



CHINO BASIN WATERMASTER



NOTICE OF MEETING

Thursday, October 20, 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, October 20, 2011

9:00 a.m. – Advisory Committee Meeting

AGENDA PACKAGE



**CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING**

9:00 a.m. – October 20, 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 August 18, 2011 *(Page 1)*
2. Minutes of the Advisory Committee Meeting held September 22, 2011 *(Page 13)*

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2011 *(Page 19)*
2. Watermaster VISA Check Detail for the month of August 2011 *(Page 31)*
3. Combining Schedule for the Period July 1, 2011a through August 31, 2011 *(Page 35)*
4. Treasurer's Report of Financial Affairs for the Period August 1, 2011 through August 31, 2011 *(Page 39)*
5. Budget vs. Actual July 2011 through August 31, 2011 *(Page 43)*

II. BUSINESS ITEMS

A. DEFERMENT OF 2011/2012 ASSESSMENT PACKAGE

Consider Approval for deferring the FY 2011/2012 Annual Assessment to January 2012 *(Page 49)*

B. YEAR 3 PURCHASE OF NON-AGRICULTURAL POOL STORED WATER

Consider Approval of a Special Assessment of the Appropriate Pool in the amount necessary to make payment number 3 from the disposition of water purchased from the Non-Agricultural Pool pursuant to the Peace II Purchase and Sale Agreement *(Page 51)*

C. METROPOLITAN WATER DISTRICT REPLENISHMENT WATER POLICY

D. STATE OF THE BASIN REPORT – WATER QUALITY PRESENTATION (Information Only)

Presentation of the Water Quality Portion of the State of the Basin Report

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. October 28 Hearing
2. Paragraph 31 Appeal

B. WATERMASTER ENGINEERING REPORT

1. Chino Creek Well Field Extensometer Installation Update

C. CEO/STAFF REPORT

1. Recharge (Supplemental Water Purchase/Allocation/Storage Agreements) Update
2. Archibald South Plume Update

D. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update *(Page 61)*
2. Water Softener Initiative *(Page 127)*
3. State and Federal Legislative Reports *(Page 149)*
4. Community Outreach/Public Relations Report *(Page 173)*
5. IEUA Monthly Water Newsletter *(Page 175)*

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

IV. INFORMATION

1. Cash Disbursements for September 2011 *(Page 179)*
2. Newspaper Articles *(Page 191)*

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, October 20, 2011	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, October 20, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, October 20, 2011	11:00 a.m.	Land Subsidence Committee Meeting @ CBWM
Wednesday, October 26, 2011	9:00 a.m.	85/15 Rule Workshop @ CBWM
Thursday, October 27, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, October 27, 2011	2:00 p.m.	2012 Groundwater Model Workshop/Planning Assumptions @ CBWM
Friday, October 28, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court
Thursday, November 10, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, November 10, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, November 10, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, November 17, 2011	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, November 17, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
* Thursday, November 17, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM

* **Note:** Watermaster Board meeting date change due to the Thanksgiving holiday

Meeting Adjourn



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

A. MINUTES

1. Advisory Committee Meeting held on August 18, 2011
2. Advisory Committee Meeting held on September 22, 2011



Draft Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
August 18, 2011

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on August 18, 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
Scott Burton	City of Ontario

Agricultural Pool

Jeff Pierson	Ag Pool – Crops
Bob Feenstra	Ag Pool – Dairy
Pete Hall	Ag Pool – State of California - CIM

Appropriative Pool

Mark Kinsey	Monte Vista Water District
Marty Zvirbulis	Cucamonga Valley Water District
Tom Harder	Jurupa Community Services District
Raul Garibay	City of Pomona
Dave Crosley	City of Chino
Mike Maestas	City of Chino Hills
Mohamed El-Amamy	City of Ontario
J. Arnold Rodriguez	Santa Ana River Water Company
Sheri Rojo	Fontana Water Company
Josh Swift	Fontana Union Water Company
Shaun Stone	City of Upland

BOARD MEMBERS PRESENT WHO SIGNED IN

Bob Kuhn	Three Valleys Municipal Water District
Bob Bowcock	Vulcan Materials Company (Calmat Division)

Watermaster Staff Present

Desi Alvarez	Chief Executive Officer
Joe Joswiak	Chief Financial Officer
Sherri Molino	Recording Secretary

Watermaster Consultants Present

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

Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Curtis Paxton	Chino Desalter Authority
Bob Gluck	City of Ontario
Van Jew	Monte Vista Water District
Justin Scott-Coe	Monte Vista Water District
Tom Love	Inland Empire Utilities Agency
Craig Miller	Inland Empire Utilities Agency
Terry Catlin	Inland Empire Utilities Agency
Ryan Shaw	Inland Empire Utilities Agency
Eunice Ulloa	Chino Basin Water Conservation District

John Bosler
 David DeJesus
 Rick Hansen
 Seth Zielke
 Rick Rees

Cucamonga Valley Water District
 Three Valleys Municipal Water District
 Three Valleys Municipal Water District
 Fontana Union Water Company
 Geomatrix Consultants, Inc.

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

AGENDA - ADDITIONS/REORDER

Mr. Zvirbulis stated he would like to make a recommendation to consider Business Items B and C together for discussion purposes, and for making decisions or recommendations on those items. Also, that the Loan Agreements be looked at individually, and that there be consideration given to considering the Storage Agreements with IEUA and TVMWD separately.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting held July 21, 2011

B. FINANCIAL REPORTS

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

C. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company ("Company") has agreed to purchase from The Nicholson Trust annual production right in the amount of 7,000 acre-feet to satisfy a portion of the Company's anticipated Chino Basin Replenishment obligation for Fiscal Year 2010/2011. Date of Application: June 21, 2011, Date of Notice: July 7, 2011

D. SEMI-ANNUAL STATUS REPORT 2011-1

Motion by El-Amamy, second by Pierson, and by unanimous vote

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

II. BUSINESS ITEMS

A. RESOLUTION 11-05 RESOLUTION TO TAX DEFER MEMBER PAID CONTRIBUTIONS AND RESOLUTION 11-06 RESOLUTION FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS

Mr. Alvarez stated these are two resolutions requested by CalPERS in order to align ourselves with current practice. Mr. Alvarez stated Watermaster makes certain employee compensation contributions that are tax deferred, and CalPERS needs these resolutions for consistency to recognize that these are part of the total compensation package for the employees. Mr. Kinsey stated it is his understanding, based on conversations which took place at the Appropriative Pool meeting, that in 2009 Watermaster staff came to the Watermaster Board indicating that Watermaster's current CalPERS benefit plan was no longer competitive with the majority of the Watermaster member agencies. Mr. Kinsey stated at that time Watermaster moved forward with a plan amendment that modified the retirement plan to 2.5% at 55, subject to the employees picking up that additional program cost which was 3%. It was agreed to by all the employees. Mr. Kinsey asked Mr. Joswiak to correct him if he was wrong and noted it was his understanding the employees have been making that 3% contribution as part of the share of their retirement plan contribution. Mr. Kinsey stated it is his understanding these resolutions not only allow the employees contribution to be made tax exempt, they propose a change that the employee will no longer be making the 3% contribution to their retirement plan, and inquired if

that was correct. Mr. Alvarez stated that is incorrect, these resolutions do not address whether it is 3% or not. Mr. Alvarez stated these resolutions basically recognize the tax deferred contributions that are already being made. A separate item is the issue that was raised, and that is the issue of the 3%, which has nothing to do with these resolutions. These are administrative tasks and for IRS purposes and CalPERS requested they be formally recognized by an adopted resolution. Mr. Kinsey inquired if these resolutions state that Watermaster will pick up the entire employees contribution of 8%. Mr. Alvarez stated he does not believe that is the case. Chair Jeske inquired if the contract with the employees prevails in this matter. Mr. Alvarez stated separate from the contract if you read the resolutions they just recognize that these contributions are being made. Mr. Joswiak further explained the resolution states that Watermaster, as an entity, is providing a payment of 8% and does not address the employee's portion or Watermaster's portion, just that Watermaster will be sending an amount to CalPERS, those amounts will be 8%, and those percentages are tax deferred. Mr. Kinsey inquired if the employees are currently paying the 3%. Mr. Joswiak stated no they are not. Mr. Kinsey inquired when that began. Mr. Joswiak stated July 1, 2011. Mr. Kinsey offered further comment on the discussions and understandings of the resolutions that took place at the Appropriative Pool meeting and noted there needs to be a clear understanding as to exactly what is taking place with these resolutions. Mr. Kinsey stated he recollects this discussion during the budget process that Watermaster was budgeting to fund the employees share. However, it appears no one connected the dots at that time that it constituted a change in employee benefits. Mr. Kinsey stated there has been no action by the Watermaster Board changing their original direction, which is that employees pick up the additional share. Mr. Kuhn stated this was a handshake deal and it was the Watermaster Personnel Committee that made this commitment to the employees two years ago with several Board members and Pool chairs in attendance. Mr. Kuhn stated the CEO at that time stated he would not accept a CPI increase because one was not being given to the employees, and it was agreed to that in two years from then Watermaster would like to do what is being presented here today. Mr. Kuhn stated the Committee at that time accepted that deal, so all that is being done today is keeping that promise which was made two years ago. Chair Jeske stated he recalls that meeting and he recalls the discussion of going to 2.5% if the employees picked it up. However, he believed the deal was just with the CEO and did not recall a revision for the employees that would be revisited in a couple of years. Mr. Kuhn stated it was not to revisit, it was to pick up that cost; a deal is a deal. A discussion regarding this matter ensued. Chair Jeske inquired if the 3% was included in the budget and Mr. Joswiak stated yes, it was. A discussion regarding the health care plans ensued. Mr. Zvirbulis offered comment on this matter and noted this issue was not brought back to the Watermaster Board or validated by any public process. Mr. Crosley offered comment on this matter and noted there seems to be a lot of confusion regarding this item. Mr. Crosley stated with all that is taking place regarding this item, it seems best to put this item off for another month to allow more time for discussions. Mr. Alvarez stated one of the items being presented is a housekeeping matter, and it needs to be addressed and moved forward. Mr. Alvarez stated the second item is a compensation issue and is a valid issue to raise, and staff will start the Personnel Committee process for review. Mr. Alvarez offered final comments regarding this matter. A discussion regarding this matter and how to word the motion ensued. Mr. Joswiak stated these resolutions are due by CalPERS and if they are not submitted in a timely fashion, there is a risk of having Watermaster's retirement fund unraveled. Staff is requesting action today. Chair Jeske asked if the maker of the motion wants to change the original motion and to repeat the motion on the floor. Mr. Crosley stated the motion would be to postpone taking action for a month and in the meantime, have meaningful discussions regarding the other issue that has been raised, and noted the motion stands as presented. A discussion regarding the motion and this matter ensued.

Motion by Crosley, second by Kinsey, and by majority vote

Moved to not pass this item and to review the item for discussion after possible review by the Personnel Committee, as presented

B. LOAN AGREEMENT WITH CHINO BASIN WATER CONSERVATION DISTRICT, CITY OF ONTARIO, AND JURUPA COMMUNITY SERVICES DISTRICT

Chair Jeske stated Items B and C will be discussed together. However, separate motions will be recorded for clarity purposes. Mr. Alvarez stated Watermaster has gone ahead and moved forward with the purchase of approximately 50,000 acre-feet of replenishment water. Mr. Alvarez offered further history regarding the financing options and discussions on this matter. Mr. Alvarez gave the Preemptive Replenishment Program presentation. Mr. Alvarez reviewed the costs of the replenishment water in detail. Mr. Alvarez stated this water will be basically split 50/50 - 50% to the parties that purchased this water previously preemptively and 50% to storage accounts that would be restricted for preemptive replenishment. Mr. Alvarez stated when looking at the Desalter Replenishment and in discussions which took place at the recent workshop, the parties wanted to finance this water through the most cost effective method. The most cost effective alternative would be for Watermaster to take out a loan and then repay that loan through a future assessment. Mr. Alvarez stated another alternative would be that one of the municipals would step forward and purchase the water through a storage account. Mr. Alvarez stated if this water is put into a storage account there will be additional 2% storage losses, which will be put on the water if it is done through a storage account versus Watermaster, on its own behalf, putting the water into the basin. Mr. Alvarez stated the preferred alternative was to take as much water as possible through the Loan Agreements and whatever amount was left over that was not covered financially would be acquired through one of the municipals through a storage account. That storage account then would be called on beginning in 2014 or 2015 for purposes of Desalter Replenishment. Mr. Alvarez stated the items before this Committee today are to seek authorization in moving forward with the Loan Agreements with the Water Conservation District up to \$5M, and possibly a few other parties who have stepped up to loan Watermaster additional funds, which include the City of Ontario and Jurupa Community Services District. Mr. Alvarez stated Three Valleys Municipal Water District (TVMWD) has also offered to loan monies instead of entering into a Storage Agreement with the same terms that the other parties have offered. This will allot for the other 50% of the monies needed. Mr. Alvarez stated whatever water cannot be purchased through the Loan Agreements would then fall into another option through Storage Agreements. Those agreements would have their own set of criteria. Mr. Alvarez noted Inland Empire Utilities Agency (IEUA) has stated they are interested in a Storage Agreement. Mr. Alvarez stated Watermaster is seeking approval from the Advisory Committee and Watermaster Board to enter into a Storage Agreement with IEUA for purposes of acquiring replenishment water that would be used for future Desalter Replenishment. Chair Jeske inquired about the 2% loss factor. Mr. Alvarez stated it is not waiving a 2% loss and noted the 2% loss applies to the water in the Storage Agreements. A discussion regarding the 2% losses and how that applies to the loans ensued. Mr. Alvarez stated the Loan Agreements are straight financial transactions and the storage accounts are not a financial transaction. A discussion regarding financing options and costs ensued. Chair Jeske inquired about paying an agency for their carrying costs and then still allowing them to reap the full future market value. Mr. Alvarez stated he agrees it would be in the best interest of Watermaster to negotiate a fixed price that would cover their costs. A discussion regarding the cost recovery price, market values, and this matter ensued. Mr. Zvirbulis stated Cucamonga Valley Water District (CVWD) opposes the proposal for Watermaster to finance the purchase of this water, solely based on the fact it is poor public policy for an arm of the court to go out and borrow large sums of money to purchase water preemptively under which Watermaster will then, in the future, assess parties. That will, in fact, limit our ability to choose how we meet our replenishment obligation. Mr. Zvirbulis stated he believes this is not the most cost effective alternative, and noted CVWD has been proactive over the years in purchasing the water which was to be used to meet future replenishment obligations. Mr. Zvirbulis stated this is a decision that's being made without any consideration on the impact to the customer at the time these assessments are levied. From CVWD's perspective, we oppose these agreements as they are presented today. Chair Jeske offered comment regarding customers paying the lowest costs possible and noted it is clear the Appropriative Pool has a lot of discussion to carry out. These are just some of the questions that need to be discussed - who gets the water, who pays for the water, how the assessments

are done, if one can substitute other water instead of this water and over how many years does one consume this water, and does that match to the Loan Agreements. Chair Jeske stated if you take the sum total of everyone's storage accounts, parties are going to run out before the end of the Peace Agreement and parties are going to still have to buy water somewhere. Chair Jeske stated there is the issue of flexibility, and there are several other issues which need to be worked out. A discussion regarding comments made on this subject ensued. Mr. Kinsey stated Monte Vista Water District (MVWD) has significant concerns about Watermaster borrowing money to purchase water when there are agencies which appear to be better positioned to take the lead in doing that. Mr. Kinsey offered further comment on the issues the Appropriative Pool is dealing with, including having the right to choose how parties meet their replenishment obligations, which is clearly built into the Peace Agreement. Mr. Kinsey stated there are a whole myriad of issues, including if Watermaster is even permitted to borrow money for an extended period of time. Mr. Kinsey restated what is written in Paragraph 24 of the Watermaster Judgment and then offered further comments on this matter. Mr. Kinsey stated taking Metropolitan Water District (MWD) water by in lieu replenishment is by far the lowest cost option of acquiring water, and then offered further comments on this matter including the potential issues with Hydraulic Control. Mr. Alvarez stated if Watermaster continues with this endeavor, a method needs to be drawn up on how the water is going to be paid for with consensus. A discussion regarding Mr. Kinsey's comments, payment options, and future replenishment issues ensued. Counsel Fife stated the Loan Agreements have a specific repayment schedule where, according to all the documents which were discussed, if water has not been assessed by November of 2014, then a special assessment would be levied. Mr. Alvarez stated there is a formula in place and that formula is identified in Article 6 of the Peace II Agreement for making up the Desalter Replenishment obligations. Ms. Rojo offered comment on Fontana Water Company's (FWC) position, the discussions which took place regarding this matter during the Peace II negotiations, and on what could take place regarding this endeavor in the future. A lengthy discussion regarding Ms. Rojo's comments, possible options, and losses ensued. Chair Jeske stated the question is: do the parties want Watermaster to borrow money with the obligation to repay while not knowing exactly who is going to need the water and what the assessment plan will be to pay for it? Mr. Alvarez stated the water will be used for Desalter Replenishment and is basically being put into the ground to augment the overdraft account. and When Watermaster assesses for the water; it will use the formula in Article 6 of Peace II for Desalter Replenishment. A discussion regarding Mr. Alvarez's comments ensued. Mr. Zvirbulis explained his concerns and noted this approach puts too many restrictions on parties to choose how they meet their future obligation and/or supplemental water supplies. Mr. Zvirbulis stated he wants to hear Inland Empire Utilities Agency's (IEUA) position on this matter. Mr. Love stated IEUA is willing to purchase the replenishment water and put it in the basin to meet future needs. Mr. Love stated Watermaster and IEUA are currently working out the issues on this agreement. Mr. Love stated IEUA's only concern is that there are some assurances that if it is restricted or utilized for a certain purpose that we have assurances that it will be sold for those purposes within a short time frame; in concept we have agreed to 2016 as a possible date. Mr. Love stated in addition that if whatever it is sold for exceeds our costs to acquire and store that water that amount of money will be set aside for investments in the basin during the term through 2016. A discussion regarding Mr. Love's comments ensued. Mr. Garibay stated in many ways the City of Pomona is similar to MVWD and CVWD in that Pomona has various options available for supply, and wants the lowest cost alternative to meet their obligation. Mr. Garibay stated the City of Pomona would want more of an unrestrictive use and offered further comment on IEUA and Three Valleys Municipal Water District's (TVMWD) investment in this endeavor. Mr. El-Amamy stated the City of Ontario also wants flexibility and offered further comment on this matter. Mr. El-Amamy inquired what would happen with regard to IEUA if the water was not purchased by 2016. Mr. Love stated there are certain parameters in the draft Term Sheet that have been agreed to if water is not purchased by 2016, essentially the terms of the Term Sheet expire and that water remains in storage and available for IEUA to meet other needs within the Chino Basin after 2016. Mr. Alvarez offered comment on the default of the agreement and other conditions in the agreement; there is an incentive for Watermaster to comply with the acquisition of that water for Desalter Replenishment purposes. Mr. Alvarez

