



CHINO BASIN WATERMASTER



NOTICE OF MEETINGS

Thursday, May 20, 2010

9:00 a.m. – Advisory Committee Meeting

*AT THE CHINO BASIN WATERMASTER OFFICES
9641 San Bernardino Road
Rancho Cucamonga, CA 91730
(909) 484-3888*





CHINO BASIN WATERMASTER

Thursday, May 20, 2010

9:00 a.m. – Advisory Committee Meeting

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

9:00 a.m. – May 20, 2010

WITH

*Mr. Robert DeLoach, Chair, Appropriative Pool
Mr. Bob Bowcock, Vice-Chair, Non-Agricultural Pool*

At The Offices Of

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

AGENDA

CALL TO ORDER

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Advisory Committee Meeting held April 15, 2010 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2010 *(Page 7)*
2. Watermaster Visa Check Detail for the month of March 2010 *(Page 11)*
3. Combining Schedule for the Period July 1, 2009 through March 31, 2010 *(Page 13)*
4. Treasurer's Report of Financial Affairs for the Period March 1, 2010 through March 31, 2010 *(Page 15)*
5. Budget vs. Actual July 2009 through March 2010 *(Page 17)*

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Jurupa Community Services District has agreed to purchase 1,200 acre-feet of water from Santa Ana River Water Company's annual production right, then any additional from storage. Date of Application: March 5, 2010 *(Page 20)*
2. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District has agreed to lease 2,500 acre-feet of water from the City of Pomona's net underproduction, if any, with the remainder from Pomona's local storage account. The water is to be placed in Cucamonga Valley Water District's Excess Carryover account. Date of Application: February 22, 2010 *(Page 30)*
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 5,085.000 acre-feet of water from the City of Chino. The transfer will be made first from Chino's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO). Date of Application: March 18, 2010 *(Page 40)*

4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 5,000.000 acre-feet of water from the Cucamonga Valley Water District (CVWD). The transfer will be made from CVWD's storage account. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO). Date of Application: March 18, 2010 *(Page 50)*
5. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000.000 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. Date of Application: March 3, 2010 *(Page 60)*
6. **Consider Approval for Notice of Sale or Transfer** – On March 31, 2010, Watermaster received Consolidated Water Transfer Forms 3, 4, and 5 with Praxair, Inc. as the Transferor and the City of Ontario (as an Overlying Non-Agricultural party) as Transferee in the amount of 426.446 acre-feet--a permanent transfer of all but one acre-foot of its share of safe yield. Also to be transferred are all of Praxair's post-June 30, 2007 stored, carry-over and unpumped groundwater. Date of Application: March 31, 2010 *(Page 70)*

II. BUSINESS ITEMS

A. AMENDMENT NO. 1 TO AGREEMENT TO FORM A TASK FORCE

Consider Approval of Amendment No. 1 to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed (Basin Monitoring Program) - *(Page 82)*

B. BUDGET TRANSFER

Consider Budget Transfer Request T-10-05-01 relating to Watermaster Legal Fees, OBMP Engineering Services and MZ-1 Ground Level Monitoring *(Page 90)*

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Motion
2. ACL Complaint
3. CDA Facilitation

B. CEO/STAFF REPORT

1. Legislative Update
2. Recharge Update
3. 2010-2011 Watermaster Budget
4. Agreement to Form a Task Force to Conduct the Annual Emerging Constituents Characterization Program for the Santa Ana River Watershed
5. Chino Creek Well Field Locations

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Water Rates and Budget Update – oral
2. State Water Project Allocation Update – oral
3. DYY Third Call Year – oral
4. MWD WSAP Second Allocation Year – oral
5. Monthly Water Use Report *(Page 98)*
6. State and Federal Legislative Reports *(Page 112)*
7. Community Outreach/Public Relations Report *(Page 140)*
8. IEUA Monthly Water Newsletter *(Page 142)*
9. 3rd Quarter Water Resources & Conservation Programs Update *(Page 146)*

D. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

1. Newspaper Articles *(Page 160)*

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

VIII. FUTURE MEETINGS

Wednesday May 19, 2010	12:30 p.m.	* RMP Half Day Workshop @ Rancho Central Park
Thursday, May 20, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, May 20, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, May 27, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, June 3, 2010	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, June 3, 2010	2:30 p.m.	Non-Agricultural Pool Meeting @ CBWM
Friday, June 4, 2010	10:30 a.m.	CBWM Court Hearing @ Chino Court Room C1
Thursday, June 10, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, June 17, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, June 17, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, June 24, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM

*** Recharge Master Plan (RMP) Workshop at Rancho Central Park
11200 Base Line Road, Rancho Cucamonga**

Meeting Adjourn

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CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting held on April 15, 2010



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

April 15, 2010

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on April 15, 2010 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT WHO SIGNED IN

Appropriative Pool

Robert DeLoach, Chair	Cucamonga Valley Water District
Ken Jeske	City of Ontario
Mark Kinsey	Monte Vista Water District
Dave Crosley	City of Chino
Ron Craig	City of Chino Hills
Anthony La	City of Upland
Charles Moorrees	San Antonio Water Company
Josh Swift	Fontana Union Water Company
Robert Young	Fontana Water Company
Ben Lewis	Golden State Water Company

Agricultural Pool

Bob Feenstra	Ag Pool - Dairy
Jeff Pierson	Ag Pool – Crops
Jennifer Novak	State of California Department of Justice

Non-Agricultural Pool

Bob Bowcock	Vulcan Materials Company (Calmat Division)
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Watermaster Board Members Present

Michael Camacho	Inland Empire Utilities Agency
Bob Kuhn	Three Valleys Municipal Water District

Watermaster Staff Present

Ken Manning	Chief Executive Officer
Joe Joswiak	Chief Financial Officer
Ben Pak	Senior Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Brownstein, Hyatt, Farber & Schreck
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Others Present Who Signed In

Steve Nix	City of Chino Hills
John Mura	City of Chino Hills
Steven Lee	Reid & Hellyer
Eunice Ulloa	Chino Basin Conservation District
Terry Catlin	Inland Empire Utilities Agency
Ryan Shaw	Inland Empire Utilities Agency
Terry Catlin	Inland Empire Utilities Agency
Chris Berch	Inland Empire Utilities Agency
Andy Campbell	Inland Empire Utilities Agency
Marty Zvirbulis	Cucamonga Valley Water District
Rick Hansen	Three Valleys Municipal Water District
David De Jesus	Three Valleys Municipal Water District

Erin Gilhuly
 John Rossi
 Jack Safely
 Gary Meyerhofer
 Shaun Stone

CV Strategies
 Western Municipal Water District
 Western Municipal Water District
 Carollo Engineering
 City of Upland

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

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held March 18, 2010

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of February 2010
2. Watermaster Visa Check Detail for the month of February 2010
3. Combining Schedule for the Period July 1, 2009 through February 28, 2010
4. Treasurer's Report of Financial Affairs for the Period February 1, 2010 through February 28, 2010
5. Budget vs. Actual July 2009 through February 2010

*Motion by Kinsey, second by Craig, and by unanimous vote, Non-Agricultural Pool voted no
 Moved to approve Consent Calendar item A and B, as presented*

II. BUSINESS ITEMS

A. AGREEMENT TO FORM A TASK FORCE

Mr. Manning noted this item is for information only this month. Mr. Manning stated this agreement was received by SAWPA to form a task force to conduct the Annual Emerging Constituents Characterization Program for the Santa Ana River Watershed. Mr. Manning stated he does have concerns with regard to this agreement because this is not an agreement that Watermaster is a party to or something Watermaster is obligated to do on behalf of Chino Basin with the Santa Ana Watershed Project Authority. Mr. Manning briefly reviewed the agreement and noted staff is not ready to recommend this agreement. Chair DeLoach inquired about Watermaster being a task force agency. Mr. Manning stated Watermaster has participated in the task force; however, we are not obligated to participate in this particular activity. A discussion regarding the financial obligation/cost benefit, and the long term significance of this task force for Watermaster ensued. Mr. Manning stated this item will be on the agenda for recommendation in May; however, at this point in time there are significant questions to be answered and discussions with other parties need to take place. Mr. Manning stated one of the parties that need to be involved and have discussions with is Mr. Atwater at Inland Empire Utilities Agency. A discussion regarding this matter ensued. Mr. Rossi asked the members to turn to page 34 in the meeting package and offered comment and brief history on this item. Mr. Rossi stated we all need a better understanding of the science behind this. Mr. Manning noted for the May agenda there will be a more thorough staff report.

B. AMENDMENT NO. 1 TO AGREEMENT TO FORM A TASK FORCE

Mr. Manning noted this item is for information only this month. Mr. Manning stated this agreement was received by SAWPA to form a task force to conduct a Basin Monitoring Program for nitrogen and total dissolved solids in the Santa Ana River Watershed. Mr. Manning stated this agreement was received too late to perform a critical analysis prior to it being placed on the agenda. Mr. Manning stated this is within the scope of work that has already been agreed to and it is something Watermaster should be involved in and are obligated to be in. Mr. Manning stated it appears in May the recommendation from staff will be to approve this agreement since it is something Watermaster is required to do.

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. Paragraph 31 Motion Update**

Counsel Fife stated Watermaster did file its response on April 12, 2010, and a copy of that response is available on the back table. Yesterday a notice was sent out regarding the case management order; this is the order that came out of the April 2, 2010 hearing. The order lays out the deadlines for all of the different filings that are going to happen and other procedural items associated with the hearing on May 14, 2010. Mr. Craig inquired about Judge Reichert's decision regarding timing of filings. Counsel Fife stated the briefing schedule began on Monday, April 12, 2010, with Watermaster filing its reply. Next Monday the 19th, the Appropriative Pool or any member of the Appropriative Pool will make their filings. The following Monday the 26th, the Agricultural Pool or any member of the Agricultural Pool will make their filings. On May 10th, which is two weeks after the Agricultural Pool filing, the Non-Agricultural Pool or any member of the Non-Agricultural Pool can reply to all those filings, with the actual hearing being on Friday, May 14, 2010 at 10:30 a.m. Counsel Fife stated it was agreed upon that the hearing on the 14th will be just on the papers with no discovery before the hearing and at the hearing there will be no direct testimony by witnesses and will be solely on the papers filed. Counsel Fife stated at the hearing if the Judge decides that more information is necessary, then the Judge may set a subsequent hearing and establish a discovery schedule at that time.

2. Database and Record Management

Counsel Fife stated this item has been discussed at several meetings for the past month or so and a full report was given at the last Advisory Committee and Watermaster Board meeting and there is no new information to report on at this time. No further comment was made.

B. CEO/STAFF REPORT**1. Legislative Update**

Mr. Manning stated there are a number of pieces of legislation that are being introduced and hearings are starting to be held in Sacramento. The one significant item that took place recently is the LAO's report which is a report on groundwater resources. This is the second report done by the LAO and this report seems to be a more reasonable report regarding groundwater issues. There are a lot of good recommendations from the report and legislatures are starting to take a look at this report, so in turn, pieces of legislation are being created from some of the LAO's recommendations. Mr. Manning reviewed some of the other assembly bills related to water.

2. Recharge Update

Mr. Manning stated the most recent recharge spreadsheet is on the back table. Mr. Manning stated over the last three or four months a significant increase in the amount of recharge has taken place. Mr. Manning reviewed the recharge handout in detail. Mr. Manning thanked Inland Empire Utilities Agency and the Conservation District for their assistance in improvements made to the recharge basins; those efforts have clearly helped our recharge capabilities.

3. Regional Board Complaint

Mr. Manning stated he has asked Western Municipal Water District to give an additional report under this item to assist in clarification. Mr. Manning stated he received an email copy of the complaint that the Regional Board has filed with Inland Empire Utilities Agency (IEUA) and with Chino Basin Watermaster. That complaint states that Watermaster and IEUA, as the holders of the permit, are being fined because of the lack of progress on the digging of the wells for Hydraulic Control that is necessary on the southwest portion of the basin. Mr. Manning stated in the email Mr. Thibeault made it very clear that Watermaster and IEUA staff are not the problem; it is the Chino Desalter Authority and they need to move this forward. Mr. Manning stated because Watermaster and IEUA are the permit holders, it

is our responsibility to make sure this work gets done. A phone call is taking place this afternoon amongst IEUA and Watermaster staff to discuss an upcoming meeting with Mr. Thibeault so more information will be gathered in order to give a clearer report at the next Watermaster Board meeting next week.

Mr. Rossi stated he would be giving a tag team presentation with Mr. Safely on the Chino Desalter Phase 3 Expansion Project. Mr. Rossi discussed the background which added strength to the Peace Agreement, enhanced regional cooperation, and established scope of work for the desalter expansion. Mr. Rossi stated the Phase 3 Expansion establishes the City of Ontario, Jurupa Community Services District, and Western Municipal Water District as project sponsors and noted Western did initiate admittance into the CDA; however, the current status with the CDA is as a non-voting member. Mr. Rossi stated Western's focus is on increasing water supply, contract facilitation, procurement of funding, and other important coordination. Mr. Rossi reviewed the list of initial implementations. Mr. Safely reviewed the Phase 3 Expansion Facilities comprehensive map in detail. Mr. Rossi concluded the presentation with the upcoming project milestones and remaining agreements. A lengthy discussion regarding Western's presentation and the Regional Board complaint ensued.

4. San Sevaine 5 Berm Improvements

Mr. Pak stated in December, 2009, the board of supervisors of San Bernardino County approved the formation of West End Conservation of Groundwater Resources. In an effort to increase the storm water capture, the technical work group was formed which includes San Bernardino County Park and Flood Control Districts, City of Rancho Cucamonga, City of Ontario, Chino Basin Watermaster, Chino Basin Water Conservation District, and Inland Empire Utilities Agency. Mr. Pak gave the presentation and noted the implementation schedule is a pretty aggressive schedule but everybody's working pretty closely trying to get completed by May. Mr. Manning stated he wanted to thank IEUA for the assistance on this project.

Added Comment:

Mr. Manning noted after discussion with both the Appropriative and Non-Agricultural Pool chairs it has been decided both of those meetings will be pushed out one week due to the ACWA conference to Thursday, May 13, 2010; the times will remain the same. Mr. Manning asked that the members please adjust their calendars to reflect this date change and noted a notice will be sent out to all the parties to reflect the date change.

C. INLAND EMPIRE UTILITIES AGENCY

1. Recycled Water Recharge Program Update

Mr. Berch stated he would be giving the presentation prepared and scheduled to be given by Patrick Shields; however, Mr. Shields was unable to attend today's meeting. Mr. Berch gave the Inland Empire Utilities Agency Recycled Water Groundwater Recharge Program Update presentation. Mr. Berch reviewed the four IEUA water recycling facilities and discussed their influent flow levers, water quality, recycled water demand and capacity. A review of the IEUA recycled water production cycle map was reviewed in detail. Mr. Berch discussed the exceptional recycled water quality which included their Pre-Treatment Program and longstanding treatment facility performance to date. Mr. Berch gave the chronology of recycled water recharge and reviewed each of the permitted recycled water recharge basins. Mr. Berch concluded his presentation with the names and affiliations that are on the expert panel. A discussion regarding underflow ensued.

2. MWD Water Rates and Budget Update

Mr. Shaw reviewed the most recent MWD water rates and noted the new budget has not yet been adopted and it will be brought back in May.

3. State Water Project Allocation Update
No comment was made regarding this item.
4. DYY Third Call Year
Mr. Shaw stated IEUA expects a third consecutive DYY call from Metropolitan; a draft letter was received this week and they are anticipating a final letter shortly. Mr. Shaw stated there will be approximately 17,000 acre-feet for that call and that should essentially zero out the storage account.
5. WSAP Second Allocation Year
No comment was made regarding this item.
6. Monthly Water Use Report
No comment was made regarding this item.
7. State and Federal Legislative Reports
No comment was made regarding this item.
8. Community Outreach/Public Relations Report
No comment was made regarding this item.
9. Peace II PEIR Schedule
Mr. Shaw stated the Peace II Subsequent EIR should be going out next week for public review. Mr. Manning stated in discussing this item with the DYY Committee this morning, it appears there will be some water available under the limits that would allow for Watermaster to purchase some replenishment water this year; the exact amount of water is not yet known but we should be able to start taking in water as early as next week. Mr. Manning noted he believes this will be purchased at a Tier I rate.

D. OTHER METROPOLITAN MEMBER AGENCY REPORTS

Mr. Hansen stated Three Valleys Municipal Water District has 5,000 acre-feet available for the basins but unfortunately the retail agencies within Three Valleys have already taken it. Mr. Hansen stated until there is a Delta fixed and MET has their reservoirs reserves up, we are always going to be in an allocation program. Mr. Hansen offered comment on the Allocation Program.

IV. INFORMATION

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

V. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

No confidential was called.

VIII. FUTURE MEETINGS

Thursday, April 15, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, April 15, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Wednesday, April 21, 2010	1:30 p.m.	* RMP Half Day Workshop @ Rancho Central Park

Thursday, April 22, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, May 6, 2010	1:00 p.m.	Appropriative Meeting @ CBWM
Thursday, May 6, 2010	2:30 p.m.	Non-Agricultural Pool Meeting @ CBWM
Wednesday, May 12, 2010	10:00 a.m.	Watermaster Budget Workshop @ CBWM
Thursday, May 13, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Wednesday May 19, 2010	12:30 p.m.	* RMP Half Day Workshop @ Rancho Central Park
Thursday, May 20, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, May 20, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, May 27, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM

*** Recharge Master Plan (RMP) Workshop at Rancho Central Park
11200 Base Line Road, Rancho Cucamonga**

The Advisory Committee meeting was dismissed by Chair DeLoach at 10:10 a.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2010
2. Watermaster Check Detail for the month of March 2010
3. Combining Schedule for the Period July 1, 2009 through March 31, 2010
4. Treasurer's Report of Financial Affairs for the Period March 1, 2010 through March 31, 2010
5. Budget vs. Actual July 2009 through March 2010





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: May 20, 2010
TO: Committee Members
SUBJECT: Cash Disbursement Report

SUMMARY

Issue – Record of cash disbursements for the month of March 2010.

Recommendation – Staff recommends the Cash Disbursements for March 2010 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 March 2010 were \$709,981.92. The most significant expenditures during the month were Wildermuth Environmental, Inc. in the amount of \$384,852.38, Brownstein Hyatt Farber Schreck in the amount of \$85,553.24 and Hogan & Hartson LLP in the amount of \$47,978.08.

Actions:

- 5-13-10 Appropriative Pool – Approved unanimously
- 5-13-10 Non-Agricultural Pool – Did not vote on this item
- 5-13-10 Agricultural Pool – Approved unanimously
- 5-20-10 Advisory Committee –
- 5-27-10 Watermaster Board –

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CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
March 2010

Mar 10

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
Bill Pmt -Check	03/01/2010	13981	APPLIED COMPUTER TECHNOLOGIES	-1,955.00
Bill Pmt -Check	03/01/2010	13982	ARROWHEAD MOUNTAIN SPRING WATER	-35.38
Bill Pmt -Check	03/01/2010	13983	CALPERS	-4,094.99
Bill Pmt -Check	03/01/2010	13984	DELUXE BUSINESS FORMS & SUPPLIES	-189.77
Bill Pmt -Check	03/01/2010	13985	DIRECTV	-83.99
Bill Pmt -Check	03/01/2010	13986	IDEAL GRAPHICS	-17.40
Bill Pmt -Check	03/01/2010	13987	INLAND EMPIRE UTILITIES AGENCY	-1,920.54
Bill Pmt -Check	03/01/2010	13988	JAMES JOHNSTON	-900.00
Bill Pmt -Check	03/01/2010	13989	KONICA MINOLTA BUSINESS SOLUTIONS	-522.07
Bill Pmt -Check	03/01/2010	13990	MAYER HOFFMAN MC CANN P.C.	-4,750.00
Bill Pmt -Check	03/01/2010	13991	MET LIFE SMALL BUSINESS CENTER	-50.00
Bill Pmt -Check	03/01/2010	13992	PARK PLACE COMPUTER SOLUTIONS, INC.	-3,300.00
Bill Pmt -Check	03/01/2010	13993	PITNEY BOWES CREDIT CORPORATION	-518.74
Bill Pmt -Check	03/01/2010	13994	STANDARD INSURANCE CO.	-557.24
Bill Pmt -Check	03/01/2010	13995	STAPLES BUSINESS ADVANTAGE	-212.21
Bill Pmt -Check	03/01/2010	13996	STATE COMPENSATION INSURANCE FUND	-829.85
Bill Pmt -Check	03/01/2010	13997	VISION SERVICE PLAN	-64.98
Bill Pmt -Check	03/01/2010	13998	W.C. DISCOUNT MOBILE AUTO DETAILING	-100.00
Bill Pmt -Check	03/02/2010	13999	CITY OF RANCHO CUCAMONGA	-250.00
Bill Pmt -Check	03/02/2010	14000	CARPET CARE CONNECTION	-659.70
Bill Pmt -Check	03/03/2010	14001	WILDERMUTH ENVIRONMENTAL INC	-217,082.93
Bill Pmt -Check	03/04/2010	14002	BROWNSTEIN HYATT FARBER SCHRECK	-85,553.24
Bill Pmt -Check	03/04/2010	14003	HOGAN & HARTSON LLP	-8,662.50
Bill Pmt -Check	03/04/2010	14004	LOS ANGELES TIMES	-48.00
Bill Pmt -Check	03/04/2010	14005	MIJAC ALARM	-378.00
Bill Pmt -Check	03/04/2010	14006	PURCHASE POWER	-126.70
Bill Pmt -Check	03/04/2010	14007	RAUCH COMMUNICATION CONSULTANTS, LLC	-6,273.75
Bill Pmt -Check	03/04/2010	14008	STAPLES BUSINESS ADVANTAGE	-42.86
Bill Pmt -Check	03/04/2010	14009	UNION 76	-92.75
Bill Pmt -Check	03/04/2010	14010	VERIZON	-42.90
Bill Pmt -Check	03/04/2010	14011	YUKON DISPOSAL SERVICE	-142.88
General Journal	03/06/2010	03/06/10	PAYROLL 02/21/10-03/06/10	-8,510.78
General Journal	03/06/2010	03/06/10	PAYROLL 02/21/10-03/06/10	-22,831.36
Bill Pmt -Check	03/15/2010	14012	BOWCOCK, ROBERT	-375.00
Bill Pmt -Check	03/15/2010	14013	CAMACHO, MICHAEL	-625.00
Bill Pmt -Check	03/15/2010	14014	COMPUTER NETWORK	-660.57
Bill Pmt -Check	03/15/2010	14015	FIRST AMERICAN REAL ESTATE SOLUTIONS	-125.00
Bill Pmt -Check	03/15/2010	14016	HAUGHEY, TOM	-375.00
Bill Pmt -Check	03/15/2010	14017	HSBC BUSINESS SOLUTIONS	-914.45
Bill Pmt -Check	03/15/2010	14018	IAAP	-128.00
Bill Pmt -Check	03/15/2010	14019	INLAND EMPIRE UTILITIES AGENCY	-20.00
Bill Pmt -Check	03/15/2010	14020	KUHN, BOB	-375.00
Bill Pmt -Check	03/15/2010	14021	MATHIS & ASSOCIATES	-15,975.00
Bill Pmt -Check	03/15/2010	14022	PAYCHEX	-215.72

CHINO BASIN WATERMASTER
Cash Disbursement Detail Report
March 2010

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
Bill Pmt -Check	03/15/2010	14023	PETTY CASH	-449.76
Bill Pmt -Check	03/15/2010	14024	REID & HELLYER	-10,780.00
Bill Pmt -Check	03/15/2010	14025	SAFEGUARD DENTAL & VISION	-7.68
Bill Pmt -Check	03/15/2010	14026	STAPLES BUSINESS ADVANTAGE	-105.77
Bill Pmt -Check	03/15/2010	14027	VANDEN HEUVEL, GEOFFREY	-375.00
Bill Pmt -Check	03/15/2010	14028	VERIZON	-451.54
Bill Pmt -Check	03/15/2010	14029	W.C. DISCOUNT MOBILE AUTO DETAILING	-75.00
Bill Pmt -Check	03/15/2010	14030	WESTERN DENTAL SERVICES, INC.	-28.06
Bill Pmt -Check	03/15/2010	14031	WHITEHEAD, MICHAEL	-375.00
Bill Pmt -Check	03/15/2010	14032	WILLIS, KENNETH	-500.00
Bill Pmt -Check	03/15/2010	14033	BANC OF AMERICA LEASING	-3,215.74
Bill Pmt -Check	03/15/2010	14034	MCI	-1,237.85
Bill Pmt -Check	03/15/2010	14035	VERIZON WIRELESS	-525.33
Bill Pmt -Check	03/17/2010	14036	ACWA SERVICES CORPORATION	-230.79
Bill Pmt -Check	03/17/2010	14037	CITISTREET	-2,038.34
Bill Pmt -Check	03/17/2010	14038	CITISTREET	-2,038.34
Bill Pmt -Check	03/18/2010	14039	CITY OF RANCHO CUCAMONGA	-64.00
General Journal	03/20/2010	03/20/10	PAYROLL 03/07/10-03/20/10	-6,811.31
General Journal	03/20/2010	03/20/10	PAYROLL 03/07/10-03/20/10	-22,435.04
Bill Pmt -Check	03/23/2010	14040	BLACK & VEATCH CORPORATION	-25,270.00
Bill Pmt -Check	03/23/2010	14041	CUCAMONGA VALLEY WATER DISTRICT	-5,792.00
Bill Pmt -Check	03/23/2010	14042	MWH LABORATORIES	-7,187.00
Bill Pmt -Check	03/23/2010	14043	PREMIERE GLOBAL SERVICES	-481.70
Bill Pmt -Check	03/23/2010	14044	STAULA, MARY L	-136.61
Bill Pmt -Check	03/23/2010	14045	UNITED PARCEL SERVICE	-38.99
Bill Pmt -Check	03/23/2010	14046	BANK OF AMERICA	-2,445.32
Bill Pmt -Check	03/23/2010	14047	COMPUTER NETWORK	-647.06
Bill Pmt -Check	03/23/2010	14048	GUARANTEED JANITORIAL SERVICE, INC.	-865.00
Bill Pmt -Check	03/23/2010	14049	HOGAN & HARTSON LLP	-47,978.08
Bill Pmt -Check	03/23/2010	14050	KONICA MINOLTA BUSINESS SOLUTIONS	-594.17
Bill Pmt -Check	03/23/2010	14051	OFFICE DEPOT	-209.85
Bill Pmt -Check	03/23/2010	14052	PRE-PAID LEGAL SERVICES, INC.	-77.70
Bill Pmt -Check	03/23/2010	14053	QUILL	-78.17
Bill Pmt -Check	03/23/2010	14054	R&D PEST SERVICES	-85.00
Bill Pmt -Check	03/23/2010	14055	THE WINDOW WASHER.COM	-375.00
Bill Pmt -Check	03/23/2010	14056	WILDERMUTH ENVIRONMENTAL INC	-167,769.45
Bill Pmt -Check	03/23/2010	14057	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	-7,150.91
Bill Pmt -Check	03/25/2010	14058	EL TORITO	-372.75
Bill Pmt -Check	03/29/2010	14059	CLARK PLUMBING SPECIALTIES, INC.	-93.36
				-709,981.92

Mar 10

CHINO BASIN WATERMASTER
Check Detail
March 2010

<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Paid Amount</u>
Bill Pmt -Check	14046	03/23/2010	BANK OF AMERICA	1012 · Bank of America Gen'l Ckg	
Bill	4024420001939341	02/28/2010		6909.1 · OBMP Meetings	-244.49
				6141.3 · Admin Meetings	-205.73
				6191 · Conferences	-1,444.62
				6112 · Subscriptions/Publications	-167.04
				6174 · Transportation	-30.00
				6312 · Meeting Expenses	-353.44
TOTAL					<u>-2,445.32</u>

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**CHINO BASIN WATERMASTER
COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
FOR THE
PERIOD JULY 1, 2009 THROUGH MARCH 31, 2010**

