



CHINO BASIN WATERMASTER



NOTICE OF MEETING

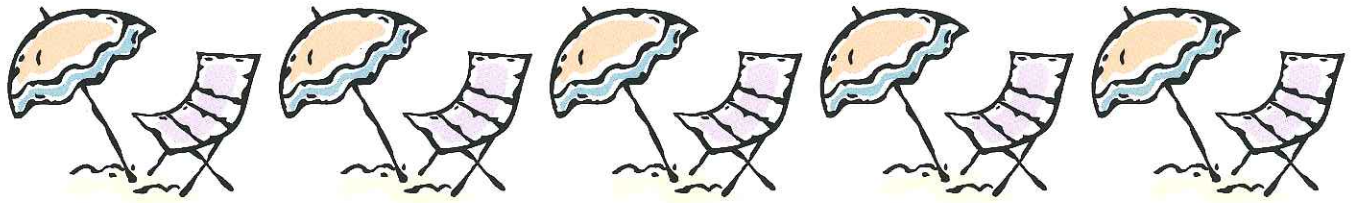
Thursday, July 21, 2011

9:00 a.m. – Advisory Committee Meeting

AT THE CHINO BASIN WATERMASTER OFFICES

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



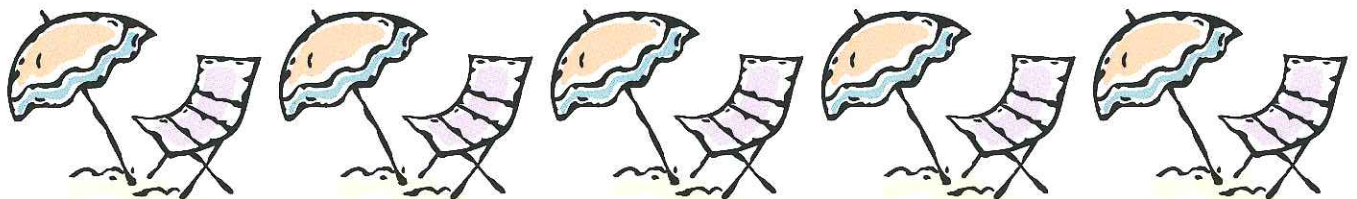


CHINO BASIN WATERMASTER

Thursday, July 21, 2011

9:00 a.m. – Advisory Committee Meeting

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

9:00 a.m. – July 21, 2011

WITH

Mr. Ken Jeske, Chair

Mr. Jeff Pierson, Vice-Chair

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 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 June 16, 2011 *(Page 1)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2011 *(Page 7)*
2. Watermaster VISA Check Detail for the month of May 2011 *(Page 19)*
3. Combining Schedule for the Period July 1, 2010 through May 31, 2011 *(Page 23)*
4. Treasurer's Report of Financial Affairs for the Period May 1, 2011 through May 31, 2011 *(Page 27)*
5. Budget vs. Actual July through May 2011 *(Page 31)*

II. BUSINESS ITEMS

A. ACQUISITION OF RIGHT OF ENTRY AGREEMENT FOR HORIZONTAL EXTENSOMETER

Consider Approval for the Proposed Right of Entry Agreement for the Horizontal Extensometer and Payment of \$1,000 to the Land Owner *(Page 37)*

B. AGREEMENT TO PROVIDE LOAN BETWEEN CHINO BASIN WATERMASTER AND CHINO BASIN WATER CONSERVATION DISTRICT

Consider Approval for the Proposed Agreement between Chino Basin Watermaster and Chino Basin Water Conservation District Not to Exceed \$5,000,000 *(Page 43)*

C. UPDATE OF CHINO BASIN GROUNDWATER MODEL - (Information Item Only)

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Appeal
2. Restated Watermaster Judgment
3. September 30, 2011 Hearing

B. ENGINEERING REPORT

1. Progress Report on the State of the Basin Report

C. CEO/STAFF REPORT

1. Recharge Update
2. 85/15 Rule Review
3. Water Activity Report Update

D. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update – oral
 - a) CDA LRP Status *(Page 65)*
 - b) Replenishment Update
2. Water Softener Update
3. Monthly Water Use Report - handout
4. State and Federal Legislative Reports *(Page 69)*
5. Community Outreach/Public Relations Report *(Page 91)*
6. IEUA Monthly Water Newsletter *(Page 95)*

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

1. Cash Disbursements for June 2011 *(Page 99)*
2. Newspaper Articles *(Page 109)*

V. COMMITTEE MEMBER COMMENTS

VI. OTHER BUSINESS

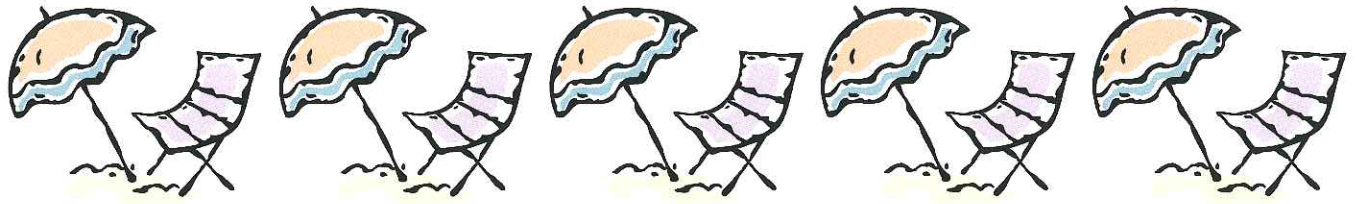
VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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.

VIII. FUTURE MEETINGS

Thursday, July 21, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, July 21, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, July 21, 2011	10:30 a.m.	Land Subsidence Committee Meeting @ CBWM
Tuesday, July 26, 2011	9:00 a.m.	GRCC Meeting @ CBWM
Thursday, July 28, 2011	11:00 a.m.	Watermaster Public Hearing @ CBWM
Thursday, July 28, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, August 11, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, August 11, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, August 11, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, August 18, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, August 18, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, August 18, 2011	10:30 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, August 25, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM

Meeting Adjourn

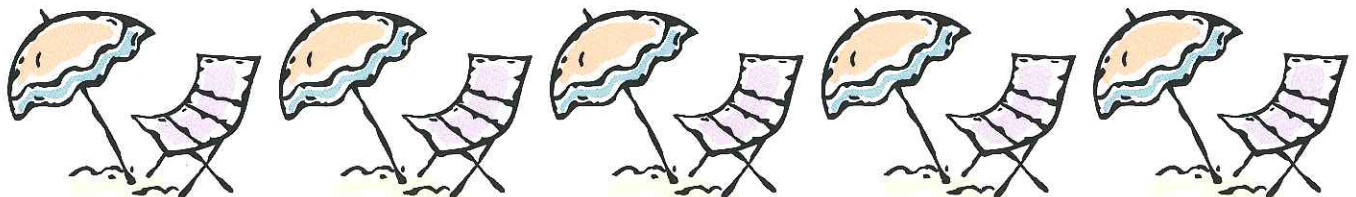


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting held on June 16, 2011



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

June 16, 2011

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on June 16, 2011 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT WHO SIGNED IN

Non-Agricultural Pool

Ken Jeske, Chair	California Steel Industries
Brian Geye	Auto Club Speedway

Appropriative Pool

Mark Kinsey	Monte Vista Water District
Marty Zvirbulis	Cucamonga Valley Water District
Raul Garibay	City of Pomona
Dave Crosley	City of Chino
Ron Craig	City of Chino Hills
Mohamed El-Amamy	City of Ontario
Sheri Rojo	Fontana Water Company
Josh Swift	Fontana Union Water Company
Shaun Stone	City of Upland
Robert Tock	Jurupa Community Services District

Agricultural Pool

Bob Feenstra	Ag Pool - Dairy
Jeff Pierson	Ag Pool – Crops
Rob Vanden Heuvel	Ag Pool – Milk Producers Council
Pete Hall	State of California - CIM

BOARD MEMBERS PRESENT WHO SIGNED IN

Bob Kuhn	Three Valleys Municipal Water District
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Watermaster Staff Present

Desi Alvarez	Chief Executive Officer
Danielle Maurizio	Senior Engineer
Joe Joswiak	Chief Financial Officer
Sherri Molino	Recording Secretary

Watermaster Consultants Present

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

Others Present Who Signed In

Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
John Bosler	Cucamonga Valley Water District
Scott Burton	City of Ontario
Ryan Shaw	Inland Empire Utilities Agency
Chris Berch	Inland Empire Utilities Agency
David DeJesus	Three Valleys Municipal Water District
James Linthicum	Three Valleys Municipal Water District
Mike Sovich	Three Valleys Municipal Water District
Bill Kruger	City of Chino Hills
John Mura	City of Chino Hills

Curtis Paxton
Seth Zielke
Craig Stewart

Chino Desalter Authority
Fontana Water Company
Geomatrix Consultants, Inc.

Chair Jeske called the Advisory Committee meeting to order at 9:04 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held May 19, 2011

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2011
2. Watermaster VISA Check Detail for the month of April 2011
3. Combining Schedule for the Period July 1, 2010 through April 30, 2011
4. Treasurer's Report of Financial Affairs for the Period April 1, 2011 through April 30, 2011
5. Budget vs. Actual July through April 2011

C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 1,100.000 acre-feet of water from Santa Ana River Water Company (SARWC) to Jurupa Community Services District (JCSD). This purchase is made first from SARWC's Annual Production Right, with any additional from storage. Date of Application: April 26, 2011

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

Moved to approve Consent Calendar items A, through C, as presented

II. BUSINESS ITEMS

A. WATERMASTER 2011-2012 BUDGET

Mr. Alvarez stated Mr. Joswiak is going to present this item with the latest version of the budget as it moves through the process for finalization. Mr. Joswiak noted there have been two changes to the budget and those changes do not affect the assessments. Mr. Joswiak gave the revised 2011-2012 Budget presentation. Mr. Joswiak reviewed the comments made at both the 1st and the 2nd Budget Workshops, including previous meetings, in detail. Mr. Joswiak stated the one item added from Peace II, article 9, section 9.1 is the \$300,000 from Three Valleys Municipal Water District (TVMWD). Mr. Garibay inquired about the \$300,000 from TVMWD. Mr. Joswiak stated the previously mentioned clause from Peace II states that TVMWD would pay \$300,000 to Watermaster and, in speaking with them, they do have that money on hand. Ms. Rojo inquired about the expense for \$300,000. Mr. Joswiak stated that money is if Watermaster needs to do any work regarding the Chino Creek Wellfield. Mr. Alvarez stated this is for the installation of extensometers and noted if it can be done with an existing well, it will be at approximately \$65,000 level. However the understanding is if it can't use the existing well then the cost will be approximately \$400,000. To offset that cost there is the \$300,000 that TVMWD previously committed to. A brief discussion regarding the money from TVMWD ensued. Mr. Joswiak stated this concept has been discussed with the Pools at their last meetings. Mr. Joswiak continued with the budget presentation. A discussion regarding all legal expenses and how they are reflected in the budget ensued. Mr. Joswiak gave a complete breakdown on how legal expenses for each Pool are categorized in the budget. Chair Jeske asked that a document that clearly explains this breakdown be created by Watermaster staff. A discussion regarding legal expenses for attending meetings ensued. Mr. Joswiak continued with the budget presentation. Mr. Kuhn stated he hopes there is no assumption that Three Valleys is going to write a check for \$300,000; the money is on the books and that money is to be used for studies. Three Valleys wants to be involved in what those studies are through negotiations between their staff and Watermaster. A discussion regarding Mr. Kuhn's

comments ensued. Mr. Zvirbulis inquired about the \$100,000 for the Agricultural Pool Special Legal Counsel as the recommendation out of the Appropriative Pool was to remove that amount. Mr. Alvarez stated the recommendation was to conditionally remove those monies and obtain justification of those costs from the Agricultural Pool; no additional information has been received to date from the Agricultural Pool. Mr. Pierson stated on June 9, 2011 the Agricultural Pool met, and by a majority vote that committee approved the budget with the \$100,000 included. As of last week the Agricultural Pool members were polled again and they are all consistent with leaving those additional legal monies in the budget. Mr. Kinsey stated when the budget process was started the goal was to keep the assessment flat with the current fiscal year assessment, and also to return any unused current fiscal year assessment revenue as a credit back to the Pools. Mr. Kinsey stated there were costs cut in the budget after several revisions and it appears those goals were met. However, with regard to the Agricultural Pool's request for an additional \$100,000 for the restated Judgment, Art Kidman was asked what it would take for him to perform that task on behalf of Monte Vista Water District and he was told approximately \$20,000, which means the \$100,000 appears to be too much money. Mr. Kinsey stated that \$100,000 will be something we all pay in assessments whether it is spent or not. Mr. Kinsey offered further comment on the Agricultural Pool's legal expenses. Mr. Garibay stated his understanding on the work to be done for the restated Judgment is more of a formatting exercise and did not believe it is a substantial effort. Counsel Fife stated the judge instructed Watermaster to take the original documents and put them into one workable document; however, there has been discussion on an extended effort but there has been no formal approval by the court or Board direction for that. Counsel Fife stated the task item right now, as directed by the judge, is simply to put all of the amendments that have been approved over the years into one document, and the updating of the Pool lists. Chair Jeske stated at the Non-Agricultural Pool meeting the budget was presented with the \$100,000 in it and the Pool instructed the representatives to vote in favor of the budget and encourages all the parties to continue to look at costs. Mr. Pierson stated we are a family of Pools trying to get this process done in the most efficient and cost-conscious way possible. Mr. Pierson offered history on past experiences for the Agricultural Pool to come to the Appropriative Pool and ask for additional monies, and discussed the legal expenses on the upcoming budget. A lengthy discussion regarding the Agricultural Pool's legal budget and the approval of the 2011-2012 budget ensued.

Motion by Kinsey second by Craig, and by volume vote (57.51 in favor)

Moved to approve the 2011-2012 Watermaster Budget, taking out the \$100,000 for the Agricultural Pool Legal Fees for the Restated Judgment, as presented

B. PURCHASE OF 50,000 ACRE-FEET WATER FROM METROPOLITAN WATER DISTRICT

Mr. Alvarez stated this is a continuation of the discussion regarding the purchase of replenishment water that became available recently when the Metropolitan Water District approved the replenishment rate for the first time since 2007. Mr. Alvarez stated at the last Appropriative Pool meeting, and subsequent to the Pool meeting, this item has been considered and a couple of decisions have been made with this regard. One decision was to move forward with the approval of applications for local storage agreements for the purposes of replenishment; two, applications are before this Pool for approval. The second request is to approve the 30 day notice and consider periods be waived in furtherance of moving this forward in a timely manner. Mr. Alvarez stated water has now been spread for three weeks. Mr. Alvarez stated staff is seeking approval for both items today. Mr. Alvarez stated there will be a third item introduced after the discussion for the first two items, regarding the financing of the purchased water. A lengthy discussion regarding this matter ensued.

Motion by Zvirbulis second by Garibay, and by unanimous vote

Moved to approve as follows: 1. Approve the applications of Fontana Water Company and Niagara Water Company for Local Storage Agreements, and 2. Request that the Watermaster Board waive the thirty day notice period (Watermaster Rules and Regulations Section 10.10) and the twenty-one day consideration period

(Watermaster Rules and Regulations Section 10.11) for Applications for Local Storage Agreements, so that the Advisory Committee and Watermaster Board may approve the Local Storage Agreements in June. This request is sought with the express acknowledgment that it does not create precedent for future applications, as presented

Added Item:

Mr. Alvarez stated the second part of the replenishment water purchase deals with the financing aspect. Mr. Alvarez stated at the last meeting, the Pool directed staff to look at financing alternatives; this is a work in progress. Mr. Alvarez stated when this item first came to the committee the recommendation was to finance this endeavor through a Special Assessment. Mr. Alvarez gave the Replenishment Water Purchase Financing presentation. Mr. Alvarez discussed the Special Assessment, Watermaster Bank Financing, and Regional Agency Financing alternatives in detail. Ms. Rojo stated she wants to go on the record and stated the basis for calculating the spreadsheet is not correct and the methodology is not what was agreed to as a result of the Peace II discussions. A lengthy discussion regarding this item, issues related to the presented numbers, and overall financing concerns ensued. It was noted it would be best to schedule an actual workshop to discuss the financing of the replenishment water.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Paragraph 31 Appeal

Counsel Fife stated there will be a closed session today regarding the Paragraph 31 appeal. Counsel Fife stated the Watermaster Board directed counsel to file Watermaster's reply brief by the deadline, which is Tuesday, June 7, 2011. The brief has been completed and it was mailed to the court recently.

2. Restated Watermaster Judgment

Counsel Fife stated there was a basic roadmap presented during the budget workshops, and in that memo the steps were described in detail. Counsel Fife stated the first step was to create a database of the old orders and that is currently being worked on. A discussion regarding this item ensued.

3. July 8, 2011 Court Hearing

Counsel Fife stated the CDA is not ready to go to court yet and, since the main reason to have the court hearing was to present the CDA Resolution which was not finalized yet, the court date needed to be changed; that court date has now officially moved to September 30, 2011 at 10:30 a.m.

B. CEO/STAFF REPORT

1. Recharge Update

Mr. Alvarez stated the most recent spreadsheet is available on the back table. Mr. Alvarez reviewed the numbers in detail. Mr. Alvarez stated the recharge water that has been spread is approximately 6,000 acre-feet of the Metropolitan Water District's replenishment water.

2. Horizontal Extensometer Update

Mr. Alvarez offered comment regarding this item. This item will come back through the Watermaster process

Added Comment:

Mr. Alvarez stated one of the items being discussed is legal costs, and staff is working very closely with legal counsel to cut costs wherever possible. Mr. Alvarez stated legal counsel receives a lot of requests from a lot of parties so staff has directed legal counsel that unless a request comes from Watermaster they are not to be working with parties. Mr. Alvarez asked that

staff be contacted first and then direction for assistance will be provided so that legal is not brought into every item unnecessarily.

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update
Mr. Shaw stated last Tuesday MWD approved the CDA LRP Agreement which is excellent news.
2. Proposed Water Softener Ordinance Update
Mr. Shaw stated that last night there was a public hearing on the proposed amendment to Ordinance 87, which is the water softener rebate program; there was no opposition to this item.
3. Monthly Water Use Report
No comment was made regarding this item.
4. State and Federal Legislative Reports
No comment was made regarding this item.
5. Community Outreach/Public Relations Report
No comment was made regarding this item.
6. IEUA Monthly Water Newsletter
No comment was made regarding this item.

D. OTHER METROPOLITAN MEMBER AGENCY REPORTS

No comment was made regarding this item.

IV. INFORMATION

1. Cash Disbursements for May 2011
No comment was made regarding this item.
2. Newspaper Articles
No comment was made regarding this item.
3. State Water Supply Conditions
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 session was called.

VIII. FUTURE MEETINGS

Thursday, June 16, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, June 16, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, June 23, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, July 7, 2011	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, July 7, 2011	2:30 p.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, July 14, 2011	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, July 21, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, July 21, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM

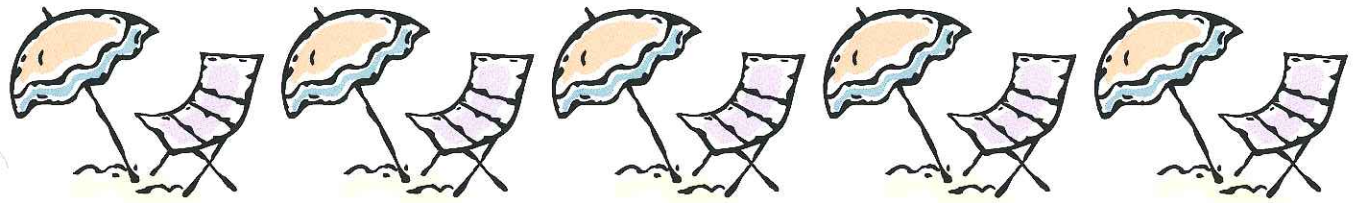
Thursday, July 21, 2011	10:30 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, July 28, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM

Note: The Land Subsidence Committee meeting for Thursday, June 16, 2011 at 10:30 a.m. has been cancelled.

The Advisory Committee meeting was dismissed by Chair Jeske at 10:27 a.m.

Secretary: _____

Minutes Approved: _____

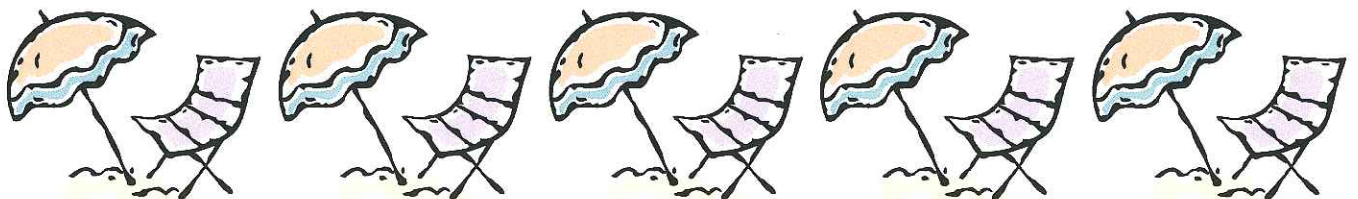


CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2011
2. Watermaster VISA Check Detail for the month of May 2011
3. Combining Schedule for the Period July 1, 2011 through May 31, 2011
4. Treasurer's Report of Financial Affairs for the Period May 1, 2011 through May 31, 2011
5. Budget vs. Actual July 2010 through May 2011





CHINO BASIN WATERMASTER

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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 21, 2011
TO: Committee Members
SUBJECT: Cash Disbursement Report – Financial Report B1

SUMMARY

Issue – Record of cash disbursements for the month of May 2011.

Recommendation – Staff recommends the Cash Disbursements for May 2011 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2010-2011 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 May 2011 were \$365,297.11. The most significant expenditures during the month were Wildermuth Environmental, Inc. in the amount of \$133,289.76 (check number 15129 dated May 24, 2011), Brownstein Hyatt Farber Schreck in the amount of \$55,867.69 (check number 15105 dated May 24, 2011) and payroll related charges for the period 05/15/11-05/28/11 in the amount of \$33,081.86 (\$19,283.90 for direct deposits, \$6,235.79 for payroll checks and \$7,562.17 for payroll related taxes debited from our payroll bank account on May 26, 2011).

Actions:

July 14, 2011 Appropriative Pool – Approved Unanimously
July 14, 2011 Non-Agricultural Pool – Receive & File Without Approval
July 14, 2011 Agricultural Pool – Approved Unanimously
July 21, 2011 Advisory Committee –
July 28, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/03/2011	15070	ARROWHEAD MOUNTAIN SPRING WATER		1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	0023230253		Office Water Bottle - April 2011	6031.7 - Other Office Supplies	38.95
TOTAL						38.95
Bill Pmt -Check	05/03/2011	15071	COMPUTER NETWORK		1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	80333		Replacement monitor for Justin	6055 - Computer Hardware	527.13
Bill	04/30/2011	80994		Symantec backup	6054 - Computer Software	1,631.25
Bill	04/30/2011	80334		Cables	6055 - Computer Hardware	47.85
Bill	04/30/2011	80310		LCD stand, hard drive	6055 - Computer Hardware	103.31
TOTAL						2,309.54
Bill Pmt -Check	05/03/2011	15072	COUNTY OF ORANGE		1012 - Bank of America Gen'l Ckg	
TOTAL				VOID: Flood Enroachment Permit Fee		
Bill Pmt -Check	05/03/2011	15073	DIRECTV		1012 - Bank of America Gen'l Ckg	
Bill	05/02/2011	019447404		Service for 4/19/11-5/18/11	6031.7 - Other Office Supplies	86.99
TOTAL						86.99
Bill Pmt -Check	05/03/2011	15074	JAMES JOHNSTON		1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	230		Website Services - April 2011	6052.3 - Website Consulting	810.00
TOTAL						810.00
Bill Pmt -Check	05/03/2011	15075	ONTARIO, CITY OF		1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	E201000585		traffic control permit-water quality sampling-Ontario	7103.6 - Gndwtr Qual-Supplies	298.00
TOTAL						298.00
Bill Pmt -Check	05/03/2011	15076	PARK PLACE COMPUTER SOLUTIONS, INC.		1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	450		IT Services - April 2011	6052.1 - Park Place Comp Solutn	4,150.00
TOTAL						4,150.00
Bill Pmt -Check	05/03/2011	15077	PUMP CHECK		1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	4218			7102.8 - In-line Meter-Callib & Test	2,660.00
TOTAL						2,660.00
Bill Pmt -Check	05/03/2011	15078	THE LAWTON GROUP		1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	1vc070000016915		Scanning Services - Week ending 4/17/2011	6017 - Temporary Services	164.80
TOTAL						164.80
Bill Pmt -Check	05/03/2011	15079	VISION SERVICE PLAN		1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	001017890001		Vision Insurance Premium - May 2011	60182.2 - Dental & Vision Ins	52.93

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						52.93
Bill Pmt -Check	05/09/2011	15080	BOWCOCK, ROBERT	4/12/2011 Budget Workshop	1012 - Bank of America Gen'l Ckg	
Bill	04/12/2011	4/12 Budget Wkshp		4/12/2011 Budget Workshop	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	05/09/2011	15081	CITISTREET	Payroll and Taxes for 04/17/11-04/30/11	1012 - Bank of America Gen'l Ckg	
General Journal	04/30/2011	04/30/11	CITISTREET	Employee 457 Deduction for 04/17/11-04/30/11	2000 - Accounts Payable	1,460.54
TOTAL						1,460.54
Bill Pmt -Check	05/09/2011	15082	COMPUTER NETWORK	Replacement computer case - CEO	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	81238		Workstation for senior engineer	6055 - Computer Hardware	48.94
Bill	04/30/2011	81221		Mouse for executive assistant, IT office	6055 - Computer Hardware	1,522.50
Bill	05/03/2011	81267		LCD monitor	6055 - Computer Hardware	163.13
Bill	05/06/2011	81288				559.75
TOTAL						2,294.32
Bill Pmt -Check	05/09/2011	15083	ELIE, STEVEN	4/12/2011 Budget Workshop	1012 - Bank of America Gen'l Ckg	
Bill	04/12/2011	4/12 Budget Wkshp		4/12/2011 Budget Workshop	6311 - Board Member Compensation	125.00
Bill	04/28/2011	4/28 Board Mtg		4/28/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	05/09/2011	15084	HAUGHEY, TOM	4/28/2011 Board Meeting	1012 - Bank of America Gen'l Ckg	
Bill	04/28/2011	4/28 Board Mtg		4/28/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	05/09/2011	15085	JESKE, KEN	4/28/2011 Board Meeting	1012 - Bank of America Gen'l Ckg	
Bill	04/28/2011	4/28 Board Meeting		4/28/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	05/09/2011	15086	KUHN, BOB	4/12/2011 Budget Workshop	1012 - Bank of America Gen'l Ckg	
Bill	04/12/2011	4/12 Budget Wkshp		4/12/2011 Budget Workshop	6311 - Board Member Compensation	125.00
Bill	04/21/2011	4/21 Advisory Comm		4/21/2011 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	04/28/2011	4/28 Board Meeting		4/28/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	05/09/2011	15087	LANTZ, PAULA	4/12/2011 Budget Workshop	1012 - Bank of America Gen'l Ckg	
Bill	04/12/2011	4/12 Budget Wkshp		4/12/2011 Budget Workshop	6311 - Board Member Compensation	125.00
Bill	04/28/2011	4/28 Board Meeting		4/28/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/09/2011	15088	PAYCHEX	2011042800	1012 - Bank of America Gen'l Ckg	
Bill	04/28/2011	2011042800		Payroll Services - April 2011	6012 - Payroll Services	234.76
TOTAL						234.76
Bill Pmt -Check	05/09/2011	15089	PRINTING RESOURCES		1012 - Bank of America Gen'l Ckg	
Bill	04/28/2011	56465		Name plate for Desi Alvarez	6031.7 - Other Office Supplies	28.70
Bill	04/28/2011	56466		Name badge for Desi Alvarez	6031.7 - Other Office Supplies	40.02
Bill	04/28/2011	56463		Business cards for Desi Alvarez	6031.7 - Other Office Supplies	137.67
TOTAL						206.39
Bill Pmt -Check	05/09/2011	15090	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	04/30/2011	04/30/11		CalPERS Employee Pymnts for 04/17/11-04/30/11	2000 - Accounts Payable	5,519.39
TOTAL						5,519.39
Bill Pmt -Check	05/09/2011	15091	PURCHASE POWER	8000909000168851	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	8000909000168851		fed ex shipments-Alvarez; CBWM documents	6042 - Postage - General	21.87
TOTAL						21.87
Bill Pmt -Check	05/09/2011	15092	REID & HELLYER	175052	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	175052		175052 - Ag Pool Legal Services	8467 - Ag Legal & Technical Services	10,077.83
				175052 - Ag Pool Legal Services	8467.1 - Frank B. & Associates	522.50
TOTAL						10,600.33
Bill Pmt -Check	05/09/2011	15093	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	ICV070000016942		Scanning Services - Week ending 4/24/2011	6017 - Temporary Services	865.20
TOTAL						865.20
Bill Pmt -Check	05/09/2011	15094	UNION 76	300-732-989	1012 - Bank of America Gen'l Ckg	
Bill	04/28/2011	300732989		April 2011	6175 - Vehicle Fuel	210.94
TOTAL						210.94
Bill Pmt -Check	05/09/2011	15095	VANDEN HEUVEL, GEOFFREY	6311	1012 - Bank of America Gen'l Ckg	
Bill	04/28/2011	4/28 Board Meeting		4/28/2011 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	05/09/2011	15096	VERIZON	012519116950792103	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	012519116950792103		012519116950792103	6022 - Telephone	427.08
Bill	04/30/2011	0125661121521714508		0125661121521714508	7405 - PE4-Other Expense	162.84
TOTAL						589.92
Bill Pmt -Check	05/09/2011	15097	W.C. DISCOUNT MOBILE AUTO DETAILING		1012 - Bank of America Gen'l Ckg	
				Truck washing service		

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	04/27/2011			Truck washing 4 trucks	6177 - Vehicle Repairs & Maintenance	100.00
TOTAL						100.00
Bill Pmt -Check	05/09/2011	15098	WILLIS, KENNETH		1012 - Bank of America Gen'l Ckg	125.00
Bill	04/15/2011	4/15 Admin Mtg		4/15/2011 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	04/28/2011	4/28 Board Mtg		4/28/2011 Board Meeting	6311 - Board Member Compensation	250.00
TOTAL						250.00
Bill Pmt -Check	05/09/2011	15099	YUKON DISPOSAL SERVICE		1012 - Bank of America Gen'l Ckg	142.88
Bill	05/09/2011	08-K2 213849		Disposal Service for May 2011	6024 - Building Repair & Maintenance	142.88
TOTAL						142.88
Bill Pmt -Check	05/09/2011	15100	APPLIED COMPUTER TECHNOLOGIES		1012 - Bank of America Gen'l Ckg	2,611.20
Bill	04/30/2011	2007		Database Services - April 2011	6052.2 - Applied Computer Technol	2,611.20
TOTAL						2,611.20
Bill Pmt -Check	05/10/2011	15101	HSBC BUSINESS SOLUTIONS		1012 - Bank of America Gen'l Ckg	547.39
Bill	04/30/2011	7003730910002744		Carpet cleaner, misc. meeting and office supplies	6031.7 - Other Office Supplies	547.39
TOTAL						547.39
Bill Pmt -Check	05/10/2011	15102	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	2,065.00
Bill	04/30/2011	L0052938		L0052938 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	04/30/2011	L0052937		L0052937 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,360.00
Bill	04/30/2011	L0052936		L0052936 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,532.00
Bill	04/30/2011	L0053692		L0053692 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	04/30/2011	L0053428		L0053428 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	04/30/2011	L0053308		L0053308 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,360.00
Bill	04/30/2011	L0052939		L0052939 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
TOTAL						11,612.00
Check	05/16/2011	05/16/2011	Service Charge		1012 - Bank of America Gen'l Ckg	151.41
TOTAL					6031.7 - Other Office Supplies	151.41
General Journal	05/20/2011	05/20/11	Payroll and Taxes for 05/01/11-05/14/11		1012 - Bank of America Gen'l Ckg	19,021.32
			Direct Deposits for 05/01/11-05/14/11		1012 - Bank of America Gen'l Ckg	19,021.32
			Payroll Taxes for 05/01/11-05/14/11		1012 - Bank of America Gen'l Ckg	7,897.32
			Checks for 05/01/11-05/14/11		1014 - Bank of America P/R Ckg	5,818.08
TOTAL						32,736.72
Bill Pmt -Check	05/24/2011	15103	ACWA SERVICES CORPORATION		1012 - Bank of America Gen'l Ckg	
			00198			