noted TVMWD is now only interested in doing a Loan Agreement and not a Storage Agreement. Mr. Hansen stated TVMWD is here to help and offered further comment. A discussion regarding the maturity of the loans ensued. Mr. Alvarez stated the Chino Basin Water Conservation District's (CBWCD) board took formal action on the terms of the agreement so that is a done deal. However, with respect to the other parties, there may be flexibility on the dates and that can still be negotiated. Ms. Ulloa stated the CBWCD board is meeting in September and she will approach them with the possibility of the flexibility on the dates. Chair Jeske inquired if that would work time-wise for notifying MWD and the continuance to purchase the water. Mr. Alvarez stated yes, it does, and right now Watermaster needs to have some mechanism in place by September to continue. A discussion regarding the time frame, the possible Loan Agreements and possible Storage Agreements ensued. Mr. Alvarez stated both the Loan Agreement and Storage Agreements need to be put in place today so that staff can move forward and finalize these agreements as they need Board approval. Chair Jeske stated it was noted at the beginning of this item that separate motions would be made for the Loan Agreements and the Storage Agreements. Mr. Zvirbulis stated his suggestion for a motion would be to approve the Loan Agreement with IEUA, subject to negotiating terms that are satisfactory to both IEUA and Watermaster parties, and move forward with the process of them acquiring water and storing it in the basin for future use, whether it be for replenishment or for Desalter Replenishment, to be determined specifically for priorities and so forth. Mr. Zvirbulis suggested a motion on the Storage Agreements be made that would be in lieu of the Loan Agreements, that Watermaster just provide the City of Ontario, Jurupa Community Services District, or other parties the ability to pre-purchase water for replenishment purposes and have that water be subject to existing Storage Agreements. Mr. Zvirbulis stated this keeps it simple; it keeps those who have the money putting it into the pot to pay for the water, and keeps Watermaster out of the borrowing business and it solves a lot of long-term problems. Chair Jeske asked for comments. Mr. Love stated from a timing standpoint as of August 11, 2011 there is 21,000 acre-feet of replenishment water in the ground. A discussion regarding Mr. Zvirbulis' motions ensued. Mr. Kinsey asked that Mr. Zvirbulis re-read his motion. Mr. Zvirbulis stated the motion for Business Item 2B for the Loan Agreements is in lieu of the Loan Agreements that Watermaster provide the City of Ontario, Jurupa Community Services District, or other Watermaster parties the opportunity to pre-purchase water for replenishment purposes subject to existing Storage Agreements. Mr. Zvirbulis offered comment on CVWD asking several months ago to purchase this water, and was told unequivocally they were not allowed to buy it on a pre-purchase basis – CVWD was interested in purchasing this water and are still interested and committed to purchasing this water should this recommendation get supported. Mr. Kinsey inquired if that is the recommendation for the Loan Agreements. Mr. Zvirbulis stated that is his motion and Mr. Kinsey stated he seconds that motion. Mr. Harder stated he needs to take this back to their General Manager and he does not know if that takes Watermaster to the 25,000 acre-feet, which is the Storage Agreement portion of this discussion. Counsel Fife stated it would be helpful to have a time limit so that Watermaster knows whether parties are taking that option. Mr. Alvarez stated the action taken today will be taken to the Watermaster Board next week to get final authorization. Mr. Alvarez stated he needs some clarification on the motion that may be on the table for the other parties that have indicated an interest in helping with the financing of the purchase of this water and that they have available to them in a storage account, and inquired if that is correct that it would be the same storage account that is on the table now for preemptive Replenishment for the Desalters. Chair Jeske stated he has heard that parties said no that and they just want to put it in their existing storage accounts without limits on what the supplemental water could be used for. Mr. Alvarez offered further comments on the presented Storage Agreements. A discussion regarding the motions and storage accounts ensued. Mr. Alvarez stated all discussions and motions previously made have been for the purpose of replenishment for the Desalter and that has already been set in motion. Mr. Alvarez offered further comment on the discussions. Chair Jeske stated there is already a motion and a second made, and the Chair wants to make sure it accurately reflects the option that is consistent with the notice, the waiver of notice, and consistent with what the parties are willing to do. Mr. Zvirbulis stated as the maker of the motion, he recommends that Watermaster provide the opportunities for the City of Ontario, Jurupa Community Services

District, or other parties to pre-purchase, for purposes of future Desalter Replenishment, water that is currently available subject to existing storage agreements. Mr. Kinsey seconded the motion again. Mr. Zvirbulis stated this motion is for Business Item B. only. Ms. Ulloa stated she needs clarification because CBWCD does not want to purchase water and does not want to be in the water business; the CBWCD board only approved a loan. Ms. Ulloa inquired if the motion made would then cancel any opportunity for Watermaster to avail themselves of the \$5M dollars. Mr. Zvirbulis stated his desire would be that Watermaster doesn't borrow money to purchase this water. Ms. Ulloa stated if this motion passes, she will take it back to her board that Watermaster is no longer interested in CBWCD's assistance. Chair Jeske stated that is not correct because the Watermaster Board has not taken an action on this; however, if it passes by an 80% vote or even a majority vote and the Board agrees, it ends the Loan Agreement but it does not end the purchase of water through Storage Agreements. Ms. Ulloa offered further comment on this matter and noted this motion takes away any ability for the Conservation District to help. Mr. Crosley asked for clarification that if this motion passes and if the parties opt to purchase water now and put it in their storage account, it seems then that water is subject to losses, and it does sound like the original idea which was a special assessment, with the only difference being, that its now with the discretion of each of the parties rather than the discretion of Watermaster as a whole. Mr. Zvirbulis stated Mr. Crosley was correct. Ms. Rojo offered her concerns with this direction and noted it does seem like we are moving backwards. A lengthy discussion regarding this matter ensued. Ms. Rojo stated the loans are a better cost option for our constituents who need the water. Mr. Garibay offered comment on agencies purchasing the full amount of the water and on the flexibility of the payment terms as sort of a hybrid option. Mr. Crosley stated Mr. Garibay's comments do suggest a deadline is needed; a date that Watermaster staff needs to hear back from the parties about what they are going to opt to do should this motion made move forward. Mr. Crosley noted his question regarding losses has not been addressed. Chair Jeske stated Watermaster staff should hear back well in advance of the Conservation District's board meeting and the motion to approve some agreement doesn't take the loans off the table forever, it just does not approve them today if he is understanding the motions correctly. Mr. Zvirbulis stated what he is suggesting is in lieu of any loans. Chair Jeske stated then that is the motion. Mr. El-Amamy stated there still needs to be a deadline. Mr. Zvirbulis stated the end of the month is sufficient time. Mr. Alvarez stated staff needs something for the Board to approve next week; if the Storage Agreements are the way to go then approve the Storage Agreement and give staff the terms of what the parties want to see. Chair Jeske stated the Storage Agreements will be next and this motion is for the loans. Mr. Kinsey stated there is no action on the loans. Mr. Alvarez stated for his clarification this action is to make the Storage Agreements available to all the parties and that the water is going to be in storage for future Desalter Replenishment. Chair Jeske stated that was the motion. Ms. Rojo inquired if she could make a different motion now or does she need to wait and Chair Jeske stated the vote needs to be taken for the motion and second that has been given unless the maker of the motion wants to amend it. Chair Jeske stated the motion was, in lieu of the Loan Agreements to offer the water through Storage Agreements to all of the parties for purposes of Desalter Replenishment. Ms. Rojo stated she will be making a motion after this provided it has the opportunity that staff's recommendations are accepted for the loan conditions as well. Mr. Crosley stated Mr. Zvirbulis indicated that early in this process agencies offered to purchase this water but were told they could not; if the Loan Agreements do get approved, could a party step forward and purchase water and put that water in their storage account – are they precluded from doing that? Mr. Alvarez stated up to this point that was not an option on the table; the option that the Advisory Committee is considering now is that the parties all be afforded Storage Agreements for future Desalter Replenishment. Mr. Alvarez stated the option will be that individual parties can step forward and enter into a Storage Agreement for future Desalter obligation today as opposed to not doing it at all. Chair Jeske stated that was essentially the motion; it had that restriction in it and those have been approved on a one-by-one basis, such as the ones for Fontana Water Company and Niagara Bottling Company and it was determined to reserve the rest of the water for Desalter Replenishment and that is what the motion is all about; if it passes Watermaster staff is obligated to follow up on that. Mr. El-Amamy inquired if the City of Ontario purchases 5,000 acre-feet, will IEUA be

willing to purchase the remainder 19,000 acre-feet. Mr. Love stated yes and that timing is of the essence. Mr. Kinsey stated MVWD is planning on doing in lieu replenishment which doesn't require the Storage Agreement process but accomplishes the same goal by putting additional water into its carry over storage account which could be used for Desalter Replenishment; the actual amount of water is going to be less than 19,000 acre-feet. Mr. El-Amamy stated he wants to make sure Watermaster has a flexibility to acquire the water. Ms. Rojo offered her concerns over the potential motion. Mr. Crosley inquired after action is taken on the motion, is idea of first come, first served the idea that we are going to operate under. Mr. Alvarez stated it is not Watermaster's intent nor would it be wise policy to let one party come in and purchase all of the water; what will be done is to go ahead and make sure all of the parties that want to avail themselves of it and then on kind of a pro-rata basis, make sure that everybody gets an opportunity to do that, so that no one party is favored at the expense of all. Mr. Alvarez offered further comment on this matter. A discussion regarding the possibility of having to pay ensued. Mr. Bowcock stated what was brought before us by the executive officer was there was 50,000 acre-feet of water and that 25,000 acre-feet was allowed to be bid on, on a first come, first served basis for bidding, but if had been oversubscribed it would be allocated out based on your percentage and Fontana Water Company stepped up to the plate and purchased 20,000 acre-feet and then Niagara Bottling Company stepped up and purchased 6,000 acre-feet which was a little over and that was alright because Watermaster was fishing for more money because no one else stepped up. Mr. Bowcock stated the other 25,000 acre-feet was for the Desalter Program and that is what Watermaster has approved and the parties are now completely changing what the parameters of what Watermaster has already approved; if the loan program is off the table now, the Watermaster Board will deal with that next week at its meeting. Mr. Bowcock offered further comment on this matter. Chair Jeske stated the motion he heard restricts it to Desalter Replenishment and if the two parties think it's something different the Chair wants to make sure the minutes are clear what the motion was. Mr. Zvirbulis stated this is not a water grab, this is a one-time purchase of water and there were parameters established on how this water would be used but the whole process of financing it has really been the issue all along. Mr. Zvirbulis offered further comment on this matter and noted the purpose is to not have Watermaster borrow money. Chair Jeske stated it appears there is need, particularly in the Appropriative Pool, in putting together a small working committee to identify a process in the future for the next time water is available. Counsel Fife stated given the length of this discussion could there be a restatement of motion before the vote. Mr. Zvirbulis stated for Watermaster to provide the opportunity for the City of Ontario, Jurupa Community Services District, or other parties to pre-purchase available water for Desalter Replenishment purposes subject to existing Storage Agreements. Mr. Kinsey acknowledged his second to the motion. Mr. Alvarez inquired if it is the Storage Agreements that are being presented in the meeting package. Mr. Zvirbulis stated no, it is subject to existing Storage Agreements that the parties already have or hold within the basin. Mr. Alvarez inquired about the parties not having an agreement. Mr. Zvirbulis stated then they wouldn't be able to purchase the water and store it. Mr. El-Amamy inquired if that does not exclude the action on Business Item C. and Mr. Zvirbulis stated this does not exclude the ones that are in the process or the ones before us now. A discussion regarding this matter ensued. Mr. Alvarez stated it would simplify things to just say, subject to a Storage Agreement, because there is a template agreement vehicle before you today. Mr. Zvirbulis stated that is a separate issue and there is probably discussion that needs to occur related to that agreement. Mr. Zvirbulis offered further comment on this matter.

Note: A volume vote was not asked for on this item.

Motion by Zvirbulis, second by Kinsey, and by majority vote 7 to 5 – Pierson, Rojo, Swift, Tock, and Jeske voted no

Moved to approve for Watermaster to provide the opportunity for City of Ontario, Jurupa Community Services District, or other parties to pre-purchase available water for Desalter Replenishment purposes subject to existing storage agreements, as presented

C. STORAGE AGREEMENT WITH INLAND EMPIRE UTILITIES AGENCY AND THREE VALLEYS MUNICIPAL WATER DISTRICT

Chair Jeske stated this item deals with the Storage Agreements with IEUA and TVMWD and he noted it was his understanding that the IEUA Agreement is the one on the table now and inquired if further discussion is needed on this item. Mr. Alvarez stated this item will be with IEUA and other parties. Mr. Alvarez stated there is an outline of a Storage Agreement being presented for approval and also authorizing Watermaster to enter into it with IEUA or other parties. Mr. Alvarez offered further comment regarding the Storage Agreement. Mr. Crosley stated he would like to acknowledge the Chino Basin Water Conservation District's offer of assistance; it did appear that Watermaster would have need for some kind of financial assistance and perhaps now we don't, which is a good thing, if the help is really not needed. Mr. Crosley stated it is hard to choose a potentially more expensive option to purchase the remainder of the water that may be available rather than a Loan Agreement based on the information presented. Mr. Kinsey stated he also appreciates the CBWCD's offer and gave further comment on the loan process matter. Mr. Kinsey encouraged Ms. Ulloa to go back to her board and encourage them to purchase the water. Ms. Ulloa offered commentary regarding Mr. Kinsey's comments including the 2% loss on the water if CBWCD went in that direction. A discussion regarding a loss free storage ensued. Chair Jeske stated a potential motion would be to authorize the agreement with IEUA and/or other parties subject to the parameters in the draft. Mr. Kinsey stated if IEUA was comfortable with those terms then he would make that motion and Mr. Zvirbulis seconded the motion. Mr. Garibay asked for clarification on this motion with regard to the other motion that was made on the previous item. Chair Jeske stated this is not for a Loan Agreement; it authorizes Storage Agreements with IEUA and other parties for the purposes of Desalter Replenishment. Chair Jeske stated if the 50,000 acre-feet goal is not met and nobody can agree on a loan, then Watermaster does not end up purchasing all the available water. Mr. Kinsey offered further comments regarding Mr. Garibay's comments and on the two avenues of Desalter Replenishment. Chair Jeske stated he agrees with Mr. Kinsey's comments and noted with the closeness of the recent vote, discussions, and different interests, maybe he could including in his motion forming a committee quickly to work on the parameters to go beyond the amount of water that is being discussed on this purchase, unless it is to be left open-ended. A lengthy discussion regarding this matter, Desalter Replenishment, and the potential amended motion ensued. Mr. Crosley stated what really distinguishes this motion from the motion that the parties just took action on, is that the previous motion gives parties with an existing Storage Agreement an ability to go out and pre-purchase this water; this motion now includes the approval of a Storage Agreement for parties that do not presently have one. Mr. Bowcock stated the executive officer asked for a template approval of a Storage Agreement period; just keep it simple. Mr. Kinsey stated he moved staff recommendation. Chair Jeske stated it was for IEUA and other parties, instead of IEUA and TVMWD that was the change. Mr. Hanson stated TVMWD is still in it and still wants to help out; however, the terms and conditions that are on the table right now are going to make it not possible for TVMWD to participate. Chair Jeske asked for any further comments or questions and then called for the questions.

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

Moved to authorize storage agreements for the Desalter Replenishment water with IEUA and other parties subject to the final number of acre-feet and the final word editing, as presented

Added Comment:

A discussion regarding if Business Item B. was a volume vote or not ensued, and it was noted a volume vote was not called for; however, if a volume vote was called for, the item would not have passed and would have failed. Ms. Rojo inquired how this item will be brought forward to the Watermaster Board. Chair Jeske stated that nobody asked for a volume vote and it is being brought forward on majority vote. Mr. Alvarez stated it will go the Board with a majority vote with the explanation that if it was a volume vote, the motion would have failed. Mr. Zvirbulis stated a volume

vote was not even asked for so why is this even part of the record. Mr. Alvarez stated because the issue has been raised. A lengthy discussion regarding this matter ensued. Mr. Alvarez stated the Board will be notified it was a majority vote with an explanation.

III. REPORTS/UPDATES

A. **WATERMASTER GENERAL LEGAL COUNSEL REPORT**

1. September 30, 2011 Hearing

Counsel Fife stated the September 30th hearing, after speaking with the Pools that hearing is going to be moved out to give people more time to review the pleadings that will be filling for that hearing.

2. Restated Judgment

Counsel Fife stated items have been posted regarding this item on the Watermaster ftp site and no comments have been received. Counsel Fife stated Watermaster will organize some sort of meeting or conference call to make sure all parties have submitted any changes and/or concerns and if none are heard then that will be part of the pleading that is submitted for this hearing to whatever date that is scheduled.

B. **CEO/STAFF REPORT**

1. Recharge Update

Mr. Alvarez stated 21,000 acre-feet of replenishment water has been recharged to date.

2. Water Activity Reports (WAR) Reminder

Mr. Alvarez reminded the parties that have not turned in their Water Activity Reports to please do so as soon as possible.

C. **INLAND EMPIRE UTILITIES AGENCY**

1. MWD Update

No comment was made on this item.

2. State and Federal Legislative Reports

No comment was made on this item.

3. Community Outreach/Public Relations Report

No comment was made on this item.

4. IEUA Monthly Water Newsletter

No comment was made on this item.

D. **OTHER METROPOLITAN MEMBER AGENCY REPORTS**

Mr. Hansen stated in the first two and a half months of the Replenishment Program being made available, MWD member agencies have taken 125,000 acre-feet of water. Mr. Hansen offered further comment on replenishment water provided by MWD and noted it appears the 225,000 acre-feet is going to be met by the end of October. Mr. Hansen encouraged the parties to get in as much water in the ground as they can before the 225,000 acre-feet which was made available is met. Mr. Hansen also encouraged the In Lieu Program to get as much water as possible into the Chino Basin. A discussion regarding this matter ensued.

IV. INFORMATION

1. Cash Disbursements for July 2011

No comment was made.

2. Newspaper Articles

No comment was made.

V. POOL MEMBER COMMENTS

No comment was made.

VI. OTHER BUSINESS

No comment was made.