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS		GROUNDWATER OPERATIONS SB222 FUNDS	GROUNDWATER REPLENISHMENT	EDUCATION FUNDS	GRAND TOTALS	BUDGET 2009-2010
			APPROPRIATIVE POOL	AG POOL					
Administrative Revenues:									
Administrative Assessments	7,215,654	-	-	325,016				7,540,670	\$7,340,839
Interest Revenue	28,975	-	2,434	1,249		5		32,663	191,540
Mutual Agency Project Revenue	-	-	-	-				-	148,410
Grant Income	188	-	-	-				111,188	0
Miscellaneous Income	-	-	-	-				-	0
Total Revenues	7,244,818	-	2,434	326,265	-	5	-	7,684,522	7,680,789
Administrative & Project Expenditures:									
Watermaster Administration	571,394							571,394	580,238
Watermaster Board-Advisory Committee	48,427							48,427	61,901
Pool Administration			110,381	9,778				138,546	229,860
Optimum Basin Mgmt Administration		1,281,484						1,281,484	1,557,820
OBMP Project Costs		2,878,599						2,878,599	4,109,362
Debt Service		567,042						567,042	1,131,233
Education Funds Use		-						-	375
Mutual Agency Project Costs		-						-	10,000
Total Administrative/OBMP Expenses	619,821	4,727,126	110,381	9,778	-	-	-	5,465,494	7,680,789
Net Administrative/OBMP Expenses	(508,821)	(4,727,126)							
Allocate Net Admin Expenses To Pools		355,500	134,882	18,439				-	-
Allocate Net OBMP Expenses To Pools		2,906,542	1,102,788	150,754				-	-
Allocate Debt Service to App Pool		567,042						-	-
Agricultural Expense Transfer*		1,348,051	(1,348,051)					-	-
Total Expenses	5,195,523	-	2,434	178,971	-	-	5	5,465,494	7,680,789
Net Administrative Income	2,049,295	-	-	147,294	-	-	-	2,199,028	-
Other Income/(Expense)									
Replenishment Water Assessments							7,073,805	7,073,805	0
Interest Revenue							25,077	25,077	0
Water Purchases							-	-	0
Balance Adjustment							-	-	0
Other Water Purchases							(2,166,022)	(2,166,022)	0
Groundwater Replenishment							(1,021,346)	(1,021,346)	0
Net Other Income							3,911,513	3,911,513	0
Net Transfers To/(From) Reserves	6,110,541	-	2,434	147,294	-	5	6,110,541	-	-
Working Capital, July 1, 2009	5,942,967		470,719	256,577	158,251	995	10,995,966		
Working Capital, End Of Period	7,992,262		473,153	403,871	158,251	1,000	17,106,507		17,106,507
08/09 Assessable Production	84,716,450		32,142,764	4,393,990			121,253,204		
08/09 Production Percentages	69.867%		26.509%	3.624%			100.000%		

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

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CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
MARCH 1 THROUGH MARCH 31, 2010

DEPOSITORIES:			
Cash on Hand - Petty Cash		\$	500
Bank of America			
Governmental Checking-Demand Deposits		\$	305,345
Zero Balance Account - Payroll			
Local Agency Investment Fund - Sacramento			<u>17,478,640</u>
		\$	<u>17,784,485</u>
TOTAL CASH IN BANKS AND ON HAND	3/31/2010		
TOTAL CASH IN BANKS AND ON HAND	2/28/2010		<u>18,331,042</u>
PERIOD INCREASE (DECREASE)		\$	<u><u>(546,557)</u></u>

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:	Accounts Receivable	\$	61,152
	Assessments Receivable		(1,747)
(Decrease)/Increase in Liabilities	Prepaid Expenses, Deposits & Other Current Assets		(49,407)
	Accounts Payable		44,284
	Accrued Payroll, Payroll Taxes & Other Current Liabilities		(600,839)
	Transfer to/(from) Reserves		
PERIOD INCREASE (DECREASE)		\$	<u><u>(546,557)</u></u>

SUMMARY OF FINANCIAL TRANSACTIONS:

	Petty Cash	Govt'l Checking Demand	Zero Balance Account Payroll	Local Agency Investment Funds	Totals
Balances as of 2/28/2010	\$ 500	\$ 936,343	\$ -	\$ 17,394,199	\$ 18,331,042
Deposits	-	98,253	-	84,441	182,694
Transfers	-	(60,588)	60,588	-	-
Withdrawals/Checks	-	(668,663)	(60,588)	-	(729,251)
Balances as of 3/31/2010	\$ 500	\$ 305,345	\$ -	\$ 17,478,640	\$ 17,784,485
PERIOD INCREASE OR (DECREASE)	\$ -	\$ (630,998)	\$ -	\$ 84,441	\$ (546,557)

CHINO BASIN WATERMASTER
 Profit Loss Budget vs. Actual
 July 2009 through March 2010

	YTD Actuals 07/09 - 03/10	FY 2009-2010 Budget	\$Amt Over (Under) Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 · Local Agency Subsidies	111,000	148,410	-37,410	75%
4110 · Admin Asmnts-Approp Pool	7,215,654	7,185,411	30,243	100%
4120 · Admin Asmnts-Non-Agri Pool	325,016	155,427	169,589	209%
4700 · Non Operating Revenues	32,663	191,540	-158,877	17%
4900 · Miscellaneous income	188			
Total Income	7,684,522	7,680,788	3,734	100%
Gross Profit	7,684,522	7,680,788	3,734	100%
Expense				
6010 · Salary Costs	410,247	487,838	-77,591	84%
6020 · Office Building Expense	73,364	102,500	-29,136	72%
6030 · Office Supplies & Equip.	21,583	43,500	-21,917	50%
6040 · Postage & Printing Costs	50,627	84,300	-33,673	60%
6050 · Information Services	96,105	148,500	-52,395	65%
6060 · Contract Services	166,675	98,000	68,675	170%
6080 · Insurance	15,934	16,730	-796	95%
6110 · Dues and Subscriptions	17,798	17,000	798	105%
6140 · WM Admin Expenses	2,343	3,000	-657	78%
6150 · Field Supplies	271	2,800	-2,529	10%
6170 · Travel & Transportation	20,683	37,800	-17,117	55%
6190 · Conferences & Seminars	20,447	26,500	-6,053	77%
6200 · Advisory Comm - WM Board	15,019	18,078	-3,059	83%
6300 · Watermaster Board Expenses	33,408	43,823	-10,415	76%
8300 · Appr PI-WM & Pool Admin	18,388	23,069	-4,681	80%
8400 · Agri Pool-WM & Pool Admin	22,185	25,114	-2,929	88%
8467 · Ag Legal & Technical Services	78,145	98,000	-19,855	80%
8470 · Ag Meeting Attend -Special	10,050	12,000	-1,950	84%
8471 · Ag Pool Expense	0	65,000	-65,000	0%
8500 · Non-Ag PI-WM & Pool Admin	9,778	6,677	3,101	146%
6500 · Education Funds Use Expens	0	375	-375	0%
9500 · Allocated G&A Expenditures	-324,682	-488,230	163,548	67%
	758,368	872,374	-114,006	87%
6900 · Optimum Basin Mgmt Plan	1,177,231	1,399,371	-222,140	84%
6950 · Mutual Agency Projects	0	10,000	-10,000	0%
9501 · G&A Expenses Allocated-OBMP	104,253	148,448	-44,195	70%
	1,281,484	1,557,819	-276,335	82%

CHINO BASIN WATERMASTER
 Profit Loss Budget vs. Actual
 July 2009 through March 2010

	YTD Actuals 07/09 - 03/10	FY 2009-2010 Budget	\$Amt Over (Under) Budget	% of Budget
7101 · Production Monitoring	70,284	107,047	-36,763	66%
7102 · In-line Meter Installation	26,306	56,179	-29,873	47%
7103 · Grdwtr Quality Monitoring	142,337	214,362	-72,025	66%
7104 · Gdwtr Level Monitoring	251,759	366,956	-115,197	69%
7105 · Sur Wtr Qual Monitoring	3,679	43,912	-40,233	8%
7107 · Ground Level Monitoring	259,978	550,059	-290,081	47%
7108 · Hydraulic Control Monitoring	371,744	567,022	-195,278	66%
7109 · Recharge & Well Monitoring Prog	5,763	9,152	-3,390	63%
7200 · PE2- Comp Recharge Pgm	1,229,172	1,478,560	-249,388	83%
7300 · PE3&5-Water Supply/Desalte	50,538	96,003	-45,465	53%
7400 · PE4- Mgmt Plan	76,721	91,985	-15,264	83%
7500 · PE6&7-CoopEfforts/SaltMgmt	136,557	163,727	-27,170	83%
7600 · PE8&9-StorageMgmt/Conj Use	33,332	29,550	3,782	113%
7690 · Recharge Improvement Debt Pymt	567,042	1,131,233	-564,191	50%
7700 · Inactive Well Protection Prgm	0	5,066	-5,066	0%
9502 · G&A Expenses Allocated-Projects	220,429	339,782	-119,353	65%
	<u>3,445,641</u>	<u>5,250,595</u>	<u>-1,804,954</u>	<u>66%</u>
Total Expense	<u>5,485,494</u>	<u>7,680,788</u>	<u>-2,195,294</u>	<u>71%</u>
Net Ordinary Income	2,199,028		2,199,028	100%
Other Income/Expense				
Other Income				
4225 · Interest Income	25,077			
4210 · Approp Pool-Replenishment	4,887,364			
4220 · Non-Ag Pool-Replenishment	9,478			
4600 · Groundwater Sales	2,176,962			
Total Other Income	<u>7,098,882</u>			
Other Expense				
5010 · Groundwater Replenishment	1,021,346			
5100 · Other Water Purchases	2,166,022			
9999 · To/(From) Reserves	6,110,542			
Total Other Expense	<u>9,297,910</u>			
Net Other Income	<u>-2,199,028</u>			
Net Income	<u>0</u>		<u>0</u>	<u>0%</u>



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Jurupa Community Services District has agreed to purchase 1,200 acre-feet of water from Santa Ana River Water Company’s annual production right, then any additional from storage.
2. **Consider Approval for Notice of Sale or Transfer** – Cucamonga Valley Water District has agreed to lease 2,500 acre-feet of water from the City of Pomona’s net underproduction, if any, with the remainder from Pomona’s local storage account. The water is to be placed in Cucamonga Valley Water District’s Excess Carryover account.
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 5,085.000 acre-feet of water from the City of Chino. The transfer will be made first from Chino’s net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. This transfer will solely offset Fontana Water Company’s current Cumulative Unmet Replenishment Obligation (CURO).
4. **Consider Approval for Notice of Sale or Transfer** – Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,000.000 acre-feet of water from the Cucamonga Valley Water District (CVWD). The transfer will be made from CVWD’s storage account. This transfer will solely offset Fontana Water Company’s current Cumulative Unmet Replenishment Obligation (CURO).
5. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 1,000.000 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC’s net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage.
6. **Consider Approval for Notice of Sale or Transfer** – On March 31, 2010, Watermaster received Consolidated Water Transfer Forms 3, 4, and 5 with Praxair, Inc. as the Transferor and the City of Ontario (as an Overlying Non-Agricultural party) as Transferee in the amount of 426.446 acre-feet--a permanent transfer of all but one acre-foot of its share of safe yield. Also to be transferred are all of Praxair’s post-June 30, 2007 stored, carry-over and unpumped groundwater.



CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 1, 2010

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: **March 25, 2010**

Date of this notice: **April 1, 2010**

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

- Notice of Sale or Transfer – Jurupa Community Services District has agreed to purchase 1,200 acre-feet of water from Santa Ana River Water Company’s annual production right, then any additional from storage.

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

Appropriative Pool: April 8, 2010

Non-Agricultural Pool: April 8, 2010

Agricultural Pool: April 8, 2010

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: April 1, 2010

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

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: April 1, 2010
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 –** Jurupa Community Services District has agreed to purchase 1,200 acre-feet of water from Santa Ana River Water Company's annual production right, then any additional from storage.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Jurupa Community Services District has agreed to purchase 1,200 acre-feet of water from Santa Ana River Water Company's annual production right, then any additional from storage.

Notice of the water transaction identified above was mailed on April 1, 2010 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.

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

FISCAL YEAR 20⁰⁹-20₁₀

DATE REQUESTED: 03/25/2010

AMOUNT REQUESTED: 1,200 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):			TRANSFER TO (BUYER / TRANSFEREE):		
Santa Ana River Water Company			Jurupa Community Services District		
Name of Party			Name of Party		
10530 54th St.			11201 Harrel St		
Street Address			Street Address		
Mira Loma	Ca	91752	Mira Loma	Ca	91752
City	State	Zip Code	City	State	Zip Code
951-685-6503			951-685-7434		
Telephone			Telephone		
951-685-1978			951-685-1153		
Facsimile			Facsimile		

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

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

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No
Is the Buyer an 85/15 Party? Yes No
Is the purpose of the transfer to meet a current demand over and above production right? Yes No
Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

Projected Rate of Recapture _____ Projected Duration of Recapture _____

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

PLACE OF USE OF WATER TO BE RECAPTURED:

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

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

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

MATERIAL PHYSICAL INJURY

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

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

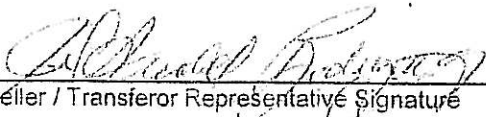
If yes, what are the proposed mitigation measures, if any, that might reasonably be imposed to ensure that the action does not result in Material Physical Injury to a party to the Judgment or the Basin?

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED

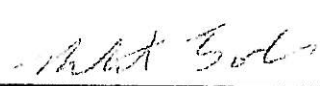
Yes No



Seller / Transferor Representative Signature

J Arnold Rodriguez

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Robert Tock

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 1, 2010

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: **February 22, 2010** Date of this notice: **April 1, 2010**

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

- Notice of Sale or Transfer – Cucamonga Valley Water District has agreed to lease 2,500 acre-feet of water from the City of Pomona’s net underproduction, if any, with the remainder from Pomona’s local storage account. The water is to be placed in Cucamonga Valley Water District’s Excess Carryover account.

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

Appropriative Pool:	April 8, 2010
Non-Agricultural Pool:	April 8, 2010
Agricultural Pool:	April 8, 2010

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: April 1, 2010

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

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: April 1, 2010
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** – Cucamonga Valley Water District has agreed to lease 2,500 acre-feet of water from the City of Pomona's net underproduction, if any, with the remainder from Pomona's local storage account. The water is to be placed in Cucamonga Valley Water District's Excess Carryover account.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Cucamonga Valley Water District has agreed to lease 2,500 acre-feet of water from the City of Pomona's net underproduction, if any, with the remainder from Pomona's local storage account. The water is to be placed in Cucamonga Valley Water District's Excess Carryover account.

Notice of the water transaction identified above was mailed on April 1, 2010 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.

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

FISCAL YEAR 2009 - 2010

DATE REQUESTED: February 22, 2010

AMOUNT REQUESTED: 2,500 Acre-Feet

City of Pomona TRANSFER FROM (SELLER / TRANSFEROR): <u>Daryl R. Grigsby, Public Works Director</u> Name of Party <u>505 South Garey Avenue</u> Street Address <u>Pomona</u> <u>CA</u> <u>91766</u> City State Zip Code <u>(909) 620-2283</u> Telephone <u>(909) 620-2030</u> Facsimile	Cucamonga Valley Water District TRANSFER TO (BUYER / TRANSFEREE): <u>Robert DeLoach, General Manager</u> Name of Party <u>10440 Ashford Street</u> Street Address <u>Rancho Cucamonga</u> <u>CA</u> <u>91730</u> City State Zip Code <u>(909) 987-2591</u> Telephone <u>(909) 476-8032</u> Facsimile
--	--

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

- Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool)
- Storage
- Annual Production Right / Operating Safe Yield first, then any additional from Storage
- Other, explain City of Pomona's net under production, if any, with the remainder from Pomona's local storage account.

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain CVWD Excess Carry-Over Account

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No
Is the Buyer an 85/15 Party? Yes No
Is the purpose of the transfer to meet a current demand over and above production right? Yes No
Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

1,500 - 2,500 gpm In the current and future years as needed.
Projected Rate of Recapture Projected Duration of Recapture

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

Pumping

PLACE OF USE OF WATER TO BE RECAPTURED:

Service area within Management Zone 2.

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

N/A

WATER QUALITY AND WATER LEVELS

Are the Parties aware of any water quality issues that exist in the area? Yes No
If yes, please explain:

Nitrate concentrations range from 19 to 70 ppm.

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

Static water levels from 504' to 533'.

MATERIAL PHYSICAL INJURY

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

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

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

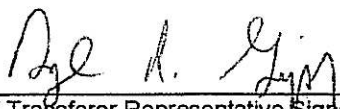
N/A

SAID TRANSFER SHALL BE CONDITIONED UPON:


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

ADDITIONAL INFORMATION ATTACHED

Yes No



Seller / Transferor Representative Signature



Buyer / Transferee Representative Signature

Daryl R. Grigsby, Public Works Director
Seller / Transferor Representative Name (Printed)

Robert DeLoach, General Manager
Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 1, 2010

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: **March 18, 2010**

Date of this notice: **April 1, 2010**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,085 acre-feet of water from the City of Chino. The transfer will be made first from Chino's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).

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

Appropriative Pool: April 8, 2010

Non-Agricultural Pool: April 8, 2010

Agricultural Pool: April 8, 2010

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: April 1, 2010

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

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CHINO BASIN WATERMASTER

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Tel: (909) 484.3888 Fax: (909) 484-3890 www.cbwm.org

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: April 1, 2010
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,085,000 acre-feet of water from the City of Chino. The transfer will be made first from Chino's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,085,000 acre-feet of water from the City of Chino. The transfer will be made first from Chino's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).

Notice of the water transaction identified above was mailed on April 1, 2010 along with the materials submitted by the requestors.

DISCUSSION

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

Chino Basin Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 11,426,202 AF for Assessment Year 2009-10, in addition to the Cumulative Unmet Replenishment Obligation (CURO) of 9,527,581. Due to the fact that MWD does not have replenishment water available, Watermaster wishes to use the option to purchase water from Parties to partially fulfill the replenishment obligation. Watermaster is taking advantage of Chino's offer to sell 5,085,000 AF of water to Watermaster. The transfer will be made first from Chino's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage. This transfer will solely offset Fontana Water Company's current Cumulative Unmet Replenishment Obligation (CURO).

**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 20 10- 20 11

DATE REQUESTED: March 18, 2010

AMOUNT REQUESTED: 5,085.000 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):			TRANSFER TO (BUYER / TRANSFEREE):		
<u>City of Chino</u>			<u>Chino Basin Watermaster (on behalf of</u>		
Name of Party			Name of Party <u>Fontana Water Company)</u>		
<u>5050 Schaefer Ave</u>			<u>9641 San Bernardino Rd</u>		
Street Address			Street Address		
<u>Chino</u>	<u>CA</u>	<u>91710-5549</u>	<u>Rancho Cucamonga</u>	<u>CA</u>	<u>91730</u>
City	State	Zip Code	City	State	Zip Code
<u>(909) 591-9823</u>			<u>(909) 484-3888</u>		
Telephone			Telephone		
<u>(909) 590-5535</u>			<u>(909) 484-3890</u>		
Facsimile			Facsimile		

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

PURPOSE OF TRANSFER:

- Pump when other sources of supply are curtailed
- Pump to meet current or future demand over and above production right
- Pump as necessary to stabilize future assessment amounts
- Other, explain To partially fulfill FWC's Cumulative Unmet Replenishment Obligation (CURO)

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain FWC's Cumulative Unmet Replenishment Obligation (CURO)

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No
Is the Buyer an 85/15 Party? Yes No
Is the purpose of the transfer to meet a current demand over and above production right? Yes No
Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

N/A (paper transfer)	N/A (paper transfer)
Projected Rate of Recapture	Projected Duration of Recapture

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED:

N/A

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

N/A

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

N/A

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

N/A

MATERIAL PHYSICAL INJURY

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

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

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

N/A

N/A

N/A

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED


Yes No



Seller / Transferor Representative Signature

Dave Crosley

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Kenneth R Manning

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 1, 2010

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: **March 18, 2010**

Date of this notice: **April 1, 2010**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 5,000 acre-feet of water from the Cucamonga Valley Water District (CVWD). The transfer will be made from CVWD’s storage account. This transfer will solely offset Fontana Water Company’s current Cumulative Unmet Replenishment Obligation (CURO).

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

Appropriative Pool: April 8, 2010

Non-Agricultural Pool: April 8, 2010

Agricultural Pool: April 8, 2010

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.

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Rancho Cucamonga, CA 91730

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: April 1, 2010

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: April 1, 2010
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 –

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Recommendation –

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

Fiscal Impact –

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

Background

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

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DISCUSSION

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

FISCAL YEAR 20 10- 20 11

DATE REQUESTED: March 18, 2010

AMOUNT REQUESTED: 5,000.000 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):			TRANSFER TO (BUYER / TRANSFEREE):		
<u>Cucamonga Valley Water District</u>			<u>Chino Basin Watermaster (on behalf of</u>		
Name of Party			Name of Party <u>Fontana Water Company)</u>		
<u>P.O. Box 638</u>			<u>9641 San Bernardino Rd</u>		
Street Address			Street Address		
<u>Rancho Cucamonga</u>	<u>CA</u>	<u>91729-0638</u>	<u>Rancho Cucamonga</u>	<u>CA</u>	<u>91730</u>
City	State	Zip Code	City	State	Zip Code
<u>(909) 987-2591</u>			<u>(909) 484-3888</u>		
Telephone			Telephone		
<u>(909) 476-8032</u>			<u>(909) 484-3890</u>		
Facsimile			Facsimile		

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

PURPOSE OF TRANSFER:

- Pump when other sources of supply are curtailed
- Pump to meet current or future demand over and above production right
- Pump as necessary to stabilize future assessment amounts
- Other, explain To partially fulfill FWC's Cumulative Unmet Replenishment Obligation (CURO)

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain FWC's Cumulative Unmet Replenishment Obligation (CURO)

85/15 will apply on the additional \$20.00/AF

- IS THE 85/15 RULE EXPECTED TO APPLY?** (If yes, all answers below must be "yes.") Yes No
- Is the Buyer an 85/15 Party? Yes No
- Is the purpose of the transfer to meet a current demand over and above production right? Yes No
- Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

N/A (paper transfer)	N/A (paper transfer)
Projected Rate of Recapture	Projected Duration of Recapture

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED:

N/A

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

N/A

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

N/A

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

N/A

MATERIAL PHYSICAL INJURY

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

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

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

N/A

N/A

N/A

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

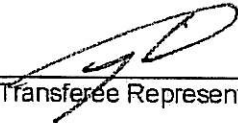
ADDITIONAL INFORMATION ATTACHED

Yes No



 Seller / Transferor Representative Signature
 Robert DeLoach

 Seller / Transferor Representative Name (Printed)



 Buyer / Transferee Representative Signature
 Kenneth R Manning

 Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

- DATE OF WATERMASTER NOTICE: _____
- DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____
- DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____
- DATE OF APPROVAL FROM AGRICULTURAL POOL: _____
- HEARING DATE, IF ANY: _____
- DATE OF ADVISORY COMMITTEE APPROVAL: _____
- DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 1, 2010

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: **March 3, 2010**

Date of this notice: **April 1, 2010**

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,000 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage.

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

Appropriative Pool: April 8, 2010

Non-Agricultural Pool: April 8, 2010

Agricultural Pool: April 8, 2010

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: April 1, 2010

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

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: April 1, 2010
TO: Watermaster Interested Parties
SUBJECT: Summary and Analysis of Application for Water Transaction

Summary –

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

Issue –

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,000,000 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage.

Recommendation –

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

Fiscal Impact –

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

Background

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

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

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

- Notice of Sale or Transfer – Chino Basin Watermaster will purchase 1,000,000 acre-feet of water from the Santa Ana River Water Company (SARWC). The transfer will be made first from SARWC's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured from storage.

Notice of the water transaction identified above was mailed on April 1, 2010 along with the materials submitted by the requestors.

DISCUSSION

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

Chino Basin Watermaster has a total replenishment obligation (due to overproduction within the Basin) of 11,426,202 AF for Assessment Year 2009-10, in addition to the Cumulative Unmet Replenishment Obligation (CURO) of 9,527,581. Due to the fact that MWD does not have replenishment water available, Watermaster wishes to use the option to purchase water from Parties to partially fulfill the replenishment obligation. Watermaster is taking advantage of Santa Ana River Water Company's offer to sell 1,000,000 AF of water to Watermaster. The transfer will be made first from SARWC's net under-production in Fiscal Year 2009-10, with any remainder to be recaptured 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 2010-2011

DATE REQUESTED: March 3, 2010

AMOUNT REQUESTED: 1,000.000 Acre-Feet

TRANSFER FROM (SELLER / TRANSFEROR):			TRANSFER TO (BUYER / TRANSFEREE):		
<u>Santa Ana River Water Company</u>			<u>Chino Basin Watermaster</u>		
Name of Party			Name of Party		
<u>10530 54th Street</u>			<u>9641 San Bernardino Road</u>		
Street Address			Street Address		
<u>Mira Loma</u>	<u>CA</u>	<u>91752-2331</u>	<u>Rancho Cucamonga</u>	<u>CA</u>	<u>91730</u>
City	State	Zip Code	City	State	Zip Code
<u>951- 685-6503</u>			<u>909-484-3888</u>		
Telephone			Telephone		
<u>951- 685-1978</u>			<u>909-484-3890</u>		
Facsimile			Facsimile		

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

PURPOSE OF TRANSFER:

- Pump when other sources of supply are curtailed
- Pump to meet current or future demand over and above production right
- Pump as necessary to stabilize future assessment amounts
- Other, explain To partially fulfill Watermaster's replenishment obligation for Assessment Year 2009-10

WATER IS TO BE TRANSFERRED FROM:

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

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common)
- Storage (rare)
- Other, explain Replenishment obligation for Assessment Year 2009-10

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No

Is the Buyer an 85/15 Party? Yes No

Is the purpose of the transfer to meet a current demand over and above production right? Yes No

Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

N/A (paper transfer) N/A (paper transfer)
Projected Rate of Recapture Projected Duration of Recapture

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

N/A

PLACE OF USE OF WATER TO BE RECAPTURED:

N/A

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

N/A

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

N/A

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

N/A

MATERIAL PHYSICAL INJURY

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

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

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

N/A

N/A


N/A

SAID TRANSFER SHALL BE CONDITIONED UPON:

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

ADDITIONAL INFORMATION ATTACHED


Yes No



Seller / Transferor Representative Signature

J. Arnold Rodriguez

Seller / Transferor Representative Name (Printed)



Buyer / Transferee Representative Signature

Kenneth R. Manning

Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

NOTICE

OF

APPLICATION(S)

RECEIVED FOR

WATER TRANSACTIONS – ACTIVITIES

Date of Notice:

April 1, 2010

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: **March 31, 2010**

Date of this notice: **April 1, 2010**

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

- Notice of Sale or Transfer – On March 31, 2010, Watermaster received Consolidated Water Transfer Forms 3, 4, and 5 with Praxair, Inc. as the Transferor and the City of Ontario (as an Overlying Non-Agricultural party) as Transferee in the amount of 426.446 acre-feet--a permanent transfer of all but one acre-foot of its share of safe yield. Also to be transferred are all of Praxair's post-June 30, 2007 stored, carry-over and unpumped groundwater.

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

Appropriative Pool: April 8, 2010

Non-Agricultural Pool: April 8, 2010

Agricultural Pool: April 8, 2010

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

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

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

Watermaster address:

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

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

CHINO BASIN WATERMASTER

NOTICE OF TRANSFER OF WATER

Notification Dated: April 1, 2010

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

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CHINO BASIN WATERMASTER

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

KENNETH R. MANNING
CHIEF EXECUTIVE OFFICER

DATE: April 1, 2010
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 – On March 31, 2010, Watermaster received Consolidated Water Transfer Forms 3, 4, and 5 with Praxair, Inc. as the Transferor and the City of Ontario (as an Overlying Non-Agricultural party) as Transferee in the amount of 426.446 acre-feet--a permanent transfer of all but one acre-foot of its share of safe yield. Also to be transferred are all of Praxair's post-June 30, 2007 stored, carry-over and unpumped groundwater. This Staff Report provides a summary and analysis of the proposed transfer.

Recommendation –

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

Fiscal Impact –

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

BACKGROUND

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

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

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

- Notice of Sale or Transfer – On March 31, 2010, Watermaster received Consolidated Water Transfer Forms 3, 4, and 5 with Praxair, Inc. as the Transferor and the City of Ontario (as an Overlying Non-Agricultural party) as Transferee in the amount of 426.446 acre-feet--a permanent transfer of all but one acre-foot of its share of safe yield. Also to be transferred are all of Praxair's post-June 30, 2007 stored, carry-over and unpumped groundwater. This Staff Report provides a summary and analysis of the proposed transfer.