TOTAL
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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/18/2011	00198		Prepayment - June 2011 May 2011	1409 · Prepaid Life, BAD&D & LTD 60191 · Life & Disab Ins Benefits	151.26 80.94 <u>232.20</u>
TOTAL						
Bill Pmt -Check	05/24/2011	15104	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2011	XXXX-XXXX-XXXX-9341		Fastack replenishment Administrative Professionals Day luncheon Membership dues for Desi Alvarez for AWWA AWWA 2011 Annual Conference & Exposition Air fare for Desi Alvarez to Washington DC Lunch for 4/28/11 WM Board Meeting Computer software Computer software	6174 · Transportation 6141.3 · Admin Meetings 6111 · Membership Dues 6191 · Conferences - General 6191 · Conferences - General 6312 · Meeting Expenses 6054 · Computer Software 6054 · Computer Software	30.00 107.34 231.00 950.00 526.40 285.97 465.00 175.00 <u>2,770.71</u>
TOTAL						
Bill Pmt -Check	05/24/2011	15105	BROWNSTEIN HYATT FARBER SCHRECK		1012 · Bank of America Gen'l Ckg	
Bill	04/30/2011	440895		440895 - WM Legal Counsel	6907.3 · WM Legal Counsel	4,473.90
Bill	04/30/2011	440896		440896 - Santa Ana River Water Rights	6907.34 · Santa Ana River Water Rights	1,143.90
Bill	04/30/2011	440897		440897 - S. Archibald Plume-Formerly OIA	6907.31 · S. Archibald Plume-Formerly OIA	2,106.00
Bill	04/30/2011	440898		440898 - Chino Airport Plume	6907.32 · Chino Airport Plume	676.35
Bill	04/30/2011	440899		440899 - Desalter Negotiations	6907.33 · Desalter Negotiations	2,116.16
Bill	04/30/2011	440900		440900 - Paragraph 31 Motion	6907.35 · Paragraph 31 Motion	27,852.75
Bill	04/30/2011	440901		440901 - Santa Ana River Habitat	6907.36 · Santa Ana River Habitat	137.25
Bill	04/30/2011	440902		440902 - WM Legal Counsel	6907.3 · WM Legal Counsel	15,566.11
Bill	04/30/2011	440902		440902 - S. Archibald Plume-Formerly OIA	6907.31 · S. Archibald Plume-Formerly OIA	1,350.90
Bill	04/30/2011	440902		440902 - Recharge Master Plan	6907.39 · Recharge Master Plan	444.37 <u>55,867.69</u>
TOTAL						
Bill Pmt -Check	05/24/2011	15106	CALPERS	1741	1012 · Bank of America Gen'l Ckg	
Bill	05/18/2011	1741		Medical Insurance Premiums - June 2011	60182.1 · Medical Insurance	5,431.25 <u>5,431.25</u>
TOTAL						
Bill Pmt -Check	05/24/2011	15107	CITISTREET		1012 · Bank of America Gen'l Ckg	
General Journal	05/20/2011	05/20/2011	CITISTREET	Payroll and Taxes for 05/01/11-05/14/11 457 Deferred Comp for 05/01/11-05/14/11	2000 · Accounts Payable	1,460.54 <u>1,460.54</u>
TOTAL						
Bill Pmt -Check	05/24/2011	15108	CORELOGIC INFORMATION SOLUTIONS	80197307	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2011	80197307		80197307 80197307 80197307	7103.7 · Grdwtr Qual-Computer Svc 7101.4 · Prod Monitor-Computer	62.50 62.50 125.00
TOTAL						

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/24/2011	15109	COUNTY OF ORANGE	Flood Encroachment Permit Fee	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	Encroachment permit		Fee-Permit extension to gain access to wells	7103.6 - Grdwtr Quat-Supplies	258.00
TOTAL						258.00
Bill Pmt -Check	05/24/2011	15110	CUCAMONGA VALLEY WATER DISTRICT	Lease Due June 1, 2011	1012 - Bank of America Gen'l Ckg	
Bill	05/16/2011			Lease Due June 1, 2011	1422 - Prepaid Rent	5,844.00
TOTAL						5,844.00
Bill Pmt -Check	05/24/2011	15111	GREAT AMERICA LEASING CORP.	10867878	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	10867878		Copier lease invoice	6043.1 - Ricoh Lease Fee	2,814.41
TOTAL				Usage for Black Copies - amount is for 2 months	6043.2 - Ricoh Usage & Maintenance Fee	220.50
Bill Pmt -Check	05/24/2011	15112	GUARANTEED JANITORIAL SERVICE, INC.	28497	1012 - Bank of America Gen'l Ckg	
Bill	05/16/2011	28497		Janitorial Service - May 2011	6024 - Building Repair & Maintenance	865.00
TOTAL						865.00
Bill Pmt -Check	05/24/2011	15113	HOGAN LOVELLS	1966080	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	1966080		Non-Ag Legal Services - April 2011	8567 - Non-Ag Legal Service	17,240.84
TOTAL						17,240.84
Bill Pmt -Check	05/24/2011	15114	INLAND EMPIRE UTILITIES AGENCY	90007634	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	90007634			8456 - IEUA Readiness To Serve	400.98
TOTAL						400.98
Bill Pmt -Check	05/24/2011	15115	PRE-PAID LEGAL SERVICES, INC.	111802	1012 - Bank of America Gen'l Ckg	
Bill	05/18/2011	111802		May 2011	60194 - Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	05/24/2011	15116	PREMIERE GLOBAL SERVICES	07179334	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	07179334		4/01/11 Board Ad Hoc Committee Call	6312 - Meeting Expenses	1.42
TOTAL				4/04/11 EPA Request for GW Modeling	7104.1 - Grdwtr Level-WM Staff	27.49
				4/05/11 GE Application for Recharge Call	7205 - Comp Recharge-Other Expense	69.68
				4/07/11 Non Ag Pool Meeting Call	8512 - Meeting Expense	138.26
				4/11/11 GE Application for Recharge Call	7205 - Comp Recharge-Other Expense	53.97
				4/19/11 Appropriative Pool Special Meeting Call	8312 - Meeting Expenses	135.81
				3/31/11 Follow up call to MZ1 Tech Meeting Call	7405 - PE4-Other Expense	106.11
				Monthly Fee	6022 - Telephone	14.95
TOTAL						547.69
Bill Pmt -Check	05/24/2011	15117	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
General Journal	05/14/2011	05/14/2011	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 05/01/11-05/14/11	2000 - Accounts Payable	7,125.96
TOTAL						7,125.96
Bill Pmt -Check	05/24/2011	15118	SAFEGUARD DENTAL & VISION	3709550	1012 - Bank of America Gen'l Ckg	
Bill	05/16/2011	3709550		Dental Insurance Premium - May 2011	60182.2 - Dental & Vision Ins	7.91
TOTAL						7.91
Bill Pmt -Check	05/24/2011	15119	SOUTHERN CALIFORNIA WATER COMMITTEE	679	1012 - Bank of America Gen'l Ckg	
Bill	05/09/2011	679		Membership for 2011/2012	1433 - Prepaid Membership Dues	850.00
TOTAL						850.00
Bill Pmt -Check	05/24/2011	15120	STAPLES BUSINESS ADVANTAGE	8018539962	1012 - Bank of America Gen'l Ckg	
Bill	05/07/2011	8018539962		bottled water	6031.7 - Other Office Supplies	37.34
				copy paper	6031.1 - Copy Paper	263.94
TOTAL						301.28
Bill Pmt -Check	05/24/2011	15121	STATE COMPENSATION INSURANCE FUND	1615535-11	1012 - Bank of America Gen'l Ckg	
Bill	05/16/2011	1615535-11		deposit premium	60183 - Worker's Comp Insurance	216.61
TOTAL						216.61
Bill Pmt -Check	05/24/2011	15122	STAULA, MARY L	Retiree Medical	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011				60182.4 - Retiree Medical	136.61
TOTAL						136.61
Bill Pmt -Check	05/24/2011	15123	TELECOM SERVICES	5364	1012 - Bank of America Gen'l Ckg	
Bill	05/04/2011	5364		make changes to voice-mail system	6022 - Telephone	125.00
TOTAL						125.00
Bill Pmt -Check	05/24/2011	15124	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	
Bill	05/12/2011	IVCO70000016969		Week Ending 5/01/2011	6017 - Temporary Services	267.80
Bill	05/16/2011	IVCO70000016999		Week Ending 5/08/2011	6017 - Temporary Services	813.70
TOTAL						1,081.50
Bill Pmt -Check	05/24/2011	15125	UNITED PARCEL SERVICE	2x81x0	1012 - Bank of America Gen'l Ckg	
Bill	04/30/2011	2x81x0		Contract to Desi Alvarez	6042 - Postage - General	39.04
TOTAL						39.04
Bill Pmt -Check	05/24/2011	15126	VERIZON WIRELESS	0974209445	1012 - Bank of America Gen'l Ckg	
Bill	05/16/2011	0974209445		Monthly service + equip. charge-\$256.86-phone	6022 - Telephone	687.55
TOTAL						687.55
Bill Pmt -Check	05/24/2011	15127	W.C. DISCOUNT MOBILE AUTO DETAILING	Truck washing service	1012 - Bank of America Gen'l Ckg	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/16/2011			truck washing 3 trucks	6177 - Vehicle Repairs & Maintenance	75.00
TOTAL						
Bill Pmt -Check	05/24/2011	15128	WESTERN DENTAL SERVICES, INC.		1012 - Bank of America Gen'l Ckg	28.88
Bill	05/12/2011	002483		Dental Insurance Premium - June 2011	60182.2 - Dental & Vision Ins	28.88
TOTAL						
Bill Pmt -Check	05/24/2011	15129	WILDERMUTH ENVIRONMENTAL INC		1012 - Bank of America Gen'l Ckg	7,228.92
Bill	04/30/2011	2011135		2011135 - OBMP Engineering Services	6906 - OBMP Engineering Services	891.29
Bill	04/30/2011	2011136		2011136 - OBMP Engineering Services	6906 - OBMP Engineering Services	8,307.21
Bill	04/30/2011	2011137		2011137 - OBMP Engineering Services	6906 - OBMP Engineering Services	17,590.00
Bill	04/30/2011	2011138		2011138 - OBMP Engineering Services	6906 - OBMP Engineering Services	3,755.00
Bill	04/30/2011	2011139		2011139 - OBMP Engineering Services	6906 - OBMP Engineering Services	343.75
Bill	04/30/2011	2011140		2011140 - OBMP Engineering Services	6906 - OBMP Engineering Services	93.75
Bill	04/30/2011	2011141		2011141 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	7,000.00
Bill	04/30/2011	2011142		2011142 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	1,825.00
Bill	04/30/2011	2011143		2011143 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	337.50
Bill	04/30/2011	2011144		2011144 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	2,334.20
Bill	04/30/2011	2011145		2011145 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	7,981.25
Bill	04/30/2011	2011146		2011146 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	3,800.00
Bill	04/30/2011	2011147		2011147 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	1,250.00
Bill	04/30/2011	2011148		2011148 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	1,050.00
Bill	04/30/2011	2011149		2011149 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	2,500.00
Bill	04/30/2011	2011150		2011150 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	6,197.79
Bill	04/30/2011	2011151		2011151 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	3,581.25
Bill	04/30/2011	2011152		2011152 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	562.50
Bill	04/30/2011	2011153		2011153 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	6,188.78
Bill	04/30/2011	2011154		2011154 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	1,062.50
Bill	04/30/2011	2011155		2011155 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	406.25
Bill	04/30/2011	2011156		2011156 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	2,031.25
Bill	04/30/2011	2011157		2011157 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	175.00
Bill	04/30/2011	2011158		2011158 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	773.49
Bill	04/30/2011	2011159		2011159 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	125.00
Bill	04/30/2011	2011160		2011160 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	156.25
Bill	04/30/2011	2011161		2011161 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	6,018.75
Bill	04/30/2011	2011162		2011162 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	6,027.58
Bill	04/30/2011	2011163		2011163 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	2,305.00
Bill	04/30/2011	2011164		2011164 - Recharge & Well - Engineering	7109.3 - Recharge & Well - Engineering	6,123.00
Bill	04/30/2011	2011165		2011165 - PE3&5-Engineering	7303 - PE3&5-Engineering	2,825.00
Bill	04/30/2011	2011166		2011166 - PE4-Engineering	7402 - PE4-Engineering	5,100.00
Bill	04/30/2011	2011167		2011167 - PE4-Engineering	7402 - PE4-Engineering	

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
May 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	04/30/2011	2011168		2011168 - PE&7-Engineering	7502 · PE&7-Engineering	2,150.00
Bill	04/30/2011	2011169		2011169 - OBMP - Watermaster Model Update	6906.1 · OBMP - Watermaster Model Update	10,412.50
Bill	04/30/2011	2011170		2011170 - OBMP - Watermaster Model Update	6906.1 · OBMP - Watermaster Model Update	4,800.00
TOTAL						133,289.76
Bill Pmt -Check	05/24/2011	15130	INLAND EMPIRE UTILITIES AGENCY	1800001883	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2011	1800001883		Support Serv.-Turner Basin/Guastl Park per agreeen 7202 · Comp Recharge-Engineering		9,793.15
TOTAL						9,793.15
Bill Pmt -Check	05/26/2011	15131	EL TORITO	Lunch for 5/26/11 Watermaster Board Meeting	1012 · Bank of America Gen'l Ckg	459.69
Bill	05/26/2011			Lunch for 5/26/11 Watermaster Board Meeting	6312 · Meeting Expenses	459.69
TOTAL						459.69
General Journal	05/28/2011	05/28/2011	Payroll and Taxes for 05/15/11-05/28-11	Payroll and Taxes for 05/15/11-05/28-11	1012 · Bank of America Gen'l Ckg	19,283.90
				Direct Debits for 05/15/11-05/28-11	1014 · Bank of America P/R Ckg	6,235.79
				Payroll Checks for 05/15/11-05/28-11	1012 · Bank of America Gen'l Ckg	7,562.17
				Payroll Taxes for 05/15/11-05/28-11	1014 · Bank of America P/R Ckg	33,081.86
TOTAL						33,081.86
General Journal	05/31/2011	05/31/2011	Wage Works Direct Debits - May 2011	Wage Works Direct Debits - May 2011	1012 · Bank of America Gen'l Ckg	839.24
				Wage Works Direct Debits - May 2011	1012 · Bank of America Gen'l Ckg	839.24
				Wage Works Direct Debits - May 2011	1012 · Bank of America Gen'l Ckg	86.75
				Wage Works Direct Debits - May 2011	1012 · Bank of America Gen'l Ckg	1,765.23
TOTAL						1,765.23
Total Disbursements:						365,297.11

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CHINO BASIN WATERMASTER

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 21, 2011
TO: Committee Members
SUBJECT: VISA Check Detail Report – Financial Report B2

SUMMARY

Issue – Record of VISA credit card payment disbursed for the month of May 2011.

Recommendation – Staff recommends the VISA Check Detail Report for May 2011 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2010-2011 Watermaster Budget.

BACKGROUND

A monthly VISA Check Detail report is provided to keep all members apprised of Watermaster expenditures charged against the CEO and/or CFO's Bank of America VISA card.

DISCUSSION

Total cash disbursement during the month of May 2011 was \$2,770.71. The monthly charges for May 2011 were for routine and customary expenditures and properly documented with receipts.

Actions:

July 14, 2011 Appropriative Pool – Approved Unanimously
July 14, 2011 Non-Agricultural Pool – Receive & File Without Approval
July 14, 2011 Agricultural Pool – Approved Unanimously
July 21, 2011 Advisory Committee –
July 28, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
 VISA Check Detail Report
 May 2011

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	05/24/2011	15104	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	04/30/2011	XXXX-XXXX-XXXX-9341		Fastrack replenishment	6174 · Transportation	30.00
				Administrative Professionals Day luncheon	6141.3 · Admin Meetings	107.34
				Membership dues for Desi Alvarez for AWWA	6111 · Membership Dues	231.00
				AWWA 2011 Annual Conference & Exposition	6191 · Conferences - General	950.00
				Air fare for Desi Alvarez to Washington DC	6191 · Conferences - General	526.40
				Lunch for 4/28/11 WM Board Meeting	6312 · Meeting Expenses	285.97
				Computer software	6054 · Computer Software	465.00
				Computer software	6054 · Computer Software	175.00
						<u>2,770.71</u>

TOTAL

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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

DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 21, 2011
TO: Committee Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2010 through May 31, 2011 - Financial Report B3

SUMMARY

Issue – Record of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2010 through May 31, 2011.

Recommendation – Staff recommends the Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2010 through May 31, 2011 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2010-2011 Watermaster Budget.

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Working Capital for the period July 1, 2010 through May 31, 2011 is provided to keep all members apprised of the FY 2010/2011 cumulative Watermaster revenues, expenditures and changes in working capital for the period listed.

DISCUSSION

The Combining Schedule of Revenue, Expenses and Changes in Working Capital has been created from various financial reports and statements created from QuickBooks Enterprise Solutions 9.0, the Watermaster accounting system. The Combining Schedule provided balances to the supporting documentation in the Watermaster accounting system as presented.

Actions:

July 14, 2011 Appropriative Pool – Approved Unanimously
July 14, 2011 Non-Agricultural Pool – Receive & File Without Approval
July 14, 2011 Agricultural Pool – Approved Unanimously
July 21, 2011 Advisory Committee –
July 28, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN WORKING CAPITAL
 FOR THE PERIOD JULY 1, 2010 THROUGH MAY 31, 2011

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS		GROUNDWATER OPERATIONS		EDUCATION FUNDS	GRAND TOTALS	BUDGET 2010-2011
			POOL APPROPRIATIVE	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT			
Administrative Revenues:									
Administrative Assessments			6,165,079	1,755	343,090			6,508,169	\$6,508,070
Interest Revenue	(272)		23,043		888		3	25,417	175,010
Mutual Agency Project Revenue	111,000							111,000	148,410
Grant Income								-	0
Miscellaneous Income								-	0
Total Revenues	110,729	-	6,188,122	1,755	343,978	-	3	6,644,587	6,831,490
Administrative & Project Expenditures:									
Watermaster Administration	478,481							478,481	512,546
Watermaster Board-Advisory Committee	62,406							62,406	73,073
Pool Administration			49,279	162,556	139,450			351,285	474,856
Optimum Basin Mgmt Administration		1,420,748						1,420,748	1,350,390
OBMP Project Costs		2,649,180						2,649,180	3,772,619
Debt Service		366,790						366,790	700,964
Education Funds Use							375	375	375
Mutual Agency Project Costs								-	10,000
Total Administrative/OBMP Expenses	540,886	4,436,717	49,279	162,556	139,450		375	5,329,263	6,894,823
Net Administrative/OBMP Expenses	(430,158)	(4,436,717)						-	-
Allocate Net Admin Expenses To Pools		4,069,927	2,798,690	1,132,325	138,912			-	-
Allocate Net OBMP Expenses To Pools		366,790	366,790					-	-
Allocate Debt Service to App Pool			1,414,558	(1,414,558)				-	-
Agricultural Expense Transfer*			4,925,115	-	293,045		375	5,329,263	6,894,823
Total Expenses			1,263,007	1,755	50,933		(372)	1,315,323	(63,333)
Net Administrative Income									
Other Income/(Expense)									
Replenishment Water Assessments						5,866,500		5,866,500	0
Interest Revenue						11,490		11,490	0
Water Purchases								-	0
Balance Adjustment								-	0
Other Water Purchases						(2,255,436)		(2,255,436)	0
Groundwater Replenishment						(300,634)		(300,634)	0
Net Other Income						3,321,920		3,321,920	0
Net Transfers To/(From) Reserves	4,637,244		1,263,007	1,755	50,933		(372)	4,637,244	(63,333)
Working Capital, July 1, 2010			6,219,006	473,483	256,632	1,369,991	1,001	8,478,365	
Working Capital, End Of Period			7,482,013	475,238	307,566	4,691,912	629	13,115,608	13,115,608
09/10 Assessable Production			78,733,238	31,854,766	3,907,911			114,495,915	
09/10 Production Percentages			68.765%	27.822%	3.413%			100.000%	

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

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 21, 2011
TO: Committee Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period May 1, 2011 through May 31, 2011 - Financial Report B4

SUMMARY

Issue – Record of increases or decreases in the cash position, assets and liabilities of Watermaster for the Period of May 1, 2011 through May 31, 2011.

Recommendation – Staff recommends the Treasurer's Report of Financial Affairs for the Period May 1, 2011 through May 31, 2011 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2010-2011 Watermaster Budget.

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period May 1, 2011 through May 31, 2011 is provided to keep all members apprised of the total cash in banks (Bank of America and LAIF) and on hand at the Watermaster office (petty cash) at the end of the period stated. The Treasurer's Report details the change (increase or decrease) in the overall cash position of Watermaster, as well as the changes (increase or decrease) to the assets and liabilities section of the balance sheet. The report also provides a detailed listing of all deposits and/or withdrawals in the California State Treasurer's Local Agency Investment Fund (LAIF), the most current effective yield as of the last quarter, and the ending balance in LAIF as of the reporting date.

DISCUSSION

The Treasurer's Report of Financial Affairs has been created from various financial reports and statements created from QuickBooks Enterprise Solutions 9.0, the Watermaster accounting system. The Treasurer's Report provided, balances to the supporting documentation in the Watermaster accounting system, as well as the supporting bank statements.

Actions:

July 14, 2011 Appropriative Pool – Approved Unanimously
July 14, 2011 Non-Agricultural Pool – Receive & File Without Approval
July 14, 2011 Agricultural Pool – Approved Unanimously
July 21, 2011 Advisory Committee –
July 28, 2011 Watermaster Board –

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**CHINO BASIN WATERMASTER
TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE PERIOD
MAY 1 THROUGH MAY 31, 2011**

DEPOSITORIES:			
Cash on Hand - Petty Cash	\$	500	
Bank of America			
Governmental Checking-Demand Deposits	\$	129,544	
Zero Balance Account - Payroll	\$	-	
Local Agency Investment Fund - Sacramento			
			13,531,766
TOTAL CASH IN BANKS AND ON HAND			\$ 13,661,810
TOTAL CASH IN BANKS AND ON HAND			14,027,107
			\$ (365,297)

5/31/2011
4/30/2011

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) In Assets:	\$	-
Accounts Receivable		
Assessments Receivable		6,052
Prepaid Expenses, Deposits & Other Current Assets		47,664
(Decrease)/Increase in Liabilities		12,584
Accounts Payable		
Accrued Payroll, Payroll Taxes & Other Current Liabilities		(431,598)
Transfer to/(from) Reserves		
	\$	(365,297)

SUMMARY OF FINANCIAL TRANSACTIONS:

Balances as of 4/30/2011						
Deposits	\$	500	\$	(5,159)	\$	14,031,766
Transfers				500,000		(500,000)
Withdrawals/Checks				(56,740)		56,740
				(308,557)		(56,740)
Balances as of 5/31/2011	\$	500	\$	129,544	\$	13,531,766
PERIOD INCREASE OR (DECREASE)				\$		(500,000)
				\$		(365,297)



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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: July 21, 2011
TO: Committee Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2010 through May 31, 2011 - Financial Report - B5

SUMMARY

Issue – Record of revenues and expenses of Watermaster for the Period of July 1, 2010 through May 31, 2011.

Recommendation – Staff recommends the Budget vs. Actual Report for the Period July 1, 2010 through May 31, 2011 be received and filed as presented.

Fiscal Impact – Funds disbursed were included in the FY 2010-2011 Watermaster Budget.

BACKGROUND

A Budget vs. Actual Report for the period July 1, 2010 through May 31, 2011 is provided to keep all members apprised of the total revenues and expenses for the current fiscal year. The expense section is categorized into four distinct sections. Those sections are: General and Administrative Expenses; Optimal Basin Management Program Expenses; Project Expenses; and Other Income/Expenses.

DISCUSSION

The Budget vs. Actual report has been created from QuickBooks Enterprise Solutions 9.0, the Watermaster accounting system. The Budget vs. Actual report provided, balances to the supporting documentation in the Watermaster accounting system, as well as the supporting bank statements.

There were no budget transfers for the month of May 2011.

Year-To-Date (YTD) for the eleven month period ending May 31, 2011 of the fiscal year, all categories were at or below the projected budget, including category 6900 (Optimum Basin Mgmt Plan).

The overall Watermaster payroll expenses continue to be under budget as a direct result of cost savings of the CEO's salary during the months of March and April. If you recall, Ken Manning departed as CEO on February 28, 2011 and Desi Alvarez started as CEO on May 3, 2011. When taking into account the year end vacation, sick and comp time accrual adjustments to actual, it is still projected that the Administrative payroll expense category (6010 - Salary Costs) will be under the budgeted amount of \$492,544 at fiscal year end June 30, 2011.

Within the category 6900 (Optimum Basin Mgmt Plan) are the Watermaster's legal expenses. Within the legal expense category, some individual line item activities were above the budget (\$106,278) while the majority of line item activities were below the budget (\$155,547). Above the budget line items were the Paragraph 31 Motion activities of \$63,754, the ongoing Desalter Negotiations of \$29,525 and the South Archibald Plume (formerly known as the Ontario Airport Plume) of \$12,999. The individual legal projects/activities that were below budget for the Y-T-D period were the Peace II (\$41,815), the Santa Ana River Water Rights Application of (\$6,409), Water Auction (\$35,483), Regional Water Quality Control Board of (\$10,159), Recharge Master Plan (\$28,248), the Santa Ana River Critical Habitat of (\$3,006), the Chino Airport Plume of (\$2,257) and General Administrative Legal Costs (Pool, Advisory and Board meetings) of (\$28,170). For the eleven month period, the cumulative Y-T-D budget was \$699,500 and actual legal expenses totaled \$650,231 which resulted in an (Under) budget variance of (\$49,269) or 7.0%. The budgeted Y-T-D amount of \$699,500 includes the entire legal contingency amount of \$145,000 which was processed in April's budget transfer.

	Jul '10 - May 11	Budget	\$ Over Budget	% of Budget
6900 · Optimum Basin Mgmt Plan				
6901 · WM Staff Salaries	176,663.96	189,401.67	-12,737.71	93.28%
6903 · OBMP SAWPA Group	25,778.00	25,778.00	0.00	100.0%
6906 · OBMP Engineering Services				
6906.1 · OBMP - Watermaster Model Update	78,410.00	90,000.00	-11,590.00	87.12%
6906 · OBMP Engineering Services - Other	289,993.53	313,141.33	-23,147.80	92.61%
Total 6906 · OBMP Engineering Services	368,403.53	403,141.33	-34,737.80	91.38%
6907 · OBMP Legal Fees				
6907.3 · WM Legal Counsel				
6907.30 · Peace II - CEQA	4,018.00	45,833.34	-41,815.34	8.77%
6907.31 · S. Archibald Plume-Formerly OIA	26,748.65	13,750.00	12,998.65	194.54%
6907.32 · Chino Airport Plume	60,492.72	62,750.00	-2,257.28	96.4%
6907.33 · Desalter Negotiations	174,524.66	145,000.00	29,524.66	120.36%
6907.34 · Santa Ana River Water Rights	16,507.32	22,916.67	-6,409.35	72.03%
6907.35 · Paragraph 31 Motion	138,754.47	75,000.00	63,754.47	185.01%
6907.36 · Santa Ana River Habitat	14,994.31	18,000.00	-3,005.69	83.3%
6907.37 · Water Auction	1,183.50	36,666.66	-35,483.16	3.23%
6907.38 · Reg. Water Quality Cntrl Board	3,591.00	13,750.00	-10,159.00	26.12%
6907.39 · Recharge Master Plan	8,419.27	36,666.67	-28,247.40	22.96%
6907.3 · WM Legal Counsel - Other	200,997.07	229,166.66	-28,169.59	87.71%
Total 6907.3 · WM Legal Counsel	650,230.97	699,500.00	-49,269.03	92.96%
Total 6907 · OBMP Legal Fees	650,230.97	699,500.00	-49,269.03	92.96%
6909 · OBMP Other Expenses				
6909.1 · OBMP Meetings	1,681.23	0.00	1,681.23	100.0%
6909.4 · Printing	1,692.00	0.00	1,692.00	100.0%
6909.5 · Ad Hoc Litigation Committee	21.58	0.00	21.58	100.0%
6909 · OBMP Other Expenses - Other	101,476.97	102,800.00	-1,323.03	98.71%
Total 6909 · OBMP Other Expenses	104,871.78	102,800.00	2,071.78	102.02%
Total 6900 · Optimum Basin Mgmt Plan	1,325,948.24	1,420,621.00	-94,672.76	93.34%

With the exceptions previously noted, there were no other unusual or significant transactions or events during the month of May. Looking ahead, the month of June should provide similar financial results with the categories being at or below budget.

