Manning referenced the handout on the back table regarding the 4th annual Christmas gathering at his home on Thursday, December 17, 2009.

III. INFORMATION

1. Newspaper Articles

No comment was made regarding this item.

IV. POOL MEMBER COMMENTS

No comment was made regarding this item.

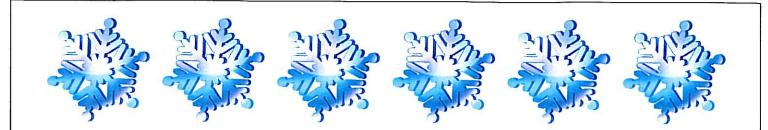
OTHER BUSINESS

No comment was made regarding this item.

VIII. FUTURE MEETINGS

November 12, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
November 19, 2009	8:00 a.m.	IUEA Dry Year Yield Meeting @ CBWM
November 19, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
November 19, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
December 3, 2009	1:00 p.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
December 10, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
December 17, 2009	8:00 a.m.	IUEA Dry Year Yield Meeting @ CBWM
December 17, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
December 17, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
December 17, 2009	1:00 p.m.	Recharge Master Plan Workshop @ CBWM
		7993

	December 17, 2009	1:00 p.m.	Recharge Master Plan Workshop @ CBWM	
The	Agricultural Pool meeting	was dismisse	ed by Chair Feenstra at 9:50 a.m.	
			Secretary:	
Minu	utes Approved:		_	



I. CONSENT CALENDAR

B. FINANCIAL REPORTS

- 1. Cash Disbursements for the month of October 2009
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9641 San Bernardino Road, Rancho Cucamonga, Ca 91730 Tel: 909.484.3888 Fax: 909.484.3890 www.cbwm.org

KENNETH R. MANNING Chief Executive Officer

STAFF REPORT

DATE:

December 10, 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

12-17-09 Advisory Committee

12-17-09 Watermaster Board

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 Bill Pmt -Check	10/1/2009 10/1/2009	13612 13613	PARK PLACE COMPUTER SOLUTIONS, I R&D PEST SERVICES	-3,525.00 -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 General Journal	10/1/2009	13619	CORO SOUTHERN CALIFORNIA	-1,500.00 7.530.43
General Journal	10/3/2009 10/3/2009	091003 091003	PAYROLL PAYROLL	-7,539.42 -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 Bill Pmt -Check	10/5/2009 10/5/2009	13625 13626	FEENSTRA, BOB HSBC BUSINESS SOLUTIONS	-1,125.00 -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 STAPLES BUSINESS ADVANTAGE	-125.00
Bill Pmt -Check Bill Pmt -Check	10/5/2009 10/5/2009	13633 13634	VANDEN HEUVEL, ROB	-1,309.55 -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 Bill Pmt -Check	10/8/2009 10/8/2009	13640 13641	MWH LABORATORIES PAYCHEX	-414.00 -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 Bill Pmt -Check	10/8/2009 10/8/2009	13647 13648	UNION 76 UNITED PARCEL SERVICE	-149.97 -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 Bill Pmt -Check	10/17/2009 10/20/2009	091005 13653	PAYROLL ACWA SERVICES CORPORATION	-26,786.94 -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		CUCAMONGA VALLEY WATER DISTRICT	-5,792.00
Bill Pmt -Check	10/20/2009	13658	MCI	-1,230.47
Bill Pmt -Check Bill Pmt -Check	10/20/2009 10/20/2009	13659 13660	MWH LABORATORIES NORDBAK'S PROMOTIONAL PRODUCTS	-44,215.00
Bill Pmt -Check	10/20/2009	13661	PITNEY BOWES CREDIT CORPORATION	-146.07 -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 Bill Pmt -Check	10/20/2009 10/20/2009	13666	WESTERN DENTAL SERVICES, INC. WILDERMUTH ENVIRONMENTAL INC	-46.22
Bill Pmt -Check	10/20/2009	13667 13668	CUCAMONGA VALLEY IAAP	-202,841.78 -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

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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
ct 09				-696,077.47

Check Detail October 2009

Туре	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 6212 · Meeting Expense 6191 · Conferences 6909.1 · OBMP Meetings 6909.1 · OBMP Meetings	-267.80 -267.80 -2,122.18 -42.78 -3,874.66
TOTAL				SECTOR SECTION	-6,575.22