Notice of the water transaction identified above was mailed on April 1, 2010 along with the materials submitted by the requestors.

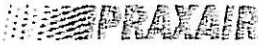
DISCUSSION

Under Exhibit G, paragraph 6, of the Judgment: "Rights herein decreed are appurtenant to that land and are only assignable with the land for overlying use thereon; provided however, . . . (b) the members of the Pool shall have the right to Transfer or lease their quantified production rights within the Pool or to Watermaster in conformance with the procedures described in the Peace Agreement between the Parties therein, dated June 29, 2000 for the term of the Peace Agreement." The Peace Agreement and Peace II Agreement thus modified the strict appurtenancy requirement to allow Transfers of the water rights under certain conditions.

In the 1978 Judgment, Union Carbide Corporation was adjudicated rights of 427.446 acre-feet within the Overlying (Non-Agricultural) Pool. Union Carbide Corporation later changed its name to Praxair, Inc. The City of Ontario Intervened into the Judgment as an Overlying Non-Agricultural party in Fiscal Year 2008-09.

Praxair and the City of Ontario (as Non-Ag) have submitted Consolidated Water Transfer Forms 3, 4, and 5. The Application indicates that the amount of water rights to be permanently transferred is 426.446 acre-feet, leaving Praxair with one (1.000) acre-feet of safe yield. Also included are all of Praxair's post-June 30, 2007 stored, carry-over and unpumped groundwater. The City of Ontario will utilize the groundwater extracted solely for uses authorized in the Judgment including providing water service to properties in Ontario.

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.



Praxair, Inc.
2430 Camino Ramon, Suite 310
PO Box 5117
San Ramon, CA 94583
925-866-6842

March 31, 2010

Mr. Kenneth R. Manning, CEO
Chino Basin Watermaster
9641 San Bernardino Rd.
Rancho Cucamonga, CA 91730

RE: Proposed Permanent Transfer of Safe Yield and Water in Storage

Dear Mr. Manning:

This is to notify the Watermaster that Praxair, Inc. ("Transferor") of the Non-Agricultural Pool is hereby requesting approval of the permanent transfer to the City of Ontario ("Transferee") of the Non-Agricultural Pool, approximately 427.446 AF of carry-over water and approximately 233.911 AF of stored water. This is estimated to be all of its post June 30, 2007 stored, carry-over and unpumped groundwater that the Watermaster records currently show are Praxair's balances. In addition, Praxair requests approval of the permanent transfer to the City of Ontario (Non-Ag) 426.446 AFY of its operating safe yield annual non-agricultural overlying groundwater production rights adjudicated to Transferor or its predecessor-in-interest in the Judgment rendered in the Case of "Chino Basin Municipal Water District vs. City of Chino et al" RCV 51010 (formerly Case No. SCV 164327). Please note that Praxair is retaining 1 AFY of operating safe yield non-agricultural overlying groundwater production right.

Please note that this transfer is contingent on Praxair and the City of Ontario (Non-Ag) executing a sale agreement. We would like to have the Watermaster review completed while we finalize this agreement. We will notify you when this is completed or if there are significant changes in status.

Executed original Watermaster forms and all supporting documentation are also being provided. Please put the proposed transfer on the agendas for the next Watermaster meetings.

Sincerely,

A handwritten signature in cursive script that reads "Curtis Stubbings".

Curtis Stubbings
Praxair, Inc.

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Consolidated Forms 3, 4 & 5

CONSOLIDATED WATER TRANSFER FORMS:

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

FISCAL YEAR 2009-2010

DATE REQUESTED: February 26, 2010

PERMANENT transfer of 426.446 AF of OSY
 AMOUNT REQUESTED: _____ Acre-Feet
 & approx. 427.446 AF of carryover water and
 233.911 AF of stored water. Permanent transfer
 includes 09-10 rights.

TRANSFER FROM (SELLER / TRANSFEROR):	TRANSFER TO (BUYER / TRANSFEREE):
<u>Praxair Inc.</u> Name of Party	<u>Ontario City Non-Ag</u> Name of Party
<u>5705 East Airport Drive</u> Street Address	<u>1425 South Bon View</u> Street Address
<u>Ontario</u> <u>CA</u> <u>91761</u> City State Zip Code	<u>Ontario</u> <u>CA</u> <u>91761</u> City State Zip Code
<u>925-866-6842</u> Telephone	<u>909-395-2681</u> Telephone
<u>925-866-6899</u> Facsimile	<u>909-395-2601</u> Facsimile

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

PURPOSE OF TRANSFER:

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

WATER IS TO BE TRANSFERRED FROM:

- Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool) 426.446 AFY
- Storage (approx. 427.446 AF of carryover water and approx. 233.911 AF of stored water.)
- Annual Production Right / Operating Safe Yield first, then any additional from Storage
- Other, explain PERMANENT transfer of 426.446 AF of OSY & approx. 427.446 AF of carryover water and approx. 233.911 AF of stored water.)

WATER IS TO BE TRANSFERRED TO:

- Annual Production Right / Operating Safe Yield (common) - 426.446 AFY
- Storage (rare) - estimated 233.911 AF plus 08-09 carry over 427.446 AF
- Other, explain PERMANENT transfer of 426.446 AF of OSY & approx. 427.446 AF of carryover water and approx. 233.911 AF of stored water.

Consolidated Forms 3, 4 & 5 cont.

IS THE 85/15 RULE EXPECTED TO APPLY? (If yes, all answers below must be "yes.") Yes No

Is the Buyer an 85/15 Party? Yes No

Is the purpose of the transfer to meet a current demand over and above production right? Yes No

Is the water being placed into the Buyer's Annual Account? Yes No

IF WATER IS TO BE TRANSFERRED FROM STORAGE:

<u>Varies</u>	<u>Indefinite (permanent transfer)</u>
Projected Rate of Recapture	Projected Duration of Recapture

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

Pumping

PLACE OF USE OF WATER TO BE RECAPTURED:

Management Zones 2 and 3

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

N/A

WATER QUALITY AND WATER LEVELS

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

If yes, please explain:

N/A

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

Static level varies from 272 feet to 524 feet.

MATERIAL PHYSICAL INJURY

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

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

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

N/A

N/A

N/A


Consolidated Forms 3, 4 & 5 cont.

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.
- (5) Execution of sale agreement between Praxair and City of Ontario (Non-Ag).


ADDITIONAL INFORMATION ATTACHED

Yes No



 Seller / Transferor Representative Signature

Curtis Stubbins
 Seller / Transferor Representative Name (Printed)



 Buyer / Transferee Representative Signature

Ken Jeske
 Buyer / Transferee Representative Name (Printed)

TO BE COMPLETED BY WATERMASTER STAFF:

DATE OF WATERMASTER NOTICE: _____

DATE OF APPROVAL FROM APPROPRIATIVE POOL: _____

DATE OF APPROVAL FROM NON-AGRICULTURAL POOL: _____

DATE OF APPROVAL FROM AGRICULTURAL POOL: _____

HEARING DATE, IF ANY: _____

DATE OF ADVISORY COMMITTEE APPROVAL: _____

DATE OF BOARD APPROVAL: _____

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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

A. **AMENDMENT NO. 1 TO AGREEMENT TO FORM A TASK FORCE**

Consider Approval of Amendment No. 1 to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed (Basin Monitoring Program)





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: May 20, 2010
TO: Committee Members
SUBJECT: Amendment No. 1 to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed (Basin Monitoring Program)

SUMMARY

Recommendation – Approve the agreement to form a Task Force to Conduct a Monitoring program for Nitrogen and TDS in the Santa Ana River Watershed.

Financial Impact - Annual budget is prepared by the Task Force and its pro-rata share of such costs and fees are shared among the TASK FORCE AGENCIES. The budget proposed for the fiscal year 2010/11 is \$433,449 and the Watermaster's share is \$25,778.

BACKGROUND

In December 1995, the Nitrogen TDS Task Force, consisting of 22 water resource agencies in the Santa Ana Watershed including Watermaster, was formed to oversee a study to evaluate the impacts of Total Inorganic Nitrogen (TIN) and Total Dissolved Solids (TDS) on water resources in the Santa Ana River Watershed. The study was completed in mid 2003. On January 22, 2004, the Santa Ana Regional Water Quality Control Board (RWQCB) incorporated the results of the Nitrogen TDS Task Force study into a Basin Plan Amendment for Nitrogen and TDS and adopted the Basin Plan Amendment. The Task Force Agencies were named in that Basin Plan Amendment as responsible for conduct in various monitoring programs and analyses to support the results defined in the Basin Plan Amendment.

Watermaster Board signed the AGREEMENT to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed (Basin Monitoring Program) in August 2004. Because of the need to perform additional work, the Amendment to the original AGREEMENT is required. The modifications of the language include:

1. The purpose of the Task Force to include performing other related cooperative studies as agreed to by the Task Force AGENCIES; and
2. Conduct Santa Ana River (SAR) Wasteload Allocations and other related studies by the TASK FORCE AGENCIES.

Actions:

- May 13, 2010 Appropriative Pool – Approved unanimously
- May 13, 2010 Non-Agricultural Pool – Approved unanimously
- May 13, 2010 Agricultural Pool – Approved unanimously
- May 20, 2010 Advisory Committee –
- May 27, 2010 Watermaster Board –

**AMENDMENT NO. 1
TO
AGREEMENT TO FORM A TASK FORCE
TO CONDUCT A
BASIN MONITORING PROGRAM FOR
NITROGEN AND TOTAL DISSOLVED SOLIDS
IN THE SANTA ANA RIVER WATERSHED
(BASIN MONITORING PROGRAM)**

Pursuant to Paragraph II.15 of that certain AGREEMENT entitled, "Agreement to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed", dated August 10, 2004, the TASK FORCE AGENCIES hereby agree to make the following changes:

1. Under I. Recitals B. The Purpose of the Task Force Agreement shall be revised to read as follows:

The purpose of this AGREEMENT is to form a task force to oversee and conduct the studies for the Basin Monitoring Program as described in the RWQCB's Basin Plan Amendment **and perform other related cooperative studies as agreed to by the TASK FORCE AGENCIES.** The Task Force is proposed to consist of the TASK FORCE AGENCIES to direct the study and fund it on an equitable basis to be determined by the TASK FORCE AGENCIES.

2. The TASK FORCE AGENCIES hereby amend Paragraph II. 4 (Duties of the Task Force) of the Task Force Agreement to include the following tasks to be funded by the TASK FORCE AGENCIES and authorize the Task Force Administrator to conduct such tasks.

d. Conduct Santa Ana River (SAR) Wasteload Allocations and other related studies

Hire a consultant to perform updates to the SAR Wasteload Allocation Report, work with the RWQCB staff and TASK FORCE AGENCIES on appropriate model runs to be used for new RWQCB Basin Plan Amendments for the SAR Wasteload Allocation and provide appropriate input for new Basin Plan Amendment language as needed. Additional studies may also be conducted to support the purposes of the TASK FORCE AGENCIES as directed by a consensus of the TASK FORCE AGENCIES.

Except as otherwise expressly amended herein, all of the terms, conditions, and provisions of the AGREEMENT shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the dates set forth below.

CITY OF BEAUMONT

DATE _____

BY _____
Mayor

DATE _____

BY _____
City Clerk

CHINO BASIN WATERMASTER

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

**COLTON/SAN BERNARDINO REGIONAL
TERTIARY TREATMENT AND WASTEWATER
RECLAMATION AUTHORITY**

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

CITY OF CORONA

DATE _____

BY _____
DWP General Manager

DATE _____

BY _____
City Clerk

EASTERN MUNICIPAL WATER DISTRICT

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

INLAND EMPIRE UTILITIES AGENCY

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

IRVINE RANCH WATER DISTRICT

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

JURUPA COMMUNITY SERVICES DISTRICT

DATE _____

BY _____
President, Board of Directors

ORANGE COUNTY WATER DISTRICT

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

CITY OF RIALTO

DATE _____

BY _____

Mayor

DATE _____

BY _____

City Clerk

CITY OF RIVERSIDE

DATE _____

BY _____

Mayor

DATE _____

BY _____

City Clerk

CITY OF REDLANDS

DATE _____

BY _____

Mayor

DATE _____

BY _____

City Clerk

**SAN TIMOTEO WATERSHED MANAGEMENT
AUTHORITY**

DATE _____

BY _____
President

DATE _____

BY _____
Secretary

SANTA ANA WATERSHED PROJECT AUTHORITY

DATE _____

BY _____
Chair

DATE _____

BY _____
Secretary-Treasurer

**WESTERN RIVERSIDE COUNTY REGIONAL
WASTEWATER AUTHORITY**

DATE _____

BY _____
Chair

DATE _____

BY _____
Secretary-Treasurer

YUCAIPA VALLEY WATER DISTRICT

DATE _____

BY _____
President, Board of Directors



CHINO BASIN WATERMASTER

II. BUSINESS ITEM

B. BUDGET TRANSFER

Budget Transfer Request T-10-05-10 relating to Watermaster Legal Fees, OBMP Engineering Services and MZ-1 Ground Level Monitoring





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: May 20, 2010
TO: Committee Members
SUBJECT: Budget Transfer T-10-05-01

SUMMARY

Issue – Budget transfer request for accounts relating to Watermaster Legal Fees, OBMP Engineering Services and MZ-1 Ground Level Monitoring.

Recommendation – Approve the Budget Transfer Form T-10-05-01 as requested.

Financial Impact – None

BACKGROUND:

The Watermaster General Counsel budget (account number 6907.3) for FY 2009-2010 is \$595,000. We project that by the end of the fiscal year, the legal budget will be exceeded by approximately \$260,000. The total projected legal expenses, based upon meetings with Brownstein Hyatt Farber Schreck, are projected at \$855,000(see Exhibit A). During FY 2009-2010, there was no contingency reserve in the legal budget. In past years, the budget preference was to allocate or transfer funds as these unexpected issues arose, rather than to budget funds in advance as a contingency. As is customary, several unanticipated and unbudgeted events have occurred. Sequentially these include:

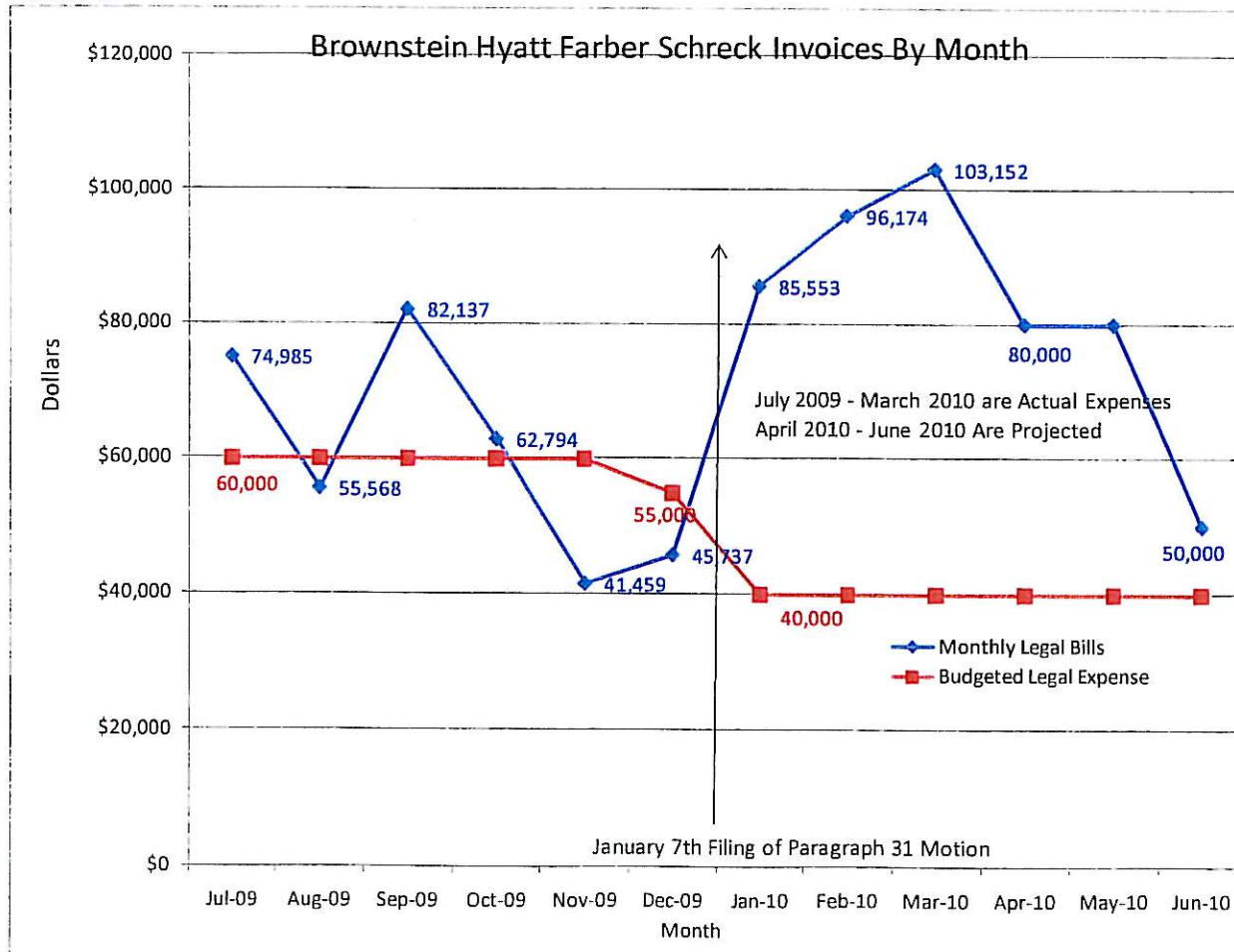
- (1) The auction
- (2) Transition from the previous judge
- (3) Increased activity regarding the Chino Airport Plume
- (4) The Non-Agricultural Pool Paragraph 31 Motion
- (5) The RWQCB ACL Complaint and associated facilitation of desalter expansion

The most significant of these items are the Paragraph 31 Motion and the Auction. The auction was not included in the general counsel budget because the expectation was that costs associated with the auction would be funded from the auction proceeds. The backup plan in the event that the auction did not proceed was to perform a budget transfer. For the months of August through October 2009, legal counsel expenses associated with the auction were in excess of \$150,000. Ultimately, these funds will

not have to be expended again as the template Storage and Recovery Agreement was approved by the Court and all the remaining authorizing instruments will be available to be used in a subsequent auction. Despite this significant unbudgeted cost, until the filing of the Paragraph 31 motion, the prior level of activity in other budget categories suggested that only a modest budget transfer would be necessary, similar in magnitude to the prior transfers in previous years.

Counsel began addressing the issues associated with the Paragraph 31 Motion at the beginning of January, 2010. Legal counsel has responded to numerous letters and information requests, attended meetings, investigated the allegations as requested and the associated level of activity has been significant. In many ways the requests were tantamount to pre-litigation discovery. Moreover, research associated with the Motion has entailed a detailed review of documents and meeting materials spanning the whole of 2009. By the end of March, legal costs associated with the Motion were approximately \$150,000. Our legal counsel estimates that through hearing the 2010 legal costs on this matter will well exceed \$200,000. They believe these costs are reasonable given the requirement that Watermaster has a responsibility to administer the Judgment and to fairly evaluate the claim by any party regarding an improper action by Watermaster. The level of activity was further warranted by the magnitude of the financial risk associated with the contention that Watermaster's acquisition of stored water be set aside and the possibility that one or more parties would escalate the conflict. Costs associated with the Paragraph 31 Motion thus compose the majority of the amount of the legal counsel budget overrun.

Exhibit A:



Concurrently with the legal meetings, during the past few weeks meetings have been held with Wildermuth and Watermaster staff to review the Engineering tasks being performed by outside consultants and determine if any areas exist for budget reductions or possible budget transfers. Upon reviewing the remaining engineering tasks, it was determined that several projects would be under budget, while several other projects would be over budget at fiscal year-end. Watermaster staff has identified approximately \$300,000 of budget transfers which could be used to offset the legal category expenses. These offsets are in the Optimal Basin Management Plan

DISCUSSION:

1. Account group 6906 (Optimum Basin Management Plan). Both Wildermuth and Watermaster staff agree that savings exist in this category as a result of cost savings and work adjustments.

	<u>Budget</u>	<u>Projected</u>	<u>Savings</u>
Grand Totals	\$570,003	\$438,879	(\$131,124)

2. Account group 7107 (Ground Level Monitoring). The reason for the remaining budget of \$168,653 in Account 7107 is that \$183K was allocated for the implementation of the ASR (Aquifer Storage and Recovery) pilot project and the effort was not completed in this fiscal year. Both Wildermuth and Watermaster staff agree that savings exist in this category as a result.

	<u>Budget</u>	<u>Projected</u>	<u>Savings</u>
Grand Totals	\$548,653	\$380,000	(\$168,653)

3. Account group 7108 (Hydraulic Control Monitoring). Both Wildermuth and Watermaster staff agree that savings exist in this category as a result of cost savings and work adjustments.

	<u>Budget</u>	<u>Projected</u>	<u>Savings</u>
Grand Totals	\$553,479	\$520,000	(\$ 33,479)

4. Account 7303 (PE3&5-Water Supply/Desalter). Both Wildermuth and Watermaster staff agree that savings exist in this category as a result of cost savings and work adjustments.

	<u>Budget</u>	<u>Projected</u>	<u>Savings</u>
7303 PE3&5-Engineering-Other	\$72,309	\$62,000	(\$10,309)

5. Account group 7200 (PE2 Comp Recharge Program). Both Wildermuth and Watermaster staff agree that this category will exceed the budget by \$24,212 as a direct result of greater Recharge Master Plan expenses being allocated towards this category.

	<u>Budget</u>	<u>Projected</u>	<u>Add'l Cost</u>
Grand Totals	\$718,650	\$742,862	\$ 24,212

6. Account group 7400 (PE4 Mgmt Plan). Both Wildermuth and Watermaster staff agree that this category will exceed the budget by \$18,720 as a direct result of greater MZ-1 Monitoring expenses being allocated towards this category.

	<u>Budget</u>	<u>Projected</u>	<u>Add'l Cost</u>
Grand Totals	\$81,280	\$100,000	\$18,720

Overall, the cash savings identified by the Watermaster staff is \$343,565 and is recommending the transfers be completed as follows:

Overall Savings Identified from Accounts 6906, 7107, 7108 and 7303:	<u>\$343,565</u>
Transfer to Watermaster Legal Counsel (account 6907.3):	\$300,633
Transfer to Comp Recharge-Engineering Services (account 7202.2):	\$ 24,212
Transfer to PE4-Engineering (account 7402):	<u>\$ 18,720</u>
Grand Total Transfers:	<u>\$343,565</u>

With the proposed transfers between accounts of \$343,565 the approved original budget of \$7,680,788 does not change.

ACTIONS:

- May 13, 2010 Appropriative Pool – Approved unanimously
- May 13, 2010 Non-Agricultural Pool – Voted not to approve – City of Ontario voted to approve
- May 13, 2010 Agricultural Pool – Approved unanimously
- May 20, 2010 Advisory Committee –
- May 27, 2010 Watermaster Board –



**CHINO BASIN WATERMASTER
BUDGET TRANSFERS**

ATTACHMENT #1a

Fiscal Year 2009-2010

Transfer # T-10-05-01

To: **All Parties**

From: Joseph S. Joswiak Date: 4-May-10

Describe reason for the transfer between budget categories here: To transfer funds to cover anticipated cost overages in accounts referenced below.

Budgetary account reduction

Line Item Description	Account Number	Current Budget	Proposed Transfer
OBMP Engineering Services-Other	6906	\$ 495,003	\$ (80,003)
CEQA	6906.4	\$ 75,000	\$ (56,486)
Ground Level-SAR Imagery	7107.3	\$ 95,000	\$ (95,000)
Ground Level-Contracted Services	7107.6	\$ 209,526	\$ (209,526)
Hydraulic Control-Lab Services	7108.4	\$ 181,933	\$ (181,933)
Hydraulic Control-Contracted Services	7108.9	\$ 4,700	\$ (4,700)
PE3&5-Engineering-Other	7303	\$ 72,309	\$ (10,309)
Comp Recharge-Engineering Other	7202	\$ 158,225	\$ (44,658)
Comp Recharge-Contracted Services	7203	\$ 22,000	\$ (22,000)
Comp Recharge-Supplies	7204	\$ 16,000	\$ (15,519)
PE4-Contracted Services	7203	\$ 10,000	\$ (10,000)

Budgetary account addition

Santa Ana River TMDL	6906.6	\$ -	\$ 5,365
Ground Level Engineering	7107.2	\$ 244,127	\$ 135,873
Hydraulic Control-Engineering	7108.3	\$ 366,846	\$ 153,154
Comp Recharge-Engineering Services	7202.2	\$ -	\$ 68,389
Comp Recharge-Temp Services	7201.1	\$ 522,425	\$ 24,212
Comp Recharge-Temp Services	7201.1	\$ 522,425	\$ 13,788
PE4-Engineering	7402	\$ 71,280	\$ 28,720
Watermaster Legal Counsel	6907.3	\$ 595,000	\$ 300,633
			\$ -

Should be zero

Transfer Procedure

- Staff brings the transfer request to the Appropriate Pool for information purposes if the transfer is under \$25,000. Transfers over \$25,000 within the same budget category require Pools, Advisory Committee and Board approval. Transfers between budget categories, regardless of amount must be approved by the Pools, Advisory Committee and Board
- Once the form has been completed by the CFO, and approved by the board if required, the Chief Financial Officer will prepare and process the budget transfer in the accounting system.
- A log will be maintained by the CFO detailing the transfer.
- A fiscal year file will also be kept to hold all budget amendment forms for auditor review.

Finance Use Only

Date Board Approved _____
 Finance Log # _____
 Date Posted _____
 Posted By _____
 Approved by _____
 Date approved _____

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CHINO BASIN WATERMASTER

III. REPORTS / UPDATES

C. INLAND EMPIRE UTILITIES AGENCY

1. Recycled Water Recharge Program Update
7. State and Federal Legislative Reports
8. Community Outreach/Public Relations Report
9. Peace II PEIR Schedule



CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

May 20, 2010

AGENDA

INTERAGENCY WATER MANAGERS' REPORT

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

Discussion Items:

- MWD Water Rates and Budget Update – oral
- State Water Project Allocation Update – oral
- DYY Third Call Year - oral
- MWD WSAP Second Allocation Year - oral

Written Items:

- Monthly Water Use Report
- State and Federal Legislative Reports
- Community Outreach/Public Relations Report
- IEUA Monthly Water Newsletter
- 3rd Quarter Water Resources & Conservation Programs Update

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IEUA Monthly Water Use Report – May 2010

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

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

**MWD IMPLEMENTS A THIRD CONSECUTIVE DIYY CALL
AND A SECOND CONSECUTIVE WSAP (LEVEL 2) YEAR!**

Imported Water Deliveries

For the month of April, IEUA purchased 2,308 acre feet (AF) of Tier I water, of which 366 AF was through OC-59 for replenishment purposes. This gives IEUA a total of 7,774 AF purchased in calendar year 2010. IEUA is still 14% under the expected deliveries, through March, for MWD's Water Supply Allocation Plan.

Dry Year Yield (DIYY) Program

IEUA received a letter from MWD calling on a third consecutive DIYY year, beginning May 1. There will only be a partial call because the current storage balance is only 17,200 AF.

Recycled Water Program

During the month of March, IEUA sold approximately 847 AF (237 AF = direct sales, 610 AF = recharge). As of March 2010, IEUA has

connected 32,350 AF of recycled water demand. IEUA is implementing a 3-Year Business Plan that will increase recycled water connected capacity to 50,000 AFY by 2010.

Chino Desalter Authority (CDA)

For the month of April, the two desalters produced 2,156 AF of water (of which 1,215 AF was delivered to IEUA retail agencies). The current production capacity is 24,600 AFY, and it is scheduled to be expanded to approximately 40,000 AFY by 2014, with the implementation of CDA Phase III.