Actions:

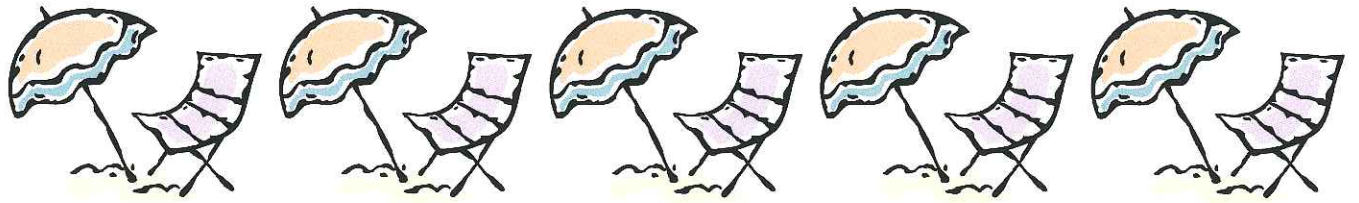
- July 14, 2011 Appropriative Pool – Approved Unanimously
- July 14, 2011 Non-Agricultural Pool – Receive & File Without Approval
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- July 21, 2011 Advisory Committee –
- July 28, 2011 Watermaster Board –

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	1/12th of the Total Budget			11/12th (92%) of the Total Budget			100% of the Total Budget		
	For The Month of May 2011			Year-To-Date as of May 31, 2011			Fiscal Year End as of June 30, 2011		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Projected	Budget	% of Budget
Income									
4010 · Local Agency Subsidies	0.00	0.00	0.0%	111,000.00	148,410.00	74.79%	111,000.00	148,410.00	74.79%
4110 · Admin Asmnts-Approp Pool	0.00	0.00	0.0%	6,165,079.40	6,153,067.00	100.2%	6,165,079.40	6,153,067.00	100.2%
4120 · Admin Asmnts-Non-Agrl Pool	0.00	0.00	0.0%	343,089.90	355,003.00	96.64%	343,089.90	355,003.00	96.64%
4700 · Non Operating Revenues	0.00	0.00	0.0%	25,417.28	140,008.00	18.15%	28,929.02	175,010.00	16.53%
4900 · Miscellaneous Income	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
Total Income	0.00	0.00	0.0%	6,644,586.58	6,796,488.00	97.77%	6,648,098.32	6,831,490.00	97.32%
Gross Profit	0.00	0.00	0.0%	6,644,586.58	6,796,488.00	97.77%	6,648,098.32	6,831,490.00	97.32%
Expense									
6010 · Salary Costs	43,066.64	46,486.00	92.64%	401,493.09	446,057.00	90.01%	492,544.00	492,544.00	100.0%
6020 · Office Building Expense	8,203.35	8,433.00	97.28%	90,096.81	92,763.00	97.13%	101,196.00	101,196.00	100.0%
6030 · Office Supplies & Equip.	1,167.47	2,541.67	45.93%	23,086.83	27,958.33	82.58%	30,500.00	30,500.00	100.0%
6040 · Postage & Printing Costs	3,748.62	5,000.00	74.97%	55,560.44	73,300.00	75.8%	78,300.00	78,300.00	100.0%
6050 · Information Services	10,298.68	11,766.66	87.52%	146,354.67	148,433.34	98.6%	160,200.00	160,200.00	100.0%
6060 · Contract Services	0.00	0.00	0.0%	34,957.50	35,000.00	99.88%	35,000.00	35,000.00	100.0%
6080 · Insurance	0.00	0.00	0.0%	15,863.00	17,575.00	90.26%	17,575.00	17,575.00	100.0%
6110 · Dues and Subscriptions	7,135.00	0.00	100.0%	29,520.13	30,000.00	98.4%	30,000.00	30,000.00	100.0%
6140 · WM Admin Expenses	0.00	250.00	0.0%	1,285.65	2,750.00	46.75%	3,000.00	3,000.00	100.0%
6150 · Field Supplies	0.00	500.00	0.0%	201.76	1,800.00	11.21%	1,800.00	1,800.00	100.0%
6170 · Travel & Transportation	1,395.00	2,730.00	51.1%	23,998.17	30,430.00	78.86%	33,160.00	33,160.00	100.0%
6190 · Conferences & Seminars	2,164.11	1,872.50	115.57%	16,394.85	20,597.50	79.0%	22,470.00	22,470.00	100.0%
6200 · Advisory Comm - WM Board	5,347.94	4,216.92	126.82%	16,272.45	20,597.50	79.0%	22,470.00	22,470.00	100.0%
6300 · Watermaster Board Expenses	3,029.50	7,982.84	37.95%	46,133.40	46,386.08	99.46%	50,603.00	50,603.00	100.0%
8300 · Appr Pl-WM & Pool Admin	1,830.19	2,345.59	78.03%	49,279.08	82,059.16	60.05%	90,043.00	90,043.00	100.0%
8400 · Agrl Pool-WM & Pool Admin	8,914.56	9,833.33	90.66%	28,257.46	25,801.41	109.52%	28,147.00	28,147.00	100.0%
8467 · Ag Legal & Technical Services	0.00	1,000.00	0.0%	123,173.33	108,166.67	113.87%	118,000.00	118,000.00	100.0%
8470 · Ag Meeting Attend -Special	899.34	13,472.17	6.68%	11,125.00	11,000.00	101.14%	12,000.00	12,000.00	100.0%
8471 · Ag Pool Expense	0.00	0.00	0.0%	139,450.34	148,193.83	94.1%	161,666.00	161,666.00	100.0%
8500 · Non-Ag Pl-WM & Pool Admin	0.00	0.00	0.0%	375.00	375.00	100.0%	375.00	375.00	100.0%
6500 · Education Funds Use Expense	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
9400 · Depreciation Expense	0.00	0.00	0.0%	-360,332.33	-453,451.58	79.46%	-494,129.00	-494,129.00	100.0%
9500 · Allocated G&A Expenditures	-37,234.92	-40,677.42	91.54%	1,325,946.24	1,420,620.98	93.34%	1,556,534.00	1,556,534.00	100.0%
6900 · Optimum Basin Mgmt Plan	179,300.25	134,912.99	132.9%	44,387.26	44,387.26	100.0%	0.00	0.00	0.0%
6950 · Mutual Agency Projects	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
9501 · G&A Expenses Allocated-OBMP	13,126.41	11,888.00	110.42%	94,799.32	130,768.00	72.49%	142,656.00	142,656.00	100.0%
7101 · Production Monitoring	7,200.81	5,879.31	122.48%	78,245.05	96,939.69	80.72%	102,819.00	102,819.00	100.0%
7102 · In-line Meter Installation	3,606.63	5,566.59	64.91%	16,059.80	61,122.41	26.28%	66,679.00	66,679.00	100.0%
7103 · Grdwtr Quality Monitoring	9,260.53	13,916.34	66.54%	169,489.83	186,079.66	91.09%	202,996.00	202,996.00	100.0%
7104 · Gdwtr Level Monitoring	34,238.10	21,779.74	157.2%	210,185.74	265,502.26	79.17%	287,282.00	287,282.00	100.0%
7105 · Sur Wtr Qual Monitoring	0.00	315.00	0.0%	771.23	3,965.00	19.45%	4,260.00	4,260.00	100.0%
7107 · Ground Level Monitoring	35,599.36	46,885.01	75.93%	415,831.60	586,984.99	70.84%	657,620.00	657,620.00	100.0%
7108 · Hydraulic Control Monitoring	43,685.86	34,391.67	127.03%	345,980.41	378,308.33	91.46%	412,700.00	412,700.00	100.0%
7109 · Recharge & Well Monitoring Prog	0.00	0.00	0.0%	9,428.75	9,440.00	99.88%	9,440.00	9,440.00	100.0%

	1/12th of the Total Budget For The Month of May 2011				11/12th (92%) of the Total Budget Year-To-Date as of May 31, 2011				100% of the Total Budget Fiscal Year End as of June 30, 2011			
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
	7200 - PE2 - Comp Recharge Pgm	10,906.22	18,418.49	-7,512.27	59.21%	888,617.40	927,603.50	-38,986.10	93.64%	946,022.00	946,022.00	0.00
7300 - PE3&6-Water Supply/Desalite	1,854.54	14,022.59	-12,168.05	13.23%	93,223.91	110,088.42	-16,864.51	84.68%	124,111.00	124,111.00	0.00	100.0%
7400 - PE4 - Mgmt Plan	4,963.26	7,572.92	-2,609.66	65.54%	51,265.47	84,382.08	-33,116.61	60.75%	91,955.00	91,955.00	0.00	100.0%
7500 - PE6&7-CoopEfforts/SalMgmt	2,388.68	10,515.00	-8,126.32	22.72%	98,939.71	115,665.00	-16,725.29	85.54%	126,180.00	126,180.00	0.00	100.0%
7600 - PE8&9-StorageMgmt/Conj Use	1,317.89	4,075.00	-2,757.11	32.34%	25,532.80	41,175.00	-15,642.20	62.01%	45,250.00	45,250.00	0.00	100.0%
7690 - Recharge Improvement Debt Pymt	0.00	0.00	0.00	0.0%	366,789.50	700,964.00	-334,174.50	52.33%	700,964.00	700,964.00	0.00	100.0%
7700 - Inactive Well Protection Prgm	75.00	0.00	75.00	100.0%	75.00	1,412.00	-1,337.00	5.31%	1,412.00	1,412.00	0.00	100.0%
9502 - G&A Expenses Allocated-Projects	24,106.51	28,789.42	-4,680.91	83.74%	265,533.02	316,683.58	-51,150.56	83.85%	345,473.00	345,473.00	0.00	100.0%
Total Expense	431,597.53	436,671.33	-5,073.80	98.84%	5,329,263.41	6,404,649.64	-1,075,386.23	83.21%	6,894,823.00	6,894,823.00	0.00	100.0%
Net Ordinary Income	-431,597.53	-436,671.33	5,073.80	98.84%	1,315,323.17	391,838.36	923,484.81	335.68%	-246,724.68	-63,333.00	-183,391.68	389.57%
Other Income												
4225 - Interest Income	0.00	0.00	0.00	0.0%	11,489.65	0.00	11,489.65	100.0%	11,489.65	0.00	11,489.65	100.0%
4210 - Approp Pool-Replenishment	0.00	0.00	0.00	0.0%	3,594,458.40	0.00	3,594,458.40	100.0%	3,594,458.40	0.00	3,594,458.40	100.0%
4220 - Non-Ag Pool-Replenishment	0.00	0.00	0.00	0.0%	27,545.86	0.00	27,545.86	100.0%	27,545.86	0.00	27,545.86	100.0%
4600 - Groundwater Sales	0.00	0.00	0.00	0.0%	2,244,495.90	0.00	2,244,495.90	100.0%	2,244,495.90	0.00	2,244,495.90	100.0%
Total Other Income	0.00	0.00	0.00	0.0%	5,877,989.81	0.00	5,877,989.81	100.0%	5,877,989.81	0.00	5,877,989.81	100.0%
Other Expense												
5010 - Groundwater Replenishment	0.00	0.00	0.00	0.0%	300,633.58	0.00	300,633.58	100.0%	300,633.58	0.00	300,633.58	100.0%
5100 - Other Water Purchases	0.00	0.00	0.00	0.0%	2,255,435.78	0.00	2,255,435.78	100.0%	2,255,435.78	0.00	2,255,435.78	100.0%
9999 - To/(From) Reserves	-431,597.53	-436,671.33	5,073.80	98.84%	4,637,243.62	391,838.36	4,245,405.26	1,183.46%	3,075,195.77	-63,333.00	3,138,528.77	-4.855.6%
Total Other Expense	-431,597.53	-436,671.33	5,073.80	98.84%	7,193,312.98	391,838.36	6,801,474.62	1,835.79%	5,631,265.13	-63,333.00	5,694,598.13	-8.891.52%
Net Other Income	431,597.53	436,671.33	-5,073.80	98.84%	-1,315,323.17	-391,838.36	-923,484.81	335.68%	246,724.68	63,333.00	183,391.68	389.57%
Net Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%

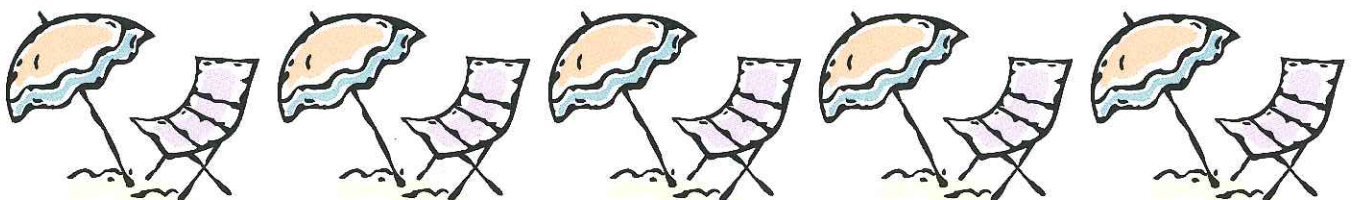
Note: Please see the staff report (Financial Report-B5) for additional detailed information on the account categories.



CHINO BASIN WATERMASTER

II. BUSINESS ITEM

A. ACQUISITION OF RIGHT OF ENTRY AGREEMENT FOR HORIZONTAL EXTENSOMETER





CHINO BASIN WATERMASTER

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

DESI ALVAREZ
Chief Executive Officer

STAFF REPORT

DATE: July 21, 2011
TO: Committee Members
SUBJECT: Right of Entry Agreement for Horizontal Extensometer

SUMMARY

Issue — A Horizontal Extensometer facility is planned for construction in August 2011 on private property in the City of Chino. A Right of Entry Agreement between Watermaster and the property owner is needed so that Watermaster (1) can enter the property to install and periodically maintain/inspect the facility and (2) has assurance that the facility will remain in place for at least 21 months.

Recommendation — Approve the Right of Entry Agreement.

Financial Impact — Watermaster's pays \$1,000 to the property owner to offset any legal fees the property owner incurs for review and acceptance of the Right of Entry Agreement.

BACKGROUND

The MZ1 Subsidence Management Plan (MZ1 Plan) was developed by the MZ1 Technical Committee (now the Land Subsidence Committee) and approved by Watermaster in October 2007. The purpose of the MZ1 Plan is to reduce or abate future land subsidence and ground fissuring in MZ1—specifically in an area of the City of Chino that experienced land subsidence and ground fissuring in the early 1990s. In November 2007, the Court approved the MZ1 Plan and ordered its implementation.

The MZ-1 Plan calls for Watermaster to perform and/or support certain activities, including:

- Monitoring of horizontal strain across the historical fissure zone.
- Conducting additional testing and monitoring to refine the Guidance Criteria.
- Developing alternative pumping plans for the MZ-1 producers that are impacted by the MZ-1 Plan.
- Conducting an ASR (aquifer injection and recovery) feasibility study at a production well owned by the City of Chino Hills.

The Land Subsidence Committee has developed a plan to install a monitoring facility (Horizontal Extensometer) across the historical fissure zone. The purpose of the Horizontal Extensometer will be to record horizontal movement across the fissure zone as groundwater levels change in the area because of pumping and recharge. Controlled aquifer tests are planned for 2011-13 which include pumping and deep-aquifer injection. The hope of the Land Subsidence Committee is that the data derived from the Horizontal Extensometer during the aquifer tests helps to refine the existing Guidance Criteria in the MZ1 Plan, and assists the MZ1 producers that are impacted by the MZ1 Plan to develop alternative pumping/injection plans that will not cause land subsidence and ground fissuring in the future. To the extent that the Land Subsidence Committee deems the Horizontal Extensometer useful and valuable, it may recommend to Watermaster a long-term monitoring mission for this facility, movement of the facility to a different location (if necessary), or installation of a similar facility(ies) elsewhere (if needed).

The Land Subsidence Committee has selected a preferred site for the Horizontal Extensometer on private property in the City of Chino. A Right-of-Entry Agreement between Watermaster and the property owner has been reached so that Watermaster can access the property to install, maintain, and inspect the Horizontal Extensometer. The Right-of-Entry Agreement is attached for review and approval by Watermaster. The property owner has already agreed to the terms. Watermaster's payment of \$1,000 to the property owner is intended to offset any legal fees that the property owner may incur due to review and acceptance of this Right-of-Entry Agreement.

The term of the agreement is 21 months – this is the minimum period required to accomplish the monitoring of the fissure zone during the controlled aquifer tests that are planned for 2011-13. The property owner has been cooperative, but is unwilling to commit to more than 21 months at this time. By executing this agreement, Watermaster assumes the risk that the property owner may ask Watermaster to remove the facility at the conclusion of the 21-month term. But, as stated above, at that time Watermaster will have the criteria to decide on whether to remove and discontinue monitoring, or find a different location to re-install the facility. The agreement also allows Watermaster to request an extension of the agreement with the property owner (or any subsequent property owner).

ACTIONS:

July 14, 2011 Appropriative Pool – Approved Unanimously

July 14, 2011 Non-Agricultural Pool – Moved to approve recommendations, subject to any changes which the Chair of the Non-Ag Pool and Chair of the Advisory Committee determines appropriate

July 14, 2011 Agricultural Pool – Approved Unanimously

July 21, 2011 Advisory Committee –

July 28, 2011 Watermaster Board –

RIGHT OF ENTRY AGREEMENT

THIS RIGHT OF ENTRY AGREEMENT ("Agreement") is made as of the ____ day of July 2011 by and among Jim Farrand ("Landowner") and Chino Basin Watermaster ("Watermaster") (collectively, the "Parties").

A. Landowner owns certain undeveloped real property located at 5500 Daniels Street, Chino, California, 91710 ("Property").

B. Landowner desires to allow Watermaster to enter and use a portion of the Property to install, maintain and inspect horizontal extensometer facilities, including protective crash posts that will be visible above ground while the property remains undeveloped ("Monitoring Facilities").

C. Watermaster desires to use a portion of the Property to install, maintain and inspect the Monitoring Facilities.

AGREEMENT

1. **Right of Entry.** By this Agreement, Landowner grants to Watermaster a right of entry ("Right of Entry") for the installation, maintenance and inspection of Monitoring Facilities on the Property.
2. **Location of Right of Entry.** The Right of Entry will cover the area within 20 feet of the northern boundary of the Property and within 200 feet of the western boundary of the Property, as depicted in Exhibit A attached to this Agreement ("Right of Entry Area"). The Right of Entry Area is within a setback zone that the City of Chino will potentially require to remain undeveloped in the event the Property is developed in the future.
3. **Consideration.** In exchange for receiving the Right of Entry, Watermaster agrees to pay Landowner the sum of one thousand dollars (\$1,000), the receipt and sufficiency of which is acknowledged by Landowner's signature on this Agreement.
4. **Term.** This Agreement shall be effective for 21 months beginning August 1, 2011. The duration of the Agreement may be extended by written agreement signed by Landowner and Watermaster.
5. **Landowner Obligations.** Landowner further agrees:
 - a. Landowner will use its best efforts to refrain from disturbing the Monitoring Facilities in the use of the Property for his own purposes.
 - b. Any future landscaping or pavement installed by Landowner will not interfere with Watermaster's exercise of its rights under this Agreement, including its ability to install, maintain or inspect the Monitoring Facilities in the Right of Entry Area.

c. Landowner agrees to fully disclose the existence of the Monitoring Facilities, and all his obligations under this Agreement, to any future purchaser of the Property.

6. Watermaster Obligations. Watermaster further agrees:

a. Watermaster and its agents or representatives will lock all gates while on and upon leaving the Property in order to protect the Property from the acts of third parties.

b. Watermaster will remove Monitoring Facilities if they are no longer in use and will thereafter restore the Property to its original condition or a condition equivalent to that which existed before installation of the Monitoring Facilities.

c. Watermaster will construct the Monitoring Facilities below ground, except that protective crash posts will be installed above ground around the perimeter of the Monitoring Facilities during the time that the Property remains undeveloped.

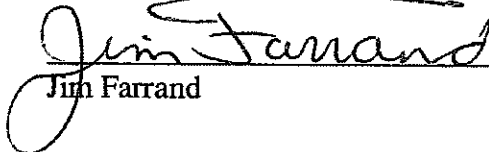
7. Successors and Assigns. This Agreement shall be binding upon and benefit any successors or assigns of the Parties, including any future purchasers of the Property.

8. Incorporation of Exhibit. The exhibit attached to this Agreement is incorporated by this reference.

9. Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed to be an original Agreement and which taken together shall constitute one agreement.

Dated: July ____, 2011

Desi Alvarez, Chino Basin Watermaster



Jim Farrand

EXHIBIT:

A – Proposed Location of the Horizontal Extensometer

The 5500 Daniels Street property is shown in hatch pattern below.
The quartz-tube horizontal extensometer instruments will be contained within the "Right of Entry Area" shown below in red outline.

Right of Entry Area
(20' x 200')

Benson Ave

12th St

5500 Daniels Street

Daniels St



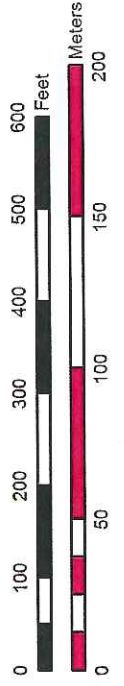
Proposed Location of the Horizontal Extensometer
5500 Daniels St, Chino CA 91710

Exhibit - A

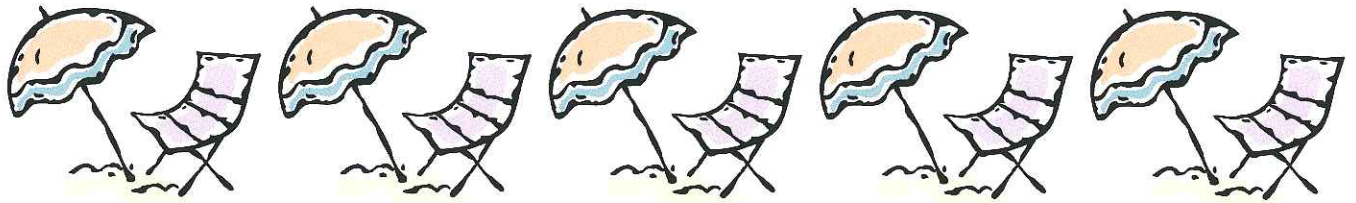


WILDERMUTH
ENVIRONMENTAL INC.

23892 Blitcher Drive
Lake Forest, CA 92630
949.429.3838
www.wilderthemthenvironmental.com



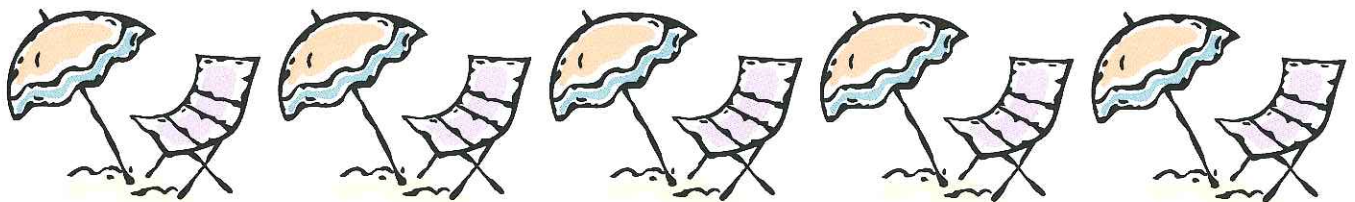
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CHINO BASIN WATERMASTER

II. BUSINESS ITEM

- B. AGREEMENT O PROVIDE LOAN
BETWEEN CHINO BASIN
WATERMASTER AND CHINO
BASIN WATER CONSERVATION
DISTRICT





CHINO BASIN WATERMASTER

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

DESI ALVAREZ, P.E.
Chief Executive Officer

STAFF REPORT

DATE: July 21, 2011
TO: Advisory Committee Members
SUBJECT: Loan Agreement with the Chino Basin Water Reclamation District

SUMMARY

Recommendation – Approve a Loan Agreement with the Chino Basin Water Reclamation District in an Amount not to exceed \$5,000,000.00

Discussion:

Beginning May 16, 2011 imported replenishment water has been spread in Chino Basin to augment the water supply and for preemptive replenishment. Replenishment water deliveries are scheduled to end December 31, 2011 during which period it is estimated that between 40,000 AF and 50,000 AF of imported water will be spread in the basin. Since acquisition of this water was unplanned Watermaster did not budget for the water purchase and per the direction of the Advisory Committee and the Board of Directors has been working on finding interim financing to pay for purchase of the water. As part of this effort Watermaster has been negotiating with various parties including its bank, the Chino Basin Water Conservation District, and regional agencies such as IEUA, WMWD, and TVMWD.

On July 11, 2011 the Chino Basin Water Conservation District Board of Directors approved a loan of up to \$5,000,000.00 to the Chino Basin Watermaster. Following the CBWCD Board's approval of the loan a Loan Agreement has been negotiated between Watermaster and CBWCD.

The Loan Agreement provides the legal framework whereby the Chino Basin Water Conservation District will lend Watermaster up to Five Million Dollars (\$5,000,000.00). The loan will be subject to a variable interest rate equivalent to the monthly Local Agency Investment Fund (LAIF) interest rate plus one and one-half percent (1.5%) interest per annum. Interest will be calculated on the basis of a 30-day month and a 360-day year and shall be paid quarterly. The principal shall be due and payable on January 15, 2015.

Watermaster agrees to pledge assessment revenue received from replenishment assessments levied by Watermaster and shall make principal payment due from such revenue. No new debt will be issued with a priority on parity or senior to the CBWCD. Watermaster will repay the loan through the replenishment assessments it will be collecting to meet Desalter replenishment obligations beginning in 2013 consistent with Article VI of the Peace II Agreement. If by November 15, 2014, Watermaster has not collected replenishment assessments to meet its commitment for full repayment, then by December 15, 2014, Watermaster will levy a special assessment in an amount sufficient to meet the repayment obligations due on January 15, 2015.

Interest payments which are due quarterly will be paid from existing reserves. The estimated interest cost through January 2015 is \$333,330.00. This cost assumes an interest rate of two percent which is based on the average LAIF note for the past six quarters plus 1.5%. Watermaster currently has approximately \$1.3M dollars in a reserve which appears sufficient to cover this expense.

The Agreement will be submitted by Watermaster to the San Bernardino Superior Court (the "Court") maintaining continuing jurisdiction over the Judgment with a request that the Court find that the Agreement constitutes a legal and binding commitment on Watermaster.

Actions:

July 21, 2011 Advisory Committee –

July 28, 2011 Watermaster Board –

AGREEMENT TO PROVIDE LOAN

This Agreement to Provide Loan ("Agreement") is made as of this ____ day of July, 2011, by and between Chino Basin Water Conservation District (the "District"), and Chino Basin Watermaster (the "Watermaster").

RECITALS

A. Watermaster is the entity appointed by the Court maintaining continuing jurisdiction over the case *Chino Basin Municipal Water District v. City of Chino, San Bernardino Superior Court Case No. RCV 51010* ("Judgment"), whose purpose is to administer the terms of the Judgment.

B. District is a California Water Conservation District organized under _____.

C. Watermaster desires to purchase replenishment water from the Metropolitan Water District of Southern California ("MWD") in order to augment the basin's water supply to satisfy Desalter replenishment obligations of the parties to the Judgment.

D. Under the Judgment, Watermaster collects revenue to purchase replenishment water on a yearly basis based on pumping by parties to the Judgment that incur a replenishment obligation.

E. Watermaster desires to borrow, and District desires to assist Watermaster by lending to Watermaster, an amount in cash not to exceed \$5,000,000 (the "Loan") in order to accomplish the purchase of water from MWD.

F. Under Paragraph 24 of the Judgment, "Watermaster may borrow from time to time amounts not exceeding the annual anticipated receipts of Watermaster during such year."

NOW THEREFORE, IN CONSIDERATION of the mutual agreements, obligations, and representations, and in further consideration for the making of the Loan, Watermaster and District hereby agree as follows:

1. Loan. Subject to the terms and conditions of this Agreement, District hereby agrees to lend the Watermaster up to Five Million Dollars (\$5,000,000.00) at a variable interest rate equivalent to the monthly Local Agency Investment Fund interest rate plus One and One-Half Percent (1.5%) simple interest per annum as more detailed in the attached Promissory Note (the "Note", Exhibit A to this Agreement). As more fully set forth in the Note, the terms of the Loan shall include the following:

1.1 Interest shall be paid quarterly. Interest shall be calculated on the basis of a 30-day month and a 360-day year.

1.2 The Note will provide that all outstanding principal shall be due and payable on January 15, 2015.

2. Security. Subject to the terms and conditions of this Agreement, in conjunction with the Note, Watermaster hereby agrees to pledge assessment revenue received from replenishment assessments levied by Watermaster ("Pledged Revenues"), which agreement shall be in the form of the Security Agreement attached hereto as Exhibit B (the "Security Agreement"), and shall make payments due under the Note from the Pledged Revenues and any other legally available source. No new debt will be issued with a priority on parity or senior to the Loan. Any assessments necessary to pay such Loan shall be levied by Watermaster. Watermaster shall levy replenishment assessments upon every acre-foot of water that incurs a replenishment assessment in an amount sufficient to account for both the principal and interest on money borrowed to purchase that water. If by November 15, 2014, Watermaster has not collected replenishment assessments to meet its commitment for full repayment, then by December 15, 2014, Watermaster will levy a special assessment in an amount sufficient to meet the repayment obligations due on January 15, 2015.

3. Use of Loan Proceeds. Watermaster hereby covenants and agrees that the proceeds from the Loan shall only be used to pay invoices from the Inland Empire Utilities Agency ("IEUA") for replenishment water purchased by IEUA from MWD and the Water Facilities Authority for treatment charges.

4. Distribution of Loan Proceeds. Funds will be made available by the District within three days of demand from Watermaster, but shall only be distributed as invoices are received from IEUA for the water and only in the amount of such invoices.

5. Watermaster Records. Watermaster covenants to keep proper books and financial records, in accordance with accepted practices for similar issuers, and to make such books and records available for reasonable inspection by District. Watermaster shall also provide the following financial information and statements in form and content acceptable to District:

5.1 Within 240 days of fiscal year end, a copy of Watermaster's CPA audited financial statement.

5.2 Within 90 days after the end of each interim six-month period (the first six-month period ending on December 31, 2011), a copy of Watermaster's unaudited financial statements for the six months then ended.

5.3 Within 90 days after the beginning of the fiscal year being budgeted, a budget for the new fiscal year.

5.4 Such other financial information as may be reasonably requested by the District from time to time.

6. Court Approval; Deliverables. This Agreement shall be submitted by Watermaster to the San Bernardino Superior Court (the "Court") maintaining continuing jurisdiction over the Judgment with a request that the Court find that the Agreement constitutes a legal and binding commitment on Watermaster. Such approval shall act as a condition precedent to the execution by the parties of the Note and the Security Agreement. Within days of receiving Court approval, the parties shall execute and deliver the Note and the Security Agreement in the forms attached hereto.

7. Representations and Warranties. Watermaster represents and warrants that it knows of no existing or threatened litigation the results of which, if adversely determined, would have a material adverse effect upon Watermaster's ability to fulfill its obligations under this Agreement.

8. Term. This Agreement shall commence on the date set forth above and remain in full force and effect throughout the term of the Loan.

9. Governing Law. This Agreement and any exhibits referenced herein shall be interpreted under and be governed by the laws of the State of California. Any dispute arising under this Agreement shall be subject to the jurisdiction of the Court maintaining continuing jurisdiction over the Judgment.

10. Time. Time is of the essence in this Agreement.

11. Notices. Formal notices, demands and communications between Watermaster and District shall be sufficiently given and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of Watermaster and District as follows:

DISTRICT:

WATERMASTER: Chino Basin Watermaster
c/o Mr. Desi Alvarez
8632 San Bernardino Road
Cucamonga, CA _____

12. Relationship of Parties. The relationship of Watermaster and the District under this Agreement is and at all times shall remain solely that of a debtor and a creditor, and shall not be construed as a joint venture, equity venture, partnership, or any other relationship, except as otherwise may be agreed to by the parties. The District neither undertakes nor assumes any responsibility or duty to Watermaster (except as provided for herein) or any third party.

13. Assignment; Binding Nature. This Agreement and the rights granted herein are personal to the District and the Watermaster and may not be exercised or assigned voluntarily or involuntarily by or to any person or entity other than the District and the Watermaster, and shall terminate and be of no further force or effect upon any assignment. All provisions of this Agreement shall be binding upon and inure to the benefit of the administrators, successors-in-interest, transferees, and permitted assigns of each of the parties; provided, however, that except as otherwise permitted in this Agreement, this section does not waive the prohibition on assignment of this Agreement by the District or the Watermaster without the District's or the Watermaster's consent.

14. Waiver. Any waiver by the District of any obligation in this Agreement must be in writing. No waiver will be implied from any delay or failure by the District to take action on any breach or default of Watermaster or to pursue any remedy allowed under the Agreement or applicable law. Any extension of time granted to Watermaster to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by the District to any act or omission by Watermaster shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the District's written consent to future waivers.

15. Entire Agreement; Amendment. This Agreement including exhibits referenced herein contain the entire agreement of the parties and supersede any and all prior negotiations with respect to the subject matter hereof. Any amendments or modifications to this Agreement must be in writing, and shall be made only if executed by both Watermaster and the District.

16. Other Agreements. Watermaster represents that it has not entered into any agreements that are inconsistent with the terms of this Agreement. Further, Watermaster shall not enter into any agreements that are inconsistent with the terms of this Agreement without an express waiver by the District in writing.

17. Severability. Every provision of this Agreement is intended to be severable. If any provision of this Agreement shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

18. Attorneys' Fees. If any legal proceeding (lawsuit, arbitration, etc.) including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, each party shall bear its own costs.

IN WITNESS WHEREOF , the parties have executed this Agreement as of the date first written above.

DISTRICT

By: _____

WATERMASTER

By: _____
Desi Alvarez, CEO

- Exhibit A: Form of Promissory Note
- Exhibit B: Form of Security Agreement

EXHIBIT A

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SECURED PROMISSORY NOTE

1. **Evidence of Obligation.** For value received, this Promissory Note (the “**Note**”) is given by Chino Basin Watermaster (“**Borrower**”) to Chino Basin Water Conservation District (“**Lender**”), to evidence that certain obligation by Borrower to pay to Lender a principal amount not to exceed Five Million Dollars (\$5,000,000.00).
2. **Payment Covenant.** For value received, Borrower promises to pay to Lender at Cucamonga, California, or at such other place as may be designated in writing by Lender, or to its order, a principal amount not to exceed Five Million Dollars (\$5,000,000.00) plus Interest (as defined below in Section 3), as provided herein.
3. **Use of Proceeds; Principal Amount.** The principal shall only be used by Borrower to pay invoices from the Inland Empire Utilities Agency (“**IEUA**”) for replenishment water purchased by IEUA from the Metropolitan Water District of Southern California and the Water Facilities Authority for treatment charges. The amount of the principal of this Note shall be determined as follows but shall not exceed \$5,000,000.00: Funds shall be transferred by Lender to Borrower within three (3) days of written demand by Borrower to Lender, provided that such written demand include the invoices received by Borrower from IEUA, and provided further that the amount of the funds transferred by Lender to Borrower shall be an amount equal to the amount of such invoices.
4. **Interest.** Interest on the outstanding principal balance due under this Note shall accrue commencing on the date of this Note at a variable rate equal to the monthly Local Agency Investment Fund interest rate plus One and One-Half Percent (LAIF + 1.5%) simple interest per annum based on a 30-day month and a 360-day year (the “**Interest**”). The Interest shall be paid quarterly commencing on .
5. **Maturity.** The entire amount of unpaid principal, plus all accrued and unpaid Interest and any costs or fees owing under this Note shall be due and payable in full on January 15, 2015.
6. **Prepayment.** Borrower reserves the right at any time, and from time to time, to prepay all or any portion of the amounts outstanding hereunder without penalty or premium.
7. **Default; Acceleration.** If an Event of Default (as defined below) occurs under this Note, then Lender may, at its sole option, declare all sums owing under this Note immediately due and payable, and all amounts owing hereunder shall be automatically due and payable subject to any requirements as specified below.