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 F BASIN AMANAGEMENT	POOL ADMINISTRATION AND SPECIAL PROJECTS APPROPRIATIVE AGRICULTURAL NON-AGRIC. POOL POOL	TION AND SPEC GRICULTURAL POOL	IAL PROJECTS NON-AGRIC. POOL	GROUNDWATER OPERATIONS GROUNDWATER SB222 REPLENISHMENT FUNDS	PERATIONS SB222 FUNDS	EDUCATION FUNDS	GRAND	BUDGET 2009-2010
Administrative Revenues Administrative Assessments			ï						1	\$7,340,839
Interest Revenue			11,739	1,068	529			2	13,338	191,540
Mutual Agency Project Revenue Grant Income			Ē.	Ţ	1				* 1	148,410
Miscellaneous Income	111,000								111,000	
Total Revenues	111,000		11,739	1,068	529			2	124,338	7,680,789
Administrative & Project Expenditures Watermaster Administration Watermaster Administration	175,721								175,721	580,238
Pool Administration	070,02		10 004	46 093	2 179				58 276	029.860
Optimum Basin Mgnt Administration		541,835			i				541,835	1,557,820
OBMP Project Costs		1,452,731							1,452,731	4,109,362
Debt service		567,042							567,042	1,131,233
Education Funds Use Mutual Agency Project Costs		ű						•		375 10,000
Total Administrative/OBMP Expenses	195,749	2,561,608	10,004	46,093	2,179				2,815,633	7,680,789
Net Administrative/OBMP Expenses Allocate Net Admin Expenses To Boole	(84,749)	(2,561,608)	50 010	22 ABB	3 074					
יייי כיייי די	04,,0	1 1 1 1	212,60	24,400	ָבָי בְּיבְיבָי בְיבִיים					
Allocate Net OBMP Expenses To Pools Allocate Debt Service to Ann Pool		1,994,566	1,393,551	528,735	72,279				•	
Agricultural Expense Transfer*	24.	310,100	750, 100	(507 204)					i	
Total Expenses			2.627.104	(462, 160)	77.529				2 815 633	7 680 789
Net Administrative Income		J	(2,615,365)	1,068	(000'22)			2	(2,691,295)	
Other Income/(Expense) Replenishment Water Assessments										0
Interest Revenue						8.492			8.492	0
Water Purchases Balance Adjustment						(1,011,482)			(1,011,482)	00
Groundwater Replenishment		2 1 2							ı	0
Net Other Income			1	ı	•	(1,002,990)	1	ā	(1,002,990)	٥
Net Transfers To/(From) Reserves		(3,694,285)	(2,615,365)	1,068	(77,000)	(1,002,990)	T	2	(3,694,285)	:1:
Working Capital, July 1, 2009			5,942,967	470,719	256,577	4,166,457	158,251	966	10,995,966	
Working Capital, End Of Period		ie d u e	3,327,602	471,787	179,577	3,163,467	158,251	266	7,301,681	7,301,681
08/09 Assessable Production 08/09 Production Percentages			84,716.450 69.867%	32,142.764 26.509%	4,393.990 3.624%				121,253.204 100.000%	

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

12 VFinancial Statements\09-10\09 09\Combining Sept xls]Sheet1

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

	DEPOSITORIES: Cash on Hand - F	DEPOSITORIES: Cash on Hand - Petty Cash Bank of America	y Cash					↔	200
	Govern Zero Ba Local Age	mental Ch alance Acc ncy Invest	Governmental Checking-Demand Deposits Zero Balance Account - Payroll ical Agency Investment Fund - Sacramento	eposits mento		,	\$ 218,316		218,316
	TOTAL C, TOTAL C,	ASH IN BA	TOTAL CASH IN BANKS AND ON HAND TOTAL CASH IN BANKS AND ON HAND	N Q		10/31/2009 9/30/2009		G	7,613,015 8,309,092
	PERIOD I	NCREASE	PERIOD INCREASE (DECREASE)					မာ	(696,077)
CHANGE IN CASH POSITION DUE TO: Decrease/(Increase) in Assets: Accounts Receivable Assessments Receiv	Accounts Receivable Assessments Receivable	Receivable ints Receiv	e able					↔	(39,700)
Prepaid Expenses (Decrease)/Increase in Liabilities Accounts Payable Accrued Payroll, P	Prepaid Expenses, Deposits Accounts Payable Accrued Payroll, Payroll Tax Transfer to/(from) Reserves	xpenses, [Payable ayroll, Pay	Prepaid Expenses, Deposits & Other Current Assets Accounts Payable Accrued Payroll, Payroll Taxes & Other Current Liabilities Transfer to/(from) Reserves	urrent Assets Current Liabilit	ies				10 (63,304) - (593,083)
	PERIOD I	NCREASE	PERIOD INCREASE (DECREASE)					ь	(696,077)
	Petty Cash	<u> ۲</u> ج	Govt'l Checking Demand	Zero Balance Account Payroll		Local Agency Investment Funds	Totals		
SUMMARY OF FINANCIAL TRANSACTIONS: Balances as of 9/30/2009 Deposits	€	\$ 009	114,393	€9	↔	8,194,199	\$ 8,309,092		
Transfers Withdrawals/Checks		1 1	697,533 (593,610)	102,467) (102,467)	57 (7)	(800,000)	- (226,077)		
Balances as of 10/31/2009	€	\$ 009	218,316	€	\$	7,394,199	\$ 7,613,015		
PERIOD INCREASE OR (DECREASE)	€	· ·	103,923	€	φ,	(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.	↔	(200'000)				
10/22/2009 Withdrawal	L.A.I.F.	()	(300,000)				
		١					
TOTAL INVESTMENT TRANSA	ACTIONS	€Đ	(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