Groundwater Recharge Program

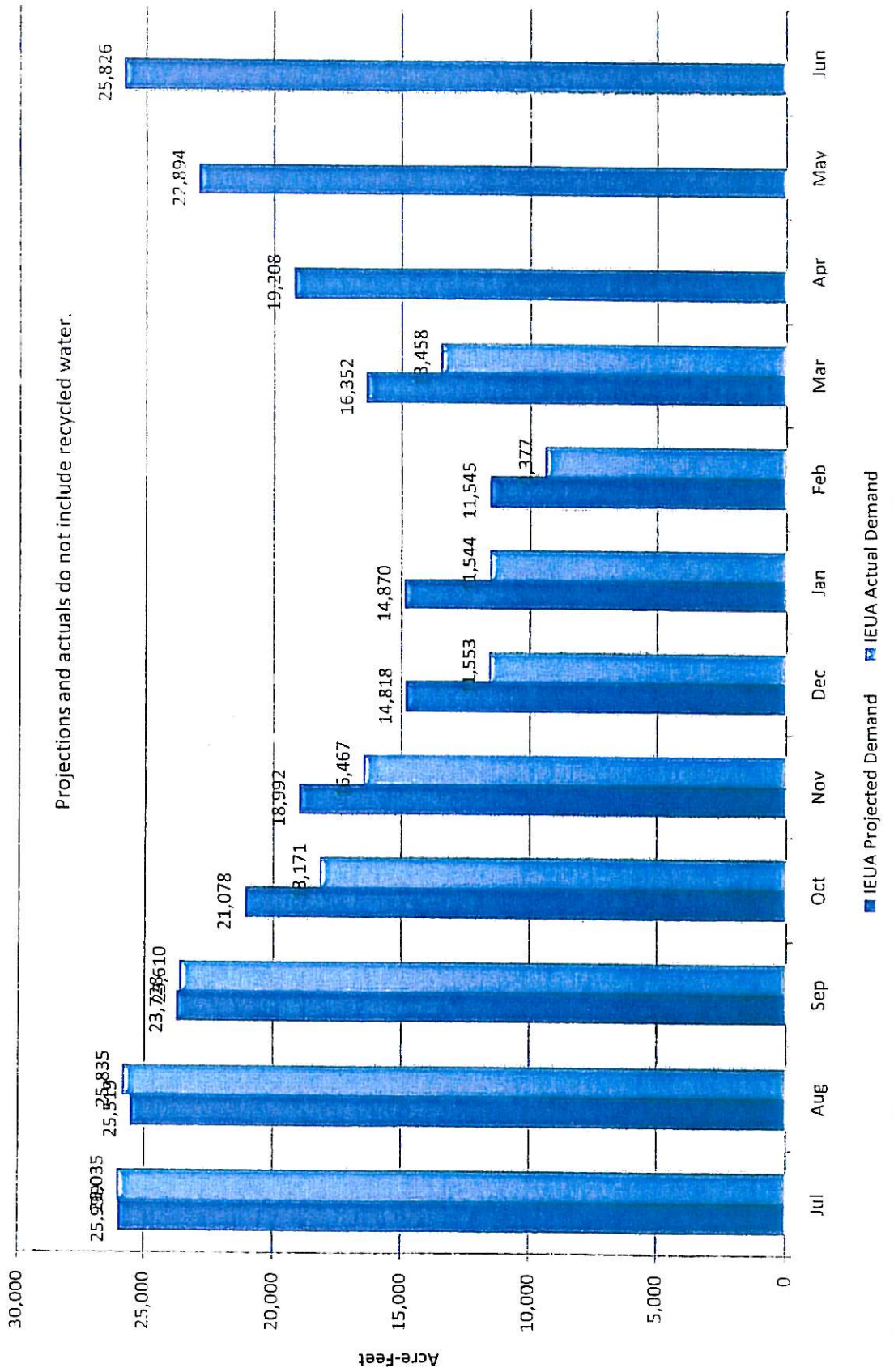
In April 2010, IEUA recharged approximately 1,250 AF of water (750 AF of recycled water and approximately 500 AF of stormwater).

Attachments

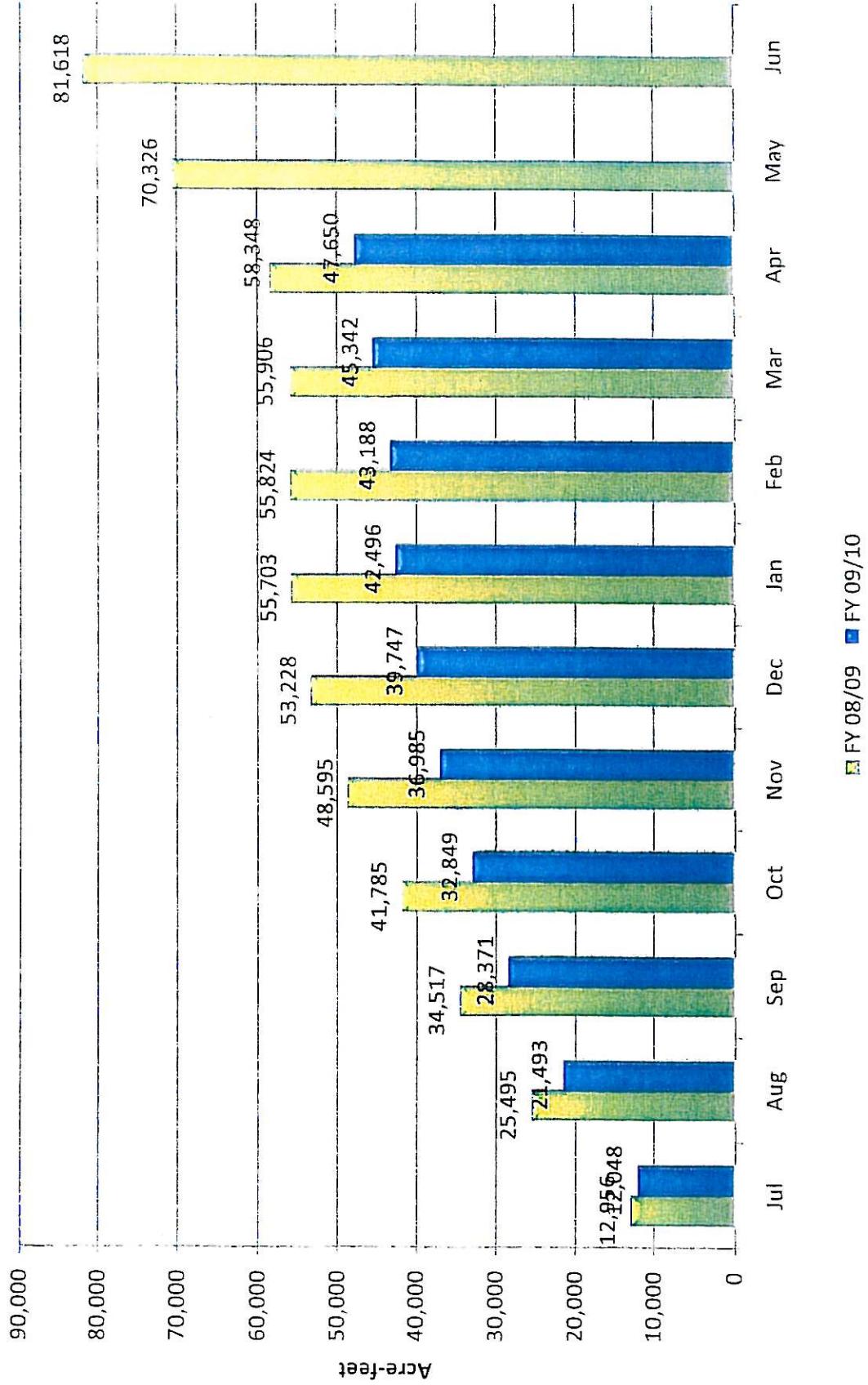
- Attachment 1 – IEUA Projected Demand vs Actual Demand (Thru March) (Graph)
- Attachment 2 – IEUA Cumulative Full Service Imported Water Deliveries & Dry Year Yield (Graph)
- Attachment 3 – IEUA Cumulative Full Service Imported Water Deliveries & Dry Year Yield (Graph)
- Attachment 4 – WFA Cumulative Full Service Imported Water Deliveries & Dry Year Yield (Graph)
- Attachment 5 – WFA Projected Demand vs Actual Demand (Thru March) (Graph)
- Attachment 6 – CVWD Cumulative Full Service Imported Water Deliveries & Dry Year Yield (Graph)
- Attachment 7 – CVWD Projected Demand vs Actual Demand (Thru March) (Graph)
- Attachment 8 – FWC Cumulative Full Service Imported Water Deliveries (Graph)
- Attachment 9 – FWC Projected Demand vs Actual Demand (Thru March) (Graph)
- Attachment 10 – SAWCO Projected Demand vs Actual Demand (Thru March) (Graph)
- Attachment 11 – IEUA Imported Water Sales (Table)

Attachment 1

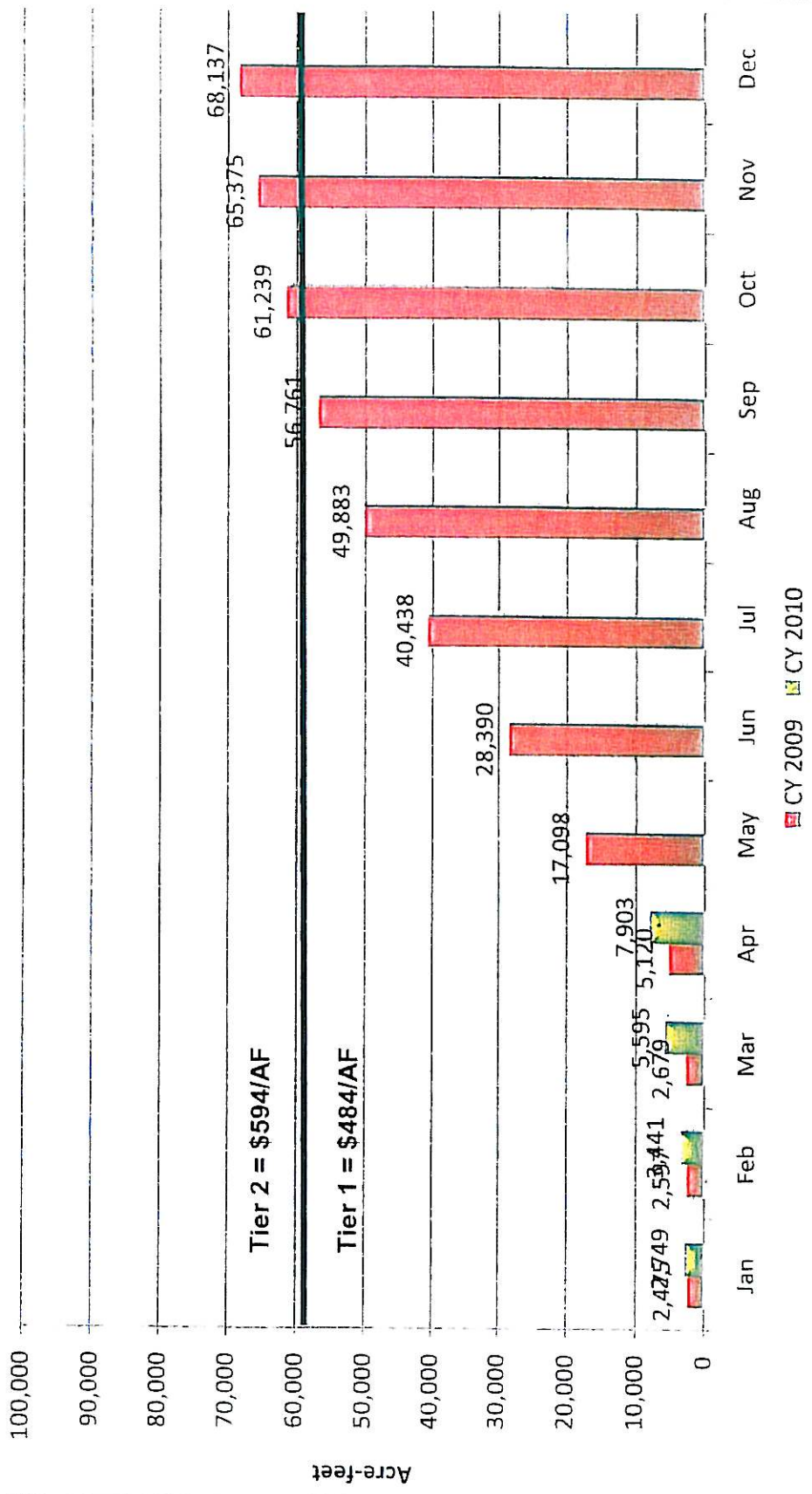
IEUA Projected Demands vs Actual Demands (thru March 2010)



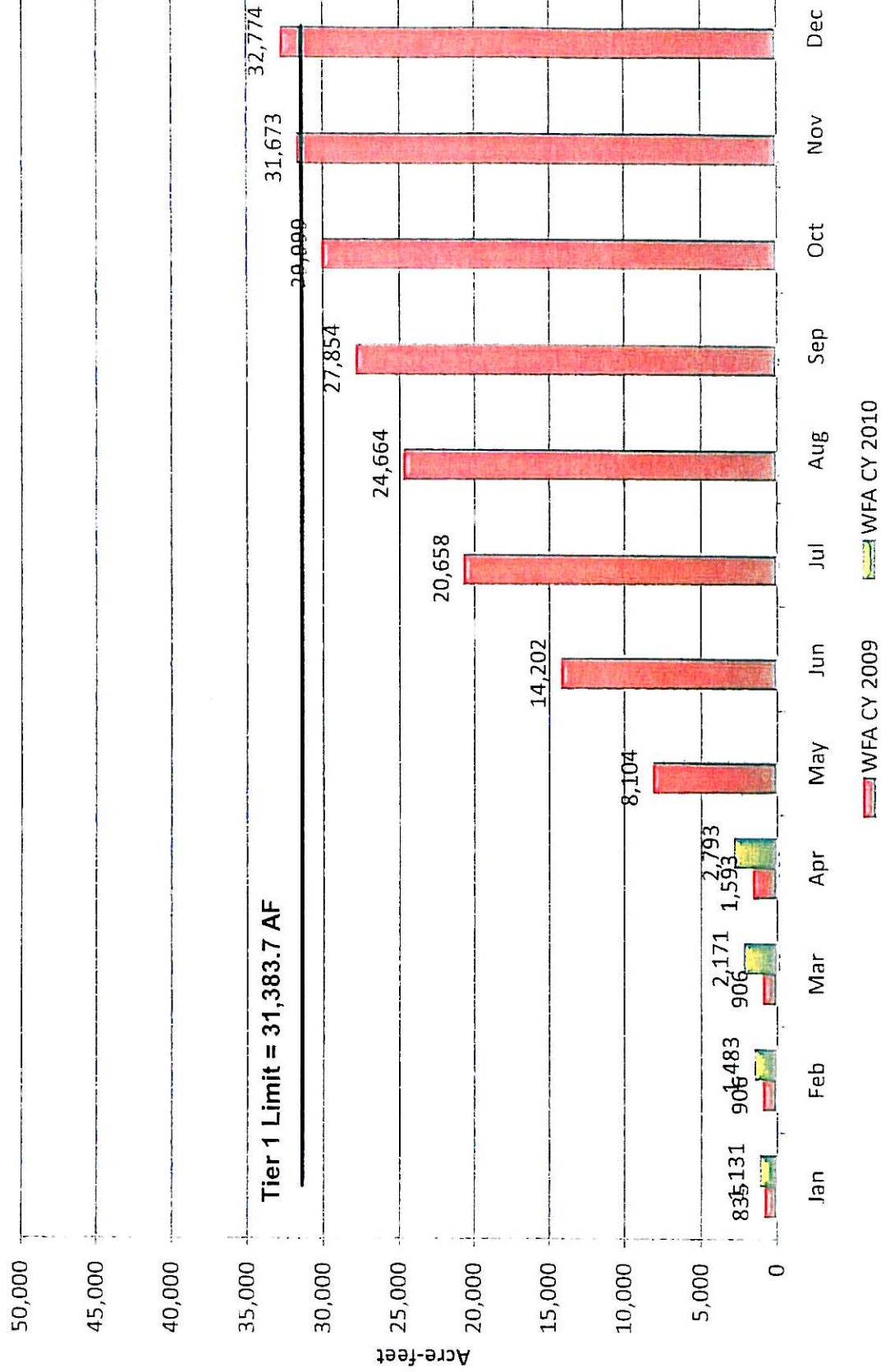
Attachment 2 IEUA Cumulative Full Service Imported Water Deliveries & Dry Year Yield



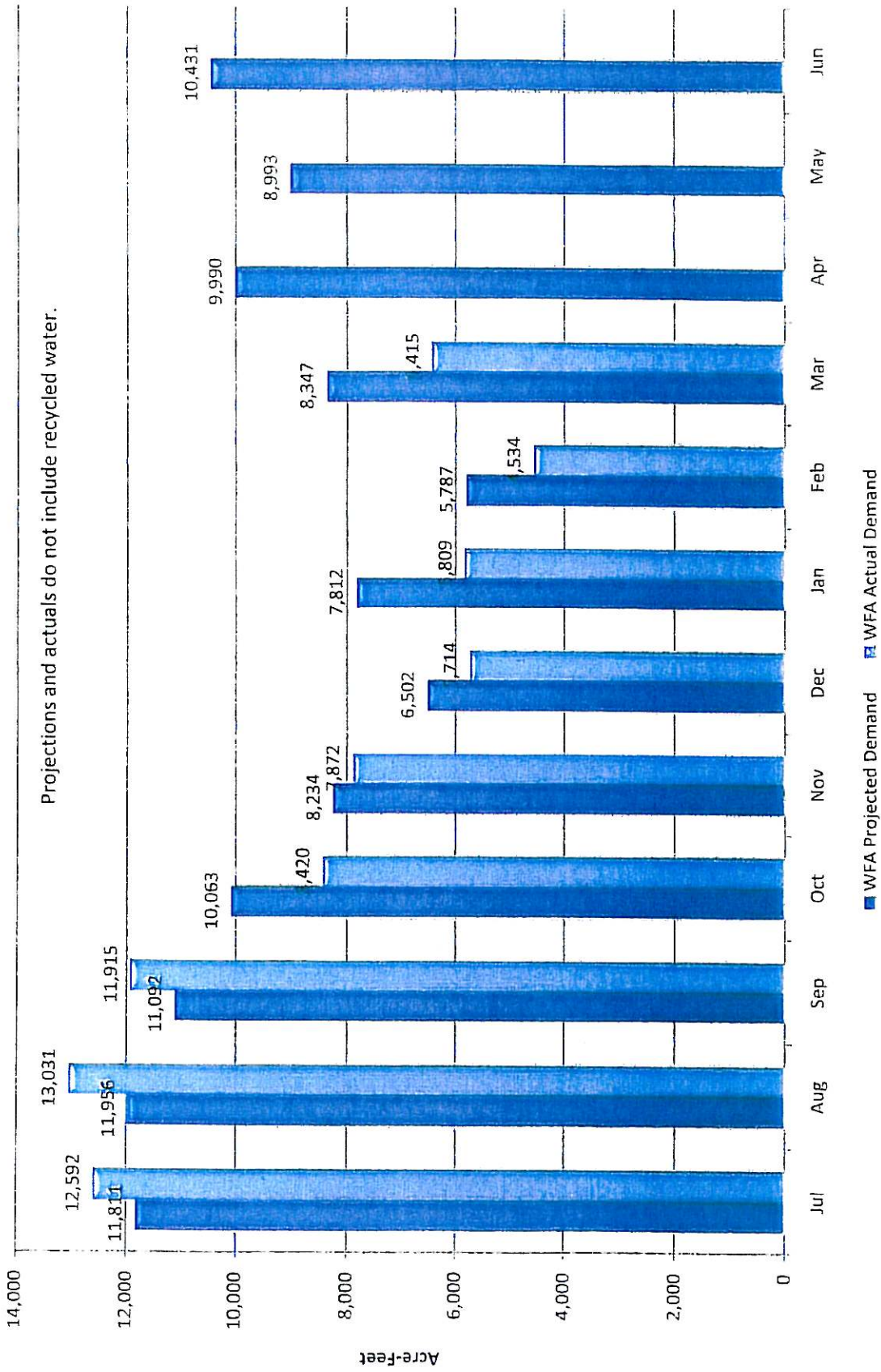
Attachment 3 IEUA Cumulative Full Service Imported Water Deliveries & Dry Year Yield



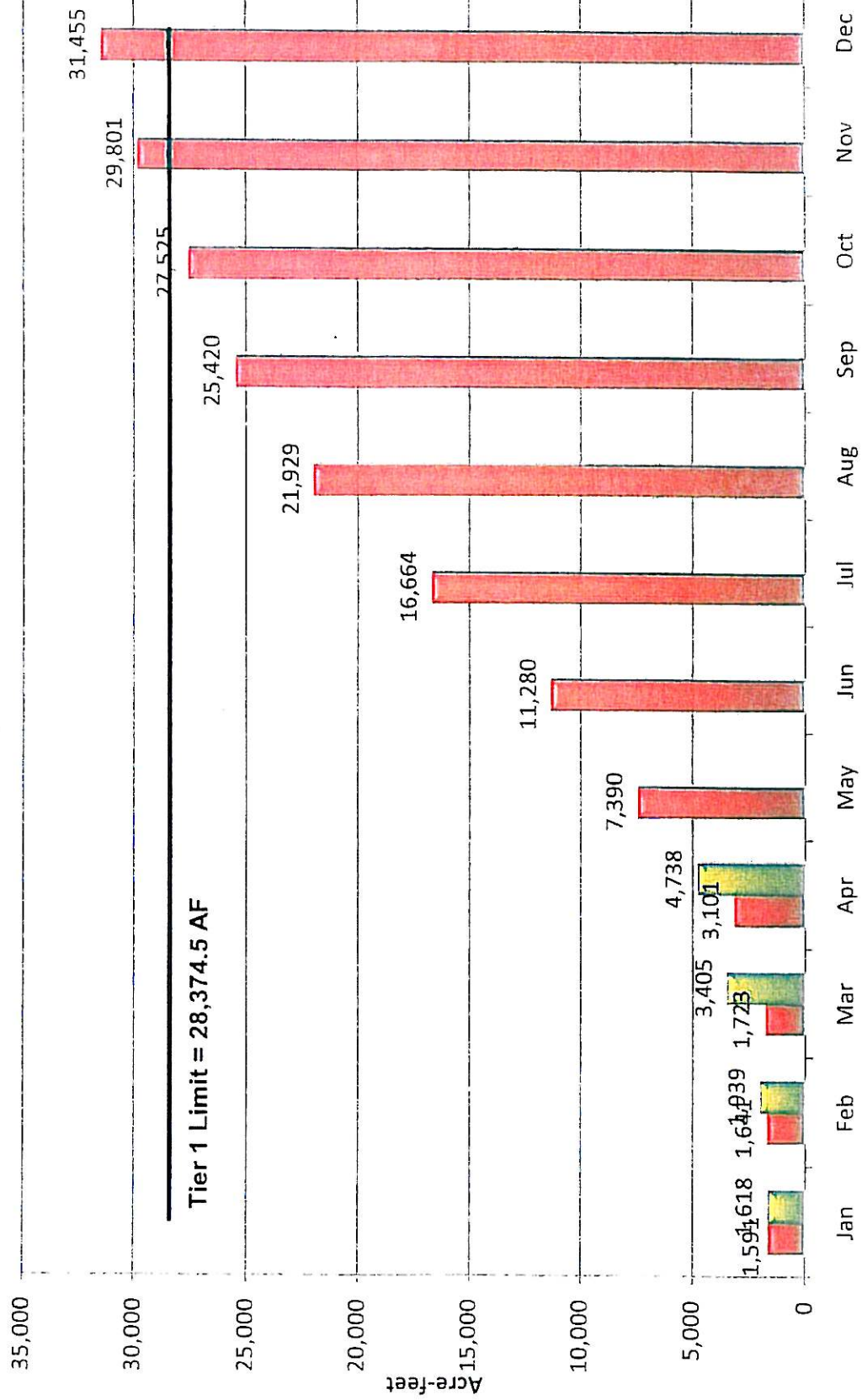
Attachment 4 WFA Cumulative Full Service Imported Water Deliveries & Dry Year Yield



Attachment 5 WFA Projected Demands vs Actual Demands (thru March 2010)



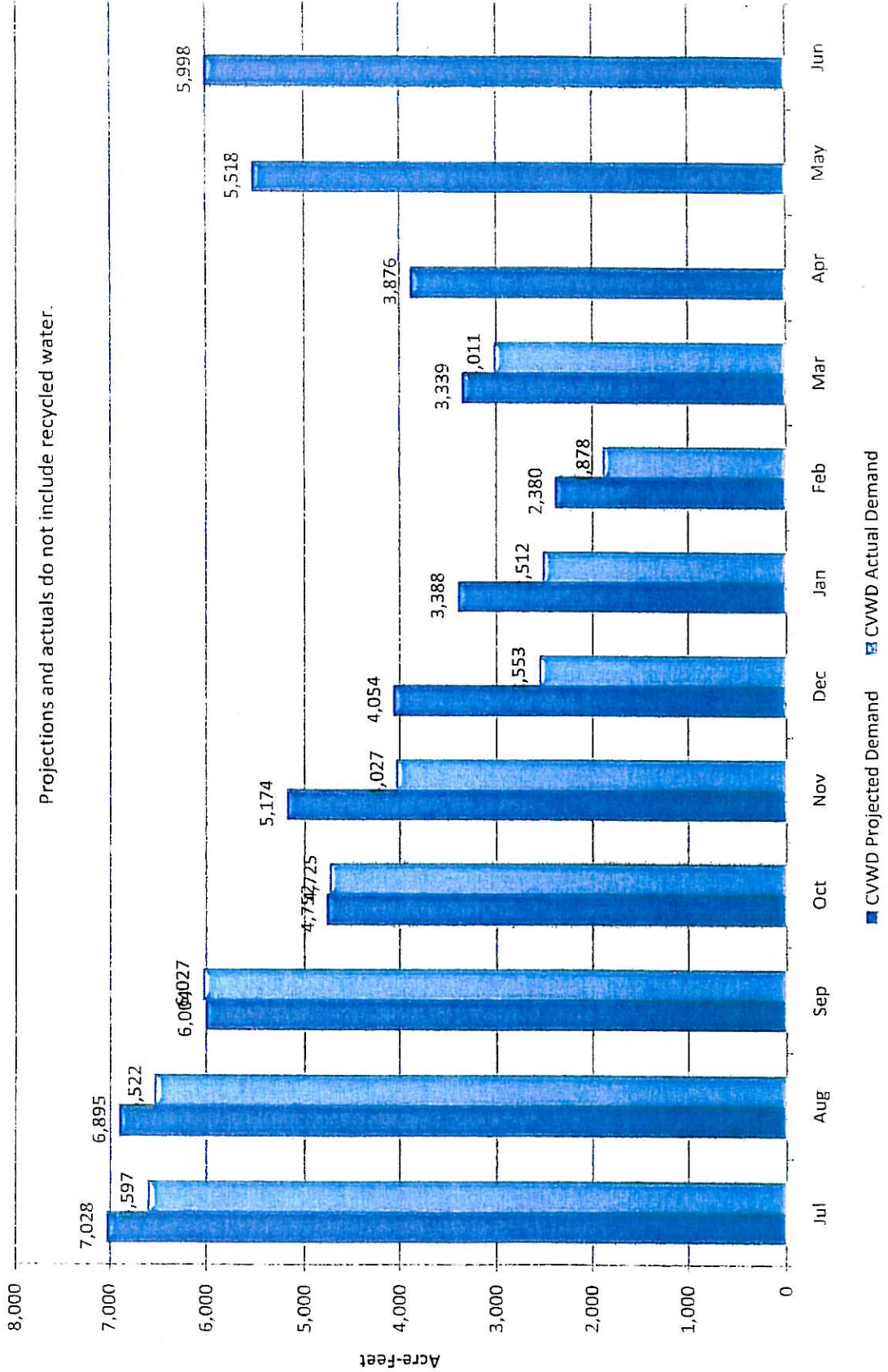
Attachment 6 CVWD Cumulative Full Service Imported Water Deliveries & Dry Year Yield