Each of the following shall constitute an “Event of Default”:

- (a) Failure of Borrower to pay when due principal or accrued interest under this Note within thirty (30) days of any due date;

(b) A custodian, trustee, receiver, or agent is appointed or takes possession of substantially all of the assets of Borrower;

(c) Any attachment, execution, or other writ is levied on all or substantially all of the assets of the Borrower;

(d) Any default under the terms of the Security Agreement executed concurrently herewith by Borrower.

8. **Application of Payments.** Any payment when made shall be credited first on the accrued interest then due, and the remainder on the principal payable under this Note. Interest shall thereupon cease on the amount so credited on the principal sum.

9. **No Waivers.** No previous waiver and no failure or delay by Lender in acting with respect to the terms of this Note shall constitute a waiver of any breach, default, or failure of condition under this Note or the obligations secured thereby. A waiver of any term of this Note or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

10. **Usury.** All agreements between Borrower and Lender are expressly limited, so that in no event or contingency whatsoever, whether by reason of the advancement of the proceeds of this Note, acceleration of maturity of the unpaid principal balance, or otherwise, shall the amount paid or agreed to be paid to Lender for the use, forbearance, or detention of the money to be advanced under this Note exceed the highest lawful rate permissible under applicable usury laws. If, under any circumstances whatsoever, Lender shall ever receive as interest an amount that exceeds the highest lawful rate, the amount that would be excessive interest shall be applied to the reduction of the unpaid principal balance under this Note and not to the payment of interest, or, if such excessive interest exceeds the unpaid balance of principal under this Note, such excess shall be refunded to Borrower.

11. **Time of the Essence; Dates.** Time is of the essence of this Note. In the event that any date specified in this Note falls on Saturday, Sunday or a public holiday, such date shall be deemed to be the succeeding day on which the public agencies and major banks are open for business.

12. **Governing Law and Venue.** This Note shall be construed and enforced in accordance with the laws of the State of California. The venue for any proceedings under this Note shall be a court of competent jurisdiction in the County of San Bernardino, State of California.

13. **Parties in Interest.** This Note shall bind Borrower and its successors, heirs and assigns. This Note shall not be assigned or transferred by Lender without the express prior written consent of Borrower, except by operation of law.

14. **Severability.** If any provision in this Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Note will remain in full

force and effect. Any provision of this Note held invalid or unenforceable only in part or degree will remain in full force and effect the extent not held invalid or unenforceable.

15. **Attorneys' Fees.** If any legal proceeding (lawsuit, arbitration, etc.) including an action for declaratory relief, is brought to enforce or interpret the provisions of this Note, each party shall bear its own costs.

IN WITNESS WHEREOF, Borrower has executed this Note as set forth below.

BORROWER:

Chino Basin Watermaster

Desi Alvarez, CEO

Address:
8632 San Bernardino Road
Cucamonga, CA _____

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EXHIBIT B

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SECURITY AGREEMENT

This Security Agreement (“**Agreement**”) is made and entered into on this ___ day of _____, 2011, by and between Chino Basin Water Conservation District (the “**District**”) and Chino Basin Watermaster (“**Watermaster**”) (each a “**Party**” and collectively, the “**Parties**”) with reference to the following facts and intentions:

A. Watermaster is the entity appointed by the Court maintaining continuing jurisdiction over the case *Chino Basin Municipal Water District v. City of Chino, San Bernardino Superior Court Case No. RCV 51010* (“**Judgment**”), whose purpose is to administer the terms of the Judgment.

B. District is a California Water Conservation District organized under _____.

C. The Parties entered into that certain Agreement to Provide Loan dated _____, 2011 (the “**Loan Agreement**”), and the approval of the Court as set forth in Section 6 of the Loan Agreement has been obtained.

D. In conjunction with the Secured Promissory Note executed by Watermaster concurrently herewith (the “**Note**”), Watermaster agrees to grant the District a security interest in the assessment revenue received from replenishment assessments levied by Watermaster, as more fully described herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements hereinafter set forth, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), THE PARTIES AGREE AS FOLLOWS:

1. **Incorporation by Reference; Defined Terms.** The above Recitals and Exhibits hereto are incorporated herein by this reference. Any term used but not defined in this Agreement shall have the meaning given such term in the Loan Agreement or the Note.

2. **Grant of Security Interest.** Watermaster grants to the District a security interest in the assessment revenue received by Watermaster from replenishment assessments levied by Watermaster (the “**Pledged Revenues**”), to secure performance and payment by Watermaster to the District under the Note.

3. **No Senior Debt.** Watermaster agrees that for the term of the Note, Watermaster shall not issue any debt with a priority on parity with or senior to the Note, and shall not pledge, lien or encumber the Pledged Revenues for the term of the Note.

4. **Representations, Warranties and Covenants.** Watermaster represents, warrants and covenants that it will execute documents and take such other actions and do such other things, all as the District may from reasonably require from time to time, to establish, perfect and maintain a valid security interest and lien in the Pledged Revenues;

5. **Events of Default.** Watermaster will be in default on the occurrence of any one of the following events or conditions (each, an “**Event of Default**”):

a. Watermaster's failure to perform any of the obligations, covenants, terms or conditions contained or referred to in this Agreement or the Note;

b. Watermaster's breach of any warranty, representation or statement contained or referred to in this Agreement or the Note.

6. **Remedies of the District.** When an Event of Default occurs, the District shall provide written notice to Watermaster of the Event of Default and the reasons therefor ("**Notice of Default**"). Watermaster may object in writing within five (5) days of receipt of Notice of Default, and the parties shall meet and confer in good faith to resolve any dispute. If the parties are unable to resolve such dispute within 30 days then the dispute will be resolved by motion to the Court maintaining continuing jurisdiction over the Judgment. The rights, powers and remedies of the District in this Agreement shall be in addition to all rights, powers and remedies given by law and are cumulative. The exercise of any one or more of the rights, powers and remedies provided in this Agreement shall not be construed as a waiver of any other rights, powers and remedies of the District.

7. **Termination of Agreement.** This Agreement, and Watermaster's duties and obligations under this Agreement, will continue in effect and only terminate when Watermaster completes performance of the obligations and duties under the terms and conditions of the Note.

8. **General Provisions.**

a. **Recitals.** The recitals set forth at the beginning of this Agreement of any matters or facts shall be conclusive proof of their truthfulness and the terms and conditions stated in the recitals, if any, shall be deemed a part of this Agreement.

b. **Other Instruments.** The parties shall, whenever and as often as reasonably requested by the other party, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered any and all documents and instruments as may be necessary, expedient or proper in the reasonable opinion of the requesting party to carry out the intent and purposes of this Agreement, provided that the requesting party shall pay the cost and expense of the further instruments or documents (except that each party shall pay its own attorneys' fees).

c. **Construction.** The provisions of this Agreement should be liberally construed to effectuate its purposes. The language of this Agreement shall be construed simply according to its plain meaning and shall not be construed for or against either party, as each party has participated in the drafting of this Agreement and had the opportunity to have their counsel review it.

d. **Date and Delivery of Agreement.** Notwithstanding anything to the contrary contained in this Agreement, the Parties intend that this Agreement shall be deemed effective, executed, and delivered for all purposes under this Agreement as of the date stated on the first page of this Agreement.

e. **Captions, Headings, Exhibits and Abbreviations.** The captions and headings of this Agreement are for convenience only and have no force or effect in the

interpretation or construction of this Agreement. Words indicated in parenthesis signify an abbreviation for the previous set of words or terms, so that when the abbreviation is used within the Agreement, it shall have the same meaning as a full restatement of the words or terms. All recitals first stated above and all exhibits attached to this Agreement are incorporated by this reference as though fully stated in this Agreement.

f. **Severability.** If any term, provision, covenant or condition of this Agreement shall be or become illegal, null, void or against public policy, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, shall be modified or changed by the parties to the extent possible to carry out the intentions and directives stated in this Agreement. The remaining provisions of this Agreement shall remain in full force and effect and shall not be affected, impaired or invalidated thereby.

g. **Counterparts.** This agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

h. **Successors and Assigns.** This Agreement shall be binding on and shall inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns, except as restricted by this Agreement.

i. **No Assignment.** Watermaster shall not voluntarily or by operation of law assign, hypothecate, give, transfer, mortgage, sublet, license, or otherwise transfer or encumber all or any part of its rights, duties, or other interests in this Agreement without the District's prior written consent. Any attempt to do so in violation of this provision shall be a material default under this Agreement and shall be null and void.

j. **Waiver.** No waiver of any provision or consent to any action shall constitute a waiver of any other provision or consent to any other action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver in the future except to the extent specifically stated in writing. Any waiver given by a party shall be null and void if the party requesting such waiver has not provided a full and complete disclosure of all material facts relevant to the waiver requested. No waiver shall be binding unless executed in writing by the party making the waiver.

k. **Governing Law, Jurisdiction and Venue.** The validity and interpretation of this Agreement and any ancillary documents shall be governed by the laws of the State of California without giving effect to the principles of conflict of laws. The parties agree that any state court located in San Bernardino County shall have personal jurisdiction over the parties hereto and over any case or controversy related in any manner this Agreement and shall be the exclusive forum in which to adjudicate such case or controversy. Any final judgment rendered against a party in any action or proceeding shall be conclusive as to the subject of such final judgment and may be enforced in other jurisdictions in any manner provided by law.

l. **Notices.** Formal notices, demands and communications between Watermaster and the District shall be sufficiently given and shall not be deemed given unless

dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of Watermaster and the District as follows:

DISTRICT: _____

WATERMASTER: Chino Basin Watermaster
c/o Mr. Desi Alvarez
8632 San Bernardino Road
Cucamonga, CA _____

m. **Attorneys' Fees.** If any legal or equitable proceeding (lawsuit, arbitration, etc.), including an action for declaratory relief, related in any manner to this Agreement is brought, each party shall bear its own costs in the resolution of such dispute.

n. **Authorizations.** All individuals executing this and other documents on behalf of the respective parties certify and warrant that they have the capacity and have been duly authorized to so execute the documents on behalf of the entity so indicated. Each signatory shall also indemnify the other parties to this Agreement, and hold them harmless, from any and all damages, costs, attorneys' fees, and other expenses, if the signatory is not so authorized.

o. **Entire Agreement and Amendment.** In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and both parties acknowledge that they have not relied on any promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature binding except as stated in this Agreement. This Agreement supersedes, and its terms govern, all prior or contemporaneous proposals, agreement or other communications between the parties, oral or written, regarding this subject matter. This Agreement may be altered, amended or modified only by an instrument in writing explicitly referencing this Agreement, executed by the parties to this Agreement and by no other means. Each party waives their right to claim, contest or assert that this Agreement was modified, canceled, superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement on the date first above written.

**CHINO BASIN WATER CONSERVATION
DISTRICT**

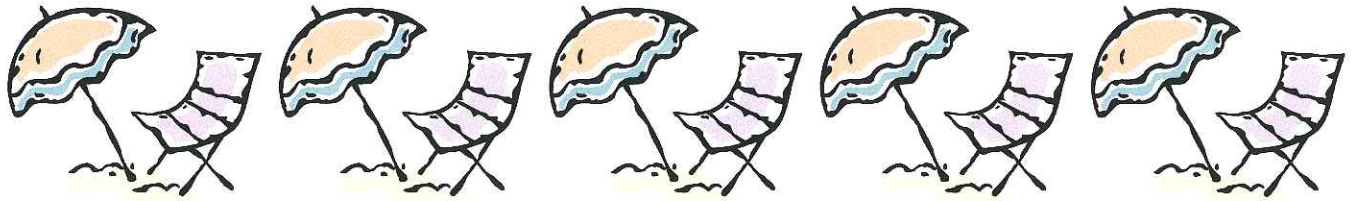
By: _____

Its: _____

CHINO BASIN WATERMASTER

By: _____
Desi Alvarez, CEO

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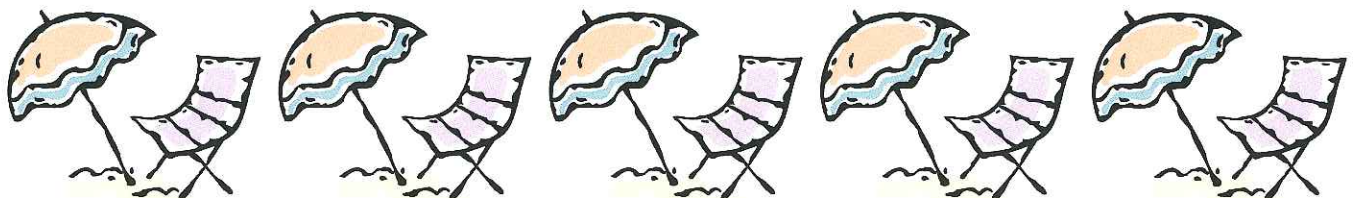


CHINO BASIN WATERMASTER

III. REPORTS / UPDATES

E. INLAND EMPIRE UTILITIES AGENCY

4. State and Federal Legislative Reports
5. Community Outreach/Public Relations Report
6. IEUA Monthly Water Newsletter



CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

July 21, 2011

AGENDA

INTERAGENCY WATER MANAGER'S REPORT

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

Discussion Items:

- MWD Update - oral
 - CDA LRP Status
 - Replenishment Update
- Water Softener Update - Oral

Written Items:

- Monthly Water Use Report – (handout)
- State and Federal Legislative Reports
- Community Outreach/Public Relations Report
- IEUA Monthly Water Newsletter

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Completion of the Stipulation and Settlement Agreement, Order No. R8-2010-0013

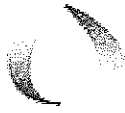
On April 1, 2010, the Regional Water Quality Control Board (RWQCB) issued an Administrative Civil Liability Complaint No. R8-2010-0013 to the Chino Basin Watermaster (Watermaster) and the Inland Empire Utilities Agency (IEUA). The complaint alleged violations of Waste Discharge Requirements Order No. R8-2007-0039, and that Watermaster and IEUA had failed to maintain hydraulic control (an element of the "maximum benefit" commitments included in the Basin Plan) and had violated a time schedule for restoring hydraulic control. The complaint proposed a penalty of \$227,700 for the alleged violations.

Watermaster and IEUA agreed to waive their right to a hearing and settled the complaint by paying \$124,350 and by participating in a Supplemental Environmental Project (SEP) for the balance of the assessed penalty. The proposed SEP was the IEUA Self-Regenerating Water Softener Removal Rebate Program with a mandated completion date of June 30, 2012.

IEUA proposed to use the remaining \$103,350 assessed fine toward the costs of removing of 160 water softeners. Watermaster agreed to reimburse IEUA 50% of the \$103,350. The total cost of removing the water softeners was estimated to be \$178,000, of which \$74,500 covered the cost of advertising, water softener removal, break-down and disposal of the used equipment, and staff time. The remaining \$103,500 covered the residential rebates. The SEP Fund was used solely for the rebates.

Since the start of the SEP in July 2010, IEUA has removed a total of 174 water softeners, and paid \$124,939.16 for water softener rebates. The projected water savings from the removal of these water softeners is well over 1 million gallons per year and keeps over 80,000 pounds of salt out of the IEUA sewer system annually. Therefore, IEUA has met all the terms and conditions of this Order one year ahead of schedule.

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Date: July 20, 2011

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (07/13/11)

From: Thomas A. Love
General Manager

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: June Legislative Report from Agricultural Resources

RECOMMENDATION

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

BACKGROUND

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

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

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Agricultural Resources

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

June 28, 2011

Legislative Report

TO: Thomas Love
General Manager, Inland Empire Utility Agency

FR: David M. Weiman
Agricultural Resources
LEGISLATIVE REPRESENTATIVE, IEUA

SU: Legislative Report, June 2011

Highlights:

- *Debt Limit Legislation*
- *EPA WaterSense Proposal on Water Softeners*
- *Interior Moves to Block Uranium Mining on Colorado River*
- *Bay Delta – Pending Federal Legislation*
- *Drought Conditions/Water Supply*
- *Water Briefs*
- *IEUA Working Partners*

Debt Limit Talks – Pending Legislation. Talks between the Administration, led by Vice-President Biden, and House-Senate leaders are in “full throttle.” The statutory debt limit will be reached sometime in early August. Press accounts citing progress/no progress are published every am and pm. The range of spending reduction – something in the order of \$2 “T” trillion over ten years to (2021) – is being openly discussed and apparently agreed to. Republicans remain opposed to any taxes and Democrats want to structure a stimulus/jobs component. This will likely dominate events in July and possibly August.

EPA – WaterSense Proposal on Water Softeners. Water agencies – nationally, throughout California, in Southern California – believe that the (a) WaterSense program is a positive program; (b) the proposed efficiency review of water softeners was deeply flawed. Efforts to talk to the EPA Office of Water by more than 20 groups were inexplicably rejected. Similarly, initial requests to review the “comment” file were not acted upon and have been resubmitted.

ACWA, AWWA and other state and national associations now believe that the NOI (Notice of Intent) needs to be withdrawn. It is anticipated that groups, because of the lack of EPA responsiveness, will formally submit a request asking EPA to withdraw the NOI – likely in July.

The Alliance for Water efficiency, NRDC and others continue to support the WaterSense review, but even the water softener industry appears to be divided. IEUA continues to work with statewide and national associations.

Bay Delta. Legislation introduced by San Joaquin Valley House Members – Nunes, McCarthy and Denham – to eliminate restrictions on Delta pumping became controversial in a pair of House hearings. The Western States Water Council testified in opposition to the bill because of the Federal Preemption of State Water Rights. Additionally, the Chair, Rep. Tom McClintock, has publicly announced that the legislation will be modified to include language that protect “*areas of origin*.” The legislation, in order to be considered at all, will likely face significant redrafting. It is expected to be scheduled for markup in mid-July. Amendments and/or substitute language has not been circulated.

Interior Moves to Block Uranium Mining on Colorado River. Interior declared a short-term withdrawal of public lands near the Grand Canyon and is expected to approve a 20-year withdrawal. This effectively blocks uranium mining for the next several two decades. There are significant implications for water quality. Legislation was recommended if Interior did not take this action. As previously reported, this is one of the few issues upon which all water users in the basin are in agreement.

Drought Conditions and Water Supplies. California is “drought-free” for now and has been for several months. Severe drought is growing in throughout the Southwest and the Southern tier states – Arizona, New Mexico and includes virtually the entire state of Texas. And, it’s getting worse along the Southern tier into the deep South.

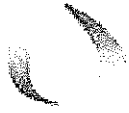
Water Briefs. *Pacific Institute* released a new report on California Drought concluding, “*The Pacific Institute has just complete a nine-month assessment of new data from California’s agricultural, energy, and environmental sectors to evaluate annual consequences of the drought for the state. Analysis of state ad federal data released over the past year finds that contrary to much of the media reporting, California’s agricultural community proved flexible and resilient, generating agricultural revenues in 2007, 2008, and 2009 that were the highest on record. And agriculture related occupations remained a stable portion of total jobs available in areas*

directly impacted by water supply restrictions. Less frequently reported were the substantial impacts on energy production and aquatic ecosystems during the drought, which were economically and environmentally significant.” **Senators Feinstein** and Boxer circulated a highly critical letter strongly opposing the Nunes legislation. **Shell Oil** issued a report concluding that the world’s fresh water supply is in jeopardy – with a horizon of 40 years. **Bureau of Reclamation** released a report examining the Colorado River – concluding that in the future, less water will be available. **USGS** issued a report concluding, in the Santa Ana River Basin, wastewater investments are paying dividends, concluding, “*with the exception of nitrate, nutrient concentration trends in the urbanized Santa Ana Basin were downward during 1975-2004, despite a nearly three-fold increase in the volume of wastewater discharged in the basin during the same period.*” **NASA** scientists at the Jet Propulsion Lab in Southern California stated that “California’s weather patterns are cooling,” and becoming more erratic. **National Geographic** published a “State of Water in the West” article concluding that heat, not precipitation is challenge in the West (contributing to drought). Among other things, the article touted recycled water as one of the solutions.

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

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

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Date: July 20, 2011
To: The Honorable Board of Directors
Through: Public, Legislative Affairs, and Water Resources Committee (07/13/11)
From: Thomas A. Love
General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: June 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 (attached) on the Dolphin Group's activities on behalf of the Chino Basin/Optimum Basin Management Program Coalition.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

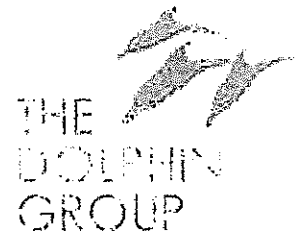
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June 29, 2011

To: Inland Empire Utilities Agency
From: Michael Boccadoro
President
RE: June Status Report



Please find attached the status report from The Dolphin Group for the month of June 2011.

Water and energy issues for 2011 have continued to be discussed, but budget negotiations remain the main focus for Governor Jerry Brown and the legislature as the new fiscal year is set to begin on July 1.

Unable to garner the Republican votes necessary to approve new taxes and fees as part of the budget, legislative Democrats and Governor Brown finally came to terms on a majority vote budget deal that will rely on an economic surge generating billions more in windfall tax collections. The plan includes a number of "trigger cuts" that will take place if the optimistic tax revenues never accrue. The deal was reached after legislative pay was suspended on the June 15 constitutional deadline, as mandated by the passage of Proposition 25 last November. Governor Brown vetoed a previous budget proposal as being "unbalanced," but sought a slightly modified proposal after it became clear that Republican votes would not materialize on terms agreeable to Democrats.

Also adding to the pressure that was on legislators, the Citizens Redistricting Commission issued the first draft of its newly drawn Congressional and legislative districts, which could put a number of legislators in more competitive districts and change the balance of power in Sacramento.

On the energy front, the California Energy Commission has begun developing regulations for Publicly Owned utilities to meet the 2020 Renewable Portfolio Standard (RPS) of 33 percent. Meanwhile, California Public Utilities Commission adopted guidelines that will allow net-metering customers to begin selling back excess energy production to utilities, which can in turn be counted toward meeting RPS requirements. The CPUC has also initiated a major proceeding on RPS implementation, including SB 32 implementation.

In water news, the Delta Stewardship Council has approved a draft of its Delta Plan to be circulated for an Environmental Impact Review. Along with the plan, a number of alternatives have also been submitted for review, including an alternate plan submitted by ACWA and a statewide coalition of water interests.

Inland Empire Utilities Agency

Status Report – June 2011

Budget Deal Reached

With the July 1 start of the fiscal year looming, Governor Brown and legislative Democrats reached a majority vote budget deal, without Republican input. The deal was reached two weeks after Brown vetoed the first budget provided to him by legislative Democrats on the June 15 constitutional deadline, which Brown criticized as unbalanced and reliant on gimmicks.

The budget deal relies on the hope that an economic recovery will generate billions more in windfall tax collections for the state. It includes “trigger cuts” that would hit K-12 schools and higher education, public safety programs and In-Home Supportive Services if estimated revenues are not met. The plan also includes a tax swap that redirects 1 percent of the statewide sales tax to counties for Brown's public safety realignment.

Brown has abandoned his plan for tax extensions in 2011, but is still expected to pursue voter initiatives to place tax measures on the November 2012 ballot, to help meet the state's future revenue needs.

Adding pressure to get the budget done was Proposition 25, which voters approved last year and allowed the legislature to pass a budget with a simple majority vote, with the caveat that legislators forfeit pay if a budget is not sent to the Governor by the constitutional deadline. Since the budget plan passed by the legislature was deemed unbalanced, it did not count toward meeting the Proposition 25 deadline and state Controller John Chiang had stopped issuing paychecks to legislators until the new spending plan was approved. The lost pay amounted to approximately \$400 a day, which was forfeited and cannot be recouped by legislators.

Citizens Redistricting Commission Releases Draft Maps

Complicating the already contentious budget politics in Sacramento, the Citizens Redistricting Commission released its draft mapping plan in mid-June. The draft plan that redraws the state's Congressional and legislative district lines was circulated for public comment and a second draft is set to be released in mid-July. The maps could have significant implications on several lawmakers whose districts are now shared in the draft plan. Many analysts believe that the new lines may give Democrats even more seats in the legislature, possibly even the two-thirds majority in both houses necessary to raise taxes. Democrats are also expected to add as many as 5 seats in California's Congressional delegation.

CEC Begins Developing Regulations for Public Utilities to Meet RPS Goals

The California Energy Commission (CEC) hosted a workshop to begin developing regulations that will address how it will enforce the newly adopted Renewable Portfolio Standard (RPS) of 33 percent by 2020 for Publicly Owned Utilities (POUs). Under SB X1 2, POUs are now legally mandated to meet RPS regulations similar to investor owned utilities.

At the workshop, POUs discussed concerns with regulatory flexibility, the roles of governing bodies and the heavy burden of clerical paperwork involved with the new regulations. Comments on the issue are due to CEC staff by July 8 and a proposal for the regulations is due by CEC staff in January 2012.

CPUC Commences RPS Implementation

While the CEC is working on enforcement of the new 33 percent RPS requirement for utilities, the California Public Utilities Commission (CPUC) has initiated a comprehensive implementation proceeding to refine the rules on how utilities will procure renewable energy in the future. The CPUC will be setting amounts of renewables required for each of the three compliance periods and cost-containment mechanisms required under the new legislation. Additionally, the CPUC plans to include SB 32 implementation (co-sponsored by IEUA) to expand the feed-in-tariff (FIT) as part of the effort. SB 32 implementation was identified as one of the three early priorities of the proceeding, with the goal of completing FIT changes by the end of the year.

The assigned commissioner, Mark Ferron, told parties at a pre-hearing conference that he was aiming to create market certainty and stability so that renewable contracts could proceed. "The wait is over and we're moving forward with a feed-in-tariff," Ferron said, noting that it "can play a critical role in achieving distributed-generation goals."

The CPUC is expected to issue a scoping memo outlining priorities and timing in the coming weeks. Dolphin Group staff is monitoring the proceeding and will be filing testimony and participating in hearings.

Governor Brown Looks to Reshape State Usage of Public Goods Charge Funds

AB 723 (Bradford), which would extend the Public Goods Charge (PGC) on energy, has received bipartisan support from the Assembly and is now moving through the Senate. The PGC would extend \$365 million a year for the next four years, to be used to fund energy efficiency, renewable energy and energy research, development and demonstration projects. Funds from the PGC are implemented by the CPUC and CEC. Specific funding to incubate California's emerging biogas renewable energy industry is also being pursued.

CPUC Sets Rate for Excess Production of Renewable Energy

The California Public Utilities Commission (CPUC) voted to set a compensation rate for net-energy-metering customers who produce excess electricity for the grid. Previously, excess energy was provided free-of-charge to the utility. These customers will be paid for any excess energy they have produced over what is consumed from the grid over a year's time. The net-surplus generators will be required to meet California's RPS requirements, which can be counted by the utilities toward their targets. Projects must still be designed or "sized" to load. The compensation rate will be approximately 6 cents/kwh.

PPIC Report Finds that Drought Boosted Electricity Costs

A report by the Public Policy Institute of California (PPIC) found that during the 2007-2009 drought, California's hydropower production was cut nearly in half. The loss of low-cost hydropower production, which was replaced with more expensive natural gas generation, ended up costing ratepayers an additional \$1.7 billion for electricity. The water industry, which accounts for a substantial amount of California's energy usage, was hit hard with much higher costs. With California's snowpack remaining at over 380 percent of average in mid-June hydropower production is expected to bounce back significantly in 2011.

Delta Stewardship Council Submits Draft Plan for EIR

The Delta Stewardship Council held two meetings in June to fine tune a draft of the Delta Plan to be circulated for an Environmental Impact Review. The draft plan was submitted along with a number of alternatives, including an alternate plan submitted by ACWA and a number of water interests and an alternate plan submitted by the Environmental Water Caucus. The plan has continued to focus on flow criteria and habitat restoration as the major components of meeting the coequal goals mandated by the legislature of water supply reliability and ecosystem sustainability.

Legislation

While legislators continue to remain preoccupied with budget discussions and negotiations, they are still finding time to address other policy matters, many of which impact water and energy issues important to IEUA. Over the past month, DGI has been working with agency staff to identify and analyze important measures.

Key measures being followed by IEUA include:

- CA AB 83 AUTHOR:** Jeffries (R)
TITLE: Environment: CEQA Exemption: Recycled Water Pipeline
INTRODUCED: 01/05/2011
DISPOSITION: 2-year bill
LOCATION: Assembly Natural Resources Committee
SUMMARY:
Amends existing law regarding California Environmental Quality Act environmental impact reports. Exempts a project for the installation of a new pipeline for the distribution of recycled water within an improved public street, highway, or right-of-way.
Position: Support
- CA AB 134 AUTHOR:** Dickinson (D)
TITLE: Sacramento Regional County Sanitation District
INTRODUCED: 01/12/2011
DISPOSITION: Pending
COMMITTEE: Senate Natural Resources and Water Committee
HEARING: 06/28/2011 9:30 am, Room 112

SUMMARY:

Authorizes the Sacramento Regional County Sanitation District to file an application for a permit to appropriate a specified amount of water that is based on the volume of treated wastewater that the district discharges into the Sacramento River and recovers for reuse. Authorizes the State Water Resources Control Board to grant a permit to appropriate that treated wastewater upon terms and conditions determined by the board. Requires the board to comply with specified related requirements.

Position: Neutral

CA AB 157 **AUTHOR:** Jeffries (R)

TITLE: Safe, Clean and Reliable Drinking Water Supply Act

INTRODUCED:01/19/2011

DISPOSITION: 2-year bill

COMMITTEE: Assembly Water, Parks and Wildlife Committee

HEARING: 06/28/2011 9:00 am, Room 437

SUMMARY:

Reduces the total amount of bonds authorized to be issued pursuant to the Safe, Clean and Reliable Drinking Water Supply Act of 2012. Makes conforming reductions to amounts specified to be allocated from these bond funds for certain purposes.

Position: Watch

CA AB 275 **AUTHOR:** Solorio (D)

TITLE: Rainwater Capture Act of 2011

INTRODUCED:02/07/2011

DISPOSITION: Pending

LOCATION: Senate Environmental Quality Committee

SUMMARY:

Enacts the Rainwater Capture Act of 2011. Authorizes residential, commercial, and governmental landowners to install, maintain, and operate rain barrel systems and rainwater capture systems for specified purposes. Requires a local agency to notify a public water system of any permit program. Authorizes a landscape contractor to enter into a prime contract for the construction of such system, if it is used exclusively for landscape irrigation. Authorizes such contractors to design and install exterior parts.

Position: Support

CA AB 359 **AUTHOR:** Huffman (D)

TITLE: Groundwater Management Plans

INTRODUCED:02/14/2011

DISPOSITION: Pending

COMMITTEE: Senate Natural Resources and Water Committee

HEARING: 06/28/2011 9:30 am, Room 112

SUMMARY:

Requires a local groundwater management agency to provide a copy of a resolution of intention to adopt a groundwater management plan to the Department of Water Resources. Requires the local agency to provide a copy of the proposed groundwater

management plan to an interested person or entity. Requires the department to post specified related information on its Web site. Specifies that groundwater projects shall include projects that are part of an integrated regional water management program.

Position: Watch

CA AB 467 **AUTHOR:** Eng (D)
TITLE: Safe Drinking Water, Water Quality and Supply
INTRODUCED: 02/15/2011
DISPOSITION: Held in Suspense
LOCATION: Assembly Appropriations Committee

SUMMARY:

Amends existing law that requires the State Department of Public Health, in collaboration with the Department of Toxic Substances Control and the State Water Resources Control Board, to develop and adopt regulations governing the repayment of costs that are subsequently recovered from parties responsible for the contamination of groundwater. Requires the State of Department of Public Health to develop guidelines governing this repayment.

Position: Watch

CA AB 512 **AUTHOR:** Gordon (D)
TITLE: Local Government Renewable Energy Self-Generation
INTRODUCED: 02/15/2011
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee

SUMMARY:

Amends existing law authorizing a local government to receive a bill credit for electricity exported to the electrical grid by an eligible renewable generating facility. Expands the definition of an eligible renewable generating facility to include a facility that has a generating capacity of no more than 5 megawatts.