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, 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
Thursday, September 8, 2011	9:00 a.m.	Appropriative Pool Meeting @ CBWM
Thursday, September 8, 2011	11:00 a.m.	Non-Agricultural Pool Conference Call Meeting
Thursday, September 8, 2011	1:00 p.m.	Agricultural Pool Meeting @ CBWM
Thursday, September 15, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, September 15, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, September 15, 2011	10:30 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, September 22, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Friday, September 30, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court

The Advisory Committee meeting was dismissed by Chair Jeske at 11:30 a.m.

Secretary: _____

Minutes Approved: _____

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CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING
September 15, 2011

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on September 15, 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
Scott Burton	City of Ontario

Agricultural Pool

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

Appropriative Pool

Mark Kinsey	Monte Vista Water District
Jo Lynne Russo-Pereyra	Cucamonga Valley Water District
Raul Garibay	City of Pomona
Dave Crosley	City of Chino
Bill Kruger	City of Chino Hills
Charles Moorrees	Santa Antonio Water Company
Mohamed El-Amamy	City of Ontario
Ben Lewis	Golden State Water Company
J. Arnold Rodriguez	Santa Ana River Water Company
Robert Young	Fontana Water Company
Josh Swift	Fontana Union Water Company
Rosemary Hoerning	City of Upland

BOARD MEMBERS PRESENT WHO SIGNED IN

Bob Kuhn	Three Valleys Municipal Water District
Bob Bowcock	Vulcan Materials Company (Calmat Division)

Watermaster Staff Present

Desi Alvarez	Chief Executive Officer
Danielle Maurizio	Senior Engineer
Gerald Greene	Senior Environmental Engineer
Joe Joswiak	Chief Financial Officer
Janine Wilson	Recording Secretary

Watermaster Consultants Present

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

Others Present Who Signed In

Tom Harder	Jurupa Community Services District
Curtis Paxton	Chino Desalter Authority
Brian Dickinson	Chino Desalter Authority
Jack Safely	Western Municipal Water District
Van Jew	Monte Vista Water District

Justin Scott-Coe
 Tom Love
 Craig Miller
 Terry Catlin
 Ryan Shaw
 Bob Gluck
 Ron Craig
 Eunice Ulloa
 Rick Hansen
 David DeJesus
 Sheri Rojo
 Seth Zielke

Monte Vista Water District
 Inland Empire Utilities Agency
 Inland Empire Utilities Agency
 Inland Empire Utilities Agency
 Inland Empire Utilities Agency
 City of Ontario
 City of Chino Hills
 Chino Basin Water Conservation District
 Three Valleys Municipal Water District
 Three Valleys Municipal Water District
 Fontana Water Company
 Fontana Union Water Company

Chair Jeske called the Advisory Committee meeting to order at 9:03 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES – *Deferred until October*

1. Minutes of the Advisory Committee Meeting held August 18, 2011

B. FINANCIAL REPORTS

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

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

Moved to approve Consent Calendar item B, as presented

II. BUSINESS ITEMS

A. APPLICATION OF THE 85/15 RULE (For Information and Discussion)

Mr. Alvarez stated this is an item which is being brought back for discussion. Mr. Alvarez stated a presentation on this item was given at the Pool meetings last week; it can be given again today if this Committee desires. Mr. Alvarez stated he has contacted several parties and a notice will be sent out today regarding the 85/15 Rule Workshop which has been scheduled for September 20, 2011 at 9:00 a.m. This was requested by the Appropriative Pool members. Chair Jeske stated the workshop is scheduled for next Tuesday and background information is provided in the meeting packet for review, and inquired if there were any comments with this regard. Mr. El-Amamy stated he was prepared to make several comments today. However, he will defer most of those until the workshop. Mr. El-Amamy stated he brought up this issue a few months ago to understand the rule, and see that it is applied correctly and consistently; the staff report covers most of this request. Mr. El-Amamy stated it was also asked that staff go back four or five years and list all the transactions, including whether or not that transaction received the 85/15 Rule credit, and also to list whether or not the agency was eligible for the 85/15 Rule credit. The table provided today was incomplete and did not include all that was requested. Mr. El-Amamy stated that he had his staff redo the list which gives a better outline of what has transpired and clearly shows inconsistency as to how Watermaster has been applying the 85/15 Rule over the last few years. Mr. El-Amamy offered further comment regarding this matter. Mr. Alvarez stated there will be an updated table which reflects all of the transfers at the upcoming workshop. Chair Jeske stated the 85/15 Rule only applies to certain members of the Appropriative Pool and does not apply to the other two Pools. Chair Jeske offered comment on the "go back period" which was established a few years ago and that should be looked up so that everyone is on the same page with that regard. A discussion regarding Mr. El-Amamy's

comments ensued. Mr. Kinsey asked that the updated tables be made available prior to the workshop. Mr. Kinsey asked that the four year go-back history be included in the provided documents because he is not sure if that was a written policy or just an agreed upon practice. Mr. Kinsey stated the Appropriative Pool is more than willing to sit down and discuss how the Pool wants to approach the 85/15 Rule application. Mr. Kinsey offered further comment regarding this matter. Mr. Kinsey asked that as many documents as possible that are going to be handed out at the workshop, be sent out prior so parties can have ample opportunity for review. Mr. Alvarez stated it is possible that some of the documents will be ready as early as tomorrow and they will be sent out prior to the workshop. Mr. Alvarez stated staff is in the process of preparing the Assessment Package so if this matter is going to impact that, then resolution of this needs to be done sooner rather than later. Mr. Alvarez stated Watermaster's intent, as stated last week when this was presented, is staff was not intending to go back and was just presenting clarification of how the rule would be applied on go forward basis. Chair Jeske stated at the last Watermaster Board meeting, general counsel was involved in a discussion on pre-purchase for desalter water and outlined a methodology that may set up a separate accounting, and suggested at the workshop a discussion take place on looking at ways to handle replenishment for the desalter in light of the 85/15 Rule for the losses. Ms. Hoerning inquired if the workshop could be moved time to 8:30 a.m. instead of 9:00 a.m. and it was noted by staff, the time change would be fine. Chair Jeske noted the workshop is open to all Watermaster parties.

B. PRESENTATION ON THE STATE OF THE BASIN REPORT (For Information Only)

Mr. Alvarez noted this presentation has been given at all the Pool meetings and inquired if this committee wanted to defer it. Mr. Malone noted the presentation will be given in full by Mr. Wildermuth at the Watermaster Board meeting next week. There were no further comments or questions.

C. GROUNDWATER MODEL UPDATE (For Information Only)

Mr. Malone stated Mr. Wildermuth had given him a short message to relay to the Advisory Committee since he was unable to attend today. Mr. Malone stated Wildermuth Environmental has received a lot of good data and are currently updating the geometry of the model; a lot of new well data has come in from the agencies. Mr. Malone stated the model is in the process of being recalibrated and at next month's October meetings Mr. Wildermuth will be making a presentation on the groundwater production projections and associated replenishment. Mr. Malone stated if any party has any questions or comments to email those Mr. Alvarez first and he will then forward them to Mr. Wildermuth. Mr. Garibay inquired if the data needs to go through Mr. Alvarez and Mr. Malone noted only questions on the projections that are being developed need to go through that route.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Next hearing Schedule and Preparation

Counsel Fife stated the next court hearing is scheduled for October 28, 2011 at 10:30 a.m. The main subject of that hearing will be the approval of the CDA Resolution. Counsel Fife stated counsel has been developing all the pleadings, declarations and testimony, and has been working with all the CDA parties on those items. Counsel Fife stated it is expected to have a copy of the motion that Watermaster will be filing available for review next week at the Watermaster Board meeting. Counsel Fife stated the motion and all supporting documents will be filed shortly after that. The deadline to make the October 28th hearing would be in the first week of October. Chair Jeske stated there have been actions, by at least the Non-Agricultural Pool, regarding some unclear actions and Pool placement such as General Electric, and inquired if those were going to go forward as well. Counsel Fife stated yes. The main event for October 28th will be the CDA Resolution, and other items will be the filing of the Annual Report and filing of the most recent Status Report. Counsel Fife commented on General Electric (GE) who was originally placed into the Appropriative Pool and then at some point in history migrated over to the Non-Agricultural Pool. This needs to

be cleaned up and made sure GE is appropriately put in the Non-Agricultural Pool. Counsel Fife stated the Restated Judgment will also be presented to the court.

2. Restated Judgment Process

Counsel Fife stated the Restated Judgment was divided up into a few phases. The first one was to simply produce a copy of the Judgment that incorporated the approved amendments and make no other changes. That has been done and distributed and posted on the Watermaster ftp site for a few months now. A few comments were received about typographical errors and it appears all the parties are fine with that document and that will be presented to the court at the October 28th hearing. Counsel Fife stated the second and third phases which have been discussed at length are still to come and still to be decided on how to move forward on those. Mr. Kinsey stated he is not sure where parties are at on the characterization of moving forward with phases two and three. Counsel Fife stated it seems like phase one is done, and now it is a question as what to do from here. Mr. Kinsey offered comment on doing the other phases with regard to the parties and the court. Mr. Pierson inquired if an updated Agricultural Pool listing of the current participants in the Judgment is going to be provided. Counsel Fife stated that is a good question. If that needs to be teed up for this hearing some legal research is being done on whether counsel/staff needs to go as far as originally proposed, because there is a Successor and Interest clause in the Judgment. Counsel Fife stated some other legal counselors have made some suggestions to that effect. Counsel Fife stated all the work that has been developed to figure out who those agricultural parties are and update Watermaster's database is still important because we all need to know who those people are, including having mailing addresses for them. Counsel Fife stated there may be a more streamlined procedure with the court.

Mr. Garibay inquired if legal counsel had a generic status on what is happening with the Paragraph 31 Motion. Counsel Fife stated the Paragraph 31 Motion is on appeal and the Non-Agricultural Pool was given an extension to file their reply briefs until September 21, 2011. Counsel Fife stated after that time, the Appeal Court will look at the pleadings and noted there have been instances when the court has a unanimous decision where they will put out a tentative and indicate that they don't need to have a hearing. A tentative order may be seen if the court is unanimous in their opinion of the outcome.

B. CEO/STAFF REPORT

1. Recharge Update

Mr. Alvarez stated this item is regarding the replenishment water, which is ongoing, and there has been 29,000 acre-feet recharged. Metropolitan Water District (MWD) is projecting that water will be exhausted by the end of this month. If recharge continues at the current rate it is anticipated to have 34,000 acre-feet recharged, which will be approximately 68-78% of the anticipated 50,000 acre-feet. Mr. Alvarez offered comment on the history of this item. Mr. Alvarez stated Watermaster staff is finalizing the Replenishment Agreements for the acquisition of the water that is above the 26,000 acre-feet. Mr. Alvarez stated the Replenishment Agreements are what's been developed per the direction of the Watermaster Board as a substitute for the Storage Agreements through the use of the Replenishment Agreement. Watermaster will not be assigning a loss factor to the water which is a significant savings. Mr. Alvarez stated the status of the those Replenishment Agreements is that they are drafted and staff is finalizing some language changes with Inland Empire Utilities Agency and several other Appropriators that are entering into the Replenishment Agreements. Mr. Alvarez stated Watermaster will be covered for the remainder of the water that is going to be delivered through the end of this month and there may be some additional water that will extend through October. A discussion regarding any additional water being offered by MWD ensued.

2. GE Injection Wells

Mr. Alvarez stated the City of Ontario and General Electric has come to an agreement on the impact of these wells and an application will be moving through in the November time frame.

C. INLAND EMPIRE UTILITIES AGENCY1. MWD Update

Mr. Love stated it is very unlikely MWD will increase the replenishment water amount from the 225,000 acre-feet as he was at the MWD board meeting was earlier this week and they did not take any action on that matter. Mr. Love stated the replenishment program, as a whole, is under review and the MWD board has asked their staff to come back to them with a revised program by the end of the year. Mr. Love offered further comment with this regard. Mr. Love stated IEUA is concerned that there is not a Storage Agreement in place nor are there funds necessarily available or secured to purchase this water. Mr. Kinsey asked what the outstanding issues are. Mr. Love stated, from IEUA's standpoint, IEUA has a draft Preemptive Replenishment Agreement; although there are still a few issues. Mr. Love stated if IEUA purchases this water, IEUA wants a certain time it will be purchased. Mr. Love stated IEUA is willing to agree that it is designated for the desalter replenishment obligation for a period of time and in the draft Storage Agreement it was stated that by 2016 if it is not utilized or purchased for the desalter replenishment obligation, IEUA needs latitude to be able to make it available for other purposes, so that time frame is important. Mr. Love stated with regard to the financing, IEUA is comfortable with the financing terms, LAIF plus 1.5%, but IEUA is concerned with the flexibility of using funds for that. IEUA has been considering moving some of their LAIF money into more long-term investments to get a better rate of return, and IEUA is going to give up that flexibility if they secure this water. Mr. Love stated IEUA feels it is important that the water remains in IEUA's name or that there is an asset associated with the purchase of this water. Mr. Kinsey stated the last Watermaster Board meeting was very confusing as to what the actual direction of the terms of the storage deal were, which can't be called storage because of storage losses. Mr. Kinsey offered further comment regarding this issue and cost. A discussion regarding this matter and a possible agreement with IEUA and storage losses ensued. Mr. Alvarez stated all the parties agree the terms will be LAIF plus 1.5%. Mr. Alvarez stated with regard to the terms of usage, the anticipated time of usage is 2016 and noted language is still being worked on regarding terms and the matters discussed today. Mr. Catlin acknowledged there is an urgency that IEUA receive some sort of formal funding agreement for them to move forward. A discussion regarding this matter ensued.

2. State and Federal Legislative Reports

No comment was made on this item.

3. Community Outreach/Public Relations Report

No comment was made on this item.

4. IEUA Monthly Water Newsletter

No comment was made on this item.

E. OTHER METROPOLITAN MEMBER AGENCY REPORTS

Mr. DeJesus stated next month there is going to be a tour of northern California and there are several seats left for this two day tour; if any party is interested to please call Rick Hanson know as soon as possible.

IV. INFORMATION1. Cash Disbursements for August 2011

No comment was made.

2. Newspaper Articles

No comment was made.

V. POOL MEMBER COMMENTS

No comment was made.

VI. OTHER BUSINESS

No comment was made.

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, September 15, 2011	8:00 a.m.	IEUA Dry Year Yield Meeting @ CBWM
Thursday, September 15, 2011	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, September 15, 2011	10:30 a.m.	Land Subsidence Committee Meeting @ CBWM
Thursday, September 22, 2011	11:00 a.m.	Watermaster Board Meeting @ CBWM
Tuesday, September 27, 2011	9:00 a.m.	GRCC Meeting @ CBWM
* Friday, October 28, 2011	10:30 a.m.	Watermaster Court Hearing @ Chino Court

*** Note:** The court hearing has changed from September 30, 2011 to **October 28, 2011**

The Advisory Committee meeting was dismissed by Chair Jeske at 9:45 a.m.

Secretary: _____

Minutes Approved: _____



CHINO BASIN WATERMASTER

I. CONSENT CALENDAR

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2011
2. Watermaster VISA Check Detail for the month of August 2011
3. Combining Schedule for the Period July 1, 2011 through August 31, 2011
4. Treasurer's Report of Financial Affairs for the Period August 1, 2011 through August 31, 2011
5. Budget vs. Actual July 2011 through August 31, 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: October 20, 2011
TO: Committee Members
SUBJECT: Cash Disbursement Report – Financial Report B1

SUMMARY

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

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

Fiscal Impact – Funds disbursed were included in the FY 2011-2012 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 August 2011 were \$3,486,045.43. The most significant expenditures during the month were to Inland Empire Utilities Agency in the amounts of \$2,289,733.18 and \$556,431.00 (check number 15292 dated August 2, 2011 and check number 15321 dated August 9, 2011) and Wildermuth Environmental, Inc. in the amount of \$267,950.10 (check number 15342 dated August 12, 2011).