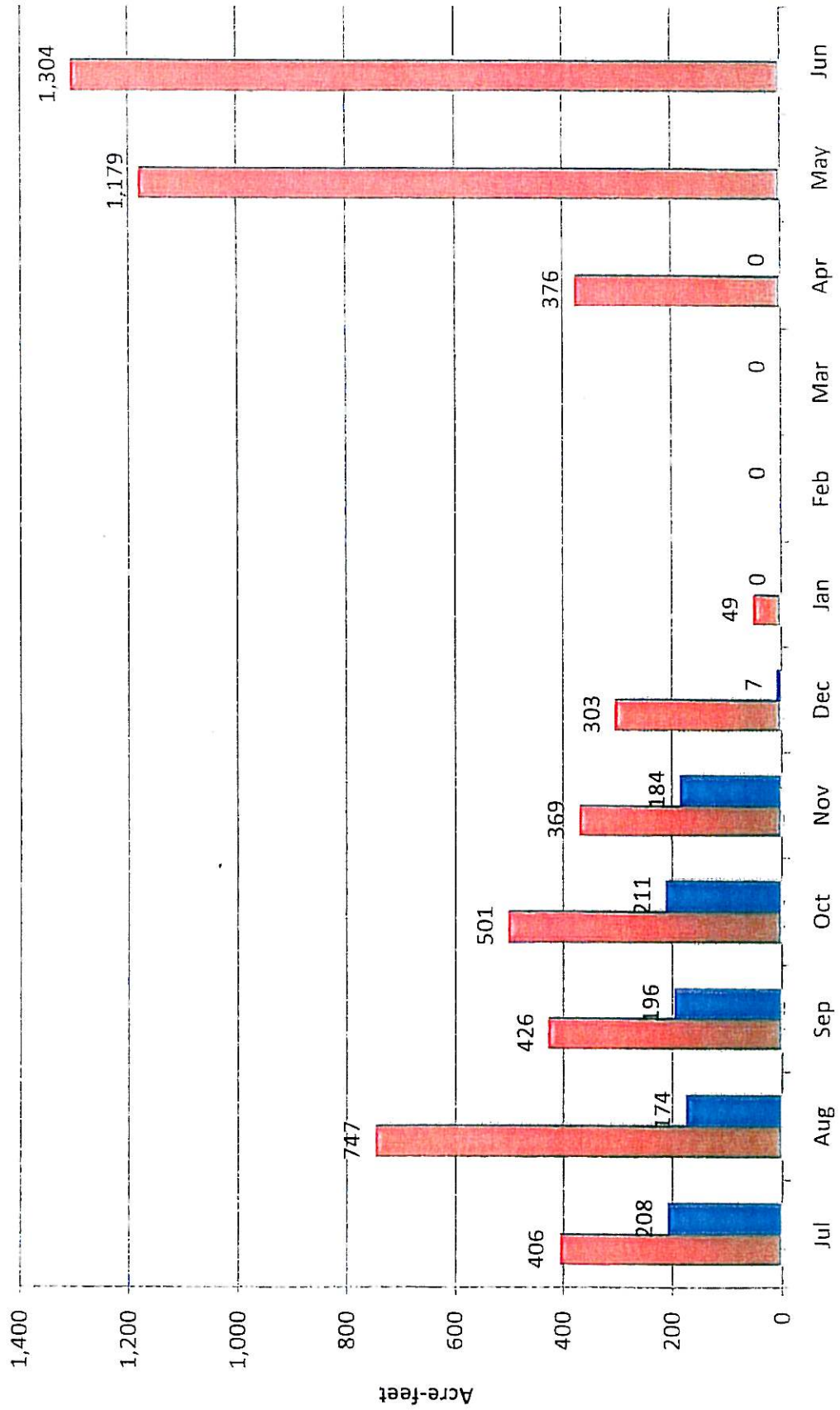
Tier 1 Limit = 28,374.5 AF

CVWD CY 2009 CVWD CY 2010

Attachment 7 CVWD Projected Demands vs Actual Demands (thru March 2010)

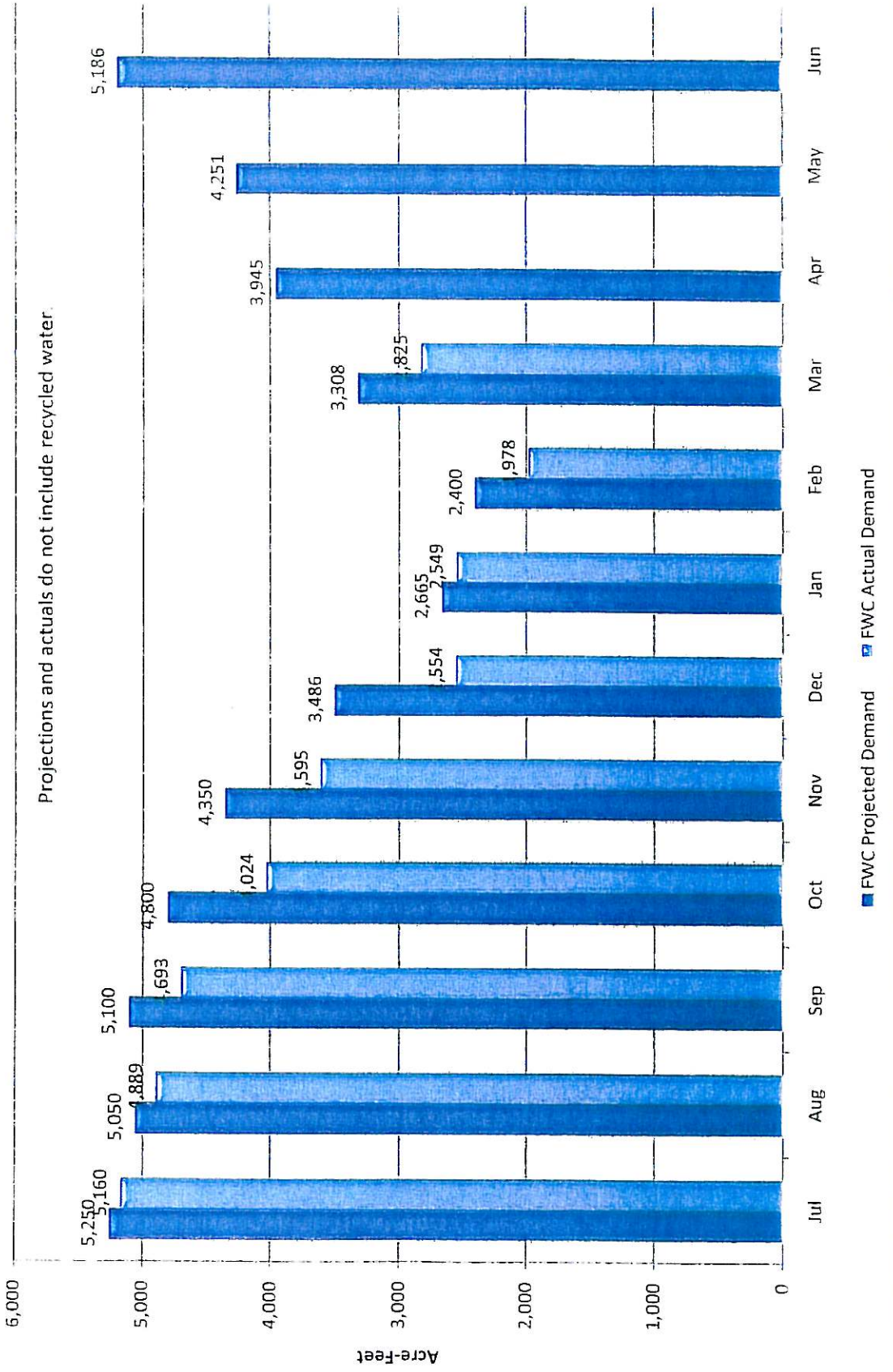


Attachment 8 FWC Monthly Full Service Imported Water Deliveries

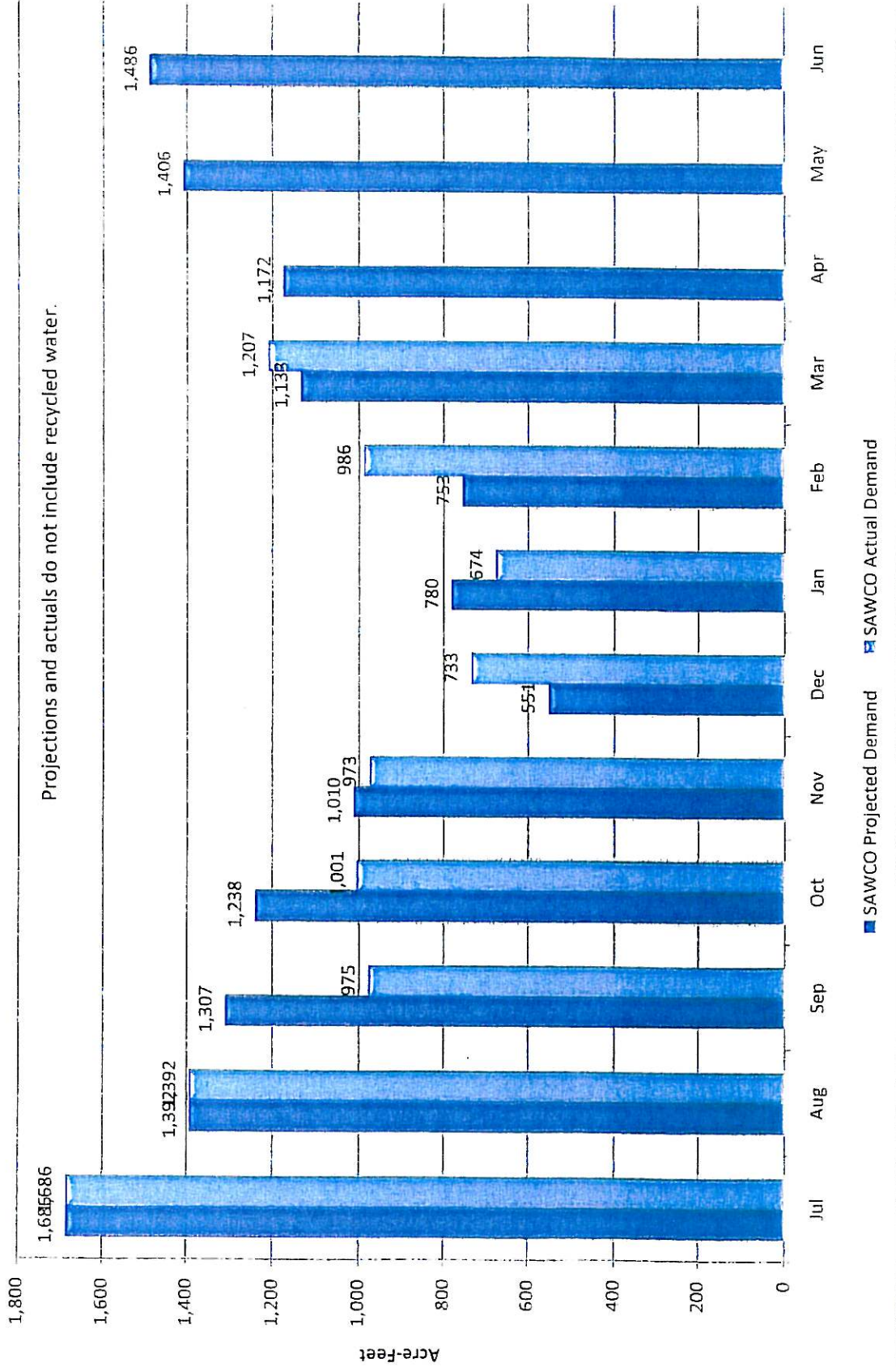


■ FY 2008/09 ■ FY 2009/10

Attachment 9 FWC Projected Demands vs Actual Demands (thru March 2010)



Attachment 10 SAWCO Projected Demands vs Actual Demands (thru March 2010)



Attachement 11
Inland Empire Utilities Agency Imported Water Sales

2008 Imported Water Sales	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Water Facilities Authority													
Direct Deliveries	2,333	1,282	2,555	3,088	1,332	1,682	2,730	3,450	2,913	2,836	1,444	1,060	26,705
Dry Year Yield					1,438	4,008	4,214	2,686	3,156	1,255	911	892	18,560
Sub-Total	2,333	1,282	2,555	3,088	2,770	5,690	6,944	6,136	6,069	4,091	2,356	1,952	45,265
Cucamonga Valley Water District													
Direct Deliveries	1,297	947	2,189	2,883	2,988	3,046	3,074	3,129	2,857	2,741	2,182	1,213	28,546
Dry Year Yield					1,603	2,016	2,532	2,527	0	44	1,499	1,131	11,352
Sub-Total	1,297	947	2,189	2,883	4,591	5,062	5,606	5,656	2,857	2,785	3,681	2,344	39,898
Fontana Water Company													
Direct Deliveries	0	0	0	0	0	15	406	747	426	501	369	303	2,767
Sub-Total	0	0	0	0	0	15	406	747	426	501	369	303	2,767
Inland Empire Utilities Agency													
Direct Deliveries	3,631	2,229	4,744	5,971	4,320	4,743	6,210	7,326	6,196	6,078	3,995	2,576	58,018
Dry Year Yield	0	0	0	0	3,041	6,024	6,746	5,213	3,156	1,299	2,410	2,023	29,912
TOTAL	3,631	2,229	4,744	5,971	7,360	10,767	12,956	12,539	9,352	7,377	6,406	4,599	87,930

2009 Imported Water Sales	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Water Facilities Authority													
Direct Deliveries	312	0	0	687	844	660	1,868	2,184	2,414	1,493	1,111	913	12,486
Dry Year Yield	522	71	0	0	5,667	5,438	4,588	1,822	776	653	563	188	20,287
Sub-Total	834	71	0	687	6,511	6,098	6,456	4,006	3,190	2,146	1,674	1,101	32,773
Cucamonga Valley Water District													
Direct Deliveries	1,591	50	82	1,378	1,635	1,535	2,728	2,608	2,460	2,105	2,276	1,654	20,101
Dry Year Yield	0	0	0	0	2,654	2,355	0	2,657	1,032	0	2,656		11,354
Sub-Total	1,591	50	82	1,378	4,289	3,890	2,728	5,265	3,492	2,105	4,932	1,654	31,455
Fontana Water Company													
Direct Deliveries	49	0	0	376	1,179	1,304	208	174	196	211	184	7	3,888
Sub-Total	49	0	0	376	1,179	1,304	208	174	196	211	184	7	3,888
Chino Basin Watermaster													
Replenishment	0	0	0	0	0	0	0	0	0	17	3	0	20
Sub-Total	0	0	0	0	0	0	0	0	0	17	3	0	20
Inland Empire Utilities Agency													
Direct Deliveries	1,952	50	82	2,441	3,658	3,499	4,804	4,966	5,069	3,808	3,570	2,574	36,475
Dry Year Yield	522	71	0	0	8,321	7,793	4,588	4,479	1,808	653	3,219	188	31,641
Replenishment	0	0	0	0	0	0	0	0	0	17	3	0	20
TOTAL	2,474	121	82	2,441	11,978	11,292	9,392	9,445	6,877	4,479	6,792	2,762	68,136

2010 Imported Water Sales	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Water Facilities Authority													
Direct Deliveries	1,131	352	688	622									2,793
Dry Year Yield													0
Sub-Total	1,131	352	688	622	0	0	0	0	0	0	0	0	2,793
Cucamonga Valley Water District													
Direct Deliveries	1,618	321	1,466	1,333									4,738
Dry Year Yield													0
Sub-Total	1,618	321	1,466	1,333	0	0	0	0	0	0	0	0	4,738
Fontana Water Company													
Direct Deliveries	0	0	0	0									0
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Chino Basin Watermaster													
Replenishment	0	7	0	366									373
Sub-Total	0	7	0	366	0	0	0	0	0	0	0	0	373
Inland Empire Utilities Agency													
Direct Deliveries	2,749	673	2,154	1,954	0	0	0	0	0	0	0	0	7,530
Dry Year Yield	0	0	0	0	0	0	0	0	0	0	0	0	0
Replenishment	0	7	0	366	0	0	0	0	0	0	0	0	373
TOTAL	2,749	680	2,154	2,320	0	0	0	0	0	0	0	0	7,903

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Date: May 19, 2010
To: The Honorable Board of Directors
Through: Public, Legislative Affairs, and Water Resources Committee (05/12/10)
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: April Legislative Report from Innovative Federal Strategies, LLC

RECOMMENDATION

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

BACKGROUND

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

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD

Enclosure

Innovative Federal Strategies LLC

Comprehensive Government Relations

MEMORANDUM

To: Rich Atwater and Martha Davis, IEUA

From: Letitia White and Heather Hennessey

Date: April 30, 2010

Re: April Monthly Legislative Update

April has been a short and unproductive month on Capitol Hill. Part of the problem was the two-week Easter/Spring recess and the other part was the continuing political stalemate that has occurred in the aftermath of the passage of the massive healthcare overhaul bill. The House has considered a series of non-controversial measures, while the Senate has focused on Financial Reform. Meanwhile, leaders and committee chairmen are maneuvering behind the scenes to position their legislative priorities for consideration during the summer, but it remains very unclear what bills will gain traction. The shortening legislative calendar, dire budget situation and volatile election year climate will make it very difficult for major legislation to move forward during the summer months.

April was an important month for IEUA's Fiscal Year 2011 federal agenda. The good news arrived that Senator Feinstein has listed the Chino Desalters Phase III Expansion request on her website, and we took steps to make sure that a typo in the website posting was corrected. We have now turned our full attention to IEUA's request in the Water Resources Development Act, which are due to the Senators in early May. A better discussion of the WRDA bill is below.

FY2011 Appropriations

We are closely following all discussions - - both on and off the Hill - - about the FY11 appropriations bills and the fate of earmark requests. With the Republican ban on all earmarks and the Democratic ban on earmarks for for-profit entities, talk on the Hill has shifted to discussions about "good government" pots of money in appropriations bills to be awarded on a competitive basis. Some individual Republican Senators have withdrawn their appropriations requests, following the example set by their House counterparts. However, most Senators are holding tight to their ability to make earmark requests, and three House Republicans have chosen to buck their leadership and submit earmark requests. More importantly perhaps, we are hearing that House Appropriations Chairman David Obey (D-WI) may decide not to move any appropriations bills past Subcommittee mark-up until after the November elections. If that is the case, it could be many months before we know the fate of the requests we submitted on your behalf.

This year's Congressional Budget process is also stalled by political disputes and concerns about the nation's financial situation. Typically, the passage of a Congressional Budget in early April signals the beginning of the appropriations process. While it is not necessary for Congress to

Innovative Federal Strategies LLC

pass a budget, it is a sign of serious discord when they fail to do so. The Senate Budget Committee has made some progress on their version of the bill. In the House, however, the Budget is not moving forward and members of the leadership seem reluctant to force the fiscally conservative Blue Dog Democrats and the liberal wing of the chamber into another conflict over spending.

In the meantime, the House and Senate Appropriations Committees are moving forward with agency budget hearings. Each week numerous Department Secretaries and Assistant Secretaries are marching up to the Hill to testify on their programs and justify their Fiscal Year 2011 budget requests. Once the hearings are completed, appropriations subcommittee staff can start drafting their bills and reports for Members to review. We hope to begin to see some information about subcommittee mark-ups during May.

Water Resources Development Act (WRDA)

On Tuesday, April 27th, Senators Boxer and Feinstein sent out their respective calls for Water Resources Development Act (WRDA) projects. As you may know, WRDA authorizes funding for U.S. Army Corps of Engineers flood control-type projects. The authorizations only allow entities to submit requests for appropriations. No money will actually flow to a project without a separate appropriation from the Energy and Water Appropriations bill. WRDA requests on the House side were submitted late last year.

The turnaround timeframe for project submissions is very quick – just one week for Senator Feinstein and two weeks for Senator Boxer. Senator Boxer is Chairman of the Senate Committee which will write the bill - - the Committee on Environment and Public Works - - and she will have a tremendous amount of influence for California if the bill passes. It is important to note that while this call for projects has gone out, the likelihood of the Senate passing a WRDA bill in the time remaining this year is very slim. WRDA bills have become increasingly expensive and controversial over the past few decades. In the past, Congress would pass a new WRDA bill every two years. But issues of Corps reform and the tremendous backlog of authorized Corps projects have extended that to four to six years since the 1990's.

Other Potential Items for the Congress

As we stated above, it is very unclear which legislative initiatives will gain traction in the remaining few months of the 111th Congress. Climate change legislation has been a primary goal of Democratic leaders and the Obama Administration. While the House passed a cap-and-trade bill last summer, the Senate has not followed with a bill of its own. For many months, Senators John Kerry (D-MA), Lindsey Graham (R-SC) and Joe Lieberman (D-CT) have worked behind the scenes on a compromise climate change and energy bill. Their goal was to produce bipartisan legislation to reduce carbon emissions while also including benefits to the energy and business sectors. It is an all-for-one and one-for-all effort, with the three Senators vowing to move forward together or let the bill die. After extensive discussions with stakeholders, a draft of the legislation is now being reviewed by EPA.

But the Kerry/Graham/Lieberman compromise on climate change may be derailed by Democratic efforts to pass immigration legislation. Senator Graham intends to walk away from the compromise bill if the Senate attempts to move any immigration legislation this year. He has

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a deep interest in immigration policy but considers the issue to be a partisan lightning rod that will “poison the well” for all other legislation in the Senate. Another complication is the upcoming Supreme Court nomination to replace the retiring Justice Stevens, which will take a great deal of the Senate’s time and could also be very controversial.

Transportation Update – TIGER Grants Announced

On April 26th, the Department of Transportation announced the new criteria for awarding \$600 million in transportation and infrastructure grants under the TIGER program. According to the Department, the two main criteria for awards from this round of grant funding are “long-term outcomes” and “job creation and economic stimulus.” The funds will require a 20% local match, which was not the case for the first round of TIGER funding. We encourage you to consider the TIGER II grant opportunity and let us know if you decide to pursue the funding.

Please let us know if you have any questions on these items or any other legislation, and we will continue to keep you posted on issues of importance to your federal agenda.



Date: May 19, 2010

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (05/12/10)

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

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: April Legislative Report from Dolphin Group

RECOMMENDATION

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

BACKGROUND

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

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD

Enclosure

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April 30, 2010

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



Please find attached the status report from The Dolphin Group for the month of April 2010.

It is the elephant in the room: For months, the looming budget crisis at the Capitol has received very little attention from lawmakers or the press. Within the next few weeks, when the Governor releases the May Revise of his 2010-11 budget proposal, it will again become the talk of the town.

While legislators were hoping for a recovering economy and improving tax receipts to reduce the budget deficit, it now appears revenue may be down further than expected. During the first few months of 2010, sales tax receipts were running consistently above expectations. However, early personal income tax returns suggest personal income taxes could be well below projections. As a result the deficit could be worsened still more.

In the regulatory world, DGI and IEUA have been heading a workgroup with other interested parties to press the CPUC to begin implementation of SB 32 feed-in tariffs. This is an issue about which the CPUC has been slow to implement, despite the fact that this bill became law on the first day of 2010.

Chino Basin / OBMP Coalition

Status Report – April 2010

ENERGY/REGULATORY

SB 32 Working Group Makes Progress

A coalition of parties has formed a working group to be to address the implementation of SB 32, even as the CPUC remains content to table the matter for another few months. SB 32, co-sponsored by IEUA, became law on January 1, 2010.

The group, coordinated by DGI, includes the solar industry, IEUA, biogas and fuel cell interests, all intent on properly implementing SB 32 at the Commission. The most important issue is how to quantify the intent of SB 32 into higher prices paid for renewable power through the feed-in-tariff model. The group has begun an exchange of information to address this issue. Each party will offer testimony on these issues once the proceeding is launched at the CPUC.

Additionally, a subgroup has been formed to address interconnection issues, to ensure that new renewable projects can be connected as soon as possible with a minimum of bureaucratic red tape. The first conference call on this issue occurred on April 29th.

The group has also been working with the original author of the measure, Senator Negrete-McLeod (D-Chino) to issue a letter to the CPUC urging them to implement the new expanded program as soon as possible. The letter was sent on April __.

Lastly, the group is also coordinating an array of meetings with CPUC Commissioners and key Commission staff in mid-April to follow-up on the Negrete-McLeod letter and urge rapid scheduling of SB 32 issues.

DGI will continue to spearhead this coalition, in conjunction with IEUA, until the Commission implements this measure.

AB 32 Implementation

A long awaited CARB decision on a greenhouse gas cap-and-trade program has been delayed by several months. At a meeting attended by DGI staff in late April, CARB Executive Officer James Goldstein and Office of Climate Change Director Kevin Kennedy shared that a revised cap-and-trade program would be delayed to provide additional time for dialogue with major stakeholders groups.

The program has come under increasing pressure from Republican lawmakers and business groups facing significant cost to purchase offsets under the program. AB 32 implementation efforts are also the target of a proposed November initiative that is picking up donations and support from the business community to stall implementation until the economy improves.

STATE BUDGET CRISIS

Despite a looming budget deficit currently estimated at \$18.8 billion, most lawmakers have been content to address other legislative matters this month, with little public discussion of the impending budget crisis. Budget subcommittees have continued their routine program hearings.

This is largely due to the fact that the state's revenues have been higher than anticipated in the first few months of the year. As of the end of the first quarter of 2010, year-to-date revenues exceeded expectations by \$2.3 billion, or 4.1%, according to State Controller John Chiang.

However, early April personal income tax returns were running well below expectations. In mid-May, the Governor will release his revised budget proposal, which will reflect updated revenue projections and a revised budget shortfall. Legislative leaders have decided to await this updated proposal before committing to budget cuts (or proposed tax and/or fee increases) or holding significant negotiations.

Most analysts believe the shortfall in the 2010-11 state budget could still be approaching \$20 billion, which will likely precipitate a prolonged budget battle that could last well into the summer.

DELTA STEWARDSHIP COUNCIL HOLDS FIRST TWO MEETINGS

The newly formed Delta Stewardship Council held their first two meetings in April. The substance of these meetings was largely administrative at this early point, with extensive time dedicated to educating the members on Delta issues and the responsibilities of the Council.

As expected, **Phil Isenberg** was elected Chair of the council at the first meeting, held on April 1. He is joined on the council by **Gloria Gray, Randy Fiorini, Patrick Johnston, Hank Nordhoff, Don Nottoli** and **Richard Roos-Collins**. Fiorini, a former ACWA President, was elected as Vice Chair.

The council also acted to hire an Executive Director, **Joe Grindstaff**, who previously served as the Executive Director of CALFED Bay-Delta program. Similarly, **Dr. Clifford Dahm**, also from CALFED, was appointed chief scientist.

Most of the second meeting on April 22-23 was dedicated to a primer on the Delta, including the history, hydrology, exports and other issues effecting the Delta.

The next meeting of the Delta Stewardship Council is expected to be scheduled for mid-May.

LEGISLATIVE HEARINGS RAMP UP

Facing a deadline of April 23 to approve fiscal bills, various legislative committees were quite busy this month considering hundreds of measures. The few bills that do not have fiscal impacts must be approved by these policy committees by May 7.

All fiscal bills must now be approved by the respective Appropriations Committees in the Assembly and the Senate by May 28.

The following bills are being monitored by DGI on behalf of IEUA and the Coalition:

- CA AB 1947 **AUTHOR:** Fong [D]
 TITLE: Solar Energy
 LAST AMEND: 03/25/2010
 DISPOSITION: Pending
 FILE: 75
 LOCATION: Assembly Third Reading File
 SUMMARY:
 Authorizes a local publicly owned electric utility to adopt, implement, and finance a solar initiative program exempt from offset and same-premises program requirements, where residential and business consumers offset part or all of their electricity demand with electricity generated by a solar energy system not located on the premises of the consumer, if the program meets certain requirements.
 Position: Watch
- CA AB 1954 **AUTHOR:** Skinner [D]
 TITLE: Electrical Transmission: Renewable Energy Resources
 LAST AMEND: 04/12/2010
 DISPOSITION: Pending
 LOCATION: Assembly Appropriations Committee
 SUMMARY:
 Relates to the Public Utilities Commission. Provides that an application by an electrical corporation for a certificate of public convenience and necessity for new transmission facilities is necessary to the provision of electric service if the commission finds that new facilities facilitate achievement of the renewables portfolio standard. Authorizes the commission to approve the recovery of retail rates of certain transmission facilities costs if not approved by the federal Energy Regulatory Commission.
 Position: Watch
- CA AB 2037 **AUTHOR:** Perez V [D]
 TITLE: Electricity: Air Pollution
 LAST AMEND: 04/13/2010
 DISPOSITION: Pending
 COMMITTEE: Assembly Appropriations Committee
 HEARING: 04/28/2010 9:00 am
 SUMMARY:
 Prohibits a load-serving entity or local publicly owned electric utility from entering into, and would prohibit the Public Utilities Commission from approving

for an electrical corporation, a long-term financial commitment with or for a new electrical generation facility that meets specified criteria, as determined by local air pollution control and air quality management districts. Relates to methods to encourage the use of cross-border trading of offsets, emission reductions, and mitigation funds.