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

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

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

Respectfully submitted,

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

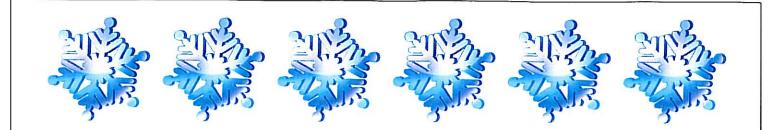
Q:\Financial Statements\09-10\09 09\[Treasurers Report September.xls\]Sheet1

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

	Jul - Oct 09	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense	And the second second second second			
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	124,338	7,680,788	-7,556,450	2%
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	254,025	872,374	-618,349	29%
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	541,835	1,557,819	-1,015,984	35%
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

	Jul - Oct 09	Budget	\$ Over Budget	% of Budget
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	2,019,773	5,250,595	-3,230,822	38%
Total Expense	2,815,633	7,680,788	-4,865,155	37%
Net Ordinary Income	-2,691,295		-2,691,295	100%
Other Income/Expense				
Other Income				
4225 · Interest Income	8,492			
Total Other Income	8,492			
Other Expense				
5010 · Groundwater Replenishment	8,482			
5100 · Other Water Purchases	1,003,000			
9999 · To/(From) Reserves	-3,694,285			
Total Other Expense	-2,682,803			
Net Other Income	2,691,295			1
Net Income	0		0	0%



I. CONSENT CALENDAR

C. WATER TRANSACTIONS

1. Consider Approval for Notice of Sale or Transfer – The City of Upland will purchase 6,500 acre-feet of water from the West End Consolidated Water Company. This purchase is made first from West End's OSY account of 947.714 acre-feet, second from the carryover account of 947.714 acre-feet, and the remainder from the excess carryover account in the amount of 4604.752 acre-feet. Date of application: November 9, 2009



NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

November 18, 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: November 9, 2009

Date of this notice: November 18, 2009

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

Notice of Sale or Transfer - The City of Upland will purchase 6,500 acre-feet (AF) of water from the West End Consolidated Water Company. This purchase is made first from West End's OSY account of 947.714 AF, second from the carryover account of 947.714 AF, and the remainder from the excess carryover account in the amount of 4604.752 AF.

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

Appropriative Pool:

December 3, 2009

Non-Agricultural Pool:

December 3, 2009

Agricultural Pool:

December 10, 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

NOTICE OF TRANSFER OF WATER

Notification Dated: November 18, 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).



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:

November 18, 2009

TO:

Watermaster Interested Parties

SUBJECT:

Summary and Analysis of Application for Water Transaction

Summary -

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

Issue -

 Notice of Sale or Transfer – The City of Upland will purchase 6,500 acre-feet (AF) of water from the West End Consolidated Water Company. This purchase is made first from West End's OSY account of 947.714 AF, second from the carryover account of 947.714 AF, and the remainder from the excess carryover account in the amount of 4604.752 AF.

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 -

٠	XI	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).

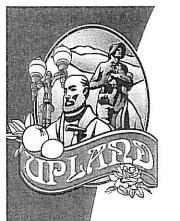
The following application for water transaction is attached with the notice of application.

 The City of Upland will purchase 6,500 acre-feet (AF) of water from the West End Consolidated Water Company. This purchase is made first from West End's OSY account of 947.714 AF, second from the carryover account of 947.714 AF, and the remainder from the excess carryover account in the amount of 4604.752 AF.

Notice of the water transaction identified above was mailed on November 18, 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.