Position: Support

CA AB 550 **AUTHOR:** Huber (D)
TITLE: Sacramento-San Joaquin Delta: Peripheral Canal
INTRODUCED: 02/16/2011
DISPOSITION: 2-year bill
LOCATION: Assembly Water, Parks and Wildlife Committee

SUMMARY:

Prohibits the construction of a peripheral canal that conveys water from a diversion point in the Sacramento River to a location south of the Sacramento-San Joaquin Delta, unless expressly authorized by the Legislature. Requires the Legislative Analyst's Office to complete an economic feasibility analysis prior to the enactment of a statute authorizing the construction of a peripheral canal. Prohibits the construction and operation of a peripheral canal from diminishing water quality.

Position: Oppose

CA AB 723 **AUTHOR:** Bradford (D)
TITLE: Energy: Public Goods Charge

INTRODUCED:02/17/2011

DISPOSITION: Pending

COMMITTEE: Senate Governance and Finance Committee

HEARING: 06/29/2011 9:00 am, Room 112

SUMMARY:

Amends the Public Utilities Act that requires an electrical corporation to identify a separate electrical rate component, commonly referred to as the public goods charge to fund energy efficiency, renewable energy, and research, development, and demonstration programs that enhance system reliability and provide in-state benefits. Extends this requirement. Makes technical and conforming changes. Requires the Public Utilities Commission to implement various elements relating to energy efficiency.

Position: Watch

CA AB 741 **AUTHOR:** Huffman (D)

TITLE: Onsite Wastewater Disposal

INTRODUCED:02/17/2011

DISPOSITION: Pending

FILE: 91

LOCATION: Senate Special Consent Calendar

SUMMARY:

Amends an existing law authorizing a property owner included within an assessment district for construction of a main trunkline or collector sewer lines, to request construction plumbing to connect his or her property to the adjoining public sewer system, and creates a lien. Relates to funding. Authorize defined entities, to use this provision for the purpose of converting properties from onsite septic systems and connecting them to the sewer system and for replacing or repairing existing sewer laterals.

Position: Support

CA AB **AUTHOR:** Galgiani (D)

1113 **TITLE:** Energy: Agricultural Byproducts

INTRODUCED:02/18/2011

DISPOSITION: 2-year bill

LOCATION: Assembly Utilities and Commerce Committee

SUMMARY:

Replaces the existing pilot program for eligible biogas digester customer-generators with a net energy metering program for eligible customer-generators that use agricultural residues, animal wastes, or animal renderings to generate electricity and that meets certain requirements.

Position: Watch

CA AB **AUTHOR:** Perea (D)

1361 **TITLE:** Electrical Corporations: Net Metering

INTRODUCED:02/18/2011

DISPOSITION: 2-year bill

LOCATION: Assembly Utilities and Commerce Committee

SUMMARY:

Revises the definition of an eligible customer- generator to include a defined state agency. Requires that the generating capacity of a facility used by a state agency not exceed 5 megawatts pursuant to both the net energy metering requirements and the wind energy co-metering requirements.

Position: Watch

CA SB 34 **AUTHOR:** Simitian (D)
TITLE: Water Resources Investment Act of 2011
INTRODUCED: 12/06/2010
DISPOSITION: 2-year bill
LOCATION: Senate Appropriations Committee

SUMMARY:

Requires revenues and charges collected under the Water Resources Investment Program to be deposited in the state Water Resources Investment Program Fund and a number of regional investment accounts within the fund. Requires money in the regional accounts be for water-related projects and programs. Requires state account moneys be appropriated for specified statewide water-related programs and the Delta plan, mercury contamination in the Sacramento-San Joaquin Delta, and for related bond debt service.

Position: Watch

CA SB 35 **AUTHOR:** Padilla (D)
TITLE: State Energy Research and Technology Act of 2011
INTRODUCED: 12/06/2010
DISPOSITION: Pending
COMMITTEE: Assembly Natural Resources Committee
HEARING: 06/27/2011 1:30 pm, Room 447

SUMMARY:

Enacts the Energy Research and Technology Program Act of 2011. Requires the State Energy Resources Conservation and Development Commission to establish and administer the California Energy Research and Technology Program (CERT) to fund research, development, and demonstration projects to lead to advancement and breakthroughs to overcome barriers to the achievement of statutory energy goals. Requires regulation adoption. Requires the CERT council to track project progress. Requires a program review contract.

Position: Watch

CA SB 200 **AUTHOR:** Wolk (D)
TITLE: Sacramento-San Joaquin Delta: Bay Delta Conservation
INTRODUCED: 02/08/2011
DISPOSITION: 2-year bill
LOCATION: Senate Natural Resources and Water Committee

SUMMARY:

Amends the Delta Reform Act of 2009 that requires the Delta Stewardship Council to consider the Bay Delta Conservation Plan (BDCP) for inclusion in a specified Delta Plan and the authorizes the incorporation of the plan into the Delta Plan if the BDCP meets certain requirements. Requires any state agency that is responsible for authorizing or implementing any action of the BDCP to ensure the action is

consistent with specified requirements prescribed by these provisions.

Position: Oppose

CA SB 215 **AUTHOR:** Huff (R)

TITLE: Invasive Aquatic Species: Mussels

INTRODUCED: 02/09/2011

DISPOSITION: Pending

COMMITTEE: Assembly Water, Parks and Wildlife Committee

HEARING: 06/28/2011 9:00 am, Room 437

SUMMARY:

Extends the repeal, to a specified date, of existing law that generally prohibits a person from possessing, importing, shipping, or transporting, or from placing, planting, or causing to be placed or planted in any water within the state, dreissenid mussels, and authorizes the Director of Fish and Game or his or her designee to engage in enforcement activities. Provides that a person who violates, resists, delays, obstructs, or interferes with the implementation of these provisions is subject to a penalty.

Position: Support

CA SB 370 **AUTHOR:** Blakeslee (R)

TITLE: Energy: Net Energy Metering

INTRODUCED: 02/15/2011

DISPOSITION: Held in Senate Suspense File

LOCATION: Senate Appropriations Committee

SUMMARY:

Relates to net energy metering. Authorizes an agricultural customer-generator with multiple meters to elect to aggregate the electrical load of the meters located on the property where the generation facility is located and on all property adjacent or contiguous to the property on which the generation facility is located, if those properties are solely owned by the agricultural customer-generator.

Position: Watch

CA SB 489 **AUTHOR:** Wolk (D)

TITLE: Electricity: Net Energy Metering

INTRODUCED: 02/17/2011

DISPOSITION: Pending

COMMITTEE: Assembly Natural Resources Committee

SUMMARY:

Relates to net energy metering. Revises the definition of an eligible customer-generator to require that a generating facility be a renewable electrical generation facility for the purposes of the Renewable Energy Resources Program administered by the State Resources Conservation and Development Commission. Repeals the pilot program in existing law that provides energy net metering for eligible biogas digester customer-generators.

Position: Support

CA SB 607 **AUTHOR:** Walters (R)

TITLE: Water Resources Board: Brackish Groundwater Treatment

INTRODUCED:02/17/2011

DISPOSITION: Pending

COMMITTEE: Assembly Environmental Safety and Toxic Materials Committee

HEARING: 06/28/2011 1:30 pm, Room 444

SUMMARY:

Requires the Water Resources Control Board to either amend the State Ocean Plan, or adopt separate standards, to address water quality objectives and effluent limitations that are specifically appropriate for brackish groundwater treatment system facilities that produce municipal water supplies for local use.

Position: Watch

CA SB 900 **AUTHOR:** Steinberg (D)

TITLE: Regional Water Quality Control Boards: Members

INTRODUCED:02/18/2011

DISPOSITION: Pending

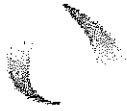
COMMITTEE: Assembly Environmental Safety and Toxic Materials Committee

HEARING: 06/28/2011 1:30 pm, Room 444

SUMMARY:

Amends the Porter-Cologne Water Quality Control Act. Deletes provisions of the act prohibiting a board member from participating in actions that involve the member or a waste discharger with which the member is connected. Specifies that the limitation on the member's financial interest applies only to a disqualifying financial interest within the Political Reform Act. Relates to requirements, qualifications, and to disqualifying factors for regional board members.

Position: Watch



Date: July 20, 2011

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (07/13/11)

From: Thomas A. Love
General Manager

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: June 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 (attached) on their federal activities on behalf of IEUA.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

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Innovative Federal Strategies LLC

Comprehensive Government Relations

MEMORANDUM

To: Tom Love and Martha Davis, IEUA

From: Letitia White and Heather Hennessey

Date: June 29, 2011

Re: June Monthly Legislative Update

The month of June has brought Congress to an important crossroads on the year's most critical policy debate – how to raise the nation's debt ceiling while also cutting the budget by trillions of dollars. Against the backdrop of this debate, the House has moved several of the FY 2012 Appropriations bills under uncertain circumstances while the Senate has remained focused on a host of non-budgetary issues.

Debt Ceiling and Deficit Reduction Negotiations

As you know, the U.S. must raise its current \$14.3 trillion debt limit this summer. House Republicans have set a firm demand that any raise in the debt ceiling will be matched with equal cuts to the deficit. From a political standpoint, both parties prefer to enact a comprehensive plan this summer which addresses both problems because neither Republicans nor Democrats want to revisit these contentious and unpopular issues prior to next year's Presidential election.

Up until this week, the negotiations on raising the debt ceiling were led by Vice President Biden. However, last week's abrupt departure of House Majority Leader Eric Cantor from the talks has raised the level of involvement to the President and House Speaker John Boehner. The end of the Biden talks, as they were called in DC, was not necessarily a setback. It has been widely reported that significant progress has been made up to this point and that all future negotiations will be based upon that groundwork. The sticking point which caused Majority Leader Cantor to depart the Biden talks was an impasse regarding taxes, which was always expected to be a make-or-break issue. Moving the talks to the highest levels was an expected eventuality, and the talks will now pivot to addressing the most controversial issues, including whether to raise taxes or reform entitlement programs.

Now that the President and the Speaker have assumed responsibility for negotiating on behalf of their respective political parties, the hope is that a deal will be reached soon after July 4th. The Treasury Department has set a deadline of August 2nd before the full faith and credit of the U.S. is compromised. We expect to see the negotiations become more contentious before any agreements are reached, and some in Washington are already calling for the debt ceiling increase to be divorced from deficit reduction to speed the process.

However, House Republicans are not open to such an approach and have even begun to speculate that the August 2nd deadline could be extended by days or weeks. Such speculation is further

Innovative Federal Strategies LLC

destabilizing an already uncertain situation. Late in the spring, Treasury Secretary Geithner moved the deadline from July to August, and that move is being used against the Obama Administration as it argues for an immediate fix. If a default were to occur, the Treasury Department would be forced to choose between paying interest on the nation's outstanding debts to foreign governments or mail Social Security checks to senior citizens. Needless to say, a default would cause massive disruptions for the government, volatility in the financial markets and problems overseas.

The issue of taxes is possibly the most complicated one to be addressed. Republicans insist they will not consider tax increases, while Democrats would rather raise revenue than cut entitlement programs. One open question is whether ending tax breaks for certain industries would be acceptable to Republicans. The energy sector is an especially tempting target for such a scheme, with ethanol production incentives and oil company tax loopholes possibly able to offer up to \$50 billion in revenue if they are ended or phased out.

Against this backdrop, both the House and Senate are considering proposed balanced-budget amendments to the Constitution in the coming few weeks. The House Judiciary Committee passed a measure last week, and leadership plans to bring it to the House floor in late July. Meanwhile, the Senate Budget Committee has begun to work up a version for consideration in that chamber.

FY 2012 Appropriations

House Appropriations bills took center stage this month. Working under the discretionary spending cap set by the House Budget Resolution in April, the House has passed its versions of the Military Construction – VA, Agriculture, and Homeland Security Appropriations bills. After July 4th, they will resume consideration of the Department of Defense spending bill and then move forward with Energy and Water.

The Senate considered its first FY 2012 Appropriations bill this week when the Military Construction – VA Subcommittee approved a bill on Tuesday. It is considered to be the least controversial of the annual spending bills, and the Senate and House bills are expected to be very similar. While the House has been fully engaged on Appropriations for most of May and June, the Senate has been waiting for the debt limit talks to conclude. Senate Democrats are also deeply opposed to the spending cuts reflected in the House bills. Arguably, the Senate's wait-and-see approach is the smarter of the two! Any changes to spending levels negotiated by the debt limit talks will begin in FY 2012, and those changes to "baseline" spending will have to be worked into the Appropriations bills. The work undertaken so far by the House will likely prove to be useful, but the numbers could change drastically before the bills are signed into law.

FY 2012 funding levels for the Bureau as a whole are down \$157.2 million from FY 2011. The total proposed by the House version of the bill is \$1.018 billion. Of that total, \$822 million is for Water and Related Resources (down from an FY 2011 amount of \$911 million), with much of that amount going to the operation and maintenance of Bureau facilities. Finally, WaterSmart grants are funded at \$10.8 million.

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As for Title XVI, the program is funded at \$20 million (down from \$29 million in FY 2011). The bill also includes the following report language, which I interpret as being essentially an expression of displeasure over the inability to earmark!

Title XVI Program.—The budget request proposes funneling most of the funding for Title XVI water reclamation and reuse projects through a Commissioner's Office grant program. Unlike most traditional grant programs, however, each Title XVI project has been authorized individually. There is a well-known, finite universe of projects that may be funded. The Committee is concerned that this type of grant program simply creates an unnecessary administrative burden for project sponsors without providing any additional substantive or administrative benefits. If nothing else, it is clear that requesting funding for a grant program is less transparent than requesting funding for individual projects.

Extension of Comment Period for Clean Water Act Jurisdiction

As we emailed you recently, the federal government has extended the comment period for EPA and Army Corps of Engineers regulations which will expand the jurisdiction of the Clean Water Act. If you have not yet had the opportunity to file comments, we encourage you to do so during the month of July. Please let us know if you would like any further information.

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Date: July 20, 2011

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee
(07/13/11)

From: Thomas A. Love
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

2011 Calendar of Events

July 2011

- July 19-21, Summer Adventures Program, Chino Creek Wetlands and Educational Park

September 2011

- September 7, Chino Day at the LA County Fair
- September 8, Upland Day at the LA County Fair
- September 15, Montclair Day at the LA County Fair
- September 21, IEUA Annual Employee Picnic at the Grand Avenue Park in Chino Hills
- September 23, Chino Hills Day at the LA County Fair
- September 28, Fontana Day at the LA County Fair
- September 28, Rancho Cucamonga Day at the LA County Fair
- September 30, Ontario Day at the LA County Fair
- September 30-October 2, Director Camacho's IEUA/MWD Educational Tour of Colorado River/Hoover Dam

October 2011

- October 6, Project WET (Water Education for Teachers) Workshop, Frontier Project

- October 22, Landscape and Water Conservation Fair, CBWCD

November 2011

- November 5, SAWA Bird Festival, Chino Creek Wetlands and Educational Park

December 2011

- December 8, MWD "Water is Life" Poster Recognition Event, MWD Board Room

2012 Calendar of Events

March 2012

- March 9-10, Director Camacho's IEUS/MWD Educational Tour for the SWP

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.

The Agency's 4-page annual report ran in the Daily Bulletin on June 30, 2011, in the Champion Newspapers on July 9, 2011, and will also run in the Fontana Herald in July.

Water Conservation Outreach

Earth Day event was well attended. It is estimated that over 1,000 people participated. Thanks to the Board of Directors, IEUA was able to bus in over 500 students from Rhodes Elementary School (Chino), North Tamarind (Fontana), Vineyard STEM (Ontario), and Montera Elementary (Montclair).

Regional Conservation Outreach Campaign

- Ongoing monthly ¼-page ads in the Inland Valley Daily Bulletin, Champion Newspaper, Fontana Herald News.
- Ongoing water wise gardening classes.

Educational Updates

- Work has begun for the GIES at Redeemer Lutheran School.
- Twenty one Water Discovery field trips have taken place with four field trips booked in the summer months.
- IEUA will be attending a training workshop for the Summer Program led by SAWA for the three day program at the Chino Creek Park.
- IEUA has started two blogs: Garden in Every School® and Chino Creek Wetlands and Educational Park
- IEUA hosted the Travelling Art Show for 2010 winners of the MWD "Water is Life" poster contest. All winning entries were displayed at the headquarters in Building A for a week and a half.
- The educational video for the Santa Ana Watershed is being edited and should be finalized by the end of the summer along with a supplemental educational guide.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The above-mentioned activities are budgeted in the FY 2009/10 Administrative Service Fund, Public Information Services budget.

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IEUA MONTHLY WATER NEWSLETTER

JULY 2011 (REPORTING JUNE 2011 DATA)

Highlights

- **Over 10,000 AF of Replenishment Water Recharged in Chino Basin** - IEUA plans to recharge 50,000 AF by the end of the calendar year. (Page 1)
- **MWD Board Approves CDA Funding Agreement** - This Local Resources Program (LRP) Agreement will provide up to \$90 million over a 20 year period. (Page 1)
- **MWD Board Stops Funding to San Diego County Water Authority** - However, the MWD Board will continue to fund conservation programs directly to San Diego Residents. (Page 1)

IEUA Water Supply Update

On May 10, the Metropolitan Water District of Southern California (MWD) Board of Directors approved the sale of approximately 225,000 AF of replenishment rate water (\$409/AF). Through May and June, IEUA and Chino Basin Watermaster have recharged approximately 10,000 AF in the Chino Basin, and plans on purchasing approximately 50,000 AF through the end of the calendar year.

On June 14, the MWD Board of Directors approved the Local Resources Program (LRP) funding Agreement with IEUA and Western Municipal Water District (WMWD). This Agreement will provide up to \$90 million over the next 20 years to the Chino Basin Desalter Authority (CDA) and their member agencies (Cities of Chino, Chino Hills, Ontario, Norco, Jurupa Community Services District, Santa Ana River Water Company and WMWD). This Agreement also allows the CDA to expand it's current production capacity of 26,000 AFY to 40,000 AFY.



MWD Update

On June 14, the MWD Board of Directors voted to stop funding several San Diego County Water Authority (SDCWA) LRP programs. Last summer, SDCWA filed a lawsuit against MWD and its current rate structure, claiming that it was inequitable. Standard LRP agreement language states that any MWD member agency that enters into litigation over MWD's rate structure will lose all LRP funding. However, the MWD Board of Directors chose to continue funding a few conservation programs that provide incentives directly to San Diego residents. John Foley, chairman of the Board of Directors said, "The incentives offered through our regional conservation programs are important to all of Southern California, including San Diego County residents and businesses. The Board voted to continue offering water-saving incentives in San Diego County, despite the SDCWA's ongoing litigation against MWD. The Board's action demonstrates MWD's commitment to meeting the statewide conservation goal of 20% by 2020, as outlined in the 2009 state legislation sponsored by MWD. Conservation and water-use efficiency are key elements of MWD's long-term plans to ensure water reliability for the region."

IEUA Water Supply Programs

Imported Water Deliveries

For FY 2010/11, IEUA and its member agencies have purchased an estimated 51,491 AF. Compared with last year during this same time period, IEUA and its member agencies had purchases of 65,527 AF. IEUA has purchased approximately 10,000 AF of replenishment water, the first since the spring of 2007. IEUA plans on purchasing approximately 50,000 AF for future replenishment requirements.

Dry Year Yield (DYY) Program

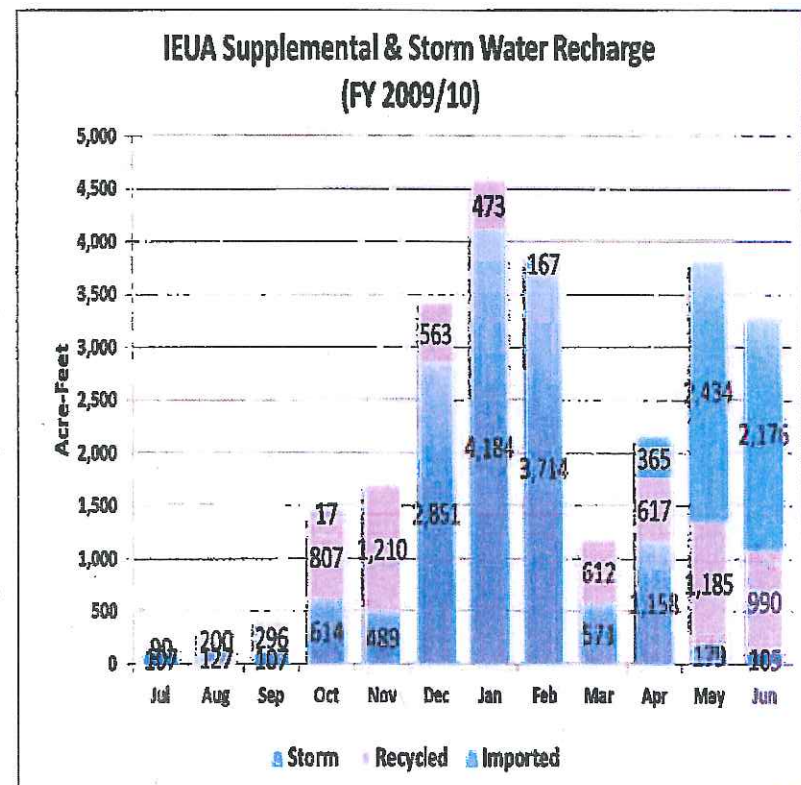
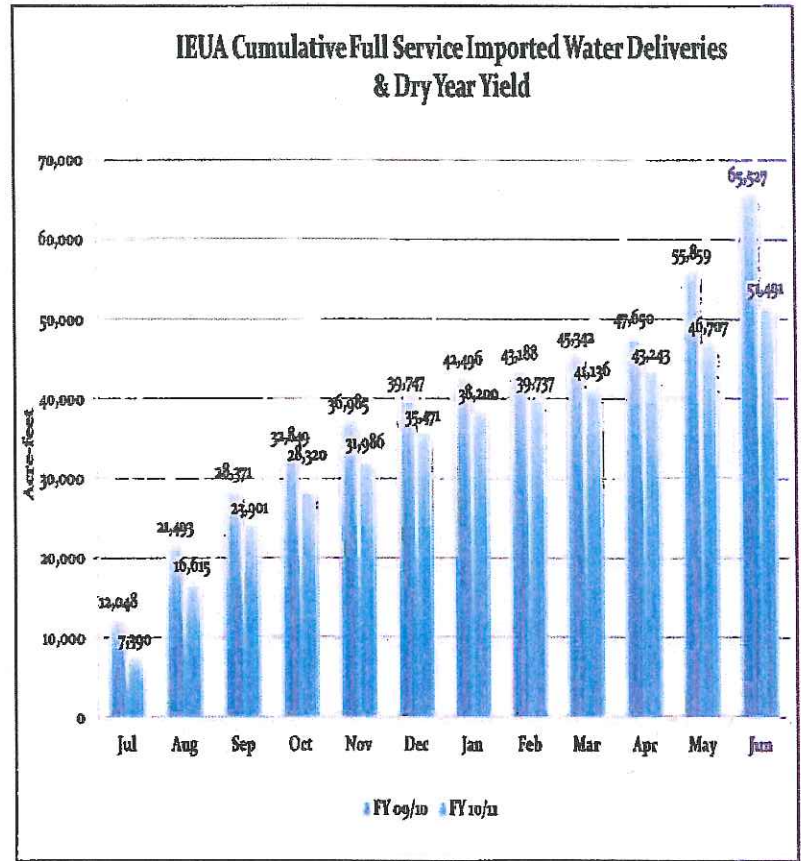
MWD has made a third consecutive call on the DYY Program. This call is considered to be a partial call because there is only 17,200 AF left in the storage account. The remaining water in the storage account will be split amongst the DYY participants based on a pre-defined "pro-rata" methodology. To date, DYY participants have certified all 17,200 AF (of which 4,707 AF will receive additional ion-exchange treatment credit from MWD).

Chino Desalter Authority (CDA)

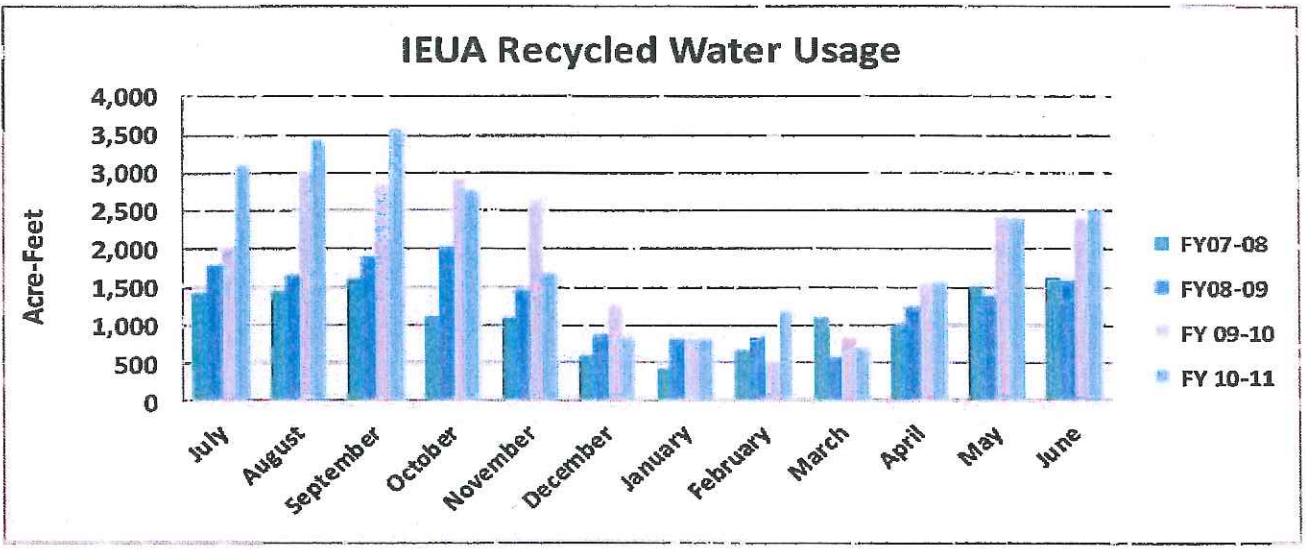
For the month of June the two desalters produced 2,132 AF of water (of which 1,282 AF was delivered to IEUA retail agencies). The contracted entitlement is 24,600 AFY (but actual production is 25,000 to 26,000 AFY) and is scheduled for expansion to produce approximately 40,000 AFY by 2014, with the implementation of CDA Phase III.

Groundwater Recharge Program

In June, an estimated 6,238 AF of water was recharged into the Chino Basin. Of that, 12 AF was stormwater, 984 AF was recycled water and 5,242 AF (estimate) was stormwater.



Recycled Water News

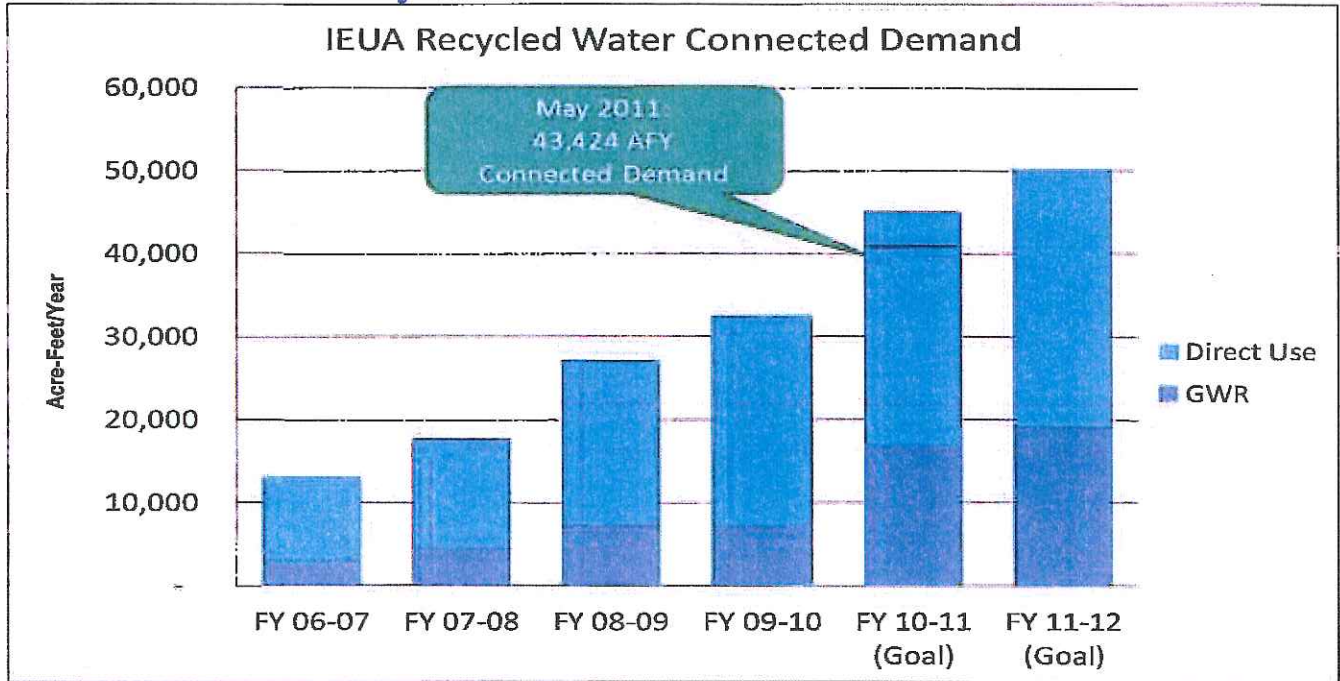


Recycled Water Usage: June 2011 Estimates

Recharge: 1,000 AF
 Direct Sales: 1,500 AF
 Total Usage: 2,500 AF

***FY 2010/11 To Date Usage: 22,016**

IEUA Connected Recycled Water Demand



Conservation Program News

MWD Conservation Programs

Effective July 1, 2011, MWD launched the new \$19.1 water conservation FY 2011/12 budget. The annual program funding allocations are as follows: The SoCal Water\$mart residential program—\$5.8, the Save-A-Buck commercial program—\$5.8, the Member Agency Administered Programs—\$5.5, the agriculture program—\$500,000, and existing contract agreements from prior year commitments is \$1.5.

MWD FY 2011/12 External Affairs

Due to a reduction in the FY 2011/12 budget, External Affairs is not planning to implement any regional campaigns at this time. Instead, public outreach activities will utilize Google ads, bewaterwise.com with links to agency programs, social media (Facebook, Twitter, Youtube) as feasible. Hotel cards for linens and towels are currently being updated with new messaging. Marketing and outreach for MWD's new strategy on the Proper Irrigation Control campaign are considered separate efforts from External Affairs and online items can easily be changed as necessary and radio ads are readily accessible for use. External Affairs is working on public presentations and materials on the value of water to shift outreach focus away from previous drought messaging. Messaging focus will shift to efficient water use instead of conservation. California Friendly Landscape classes are currently unavailable as the budget was cut substantially and vendor contracts have expired. Classes are still available online and External Affairs will consider implementation of a modified program with a reduced budget.

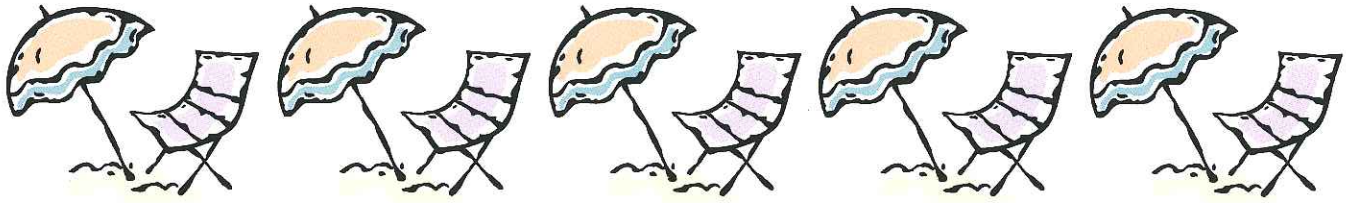
FY 2010/11 Regional Landscape Evaluation and Audit Program (LEAP)

Launched in August 2010 and administered by the Chino Basin Water Conservation District, a total of 116 landscape audits have been completed to date (June 27, 2011), constituting a potential water savings of 163 AFY, if all recommendations are implemented. Of the completed audits, 52 were single family sites and 64 were commercial sites, with a total landscaped area of 81.88 acres.