Position: Watch

CA AB 2231

AUTHOR: Perez V [D]
TITLE: Energy: Renewable Energy Action Team
DISPOSITION: Pending
LOCATION: Assembly Natural Resources Committee
SUMMARY:

Convenes the Renewable Energy Action Team to develop and adopt the Desert Renewable Energy Conservation Plan to identify renewable energy zones based on renewable energy development potential and environmental, wildlife, and conservation criteria. Requires the commission to prepare a master environmental impact report or a program environmental impact report that encompasses all of the renewable energy resources that may be developed in the renewable energy zones identified in the plan.

Position: Watch

CA AB 2296

AUTHOR: Saldana [D]
TITLE: Energy: Solar Energy Systems
DISPOSITION: Pending
FILE: 6
LOCATION: Assembly Second Reading File
SUMMARY:

Amends existing law regarding expansion of eligibility criteria for solar systems receiving ratepayer funded incentives including a solar energy system that is located on the same premises to include a near-site location to the end-use consumer.

CA AB 2378

AUTHOR: Tran [R]
TITLE: Energy: Renewable Energy Program
DISPOSITION: Pending
COMMITTEE: Assembly Utilities and Commerce Committee
HEARING: 05/03/2010 3:00 pm
SUMMARY:

Amends existing law that establishes the renewable energy resources program that is administered by the State Energy Resources Conservation and Development Commission to increase the amount of electricity generated from eligible renewable resources per year. Defines dual renewable energy device for the purposes of the program.

Position: Watch

CA AB 2514

AUTHOR: Skinner [D]
TITLE: Energy Storage Systems
LAST AMEND: 04/14/2010
DISPOSITION: Pending
LOCATION: Assembly Second Reading File
SUMMARY:

Requires the Public Utilities Commission to open a proceeding; establishes procurement targets for each electrical corporation for viable and cost-effective

energy storage system. Adopts an appropriate system procurement target. Requires a local public owned electric utility board open a proceeding for procurement targets for the utility for viable and appropriate system procurement target to be achieved by a specified date. Requires a plan for thermal, mechanical, or electrochemical energy storage.

Position: Watch

CA AB 2561

AUTHOR: Villines [R]
TITLE: Energy: Energy Commission and Department
LAST AMEND: 04/26/2010
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:

Transfers various energy related powers, duties, responsibilities, obligations, liabilities, and jurisdiction to, from, and between specified existing and newly created energy planning and conservation agencies and boards. Repeals the Katz Safe Schoolbus Clean Fuel Efficiency Demonstration Program, the Small Business Energy Efficient Refrigeration Program, the State Solar Medallion Passive Design Competition and the Consumer Power and Conservation Financing Authority Act.

Position: Watch

CA AB 2679

AUTHOR: Eng [D]
TITLE: Public Buildings: Energy and Water: Consumption
LAST AMEND: 04/08/2010
DISPOSITION: Pending
LOCATION: Assembly Second Reading File
SUMMARY:

Requires all public buildings to conform to a specified compliance schedule to achieve reductions in energy and water consumption and to maintain specified water and energy reduction levels by specified dates. Requires each public entity operating a public building to provide the Department of General Services a certified onsite assessment of such levels. Requires applicable public entities to adopt and implement processes outlined in the Green Building Action Plan.

Position: Watch

CA AB 2693

AUTHOR: Blumenfield [D]
TITLE: Local Government Renewable Energy Self-Generation
DISPOSITION: Pending
LOCATION: Assembly Utilities and Commerce Committee
SUMMARY:

Amends existing law which states the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, and that authorizes a local government to receive a bill credit to a designated benefiting account for electricity exported to the electrical grid by an eligible renewable generating facility. Revises the definition of a local government to include a joint powers authority or agency.

Position: Watch

CA SB 1153

AUTHOR: Hancock [D]
TITLE: Energy: Sustainable Energy Zone
LAST AMEND: 04/05/2010
DISPOSITION: Pending

FILE: 16
LOCATION: Senate Second Reading File
SUMMARY:

Authorizes the Energy Commission to designate a sustainable energy zone suitable for the construction or operation of renewable energy projects and designated transmission corridors. Requires the Energy Commission to identify zones where projects can be built that are consistent with the strategic plan for the state's electric transmission grid. Requires the Energy Commission to report to the legislature regarding the designation of sustainable energy zones. Deletes provisions regarding greenhouse gases.

Position: Watch

CA SB 1198

AUTHOR: Huff [R]
TITLE: Energy: Energy Resources Conservation and Development
LAST AMEND: 04/12/2010
DISPOSITION: Pending
FILE: 18
LOCATION: Senate Second Reading File
SUMMARY:

Amends existing law that requires the State Energy Resources Conservation and Development Commission to set standards for minimum levels of operating efficiency for products. Prohibits the implementation of the television product labeling requirement adopted by the commission unless the Federal Trade Commission fails to issue a final labeling rule by a specified date. Provides certain conditions for all appliance standards requirements after a specified date.

Position: Watch

CA SB 1241

AUTHOR: Wolk [D]
TITLE: Greenhouse Gas Emissions Reduction: Agriculture
LAST AMEND: 04/22/2010
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY:

Requires the Secretary of Food and Agriculture and the Department of Food and Agriculture to establish and convene the state Agricultural Climate Benefits Advisory Committee to advise the state Air Resources Board on strategies to support agricultural activities that reduce global warming impacts that may negatively impact agriculture and the rest of the state.

Position: Watch

CA SB 1247

AUTHOR: Dutton [R]
TITLE: Renewable Energy Resources
LAST AMEND: 03/22/2010
DISPOSITION: Pending
LOCATION: Senate Energy, Utilities and Communications Committee
SUMMARY:

Deletes the existing definition of renewable energy under the Renewables Portfolio Standard Program. Defines the term to mean an electric generating facility that uses biomass, solar energy, wind, geothermal, fuel cells using renewable fuels, hydroelectric generation, nuclear generation, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to the facility using that

technology. Makes conforming changes to hydroelectric.

Position: Watch

CA SB 1367

AUTHOR: Wyland [R]

TITLE: Renewable Energy: Procurement Attainment Date

DISPOSITION: Pending

LOCATION: Senate Energy, Utilities and Communications Committee

SUMMARY:

Relates to the Portfolio Standard Program. Extends the target date for a retail seller to procure 20 percent of its retail sales from eligible renewable energy resources.

Position: Watch

CA SB 1465

AUTHOR: Lowenthal A [D]

TITLE: Energy: Microturbines

DISPOSITION: Pending

LOCATION: Senate Energy, Utilities and Communications Committee

SUMMARY:

Amends the Waste Heat and Carbon Emissions Reduction Act. Requires an electrical corporation to purchase excess electricity from a customer of an electrical corporation that uses a microturbine with a generating capacity of not more than one megawatt that runs off waste or standard gas associated with the extraction of oil or gas and has a time-of-use meter capable of registering the flow of electricity in 2 directions.

Position: Watch



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

Date: May 19, 2010
To: The Honorable Board of Directors
Through: Public, Legislative Affairs and Water Resources Committee (05/12/10)
From: Richard W. Atwater
Chief Executive Officer/General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: April Legislative Report from Geyer and Associates

RECOMMENDATION

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

BACKGROUND

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

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RWA:MD

Enclosure

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MEMORANDUM

TO: Rich Atwater and Martha Davis

FROM: Jennifer West and Bill Geyer

DATE: April 29, 2010

RE: April Legislative Report

Attached are the "Watch" and "Positions" bill lists for IEUA. This year the agency has taken positions on seven bills to date. This report recommends positions on six additional bills.

This month two bills IEUA opposed failed to move out of their respective policy committees in time to meet the Legislative deadline, which means they are probably dead for the year. These bills are AB 1594 (Huber), which would have prohibited the construction of a Delta conveyance facility without a vote of the Legislature. The bill died after failing to receive a "second" in the Assembly Water Parks and Wildlife Committee. IEUA met with all the members of the committee to express the agency's opposition. AB 1664 (Swanson) was also pulled from committee. It would have prohibited a representative to the MWD Board of Directors from receiving directions or instructions from his or her respective agency concerning any question, order, resolution, or ordinance that came before the MWD board. IEUA also worked to oppose this bill with MWD.

Delta Stewardship Council Costs

The Delta Stewardship Council (DSC) was created last year as part of the Delta package passed by the Legislature in the water special session. Its core responsibilities include the development of the Delta Plan and its work in connection with the Bay Delta Conservation Plan (BDCP) process. While there is \$49 million included in the Governor's budget to fund 2010-2011 DSC actions, there is no long term financing plan in place for the DSC.

Some budget Committee members and the Legislative Analysts Office are calling for a financing plan for the DSC that reflects the implementation of the "beneficiary pays" funding principle, whereby the public and private beneficiaries of a state expenditure pay an appropriate share of costs based on the benefit received. There are two bills on your watch list (AB 2092 and SB 1469) that seek to establish Delta beneficiaries, presumably to help fund the future actions of the DSC. Each bill includes the State Water Project contractors as potential beneficiaries, but they also include other entities, such as wastewater agencies discharging into the Delta. It is likely that a DSC financing plan will come together this year either through stand alone legislation, or through the passage of the state budget and its associated trailer bills.

Inland Empire Utilities Agency

April 30, 2010

Positions

<p>AB 1594 (Huber) co-authors Chesbro, Fong, Gaines, Torlakson and Yamada</p>	<p>AB 1594 prohibits the construction of the Delta conveyance facility, unless expressly authorized by the Legislature. It requires the Legislative Analysts Office (LAO) to prepare an economic analysis of the peripheral canal that includes 1) the total cost of the construction project, 2) expected impacts of the construction program on the taxpayers, water ratepayers and the General Fund.</p> <p>It also requires that the construction and operation of a Delta conveyance facility not diminish or negatively affect water supplies, water rights or water quality for "water users within the Delta watershed."</p> <p>IEUA and MWD jointly met with AWPW members to oppose the bill.</p> <p>Opposed</p>	<p>AWPW Failed Passage on 4/27</p>
<p>AB 1793 (Saldana) Turf (amended 4-20)</p>	<p>Prohibits common interest developments from prohibiting the installation of artificial turf.</p> <p>Sponsored by San Diego County Water Authority</p> <p>Recommend Support</p>	<p>Senate</p>
<p>AB 1975 (Fong) Water meters (Amended 4-7)</p>	<p>States that each water purveyor that delivers water service to a multiunit residential structure, or a mixed use residential and commercial structure for which the first occupancy permit for a newly constructed building is issued on or after Jan.1, 2012, shall require the installation of a water meter or submeter to measure water supplied in each individual dwelling as a condition of new water service. Requires that the owner of the buildings charge the occupants for water and sewer service based on the actual volume of water delivered to the unit as measured by the meter or submeter. Allows the building owner to charge an administrative fee for reading the meters and billing, not to exceed \$4 per meter. Allows the owner to charge up at a \$10 late fee.</p> <p>Does not apply to structures that are four stories high and for which the owner can demonstrate to the water purveyor that the structure's plumbing configuration makes submeters infeasible. Sierra Club Sponsor.</p>	<p>Assembly Floor</p>

	<p>MWD is seeking amendments to ensure that the water purveyors do not have to pay for the submeters. Other entities have requested that the author require the retail agencies to be the point of collection.</p> <p>Recommend Support (specifying that retail agencies will not pay for submeters or become the point of collection.)</p>	
<p>AB 1834 (Solorio) Rainwater Capture</p>	<p>Establishes the Rainwater Capture Act of 2010 recognizing rainwater captured from impervious surfaces could contribute to local water supplies.</p> <p>Allows landowners to install, maintain, and operate systems to capture rainwater from impervious surfaces on their own property.</p> <p>Requires landowners to comply with a local agency's program to promote rainwater or stormwater capture, if such a program exists.</p> <p>Allows property owners to finance a rainwater recapture system through a voluntary contractual assessment on their own property.</p> <p>Initiates a stakeholder process, led by the State Water Resources Control Board, to develop guidelines to address legal and policy issues arising out of stormwater and rainwater recapture</p> <p>Amendments to expand SWRCB stakeholder process to include stormwater. Will define "stormwater" to be consistent with the federal definition. Will specify that the program does not impose any duty on local agencies to oversee rainwater capture.</p> <p>Recommend Support as proposed to be amended</p>	<p>Approps. Suspense</p>
<p>AB 2182 (Huffman) Sewer Lateral Lines</p>	<p>Expands the AB 811 program authorization, which finances the installation of energy and water saving improvements, to allow public agencies to enter into contractual assessments to include onsite sewer improvements. Sponsored by IRWD.</p> <p>Recommend Support</p>	<p>Assembly Floor</p>
<p>AB 2304 (Huffman) Groundwater</p>	<p>Requires public water agencies to provide cities and counties, when updating their General Plans, a description of "prime recharge areas" as defined below, <u>and</u> to identify any</p>	<p>Assembly Local Gov</p>

<p>(amended 4-26)</p>	<p>potential threats to those areas that have been indentified in a Groundwater Management Plan or by a watermaster pursuant to a court order.</p> <p>Specifies that the local agency shall consider this information when developing the open space element of a general plan and future land use and zoning decisions.</p> <p>Defines "Prime recharge area" to means an area in which the surface topography, subsurface geologic composition and structures, and rates of water infiltration render the area a principal contributor to the replenishment of the groundwater basin, either under natural conditions, artificially augmented groundwater recharge, or both.</p> <p>Requires that a Groundwater Management Plan include a map of the prime recharge areas and include potential threats to those areas. It also requires that the plan be updated every five years. With the passage of SBX7 6 from last fall, a local agency can not receive state groundwater funding unless it has prepared a Groundwater Management Plan. Adjudicated basins are exempted from this requirement.</p> <p>California Groundwater Coalition is the sponsor. CBIA is opposed.</p> <p>Recommend Support</p>	<p>5-5</p>
<p>AB 2583 (Hall) Safer Technology (amended 4-22)</p>	<p>This bill would require Cal Emergency Management Agency by January 1, 2013, to adopt regulations to require a public water system or wastewater treatment plant that is required to prepare and submit an risk management plan (RMP) to additionally consider the use of safer technologies by the public water system or wastewater treatment plant in that RMP. The bill will require the wastewater treatment plant to utilize raw material chemical products derived from "safer technology" when commercially available and when considered safer and better for the environment.</p> <p>ACWA and MWD opposed.</p> <p>Recommend oppose</p>	<p>Approps.</p>
<p>SB 1173 (Wolk) Recycled Water</p>	<p>Makes it easier in SWRCB proceeding to force an entity to use recycled water, in lieu of potable water, when it is available and affordable. WateReuse in support.</p>	<p>Senate Approps. 5-3</p>

(amended 3-24)	Support	
SB 1478 (Senate Natural Resources and Water Committee) UWMP	Grants the extension for adoption of an urban water management plan that is due in 2010 to an urban wholesale water supplier, and requires an urban water wholesale water supplier that adopts an urban water management plan in 2010 that does not include the specified technical methodologies to amend the plan. Support	Assembly
SB 1284 (Ducheny) Mandatory Minimum Penalties	States that failure to file a discharge monitoring report, if no discharge occurred during this time period, is not subject to a mandatory minimum penalty ACWA sponsored. Support	Senate Approps.
AB 1664 (Swanson) MWD Board (gut and amend 4-5)	This bill would require the representative of a member public agency serving on the MWD board to at all times be authorized to represent the member public agency that appointed the representative. The bill would prohibit the governing body of the member public agency or an elected or appointed official or member of a member public agency from directing or instructing a member of the board to vote in a particular manner with respect to any question, order, resolution, or ordinance that comes before the MWD board for a vote. IEUA and MWD are jointly lobbying the Local Government Committee against the bill. Opposed	Assembly Local Gov (Hearing cancelled at the request of the author)
AB 1929 (Hall) Mussels	Would provide that the operator of water delivery or storage facilities who has prepared a plan and initiates its plan to eradicate quagga mussels, as specified, is not subject to civil or criminal liability. ACWA/MWD sponsored Support	Senate
AB 2256 (Huffman) Product Labeling: Flushable Products (amended 4-12)	Prohibits a person engaged in the packaging or labeling of a consumer product from distributing, or causing to be distributed a product, that is contained in a package, or that has an affixed label, that states that the product is flushable, sewer and septic safe, or other like term or phrase unless the product meets specified criteria. Opposed by Procter & Gamble, CA Chamber of Commerce	Assembly Approps.

	<p>and CA Manufacturers Associations.</p> <p>IEUA lobbied the Assembly Business and Professions Committee and testified in support.</p> <p>Support</p>	
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Inland Empire Utilities Agency

April 30, 2010

Watch List

Delta/Delta Package Implementation		
AB 1788 (Yamada) Delta Flood	Authorizes the state to pay up to 70% of nonfederal cost if the flood control project benefits an area with a high household poverty rate.	Approps suspense
AB 1797 (B. Berryhill) Delta Corridors (amended 4-7)	Requires DWR to undertake an expedited evaluation and feasibility study to implementing a through-Delta conveyance plan known as the "Delta Corridors Plan." Amendments require the evaluation of the Two-Gates Fish Protection Demonstration Project and fund the study by appropriating \$750 thousand from Prop. 84, Chapter 4, Statewide Water Planning and Design. MWD, ACWA continue to oppose because they believe the plan is out of date and elements of the plan have already been incorporated into the BDCP.	Approps
AB 1886 (Yamada) Delta Water use (amended 3-17)	Requires DWR in Bulletin 160 to include a report on actions to reduce reliance on the Delta water supplies.	Appros.
AB 2092 (Huffman) DSC fee (amended 4-20)	Amendments in Water Parks and Wildlife deleted the requirement that the SWP/CVP contractors pay to fund the DSC and a portion of its planning and administration costs. Now the bill requires the DSC to develop a long term financing plan that identifies and evaluates the benefits to all groups resulting from the implementation of the Delta Plan including, but not limited to the public, wastewater agencies discharging into the Delta and Delta water diverters. The plan is to be presented to the Legislature for approval and DSC can not adopt a fee unless a subsequent statute is enacted. Authorizes DSC to seek to obtain early funding contributions for DSC planning and administrative activities. Credit for these contributions is to be provided against any future fee. With these amendments MWD no longer opposes the bill.	Appros
AB 2336 (Fuller) Delta (amended 4-19)	Would require the Delta Stewardship Council, in the course of developing the Delta Plan, to direct the Delta Independent Science Panel to asses the adverse impacts of predation and water quality impairments on native species and recommend changes in law and actions by state agencies to remedy the	Approps

	situation. MWD, KCWA and Modesto Irrigation District are sponsors.	
SB 808 (Wolk) Delta Levees	The bill extends the sunset on the current Delta Levee maintenance subvention program's 75%-25% reimbursement rate from July 1, 2010 to July 1, 2013. The DSC (Delta Stewardship Council) is required to develop priorities for levee investment as part of the Delta Plan, due Jan 1, 2012.	Approps
SB 1469 (Simitian) Delta beneficiaries (amended 4-14)	This bill would require DWR, by January 1, 2012, to identify all parties, including public and private parties, that benefit from waters originating in the Sacramento-San Joaquin Delta watershed and whose activities impact the Delta watershed. The bill would also require the department, by that date, to develop a process for determining the degree of responsibility attributable to each of the identified parties for physical and environmental impacts on the Delta. This bill would require the department, by January 1, 2012, to estimate the infrastructure needs for the State Water Resources Development System over the next 30 years and the expected costs of associated environmental mitigation and restoration projects.	Approps
Bond Funds		
AB 2669 (M. Perez)	Allocates \$2 million from the Prop. 84 IRWM unallocated account for Riverside County waste water issues. DWR notes that the IRWM unallocated account is already over appropriated by \$4 million.	Approps
SB 991 (Wolk) Bonds funds (amended 4-07)	Appropriates \$30 million from Prop 1E to DWR for flood protection projects in the Delta. All IRWM appropriations have been removed from the bill.	Approps Suspense
Water Conservation/Recycled Water		
AB 1677 (Caballero) Water Resources (Amended 4-8)	Extends the UWMP deadline for wholesale agencies to July 1, 2011 to allow for the development of the water conservation information from the retail agencies. Requires retail water suppliers to consider past water conservation practices by military installations in their service area. Also contains clean up language on the Delta Conservancy. MWD sponsor	Senate
AB 1774 (Saldana) Recycled Water	Would authorize a local agency to require a state agency to use recycled water for their landscape irrigation, as long as the recycled water was available and meet applicable water	A. Suspense

Irrigation (Amended 3-24)	quality standards. Sponsored by San Diego County Water Authority. MWD seeking amendments.	
AB 2409 (Nestande) UWMP (amended 4-6)	Requires water contingency analyses included in urban water management plans to analyze and define water features artificially supplied with water, such as ponds, lakes, waterfalls and fountains, separately from swimming pools and spas.	Senate
AB 2679 (Eng) Public Buildings: Energy Water reduction (amended 4-8)	Requires all public buildings that receive money from the state's General Fund to conform to a 15-year compliance schedule to achieve reductions in energy and water consumption and to maintain specified water and energy reduction levels on and after January 1, 2025, and 2030. The bill would require, on or before January 1, 2013, each public entity operating a public building to provide to the Department of General Services a certified onsite assessment of the facility's energy and water consumption levels. The bill would require applicable public entities to adopt and implement processes outlined in the Green Building Action Plan and to ensure that these processes are consistent with other efficiency measures outlined in existing law.	Approps.
SB 918 (Pavley) Indirect Potable Reuse (amended 4-12)	This bill would require DPH adopt water recycling criteria for indirect potable water reuse for groundwater recharge by Dec. 31, 2013. It would require DPH to develop and adopt recycling criteria for surface water augmentation by 2016 and report to the legislature on the feasibility of developing direct potable reuse by 2016. IEUA worked on amendments to refine all definitions in the bill and to make many other changes including specifying that the groundwater criteria, which is already well underway at DPH, would not be subject external expert panel review. Sponsored by PCL and WaterReuse.	Approps.
Water Quality		
SB 1107 (Kehoe) Grease disposal (amended 4-8)	Transfers the authority for the toxic grease disposal from CDFA to SWRCB. Gives the SWRCB fee authority for the administration of the program. "Brown" or toxic grease has been allegedly illegally dumped into sewer systems throughout the state. A 2009 SWRCB report stated that illegally dumped grease was responsible for 19% of all sanitary sewer overflows.	Approps

	CASA is in support.	
CESA/NCCP/Fisheries		
AB 2063 (Huffman) Fish: Chinook Salmon (amended 3-15)	States the intent of the Legislature that the best available science and a life cycle analysis shall be utilized in determining where to focus conservation planning efforts for recovery of Chinook and other salmonoid species. Designates the Chinook salmon as the official state anadromous fish.	A. Approps.
SB 1334 (Wolk) NCCP (amended 4-20)	This bill would expand the cooperation requirements in the NCCP act to require the DFG to cooperate with <u>all</u> local agencies that have land use permit authority over the activities proposed to be addressed in the plan. The bill would require a corresponding finding. MWD opposed because they believe the bill will make the planned NCCP/BDCP in the Delta more difficult to achieve.	Approps.
SB 1446 (Correa) CESA public agencies (amended 4-20)	Recent amendments gutted the operative section of the bill. As amended, the bill would make several statements of legislative intent, relating to the establishment of alternatives for financial assurances under CESA for public agencies that would ensure that those agencies fully fund their obligations on an ongoing basis for habitat mitigation and the maintenance and monitoring of that mitigation.	Approps
Water Rights/Supply/Delivery		
AB 300 (Caballero)	Among other provisions, this bill would require, until January 1, 2017, the public water system to review, verify for accuracy, and approve, as specified, the subdivider's water savings projections attributable to voluntary demand management measures, as defined. The public water system would be authorized to collect fees necessary to provide the additional analysis of the voluntary demand management measures. CBIA is working on significant amendments to the bill that have not been released yet. EBMUD opposed. CBIA sponsored.	SNRW
SB 565 (Pavley) Water Rights	The bill increases fines for unauthorized diversions of water or failure to comply with a cease and desist order. It authorizes new fees for filing a statement of diversion. It authorizes SWRCB to require water users to perform and fund technical monitoring studies that could be used against the agency in a water right proceeding. ACWA opposed.	AWPW
Local Government		

AB 1676 (Fuentes) Local Elected Officials	This bill would require that a person elected to a state or local public office maintain his or her place of residence representing the voters in that district during his or her term of office. The bill would authorize a district attorney, a county counsel, or city attorney with enforcement authority to enforce a violation of these provisions. Opposed by Desert Water Agency, El Dorado Irrigation District and Central Valley Flood Control Association.	Assembly Approps
AB 2003 (Mendoza) Contracts	Requires that any contract entered into by a "lame duck" board (i.e., one having as a member someone who won't be returning for the next term) during the period between the election and the seating of the new board would have to be reapproved by the new board, unless the contract is for less than \$20k or expires before the new board takes office. This would require contracts entered into during this period to go to the Board twice (or, more likely, would lead to a suspension of contracting during that period).	Assembly Local Gov
Groundwater		
AB 2049 (Arambula) Water Transfer/ Groundwater management (amended 4-13)	This bill would prohibit a water user that transfers surface water pursuant to a contractual change in an entitlement to water from the State Water Project from replacing that surface water with groundwater unless there was a groundwater management plan in place that regularly tracks and monitors groundwater levels. Also the transfer can not take place unless DWR receives a written evaluation of the economic, social, and environmental effects of the transfer upon the service area from which the water is to be transferred. The bill authorizes DWR to charge a fee if it needs to conduct the groundwater monitoring. MWD and CBIA opposed	Approps
Miscellaneous		
SB 894 (Senate Local Gov Omnibus Bill)	This bill would authorize an agency that owns and operates a reservoir used for drinking water, which amends its rules and regulations, to publish a summary of its amended rules and regulations, along with an Internet address and the physical location where the complete text of the amended rules and regulations may be viewed. EBMUD asked for this to be included in the bill. ACWA in support	Approps 5-3
Climate Change/Cap and Trade		
SB 1006	Among other provisions, the bill requires that the Strategic	Approps

<p>(Pavley) Climate Change (amended 4-27)</p>	<p>Growth Council will prepare guidelines for local governments and regional agencies that will assist in developing and planning sustainable communities and mitigating for climate change impacts. ACWA oppose unless amended.</p>	
<p>SB 1033 (Wright) GHG allowances (amended 4-26)</p>	<p>This bill would require CARB, if market-based compliance mechanisms are adopted (the cap and trade program), to sell, trade or otherwise distribute an allowance, only to a person subject to the greenhouse gas emissions limit to which that allowance applies.</p>	<p>Approps</p>
<p>SB 1241 (Wolk) GHG agriculture grant program (amended 4-22)</p>	<p>States that the Secretary of Resources establish and convene the California Agricultural Climate Benefits Advisory Committee to advise the state air board on strategies to support agricultural activities that reduce global warming impacts that may negatively impact agriculture and the rest of the state, in order to enhance the long-term viability of California agriculture and maximize the state's opportunities to achieve voluntary greenhouse gas emission reductions in the state's agricultural sector while also achieving environmental cobenefits. States that the Committee can recommend using funds generated by capped sources of GHG emissions to reduce GHG emissions for California agriculture.</p>	<p>Approps</p>



Date: May 19, 2010

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (05/12/10)

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

Submitted by: Sondra Elrod
Public Information Officer

Subject: Public Outreach and Communications

RECOMMENDATION

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

BACKGROUND

May 2010

- May 1, Mill Creek Clean-up as part of Big Sunday, 8:00 a.m. to 5:00 p.m.
- May 2, Mill Creek Clean-up as part of Big Sunday, 8:00 a.m. to 5:00 p.m.
- May 3 and 4, San Bernardino County Compost workshops
- May 5, Compost giveaway at HQ
- May 5, tour of IEUA facilities for Ontario Montclair School District staff
- May 14-16, MWD Solar Cup 2010, Lake Skinner
- May 18, WEWAC PSA Awards Ceremony, Frontier Project, 6:00 p.m.
- May 26, IEUA Leadership Breakfast

August 2010

- August 12, County of San Bernardino Water Conference, Ontario Convention Center

Outreach/Educational Inland Valley Daily Bulletin Newspaper Campaign

The monthly tips on ways to help conserve water continue to appear in our local newspapers each month.

Water Conservation Outreach

IEUA is continuing to work with conservation partners to plan the Regional Conservation message. The slogan is *Saving Water...It's the Right Thing to Do*. The movie theatre campaign will begin appearing on May 28, and run through the end of September.