Actions:

October 13, 2011 Appropriative Pool – Approved unanimously
October 13, 2011 Non-Agricultural Pool – Receive and file without approval
October 13, 2011 Agricultural Pool – Approved unanimously
October 20, 2011 Advisory Committee –
October 27, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
 Cash Disbursements For The Month of
 August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/02/2011	15292	INLAND EMPIRE UTILITIES AGENCY	90008049	1012 - Bank of America Gen'l Ckg	
Bill	06/30/2011	90008049		90008049	8456 - IEUA Readiness To Serve	387.18
				90008049	5011.6 - MWD Replenishment-Direct Water	2,190,298.26
				Injection-WFA	1420 - Prepaid Injected Water Purchase	99,037.74
TOTAL						2,289,733.18
Bill	08/02/2011	15293	ACWA SERVICES CORPORATION	00198	1012 - Bank of America Gen'l Ckg	
Bill	07/29/2011	00198		Prepayment - August 2011	1409 - Prepaid Life, BAD&D & LTD	116.12
				July 2011	60191 - Life & Disab.Ins Benefits	118.96
TOTAL						235.08
Bill	08/02/2011	15294	DE BOOM, NATHAN	AG Pool Member Meeting Compensation	1012 - Bank of America Gen'l Ckg	
Bill	07/14/2011	7/14 Ag Pool Meeting		7/14/11 Ag Pool Meeting	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill	08/02/2011	15295	DURRINGTON, GLEN	AG POOL MEMBER COMPENSATION	1012 - Bank of America Gen'l Ckg	
Bill	07/14/2011	7/14 Ag Pool Mtg		7/14/11 Ag Pool Meeting	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill	08/02/2011	15296	FEENSTRA, BOB	7/07/11 Restated Judgment Meeting	1012 - Bank of America Gen'l Ckg	
Bill	07/07/2011	7/07 Restated Judgment		7/07/11 Restated Judgment Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	07/08/2011	7/08 Admin Mtg		7/08/11 Administrative Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	07/14/2011	7/14 Ag Pool Mtg		7/14/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	07/21/2011	7/21 Advisory Comm		7/21/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
Bill	07/27/2011	7/28/11 Board Mtg		7/28/11 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						625.00
Bill	08/02/2011	15297	HALL, PETE*	7/14/11 Ag Pool Meeting	1012 - Bank of America Gen'l Ckg	
Bill	07/14/2011	7/14 Ag Pool Mtg		7/14/11 Ag Pool Meeting	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
Bill	07/21/2011	7/21 Advisory Comm		7/21/11 Advisory Committee Meeting	8411 - Compensation	25.00
Bill	07/28/2011	7/28 Board Mtg		7/28/11 Board Meeting	8470 - Ag Meeting Attend -Special	100.00
				AG Pool Member Meeting Compensation	8411 - Compensation	25.00
TOTAL						375.00
Bill	08/02/2011	15298	HUITSING, JOHN	AG Pool Member Compensation	1012 - Bank of America Gen'l Ckg	
Bill	07/14/2011	7/14 Ag Pool Mtg		7/14/2011 Ag Pool Meeting	8411 - Compensation	25.00
				AG Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/02/2011	15299	KOOPMAN, GENE	7/09/11 Administrative Meeting	1012 - Bank of America Gen'l Ckg	25.00
Bill	07/09/2011	7/08 Admin Mtg		AG Pool Member Meeting Compensation	8411 - Compensation	100.00
Bill	07/14/2011	7/14 Ag Pool Mtg		7/14/11 Ag Pool Meeting	8411 - Compensation	25.00
				AG Pool Member Meeting Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						250.00
Bill	08/02/2011	15300	PIERSON, JEFFREY	7/07/11 Restated Judgment Meeting	1012 - Bank of America Gen'l Ckg	25.00
Bill	07/07/2011	7/07 Restated Judgm		7/07/11 Restated Judgment Meeting	8411 - Compensation	100.00
Bill	07/14/2011	7/14 Ag Pool Mtg		7/14/11 Ag Pool Meeting	8411 - Compensation	25.00
Bill	07/21/2011	7/21 Advisory Comm		7/14/11 Ag Pool Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	07/28/2011	7/28 Board Mtg		7/21/11 Advisory Committee Meeting	8411 - Compensation	25.00
Bill	07/28/2011	7/28 Board Mtg		7/21/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	100.00
Bill	07/28/2011	7/28 Board Mtg		7/28/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						500.00
Bill	08/02/2011	15301	BOWCOCK, ROBERT	7/05/11 Financing Workshop	1012 - Bank of America Gen'l Ckg	125.00
Bill	07/05/2011	7/05 Finance Wkshp		7/13/11 S. Ontario Plume Meeting	6311 - Board Member Compensation	125.00
Bill	07/13/2011	S. Ont Plume Mtg		7/28/11 Board Meeting	6311 - Board Member Compensation	125.00
Bill	07/28/2011	7/28 Board Mtg				375.00
TOTAL						125.00
Bill	08/02/2011	15302	ELIE, STEVEN	7/28/11 Board Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	07/28/2011	7/28 Board Mtg			6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill	08/02/2011	15303	HAUGHEY, TOM	7/28/2011 Board Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	07/28/2011	7/28 Board Mtg			6311 - Board Member Compensation	125.00
TOTAL						125.00
Bill	08/02/2011	15304	KUHN, BOB	7/13/11 S. Ontario Plume Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	07/13/2011	7/13 S. Ontario Plum		7/21/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	07/21/2011	7/21 Advisory Comm		7/27/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	07/27/2011	7/27 Admin Mtg		7/28/11 Board Meeting	6311 - Board Member Compensation	125.00
Bill	07/28/2011	7/28 Board Mtg				500.00
TOTAL						125.00
Bill	08/02/2011	15305	LANTZ, PAULA	7/07/11 Restated Judgment Meeting	1012 - Bank of America Gen'l Ckg	125.00
Bill	07/07/2011	7/07 Restated Judg		7/08/11 Conference Call Meeting	6311 - Board Member Compensation	125.00
Bill	07/08/2011	7/08 Conference Call		7/13/11 S. Ontario Plume Meeting	6311 - Board Member Compensation	125.00
Bill	07/13/2011	7/13 S. Ontario Plum				125.00
TOTAL						125.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	07/29/2011	7/298 Board Mtg		7/29/11 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	08/02/2011	15306	VANDEN HEUVEL, GEOFFREY	6311	1012 · Bank of America Gen'l Ckg	
Bill	07/13/2011	7/13 S. Ontario Plum		7/13/11 S. Ontario Plume Meeting	6311 · Board Member Compensation	125.00
Bill	07/14/2011	7/14 Ag Pool Mtg		7/14/11 Ag Pool Meeting	6311 · Board Member Compensation	125.00
Bill	07/28/2011	7/28 Board Mtg		7/28/11 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	08/02/2011	15307	WILLIS, KENNETH	7/29/11 Administrative Meeting	1012 · Bank of America Gen'l Ckg	
Bill	07/29/2011	7/29 Admin Mtg		7/29/11 Administrative Meeting	6311 · Board Member Compensation	125.00
Bill	07/29/2011	7/28 Board Mtg		7/28/11 Board Meeting	6311 · Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	08/02/2011	15308	R&D PEST SERVICES	0145597	1012 · Bank of America Gen'l Ckg	
Bill	07/29/2011	0145597		Pest Control - July 2011	6024 · Building Repair & Maintenance	85.00
TOTAL						85.00
Bill Pmt -Check	08/02/2011	15309	STANDARD INSURANCE CO.	Policy # 00-640888-0009	1012 · Bank of America Gen'l Ckg	
Bill	07/29/2011	00640888-0009		Life & Disability Insurance Premium	60191 · Life & Disab. Ins Benefits	503.24
TOTAL						503.24
Bill Pmt -Check	08/02/2011	15310	STATE COMPENSATION INSURANCE FUND	1970970-11	1012 · Bank of America Gen'l Ckg	
Bill	07/29/2011	1970970-11		July 2011	60183 · Worker's Comp Insurance	1,341.68
TOTAL						1,341.68
Bill Pmt -Check	08/02/2011	15311	VERIZON	012561121521714508	1012 · Bank of America Gen'l Ckg	
Bill	07/29/2011	012561121521714508		012561121521714508	7405 · PE4-Other Expense	171.50
TOTAL						171.50
Bill Pmt -Check	08/04/2011	15312	CHARLES Z. FEDAK & COMPANY	Audit Services - July 2011	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2011				6062 · Audit Services	3,860.00
TOTAL						3,860.00
Bill Pmt -Check	08/04/2011	15313	HSBC BUSINESS SOLUTIONS	Miscellaneous office and meeting supplies	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2011	7003730910002744		Miscellaneous office and meeting supplies	6031.7 · Other Office Supplies	2,239.74
Bill	07/31/2011	7003730910002744		Miscellaneous office and meeting supplies	6031.7 · Other Office Supplies	293.40
TOTAL						2,533.14
Bill Pmt -Check	08/04/2011	15314	JAMES JOHNSTON	239	1012 · Bank of America Gen'l Ckg	
Bill	07/31/2011	239		Website Services - July 2011	6052.3 · Website Consulting	900.00
TOTAL						900.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/04/2011	15315	PAYCHEX	2011072800	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	2011072800		July 2011	6012 - Payroll Services	403.34
TOTAL						403.34
Bill Pmt -Check	08/04/2011	15316	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	07/23/2011	07/23/2011	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 07/10/11-07/23/11	2000 - Accounts Payable	7,425.07
TOTAL						7,425.07
Bill Pmt -Check	08/04/2011	15317	PURCHASE POWER	8000909000168851	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	8000909000168851		Fed ex shipments and postage	6042 - Postage - General	91.49
TOTAL						91.49
Bill Pmt -Check	08/04/2011	15318	STATE COMPENSATION INSURANCE FUND	1970970-11	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	1970970-11		Deposit premium	60183 - Worker's Comp Insurance	3.83
TOTAL						3.83
Bill Pmt -Check	08/04/2011	15319	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	1VC070000017297		Week Ending 7/24/11	6017 - Temporary Services	824.00
TOTAL						824.00
Bill Pmt -Check	08/04/2011	15320	VERIZON	012519116950792103	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	012519116950792103		012519116950792103	6022 - Telephone	496.47
TOTAL						496.47
General Journal	08/06/2011	08/06/2011		Payroll and Taxes for 07/24/11-08/06/11	1012 - Bank of America Gen'l Ckg	
				Payroll Taxes for 07/24/11-08/06/11	1012 - Bank of America Gen'l Ckg	7,351.61
				Direct Deposits for 07/24/11-08/06/11	1012 - Bank of America Gen'l Ckg	17,015.49
				Payroll Checks for 07/24/11-08/06/11	1012 - Bank of America Gen'l Ckg	5,963.82
TOTAL						30,330.92
Bill Pmt -Check	08/09/2011	15321	INLAND EMPIRE UTILITIES AGENCY	90008143	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	90008143		GW Recharge Capital Cost Reimbursement	7690 - Recharge Improvement Debt Pymt	556,431.00
TOTAL						556,431.00
Bill Pmt -Check	08/09/2011	15322	INLAND EMPIRE UTILITIES AGENCY	90008144	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	90008144		GW Recharge O&M Cost Reimbursement	7206 - Comp Recharge-O&M	180,656.82
TOTAL						180,656.82
Bill Pmt -Check	08/11/2011	15323	ACWA SERVICES CORPORATION	00198	1012 - Bank of America Gen'l Ckg	
Bill	08/09/2011	00198		Prepayment - September 2011	1409 - Prepaid Life, BAD&D & LTD	156.90
				Life Insurance - August 2011 Premium	60191 - Life & Disab. Ins Benefits	129.01
TOTAL						285.91

CHINO BASIN WATERMASTER
 Cash Disbursements For The Month of
 August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/11/2011	15324	APPLIED COMPUTER TECHNOLOGIES	2020	1012 - Bank of America Gen'l Ckg	2,530.00
Bill	07/31/2011	2020		Database Services - July 2011	6052.2 - Applied Computer Technol	2,530.00
TOTAL						
Bill Pmt -Check	08/11/2011	15325	AWWA	7000374039	1012 - Bank of America Gen'l Ckg	1,270.00
Bill	08/09/2011	7000374039		8/01/2011 - 8/31/2012 Dues	6111 - Membership Dues	1,270.00
TOTAL						
Bill Pmt -Check	08/11/2011	15326	CORELOGIC INFORMATION SOLUTIONS	80266516	1012 - Bank of America Gen'l Ckg	62.50
Bill	07/31/2011	80266516		80266516	7103.7 - Grdwtr Qual-Computer Svc	62.50
				80266516	7101.4 - Prod Monitor-Computer	125.00
TOTAL						
Bill Pmt -Check	08/11/2011	15327	DAN VASILE	New employee physical for Gerry Greene	1012 - Bank of America Gen'l Ckg	120.00
Bill	07/29/2011				6016 - New Employee Search Costs	120.00
TOTAL						
Bill Pmt -Check	08/11/2011	15328	GREAT AMERICA LEASING CORP.	11190871	1012 - Bank of America Gen'l Ckg	2,788.53
Bill	07/31/2011	11190871		Invoice for leased copiers	6043.1 - Ricoh Lease Fee	131.77
				Usage for Black Copies	6043.2 - Ricoh Usage & Maintenance Fee	304.05
				Usage for Color Copies	6043.2 - Ricoh Usage & Maintenance Fee	3,224.35
TOTAL						
Bill Pmt -Check	08/11/2011	15329	GUARANTEED JANITORIAL SERVICE, INC.	28580	1012 - Bank of America Gen'l Ckg	865.00
Bill	08/09/2011	28580		Janitorial Service - August 2011	6024 - Building Repair & Maintenance	865.00
TOTAL						
Bill Pmt -Check	08/11/2011	15330	HOGAN LOVELLS	1984303	1012 - Bank of America Gen'l Ckg	4,603.32
Bill	07/31/2011	1984303		Non-Ag Legal Services - July 2011	8567 - Non-Ag Legal Service	4,603.32
TOTAL						
Bill Pmt -Check	08/11/2011	15331	INLAND VALLEY DAILY BULLETIN	Public Hearing Notice	1012 - Bank of America Gen'l Ckg	390.00
Bill	07/29/2011				6312 - Meeting Expenses	390.00
TOTAL						
Bill Pmt -Check	08/11/2011	15332	J.R. OLSEN BONDS & INSURANCE BROKERS, IN	286906	1012 - Bank of America Gen'l Ckg	175.10
Bill	07/29/2011	286906		286906	6086 - Position Bond Insurance	175.10
TOTAL						
Bill Pmt -Check	08/11/2011	15333	PARK PLACE COMPUTER SOLUTIONS, INC.	453	1012 - Bank of America Gen'l Ckg	1,875.00
Bill	07/29/2011	453		IT Services - July 2011	6052.1 - Park Place Comp Solutn	1,875.00
TOTAL						

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/11/2011	15334	SAFEGUARD DENTAL & VISION	3869356	1012 - Bank of America Gen'l Ckg	7.91
Bill	08/01/2011	3869356		Dental Insurance - August 2011	60182.2 - Dental & Vision Ins	7.91
TOTAL						
Bill Pmt -Check	08/11/2011	15335	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	824.00
Bill	07/31/2011	1VC 70000017323		Week Ending 7/31/11	6017 - Temporary Services	824.00
TOTAL						
Bill Pmt -Check	08/11/2011	15336	UNION 76	300-732-989	1012 - Bank of America Gen'l Ckg	126.00
Bill	07/31/2011	300732989		July 2011	6175 - Vehicla Fuel	126.00
TOTAL						
Bill Pmt -Check	08/11/2011	15337	USA-FACT INC	1861960-IN	1012 - Bank of America Gen'l Ckg	224.26
Bill	08/05/2011	1861960-IN		Background/credit check for Gerry Greene	6016 - New Employee Search Costs	224.26
TOTAL						
Bill Pmt -Check	08/11/2011	15338	WATER FACILITIES AUTHORITY	11-98	1012 - Bank of America Gen'l Ckg	7,791.00
Bill	06/30/2011	11-98		WFA treatment charge	1420 - Prepaid Injected Water Purchase	7,791.00
TOTAL						
Bill Pmt -Check	08/11/2011	15339	WESTERN DENTAL SERVICES, INC.	002483	1012 - Bank of America Gen'l Ckg	28.88
Bill	08/09/2011	002483		Dental Insurance - September 2011	60182.2 - Dental & Vision Ins	28.88
TOTAL						
Bill Pmt -Check	08/11/2011	15340	YUKON DISPOSAL SERVICE	08-K2 213849	1012 - Bank of America Gen'l Ckg	142.88
Bill	08/09/2011	08-K2 213849		Service for Aug 2011	6024 - Building Repair & Maintenance	142.88
TOTAL						
Bill Pmt -Check	08/12/2011	15341	BROWNSTEIN HYATT FARBER SCHRECK	442047	1012 - Bank of America Gen'l Ckg	23,051.36
Bill	06/30/2011	442047			6907.3 - WM Legal Counsel	23,051.36
Bill	06/30/2011	442048			6907.34 - Santa Ana River Water Rights	54.90
Bill	06/30/2011	442049			6907.31 - S. Archibald Plume-Formerly OIA	2,106.00
Bill	06/30/2011	442050			6907.32 - Chino Airport Plume	1,633.09
Bill	06/30/2011	442051			6907.33 - Desalter Negotiations	3,948.75
Bill	06/30/2011	442052			6907.35 - Paragaph 31 Motion	7,359.96
Bill	06/30/2011	442053			6907.36 - Santa Ana River Habitat	213.30
TOTAL						38,367.36
Bill Pmt -Check	08/12/2011	15342	WILDERMUTH ENVIRONMENTAL INC	2011241	1012 - Bank of America Gen'l Ckg	5,358.99
Bill	06/30/2011	2011241			6906 - OBMP Engineering Services	5,358.99
Bill	06/30/2011	2011242			6906 - OBMP Engineering Services	2,960.00
Bill	06/30/2011	2011243			6906 - OBMP Engineering Services	375.00
Bill	06/30/2011	2011244			6906 - OBMP Engineering Services	37,216.25

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	06/30/2011	2011245		2011245	7103.3 - Grdwtr Qual-Engineering	645.00
Bill	06/30/2011	2011246		2011246	7103.3 - Grdwtr Qual-Engineering	675.00
Bill	06/30/2011	2011247		2011247	7103.3 - Grdwtr Qual-Engineering	18,731.25
Bill	06/30/2011	2011248		2011248	7104.3 - Grdwtr Level-Engineering	600.00
Bill	06/30/2011	2011249		2011249	7104.3 - Grdwtr Level-Engineering	7,808.44
Bill	06/30/2011	2011250		2011250	7104.3 - Grdwtr Level-Engineering	9,181.25
Bill	06/30/2011	2011251		2011251	7104.3 - Grdwtr Level-Engineering	24,225.00
Bill	06/30/2011	2011252		2011252	7104.8 - Grdwtr Level-Contracted Serv	2,810.00
Bill	06/30/2011	2011253		2011253	7107.2 - Grd Level-Engineering	150.00
Bill	06/30/2011	2011254		2011254	7107.2 - Grd Level-Engineering	5,871.30
Bill	06/30/2011	2011255		2011255	7107.8 - Grd Level-Cap Equip Exte	381.97
Bill	06/30/2011	2011256		2011256	7107.6 - Grd Level-Contract Svcs	6,636.25
Bill	06/30/2011	2011257		2011257	7107.6 - Grd Level-Contract Svcs	31,783.98
Bill	06/30/2011	2011258		2011258	7107.6 - Grd Level-Contract Svcs	15,500.00
Bill	06/30/2011	2011259		2011259	7108.3 - Hydraulic Control-Engineering	300.00
Bill	06/30/2011	2011260		2011260	7108.3 - Hydraulic Control-Engineering	13,821.21
Bill	06/30/2011	2011261		2011261	7108.3 - Hydraulic Control-Engineering	1,037.50
Bill	06/30/2011	2011262		2011262	7108.3 - Hydraulic Control-Engineering	1,843.75
Bill	06/30/2011	2011263		2011263	7108.3 - Hydraulic Control-Engineering	112.50
Bill	06/30/2011	2011264		2011264	7108.3 - Hydraulic Control-Engineering	1,666.72
Bill	06/30/2011	2011265		2011265	7108.3 - Hydraulic Control-Engineering	125.00
Bill	06/30/2011	2011266		2011266	7108.3 - Hydraulic Control-Engineering	31.25
Bill	06/30/2011	2011267		2011267	7108.3 - Hydraulic Control-Engineering	412.50
Bill	06/30/2011	2011268		2011268	7108.3 - Hydraulic Control-Engineering	276.05
Bill	06/30/2011	2011269		2011269	7303 - PE3&5-Engineering	4,870.00
Bill	06/30/2011	2011270		2011270	7403 - PE4-Contract Svcs	5,000.00
Bill	06/30/2011	2011271		2011271	7502 - PE6&7-Engineering	953.75
Bill	06/30/2011	2011272		2011272	6906.1 - OBMP - Watermaster Model Update	26,782.69
Bill	06/30/2011	2011273		2011273	6906.1 - OBMP - Watermaster Model Update	39,007.50
Bill	06/30/2011	2011274		2011274	6906.1 - OBMP - Watermaster Model Update	800.00
TOTAL						267,950.10
Bill	08/22/2011	15343	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	XXXX-XXXX-XXXX-9341		CEO mtg w/Feenstra and Koopman	8412 - Meeting Expenses	56.85
				Registration-CEO to Water Reuse Symposium	6181 - Conferences - General	414.03
				Misc. office supplies	6031.7 - Other Office Supplies	62.32
				CEO mtg w/Ken Willis	6312 - Meeting Expenses	29.70
				CEO mtg w/Bob Kuhn	6312 - Meeting Expenses	16.48
				Public hearing notice in newspaper	6342 - Postage and Printing	66.85
				Lunch for July 28 Board mtg	6312 - Meeting Expenses	228.64
				Equipment for gw quality sampling	7103.6 - Grdwtr Qual-Supplies	1,045.12
				Lunch-July 14 water quality presentation meeting	7103.6 - Grdwtr Qual-Supplies	81.16
TOTAL						2,001.15