Public Works Department 1370 N. Benson Avenue Upland, CA 91786 Telephone (909) 291-2931 Facsimile (909) 931-4274

November 9, 2009

Mr. Ken Manning Chino Basin Watermaster 9641 San Bernardino Road Rancho Cucamonga, CA 91730

Subject: Purchase of Water in Storage: Fiscal Year 2009-2010

Dear Mr. Manning:

This letter is to notify Watermaster of the purchase of 6,500 acre-feet (AF) of water from the West End Consolidated Water Company. This purchase is made first from West End's OSY account of 947.714 AF, second from the carryover account of 947.714 AF, and the remainder from the excess carryover account in the amount of 4604.752 AF.

This purchase will allow West End Consolidated Water Company to fund a Capital Improvement Project. Please find the attached executed application for sale or transfer of a right to produce water from storage. Please agendize this item at the earliest possible opportunity.

If you have any questions or require additional information concerning this matter, please do not hesitate to contact me at the above number.

Sincerely,

Anthony La

Director of Public Works

Attachments: Application for sale or transfer of right to produce water from storage

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

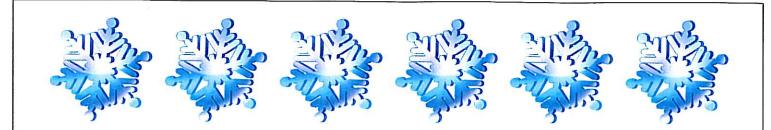
DATE R	EQUESTED: Nove	ember 9	, 2009	AMOUNT REQUESTED: 65	500	Acre-Feet
TRANSFER FROM (SELLER / TRANSFEROR):		TRANSFER TO (BUYER / TRANSFEREE):				
West End Consolidated Water Company Name of Party			City of Upland Name of Party			
1370 North Benson Avenue Street Address			460 North Euclid Avenue Street Address			
<u>Upland</u> City	i	CA State	91786 Zip Code	<u>Upland</u> City	CA State	91785 Zip Code
909-29 Telepho	91-2945 ne			909-291-2945 Telephone		
356	31-4272			909-931-4274 Facsimile		
Have any other transfers been approved by Watermaster between these parties covering the same fiscal year? PURPOSE OF TRANSFER: Pump when other sources of supply are curtailed						
de maria de						
X	Pump to meet current or future demand over and above production right Pump as necessary to stabilize future assessment amounts Other, explain Sale to generate revenue for West End capital project.					
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: X Annual Production Right / Operating Safe Yield (common) Storage (rare) Other, explain						

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all an	swers below must be "yes.")	Yes		No	X
Is the Buyer an 85/15 Party?				No	
Is the purpose of the transfer to meet a current demand over and above production				No	X
right? Is the water being placed into the Buyer's Annual Account?			X	No	
	A 377 No 5 - MAN				
IF WATER IS TO BE TRANSFERRED FROM STORAGE:					
N/A N/A					
Projected Rate of Recapture Pro	ojected Duration of Recapture				
METHOD OF RECAPTURE (e.g. pumping, exchange, etc.):	l.				
Pumping in future years.					
PLACE OF USE OF WATER TO BE RECAPTURED:					
N/A					
LOCATION OF RECAPTURE FACILITIES (IF DIFFERENT F	ROM REGULAR PRODUCTION	FACIL	.ITIES	i):	
N/A					
A-50	The state of the s				
WATER QUALITY AND WATER LEVELS					
Are the Parties aware of any water quality issues that exist in If yes, please explain:	the area? Yes X No				
High TDS					
What are the existing water levels in the areas that are likely t	to be affected?				
Approx 600ft.					
MATERIAL PHYSICAL INJURY					
Are any of the recapture wells located within Management Zor	ne 1? Yes X No				
Is the Applicant aware of any potential Material Physical Injur- caused by the action covered by the application? Yes	y to a party to the Judgment or the	e Basir	that	may	
If yes, what are the proposed mitigation measures, if any, that raction does not result in Material Physical Injury to a party to t	might reasonably be imposed to er the Judgment or the Basin?	าsure ti	hat the	Э	
			COR		
					_

SAID TRANSFER SHALL BE CONDITIONED UPON:

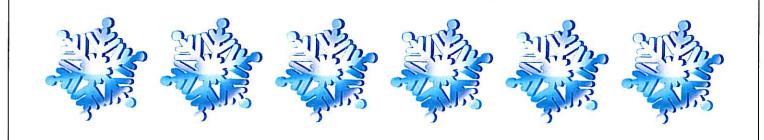
- (1) Transferee shall exercise said right on behalf of Transferor under the terms of the Judgment, the Peace Agreement, the Peace II Agreement, and the Management Zone 1 Subsidence Management Plan for the period described above. The first water produced in any year shall be that produced pursuant to 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 X		
Seller / Transferor Representative Signature Anthony La, General Manager Seller / Transferor Representative Name (Printed)	Rob	er / Transferee Re ob Quincey, Cit er / Transferee Re	ty Manager	
TO BE COMPLETED BY WATERMASTER STAFF:				
DATE OF WATERMASTER NOTICE:				
DATE OF APPROVAL FROM APPROPRIATIVE PO	DOL:	-		
DATE OF APPROVAL FROM NON-AGRICULTUR	AL POOL:			
DATE OF APPROVAL FROM AGRICULTURAL PO	OL:			
HEARING DATE, IF ANY:				
DATE OF ADVISORY COMMITTEE APPROVAL:			8	
DATE OF BOARD APPROVAL:				