Regional Conservation Outreach Campaign

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

Agency Tours

The Earth Day event at the Chino Creek Park and Education Park had over 400 in attendance. Numerous tours of RP-5 wastewater plant were given to Cal Poly Students during the month of April.

Educational Updates

- IEUA participated in an Earth Day Event at Newman Elementary School in Chino. A booth was displayed where the students learned about the water cycle by participating in the water cycle bracelet activity.
- IEUA held their Annual Earth Day Event at the Chino Creek Wetlands and Educational Park on April 22nd. Over 450 community members attended the event. A Ribbon Cutting Ceremony was held at the Garden in Every School® Demonstration Garden.
- WEWAC voted on the PSA Contest and Colony High School from the City of Ontario placed first. The Awards Ceremony will be held on May 18th at the Frontier Project.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

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

IEUA MONTHLY WATER NEWSLETTER

MAY 2010 (REPORTING APRIL 2010 DATA)

Highlights

- **MWD Board Implements a Second Year of Allocation** - MWD's Board implements of a second year of allocation for its member agencies, level 2 is expected (same as last year). (Page 1)
- **DWR Increases State Water Project Allocation to 40%** - With an above average rainfall this year, DWR has increases the SWP allocation to 40%. (Page 1)
- **IEUA, CBWM & the Retail Agencies Purchases Replenishment Water From MWD** - IEUA, CBWM & the Retail Agencies are purchasing water from MWD for replenishment purposes, at the Full Service Rate. (Page 2)

Water Supply & Drought Update

MWD's Board of Directors approved the implementation of a second year of allocation, at level 2 (same as last year). The major consideration in setting the Water Supply Allocation Plan (WSAP) Level for FY 2010/11 is the amount of State Water Project (SWP) Table A allocation that Metropolitan will receive in 2010 and how much MWD should put into their reservoirs.

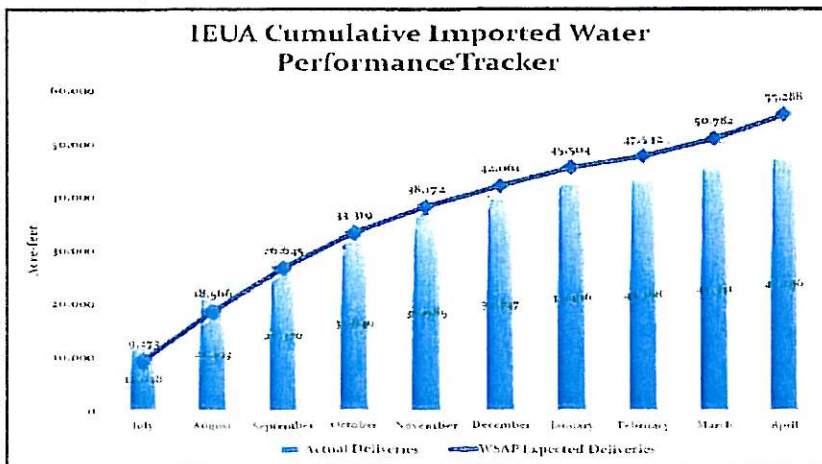
With the Sierra snowpack's water content above average, the Department of Water Resources (DWR) increased its SWP allocation to 40%. This is slightly higher than last years ending allocation of 35%. However, the aftermath of three years of drought and regulatory restrictions on Delta pumping to protect fish species will keep this year's allocation far below normal.

IEUA, Watermaster and their member agencies have done an excellent job of complying with MWD's first year of allocation. Because demand has reduced substantially, IEUA has some WSAP allocation available for replenishment purposes. The goal is to purchase approximately 5,000 AF, by July 1, 2010.



MWD's WSAP Update

For the first ten months of performance under the MWD Water Supply Allocation Plan, IEUA's service area has received delivery of 47,296 AF, which is 19% under the Plan's expected delivery of 58,348 AF. This does not include the recent replenishment purchases but does include all expected DYY certifications for the second "call" year (May 2009—April 2010). For comparison, the MWD region is only 9% under the Plan's expected deliveries.



IEUA Water Supply Programs

Imported Water Deliveries

For FY 2009/10, through January, IEUA and its member agencies have purchased 47,296 AF. Compared to last year at this point, IEUA and its member agencies had purchases 58,348 AF. This includes all expected DYY certifications for the second "call" year, but does not include the recent replenishment purchases.

Dry Year Yield (DYY) Program

MWD has made a third consecutive call on the DYY Program. This call is considered a partial call because there is only 17,200 AF left in the storage account. The remaining water in the storage account will be split amongst the DYY participants based on a "pro-rata" methodology.

Most of the DYY participants plan on certifying as much as they can in months of May and June to avoid the second WSAP allocation, which begins July 1, 2010.

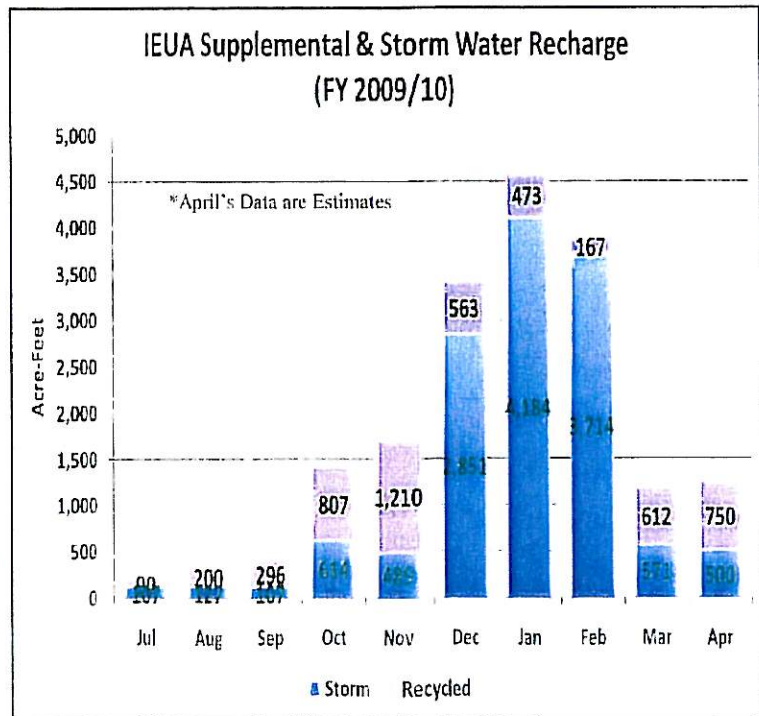
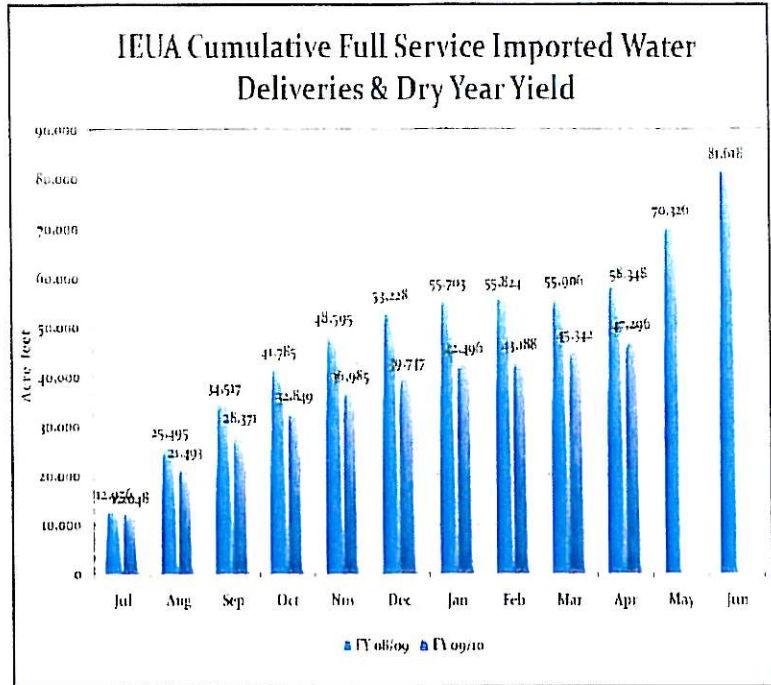
DYY participants have certified 33,047 AF (100% of their obligation of 33,000 AF) for the second DYY "call" year. All DYY participants are also on track to reduce their imported water purchases by 33,000 AF by the end of April 2010.

Chino Desalter Authority (CDA)

For the month of April, the two desalters produced 2,156 AF of water (of which 1,215 AF was delivered to IEUA retail agencies). The contracted entitlement is 24,600 AFY (but actual production is 25,000 to 26,000 AFY) and it is scheduled to be expanded to approximately 40,000 AFY by 2014, with the implementation of CDA Phase III.

Groundwater Recharge Program

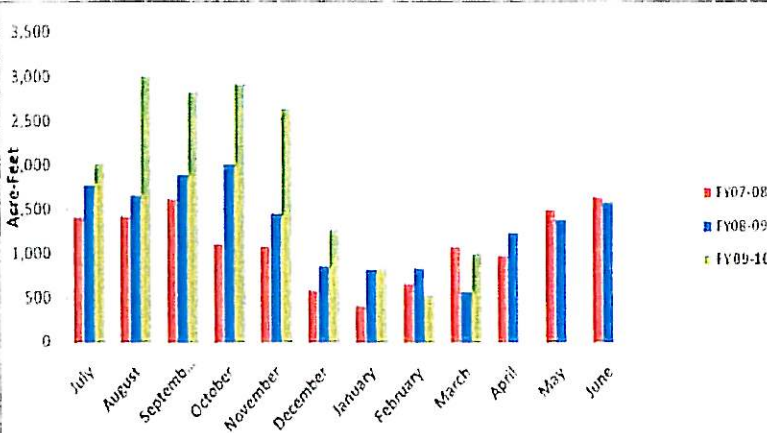
In April 2010, with the rainfalls, an estimated 450 AF of storm water was captured. In addition, an estimated 750 AF of recycled water was recharged.



IEUA Water Supply Programs (continued)

New Recycled Water Connections

In April, IEUA and its member agencies connected 11 customers with a connected demand of 142 AFY. The City of Ontario connected BP West Coast Products, QB Properties, Empire Towers and Lord Baltimore. The City of Chino connected Saddle Creek Corporation. MVWD connected Montclair Medical Center, Montclair Homeowners Association, Montclair City Hall and Our Lady of Lourdes Church. CVWD connected Earth Basics. The City of Chino Hills connected the Commons Shopping Center. IEUA is working with the City of Ontario, Ontario Montclair School District, Chaffey Joint Union High School District and the San Bernardino County Superintendent of Schools to connect 7 school sites (Arroyo Elementary, Ray Wiltsey Middle School, Mariposa Elementary, Dorothy Gibson High School, Valley View High School, Etiwanda High School, and the Alternative Education Center) with a connected demand of over 130 AFY.



RECYCLED WATER USAGE :

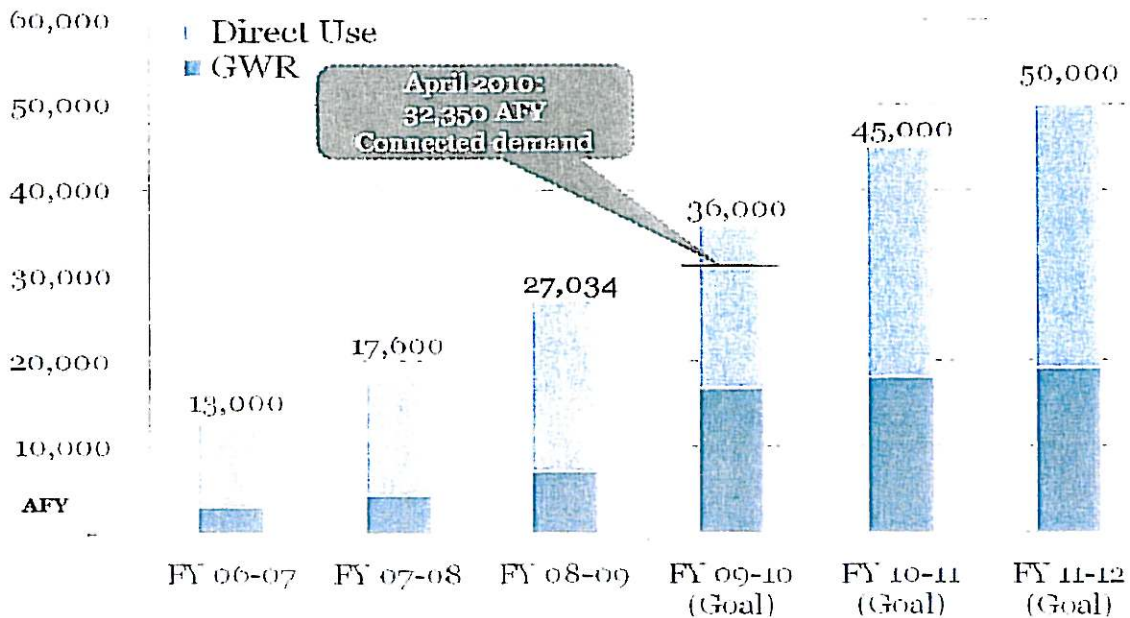
APRIL 2010 ESTIMATES

Recharge: 500 AF

Direct Sales: 400 AF

Total Usage: 900 AF

RECYCLED WATER CONNECTED DEMAND



Conservation Program News

MWD Conservation Programs

MWD staff will submit a letter to the Board on May 11 requesting an approval of the FY 2010/11 conservation budget, key conservation program changes, and the FY 2010/11 proposed water conservation plan. Program recommendations include the phasing-out of certain devices and modifications to existing incentives. In addition, staff will request the Board to approve the recently selected Commercial, Industrial, Institutional vendor to administer and implement the region-wide Save-A-Buck Program.

MWD Conservation Programs—Rebates

Upon Board approval of the FY 2010/11 budget and program changes, MWD staff will re-launch both the residential and commercial rebate programs beginning June 1, 2010 and operating through May 31, 2011 while funding is available. To date, the regional commercial program has expended 65% of the FY 2009/10 budget as the surplus continues to grow as a result of cancelled and expired reservations. With the launch of the ARRA funded, high efficiency washer rebate program through the California Energy Commission, the residential rebate program funding is anticipated to substantially decrease. However, to date, only 23% of the fiscal year budget has been expended with the program ending May 31, 2010.

WaterSMART: Water and Energy Efficiency Grants for FY 2010

IEUA applied for three grant opportunities under the United States Bureau of Reclamation's WaterSMART Program. IEUA submitted two applications, one for recycled water conversions and another in partnership with Three Valleys Municipal Water District for a Regional Residential Outdoor Landscape Surveys & Retrofit Program. In addition, IEUA has also partnered with Western Municipal Water District in submitting an application for Financial Incentives for Landscape Retrofits with Western taking the lead on the grant submission.

Legislation

SBX 77 (Steinburg) - 20% X 2020: Urban Stakeholders Committee

The first Urban Stakeholders Committee (USC) was held on April 15 to formally convene the Committee, discuss and confirm expectations of the role and purpose of the USC, review the scope and timelines of the projects the committee will undertake, and discuss public input from the DWR listening sessions held in March. The USC will identify technical and policy issues and is expected to provide input regarding specific issues related to:

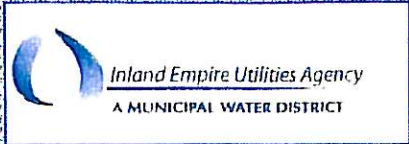
- Urban water use calculation methodologies;
- A fourth urban water use target method;
- Standardized reporting form for urban and agricultural water use; and
- Regional water resources management practices.

The second USC Meeting is scheduled for May 18 at the California State University Sacramento and will be open to the public through a webinar and conference line.

IEUA Regional Long-Term Water Use Efficiency Business Plan

A final review meeting was held on April 27 with all IEUA member agencies to review the initial "draft" water use efficiency business plan. The draft plan is expected to be released to member agencies during the week of May 3 and with a 30-day review and comment period prior to completing the final document.

Additional details on specific conservation and public outreach programs, as well as residential and CII rebates can be viewed on IEUA's webpage at <http://www.ieua.org/conservation/conservation.html>.



WATER RESOURCES & CONSERVATION PROGRAMS UPDATE

3RD QUARTER ACTIVITIES

JANUARY – MARCH 2010

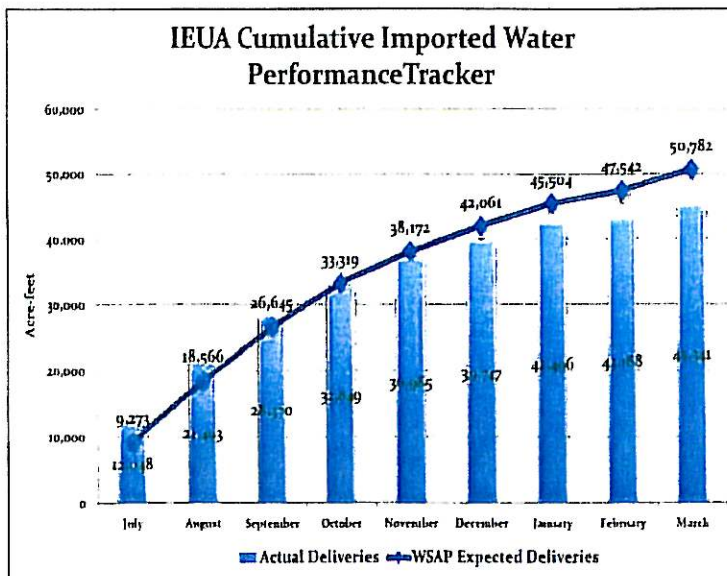
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HIGHLIGHTS

■ Drought Allocation

The IEUA member agencies are on track to comply with MWD’s WSAP. Through nine months of the twelve month allocation period (July 2009 – June 2010), the total deliveries to IEUA are 11% less than the Agency’s projected WSAP allocation. For comparison, the combined regional MWD deliveries are 16% less than anticipated WSAP allocation. MWD expects to implement a second consecutive allocation on its member agencies.



■ 2009/10 DYY Performance

The IEUA member agencies have certified that they have pumped 31,047 AF out of the MWD Groundwater Storage Account for the 2009/10 DYY call year (May 2009 – April 2010). This is 100% of IEUA’s obligation of 31,000 AF. MWD made a third consecutive call on the remaining water in the storage account (17,200 AF).

PLANNING & WATER RESOURCES

▪ **Building Activity Report & Growth Forecast**

Through the third quarter of FY 2009/10, there were approximately 1,550 EDUs reported, generating approximately \$7.38 million for the Regional Capital Fund. This is more growth than originally projected for FY 2009/10. The first two quarters growth was over 106% of what IEUA member agencies projected and 146% of what IEUA budgeted. (IEUA member agencies FY 2009/10 Ten-Year Growth Forecasts show just over 37,000 EDUs being added to the system. This is significantly less than the past three years' projections.)

▪ **Regulatory Compliance Developments**

Two major CEQA documents were completed and adopted by the IEUA Board in February: (1) New Operations Lab CEQA Addendum; and (2) Southern Recycled Water Facilities CEQA Addendum. The CEQA documents met the stringent requirements to become part of the SRF loan applications to the State Water Resources Control Board. Tom Dodson & Associates also worked on two other major CEQA documents: (1) Peace II Supplemental EIR; and (2) Northwest Recycled Water Facilities CEQA Addendum.

▪ **Prado Master Plan/First Thursday Update**

Participants in the First Thursday meetings continued to work with the Army Corps of Engineers on a major update of the Corps' Prado Area Master Plan. The Master Plan defines the types of activities and projects that will be permitted on Corps land in the Prado Basin. IEUA and Corps staff are co-hosting a series of First Thursday workshops devoted to various aspects of the Master Plan. In February, a workshop was held on habitat mapping and habitat restoration opportunities which was designed to assemble input from local experts and to gather all available habitat maps and GIS data. A similar workshop was held in April, which dealt with recreation, trails, and green corridors. The workshop reviewed local master plan recreational components and potential regional trail systems. Opportunities for multi-purpose projects that include water supply and water quality benefits were discussed. The March First Thursday Workshop dealt specifically with storm water management issues.

▪ **IEUA Urban Water Management Plan Update**

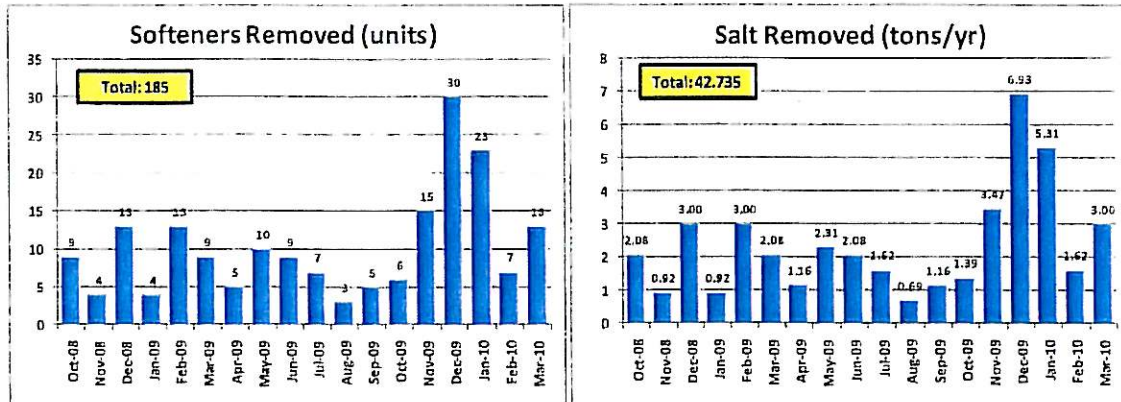
The Urban Water Management Plan (UWMP) preparation is underway and on schedule. Work has been done on all 12 sections of the UWMP. In early February, IEUA hosted a workshop with all of its member agencies to review the schedule, outline of the UWMP and collect water demand and supply data. IEUA staff expects to have a draft ready for member agencies review by the end of June 2010.

▪ **Peace II/SEIR**

Tom Dodson and Associates completed the draft Peace II Subsequent EIR in the third quarter and is expected to put the document out for public review in early May 2010. Pursuant to the Peace II Agreement, a Subsequent EIR is required to be completed and IEUA is serving as the lead agency for the preparation and approval of this document for Chino Basin Watermaster. Wildermuth Environmental Inc. has completed the hydraulic modeling portion of the Subsequent EIR.

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

The Water Softener Program, which was launched by IEUA's Pretreatment Program in September 2008, has removed 185 automatic water softeners (AWS) and 42 tons of salt per year. Water savings from the removal of the 185 water softeners is 1,147,000 gallons per year. IEUA received 331 inquiries about the program in response to local advertising in the newspaper and inserts in water billing statements.



▪ **Prado Basin Clean-Up Grants**

In the third quarter, agreements were signed with the Santa Ana Watershed Association (SAWA), Aerial information Systems (AIS) to complete to additional key components of the SWRCB clean-up grants. AIS was contract to perform land use survey along the Middle Santa Ana River and SAWA was contracted to assist IEUA in developing and implementing an education and community outreach plan. The two clean-up and restoration projects, (of which IEUA received \$2 million in American Recovery and Reinvestment Act (ARRA) funding from the State Water Resources Control Board (SWRCB)), are on schedule to be completed by March 2011. The other tasks of these two projects will achieve the same goals as originally approved by the SWRCB: removal of invasive species, debris removal and habitat restoration.

▪ **Pervious Concrete Rebate Program**

The cities of Ontario and Upland are moving forward with construction and installation of their pervious concrete sites. The Chino Basin Water Conservation District has withdrawn from the program due to delays. The program will conclude in June 2010.

▪ **Chino Desalter**

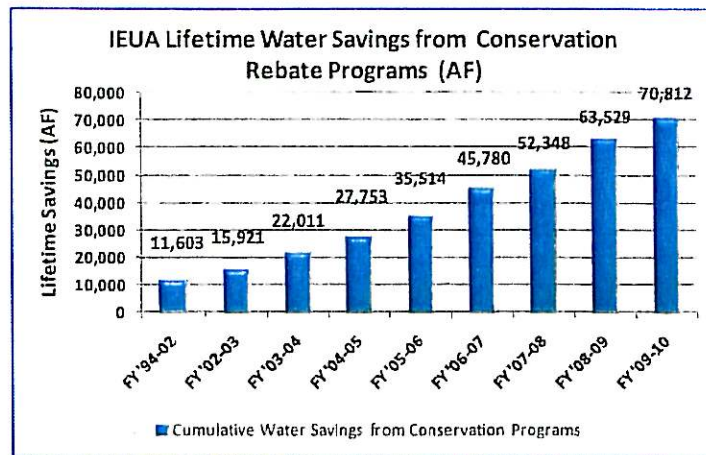
Through three quarters of FY 2009/10, the two desalters produced 19,216 AF of water (of which 11,060 AF was delivered to IEUA retail agencies). The current production capacity is 24,600 AFY, which is scheduled to be expanded to approximately 40,000 AFY by 2015, with the implementation of CDA Phase III. The development of a Phase III Chino Desalter expansion plan and application to MWD for Local Resources Program funding is under discussion. MWD is currently funding \$4.5 million of the Phase 2 improvements.

▪ **DYY Expansion Program**

During the third quarter of FY 2009/10 there were no formal discussions on the expansion of the DYY Program. Chino Basin Watermaster has taken the lead on organizing discussions with MWD on the expansion.

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

The expected cumulative water savings over the lifetime of water conservation devices that have been applied in the service area has increased to 70,812 acre feet.



METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA ACTIVITIES

▪ **MWD Water Deliveries**

At the end of calendar year 2009, IEUA purchased 68,137 AF (including DYY certifications), exceeding its Tier 1 limit of 59,752 AF (see attached graphs).

▪ **DYY Implementation**

A third “call” year for the DYY Program will begin May 1, 2010. The second “call” year for the DYY Program began in May 2009 and IEUA retail agencies have certified 31,047 AF (100% of IEUA’s obligation of 31,000 AF). The first “call” year was successfully completed with DYY participants certifying they pumped 30,509 AF (99% of IEUA’s obligation of 31,000 AF) from the groundwater storage account. MWD imported water deliveries were reduced by 30,589 AF (99% of IEUA’s obligation of 31,000 AF).

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

MWD will be hosting several IRP workshops in the fourth quarter. The 2009 IRP schedule is now expected to be completed by September 2010.

▪ **CB-19 Letter Agreement Status Update**

The Letter Agreement among Metropolitan, IEUA, San Bernardino Valley Municipal Water District (Valley District) and Fontana Water Company (FWC) expires on October 31, 2010. The Letter Agreement allows two State Project Water Contractors (Metropolitan & Valley District) to serve water in each other's service areas, with the understanding that the methodology lined out in the Letter Agreement will track all water purchases and be reconciled on an annual basis. Valley District is scheduled to submit a one-year extension request to MWD, pushing the new deadline for a long-term agreement to June 2011.

▪ **MWD Conservation Programs and Budget**

MWD staff prepared and presented an information item to the Board on April 13 for the FY 2010-2011 Water Conservation Plan. The plan and proposed budget are consistent with the current year's budget of \$19.1 million and with the incorporation of only minor program modifications. The core components of the plan include the continuation of the regional residential and commercial rebate programs, the MWD funded/member agency administered programs, the new Agricultural Conservation Program, and completion of the outstanding Enhanced Conservation and Water Savings Performance contracts. There were no comments or questions raised after the board presentation and MWD staff will re-submit the Water Conservation Plan and budget for Board approval on May 11.

▪ **Update on 20 X 2020 and Long Term Program**

MWD staff has yet to hold discussions with the Board on SBx 7-7 (20% X 2020) and meeting the 20% reduction goal. As a result, the Long Term Conservation Program piece of the Integrate Regional Plan (IRP) is on hold. The IRP Process is ongoing with the 20% X 2020 goal under consideration. MWD staff has held some general discussion about activities retailers will have to undertake in order to comply versus actions MWD would need to implement in order to reduce regional water usage by 20% for MWD's entire service area. There needs to be an exchange of information on what retail agencies proposed strategy is for meeting the 20% X 2020. MWD's Board will need to take a position on whether to support agencies achieving a 20% reduction locally, or provide more support above what local agencies implement to achieve 20% overall. A draft report will be presented to the Board in June on the on-going IRP process, including stakeholder forums and technical workgroups. Additional stakeholder meetings will be conducted in July and August to receive feedback on the draft.