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	08/22/2011	15344	CHINO HILLS, CITY OF		1012 - Bank of America Gen'l Ckg	
Bill	08/11/2011	1			7605 - PE888-Other Expenses	3,059.00
TOTAL						3,059.00
Bill Pmt -Check	08/22/2011	15345	CITISTREET	Payroll and Taxes for 07/24/11-08/06/11	1012 - Bank of America Gen'l Ckg	
General Journal	08/08/2011	08/06/11	CITISTREET	457 Employee deductions for 07/24/11-08/06/11	2000 - Accounts Payable	1,863.30
TOTAL						1,863.30
Bill Pmt -Check	08/22/2011	15346	CUCAMONGA VALLEY WATER DISTRICT	Lease Due September 1, 2011	1012 - Bank of America Gen'l Ckg	
Bill	08/16/2011			Lease Due September 1, 2011	1422 - Prepaid Rent	5,844.00
TOTAL						5,844.00
Bill Pmt -Check	08/22/2011	15347	DC LAW	13557	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	13557		13557 - Ag Pool Legal Services	8467 - Ag Legal & Technical Services	3,152.50
TOTAL						3,152.50
Bill Pmt -Check	08/22/2011	15348	DGO AUTO DETAILING		1012 - Bank of America Gen'l Ckg	
Bill	07/28/2011			Wash 3 service trucks	6177 - Vehicle Repairs & Maintenance	75.00
Bill	08/11/2011			Wash 3 service trucks	6177 - Vehicle Repairs & Maintenance	75.00
TOTAL						150.00
Bill Pmt -Check	08/22/2011	15349	PRE-PAID LEGAL SERVICES, INC.	111802	1012 - Bank of America Gen'l Ckg	
Bill	08/15/2011	111802		August 2011	60194 - Other Employee Insurance	51.80
TOTAL						51.80
Bill Pmt -Check	08/22/2011	15350	PREMIERE GLOBAL SERVICES	08694770	1012 - Bank of America Gen'l Ckg	
Bill	07/31/2011	08694770		7/06 Appropriative Pool Agenda call	8312 - Meeting Expenses	17.80
				7/06 Non Ag Pool Agenda call	8512 - Meeting Expense	17.78
				7/06 Ag Pool Agenda call	8412 - Meeting Expenses	17.78
				7/07 Resiated Judgment call	6909.1 - OBMP Meetings	171.81
				7/08 South Ontario Plume call	7103.6 - Grdwtr Qual-Supplies	43.74
				7/13 South Ontario Plume call	7103.6 - Grdwtr Qual-Supplies	95.34
				7/14 Non Ag Pool Meeting call	8512 - Meeting Expense	126.98
				Monthly service fee	6022 - Telephone	14.95
				Moderator fee	6022 - Telephone	13.75
TOTAL						519.93
Bill Pmt -Check	08/22/2011	15351	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	
General Journal	08/08/2011	08/06/2011	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 07/24/11-08/06/11	2000 - Accounts Payable	7,054.35
TOTAL						7,054.35
Bill Pmt -Check	08/22/2011	15352	STAULA, MARY L		1012 - Bank of America Gen'l Ckg	

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/31/2011				60182.4 - Retiree Medical	136.61
TOTAL						136.61
Bill Pmt -Check	08/22/2011	15353	THE LAWTON GROUP	6017 Week Ending 8/07/11	1012 - Bank of America Gen'l Ckg 6017 - Temporary Services	824.00
Bill	08/11/2011	1VC070000017354				824.00
TOTAL						
Bill Pmt -Check	08/22/2011	15354	VERIZON BUSINESS	08076697 Charges for service period 9/01/11 - 9/30/11	1012 - Bank of America Gen'l Ckg 6053 - Internet Expense	1,537.85
Bill	08/11/2011	08076697				1,537.85
TOTAL						
Bill Pmt -Check	08/22/2011	15355	VERIZON WIRELESS	0992015645 Monthly service	1012 - Bank of America Gen'l Ckg 6022 - Telephone	399.81
Bill	08/11/2011	1000828455				399.81
TOTAL						
Bill Pmt -Check	08/22/2011	15356	WATER FACILITIES AUTHORITY	12-10 WFA treatment charge	1012 - Bank of America Gen'l Ckg 1420 - Prepaid Injected Water Purchase	12,808.74
Bill	08/11/2011	12-10				12,808.74
TOTAL						
Bill Pmt -Check	08/25/2011	15357	EL TORITO	Lunch for 8/25/11 Watermaster Board Meeting	1012 - Bank of America Gen'l Ckg 6312 - Meeting Expenses	395.00
Bill	08/25/2011			Lunch for 8/25/11 Watermaster Board Meeting		395.00
TOTAL						
General Journal	08/26/2011	08/26/2011	Payroll and Taxes for 08/07/11-08/20/11	Payroll and Taxes for 08/07/11-08/20/11	1012 - Bank of America Gen'l Ckg	7,489.97
				Payroll Taxes for 08/07/11-08/20/11	1012 - Bank of America Gen'l Ckg	5,963.82
				Payroll Checks for 08/07/11-08/20/11	1012 - Bank of America Gen'l Ckg	16,701.69
				Direct Deposits for 08/07/11-08/20/11	1012 - Bank of America Gen'l Ckg	30,155.48
TOTAL						
Bill Pmt -Check	08/29/2011	15358	ARROWHEAD MOUNTAIN SPRING WATER	0023230253 Office Water Bottle - August 2011	1012 - Bank of America Gen'l Ckg 6031.7 - Other Office Supplies	51.15
Bill	08/26/2011	0023230253				51.15
TOTAL						
Bill Pmt -Check	08/29/2011	15359	DIRECTV	019447404 Monthly Service for 8/19/11-9/7/8/11	1012 - Bank of America Gen'l Ckg 6031.7 - Other Office Supplies	86.99
Bill	08/26/2011	019447404				86.99
TOTAL						
Bill Pmt -Check	08/29/2011	15360	GRAINGER	9609528782 Ground Water quality supplies	1012 - Bank of America Gen'l Ckg 7103.6 - Grdwtr Qual-Supplies	157.00
Bill	08/26/2011	9609528782				157.00
TOTAL						
Bill Pmt -Check	08/29/2011	15361	LIATTI & ASSOCIATES	Broker fee for bond insurance	1012 - Bank of America Gen'l Ckg 6086 - Position Bond Insurance	30.90
Bill	08/26/2011					30.90
TOTAL						

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CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
August 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						30.90
Bill Pmt -Check	08/29/2011	15362	PRINTING RESOURCES	57003 Business cards for Gerald Greene	1012 - Bank of America Gen'l Ckg 6031.7 - Other Office Supplies	150.85
Bill	08/26/2011	57003				150.85
TOTAL						525.66
Bill Pmt -Check	08/29/2011	15363	STANDARD INSURANCE CO.	Policy # 00-640888-0009	1012 - Bank of America Gen'l Ckg	525.66
Bill	08/26/2011	006408880009		Policy # 00-640888-0009	60191 - Life & Disab. Ins Benefits	525.66
TOTAL						981.53
Bill Pmt -Check	08/29/2011	15364	STATE COMPENSATION INSURANCE FUND	1970970-11	1012 - Bank of America Gen'l Ckg	981.53
Bill	08/26/2011	1970970-11		August 2011	60183 - Worker's Comp Insurance	981.53
TOTAL						494.40
Bill Pmt -Check	08/29/2011	15365	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	494.40
Bill	08/14/2011	1VC070000017386		Week Ending 8/14/11	6017 - Temporary Services	494.40
TOTAL						399.10
Bill Pmt -Check	08/29/2011	15366	UNITED HEALTHCARE	C0025049180	1012 - Bank of America Gen'l Ckg	399.10
Bill	08/26/2011	C0025049180		Dental insurance for August 2011	60182.2 - Dental & Vision Ins	399.10
TOTAL						55.05
Bill Pmt -Check	08/29/2011	15367	VISION SERVICE PLAN	00-101789-0001	1012 - Bank of America Gen'l Ckg	55.05
Bill	08/26/2011	001017890001		September 2011	60182.2 - Dental & Vision Ins	55.05
TOTAL						250.00
Bill Pmt -Check	08/30/2011	15368	CALIF. UTILITY EXEC. MGNT FOUNDATION	Reg. Fee for CUEMF Leadership Summit	1012 - Bank of America Gen'l Ckg	250.00
Bill	08/30/2011			Desi Alvarez-Sept. 7-9, 2011 Leadership Summit	6191 - Conferences - General	250.00
TOTAL						76.25
General Journal	08/31/2011	08/31/2011	Wage Works Direct Debits for Aug. 2011	Wage Works Direct Debits for Aug 2011	1012 - Bank of America Gen'l Ckg	76.25
				Wage Works Direct Debits for Aug 2011	1012 - Bank of America Gen'l Ckg	485.40
				Wage Works Direct Debits for Aug 2011	1012 - Bank of America Gen'l Ckg	485.40
				Wage Works Direct Debits for Aug 2011	1012 - Bank of America Gen'l Ckg	485.40
				Wage Works Direct Debits for Aug 2011	1012 - Bank of America Gen'l Ckg	485.40
TOTAL						1,562.45
						3,486,045.43

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CHINO BASIN WATERMASTER

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: October 20, 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 August 2011.

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

Fiscal Impact – Funds disbursed were included in the FY 2011-2012 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 August 2011 was \$2,001.15. The monthly charges for August 2011 were for routine and customary expenditures and properly documented with receipts.

Actions:

October 13, 2011 Appropriative Pool – Approved unanimously
October 13, 2011 Non-Agricultural Pool – Receive and file without approval
October 13, 2011 Agricultural Pool – Approved unanimously
October 20, 2011 Advisory Committee –
October 27, 2011 Watermaster Board –

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CHINO BASIN WATERMASTER
 VISA Check Detail Report
 August 2011

Type	Num	Date	Name	Memo	Account	Paid Amount
Bill Pmt -Check	15343	08/22/2011	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 · Bank of America Gen'l Ckg	
Bill	XXXX-XXXX-XXXX-9341	07/31/2011		CEO mtg with Feenstra and Koopman	8412 · Meeting Expenses	56.85
				Registration for CEO to Water Reuse Symposium	6191 · Conferences - General	414.03
				Misc. office supplies	6031.7 · Other Office Supplies	62.32
				CEO mtg w/Ken Willis	6312 · Meeting Expenses	29.70
				CEO mtg w/Bob Kuhn	6312 · Meeting Expenses	16.48
				Public hearing notice in newspaper	6342 · Postage and Printing	66.85
				Lunch for July 28 Board mtg	6312 · Meeting Expenses	228.64
				Equipment for ground water quality sampling	7103.6 · Grdwtr Qual-Supplies	1,045.12
				Lunch for July 14 water quality presentation meeting	7103.6 · Grdwtr Qual-Supplies	81.16
				Total Disbursements:		2,001.15

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: October 20, 2011
TO: Committee Members
SUBJECT: Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2011 through August 31, 2011 - Financial Report B3

SUMMARY

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

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

Fiscal Impact – Funds disbursed were included in the FY 2011-2012 Watermaster Budget.

BACKGROUND

A Combining Schedule of Revenue, Expenses and Changes in Working Capital for the period July 1, 2011 through August 31, 2011 is provided to keep all members apprised of the FY 2011/2012 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:

October 13, 2011 Appropriative Pool – Approved unanimously
October 13, 2011 Non-Agricultural Pool – Receive and file without approval
October 13, 2011 Agricultural Pool – Approved unanimously
October 20, 2011 Advisory Committee –
October 27, 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, 2011 THROUGH AUGUST 31, 2011

	WATERMASTER ADMINISTRATION	OPTIMUM BASIN MANAGEMENT	POOL ADMINISTRATION & SPECIAL PROJECTS		GROUNDWATER OPERATIONS		EDUCATION FUNDS	GRAND TOTALS	BUDGET 2011-2012
			APPROPRIATIVE POOL	AG POOL	NON-AG POOL	GROUNDWATER REPLENISHMENT			
Administrative Revenues:									
Administrative Assessments									\$6,097,177
Interest Revenue									150,010
Mutual Agency Project Revenue		405,777						405,777	411,000
Grant Income									0
Miscellaneous Income									0
Total Revenues		405,777						405,777	6,658,187
Administrative & Project Expenditures:									
Watermaster Administration	137,817							137,817	425,107
Watermaster Board-Advisory Committee	35,024							35,024	155,297
Pool Administration		8,264	18,308	16,584				43,156	503,822
Optimum Basin Mgmt Administration	222,623							222,623	1,161,401
OBMP Project Costs	527,086							527,086	4,166,221
Debt Service	471,400							471,400	450,964
Education Funds Use									375
Mutual Agency Project Costs									10,000
Total Administrative/OBMP Expenses	1,393,950	8,264	18,308	16,584				1,437,106	6,873,187
Net Administrative/OBMP Expenses	(1,393,950)								
Allocate Net Admin Expenses To Pools		958,551	387,821	47,578					
Allocate Net OBMP Expenses To Pools									
Allocate Debt Service to App Pool									
Agricultural Expense Transfer*	406,129	(406,129)							
Total Expenses	1,372,944			64,162				1,437,106	6,873,187
Net Administrative Income	(967,168)			(64,162)				(1,031,329)	(215,000)
Other Income/(Expense)									0
Replenishment Water Assessments									0
Non-Ag Stored Water Purchases									0
Interest Revenue									0
MWD Water Purchases						3,587,956		3,587,956	0
Non-Ag Stored Water Purchases									0
MWD Water Purchases						(3,587,956)		(3,587,956)	0
Groundwater Replenishment									0
Net Other Income									0
Net Transfers To/(From) Reserves		(967,168)		(64,162)				(1,031,329)	(215,000)
Working Capital, July 1, 2011		6,922,600	475,807	282,721	21,928	158,251	630	7,861,937	6,830,608
Working Capital, End Of Period		5,955,433	475,807	218,560	21,928	158,251	630	6,830,608	6,830,608
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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CHINO BASIN WATERMASTER

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: October 20, 2011
TO: Committee Members
SUBJECT: Treasurer's Report of Financial Affairs for the Period August 1, 2011 through August 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 August 1, 2011 through August 31, 2011.

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

Fiscal Impact – Funds disbursed were included in the FY 2011-2012 Watermaster Budget.

BACKGROUND

A Treasurer's Report of Financial Affairs for the Period August 1, 2011 through August 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:

October 13, 2011 Appropriative Pool – Approved unanimously
October 13, 2011 Non-Agricultural Pool – Receive and file without approval
October 13, 2011 Agricultural Pool – Approved unanimously
October 20, 2011 Advisory Committee –
October 27, 2011 Watermaster Board –

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

DEPOSITORIES:			
Cash on Hand - Petty Cash	\$	500	
Bank of America			
Governmental Checking-Demand Deposits	\$	2,198,399	
Zero Balance Account - Payroll	\$	-	
Local Agency Investment Fund - Sacramento			
TOTAL CASH IN BANKS AND ON HAND			8/31/2011
TOTAL CASH IN BANKS AND ON HAND			7/31/2011
	\$	7,045,393	
		8,319,528	
	\$	(1,274,135)	

CHANGE IN CASH POSITION DUE TO:

Decrease/(Increase) in Assets:		
Accounts Receivable	\$	(1,671,496)
Assessments Receivable		(152,450)
Prepaid Expenses, Deposits & Other Current Assets		550,953
Accounts Payable		25,822
Accrued Payroll, Payroll Taxes & Other Current Liabilities		(26,965)
Transfer to/(from) Reserves		
	\$	(1,274,135)

SUMMARY OF FINANCIAL TRANSACTIONS:

Balances as of 7/31/2011					
Deposits	\$	500	\$	1,272,533	\$
Transfers				4,411,911	-
Withdrawals/Checks				(66,445)	66,445
				(3,419,601)	(66,445)
Balances as of 8/31/2011	\$	500	\$	2,198,398.61	\$
				-	-
				-	-
	\$	-	\$	925,865	\$
				-	-
				(2,200,000)	(2,200,000)
				-	-
				(3,486,045)	(3,486,045)
	\$	500	\$	2,198,398.61	\$
				-	-
				-	-
				4,846,495	\$
				7,045,393	\$
	\$	-	\$	925,865	\$
				-	-
				(2,200,000)	(2,200,000)
				-	-
				(1,274,135)	(1,274,135)

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

INVESTMENT TRANSACTIONS

Effective Date	Transaction	Depository	Activity	Redeemed	Days to Maturity	Interest Rate(*)	Maturity Yield
8/10/2011	Withdrawal	L.A.I.F	\$ (2,200,000)				

TOTAL INVESTMENT TRANSACTIONS \$ (2,200,000)

* The earnings rate for L.A.I.F. is a daily variable rate; 0.48% was the effective yield rate at the Quarter ended June 30, 2011.

**INVESTMENT STATUS
August 31, 2011**

Financial Institution	Principal Amount	Number of Days	Interest Rate	Maturity Date
Local Agency Investment Fund	\$ 4,846,495			
TOTAL INVESTMENTS	<u>\$ 4,846,495</u>			

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

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

Respectfully submitted,

Joseph S. Joswiak
Chief Financial Officer
Chino Basin Watermaster



CHINO BASIN WATERMASTER

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DESI ALVAREZ, PE
Chief Executive Officer

STAFF REPORT

DATE: October 20, 2011
TO: Committee Members
SUBJECT: Budget vs. Actual Report for the Period July 1, 2011 through August 31, 2011 - Financial Report - B5

SUMMARY

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

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

Fiscal Impact – Funds disbursed were included in the FY 2011-2012 Watermaster Budget.

BACKGROUND

A Budget vs. Actual Report for the period July 1, 2011 through August 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 or budget amendments proposed for the month of August 2011.