II. <u>BUSINESS ITEM</u>

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 10, 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

12-17-09 Advisory Committee

12-17-09 Watermaster Board

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FOR PAGINATION

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

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:

Publication	Cost	Value	Publication Date
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.

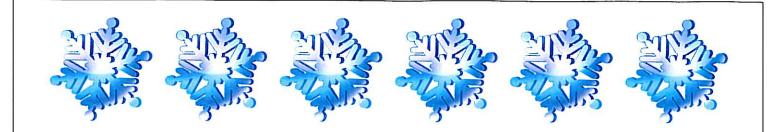
Added Value

• (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.

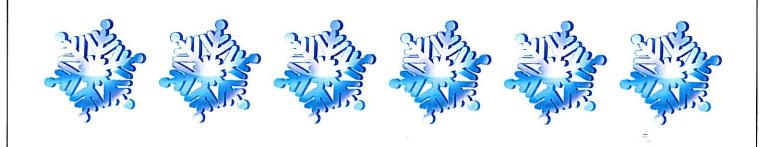
Los Angeles Newspaper Group	Date		
Inland Empire Utilities Agency	Date		



CHINO BASIN WATERMASTER

IV. <u>INFORMATION</u>

1. Newspaper Articles



AHEAD OF THE FRONTIER



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

By SUZANNE SPROUL

OBERT 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.





seen

The Frontier Project's Green Tie Gala

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.





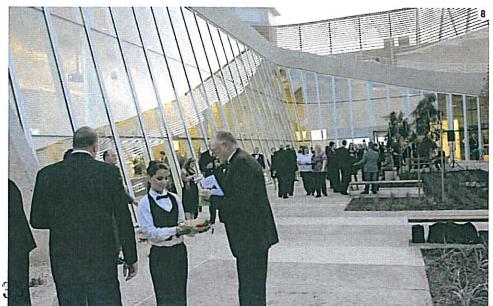












(1) The Frontier Project board members (2) Jennifer Gould and Mark Kriski from KTLA (Channel 5) (3) Janis and Bruce Kato (4) The Ratpack, Robbie Howard as Dean Martin, Nicholas Brooks as Sammy Davis Jr. and Nick D'Egidio as Frank Sinatra (5) Brian and Patty Johnson, left, and Andy and Angella Lorance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

PHOTOS BY JAMES CARBONE

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 manmade 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

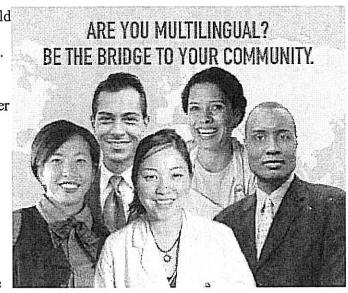
November 7, 2009

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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latimes.com/news/local/la-me-cap22-2009oct22,0,5461127.column

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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. burgs -- 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 nitpicked 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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Time to solve water problems

Greated: 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

Greated: 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

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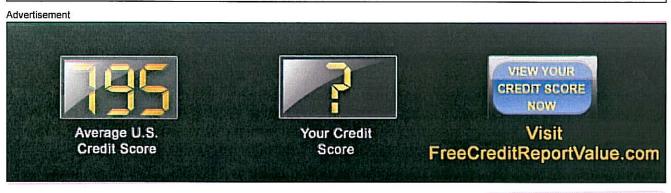
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need to pay the minimum bid price in order to pay off the debt.

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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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 disalter which we knew is extremely reliable is important," he

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 acrefeet 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

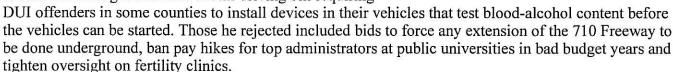
October 12, 2009

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



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

Schwarzenegger backs away from veto threat, vows to weigh bills on merits - latimes.com Page 4 of 4

fights 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 Californiafriendly 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 longterm 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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11/12/2009

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

Created: 11/05/2009 03:45:23 PM PST

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' socalled "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

Created: 11/05/2009 04:28:59 PM PST

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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