FY 2011/12 IEUA Regional Water Use Efficiency Programs

On July 1, 2011, IEUA also re-launched the new fiscal year programs that have been on hiatus since April 30, 2011. Those programs include the newly revamped High Efficiency Toilet Installation Program (that now includes services for multi-family, single family and condo owners), the Residential Landscape Retrofit Program, the Landscape Evaluation Program, the Free Sprinkler Nozzles Voucher Program, and the National Theatre for Children

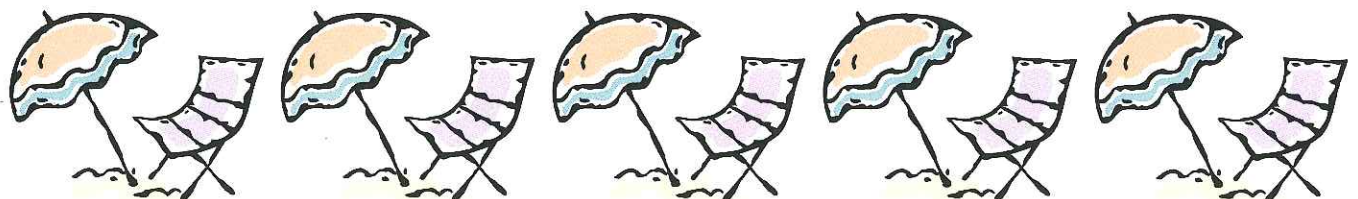




CHINO BASIN WATERMASTER

IV. INFORMATION

1. Cash Disbursements for June 2011



Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/02/2011	15132	ARROWHEAD MOUNTAIN SPRING WATER		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	0023230253		Office Water Bottle - May 2011	6031.7 - Other Office Supplies	30.12
TOTAL						30.12
Bill Pmt -Check	06/02/2011	15133	BOWCOCK, ROBERT		1012 - Bank of America Gen'l Ckg	
Bill	05/13/2011	5/13 Admin Mtg		5/13/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	05/19/2011	5/19 Budget Wkshp		5/19/11 Budget Workshop	6311 - Board Member Compensation	125.00
Bill	05/26/2011	5/26 Board Mtg		5/26/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	06/02/2011	15134	DIRECTV		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	019447404		Service for 5/19/11-6/18/11	6031.7 - Other Office Supplies	86.99
TOTAL						86.99
Bill Pmt -Check	06/02/2011	15135	ELIE, STEVEN		1012 - Bank of America Gen'l Ckg	
Bill	05/19/2011	5/19 Admin Mtg		5/19/11 Administrative Meeting	6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill Pmt -Check	06/02/2011	15136	HAUGHEY, TOM		1012 - Bank of America Gen'l Ckg	
Bill	05/13/2011	5/13 Admin Mtg		5/13/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	05/26/2011	5/26 Board Mtg		5/26/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	06/02/2011	15137	KUHN, BOB		1012 - Bank of America Gen'l Ckg	
Bill	05/04/2011	5/04 Admin Mtg		5/04/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	05/19/2011	5/19 Advisory Comm		5/19/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	05/23/2011	5/23 P 31 Mot Mtg		5/23/11 Paragraph 31 Motion Meeting	6311 - Board Member Compensation	125.00
Bill	05/26/2011	5/26 Board Mtg		5/26/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	06/02/2011	15138	LANTZ, PAULA		1012 - Bank of America Gen'l Ckg	
Bill	05/13/2011	5/13 Admin Mtg		5/13/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	05/26/2011	5/26 Board Mtg		5/26/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	06/02/2011	15139	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	L0055302		L0055302 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	1,532.00
Bill	05/31/2011	L0056445		L0056445 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	05/31/2011	L0056444		L0056444 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	05/31/2011	L0055911		L0055911 - Hydraulic Control-Lab Svcs	7108.4 - Hydraulic Control-Lab Svcs	2,065.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/31/2011	L0055301		L0055301 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	2,065.00
Bill	05/31/2011	L0055300		L0055300 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	615.00
Bill	05/31/2011	L0054371		L0054371 - Hydraulic Control-Lab Svcs	7108.4 · Hydraulic Control-Lab Svcs	2,360.00
TOTAL						11,317.00
Bill Pmt -Check	06/02/2011	15140	PARK PLACE COMPUTER SOLUTIONS, INC.	451	1012 · Bank of America Gen'l Ckg	4,575.00
Bill	05/31/2011	451		IT Service - May 2011	6052.1 · Park Place Comp Solutn	4,575.00
TOTAL						
Bill Pmt -Check	06/02/2011	15141	PURCHASE POWER	8000909000168851	1012 · Bank of America Gen'l Ckg	20.73
Bill	05/31/2011	8000909000168851		fed ex shipments to: Jennifer Novak	6042 · Postage - General	20.73
TOTAL						
Bill Pmt -Check	06/02/2011	15142	R&D PEST SERVICES	0143748	1012 · Bank of America Gen'l Ckg	85.00
Bill	05/31/2011	0143748		Pest and bug services	6024 · Building Repair & Maintenance	85.00
TOTAL						
Bill Pmt -Check	06/02/2011	15143	STANDARD INSURANCE CO.	Policy # 00-640888-0009	1012 · Bank of America Gen'l Ckg	502.20
Bill	05/31/2011	006408880009		Life and AD&D Policy # 00-640888-0009	60191 · Life & Disab.Ins Benefits	502.20
TOTAL						
Bill Pmt -Check	06/02/2011	15144	STAPLES BUSINESS ADVANTAGE	8018598067	1012 · Bank of America Gen'l Ckg	185.64
Bill	05/14/2011	8018598067		toner, mounting squares, first aid supplies	6031.7 · Other Office Supplies	185.64
TOTAL						
Bill Pmt -Check	06/02/2011	15145	STATE COMPENSATION INSURANCE FUND	1615535-11	1012 · Bank of America Gen'l Ckg	719.01
Bill	05/31/2011	1615535-11		Workers Comp Premium - 1615535-11	60183 · Worker's Comp Insurance	719.01
TOTAL						
Bill Pmt -Check	06/02/2011	15146	THE LAWTON GROUP	6017	1012 · Bank of America Gen'l Ckg	824.00
Bill	05/31/2011	1VC070000017054		Week Ending 5/22/2011	6017 · Temporary Services	824.00
Bill	05/31/2011	1VC070000017027		Week Ending 5/15/2011	6017 · Temporary Services	769.00
TOTAL						1,593.00
Bill Pmt -Check	06/02/2011	15147	UNITED HEALTHCARE	0024191572	1012 · Bank of America Gen'l Ckg	311.31
Bill	05/31/2011	0024191572		Dental Insurance Premium	60182.2 · Dental & Vision Ins	311.31
TOTAL						
Bill Pmt -Check	06/02/2011	15148	VANDEN HEUVEL, GEOFFREY	6311	1012 · Bank of America Gen'l Ckg	125.00
Bill	05/09/2011	5/09 Ad Hoc Comm Mtg		5/09/11 Ad Hoc Committee Meeting	6311 · Board Member Compensation	125.00
Bill	05/12/2011	5/12 Admin Mtg		5/12/11 Administrative Meeting	6311 · Board Member Compensation	125.00
TOTAL						

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/23/2011	5/23 P 31 Mot Mtg		5/23/11 Paragraph 31 Motion Meeting	6311 · Board Member Compensation	125.00
Bill	05/26/2011	5/26 Board Mtg		5/26/11 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						
Bill Pmt -Check	06/02/2011	15149	VERIZON		1012 · Bank of America Gen'l Ckg	
Bill	05/03/2011	012561121521714508		012561121521714508	7405 · PE4-Other Expense	163.26
Bill	05/03/2011	012519116950792103		012519116950792103	6022 · Telephone	453.92
TOTAL						
Bill Pmt -Check	06/02/2011	15150	VISION SERVICE PLAN		1012 · Bank of America Gen'l Ckg	
Bill	05/03/2011	001017890001		00-101789-0001 Vision Insurance Premium - June 2011	60182.2 · Dental & Vision Ins	52.93
TOTAL						
Bill Pmt -Check	06/02/2011	15151	WILLIS, KENNETH		1012 · Bank of America Gen'l Ckg	
Bill	05/04/2011	5/14 Admin Mtg		5/04/11 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	05/09/2011	5/09 Ad Hoc Comm		5/09/11 Ad Hoc Committee Meeting	6311 · Board Member Compensation	125.00
Bill	05/23/2011	5/23 P 31 Motion		5/23/11 Paragraph 31 Motion Meeting	6311 · Board Member Compensation	125.00
Bill	05/26/2011	5/26 Board Mtg		5/26/11 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						
Bill Pmt -Check	06/06/2011	15152	CHINO, CITY OF - FINANCE DEPT		1012 · Bank of America Gen'l Ckg	
Bill	06/01/2011			FY 10-11 Replenishment Water	5011 · Replenishment Water	2,137,364.44
TOTAL						
Bill Pmt -Check	06/06/2011	15153	CITY OF POMONA		1012 · Bank of America Gen'l Ckg	
Bill	06/01/2011			FY 10-11 Replenishment Water	5011 · Replenishment Water	840,654.59
TOTAL						
Bill Pmt -Check	06/06/2011	15154	INLAND EMPIRE UTILITIES AGENCY		1012 · Bank of America Gen'l Ckg	
TOTAL						
Bill Pmt -Check	06/06/2011	15155	ONTARIO, CITY OF*		1012 · Bank of America Gen'l Ckg	
Bill	06/01/2011			FY 10-11 Replenishment Water	5011 · Replenishment Water	25,219.59
TOTAL						
Bill Pmt -Check	06/06/2011	15156	SANTA ANA RIVER WATER COMPANY		1012 · Bank of America Gen'l Ckg	
Bill	06/01/2011			FY 10-11 Replenishment Water	5011 · Replenishment Water	504,392.75
TOTAL						
Bill Pmt -Check	06/06/2011	15157	STATE OF CA - DEPT OF CONSUMER AFFAIRS 61463		1012 · Bank of America Gen'l Ckg	
Bill	05/31/2011			Renew Civil Engineer Certificate - D. Maurizio	6111 · Membership Dues	125.00
TOTAL						

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						125.00
Bill Pmt -Check	06/06/2011	15158	UPLAND, CITY OF		1012 - Bank of America Gen'l Ckg	
Bill	06/01/2011			FY 10-11 Replenishment Water	5011 - Replenishment Water	1,176,916.43
TOTAL						1,176,916.43
Bill Pmt -Check	06/06/2011	15159	INLAND EMPIRE UTILITIES AGENCY		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	1800001887			6909 - OBMP Other Expenses	5,159.96
TOTAL						5,159.96
Bill Pmt -Check	06/07/2011	15160	CITISTREET		1012 - Bank of America Gen'l Ckg	
General Journal	05/28/2011		CITISTREET	Payroll and Taxes for 05/15/11-05/28/11 457 Employee Deductions for 05/15/11-05/28/11	2000 - Accounts Payable	1,385.66
TOTAL						1,385.66
Bill Pmt -Check	06/07/2011	15161	GEOTECHNICAL SERVICES		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	13191			7104.7 - Grdwtr Level-WM Staff-Cap Equip	9,248.56
TOTAL						9,248.56
Bill Pmt -Check	06/07/2011	15162	GRAINGER		1012 - Bank of America Gen'l Ckg	
Bill	06/06/2011	9552585839		measuring tape	7104.6 - Grdwtr Level-Supplies	39.54
TOTAL						39.54
Bill Pmt -Check	06/07/2011	15163	GREAT AMERICA LEASING CORP.		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	10971041		Invoice - Lease Fees	6043.1 - Ricoh Lease Fee	2,814.41
				Usage for Black Copies	6043.2 - Ricoh Usage & Maintenance Fee	284.66
				Usage for Color Copies - 2 months	6043.2 - Ricoh Usage & Maintenance Fee	628.82
TOTAL						3,727.89
Bill Pmt -Check	06/07/2011	15164	HSBC BUSINESS SOLUTIONS		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	7003730910002744		Miscellaneous office and meeting supplies	6031.7 - Other Office Supplies	285.31
TOTAL						285.31
Bill Pmt -Check	06/07/2011	15165	JAMES JOHNSTON		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	232		Website Services - May 2011	6052.3 - Website Consulting	855.00
TOTAL						855.00
Bill Pmt -Check	06/07/2011	15166	MIJAC ALARM		1012 - Bank of America Gen'l Ckg	
Bill	06/01/2011	301328		Fire monitoring from 6/01/11-8/31/11	6026 - Security services	396.00
TOTAL						396.00
Bill Pmt -Check	06/07/2011	15167	PAYCHEX		1012 - Bank of America Gen'l Ckg	

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	05/31/2011	2011052600		Payroll Services - May 2011	6012 - Payroll Services	315.71
TOTAL						315.71
Bill Pmt -Check	06/07/2011	15168	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	05/28/2011		PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Payment for 05/15/11-05/28-11	2000 - Accounts Payable	7,091.03
TOTAL						7,091.03
Bill Pmt -Check	06/07/2011	15169	PUMP CHECK		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	4150		4150	7103.4 - Grdwtr Quali-Contract Svc	450.00
Bill	05/31/2011	4236		4150	7703 - Inactive Well-Contract Svcs	75.00
Bill	05/31/2011	4236		4236	7102.8 - In-line Meter-Calib & Test	3,040.00
Bill	05/31/2011	4236		4236	7102.5 - In-line Meter-Computer	225.00
TOTAL						3,790.00
Bill Pmt -Check	06/07/2011	15170	SAFEGUARD DENTAL & VISION		1012 - Bank of America Gen'l Ckg	
Bill	06/06/2011	3763215		Dental Insurance Premium - June 2011	60182.2 - Dental & Vision Ins	7.91
TOTAL						7.91
Bill Pmt -Check	06/07/2011	15171	THE LAWTON GROUP		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	1VC07000017082		Week Ending 5/29/2011	6017 - Temporary Services	824.00
TOTAL						824.00
Bill Pmt -Check	06/07/2011	15172	WESTERN DENTAL SERVICES, INC.		1012 - Bank of America Gen'l Ckg	
Bill	06/06/2011	002483		Dental Insurance Premium - July 2011	60182.2 - Dental & Vision Ins	28.88
TOTAL						28.88
Bill Pmt -Check	06/07/2011	15173	YUKON DISPOSAL SERVICE		1012 - Bank of America Gen'l Ckg	
Bill	06/06/2011	08-K2 213849		Disposal Service for June 2011	6024 - Building Repair & Maintenance	142.88
TOTAL						142.88
General Journal	06/11/2011	06/11/2011	Payroll and Taxes for 05/29/11-06/11/11	Payroll and Taxes for 05/29/11-06/11/11	1012 - Bank of America Gen'l Ckg	
				Payroll Taxes for 05/29/11-06/11/11	1012 - Bank of America Gen'l Ckg	7,512.88
				Direct Deposits for 05/29/11-06/11/11	1012 - Bank of America Gen'l Ckg	18,817.63
				Payroll Checks for 05/29/11-06/11/11	1014 - Bank of America P/R Ckg	5,954.93
TOTAL						32,285.44
Bill Pmt -Check	06/14/2011	15174	APPLIED COMPUTER TECHNOLOGIES		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	2012		Database Services - May 2011	6052.2 - Applied Computer Technol	2,361.20
TOTAL						2,361.20

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

For Informational Purposes Only

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/14/2011	15175	COMPUTER NETWORK	81531	1012 - Bank of America Gen'l Ckg	
Bill	06/07/2011	81531		Adobe Acrobat software	6054 - Computer Software	1,952.06
TOTAL						
Bill Pmt -Check	06/14/2011	15176	REID & HELLYER	17550	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	175550		17550 - Ag Pool Legal Services	8467 - Ag Legal & Technical Services	7,848.18
				17550 - Ag Pool Legal Services	8467.1 - Frank B. & Associates	1,086.38
TOTAL						
Bill Pmt -Check	06/17/2011	15177	ACWA SERVICES CORPORATION	00198	1012 - Bank of America Gen'l Ckg	
Bill	06/14/2011	00198		Prepayment - July 2011	1409 - Prepaid Life, BAD&D & LTD	122.62
				June 2011	60191 - Life & Disab.lns Benefits	118.22
TOTAL						
Bill Pmt -Check	06/17/2011	15178	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	XXXX-XXXX-XXXX-9341		Thomas Guide	6031.7 - Other Office Supplies	39.73
				Microsoft Technical Support	6057 - Computer Maintenance	259.00
TOTAL						
Bill Pmt -Check	06/17/2011	15179	BROWNSTEIN HYATT FARBER SCHRECK	441119 - WM Legal Counsel	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	441119		441119 - Desalter Negotiations	6907.3 - WM Legal Counsel	17,347.40
				441119 - Desalter Negotiations	6907.33 - Desalter Negotiations	1,919.70
Bill	05/31/2011	441120		441120 - Santa Ana River Water Rights	6907.34 - Santa Ana River Water Rights	2,199.85
Bill	05/31/2011	441121		441121 - S. Archibald Plume-Formerly OIA	6907.31 - S. Archibald Plume-Formerly OIA	2,415.15
Bill	05/31/2011	441122		441122 - Chino Airport Plume	6907.32 - Chino Airport Plume	367.20
Bill	05/31/2011	441123		441123 - Desalter Negotiations	6907.33 - Desalter Negotiations	1,948.05
Bill	05/31/2011	441124		441124 - Paragraph 31 Motion	6907.35 - Paragraph 31 Motion	42,084.44
TOTAL						
Bill Pmt -Check	06/17/2011	15180	CORELOGIC INFORMATION SOLUTIONS	80221400	1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	80221400		80221400	7103.7 - Grdwfr Qual-Computer Svc	62.50
				80221400	7101.4 - Prod Monitor-Computer	62.50
TOTAL						
Bill Pmt -Check	06/17/2011	15181	CUCAMONGA VALLEY WATER DISTRICT	Lease Due July 1, 2011	1012 - Bank of America Gen'l Ckg	
Bill	06/15/2011			Lease Due July 1, 2011	1422 - Prepaid Rent	5,844.00
TOTAL						
Bill Pmt -Check	06/17/2011	15182	PUMP CHECK	4280	1012 - Bank of America Gen'l Ckg	
Bill	06/02/2011	4280			7102.8 - In-line Meter-Calib & Test	950.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
June 2011

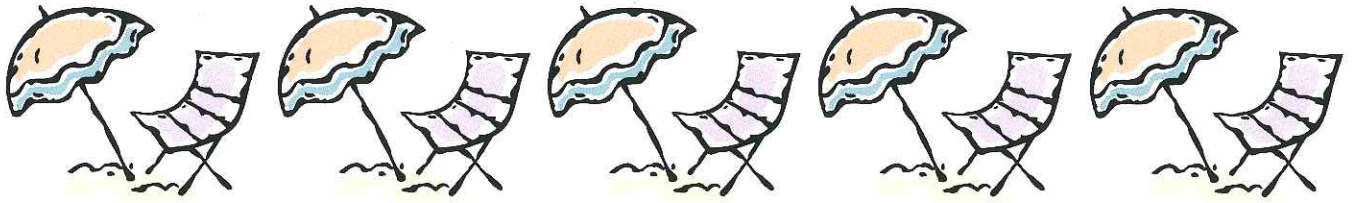
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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	06/02/2011	4281		4280	7102.5 · In-line Meter-Computer	225.00
				4281	7102.5 · In-line Meter-Computer	169.54
				4281	7102.8 · In-line Meter-Callib & Test	190.00
Bill	06/02/2011	4282		4282	7102.5 · In-line Meter-Computer	188.54
				4282	7102.8 · In-line Meter-Callib & Test	190.00
TOTAL						1,872.08
Bill Pmt -Check	06/17/2011	15183	STAULA, MARY L		1012 · Bank of America Gen'l Ckg	136.61
Bill	06/30/2011			Retiree Medical	60182.4 · Retiree Medical	136.61
TOTAL						
Bill Pmt -Check	06/17/2011	15184	THE LAWTON GROUP		1012 · Bank of America Gen'l Ckg	824.00
Bill	06/05/2011	1VC070000017111		Week Ending 6/05/2011	6017 · Temporary Services	824.00
TOTAL						
Bill Pmt -Check	06/17/2011	15185	VERIZON BUSINESS		1012 · Bank of America Gen'l Ckg	1,525.60
Bill	05/31/2011	00962429		00962429	6053 · Internet Expense	1,525.60
TOTAL						
Bill Pmt -Check	06/17/2011	15186	VERIZON WIRELESS		1012 · Bank of America Gen'l Ckg	460.48
Bill	06/14/2011	0983107189		monthly service	6022 · Telephone	460.48
TOTAL						
General Journal	06/25/2011	06/25/2011	Payroll and Taxes for 06/12/11-06/25/11		1012 · Bank of America Gen'l Ckg	9,683.81
			Payroll Taxes for 06/12/11-06/25/11		1014 · Bank of America P/R Ckg	30,113.96
			Direct Deposits for 06/12/11-06/25/11		1014 · Bank of America P/R Ckg	5,963.82
			Payroll Checks for 06/12/11-06/25/11		1014 · Bank of America P/R Ckg	45,761.59
TOTAL						
Bill Pmt -Check	06/28/2011	15187	A & R TIRE		1012 · Bank of America Gen'l Ckg	28.08
Bill	06/22/2011	3-751		field truck repairs	6177 · Vehicle Repairs & Maintenance	28.08
TOTAL						
Bill Pmt -Check	06/28/2011	15188	CALPERS		1012 · Bank of America Gen'l Ckg	5,431.25
Bill	06/22/2011	1741		Medical Premiums - July 2011	60182.1 · Medical Insurance	5,431.25
TOTAL						
Bill Pmt -Check	06/28/2011	15189	CITISTREET		1012 · Bank of America Gen'l Ckg	2,056.32
General Journal	06/11/2011	06/11/2011	CITISTREET		2000 · Accounts Payable	2,056.32
			Payroll and Taxes for 06/29/11-06/11/11			
			457 Employee Deductions for 06/29/11-06/11/11			
TOTAL						

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/28/2011	15190	DGO AUTO DETAILING		1012 - Bank of America Gen'l Ckg	
Bill	06/22/2011			wash 4 trucks	6177 - Vehicle Repairs & Maintenance	100.00
TOTAL						100.00
Bill Pmt -Check	06/28/2011	15191	GLOBAL PRESENTER.COM		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	52517		Service and shipping for Polycom Vortex repair	6055 - Computer Hardware	564.00
TOTAL						564.00
Bill Pmt -Check	06/28/2011	15192	HIGHWAY SAFETY CO		1012 - Bank of America Gen'l Ckg	
Bill	06/23/2011			Purchase reflective cones for traffic control	7103.6 - Grdwir Qual-Supplies	259.17
TOTAL						259.17
Bill Pmt -Check	06/28/2011	15193	INLAND EMPIRE UTILITIES AGENCY		1012 - Bank of America Gen'l Ckg	
Bill	06/22/2011	90007834			8456 - IEUA Readiness To Serve	400.98
TOTAL						400.98
Bill Pmt -Check	06/28/2011	15194	PRE-PAID LEGAL SERVICES, INC.		1012 - Bank of America Gen'l Ckg	
Bill	06/22/2011	111802		June 2011	60194 - Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	06/28/2011	15195	PREMIERE GLOBAL SERVICES		1012 - Bank of America Gen'l Ckg	
Bill	05/31/2011	07619078		Monthly fee	6022 - Telephone	14.95
				Paragraph 31 calls 4/27, 5/09, agenda call 5/25	8512 - Meeting Expense	160.93
				South Archibald plume call on 5/05	7103.6 - Grdwir Qual-Supplies	65.70
				Replenishment water call on 5/09	6909.1 - OBMP Meetings	6.45
				Agenda call on 5/25	8312 - Meeting Expenses	19.47
TOTAL						267.50
Bill Pmt -Check	06/28/2011	15196	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	06/11/2011	06/11/2011		CalPERS for 05/29/11-06/11/11	2000 - Accounts Payable	7,098.02
TOTAL						7,098.02
Bill Pmt -Check	06/28/2011	15197	STANDARD INSURANCE CO.		1012 - Bank of America Gen'l Ckg	
Bill	06/22/2011	640888-0009		Life/Disability Insurance Premiums	60191 - Life & Disab. Ins Benefits	503.24
TOTAL						503.24
Bill Pmt -Check	06/28/2011	15198	STATE COMPENSATION INSURANCE FUND		1012 - Bank of America Gen'l Ckg	
Bill	06/23/2011	1615535-11		Workers Comp Premium	60183 - Workers Comp Insurance	798.67
TOTAL						798.67

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	06/28/2011	15199	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	824.00
Bill	06/22/2011	ICV0700000017137		Week Ending 6/12/2011	6017 - Temporary Services	824.00
TOTAL						
Bill Pmt -Check	06/29/2011	15200	LIATTI & ASSOCIATES	429	1012 - Bank of America Gen'l Ckg	243.55
Bill	06/29/2011	429		June 26, 2011 - June 30, 2011	6085 - Business Insurance Package	17,534.87
				July 1, 2011 - June 25, 2012	1405 - Prepaid Ins-Bus Pkg Policy	17,778.42
TOTAL						
Total Disbursements:						<u>6,486,993.47</u>

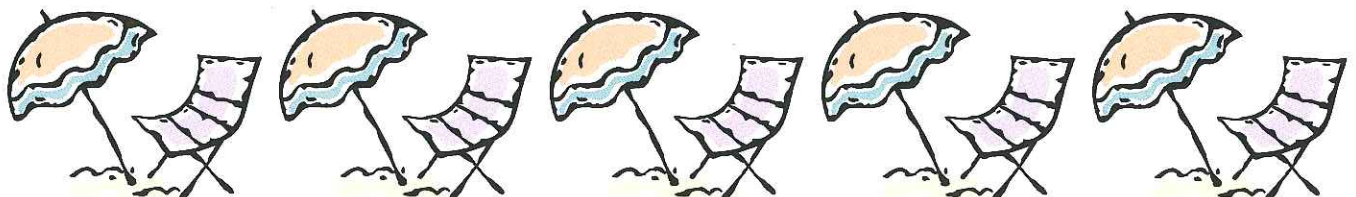
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CHINO BASIN WATERMASTER

IV. INFORMATION

2. Newspaper Articles



Bloomberg

Orszag: Why We Care About Price of Water in China

By Peter Orszag - Jul 6, 2011

An American trucker barreling down Interstate 95 bemoaning the high price of [diesel fuel](#) might never imagine that one of the things driving up his bill is the way water in [China](#) is being mispriced. But the truth is, water shortages are indirectly causing increased use of diesel generators for electricity in China, and that, in turn, is helping raise diesel prices in the U.S.

Smarter pricing could help China -- and the rest of the world -- avoid further problems allocating water resources, and mitigate some of the side effects.

Coal plants generate most of China's electricity. Hydropower is the second-biggest source. Water is clearly essential for hydropower, but a lot of it is needed for coal power, too -- to mine the raw material, to process it and then to cool the [power plants](#) that burn it. In 2010, coal-fired electricity in China used more than 30 trillion gallons (114 trillion liters) of water, or about 20 percent of the country's total consumption. And over the coming decade, roughly 40 percent of the nation's increase in water demand will be associated with coal power, China's Ministry of Water Resources says.

This development is exacerbating an already severe shortage in China. The country accounts for about 15 percent of the world's consumption of fresh water. Yet its supplies are limited, and pollution is a significant hazard.

According to the [World Bank](#), the amount of water per capita in China is only one-quarter of the global average. Furthermore, about 80 percent of the total supply is south of the [Yangtze River](#), while only about half the Chinese population lives there. So the north is chronically short. The North China plain, which encompasses both Shanghai and Beijing, contains more than 40 percent of the national population, but less than 15 percent of the water. In this region, the per-capita amount is only about one-quarter the level considered the minimum for people to live on.

Pollution Hurts

Widespread pollution exacerbates the situation. About 90 percent of the aquifers underneath major cities in China are polluted. More than 300 million Chinese lack access to safe drinking water, according to the World Bank.

In addition to these challenges, there is a severe drought this year, which is the worst in half a century, according to some estimates. Rainfall is 40 percent to 60 percent lower than normal, which means less power from hydroelectric dams and too little water to support some coal-fired plants. The Chinese have, therefore, had to lean more heavily on diesel generators to help power the electricity grid. That, in turn, has led officials to ban exports of diesel fuel.

And that raises costs for the trucker on I-95.

P109

So what can be done? Broadly, three things.

The first is to reduce China's water pollution and, globally, address the threat of [climate change](#). Some scientists say climate change is already increasing the pressure on China's water supply by disrupting normal patterns of rain- and snowfall.

The second is to increase the supply of usable water in the places in China that lack it, through desalination and by redirecting water from south to north. In the Tianjin-Binhai development zone, on the western shore of the Bohai Sea, China has built a 1.2 billion-yuan (\$1.9 billion) [desalination plant](#), using the latest Israeli technology. In addition, the nation is embarking on the world's largest water-diversion project, to re-route part of the Yangtze along three channels to the north.

Raise the Price

But what is perhaps most promising is the third solution: better pricing of existing water resources. Water is Earth's most valuable commodity, and yet in most countries it is given away free -- as if it had no value at all.

In Oman, a Middle Eastern desert country where water is scarce, it is understood to be more valuable. There, farmers trade water rights. As Peter Brabeck-Letmathe, the chairman of Nestle SA, has pointed out, farmers are in the best possible position to know water's value. Pricing it through tradable rights or other mechanisms "is an extremely strong incentive to use water efficiently," Brabeck-Letmathe said in an [interview with the McKinsey Quarterly](#).

The academic literature bears out his point. In a July 2007 study, Sheila Olmstead of [Yale University](#) and Robert Stavins of [Harvard University](#) concluded that [using prices to manage water](#) demand was more cost-effective than conservation programs not linked to price, such as restrictions on watering the lawn and subsidies for low-flow faucets.

Yet many critics of higher prices for water say low- and moderate-income households will be unfairly affected. So the most promising way to price water -- in China as well as in the U.S. and elsewhere -- would be to provide, at no cost, a base amount per day for normal activities, such as cooking and cleaning, and then charge for water used above that threshold at rates that rise with the increased amount consumed.

The Chinese people are willing to pay more for water, the [World Bank](#) reports, "as long as the quality of the service is good and the tariff level acceptable." And yet prices in China are still much too low to ensure that the water is used efficiently enough to sustain the supply. Higher prices would persuade people to both reduce waste and improve the allocation of water across all its possible uses (including in the energy sector). It would also encourage more investment in desalination and other measures to increase supply.

If China moved more aggressively to price water in a manner that reflected demand and supply, it could teach the U.S. a lesson in using market economics to address environmental issues. As a colleague of mine at Citigroup Inc.,

the analyst Deane Dray, has written, “water has never been priced efficiently.” In the U.S., water is generally heavily subsidized, and prices aren’t adequately linked to usage levels.

Just as we need to price carbon in order to avoid a climate crisis, we need to price water to avoid a water crisis. Market forces can work wonders for the environment, but only if we have the political courage to create them.

([Peter Orszag](#), vice chairman of global banking at Citigroup and a former director of the Office of Management and Budget in the Obama administration, is a Bloomberg View columnist. The opinions expressed are his own.)

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INLAND: Water conservation outpacing growth, study finds

10:00 PM PDT on Thursday, June 23, 2011

By JANET ZIMMERMAN
The Press-Enterprise

Seventeen of the 26 Southern **California** water agencies served by Metropolitan Water District used less **Colorado River** water in 2008 than in 1990, despite population growth. None of the Inland districts served by the wholesaler were among them, water officials blame on explosive population growth.

The information was included in a report released Thursday by the Oakland-based Pacific Institute, a nonpartisan research institute that looked at 100 cities and water agencies from the seven states that depend on the **Colorado River**, plus Nevada



Special to The Press-Enterprise

Water from the Metropolitan Water District's Colorado River Aqueduct is released into the Whitewater River as it makes its way to the groundwater replenishment facility near Windy Point.

While the population of the Colorado River basin grew by about 10 million people in those 18 years, water deliveries increased by only 600,000 acre-feet, less than would have been expected had per-capita deliveries remained constant, said Cohen.

One acre-foot of water serves two families for a year.

In Southern **California**, deliveries dropped 4 percent between 1990 and 2000, despite a population growth of 3.6 million people among the 26 water districts supplied by Metropolitan. Much of that decrease was a result of conservation measures including aggressive public education campaigns and tiered rates that penalize heavy users, Cohen said.