Year-To-Date (YTD) for the two months ending August 31, 2011, all categories were at or below the projected budget, including category 6900 (Optimum Basin Mgmt Plan).

If you recall during the Budget Workshops, the Watermaster legal expenses are now being allocated to the specific areas of activity. For example, the legal meeting expenses related to the Appropriative, Agricultural, and Non-Agricultural Pools as well as the Advisory Committee and Board are shown in those specific areas. General ledger accounts have been created and the expenses are appropriately categorized. This provides a clearer picture of the actual costs associated with each individual group.

Also, a new category for Watermaster Legal Services (6070) was established for fiscal year 2011/2012. These expenses are associated with administrative legal services for Watermaster. The detail of account 6070 is listed below:

	Jul '11 - Aug '11	Budget	\$ Over Budget	% of Budget
6070 - Watermaster Legal Services				
6071 - BHFS Legal - Court Coordination	0.00	6,516.70	-6,516.70	0.0%
6072 - BHFS Legal - Restated Judgment	9,411.81	20,800.00	-11,388.19	45.25%
6073 - BHFS Legal - Personnel Matters	142.20	1,645.80	-1,503.60	8.64%
6074 - BHFS Legal - Interagency Issues	0.00	5,716.70	-5,716.70	0.0%
6075 - BHFS Legal - Replenishmnt Water	10,620.90	0.00	10,620.90	100.0%
6078 - BHFS Legal - Miscellaneous	9,166.58	9,480.00	-313.42	96.69%
Total 6070 - Watermaster Legal Services	29,341.49	44,159.20	-14,817.71	66.45%

OBMP Engineering Services and Legal Costs:

Within the category 6900 (Optimum Basin Mgmt Plan) are the remaining Watermaster's legal expenses. Within the legal expense category, some individual line item activities were above the budget \$15,841 while the majority of line item activities were below the budget (\$18,059). Above the budget line items were the Desalter Negotiations of \$15,523 and the Santa Ana River Habitat of \$318. The individual legal projects/activities that were below budget for the Y-T-D period were the South Archibald Plume (formerly the OIA plume) of (\$1,095), the Chino Airport Plume of (\$1,024), the Santa Ana River Water Rights Application of (\$3,830), the Paragraph 31 Motion of (\$5,591), the Regional Water Quality Control Board of (\$2,292) and the Recharge Master Plan of (\$4,227). For the two month period, the cumulative Y-T-D budget was \$43,393 and actual legal expenses totaled \$41,175 which resulted in an (Under) budget variance of (\$2,218) or (5.1%).

	Jul '11 - Aug '11	Budget	\$ Over Budget	% of Budget
6900 · Optimum Basin Mgmt Plan				
6901 · WM Staff Salaries	39,063.55	36,165.30	2,898.25	108.01%
6903 · OBMP SAWPA Group	11,655.00	11,655.00	0.00	100.0%
6906 · OBMP Engineering Services				
6906.1 · OBMP - Watermaster Model Update	90,312.38	85,004.19	5,308.19	106.25%
6906 · OBMP Engineering Services - Other	24,031.43	42,701.50	-18,670.07	56.28%
Total 6906 · OBMP Engineering Services	114,343.81	127,705.69	-13,361.88	89.54%
6907 · OBMP Legal Fees				
6907.3 · WM Legal Counsel				
6907.30 · Peace II - CEQA	0.00	0.00	0.00	0.0%
6907.31 · S. Archibald Plume-Formerly OIA	3,009.15	4,104.20	-1,095.05	73.32%
6907.32 · Chino Airport Plume	3,254.85	4,279.20	-1,024.35	76.06%
6907.33 · Desalter Negotiations	26,760.15	11,237.50	15,522.65	238.13%
6907.34 · Santa Ana River Water Rights	357.88	4,187.50	-3,829.62	8.55%
6907.35 · Paragraph 31 Motion	7,475.40	13,066.68	-5,591.28	57.21%
6907.36 · Santa Ana River Habitat	318.15	0.00	318.15	100.0%
6907.37 · Water Auction	0.00	0.00	0.00	0.0%
6907.38 · Reg. Water Quality Cntrl Board	0.00	2,291.70	-2,291.70	0.0%
6907.39 · Recharge Master Plan	0.00	4,226.70	-4,226.70	0.0%
6907.3 · WM Legal Counsel - Other	0.00	0.00	0.00	0.0%
Total 6907.3 · WM Legal Counsel	41,175.58	43,393.48	-2,217.90	94.89%
Total 6907 · OBMP Legal Fees	41,175.58	43,393.48	-2,217.90	94.89%
6909 · OBMP Other Expenses				
6909.1 · OBMP Meetings	390.79	0.00	390.79	100.0%
6909.4 · Printing	0.00	0.00	0.00	0.0%
6909.5 · Ad Hoc Litigation Committee	0.00	0.00	0.00	0.0%
6909 · OBMP Other Expenses - Other	0.00	4,166.70	-4,166.70	0.0%
Total 6909 · OBMP Other Expenses	390.79	4,166.70	-3,775.91	9.38%
Total 6900 · Optimum Basin Mgmt Plan	206,628.73	223,086.17	-16,457.44	92.62%

The OBMP Implementation Projects (accounts 7100's – 7700's) were all under budget as of August 31, 2011. Category 7200 (Comprehensive Recharge Program) contains the budgeted cost of \$245,750 for the San Sevaie channel repair. The budget of \$245,750 for this project was front-loaded for the first six months of the fiscal year. To date, we have not received any progress repair billings and we expect that this positive variance will continue until progress billings are received. The Recharge Improvement Debt Payment (Category 7690) is another category which the budget and expense fluctuate due to the timing of expense receipts. Watermaster expects that a credit from IEUA in the amount of \$100,000+ will be forthcoming in the months of December 2011 or January 2012. Currently, this category is below the budgeted amount by \$130,000.

Other Income and Expense:

During the August accounting period, the July 2011 invoicing for the MWD replenishment water from the Inland Empire Utilities Agency was received by Watermaster. The invoice in the amount of \$3,587,956.10 or 8,497.30 AF of replenishment water was received and billings to Niagara Bottling and

Fontana Water Company were issued. The charges from IEUA and invoices to Niagara Bottling and Fontana Water Company were reflected in the August 2011 financials. To date, Niagara Bottling has been billed for 4,000.72 AF for a total amount of \$1,689,098.96 and Fontana Water Company has been billed for 13,381.08 AF for a total amount of \$5,649,484.64. Please note that the dollars and AF amounts are from invoices received from IEUA, which are usually 30+ days delayed from actual results.

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

Actions:

- October 13, 2011 Appropriative Pool – Approved unanimously
- October 13, 2011 Non-Agricultural Pool – Receive and file without approval
- October 13, 2011 Agricultural Pool – Approved unanimously
- October 20, 2011 Advisory Committee –
- October 27, 2011 Watermaster Board –

100% of the Total Budget

2/12th (17%) of the Total Budget

1/12th of the Total Budget

Income	For The Month of August 2011			Year-To-Date as of August 31, 2011			Fiscal Year End as of June 30, 2012					
	Actual	Budget	\$ Over(Under)	% of Budget	Actual	Budget	\$ Over(Under)	% of Budget	Projected	Budget	\$ Over(Under)	% of Budget
4010 · Local Agency Subsidies	294,776.62	0.00	294,776.62	100.0%	405,776.62	111,000.00	294,776.62	365.57%	411,000.00	411,000.00	0.00	100.0%
4110 · Admin Asmnts-Approp Pool	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	5,840,178.00	5,840,178.00	0.00	100.0%
4120 · Admin Asmnts-Non-Agri Pool	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	256,999.00	256,999.00	0.00	100.0%
4700 · Non Operating Revenues	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	150,010.00	150,010.00	0.00	100.0%
4900 · Miscellaneous 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%
Total Income	294,776.62	0.00	294,776.62	100.0%	405,776.62	111,000.00	294,776.62	365.57%	6,658,187.00	6,658,187.00	0.00	100.0%
Gross Profit	294,776.62	0.00	294,776.62	100.0%	405,776.62	111,000.00	294,776.62	365.57%	6,658,187.00	6,658,187.00	0.00	100.0%
Expense												
6010 · Salary Costs	48,850.45	45,319.54	3,530.91	107.79%	85,739.62	87,140.46	-1,400.84	98.39%	472,976.00	472,976.00	0.00	100.0%
6020 · Office Building Expense	8,075.87	8,214.00	-138.13	98.32%	15,979.46	17,365.00	-1,385.54	92.02%	103,369.00	103,369.00	0.00	100.0%
6030 · Office Supplies & Equip.	1,369.58	1,125.00	244.58	121.74%	4,084.45	4,250.00	-165.55	96.11%	25,500.00	25,500.00	0.00	100.0%
6040 · Postage & Printing Costs	4,156.46	5,885.00	-1,708.54	70.87%	8,023.67	10,230.00	-2,206.33	78.43%	66,180.00	66,180.00	0.00	100.0%
6050 · Information Services	8,106.95	10,835.00	-2,728.05	74.82%	18,565.17	24,670.00	-6,104.83	75.25%	148,020.00	148,020.00	0.00	100.0%
6060 · Contract Services	2,500.00	4,000.00	-1,500.00	62.5%	6,380.00	8,000.00	-1,620.00	79.75%	34,000.00	34,000.00	0.00	100.0%
6070 · Watermaster Legal Services	8,009.53	22,079.58	-14,070.05	36.28%	29,341.49	44,159.20	-14,817.71	66.45%	202,555.00	202,555.00	0.00	100.0%
6080 · Insurance	30.90	0.00	30.90	100.0%	17,740.87	19,036.00	-1,295.13	93.2%	19,036.00	19,036.00	0.00	100.0%
6110 · Dues and Subscriptions	1,270.00	1,500.00	-230.00	84.67%	14,111.00	15,010.00	-899.00	94.01%	30,000.00	30,000.00	0.00	100.0%
6140 · WM Admin Expenses	47.01	250.00	-202.99	18.8%	47.01	500.00	-452.99	9.4%	3,000.00	3,000.00	0.00	100.0%
6150 · Field Supplies	164.35	150.00	14.35	109.57%	164.35	250.00	-85.65	65.74%	1,600.00	1,600.00	0.00	100.0%
6170 · Travel & Transportation	1,580.86	1,680.00	-99.14	94.1%	2,296.86	3,280.00	-983.14	70.03%	21,970.00	21,970.00	0.00	100.0%
6190 · Conferences & Seminars	250.00	1,000.00	-750.00	25.0%	850.00	2,375.00	-1,525.00	35.79%	17,500.00	17,500.00	0.00	100.0%
6200 · Advisory Comm - WM Board	4,339.92	4,504.25	-164.33	96.35%	8,771.39	9,008.50	-237.11	97.37%	54,051.00	54,051.00	0.00	100.0%
6300 · Watermaster Board Expenses	12,917.41	12,937.17	-19.76	99.85%	26,252.73	26,374.30	-121.57	99.54%	101,246.00	101,246.00	0.00	100.0%
8300 · Appr PI-WM & Pool Admin	4,238.24	4,190.00	48.24	101.15%	8,263.92	8,380.00	-116.08	98.62%	50,280.00	50,280.00	0.00	100.0%
8400 · Agri Pool-WM & Pool Admin	3,806.55	5,319.09	-1,512.54	71.56%	8,954.96	10,638.10	-1,683.14	84.18%	63,829.00	63,829.00	0.00	100.0%
8467 · Ag Legal & Technical Services	3,500.51	17,583.33	-14,082.82	19.91%	6,653.01	35,166.70	-28,513.69	18.92%	211,000.00	211,000.00	0.00	100.0%
8470 · Ag Meeting Attend -Special	975.00	1,000.00	-25.00	97.5%	2,700.00	2,000.00	700.00	135.0%	12,000.00	12,000.00	0.00	100.0%
8471 · Ag Pool Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	65,000.00	65,000.00	0.00	100.0%
8500 · Non-Ag PI-WM & Pool Admin	9,917.89	8,476.08	1,441.81	117.01%	16,584.15	16,952.20	-368.05	97.83%	101,713.00	101,713.00	0.00	100.0%
6500 · Education Funds Use Expen	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	375.00	375.00	0.00	100.0%
9400 · Depreciation Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
9500 · Allocated G&A Expenditures	-34,568.93	-60,049.92	25,480.99	57.57%	-65,506.95	-120,099.80	54,592.85	54.54%	-720,599.00	-720,599.00	0.00	100.0%
6900 · Optimum Basin Mgmt Plan	93,410.59	97,215.06	-3,804.47	96.09%	206,628.73	223,086.17	-16,457.44	92.62%	935,026.00	935,026.00	0.00	100.0%
6950 · Mutual Agency Projects	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	10,000.00	10,000.00	0.00	100.0%
9501 · G&A Expenses Allocated-OBMP	8,823.98	18,031.25	-9,207.27	48.94%	15,994.36	36,062.50	-20,068.14	44.35%	216,375.00	216,375.00	0.00	100.0%
7101 · Production Monitoring	8,654.91	11,741.67	-3,086.76	73.71%	19,798.17	23,483.30	-3,685.13	84.31%	104,900.00	104,900.00	0.00	100.0%
7102 · In-line Meter Installation	2,129.99	5,530.25	-3,400.26	38.52%	5,070.50	11,060.50	-5,990.00	45.84%	66,363.00	66,363.00	0.00	100.0%
7103 · Grdwtr Quality Monitoring	42,452.89	38,996.67	3,456.22	108.66%	58,760.25	58,993.30	-233.05	99.61%	203,960.00	203,960.00	0.00	100.0%
7104 · Gdwtr Level Monitoring	33,773.33	33,042.24	731.09	102.21%	57,340.26	60,065.85	-2,725.59	95.46%	276,432.00	276,432.00	0.00	100.0%
7105 · Sur Wtr Qual Monitoring	0.00	291.00	-291.00	0.0%	0.00	607.00	-607.00	0.0%	3,592.00	3,592.00	0.00	100.0%

	1/12th of the Total Budget For The Month of August 2011			2/12th (17%) of the Total Budget Year-To-Date as of August 31, 2011			100% of the Total Budget Fiscal Year End as of June 30, 2012		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Projected	Budget	% of Budget
7107 · Ground Level Monitoring	36,872.60	55,654.75	66.25%	47,135.10	104,869.00	44.95%	904,443.00	904,443.00	100.0%
7108 · Hydraulic Control Monitoring	23,540.16	38,315.34	61.44%	35,476.31	76,630.60	46.3%	459,784.00	459,784.00	100.0%
7109 · Recharge & Well Monitoring Prog	0.00	0.00	0.0%	0.00	5,580.00	0.0%	11,160.00	11,160.00	100.0%
7200 · PE2- Comp Recharge Pgm	7,997.09	72,075.59	11.1%	198,455.26	324,808.08	61.1%	1,341,785.00	1,341,785.00	100.0%
7300 · PE3&5-Water Supply/Desalte	4,683.15	19,741.92	23.72%	19,283.99	39,483.83	48.84%	93,383.00	93,383.00	100.0%
7400 · PE4- Mgmt Plan	2,177.75	5,663.91	38.45%	6,537.27	11,852.90	55.15%	70,067.00	70,067.00	100.0%
7500 · PE6&7-CoopEfforts/SaltMgmt	21,732.00	16,411.83	132.42%	23,495.95	23,823.70	98.62%	88,942.00	88,942.00	100.0%
7600 · PE8&9-StorageMgmt/Conj Use	5,240.22	3,785.25	138.44%	6,220.15	7,658.00	81.22%	45,773.00	45,773.00	100.0%
7690 · Recharge Improvement Debt Pymt	-85,031.00	0.00	100.0%	471,400.00	600,964.00	78.44%	450,964.00	450,964.00	100.0%
7700 · Inactive Well Protection Prgm	0.00	0.00	0.0%	0.00	353.25	0.0%	1,413.00	1,413.00	100.0%
9502 · G&A Expenses Allocated-Projects	25,744.94	42,018.67	61.27%	49,512.60	84,037.30	58.92%	504,224.00	504,224.00	100.0%
Total Expense	321,741.15	554,493.52	58.02%	1,437,106.06	1,918,104.94	74.92%	6,873,187.00	6,873,187.00	100.0%
Net Ordinary Income	-26,964.53	-554,493.52	4.86%	-1,031,329.44	-1,807,104.94	57.07%	-215,000.00	-215,000.00	100.0%
Other Income									
4225 · Interest Income	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
4210 · Approp Pool-Replenishment	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
4220 · Non-Ag Pool-Replenishment	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
4600 · Groundwater Sales	3,587,956.10	0.00	100.0%	3,587,956.10	0.00	100.0%	0.00	0.00	0.0%
Total Other Income	3,587,956.10	0.00	100.0%	3,587,956.10	0.00	100.0%	0.00	0.00	0.0%
Other Expense									
5010 · Groundwater Replenishment	3,587,956.10	0.00	100.0%	3,587,956.10	0.00	100.0%	0.00	0.00	0.0%
5100 · Other Water Purchases	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
9999 · Tot/(From) Reserves	-26,964.53	-554,493.52	4.86%	-1,031,329.44	-1,807,104.94	57.07%	-215,000.00	-215,000.00	100.0%
Total Other Expense	3,560,991.57	-554,493.52	-642.21%	2,556,626.66	-1,807,104.94	-141.48%	-215,000.00	-215,000.00	100.0%
Net Other Income	26,964.53	554,493.52	4.86%	1,031,329.44	1,807,104.94	57.07%	215,000.00	215,000.00	100.0%
Net Income	0.00	0.00	0.0%	0.00	0.00	0.0%	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. DEFERMENT OF 2011-2012 ASSESSMENT PACKAGE





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: October 20, 2011
TO: Advisory Committee
SUBJECT: Deferment of Fiscal Year 2011/2012 Assessment Package

Recommendations – Approve deferring the FY 2011/2012 Annual Assessment to January 2012

SUMMARY

Watermaster annually prepares an Assessment Package to facilitate invoicing the Appropriative and Non-Agricultural Pool for assessments to fund both Watermaster administrative and OBMP functions and the purchase replenishment water to make up for the prior year's overproduction. However, in compiling this year's Assessment Package, it has become apparent that several issues need resolution. There are three key issues Watermaster is currently working on. One is finalizing an approval of the Implementation Policy for the 85/15 Rule in accordance with discussions and directions provided at a workshop held on September 20, 2011. Since the 85/15 Rule applies to replenishment water there is the additional consideration of the preemptive replenishment that is to be addressed. Finally there is a need to complete a reconciliation of the stored water in the basin. Detailed analyses need to be performed to determine whether supplemental storage is truly within its allowance of 100,000 acre-feet, and also to determine if all of the proper storage agreements have been issued.