STATE ACTIVITIES

▪ **DWR Public Listening Sessions for Senate Bill x 7-7**

The California Department of Water Resources (DWR) and the California Urban Water Conservation Council scheduled two Public Listening Sessions regarding implementation of two specific projects as part of the 2009 Water Conservation Act (Senate Bill x 7-7). These first Listening Sessions focused on the urban technical methodologies and a fourth method for calculating urban water use targets as required by the Water Conservation Act of 2009. The first session was held on March 8 in Sacramento and the second one in Los Angeles on March 20. Subsequently following these sessions, an Urban Stakeholders Committee was formally convened to identify technical and policy issues and provide input regarding urban water use calculation methodologies, the fourth urban water use target method, standardized reporting form for urban water use, and regional water resources management practices. The first meeting was held on April 15 with consecutive meetings to occur monthly, thereafter.

- **AB 1366 (Water Softener Legislation) Implementation Update**
AB 1366 provides local agencies with the authority to regulate the residential use of self-regenerating water softeners in order to protect recycled water and groundwater quality. The new law came into effect on January 1, 2010. At its March 18 public hearing, the Regional Board adopted an amendment to IEUA's recycled waster permit, which adds the necessary language for IEUA to be able to comply with AB 1366. The Regional Board also reaffirmed its requirement that IEUA implement a salinity management program that included the regulation of new and existing self-regenerating water softeners. IEUA will hold a public hearing at its June 2nd board meeting to consider the proposed water softener language, and anticipates adoption of the proposed ordinance in July.
- **Climate Change/AB 32 Implementation**
The California Air Resources Board (CARB) staff released its proposed Cap and Trade program for public review. CARB held a public workshop in April and the Board will consider adoption of the program in October with the goal of starting implementation by 2012. Water and wastewater agencies are supporting the exclusion of this sector from the Cap and Trade requirements (as an essential service) but are seeking the opportunity to qualify to sell credits back to agencies that are included in the Cap and Trade Program. Under the program, CARB may also change reporting requirements, lowering the threshold to 10,000 metric tons of CO₂ equivalent from the current reporting threshold of 25,000 metric tons.

WATER CONSERVATION ACTIVITIES

- **Inland Empire Regional Long Term Water Use Efficiency (WUE) Business Plan**
A workgroup meeting was held on February 9 to review the status of the plan. The consultant presented her tabulated evaluation results of IEUA's existing programs and presented new regional prospective program options. She also presented the new IEUA tailored WUE program tracking module developed the by the Alliance for Water Efficiency and worked with the group to develop and select new programs for future implementation and incorporation into the final plan. A follow up meeting was also held on April 27 to review the final "draft" WUE plan.
- **United States Bureau of Reclamation Grant Submission**
On March 2, Western Municipal Water District in partnership with IEUA, submitted a proposal to USBR for funding of a Landscape Retrofit Financing Program. Each agency provided a \$50,000 match share and has requested \$100,000 in funding from USBR. Awards are anticipated to be announced by USBR in May or June 2010.
- **Inland Empire Landscape Alliance**
The Landscape Alliance Technical Committee is developing a regional guidebook to assist residents with installing a water efficient landscape. The manual is expected to be completed by fall 2010. The Landscape Alliance program achieved national recognition through the Rain Bird Intelligent Use of Water Award. As part of this honor, staff was invited to participate on a panel and give a brief presentation to media and policy makers at the Smithsonian Institute. The presentation was well received.

▪ **Phase III Landscape Audit Program**

Chino Basin Water Conservation District (CBWCD) has completed 235 landscape audits with a potential savings of 1,411 acre feet per year since the program began in January 2009. There are currently 3 sites scheduled to be audited and 7 sites pending to be scheduled. CBWCD has begun teaching three California Friendly Landscape Training classes for Professionals, one in English and two in Spanish. CBWCD continues to advertise for their upcoming Residential Landscape Workshops throughout the service area.

▪ **Garden In Every School**

Applications from the schools to participate in the FY10/11 Garden In Every School program are now due and staff will begin the process of selecting schools.

▪ **Residential Rebate Program**

The Residential Rebate Program began in FY 02/03. On July 1, 2008, the program was transitioned to an MWD region-wide vendor, SoCal WaterSmart. The following is a list of residential rebate activity for FY 09/10 through March 2010:

<i>Device Name</i>	<i># of Rebates Issued</i>	<i>Cumulative Total # Installed Since FY 02/03</i>
Ultra Low-Flush and High Efficiency Toilets	374	11,946
High-Efficiency Clothes Washers	297	9,827
Weather-Based Irrigation Controllers	8	400
Rotating Nozzles for Pop-Up Spray Heads	8	2,074 (nozzles)
Synthetic Turf Retrofit	26	128,775 sf

▪ **CII Save-A-Buck**

All FY 2009/10 funding for the CII, Save-A-Buck Rebate Program has been reserved. Honeywell will continue to accept back-up reservations in the event the primary customer reservations fall through. For fiscal year 09/10, to date there have been 2,247 devices rebated. From program inception (FY 02/03) to date, a total of 10,314 devices have been rebated, representing an annual savings of 1,423 AF.

▪ **Multi-Family Direct Installation Program**

Over the last quarter, extensive program marketing and outreach was conducted. A multi-family flyer was developed and distributed throughout the service area. Several ads were run in local newspapers and an ad was placed in a region-wide homeowner's association (HOA) community newsletter. The multi-family installations are tentatively scheduled to resume during the month of April and the contractor anticipates approximately 2,000 high efficiency toilets to be installed over the next quarter. To date, 16,027 toilet retrofits have been retrofitted, leaving 6,473 remaining to be completed under this grant program.

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

The FY 2009-2010 NTC Program was completed over the last quarter. The program was conducted over a five month period from October 13, 2009 through March 12, 2010 reaching approximately 24,453 students and delivering a package of live theatre, student curriculum and teacher guides to 52 elementary schools. Program focus areas were Chino Hills, Rancho Cucamonga, Alta Loma, Fontana, Montclair, Ontario and Upland.

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

The deadline to turn in videos for the Public Service Announcement (PSA) Contest has passed and judging took place in April. The Committee is preparing to do follow-ups for the EduGrant recipients and collect the reports on what activities were done and the students' involvement in these particular activities.

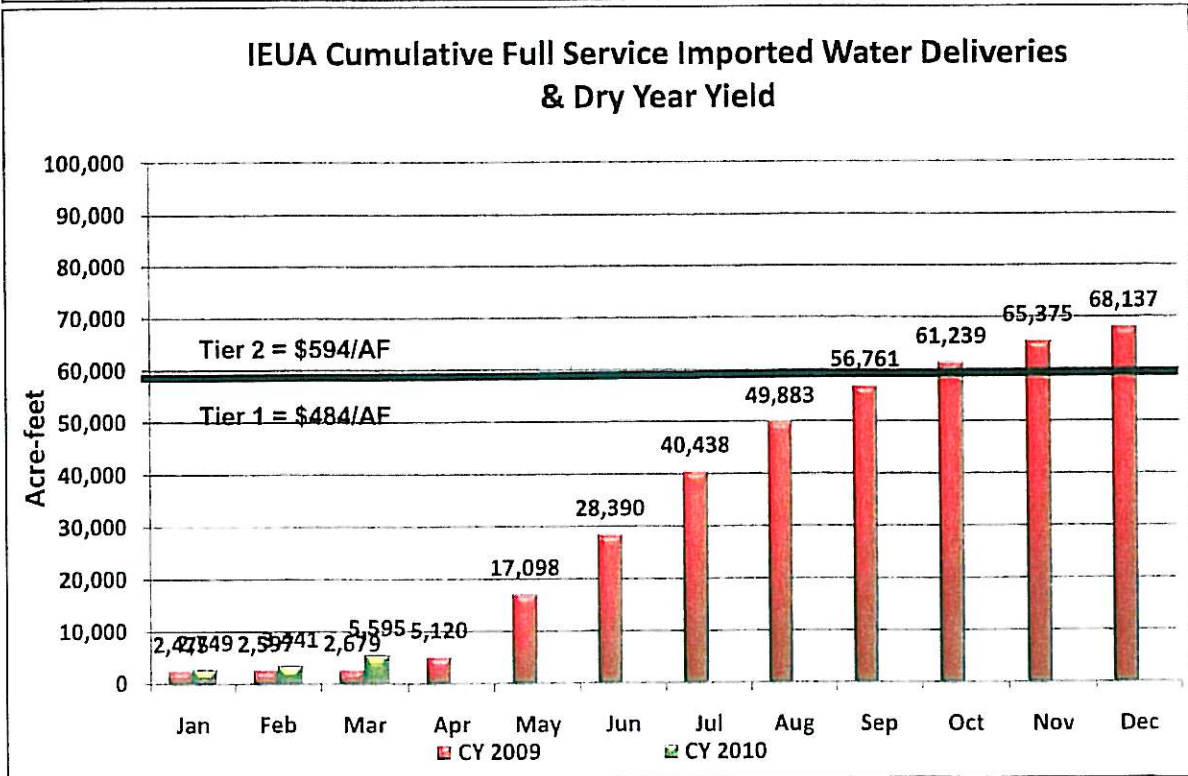
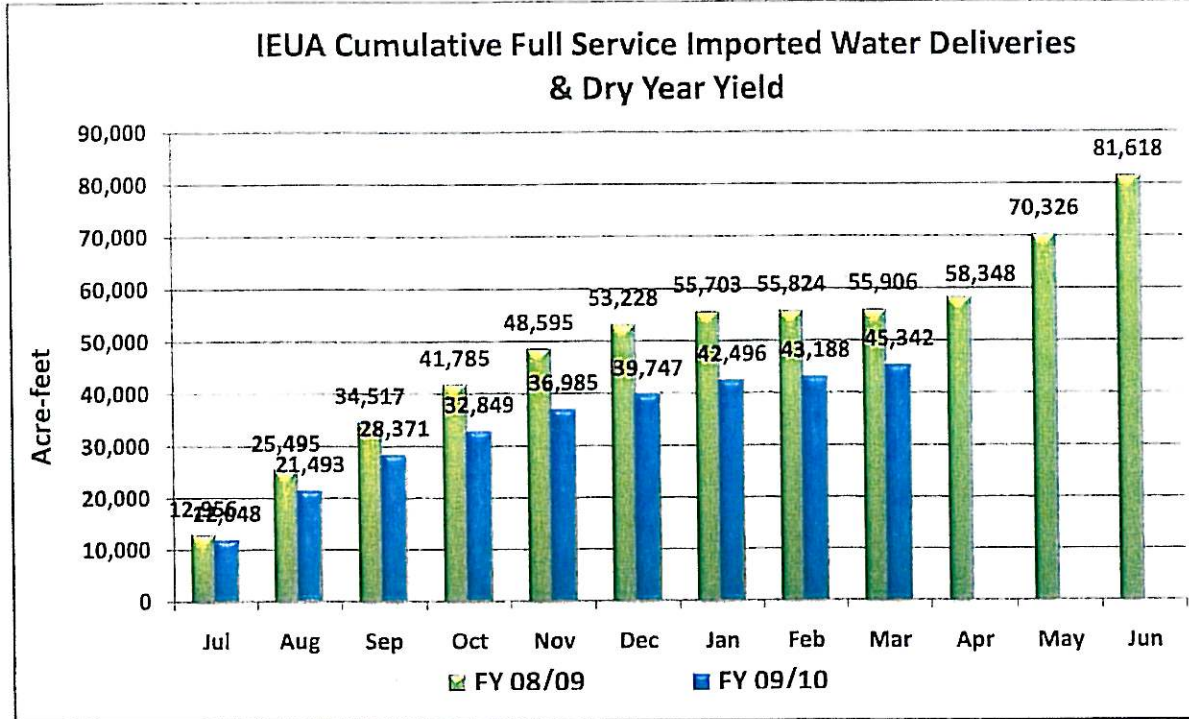
- **MWD Education Coordinator's Committee**

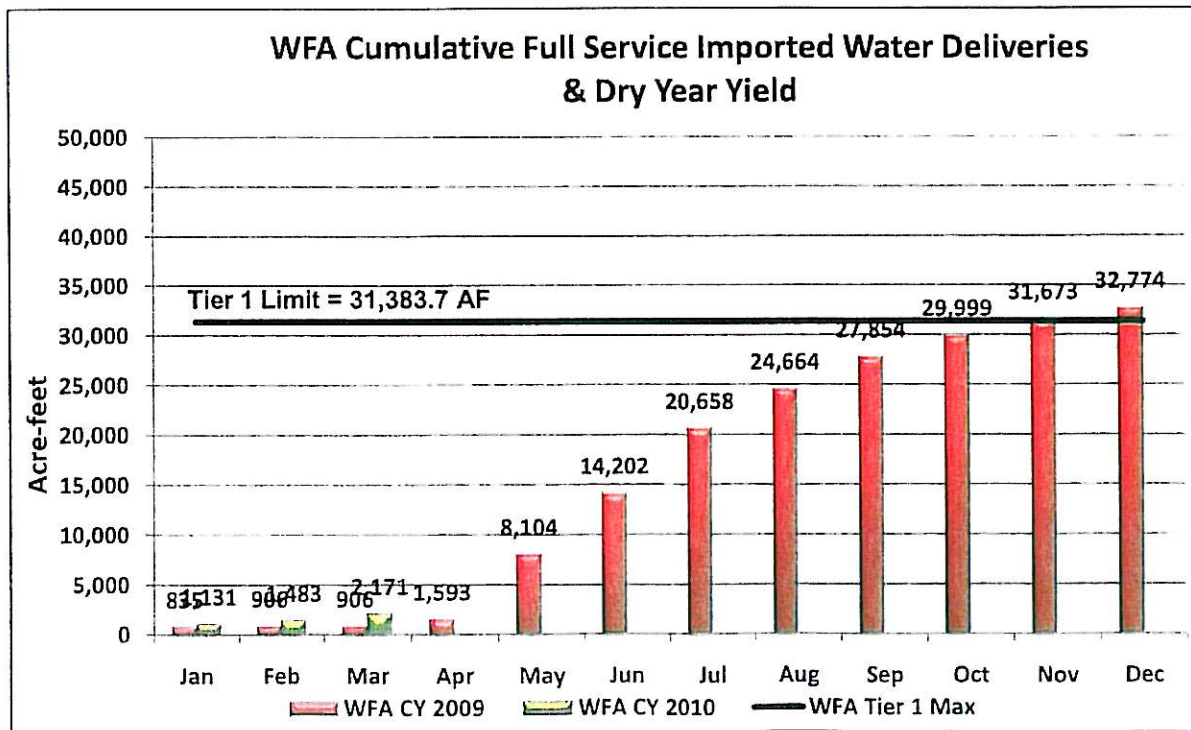
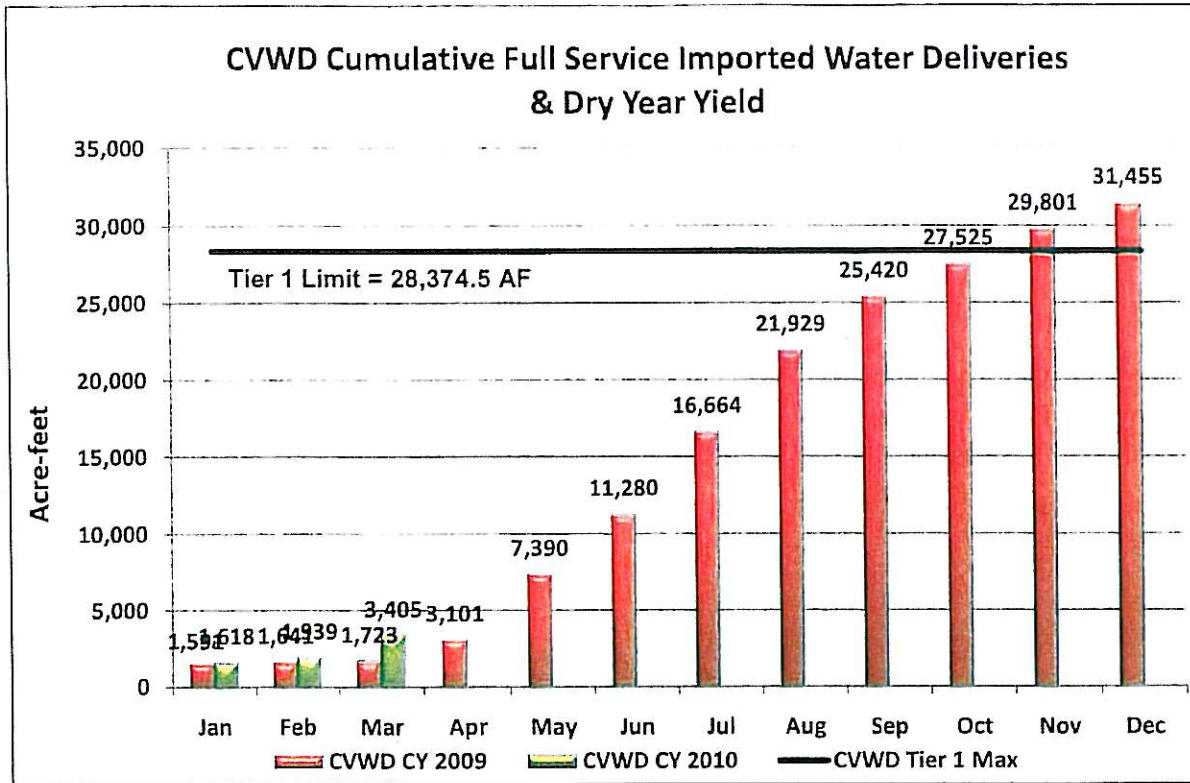
Solar Cup 2010 will be taking place May 14-17 at Lake Skinner. MWD's new Education Site for students and teachers and the community is now live on the MWD website. IEUA hosted the traveling art show March 30-April 5.

- **Conservation Advertising/PIO Activities**

Conservation outreach continues in monthly advertisements placed in the Inland Valley Daily Bulletin, Fontana Herald News, Champion Newspaper, La Opinion, and Inland Empire Magazine. Beginning in May, "Save Our Water" ads will appear in local movie theatres and will run for sixteen weeks.

ATTACHMENT: IMPORTED WATER DELIVERIES





SUMMARY OF 2008 IMPORTED WATER PURCHASES

2008 Imported Water Sales	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Water Facilities Authority													
Direct Deliveries	2,333	1,282	2,555	3,088	1,332	1,682	2,730	3,450	2,913	2,836	1,444	1,060	26,705
Dry Year Yield					1,438	4,008	4,214	2,686	3,156	1,255	911	892	18,560
Sub-Total	2,333	1,282	2,555	3,088	2,770	5,690	6,944	6,136	6,069	4,091	2,356	1,952	45,265
Cucamonga Valley Water District													
Direct Deliveries	1,297	947	2,189	2,883	2,988	3,046	3,074	3,129	2,857	2,741	2,182	1,213	28,546
Dry Year Yield					1,603	2,016	2,532	2,527	0	44	1,499	1,131	11,352
Sub-Total	1,297	947	2,189	2,883	4,591	5,062	5,606	5,656	2,857	2,785	3,681	2,344	39,898
Fontana Water Company													
Direct Deliveries	0	0	0	0	0	15	406	747	426	501	369	303	2,767
Sub-Total	0	0	0	0	0	15	406	747	426	501	369	303	2,767
Inland Empire Utilities Agency													
Direct Deliveries	3,631	2,229	4,744	5,971	4,320	4,743	6,210	7,326	6,196	6,078	3,995	2,576	58,018
Dry Year Yield	0	0	0	0	3,041	6,024	6,746	5,213	3,156	1,299	2,410	2,023	29,912
TOTAL	3,631	2,229	4,744	5,971	7,360	10,767	12,956	12,539	9,352	7,377	6,406	4,599	87,930

SUMMARY OF 2009 IMPORTED WATER PURCHASES

2009 Imported Water Sales	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Water Facilities Authority													
Direct Deliveries	312	0	0	687	844	660	1,868	2,184	2,414	1,493	1,111	913	12,486
Dry Year Yield	522	71	0	0	5,667	5,438	2,762	748	776	653	290		16,927
Sub-Total	834	71	0	687	6,511	6,098	4,630	2,932	3,190	2,146	1,401	913	29,413
Cucamonga Valley Water District													
Direct Deliveries	1,591	50	82	1,378	1,635	1,535	2,728	2,608	2,460	2,105	2,276	1,654	20,101
Dry Year Yield	0	0	0	0	2,654	2,355	0	0	0	0	2,656		7,665
Sub-Total	1,591	50	82	1,378	4,289	3,890	2,728	2,608	2,460	2,105	4,932	1,654	27,766
Fontana Water Company													
Direct Deliveries	49	0	0	376	1,179	1,304	208	174	196	211	184	7	3,888
Sub-Total	49	0	0	376	1,179	1,304	208	174	196	211	184	7	3,888
Chino Basin Watermaster													
Replenishment	0	0	0	0	0	0	0	0	0	17	3	0	20
Sub-Total	0	0	0	0	0	0	0	0	0	17	3	0	20
Inland Empire Utilities Agency													
Direct Deliveries	1,952	50	82	2,441	3,658	3,499	4,804	4,966	5,069	3,808	3,570	2,574	36,475
Dry Year Yield	522	71	0	0	8,321	7,793	2,762	748	776	653	2,946	0	24,592
Replenishment	0	0	0	0	0	0	0	0	0	17	3	0	20
TOTAL	2,474	121	82	2,441	11,978	11,292	7,566	5,714	5,845	4,479	6,519	2,574	61,087

SUMMARY OF 2010 IMPORTED WATER PURCHASES

2010 Imported Water Sales	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Water Facilities Authority													
Direct Deliveries	1,131	352	688										2,171
Dry Year Yield													0
Sub-Total	1,131	352	688	0	0	0	0	0	0	0	0	0	2,171
Cucamonga Valley Water District													
Direct Deliveries	1,618	321	1,466										3,405
Dry Year Yield													0
Sub-Total	1,618	321	1,466	0	0	0	0	0	0	0	0	0	3,405
Fontana Water Company													
Direct Deliveries	0	0	0										0
Sub-Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Chino Basin Watermaster													
Replenishment	0	19	0										19
Sub-Total	0	19	0	0	0	0	0	0	0	0	0	0	19
Inland Empire Utilities Agency													
Direct Deliveries	2,749	673	2,154	0	0	0	0	0	0	0	0	0	5,576
Dry Year Yield	0	0	0	0	0	0	0	0	0	0	0	0	0
Replenishment	0	19	0	0	0	0	0	0	0	0	0	0	19
TOTAL	2,749	692	2,154	0	0	0	0	0	0	0	0	0	5,595

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CHINO BASIN WATERMASTER

IV. INFORMATION

1. Newspaper Articles



Panel aims to retain more water

New basin plan places priority on capturing runoff

By Mediha Fejzagic
DiMartino
Staff Writer

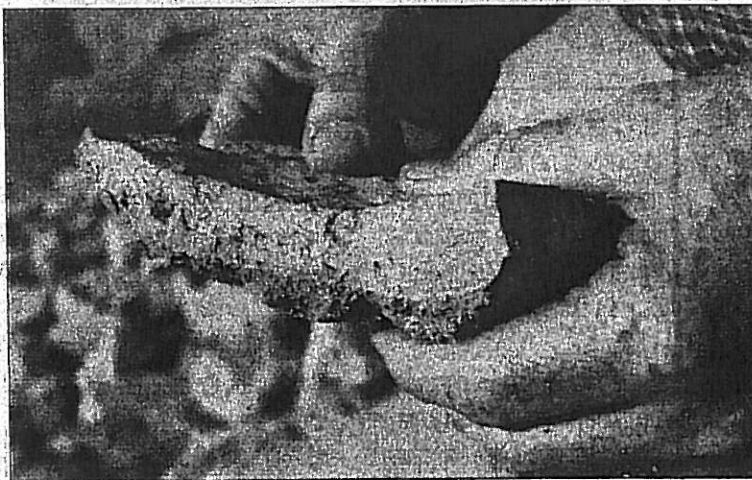
RANCHO CUCAMONGA — Looking for ways to cope with the region's growing demand for water, the Chino Basin Watermaster board has put together a plan of action that prioritizes reliance on local resources.

"Local projects are the future of the Chino Basin, not the imported water," said Ken Manning, the water authority's CEO. "We need to be able to retain large sums of (storm runoff) quickly. We have to be able to gorge and not just sip."

The Watermaster board — which oversees collecting storm runoff and sinking it into the ground for future use in an area from Pomona to Fontana and from the mountains to the Santa Ana River — plans to unveil its Recharge Master Plan today at a workshop at the Goldy S. Lewis Community Center.

The plan, if fully implemented, would increase the groundwater supply by 25 percent at a cost of \$50 million to \$150 million, Manning said.

"It's our road map for the next 10 years," said Richard Atwater, general manager of the Inland Empire Utilities Agency, based in Chino.



Gordon Treweek, a project engineer for Chino Basin Watermaster, holds a piece of dried clay and silt he picked up from the bottom of the lower Day Creek basin near Rancho Cucamonga on Wednesday.

Mediha Fejzagic
DiMartino
Staff Photographer

Short-term plans include converting a half-dozen flood control basins into "internal dams" so that they can retain more water during wet months.

Currently, the flood control basins are designed solely as safety measures. The conversion would add inflatable rubber dams that would allow for retention of water as well as preventing floods.

The San Bernardino County Flood Control District "used to focus on getting the water off property as quickly as possible," said Robert DeLoach, general manager of Cucamonga Valley Water District.

"They are letting us use their basins to recharge storm water."

Long-term projects, to be implemented in the next five to 10 years, include renova-

tion of Lower Cucamonga Basin in south Ontario.

"It would be an above-ground, temporary holding place that would catch water before it gets to Prado (Dam)," Manning said. "It's not a lake, but it could hold 10,000 to 15,000 acre-feet of water."

An acre-foot equals 325,851 gallons and is enough water to supply two typical households for a year.

The Chino Basin project hinges on the passage of an \$11.1 billion bond measure on the November ballot.

"A combination of state and federal funds could cover 50 percent of the cost," Manning said.

But there is a chance that Chino Basin Watermaster will not get any of the funds, DeLoach said.

"Ultimately, the cost will be

borne by the ratepayers if we don't find outside money to help pay for it," he said. "If we do (secure it), customers will pay nothing more or just a couple of pennies."

And, keeping in mind the county's growing population and the scarcity of very expensive water imported from Northern California — to implement the plan is not a choice but a must, DeLoach said.

If nothing is done, in 10 years customers will have to pay higher rates for imported water as well as facing mandatory conservation.

"We will not be able to continue to pump as we used to," he said. "Our entire groundwater basin depends on the success of this project and the accomplishment of everything that is suggested in the Recharge Master Plan."

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Rialto water district tops on grant list

Josh Dulaney, Staff Writer

Created: 04/13/2010 03:22:41 PM PDT

RIALTO - A groundwater treatment plan proposed by the West Valley Water District has scored the highest on a list of projects seeking state funding.

The water district's \$10 million grant proposal submitted to the state Department of Water Resources is a wellhead treatment project that uses an eco-friendly process to remove contaminants from drinking water.

Officials with the water district are calling it a significant step forward in recovering water resources that have been contaminated by industrial sources for decades.

"Since we opened our doors, we have fought to ensure the safety of our community's water supply," said Anthony "Butch" Araiza, general manager of the water district. "While lawyers for other entities sort out the blame, we have to do what is most important for our customers - solve the problem."

The department has released a preliminary list of nine qualifying projects out of 100 submitted by agencies throughout the state vying for \$50 million in funding under state Proposition 84.

The proposition - known as the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act - was passed by California voters in November 2006.

The state is expected to announce the grant recipients later this month.

"We're fairly confident because they said our application is one of the very best they've seen," Araiza said.

The water district's project uses micro-organisms to destroy perchlorate and other contaminants in drinking water.

Perchlorate has been discovered in drinking water throughout areas of Southern California and has been used for agricultural, industrial and military purposes.

Some scientists say it can impair thyroid function and cause developmental problems in infants.

The project will allow the water district and the city of Rialto to restore two wells that had been taken out of service because of perchlorate and other contaminants.

The total estimated cost is about \$20 million.

Araiza said the Department of Defense has put in about \$3 million for the project, and the state Water Resources Control Board has kicked in about \$2.5 million.

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He said the project could be up and running as early as next year.

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Panel aims to retain more water

New basin plan places priority on capturing runoff

Mediha Fejzagic DiMartino, Staff Writer

Created: 04/20/2010 04:14:54 PM PDT
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