Other factors were the recession, climate and drought restrictions.

Some areas grew by more than 600 percent over the period, and many of the cities doubled in population, he noted.

Among the three Inland municipal water districts -- Eastern in Perris, Western **Riverside** and Inland Empire Utilities Agency in Chino -- water deliveries increased during that period. They also increased among districts in the Coachella Valley. Eastern spokesman Peter Odencrans said the area's rapid growth during the study period could have played a role in the increase.

He also said per-capita use in arid regions such as this will always be higher than in coastal cities.

However, per-capita water use has declined, Odencrans and other officials say. "The study shows we're going in the right direction," he said.

Eastern has increased local water supply, rather than relying on imports from the Colorado River and Sacramento-San Joaquin Delta.

John Rossi, general manager at Western, said population growth has outstripped customers' conservation efforts.

The district is responding by moving to tiered rates based on individualized budgets, he said.

"We're looking at twice the amount of Metropolitan water by 2025 than we have today, and our growth projections are built out," Rossi said. "That's why we're being so aggressive with the water budget rates. We have to get the use down."

Reach Janet Zimmerman at 951-368-9586 or jzimmerman@PE.com

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Water surplus generates steep discount for city agencies

Mediha Fejzagic DiMartino, Staff Writer

Posted: 06/19/2011 09:06:57 PM PDT

When it rains, it pours.

Now that California's drought is officially over, area cities are scrambling to find the money to buy part of 225,000 acre-feet of water unexpectedly up for sale by the Metropolitan Water District.

And this excess water is being offered to local agencies, including one that serves Fontana, at an 80 percent discount.

"Everyone was unaware that there is going to be that much water available as extra from what was allocated in the past, so no city, no agency had any money budgeted to pay for it," said Bill Kruger, a Chino Hills councilman.

But no one will stay thirsty.

The Chino Basin Watermaster board - which oversees the massive underground water reservoir stretching from Pomona to Fontana and from the mountains to the Santa Ana River - is looking into ways to help its cash-strapped agencies buy 50,000 acre-feet of the water. An acre-foot, 325,851 gallons, is enough water to supply two typical households for a year.

The watermaster's staff report about the excess water said that buying it now will save the agencies from \$852,500 to \$4.47million by 2013.

As one of the financing options, the watermaster has tapped the Chino-based Inland Empire Utilities Agency, which serves Fontana, to foot

the \$21 million bill.

"(It's) a significant amount," said Thomas Love, the IEUA's general manager.

"Our board (of directors) is considering either dipping into its reserve funds or to

issue a debt. Footing the bill is not exactly what will happen. We would pay for water as it's delivered and then sell it back to municipalities over the next three years, to give them time to budget for it. We have already started taking the delivery as it takes several months to store it."

Not only is the extra water available, but at \$409 per acre-foot, it's relatively cheap.

"It's one of those opportunities that it would be almost criminal not to take advantage of it," said Desi Alvarez, the watermaster's chief executive officer. "\$409 is very good. It's the best price we'll see for a long time. If you asked me two years ago I'd say we'll never see it."

The MWD charges local agencies for its imported water on a multi-level price scale. Next year, for example, imported water will cost between \$442 and \$686 per acre-foot.

In fiscal year 2012-13 the watermaster expects

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to purchase roughly 25,000 acre-feet of replenishment water for its operations at an estimated cost of \$10.5 million.

"The availability of replenishment water provides Chino Basin with a singular opportunity to purchase water at a significant cost savings," read the watermaster's staff report about the purchase.

"The replenishment water has not been available by MWD for the last four years. As a result, when Watermaster has had to purchase replenishment water it was at a much higher rate."

The influx of water on the market is caused by a combination of factors, said Bob Muir, an MWD spokesman.

The extremely wet seasons in Northern California and at the Colorado River have contributed to the MWD's maximizing its water supply levels.

"Diamond Valley lake is 98 percent full," Muir said. "It was half empty just a year ago. MWD has similar supplies in groundwater storage. We have more water in reserves than we ever had in the history of the district."



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Water groups turn in rewrite of Delta Plan

By HEATHER HACKING - Staff Writer

Posted: 06/13/2011 10:13:31 PM PDT

Big players in state water use haven't been satisfied with the direction of the Delta Plan, due in January. So rather than send in a letter with comments on the most recent draft, they wrote their own plan.

The 28 groups have also asked that their 50-page document be one of the alternatives analyzed when the Delta Plan reaches the environmental review stage.

One of the main differences in the water-users' plan is that it seeks to improve state water supplies for all areas of the state, while keeping with the goal of ecosystem improvement in the Delta, the group states in a cover letter.

The document also includes the type of detail that has not yet been released by the Stewardship Council, such as calling for studies of ammonia and nutrients in waterways, looking at the impact of ocean fish harvest and lifting the catch limit on non-native bass species, as just a few examples.

The alternative plan also specifically calls for protection of the pre-1914 water rights held in Northern California, and ways to measure whether strategies are working.

"We believe that the Stewardship Council is off track," said David Guy, president of Northern California Water Association. "We have offered a fundamentally different approach to the Delta Plan."

The group began working on their alternative plan just a few months ago, and pulled in the ideas of water managers throughout the state, he explained.

"The Council members have challenged us to bring forward an approach and

help them solve problems in the Delta. And here we are," Guy said.

In a way, the water users gave warning they weren't happy with the direction the plans were going.

In mid-March 60 groups signed a letter stating the Stewardship Council was exceeding the authority of the Delta Reform Act. That letter said local governments should retain control over their water planning.

Jeff Sutton, manager of the Tehama-Colusa Canal Authority said the Stewardship Council draft reports are taking a regulatory approach.

"Whereas what has been offered will result in working together to create an approach we think has a chance of success," Sutton said.

"What we'd like to do is get this back on track and have it result in something folks can support and rally around," Sutton said.

The fact that so many water leaders are in agreement on the alternative plan is a sign this approach was needed, he said.

The alternative draft is so specific because there were a lot of people who know water issues, and could see what needs to be done, Guy said.

"I think you have a lot of folks involved in the drafting who have been around for a lot of years," Guy said. The proposals represent "good ecosystem management and strong principles."

The timing of the alternative plan was important because the Stewardship Council plans to start environmental review this month.

"That's why we felt we needed to get this in," Guy

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said. "If they get a really off-track approach as the basis for the environmental document, that will make this process doomed for failure."

Guy said he really gives the Stewardship Council credit for keeping the process in motion. He said those who signed the recent alternative plan share the same goals as state water leaders who began the process, "ecosystem improvements in the Delta as well as water supply reliability for the state."

On the Internet:

Alternative plan: www.acwa.com, then click on "Coalition Submits Alternative"

Delta Stewardship Council draft plans: www.deltacouncil.ca.gov.

Signatories of the plan

Twenty eight groups signed on as supporters of the "alternative plan" submitted for long-term management of the Sacramento-San Joaquin Delta.

These groups represent most of the farm and urban water users in the state including: The Association of California Water Agencies, State and Federal Contractors Water Agency, Northern California Water Agency, Metropolitan Water District, State Water Contractors and Westlands Water District.

Local signatories include Glenn-Colusa Irrigation District and Yolo County Water Resources.

Delta plan tackles big water issues

The Delta Stewardship Council sprang from a package of water bills passed in 2009. It is tasked to write a Delta Plan for long-term management of the Sacramento-San Joaquin Delta.

Topics to be figured out include sustainable water use, conveyance and storage, restoring fish and wildlife, better water quality, flood risk, agriculture, governance, financing and preserving the Delta's "sense of place."

The goal is to have the plan worked out, including passing environmental review, by January 2012.

The plan was to release a new draft each month, and begin environmental review this month. But so many comments came in after the third draft, released in

April, that the council took an extra month to review comments.

A fourth draft, scheduled for release Monday, was not posted online as of deadline.

Staff writer Heather Hacking can be reached at 896-7758 or hhacking@chicoer.com.


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PG&E required to supply water to Hinkley residents

Jim Steinberg, Staff Writer

Created: 06/11/2011 08:33:20 AM PDT

BARSTOW - The water agency overseeing the cleanup of Hinkley's contaminated groundwater later this month will issue orders for Pacific Gas & Electric Co. to begin providing whole house water to residents whose water supply has significant levels of chromium 6, also known as hexavalent chrome.

PG&E provides bottled water to replace tap water for drinking purposes at about 80 locations, including residences, a school and a senior center.

The new order will require PG&E to provide water for all cooking, bathing and other needs for residents affected by a three-mile-long and one-half-mile wide plume, Lauri Kemper, assistant executive officer of the Lahontan Regional Water Quality Control Board, said during an interview.

"We listened to the concerns of Hinkley residents and took action," Kemper said.

A draft proposal of the order should be available for public comment in a few days, said officials from the water board during a board meeting Wednesday held at Barstow's Hampton Inn.

After a brief comment period, a final order will be issued that would allow Pacific Gas & Electric "a reasonable time period" to decide how it will supply all water needs, be it with large tanks or with the order, Kemper said.

That could mean the program won't be fully

rolled out until much of the hot Hinkley summer - a time of increased water consumption - is over.

"We know the board is looking at that and will work with

them on being responsive to their request," PG&E spokesman Jeff Smith said Thursday.

During the meeting, it was revealed that PG&E's recent samplings of private wells has detected chromium levels exceeding maximum background levels of chromium 6 well beyond current plume boundaries.

The water board has determined that chromium 6 levels above 3.1 parts per billion in a domestic well are the result of PG&E's pumping station.

Levels below that amount are considered to be naturally occurring.

One site, a mile north of what was believed to be the northernmost boundary of the plume, is clearly related to the chromium 6 used by PG&E at its Hinkley natural gas pumping station during the 1950s and 1960s, said Lisa Dernbach, senior engineering geologist for the water board.

Use of chromium 6 for controlling algae and

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protecting metal against rust was common during that era, before its cancer-causing side effects were known.

Another site, one mile west of the known boundary of the plume, could be related the PG&E plume, she said Wednesday night.

This leap of a mile may mean the plume is expanding at a faster rate than previously thought.

"It is definitely not contained," she said.

Kevin Sullivan, who is managing PG&E's Hinkley cleanup project, said further study was needed to understand what those well sample readings mean.

To accomplish that, PG&E is sinking more sampling wells near those two sites.

Meanwhile, nearby residents are worried.

"If it is that close, it won't be much longer until it is in my well," said Paul Greenberg, 61, who has lived near where one of the newly contaminated well sites is for 11 years. "I think I am going to have to get out of here ... but I have no place to go."

Explaining why the plume might be moving faster than it has previously, Dernbach said the geological formations in the Hinkley area could be squeezing the plume's width, making it travel faster as it becomes compressed in its northern migration.

Well tests last year indicated the plume was moving in a northeastern direction, but at a relatively slow pace.

During the meeting, Smith outlined PG&E's proposal, using several technologies, which would bring the plume down to background levels in 40 years.

In the worst parts of the plume, below land owned by PG&E., food-grade alcohol will be injected into the groundwater, which will feed naturally occurring bacteria. These bacteria then release a chemical which converts chromium 6, into chromium 3, a harmless chemical often used as a vitamin supplement.

Sullivan said the bacterial treatment works rapidly to bring down chromium 6 concentrations. But it is not without side effects, such as causing levels of manganese to rise. This too will need to be taken out of the water supply, he said.

While the highly contaminated areas of the plume can be reduced quickly, it will take some time to bring the chromium 6 levels down to 3.1 parts per billion or less.

"It's like wringing water out of a sponge," he said. A lot comes out initially, but to get the last bit out takes time.

Under the proposal, fresh water will be injected into the plume at other points, and a third technique involves using contaminated plume water for agricultural irrigation.

The environment in plant root systems also leads to the conversion of chromium 6 into chromium



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3, Sullivan said.



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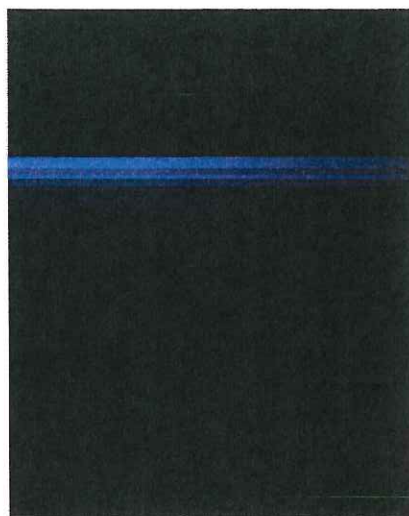
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Rockies snow decline bad sign for water supply

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By Timothy Gardner

WASHINGTON | Thu Jun 9, 2011 7:12pm EDT

(Reuters) - Snowpack declines in the Rocky Mountains over the last 30 years are more significant than during any other period in past centuries and foreshadow a strain on summer water supplies for more than 70 million people across the Western United States, a U.S. government study said.

Despite this year's record snowpacks in the Rockies and resulting floods, declines over the three decades have shown an unusual pattern compared to reconstructions of snowpacks going back 1,000 years, according to the Geological Survey study released on Thursday, in the journal Science.

Runoff from winter snowpack, layers of snow that build up in mountains, accounts for 60 to 80 percent of the West's annual water supply, the study said.

The declines can be attributed to unusual springtime warming caused by man-made climate change and come during the summer, which is the period of highest demand for water in the West, it said.

"The more we increase temperature, the earlier we melt out our snow pack and the less of it there is to get through our warm dry summers," said USGS scientist Gregory Pederson, the lead author of the study.

Pederson declined to predict how the declines would affect humans in the West, saying that people have long been creative in finding new ways to divert and store water when it is needed. But he said agriculture and industries that depend on annual allocations of water could be suffer. In addition, coldwater fisheries could be damaged as warmer water flows downstream.

Pederson and other scientists at the USGS and at the Universities of Arizona, Wyoming and Western Ontario reconstructed past snowpacks using tree ring data going back 500 to more than 1,000 years.

Lower elevation trees such as ponderosa pines grow larger tree rings during big snowpack years as annual melts provide water downstream, while high elevation trees, including mountain hemlocks, grow small rings during big snowpacks because they impede growth.

The data showed that with few exceptions northern Rocky Mountain snowpacks were large when southern Rocky snowpacks were small and vice versa.

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But since the 1980s there were simultaneous declines along the entire length of the Rocky Mountains, the study showed.

"This scientific work is critical to understanding how climate change is affecting western water supplies," Secretary of the Interior Ken Salazar said in a statement.

He said it helps land managers adapt to changing conditions, assists water managers with planning, and gives the public an understanding of the impacts that human-produced carbon emissions are having on U.S. resources.

The study can be seen at: link.reuters.com/hyr99r

(Reporting by Timothy Gardner; Editing by Eric Walsh)

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The fact that we had decent snowpack this past winter is sufficient reason for most of the populist and anti-science persuasion to resume their do-nothing, know-nothing blather. Foresight ain't exact;y a virtue among teabaggers.

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California water wars: DOI's pumping cutbacks prompt lawsuit

Jun. 10, 2011 9:38am

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- SLDMWA is immediately filing suit to ask the federal court for a temporary restraining order to stop Interior from reducing California's water supplies any further.

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The Department of the Interior's decision last night to cut back on water deliveries for the Central Valley is a direct violation of federal law, the San Luis & Delta Mendota Water Authority (SLDMWA) announced. SLDMWA is immediately filing suit to ask the federal court for a temporary restraining order to stop Interior from reducing California's water supplies any further.

"The law is crystal clear," said SLDMWA Executive Director Dan Nelson. "When there is an abundance of water as there is in this very wet year, the Bureau of

Reclamation is obligated to export and store as much water as its system can manage."

This requirement is a key provision of an agreement between the federal government and the State of California concerning the coordinated operations of the Central Valley Project and the State Water Project, and the Central Valley Project Improvement Act requires that Reclamation meet its obligations under this agreement. That agreement was first signed on May 20, 1985, and it has been repeatedly ratified by Congress in the years since, most recently in 2009.

Interior approved the cutbacks after reviewing an order issued by the U.S. Fish and Wildlife Service (USFWS) that directed the Bureau of Reclamation to ratchet down the pumping at the C.W. "Bill" Jones Pumping Plant. Both Reclamation and USFWS are part of the Department of the Interior.

"The agreement on coordinated operations recognizes a basic principle of responsible water conservation: when nature provides an abundance of water, you need to do everything you can to ensure that it is saved for the future and not left to run into the ocean unused," said Nelson. "There is no doubt that we are currently in a wet period but Interior is ignoring its obligations under the law."

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Despite this year's record wet conditions, CVP deliveries to the agricultural water service agencies south of the delta have already been limited to only 80 percent of their project supplies.

USFWS reportedly initiated this action to protect fall run Chinook salmon. But that species has not been listed under the Endangered Species Act. And other federal fisheries experts have repeatedly pointed out that the recent increase in the number of fish taken at the pumps simply reflect a large, healthy increase in fish abundance this year.

"The decision to reduce pumping at a time when there is so much water in the Delta is clearly punitive and it defies explanation in terms of responsible water management and good public policy," said Nelson. "It creates another unnecessary and destructive controversy over excessive federal interference in California's water supplies.

"This is exactly why some members of Congress feel an overhaul of the laws governing the use of Central Valley Project water for the environment is necessary and recently introduced legislation to do so. As things are now, even when the statutes are unambiguous, these federal officials choose to ignore them."

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Water worries grow on Colorado River

By Mike Lee /h5>
5 p.m., June 6, 2011

Drought conditions lasting 5 or more years will persist 40 percent of the time over the next five decades on the Colorado River, according to a federal analysis released Monday.

The U.S. Bureau of Reclamation, which manages water flows on the river, issued the first installment of a long-range study about bridging the gap between supply and demand for river water. The next update will deal with water-use projections and ways to address shortages. The final report, with recommendations, is expected in July 2012.

The Colorado River is one of the San Diego region's two main water sources, along with the Sacramento-San Joaquin River Delta. Local officials are trying to develop local sources such as groundwater, reclaimed wastewater and desalinated ocean water.

After a long line of dreary forecasts for the Colorado River Basin, no one expected the bureau's projections to be rosy -- and they weren't. The study anticipates roughly a 9 percent decrease in flows on the river over the next 50 years, along with increased drought periods. Projections are based on climate models that show decreased precipitation across the Southwest in years to come.

"This is the most comprehensive look at the water supply and water demand picture in the Colorado River Basin," said Halla Razak, Colorado River program director for the San Diego County Water Authority. "Everybody really believes that this study will give us a pretty good road map to move forward."

That's no easy task given that there's more demand for Colorado River water than it can provide today, let alone with lower flows and higher demands.

Monday's study said the period from 2000 through 2010 represents the lowest 11-year average natural flow at a given point on the Colorado River in recorded history, approximately 20 percent below the 103-year average. Although an 11-year drought of that magnitude is unprecedented in over 100 years, reconstructions of prehistoric stream flows show that equal or greater droughts have occurred.

On the demand side, the study said that from 1971-1999 water use in the Colorado River Basin increased by about 23 percent.



Lake Mead has been showing the "bathtub rings" of drought stress for most of the past decade. — NASA

San Diego County and the rest of the state emerged from a three-year drought and related water-use restrictions after heavy snowfall last winter. Many water experts expect the reprieve to be temporary.

About 15 percent of Colorado River withdrawals are used by the basin's urban water utilities use that serve more than 30 million people and support hundreds of billions of dollars in economic activity annually. In addition, the Colorado River is a major source of water for agriculture, irrigating nearly 4 million acres of land. The river also is a major source of hydroelectric power.

"While there is no 'silver bullet' for managing future supply challenges, there are opportunities for urban, agricultural, and other water users in the basin to collaborate on a balanced, sensible approach for managing future Colorado River supplies and managing potential future shortages while avoiding significant economic and quality of life impacts to the region," said a statement issued Monday by urban water agencies across the West, including the county water authority.

The conservation group Environmental Defense Fund said it's pushing the Bureau of Reclamation and state officials to ensure that the federal study identifies solutions to the imbalance between water supply and demand while sustaining healthy river flows.

"Active outdoor recreation in the Colorado River Basin contributes more than \$75 billion annually to the region's economy and supports more than 780,000 jobs," said Dan Grossman, the group's director in the Rocky Mountain region. "That's why we must capitalize on this study by crafting a path forward that protects the health of the Colorado River—and the ecosystems and economies it supports—or we'll miss a critical opportunity with potentially tragic consequences for the region.

He added: "While the Bureau of Reclamation and Colorado River Basin states have made some progress, they have a lot of work left to do."

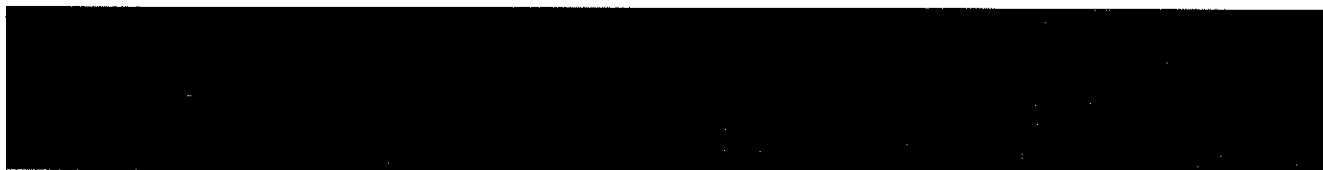
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Sherri Molino

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Steve Maxwell is the founder of **TechKNOWLEDGEy Strategic Group**, which provides consulting and advisory services to the environmental and water resource industries. He recently talked to *BC Water News* about why awareness and understanding of the challenges this industry faces is so important, and why everyone is clamoring to get into the water business.

June 7, 2011

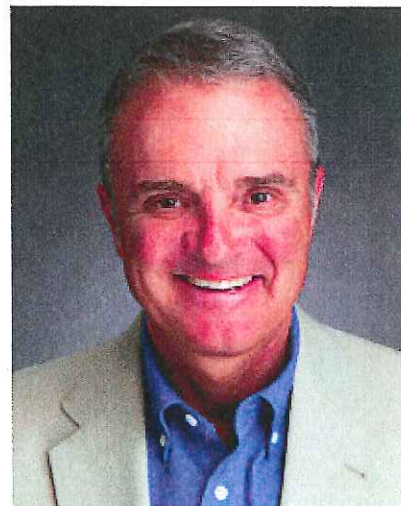
10 Minutes With ...

Steve Maxwell

What are the biggest challenges facing the water industry?

I could run over the standard list of critical challenges – decaying and under-invested infrastructure, critical freshwater shortages in growing geographic regions, resistance by the public to more realistic cost-based pricing, the slow pace of new technology adoption by the utility business, and the like. However, I think that one can summarize almost all of the challenges we face by simply underlining the critical significance of better public awareness and understanding of the water challenges we face.

If we really had a better grasp of what is really at issue here, change would be easier, and solutions would come faster. For example, if more people understood the technical



Name: Steve Maxwell

Title: Founder of TechKNOWLEDGEy Strategic Group

Background: Steve has 30 years of experience in the environmental and resource management fields. Prior to founding TSG, he served as vice president of marketing for the hazardous waste management company USPCI, Inc.; manager of

feasibility of water reuse, we wouldn't have the hysteria that we do about "toilet to tap" and so on. If more people really understood the critical nature of our underground infrastructure problems, they probably wouldn't be quite so upset about the occasional (and usually minor) water rate increase. And I find that even a lot of folks inside the water business don't really understand the true and sustainable life-cycle costs of providing clean drinking water. Too many people still think water is essentially free, or that it should be.

What are the greatest opportunities?

As we face more daunting water quality and quantity challenges, we will increasingly be measuring and keeping track of more and more data — so that we can both better understand the problem, and find more productive solutions. Firms that are developing new instruments or sensors to gather that data, as well as firms which are developing the software and systems to turn that data into actionable intelligence, are sure to enjoy booming opportunities in the future.

Another opportunity is the whole area of more efficient agricultural water usage and more efficient irrigation systems and technologies. It is becoming only too clear that the vast majority of our overall water consumption goes into agriculture, and that agricultural usage is highly inefficient. The obvious corollary to this is that by improving ag usage efficiency, a lot of water can be freed up for use in other, perhaps higher-valued applications. Drip irrigation, modified capillary-action irrigation, laser field leveling, and soil moisture content monitoring are just a few examples of emerging opportunities.

You talk about "exploding strategic interest" in the water industry. What does that mean?

It means the rapidly increasing interest in

strategic planning for Union Pacific Corporation; and executive VP of Recra Environmental, an environmental lab and consulting firm. Previously, he held marketing and planning positions in the mining and energy industry. He is also an associate and partner in the world's original water hedge fund, Summit Global Management of San Diego, a leader in water rights investing.

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opportunities offered by the water resource industry that has come from almost all corners. These days, it seems like virtually everyone wants to get into the water business — to somehow obtain a platform to participate in what is increasingly realized to be a very critical long-term business. More and more people are realizing that strong business opportunities are going to be here long-term — as in decades or centuries, not years.

Firms that are already in the business want to expand their market share and strategic position, firms that are sort of tangential to the business or partially in the business want to consolidate or strengthen their exposure, and all kinds of firms and investors that are not already in the business want to get in, and want to get in now.

That includes a vast range of industrial companies and so-called “strategic” or industrial buyers. And it includes the full spectrum of financial investors and investment vehicles — private equity funds, sovereign country funds, hedge funds, ETFs, and right down to individual small investors like you and me — looking for a good stock to buy.

How will all of this impact public and private water agencies?

Water and wastewater utilities are likely to see a lot of changes over the next decade or two. First, as economic pressures intensify, and as technological and regulatory complexity of the industry increases, utilities are going to have to become quicker, more efficient and more responsive. With all the requirements and expectations starting to be placed on this industry, it's not going to be easy to be a sleepy little water utility in the future.

Additionally, cost pressures toward outsourcing or privatization will see to the need that utilities need to focus on efficiency

and productivity. Utilities will also have to get a little more adventurous or entrepreneurial in terms of trying new technologies or new approaches, both in order to comply with future regulatory requirements and to meet growing customer expectations — they won't be able to act in the slow, overly cautious, and, some would say, stodgy manner that some of them have in the past.

There will probably be at least some sort of a trend toward greater privatization, particularly amongst the ranks of the smaller and more financially constrained utility agencies. In Europe, almost half of water utilities are privately owned and operated, while in the United States that figure is around only 10 percent; that is likely to change. Finally, as wastewater is increasingly recognized for what it really is — a source of energy, materials and a new raw water source — the boundaries between traditional water and wastewater utilities will likely start to fade.

You say we are depleting water supplies and meanwhile keeping water prices “artificially low.” What has to change?

More people have to simply understand that what we are paying for water in most places today is not sufficient to maintain the needed capital infrastructure in order to provide that clean water on a sustainable basis. In some places, rates may cover operating costs, but not capital reinvestment costs; in other areas, rates may not even really cover true operating costs.

How has the recession affected the water industry?

In a nutshell, not as much as most other industries. In an economic recession, we may not go out to eat at fancy restaurants as often, we may not buy bigger houses or cars, and we may cut back on our vacations, and so on. But we don't really cut back on our water

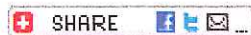
consumption. How many of us think, “Gee, let’s don’t flush the toilet as often, until the economy gets better, or until Mom gets a new job?”

For this reason, water stocks and water utility stocks in particular, are a favorite hedge against recession — they keep ticking away even when many other sectors are flat on their backs.

What do you do when you’re not thinking about water?

Usually, if I’m not working or doing things with my family, I’m out somewhere on my bicycle. I used to run a lot, but as I’ve gotten a bit older my knees didn’t always agree with that, and over the past 10 years or so I’ve become a real bicycle road racing enthusiast. We have a lot of nice routes, both on the plains and in the mountains here around Boulder, Colo., where I live, and of course, this is an absolutely bike-crazy community. I’ve also enjoyed doing cycling tours in France, concurrent with the Tour de France, and around other parts of Europe.

One of my big accomplishments was, a couple of years ago, being able to complete the legendary cycling climb called Mont Ventoux, in southern France, from all three directions in one day. It is considered one of the toughest climbs in all of professional cycling, and there are three routes to the top. I did them all in one day — about 90 miles with 15,000 feet of climbing — and I have a cheap little plastic plaque proving that I am one of only a few dozen Americans to accomplish that.



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Water district gives millions in contracts to politically connected recipients

Those people and organizations have helped the southeast Los Angeles County agency fight critics and avoid outside scrutiny.

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From left are Central Basin Water District board members Robert Apodaca, partly hidden, Art Chacon, Edward Vasquez, Rudy Montalvo and Phillip Hawkins. (Allen J. Schaben / Los Angeles Times)

By Sam Allen, Hector Becerra and Patrick McGreevy, Los Angeles Times
June 3, 2011

A water district that serves southeast Los Angeles County has awarded millions of dollars in contracts to politically connected individuals and organizations, which have helped the district fight critics and avoid outside scrutiny, public records and interviews show.

The Central Basin Municipal Water District's relationships with state legislators, a former mayor of Bell and other political insiders have enabled the obscure utility to accumulate clout in Sacramento and in the industrial corridor along the 710 Freeway.

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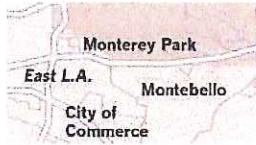
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At the heart of the district's political ties is the Oldtimers Foundation, a nonprofit organization that was run for many years by George Cole, a former Bell mayor and councilman who has served on the water district's elected board of directors.

In the last five years, Oldtimers has received more than \$2.5 million from Central Basin. Oldtimers provides low-cost housing, dial-a-ride programs and other services to municipalities. The water district has paid it to install water-saving toilets and promote water conservation, among other services.

Central Basin has also paid Oldtimers' board president, former Assemblyman Tom Calderon, more than \$750,000 in consulting fees since 2004 for political and legislative advice.

Calderon's two brothers, both state legislators, have defended the water district's interests in Sacramento. In 2009, Sen. Ron Calderon (D-Montebello) helped thwart an audit of Central Basin's books. This year, Assemblyman Charles Calderon (D-Whittier) proposed legislation that could reduce the fees Central Basin's customers pay for groundwater.

Tom and Ron Calderon, as well as Central Basin officials and contractors, helped finance a recall effort in 2008 against two council members in the City of Commerce who were critics of the water district, records show.

Tina Baca Del Rio, one of the targeted council members, said she had opposed Central Basin's proposal to build a pipeline through her city. Baca Del Rio was recalled but won her seat back in 2009. The other council member, Robert Fierro, avoided recall by a narrow margin.

Central Basin is a wholesaler that sells imported water to dozens of communities and water companies in southeast L.A. County. The district has about 20 employees and hires contractors to provide most of its services. The five board members each represent a

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portion of its service area.

The district has come under criticism from customers, elected officials and the state auditor for a surcharge it imposed to help pay for a pipeline that distributes recycled water for industrial uses and irrigation.

Critics say the pipeline will never pay for itself and has become a costly burden on water customers.

Rep. Grace Napolitano (D-Norwalk), whose congressional district overlaps with Central Basin's service area, said the utility has refused to share information about its finances and rate structure.

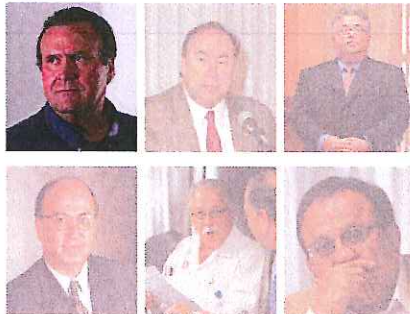
She also said it was a conflict of interest for Ron and Charles Calderon to sponsor legislation affecting an agency for which their brother is a paid consultant.

"I'm concerned about this water district and about who may be behind it for a power grab," Napolitano said in an interview. "What is the end that they are seeking? That to me is the question."

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Key Players

Click for a description of each person's role.



George Cole

- Former executive at the Oldtimers Foundation, where he started in the early 1980s
- Former Bell city councilman charged with misappropriation of funds
- Former Central Basin board member
- Along with Ron and Tom Calderon, helped finance a 2008 recall effort against two council members in the City of Commerce who were opposed to a Central Basin project

Ron and Charles Calderon said there was no conflict of interest because their brother does not influence their legislative agendas.

"I don't think it really matters whether he is a consultant to the board or not," said Ron Calderon. "What I am supporting is a water program that makes sense, whether he is there or not."

Charles Calderon said he had nothing to do with his brother's contract with the district, and added: "He hasn't lobbied me." He said Napolitano was criticizing him in anticipation that he might run against her some day.