The Assessment Package is usually completed in early October and brought through the Watermaster process for approval during the month of October. Assessments are invoiced in early November, due 30 days later. This year Watermaster with the consent of the Pools, Advisory Committee, and Board will not be issuing the Assessment Package for the water year ending June 30, 2011 until January 2012.

At the October 13, 2011 Appropriative Pool meeting, it was requested that Watermaster review its budget and determine the impact of deferring collection or the assessment while understanding that Watermaster would be using a portion of reserves towards meeting operating costs in the interim. Watermaster staff has reviewed the funds on hand and the monthly operating funds needed and finds that it can defer making assessment to January 12, 2012. This assumes that a special assessment will be adopted to pay for the 3rd installment payment of the Non-Agricultural Pool water purchase.

ACTIONS:

October 13, 2011 Appropriative Pool – Unanimous vote to work through the issues brought up at the Appropriative Pool meeting today and bring this item through the Pool process next month versus taking this to the Advisory Committee on October 20, 2011

October 13, 2011 Non-Agricultural Pool – Unanimous vote to continue until next month or until the Appropriative Pool resolves issues brought up at their October 13, 2011 meeting

October 13, 2011 Agricultural Pool – No action was for information only

October 20, 2011 Advisory Committee –

October 27, 2011 Watermaster Board –



CHINO BASIN WATERMASTER

II. BUSINESS ITEM

B. YEAR 3 PURCHASE OF NON- AGRICULTURAL POOL STORED WATER





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: October 20, 2011
TO: Advisory Committee
SUBJECT: Assessment for Water Purchased from the Non-Agricultural Pool pursuant to the Peace II Purchase and Sale Agreement.

SUMMARY

Recommendation – Approve a Special Assessment of the Appropriative Pool in the amount necessary to make payment number 3 from the disposition of water purchased from the Non-Agricultural Pool pursuant to the Peace II Purchase and Sale Agreement.

DISCUSSION

Assessment of Appropriative Pool for Payment 3:

The *Purchase and Sale Agreement for the Purchase of Water by Watermaster from Overlying (Non-Agricultural) Pool* (Attachment C) identifies the "Storage Transfer Quantity" as that amount held in storage by the members of the Non-Agricultural Pool as of June 30, 2007 less a ten percent dedication for the purpose of Desalter Replenishment. (Purchase and Sale Agreement Section B.) Under the Purchase and Sale Agreement, Watermaster, at the direction of the Appropriative Pool, is to issue a Notice of Intent to Purchase to the Non-Agricultural Pool within 24 months after Court approval of the Peace II Documents. The Notice of Intent to Purchase was issued on December 18, 2009.

The four annual payments to the Non-Agricultural Pool are scheduled in accordance to Attachment G, Section D of the Peace II Agreement. Per the document, the purchase price listed will be "...adjusted for inflation by the consumers price index ("cpi") for San Bernardino County from May 31, 2006 until the Payment Date,."

1. \$215 times 1/4 of the Storage Transfer Quantity on the Payment Date.
2. \$220 times 1/4 of the Storage Transfer Quantity on the first anniversary of the Payment Date.
3. \$225 times 1/4 of the Storage Transfer Quantity on the second anniversary of the Payment Date.
4. \$230 times 1/4 of the Storage Transfer Quantity on the third anniversary of the Payment Date.

The previous years "cpi" adjustments have been as follows:

CPI 2006-2007: 2.90%
CPI 2007-2008: 3.70%
CPI 2008-2009: (1.80%)

CPI 2009-2010: 1.76%

CPI 2010-2011: 3.06%

This year's "cpi" increase as of May 2011 was 3.06% which calculated a purchase price of \$247.26 AF ($\$225.00 \times 2.90\% \times 3.70\% \times (1.80\%) \times 1.76\% \times 3.06\% = \247.26).

Per Section D, there is also an express price cap as follows: "However, all payments provided for herein, including inflation adjustments, are subject to an express price cap and will not exceed ninety-two (92) percent of the then prevailing MWD replenishment rate in any year." For this proposed assessment, the \$247.26 AF has not exceeded the price cap.

Per Attachment G of the Peace II Agreement, payments to the Non-Agricultural Pool must be completed on the anniversary of the original payment date, which was January 14, 2010. All future payments must be made on or before January 14th. Watermaster intends to issue the third annual installment payment on or before January 13, 2012.

The Purchase of Non-Ag Pool Water worksheet (Attachment A) details the total storage amount of 38,457.492 AF x 25% at a CPI adjusted price of \$247.26 which equals \$2,377,249.88 which is the proposed assessment amount.

Adjustment of Year Two Billing:

The first year's assessment calculation used the FY 2008-2009 actual production data in determining the individual assessment amount for each Appropriator. When calculating the second year's assessment, the FY 2009-2010 actual production data was used in determining the individual assessment amount for each Appropriator. It has been determined that the second year's production numbers for calculating the assessment should have been the FY 2008-2009 production information, not the FY 2009-2010 production information. For this reason, an adjustment to the prior year's billing must be completed.

According to section (2) of the document labeled "*Plan Regarding Disposition of Water Purchased from the Non-Agricultural Pool Pursuant to the Peace II Purchase and Sale Agreement*" (Attachment B) dated November 5, 2009 and presented at the Board meeting of November 19, 2009 states that "The assessment allocation used for the first installment of the purchase price shall also be used for the subsequent three installments". The first installment payment used the production information from FY 2008-2009. Therefore, all subsequent worksheets should use the production information from FY 2008-2009.

FINANCIAL IMPACT

The financial impact is an assessment to the Appropriative Pool members of \$2,377,249.88 for Payment Number 3 (Attachment A). There is no fiscal impact with regards to the Prior Year billing adjustment from Year 2 since the production amount correction (using FY 2008-2009 instead of FY 2009-2010) does not change the overall assessment amount charged to the Appropriators. The correction only adjusts how much each Appropriator paid based upon their FY 2008-2009 production amounts.

Attachment A:

Attachment A

Purchase of Non-Ag Pool Water

PRODUCER	Assigned Share of Sale Yield	2008-09 Actual Production	2008-2009 "Averaged" Production & Exchanges	38,457 based on OSY	38,457 based on Averaged	50% OSY & 50% Averaged	Divided by 4 years**	2007-2008	2008-2009	A		B	A-B+C		D	C+D+E		
										2009-2010 Correct Amount	2010-2011 Billed FY10-11		2010-2011 Adjustment FY11-12	2010-2011		2011-2012		
Arrowhead Mountain Spring Water	-	350	350	38,457	38,457	38,457	36,457	3,000%	2009-2010 1.76%	2010-2011 3.06%	2011-2012 2.00%							
Chino, City of	4,034	3,287	2,244	2,766	2,829	1,925	481	1,925	\$108,432.34	\$87,794.71	\$4,612.22	\$3,789.41	\$112,907.97	\$87,794.71	\$25,113.26	\$144,119.28	\$124,084	
Chino Hills, City of	2,112	1,988	1,988	1,988	1,481	1,108	277	62	\$376.95	\$55,445.18	\$55,445.18	\$64,952.27	\$64,952.27	\$68,460.29	\$71,382	\$177,967.38	\$71,382	
Cucamonga Valley Water District	3,620	23,749	11,005	17,377	2,539	4,477	1,119	252	\$164.40	\$242,716.15	\$242,716.15	\$282,574.09	\$242,716.15	\$276,755.48	\$286,613.42	\$286,585	\$286,585	
Desalter Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$0.00	\$0.00	\$0.00	\$0.00
Fontana Union Water Company	6,392	-	-	4,483	-	2,241	580	126	\$246.37	\$131,458.07	\$131,458.07	\$131,458.07	\$131,458.07	\$138,558.01	\$138,558.01	\$138,558.01	\$144,470	
Fontana Water Company	1	13,202	13,202	1	4,874	2,438	609	137	\$291.58	\$142,959.14	\$142,959.14	\$167,385.03	\$142,959.14	\$150,680.24	\$126,274.34	\$157,110	\$157,110	
Golden State Water Co.	411	748	748	288	276	282	71	15	\$890.69	\$16,556.40	\$12,893.81	\$16,556.40	\$16,556.40	\$17,450.59	\$21,113.18	\$18,195	\$18,195	
Inland Empire Utilities Agency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$0.00	\$0.00	\$0.00	\$0.00
Jurupa Community Services District	2,061	19,485	17,159	18,322	1,446	4,105	1,026	231	\$216.20	\$240,761.17	\$223,012.32	\$240,761.17	\$17,748.95	\$253,784.47	\$271,613.32	\$264,593	\$264,593	
Los Serranos Country Club	655	142	142	460	-	256	64	14	\$18.18	\$15,013.85	\$17,748.71	\$15,013.85	\$17,748.71	\$15,824.52	\$13,089.46	\$16,500	\$16,500	
Marygold Mutual Water Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$0.00	\$0.00	\$0.00	\$0.00
Metropolitan Water Dist of So Calif	677	-	-	475	-	237	59	13	\$364.50	\$13,916.04	\$13,916.04	\$13,916.04	\$13,916.04	\$14,667.63	\$14,667.63	\$15,294	\$15,294	
Monte Vista Irrigation Company	4,824	15,344	9,519	12,432	3,383	3,987	997	224	\$30.96	\$233,799.80	\$287,229.16	\$233,799.80	\$287,229.16	\$33,429.36	\$246,427.13	\$259,942	\$259,942	
Monte Vista Water District	-	1,210	1,210	-	447	223	56	12	\$81.46	\$13,100.54	\$16,025.78	\$13,100.54	\$16,025.78	\$2,925.25	\$13,808.08	\$10,882.84	\$14,397	
Niagara Bottling Company, LLC	4	-	-	3	-	1	0	75	\$62	\$78.94	\$78.94	\$78.94	\$78.94	\$83.20	\$83.20	\$83.20	\$87	
Nicholson Trust	202	-	-	142	-	71	18	3	\$95.87	\$4,150.00	\$4,150.00	\$4,150.00	\$4,150.00	\$4,374.14	\$4,374.14	\$4,561	\$4,561	
Norco, City of	11,374	25,470	13,222	19,348	7,977	7,560	1,980	425	\$791.46	\$443,388.23	\$463,415.52	\$443,388.23	\$463,415.52	\$20,047.29	\$467,314.16	\$447,266.87	\$487,265	
Ontario, City of	11,216	13,731	11,731	12,731	7,666	6,283	1,571	353	\$891.60	\$388,500.54	\$359,817.96	\$388,500.54	\$359,817.96	\$9,682.58	\$388,402.93	\$399,085.60	\$404,976	
Pomona, City of	1,301	160	160	913	59	486	121	27	\$83.80	\$28,493.05	\$28,760.75	\$28,493.05	\$28,760.75	\$1,732.30	\$30,031.93	\$31,764.23	\$31,313	
Santa Ana River Water Company	1,507	992	992	992	1,057	712	178	40	\$75.59	\$41,729.96	\$42,915.95	\$41,729.96	\$42,915.95	\$1,185.99	\$43,983.76	\$42,797.77	\$45,861	
San Antonio Water Company	-	22	22	22	8	4	1	22	\$82	\$238.19	\$203.59	\$238.19	\$203.59	\$34.80	\$251.06	\$285.66	\$282	
San Bernardino County (Shoofing Park)	2,852	3,724	1,021	2,373	2,001	1,438	360	81	\$1,006.86	\$84,350.88	\$88,138.23	\$84,350.88	\$88,138.23	\$1,787.55	\$89,906.38	\$87,118.83	\$92,700	
Upland, City of	948	-	-	665	-	332	83	18	\$714.48	\$19,486.97	\$19,486.97	\$19,486.97	\$19,486.97	(0.00)	\$20,539.44	\$20,539.44	\$21,416	
West End Consolidated Water Company	644	-	-	452	-	226	56	12	\$25.73	\$13,250.69	\$13,250.69	\$13,250.69	\$13,250.69	(0.00)	\$13,966.34	\$15,966.34	\$14,562	
West Valley Water District	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$0.00	\$0.00	\$0.00	
TOTAL PRODUCTION AND EXCHANGES	54,834	123,603	84,715	104,159	38,457	38,457	9,614	\$2,166,022.11	\$2,255,435.78	\$2,255,435.78	\$2,255,435.78	\$2,255,435.78	\$2,255,435.78	(0.00)	\$2,377,249.88	\$2,377,249.88	\$2,476,888	

*Per Attachment G to the Peace II document, the purchase price listed with be "...adjusted for inflation by the consumers price index ("cpi") for San Bernardino County from May 31, 2006 until the Payment Date."

Attachment B:

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

November 5, 2009

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

Attachment C:

September 21, 2007

Attachment "G"

**PURCHASE AND SALE AGREEMENT FOR
THE PURCHASE OF
WATER BY WATERMASTER
FROM OVERLYING (NON-AGRICULTURAL) POOL**

THIS AGREEMENT (Agreement) is dated 27th day of September, 2007, regarding the Chino Groundwater Basin.

RECITALS

WHEREAS, the Peace Agreement expressly authorized a transfer of water from the Overlying (Non-Agricultural) Pool to Watermaster for use as replenishment for the Desalters and for use in connection with a Storage and Recovery Program;

WHEREAS, Watermaster is evaluating its replenishment needs under the Judgment and several Storage and Recovery opportunities;

WHEREAS, Watermaster desires to purchase and the Overlying (Non-Agricultural) Pool desires to sell, all of the Non-Agricultural Pool water held in storage as of June 30, 2007;

WHEREAS, Watermaster is proposing an amendment to the Overlying (Non-Agricultural) Pool Pooling Plan set forth in Exhibit "G" to the Judgment whereby members of the Pool may offer water for purchase by Watermaster and thence the members of the Appropriate Pool under the process set forth therein;

NOW THEREFORE, in consideration of the mutual promises specified herein and by conditioning their performance under this Agreement upon the conditions precedent set forth herein, and for other good and valuable consideration, the Parties agree as follows:

A. Peace Agreement Transfer. This purchase and sale agreement is in accordance with Section 5.3(e) of the Peace Agreement that provides that "parties to the Judgment with rights within the Non-Agricultural (Overlying) Pool shall have the additional rights to Transfer their rights to Watermaster for the purposes of Replenishment for a Desalter or for a Storage and Recovery Program."

B. Quantity. The quantity of water being made available to Watermaster by the Non-Agricultural (Overlying) Pool on a one-time basis ("Storage Transfer Quantity") is equivalent to the total quantity of water held in storage by the members of the Overlying (Non-Agricultural) Pool held in storage on June 30, 2007 ("Storage Quantity"), less a ten percent dedication for the purpose of Desalter Replenishment, less the quantity of water transferred pursuant to paragraph I below ("Special Transfer Quantity").

September 21, 2007

C. Notice. Within twenty-four months of the final Court approval of this Agreement (“Effective Date”), and only with the prior approval of the Appropriate Pool, Watermaster will provide written Notice of Intent to Purchase the Non-Agricultural (Overlying) Pool water pursuant to Section 5.3(a) of the Peace Agreement, which therein identifies whether such payment will be in connection with Desalter Replenishment or a Storage and Recovery Program.

D. Payment. Commencing thirty (30) calendar days from the Notice of Intent to Purchase (“Payment Date”) Watermaster will pay to the Non-Agricultural Overlying Pool for each acre-foot of the Storage Transfer Quantity in accordance with the following schedule as the schedule is adjusted for inflation by the consumers price index (“cpi”) for San Bernardino County from May 31, 2006 until the Payment Date.:

1. \$215 times 1/4 of the Storage Transfer Quantity on the Payment Date.
2. \$220 times 1/4 of the Storage Transfer Quantity on the first anniversary of the Payment Date.
3. \$225 times 1/4 of the Storage Transfer Quantity on the second anniversary of the Payment Date
4. \$230 time 1/4 of the Storage Transfer Quantity on the third anniversary of the Payment Date.

However, all payments provided for herein, including inflation adjustments, are subject to an express price cap and will not exceed ninety-two (92) percent of the then prevailing MWD replenishment rate in any year.

E. Dedication to Desalter Replenishment. Upon Watermaster’s issuance of its written Notice of Intent to Purchase, and Watermaster’s tender of its initial payment on the Payment Date, ten (10) percent of the Storage Quantity will be dedicated for replenishment of Desalter production without compensation. Watermaster will receive but will not pay for this dedication.

F. Use and Distribution. Watermaster will take possession of the water made available pursuant to this Agreement and make use of and distribute the water made available in a manner consistent with Section 5.3(e) of the Peace Agreement.

G. Condition Precedent. This Agreement and the Parties performance hereunder are expressly conditioned upon Court approval of this Agreement.

H. Early Termination. This Agreement will expire and be of no further force and effect if: Watermaster does not issue its Notice of Intent to Purchase in accordance with Paragraph D above within twenty-four (24) months of Court approval. Upon Watermaster’s failure to satisfy the condition subsequent, the rights of the Non-Agricultural (Overlying) Pool will remain unaffected and without prejudice as result of their having executed this Agreement except that in the event of Early Termination, the Storage Transfer Quantity, will then be made available for purchase by Watermaster and thence the members of the Appropriate Pool in accordance with Paragraph 9.(iv) of Amended Exhibit G, the Overlying (Non-Agricultural) Pool,

September 21, 2007

Pooling Plan, including the requirement of a ten percent dedication towards Desalter replenishment.

I. One Time Transfer in Furtherance of the Physical Solution and in Aid of Desalter Replenishment ("Special Transfer Quantity"). In consideration of the Overlying (Non-Agricultural) Pool members' irrevocable commitment made herein and it the Peace II Measures Watermaster will purchase and immediately make available the quantity of 8,530 acre-feet (less a ten percent dedication to Watermaster for Desalter Production) to the San Antonio Water Company (SAWCO) and Vulcan Materials, a member of the Overlying (Non-Agricultural) Pool under terms established as between those parties. This One Time Transfer is in addition to and without prejudice to the discretionary rights of the members of the Overlying (Non-Agricultural) Pool to make available and Watermaster and members of the Appropriative Pool to purchase water as Physical Solution transfers. No member of the Appropriative Pool, other than SAWCO assumes any responsibility for the purchase of this Special Transfer Quantity from Vulcan.