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Regarding the district's association with the Oldtimers Foundation, Art Aguilar, Central Basin's general manager, said Oldtimers had submitted the lowest bid on each of its contracts and did high-quality work.

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ManuelDelgadillo at 2:32 AM June 05, 2011

George Cole has been a southeast political player for many years and it is finally catching up with him. There is a definite conflict of interest that should be investigated by the Los Angeles District Attorney. What a coincidence that the Oldtimers Foundation that George Cole headed and ran received the contracts to install the water efficient toilets and in the end got paid more than the Eco-Green bid. These are the types of back door politics that have plagued the southeast area for years. Board members should not be allowed to be in anyway associated with contracts being voted on. The George Cole's political ties run deep in the southeast area, so I do not believe this is the end of what will be uncovered. This great investigative reporting is very much appreciated.

elmoro at 9:45 AM June 04, 2011

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Vazquez, Apodaca, Hawkins, Montalvo and Chacon are extremely corrupted officials that were elected to the Board by fraudulent maneuvers. The Chacon and the Calderons families are elected to office by voters that are used to the politics of favoritism so common in Mexico. They are just white collar criminals using the system to gain high paying comissions and



News Release

Contact: Phil Rosentrater, External Affairs Director
951.571.7293 office; proentrater@wmwd.com

Western Awarded \$2.9 Million in Grants to Expand Desalination Efforts

Chino Desalter expansion will increase local water supply and improve basin water quality

RIVERSIDE, CA – May 27, 2011 – Western Municipal Water District today announced the award of \$2.9 million in state and federal grants to fund a portion of the Chino Desalter’s Phase 3 Expansion. When completed, the \$130 million expansion will create an additional 10.5 million gallons per day of new water, benefitting more than 1.5 million people in the Inland Empire. To date, Western, which is the lead agency in a consortium of inland water agencies representing the Chino Basin Desalter Authority (CDA), has secured \$15.7 million in grant awards for the project. Local property taxes and federal funds will serve as a match for state resources to complete funding.

“Western recognizes that managing the salinity of our watershed is one of the District’s core responsibilities, and we have been proactive in seeking state and federal funding to support these efforts,” said John V. Rossi, general manager of Western. “But the Phase 3 Expansion of the facilities at Chino is about more than improving the basin’s water quality; it will also expand local potable water supply, reducing our dependence on expensive and unreliable imported water, and ensure that we are respectful of our downstream neighbors.”

The \$2.9 million in grants were awarded for the development of new wells in the Chino Creek Well Field, which will supply additional groundwater to be treated at the Chino Desalters. Increased groundwater pumping, coupled with upgraded treatment capacity at the Chino I and Chino II Desalters, will provide much needed water for the cities of Chino, Chino Hills, Norco, Ontario Jurupa Community Services District, Santa Ana River Water Company and Western. The desalination facilities will also improve local groundwater quality by removing salts, nitrates, and volatile organic compounds from the basin’s water, while dramatically reducing the flow of degraded water into the Santa Ana River, protecting downstream water supplies and ecosystems.

To secure the grants, Western’s Water Resources Department prepared two applications: one was submitted to the California Department of Water Resources (DWR) through the Santa Ana Watershed Project Authority as part of the Integrated Regional Water Management Plan; the other was submitted to the United States Department of the Interior Bureau of Reclamation (Reclamation). Recognizing the importance of salt management for watersheds around the country, the DWR grant awarded the per-project maximum of \$1 million, while the Reclamation grant provided the maximum 25 percent federal match of \$1.9 million. All \$2.9 million will go toward construction of the Chino Creek Well Field.

These two additional funding sources bring the total grant awards for the project to \$15.7 million. Most importantly, the Reclamation grant award appropriates \$2 million of the \$26 million authorized under the Omnibus Public Land Management Act of 2009, which will allow Western to seek additional federal appropriations for the Chino Desalter in the upcoming fiscal year.

CDA agencies, including major partners Inland Empire Utilities Agency, Jurupa Community Services District and the city of Ontario, have worked strategically to fulfill the objectives of the CDA as quickly as possible.

“The awarding of these grants is an affirmation of the importance of our mission,” said Charles D. Field, member of Western’s Board of Directors and the District’s representative on the CDA and the Chino Basin Watermaster Board. “Western will continue to stay on the forefront of salinity management, implementing treatment technology in a way that is sensitive to the environment as well as to the pocketbooks of our ratepayers.”

Western Municipal Water District provides water supply, wastewater disposal and water resource management to the public in a safe, reliable, environmentally sensitive and financially responsible manner.

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Bill to stop river project draws powerful foes

Posted at 10:12 PM on Thursday, Jun. 02, 2011

By Michael Doyle / Bee Washington Bureau

WASHINGTON – California officials and the Obama administration on Thursday strongly objected to a politically divisive bill that blocks San Joaquin River restoration efforts, casting the bill's long-term prospects into doubt.

Citing "very serious problems" with the bill authored by Rep. Devin Nunes, R-Visalia, administration officials warned against breaking apart the river restoration settlement that in 2006 ended an 18-year-long lawsuit pitting farmers against environmentalists.

"The bill would not only undo the very valuable restoration work committed to by all the settling parties, but would also ... pave the way for many more years of costly court battles," Interior Secretary Ken Salazar warned a House panel.

California Natural Resources Secretary John Laird echoed that warning, saying the bill would "almost certainly send the controversy back to court, where the consequences of litigation would be unknown."

As a statement, though, the San Joaquin Valley Water Reliability Act could succeed even if it dies in the Senate. Critics fear it might also propel over the finish line other California water provisions.

Republicans specifically cast the legislation in partisan terms, repeatedly contrasting the GOP's farmer-friendly efforts with what Nunes described as "four years of neglect by the [previous] Democratic majority." The bill allows lawmakers to articulate a position, with various Republicans Thursday denouncing "uncompromising environmental groups" and "left-wing ideology."

"California's San Joaquin Valley is ground zero for what's gone wrong with federal water policy," declared Rep. Tom McClintock, R-Elk Grove, the chairman of the House water and power subcommittee.

Though the hearing was the first on Capitol Hill to consider the water legislation, lawmakers and witnesses spent at least as much time revisiting old feuds as on discussing the bill's details. At one point, Westlands Water District general manager Tom Birmingham and Rep. John Garamendi, D-Walnut Grove, clashed over water negotiations they had back in 1997.

This year's 38-page bill would stop the ambitious program that currently aims to return salmon to the San Joaquin River by Dec. 31, 2012. The bill also would lengthen irrigation contracts, curtail environmental protections in the Sacramento-San Joaquin Delta and provide farmers more

water. "The pumps have to run," Nunes said, and "the San Joaquin River boondoggle has to end."

Working on a separate front, Nunes and his allies succeeded Thursday in stripping \$66 million in San Joaquin River restoration funds from a fiscal 2012 spending bill.

The Friant Water Users Authority and the Natural Resources Defense Council signed the river settlement in 2006. Without the agreement, negotiators reckoned that a federal judge would control the water decisions.

Barry Nelson of the Natural Resources Defense Council and Cynthia Koehler of the Environmental Defense Fund both cautioned Thursday that cracking the river settlement could undermine confidence in other water negotiations, particularly those underway through the Bay Delta Conservation Plan.

Neither Friant nor the NRDC were invited to testify Thursday. Instead, the subcommittee summoned farmer Kole Upton, a former Friant chairman who now opposes the river restoration plan. "The salmon restoration is behind schedule and the question should be asked whether this effort warrants the expenditure of so much public money," Upton said.

Bureau of Reclamation Commissioner Michael Connor acknowledged the Dec. 31, 2012, deadline for returning salmon to the river may slip, suggesting that "we are interested in looking at the schedule" for possible revisions.

The water bill is almost certain to pass the Republican-controlled House, possibly this summer.

Rep. Jim Costa, D-Fresno, said Thursday he will support the bill so that further negotiations can ensue.

Neither of California's two Democratic senators, Dianne Feinstein and Barbara Boxer, support the current bill. This complicates the bill's final passage, though Nunes says he's working with senators from other states.

latimes.com/business/la-fi-obama-regulations-20110527,0,7169963.story

latimes.com

Obama administration moves to cut unneeded regulations

The proposed changes come in a report from a government-wide review ordered by Obama in January to weed out overly burdensome rules and stimulate job growth.

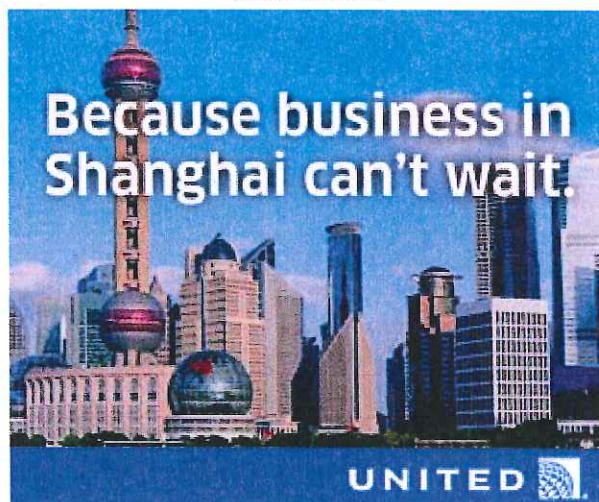
By Jim Puzzanghera, Los Angeles Times

May 27, 2011

Reporting from Washington

The Obama administration has identified dozens of unneeded regulations — from handling spilled milk to requiring warm-air hand dryers — that should be eliminated to save hundreds of millions of hours a year in filling out forms and, over time, billions of dollars in costs.

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The proposed changes, a few of which already have been enacted or are in their final stages, came in a report Thursday from a government-wide review ordered by President Obama in January to weed out overly burdensome rules and stimulate job growth.

Obama has been under fire from Republicans and business groups for expanding government regulations, particularly after the enactment last year of the sweeping healthcare and financial reform laws.

The proposed rule reductions were applauded by administration critics as a good first step to easing burdens on businesses and local governments. But an environmental group warned that the White House needed to be careful not to eliminate rules that protect the public.

White House officials said they were committed to getting rid of regulations "that are out-of-date, unnecessary, excessively burdensome or in conflict with other rules."

"The objective was to ... be sure that the regulations on the books do what they were intended to do and they do it at the lowest possible costs," said Jacob Lew, director of the White House Office of Management and Budget.

"This is not a one-time project," he said. "This is the beginning of what will become a new way of doing business" for federal agencies.

Detailed plans to reduce regulations came from 30 federal agencies and departments. The Commerce Department, for example, proposed to simplify government rules on exports.

The White House posted the plans on its [website, http://www.whitehouse.gov](http://www.whitehouse.gov), and asked the public for comments. Most of the changes must go through formal rule-writing procedures that also require public comment periods.

The Occupational Safety and Health Administration said Thursday that it already had made final a new rule to streamline and simplify several requirements as part of the broader regulatory review.

Among them were updating a definition of potable water to be consistent with Environmental Protection Agency standards, removing outdated standards that require warm-air hand dryers to allow for new technology that uses room-temperature air and eliminating requirements for employers to send records to the National Institute for Occupational Safety and Health because the records "don't serve a useful research purpose."

The White House said those changes alone would eliminate more than 1.9 million annual hours of "redundant reporting requirements" for employers, saving more than \$40 million a year in costs.

In another example, the EPA will propose the elimination of air pollution vapor recovery systems at gas stations because of improved air pollution control technology in newer vehicles. The move, if approved, would save stations about \$67 million a year, the White House said.

At the urging of dairy farmers, the EPA in April changed rules that had included milk in oil spill regulations that required special containment facilities and other measures. The rule change will save the dairy industry \$146 million a year.

Rep. Darrell Issa (R-Vista), chairman of the House Oversight and Government Reform Committee, said he supported "any effort on the part of the president to make the regulatory system more predictable, more transparent and less onerous for job creators."

But he said that "flawed" proposed regulations in the pipeline were just as much a threat as existing ones.

Before Obama announced the regulatory review, Issa had sent letters to more than 150 business leaders soliciting suggestions for regulations to eliminate.

The U.S. Chamber of Commerce, which has battled the Obama administration over regulatory issues, echoed Issa's concerns. The chamber said the recommendations to remove some regulations represented progress but didn't go far enough.

"What we need is a plan to make our flawed regulatory system smarter, less intrusive and more accountable," said Bill Kovacs, the group's senior vice president of environment, technology and regulatory affairs.

The chamber called for greater congressional oversight of regulations that have a major economic impact, cost-benefit analyses and scientific reviews conducted by independent third parties and changes

to make it easier to challenge rules in court.

But the Natural Resources Defense Council said it would examine the proposed rule reductions to make sure they didn't go too far.

"The purpose of the regulatory system is to protect the health and well-being of the American public," said Scott Slesinger, the group's legislative director. "Any proposed changes should be closely evaluated to ensure they protect the public, first and foremost."

jim.puzzanghera@latimes.com

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Delta's winter surge undercuts rationale for big diversion of Sierra water around it

Mike Taugher, Contra Costa Times

Created: 05/21/2011 07:07:53 AM PDT

A surge of winter runoff that could not be captured has buttressed objections to building a huge aqueduct to route Sierra water around the Sacramento Delta area for use in Southern California.

For several years, the Contra Costa Water District and others have argued it would be foolhardy to build a large, expensive and highly contested water diversion that winter rains or spring snow melt could rarely fill.

A smaller version -- perhaps one-fifth the size contemplated --

would be cheaper, deliver nearly as much water and could not be misused in ways that would harm drinking water quality and fisheries, they contend.

But backers of the larger version, primarily major Delta water users in the San Joaquin Valley and Southern California, insist a big aqueduct would maximize flexibility -- that it is important to be able to take large gulps during high flows when such diversions have little environmental effect.

This year, when a wet winter ended a three-year, reservoir-draining drought, is a case in point.

When the big flows came through this spring, Delta water managers'



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pumps diverted no more than about half what it would take to fill the proposed 15,000-cubic-foot-per-second aqueduct under study. Most days, the pumping rate was far less.

As it turned out, there was nowhere to send the water, except to let it flow through the Delta to the San Francisco Bay and the Pacific. The state's reservoirs filled quickly, and groundwater

storage banks were taking water as fast as they could.

"Deliveries have been limited by the number of places to put the water," said Mark Cowin, director of the state Department of Water Resources. "If there were more opportunities to store water, we would have exported more water."

Cowin said more reservoirs and groundwater storage banks should be built. He also said the Brown administration has changed the course charted by the Schwarzenegger administration and will consider smaller Delta diversion alternatives equally with the larger

version.

"This is an issue that will be thoroughly scrutinized," said Richard Stapler, spokesman for the state Natural Resources Agency.

Still, bigger is better, say the major water agencies that propose to pay for the project.

A big canal could take advantage of early-season storms to fill reservoirs sooner and stretch water supplies, said Laura King Moon, assistant general manager of State Water Contractors, which represents water agencies in the Bay Area, Southern California and elsewhere.

"The reasons for it can get pretty



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complicated," King Moon said. "The contractors are convinced that 15,000 cfs is the optimal size for both water supply and ecosystem reasons.

"I expect there to be a lot of debate over this in the coming months," she said.

The aqueduct is being proposed as part of a Bay Delta Conservation Plan, which seeks to stabilize water supplies and protect the environment.

By taking water from the Sacramento River through a new set of tunnels or a canal and restoring wetlands, supporters of the idea say they can ensure more reliable delivery of Delta water and eliminate the environmental problems of using huge pumps in the south Delta.

After nearly \$150 million in planning, though, the conservation plan was severely criticized this month by a panel convened by the National Academy of Sciences, which concluded in part that water agencies apparently decided they

wanted to build a large aqueduct and then set out to rationalize it as a strategy for protecting the environment.

Although some critics of replumbing the Delta contend no new aqueduct is needed, others find the idea of a smaller one attractive because it guarantees a limit on how much water can flow through it, unlike a larger canal that might be overused.

An increase in Delta pumping during the 2000s coincided with the collapse of several fish species, and just last week, House Republicans introduced legislation to reverse environmental safeguards in the Delta to increase water deliveries.



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Contra Costa leaders looked to additional storage as a buffer against those types of threats 30 years ago when they won statewide rejection of the Peripheral Canal during Gov. Jerry Brown's first administration.

The worry then, as now, was that building a big canal without sufficient storage capacity would create an incentive to fill the aqueduct whenever water agencies in the San Joaquin Valley or Southern California were thirsty, and not necessarily when Mother Nature is generous.

"It will allow them to take Delta water when it's needed south as opposed to when it's truly surplus," said former Contra Costa County supervisor Sunne McPeak.



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Point of View

Water: Get involved in big picture, small picture

Ruby Simpson

Created: 05/25/2011 07:24:50 PM PDT

In the 19th century and into the mid-20th century, federal and state governments spent billions to build water delivery infrastructure. Since then, not so much. Today, environmental and governmental constraints and budgetary inattention have brought water issues to crisis proportions in the most densely populated parts of the country, where infrastructure has deteriorated to dangerous levels just as environmental restrictions have precluded both the repair of the old and the development of the new.

For example, in inland Southern California, the U.S. Fish and Wildlife Service has ruled that a

fish called the Santa Ana sucker requires additional habitat areas. The result of this ruling, if it stands, will mean that area water providers will have to import water, much of it from upstate. The problem? The service is protecting another fish in Northern California, the Delta smelt, providing a classic Catch-22: inland Southern California cannot import the additional water it needs.

The result? No new construction projects for inland counties already suffering from 13.9 percent unemployment. Precisely quantifying the damage is difficult but there is no arguing that there will be significant economic damage.



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California's Central Valley is the state's fertile agricultural Eden. Enormous reductions in the delivery of irrigation water to this farmland because of limits to the Delta levees in Northern California, which provides much of the valley's water, have

resulted in 18-24 percent unemployment in the Central Valley, depending on the county. It can be argued that agriculture cannot continue to operate as it has in the past. Some crops must simply phase out because they cannot be sustained, even with economic subsidies. Still, cutting off water with no legislative mandate, no public hearings and no citizen input has caused catastrophic damage.

These are just two of hundreds of examples of a governmental agency failing to look at the big picture or negligently disregarding legitimate economic considerations.

For the big picture, get involved politically to bring about sensible government policy that balances economic reality with

environmental concerns. Water is nonpartisan.

Water may not be scarce in every region, but it is unquestionably a limited resource. As population expands, rainfall and other primary water resources remain the same, constraining water use. We simply cannot continue misusing water.

Small-picture changes can make big picture differences.

Office parks can no longer simply douse everything with potable water, but micro drip systems get water where it is needed and are particularly useful for commercial buildings. Rain gauge monitors at a cost of about \$35 per apparatus preclude sprinklers from running

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when it is raining.

For every 1,000 square feet of roof, one inch of rain can generate 628 gallons, or 6,280 gallons for a 10,000-square-foot rooftop. Catchment containers that run along the blind side of a retail big box, for instance, can easily provide enough water for toilet flushing for half the year, and the cost to purify the water sufficiently for such use is unobjectionable, more so as the cost of water rises.

The relatively low cost of water in most parts of the country, by the way, is due to subsidies. In Los Angeles County, for instance, 47 percent of the electricity generated is used to move water. Catching some water from rooftop runoff is a trade-off to keeping the air conditioner running.

Building owners can eliminate water-wasters like grass and landscape with native plants that are both esthetically pleasing and durable. Landscape planning helps, too. A simple decision to plant shrubs on the sunny side of

the building and deep-rooted grass that does not need daily irrigation on the shady side can mean a dramatic drop in water usage.

Homeowners should use drip irrigation for shrubs and trees. Install rain gauge monitors. Investigate rainwater catchment because the technology is moving at lightning speed and in some climates is already financially feasible for homeowners, and even on a small scale can help with water bills.

Need an incentive? The cost of an acre-foot of water, enough for one or two families for a year, is about \$250 in some large suburban areas. The cost of one acre foot of desalinated water?



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About \$1,000 per acre-foot.
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sensitive to groundwater
depletion than to use seawater.

A comment made by a member of
a local water agency brought
home why we need to pay more
attention to water: "Every time I
turn on the faucet, water comes
out. That was not consistently true
100 years ago, and it's not
consistently true anywhere in the u
ndeveloped world today. I'm
willing to take the steps necessary
to make sure that in five years and
50 years, we can turn on the
faucet and have clean water. We
can't live without it and it doesn't
take care of itself."

*Ruby Simpson is president of
Simpson Commercial Properties.
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California's Draft Bay Delta Conservation Plan Needs Better Integration to Be More Scientifically Credible, Report Finds

ScienceDaily (May 5, 2011) — A draft plan to conserve habitat for endangered and threatened fishes in the California Bay-Delta while continuing to divert water for agricultural and personal use in central and southern California has critical missing components, including clearly defined goals and a scientific analysis of the proposed project's potential impacts on delta species, says a new report from the National Research Council. In addition, the scientific information in the plan is fragmented and presented in an unconnected manner, making its meaning difficult to understand.

The delta region receives fresh water from the Sacramento and San Joaquin rivers and their tributaries, and water from the delta ultimately flows into the San Francisco Bay and the Pacific Ocean. Pumping stations divert water from the delta, primarily to supply Central Valley agriculture and southern California metropolitan areas. The effects of an increasing population and the operation of the engineered water-control system have substantially altered the delta ecosystem, including its fish species.

The November 2010 draft of the Bay Delta Conservation Plan (BDCP) aims to gain authorization under the federal Endangered Species Act and companion California legislation for a proposed water diversion project, such as a canal or tunnel that would take water from the northern part of the delta directly to the south while protecting the region's ecosystems. To date approximately \$150 million has been spent in developing the BDCP, which is being prepared by a steering committee of federal, state, and local agencies, environmental organizations, and other interest groups. The plan is slated for completion by 2013 and would be implemented over the next 50 years.

The draft BDCP states that the principal component of a habitat conservation plan is an "effects analysis," which the plan defines as "a systematic, scientific look at the potential impacts of a proposed project on those species and how those species would benefit from conservation actions." However, the effects analysis is still being prepared and was not included in the BDCP, resulting in a critical gap in the science. Without this analysis, it is hard to evaluate alternative mitigation and conservation actions.

The BDCP lacks clarity in its purpose, which makes it difficult to properly understand, interpret, and review the science that underlies the plan, stated the panel that wrote the report. Specifically, it is unclear whether the BDCP is exclusively a habitat conservation plan to be used as an application to "take" -- meaning to injure, harass, or kill -- listed species incidentally or whether it is intended to be a plan that achieves the co-equal goals of providing reliable water supply and protecting and enhancing the delta ecosystem. If it is the latter, a more logical sequence would be to select alternative projects or operation regimes only after the effects analysis is completed.

Furthermore, the draft BDCP combines a catalog of overwhelming detail with qualitative analyses of many separate actions that often appear disconnected and poorly integrated, the panel said. There are many scientific elements, but the science is not drawn together in an integrated fashion to support the restoration activities. The panel noted that a systematic and comprehensive restoration plan needs a clearly stated strategic view of what each scientific component is intended to accomplish and how this will be done.

"There is a strong body of solid science to support some of the actions discussed in the BDCP, but because the science is not well-integrated, we are getting less from the science than we could," said panel chair Henry Vaux, professor emeritus of resource economics at the University of California in Berkeley and Riverside. "As our report concludes, a stronger and more complete BDCP -- and the panel identified several areas for improvement -- could contribute importantly to solving the problems that beset the delta."

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[Home](#) > Time to get ready for the runoff


Time to get ready for the runoff

By editor

Created 06/06/2011 - 5:59pm

By Mike Gervais/Register Staff

mgervais@inyoregister.com [1]

 [bishop creek on brockman.jpg](#) [2]

As temperatures begin to warm in the Sierra, snow will melt, sending runoff down Bishop Creek (above) and into local streams and ditches. Residents are being advised to clean debris from their ditches and streams to prevent water from spilling over the banks. Photo by Darcy Ellis

With a heavy snowpack lingering in the Sierra, residents in Inyo County are being advised to clear their ditches and ponds to prepare for the inevitable influx of water as summer temperatures begin to creep into the Owens Valley.

According to Los Angeles Department of Water and Power Public Information Officer Chris Plakos, the department is doing its part, with crews working daily to ensure ditches are ready for the runoff.

The LADWP said it is anticipating 619,000 acre-feet of runoff to make its way down from the Sierra this spring and summer. That is 150 percent of the average runoff. To be clear, one acre-foot is 326,000 gallons of water.

"Our crews are out working almost every day to make things go smoothly," Plakos said. Each year, the Inyo County Sheriff's Department, LADWP and the Bishop Community Water District remind residents to clear their ditches, streams and ponds to prevent flooding as the runoff makes its way to the valley floor. That advice is as important as ever this year.

If ditches and streams become clogged with debris, this year's runoff could cause significant flooding.

"The runoff really has not started yet," Plakos said. "Mammoth and Rock Creek (snowpacks), they're still holding steady from last month. People need to keep their ditches clean and be courteous and aware of their neighbors downstream."

Inyo County Sheriff Department Public Information Officer Carma Roper said sheriff's personnel will be meeting with LADWP and other local and state agencies on June 2 to discuss potential for flooding due to the runoff.

Plakos said that the draining of South Lake should not add any additional water to local streams and ditches, as Southern California Edison, who is responsible for water flow in and out of the lake, has the ability to regulate the amount of water that flows into Bishop Creek and makes its way into the valley.

“The thing that can really be an issue is if we get a warm rain on the snowpack, because that makes a kind of sludge,” Plakos said. “If we got 100 degree temperatures in Mammoth tomorrow, the snow wouldn’t melt fast enough to cause any major problems, because our system is built to handle the worst-case scenario.”

Right now, Plakos said Crowley Lake and other department-owned reservoirs are at the optimal level to receive and hold heavy runoff flows. “Our systems can certainly accommodate a runoff year like this,” he said.

With the LADWP and Edison prepared for the heavy runoff, local officials want to make sure that local citizens are also prepared.

Any excess plant growth, debris and sediment in private ditches should be cleared as soon as possible to prevent flooding this summer. v

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News from EMWD

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For Immediate Release

Eastern Municipal Water District announces new General Manager

Perris, CA (June 20, 2011)—Eastern Municipal Water District is pleased to announce the appointment of Paul D. Jones II as its new general manager effective July 25. Mr. Jones comes from Irvine Ranch Water District where he has served as general manager for the past 12 years. Jones succeeds Anthony J. Pack, who recently announced his retirement.

“We searched nationally for someone to build on what Tony Pack and the District have been able to accomplish,” said Randy Record, EMWD’s director and representative on the Metropolitan Water District. “Paul Jones will be able to ramp up quickly because of his broad knowledge of water and wastewater, and his numerous contacts within the many agencies of Southern California.”

Jones, 52, brings extensive experience in the water industry. Under his leadership, IRWD became known for diverse and highly reliable water supply and storage portfolios. While at IRWD he was instrumental in the development of creative urban runoff treatment programs and natural resource management at the San Joaquin Marsh and Wildlife Sanctuary. IRWD, located in central Orange County, serves water to more than 320,000 residents in an area encompassing 25 percent of the county. IRWD provides more than 23 million gallons a day of sewer service. And similar to EMWD, IRWD has an extensive recycled water system.

“I am very pleased to be selected for the position of General Manager for EMWD,” said Paul Jones. “EMWD is known and respected for its leadership in the water industry and I am fortunate to have the opportunity to become a member of their team.”

Prior to working at IRWD, Jones was the general manager of Central and West Basin Municipal Water Districts in Carson. Like EMWD, both IRWD and Central/West Basin Municipal Water Districts are highly-respected and enjoy a national reputation for the operation of successful tertiary-treated recycled water programs.

Jones has also worked in private industry as a principal engineer for a private environmental engineering firm, John M. Tetterer and Associates. He was also director of regional infrastructure planning and manager of infrastructure project engineering with The Irvine Company. Other water industry work included experience as senior engineer and assistant to the general manager at Municipal Water District of Orange County.

A Registered Civil Engineer, Jones is a member of the National Engineering Honor Society, Tau Beta Pi. Jones and his wife, Julie, reside in Orange with their four children. He will join EMWD in July as Pack retires after more than 21 years at the Riverside County water agency.

Pack, 66, was appointed General Manager of EMWD in September 2001 after six years as Deputy General Manager. Pack's expertise resulted in many significant accomplishments during his tenure including:

- Successfully managing the fastest growth period in the history of EMWD. At the height of the housing boom, EMWD was handling approximately 19,000 new sewer connections and 14,000 new water connections in a year!
- Receiving state and federal agencies' approvals for more than \$108 million in grants and related funding and more than \$276 million in low- or no-interest loans. Since 2001, these grants and loans have helped fund wetlands modifications, alternative energy, water management and development, feasibility studies, regulatory compliance projects, recycled water infrastructure, and more.
- Promoting a culture of continuous process improvement which led to EMWD being the first public utility to receive the silver-level, California Award for Performance Excellence (CAPE) award in 2005.
- Supporting an environment of safety which resulted in EMWD being the first public agency to receive the CAL OSHA CalStar award for a superior safety culture in 1999.
- Fostered a strong relationship with elected members at the state and federal level and testified before Congress multiple times on California water issues.
- Developing leadership for an organization that has grown to nearly \$2.5 billion in assets and has earned a AA credit rating.

Before joining EMWD as a project coordinator in 1990, Pack served over 20 years with the U.S. Marine Corps, retiring from Camp Pendleton as a lieutenant colonel. He earned a Master of Science degree from the University of Southern California and a Bachelor of Arts degree from the University of Connecticut.

As a result of Pack's contributions, EMWD's diversified water supply portfolio is able to serve approximately 755,000 people within its service area in an economical and efficient manner.

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EMWD is the freshwater, wastewater service and recycled water provider to a 542-square mile area from Moreno Valley southward along the I-215 corridor to Temecula and eastward to Hemet and San Jacinto. Approximately 755,000 people live and work in this area. In addition to its own water customers, EMWD supplements water to six local water agencies and municipalities that have their own water departments. EMWD operates four water reclamation facilities and treats some 46 million gallons of wastewater daily. More information can be found at EMWD's website www.emwd.org.



Securing Your Water Supply

News Release

Contact: Michele McKinney Underwood, External Affairs, 951.571.7239; 951.897.0897 mobile

Western Recognized for Leadership in Energy and Environmental Design Facility receives LEED silver certification from U.S. Green Building Council

RIVERSIDE, CA – June 24, 2011 – Affirming its commitment to sustainable practices and environmental stewardship, Western Municipal Water District has been awarded silver certification by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) program for its John E. Shipley Administration Building at the Operations facility. LEED, the nationally-recognized benchmark for sustainable building, encourages efficient building design, construction and operation with a rating system that evaluates performance from health and environmental perspectives. In seeking LEED certification for its Operations facility, Western was awarded 35 of the 38 points for which it applied. The facility allows the District to manage operations more efficiently and respond more effectively to the needs of its customers, in an environmentally friendly and cost-effective way.

“Employing green building practices makes sense not only from an environmental standpoint; it can also make sense financially,” said Jeff Sims, assistant general manager and chief operating officer of Western. “The modest increase in investment that comes with building to LEED standards can be offset many times over by the reduction in operating expenses over the life cycle of the building.” Western’s history of conservative fiscal practices has made the funding of the new facility possible; the project’s cost was covered by a combination of funds set aside by the District and Water Revenue Bonds Series 2009B.

LEED certification recognizes Western’s new Operations facility – which includes both a 19,000-square-foot administration building and a 12,000-square-foot maintenance building – for a number of sustainable techniques: design innovation, use of reclaimed water for irrigation, utilization of renewable building materials and optimization of energy performance, among others. The Operations Center is located at El Sobrante Road adjacent to the new Cajalco Fire Station, on the site of the small, outdated operations facility that it replaced. Developing the site in partnership with the Riverside County Fire Department enabled cost-sharing and combined savings. Because construction costs are down, the District was able to realize an additional 20 percent savings on construction expenses. The project also brought 38 construction jobs to the local economy.

As energy costs continue to rise, the Operations facility will be positioned for significant savings in the years ahead. “Controlling costs for our customers is one of our most important responsibilities. We are always on the lookout for ways to improve the efficiency of our operations,” said Brenda Dennstedt, president of Western’s Board of Directors. “Investing now in making our facilities as efficient as possible is a case where we can be simultaneously responsible both to our customers and our environment.”

Western Municipal Water District provides water supply, wastewater disposal and water resource management to the public in a safe, reliable, environmentally sensitive and financially responsible manner.

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