IN WITNESS THEREOF, the Parties hereto have set forth their signatures as of the date written below:

Dated:

NON-AGRICULTURAL OVERLYING POOL

By _____

ACTIONS:

- October 13, 2011 Appropriative Pool – Approved unanimously to do an individual Special Assessment now and provide recognition of what has been paid in the past
- October 13, 2011 Non-Agricultural Pool – No action was for information only
- October 13, 2011 Agricultural Pool – No action was for information only
- October 20, 2011 Advisory Committee –
- October 27, 2011 Watermaster Board –



CHINO BASIN WATERMASTER

III. REPORTS / UPDATES

C. INLAND EMPIRE UTILITIES AGENCY

1. MWD Update
2. Water Softener Initiative
3. State and Federal Legislative Reports
4. Community Outreach/Public Relations Report
5. IEUA Monthly Water Newsletter



CHINO BASIN WATERMASTER

ADVISORY COMMITTEE

October 20, 2011

AGENDA

INTERAGENCY WATER MANAGER'S REPORT

Chino Basin Watermaster

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

Discussion Items:

- MWD Update (attachments)
- Water Softener Initiative (attachments)

Written Items:

- State and Federal Legislative Reports
- Community Outreach/Public Relations Report
- IEUA Monthly Water Newsletter

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Discussion Draft

Policy Principles or Water Management Program

September 30, 2011

Regional Benefits: The water management program should provide regional benefits, including: (1) dry-year supplies at Metropolitan's call, (2) flexibility to manage delivery of available supplies in a way that would augment regional storage, and (3) delivery of surplus supplies that are at risk of spill or loss due to surplus conditions.

Equity for Member Agencies: The water management program will be available to all member agencies and will provide quantifiable regional benefits.

Financial Integrity: The water management program options should support the stability of Metropolitan's revenue and coverage of costs.

Regional Value: Incentives and availability of water deliveries under the water management program will be proportional to the level of regional benefit.

Operational Flexibility: The water management program will enhance opportunities for Metropolitan to manage water supplies effectively under varied water supply conditions.

Complementary with Other Storage Programs: Features of the water management program should be complementary with existing storage programs, such that past investments continue to yield reliability benefits.

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- **Review of current Replenishment Service Program and proposed policy principles**

Summary

Summary

Metropolitan has been delivering discounted water to replenish local storage since the 1950's, through a variety of programs developed over the years, including the Interruptible Program, Seasonal Storage Service and the current Replenishment Service Program. The Replenishment Service Program incentivizes agencies to increase purchase and delivery of imported water into local storage during periods of favorable supply. Under the program Metropolitan has the ability to interrupt these deliveries when needed. Revisions to the Replenishment Service Program are being discussed with the goal of further enhancing regional reliability benefits associated with the program. Since March 2011, Metropolitan staff has engaged in a workgroup process with the member agencies and groundwater basin managers to discuss potential revisions to the program. This letter provides a brief overview of the current program along with potential policy principles that could guide the development of a revised program.

Overview of Current Replenishment Service Program

Under the existing Replenishment Service Program, imported water is delivered to an agency for storage in local groundwater basins or reservoirs. Replenishment Service water may be used to increase local storage, increase the operating yield of a groundwater basin above the safe yield operation, or refill a previous years' groundwater basin overdraft.

Replenishment Service is a "pay-for-performance" program for storage in the year being certified. The participating agency receives a discount on water purchased by the agency for replenishment purposes. However, this is an interruptible supply, meaning that Metropolitan can cease deliveries of Replenishment Service deliveries at its sole discretion, typically during periods of high demand, emergencies, or shortages. In turn, agencies are expected to offset such interruptions with local production from their groundwater basins or reservoirs.

Metropolitan's Administrative Code highlights the three principal goals of the current Replenishment Service Program:

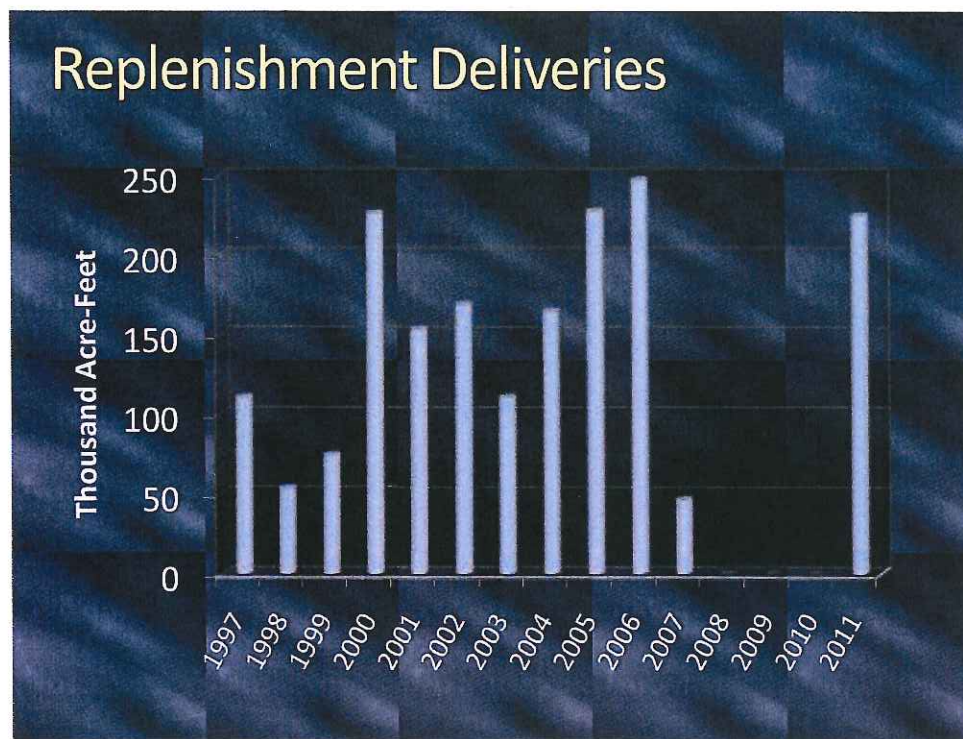
- Encourage storage of surplus imported water when supplies are available;
- Encourage construction of additional local production facilities; and,
- Reduce member agencies' dependence on deliveries from Metropolitan during periods of high demand, emergencies or shortages.

Each participating agency must demonstrate that water is "stored" by taking imported supplies over and above its actual demands for that year and storing the water for the duration of the year for which deliveries are certified. If the water is not stored for the required time (e.g., water cycled into and out of storage in the same year), full service deliveries could be inappropriately displaced and the discounted rate would be disallowed.

Historically, Replenishment Service was frequently available and administered in accordance with Metropolitan's Water Surplus and Drought Management (WSDM) Plan, adopted by the Board in 1999. The WSDM Plan provides guidelines for how replenishment deliveries fit into Metropolitan's other surplus and drought management actions. In accordance with the WSDM Plan, replenishment deliveries were available every year since the plan was adopted and weren't suspended until May 2007, due to an extended dry period, regulatory

Board Report (Review of current Replenishment Service Program and proposed policy principles)

restrictions on exports from the Delta, and depletion of Metropolitan's regional storage in accordance with the WSDM Plan, as shown in the figure below.



Other Groundwater Programs

As replenishment deliveries have been made over the past several decades, other Metropolitan groundwater programs were developed to respond to the increasing need for additional dry year supplies and operational flexibility. The groundwater conjunctive use program and Supplemental Storage Program were developed as early as the 1990's and implemented as contractual agreements between Metropolitan and participating member agencies. These agreements allow Metropolitan to store available imported water in groundwater basins and to withdraw that stored water in dry years at its call. These contractual storage programs provided assured dry year supplies for the region. In addition, cyclic storage agreements were developed beginning in the 1970's to increase Metropolitan's operational flexibility by providing Metropolitan with the ability to deliver water for replenishment when it is available in wet periods and the ability to curtail the delivery of replenishment water when supplies are restricted.

Revisions to the Program

At its May 2011 meeting, the Board provided direction to the General Manager to exercise his discretion to make about 225,000 acre-feet of deliveries available under the existing Replenishment Service Program. Additionally, the Board requested that staff develop options and a recommendation to revise the Replenishment Service Program in a manner that enhances regional reliability, complements the other groundwater programs, and improves operational flexibility to manage changes in hydrology, contracts and regulatory requirements.

Several factors should be considered in the development of these options, including:

- The potential for the program to provide regional benefits in dry years
- The frequency and magnitude of surplus conditions in the future
- The increased size and diversification of Metropolitan's regional storage portfolio

Board Report (Review of current Replenishment Service Program and proposed policy principles)

- The potential operational benefits of the program (e.g. interruptibility and system capacity benefits)
- The linkage between the level of regional benefits and any related financial incentives

Regional Benefits

The current Replenishment Service Program provides a discount below the full service rate to incentivize local storage when favorable imported supplies and system capacity are available. This is intended to allow participating agencies to increase local production in a later dry period, making more imported supplies available for other agencies. Therefore, Metropolitan receives the benefits of being able to deliver water when supply and capacity are available and to interrupt these deliveries when they are unavailable. The participating agency receives a benefit of increased local production and a discounted interruptible water rate.

However, unless the increased local production (and subsequent reduction in imported water deliveries to the agency) occurs when it is needed by the region to offset dry-year conditions, the benefits of discounted deliveries into storage could be reduced. This type of operation could lead to discount Replenishment sales offsetting full-service water sales without any corresponding regional dry-year benefit. As a result of lessons learned with previous replenishment programs, refinement of several regional benefit features for an interruptible Replenishment Program have been identified. For example:

- Measurable dry-year reliability enhancement
- Increased operational flexibility through interruptible deliveries
- Increased delivery of surplus imported supplies into the region when available

Since each of these features provides different degrees of regional reliability, a revised program should recognize that agencies may be able to provide only one, two or all of the benefits. As such, a future program should acknowledge one or more of these features, and provide incentives that are proportional to the magnitude of regional benefit.

Principles for a Revised Program

Key features of a revised program, featuring improved regional benefit, can be summarized with the following set of principles to guide policy development:

Regional Benefits: The program should provide regional benefits, including: (1) dry-year supplies at Metropolitan's call, (2) flexibility to manage delivery of available supplies in a way that would provide additional storage beyond Metropolitan's regional storage capability, and (3) delivery of supplies available to Metropolitan that are otherwise at risk of spill or loss.

Equity for Member Agencies: The program will be available to all member agencies and provide quantifiable regional benefits.

Financial Integrity: The program options should support the stability of Metropolitan's revenues and coverage of costs.

Regional Value: Program incentives should be based on sound economic principles and be proportional to the water management benefits provided.

Operational Flexibility: The program will enhance opportunities for Metropolitan to effectively manage water supplies under varied water supply conditions.

Complementary with Other Storage Programs: Features of the program should be complementary with existing storage programs, such that past investments continue to yield reliability benefits.

Next Steps

Proposed policy principles to revise the Replenishment Service Program will be presented for Board consideration in November 2011. This will be followed by options and recommendations for a revised program, based on the policy principles approved in November, for board consideration in December 2011.

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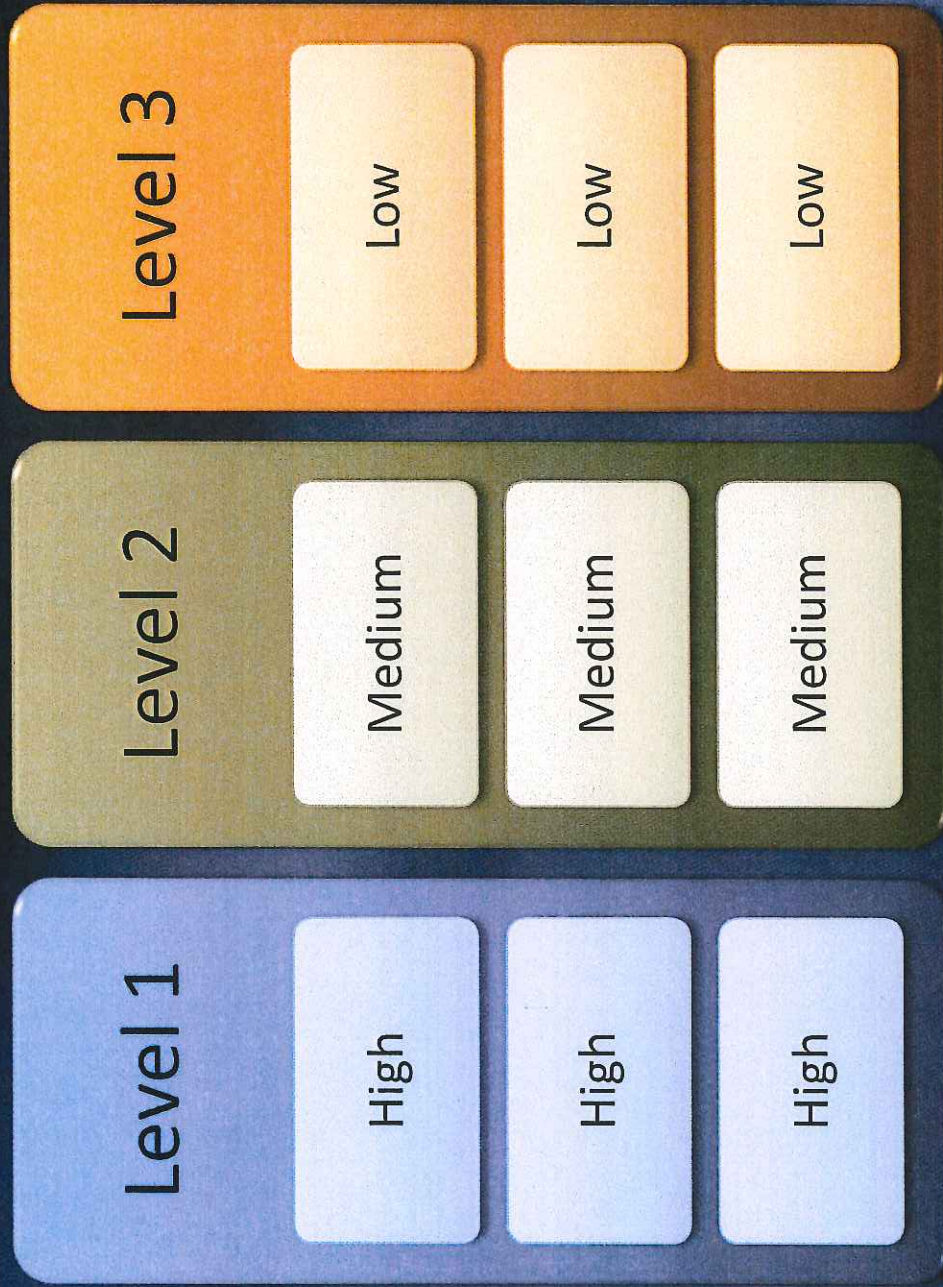
Replenishment Workgroup

September 23, 2011

Meeting Overview

- Review of Multi-Level Program Straw Proposal
 - Focused Discussion on Level 2
- Discussion
- Next Steps

Proposed Multi-Level Approach



Regional Benefits

Priority

Incentives

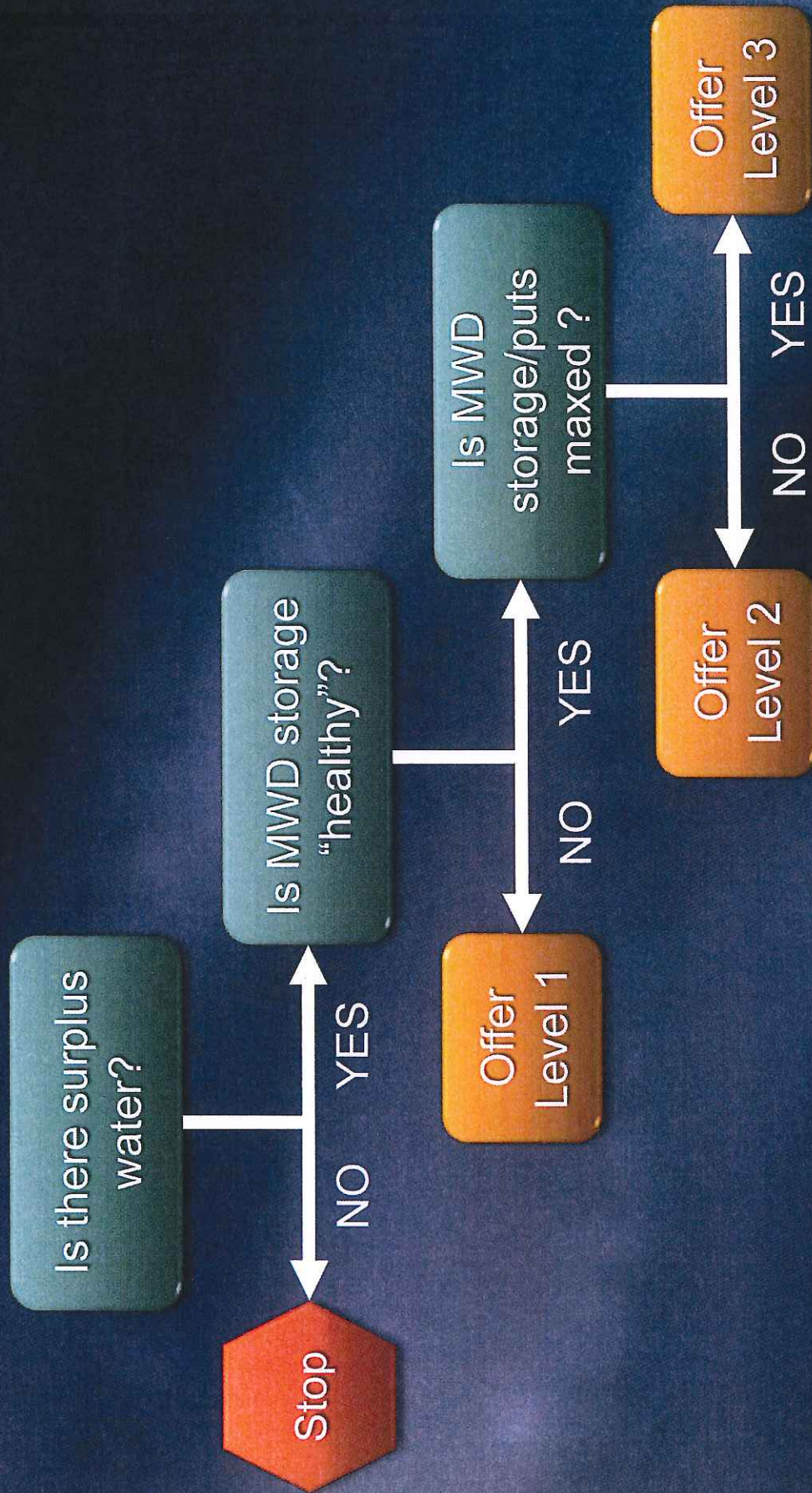
More Frequent
Higher Performance Expectations
More Regional Benefit

Less Frequent
Fewer Performance Req.
Less Regional Benefit

Straw Proposal Comparison

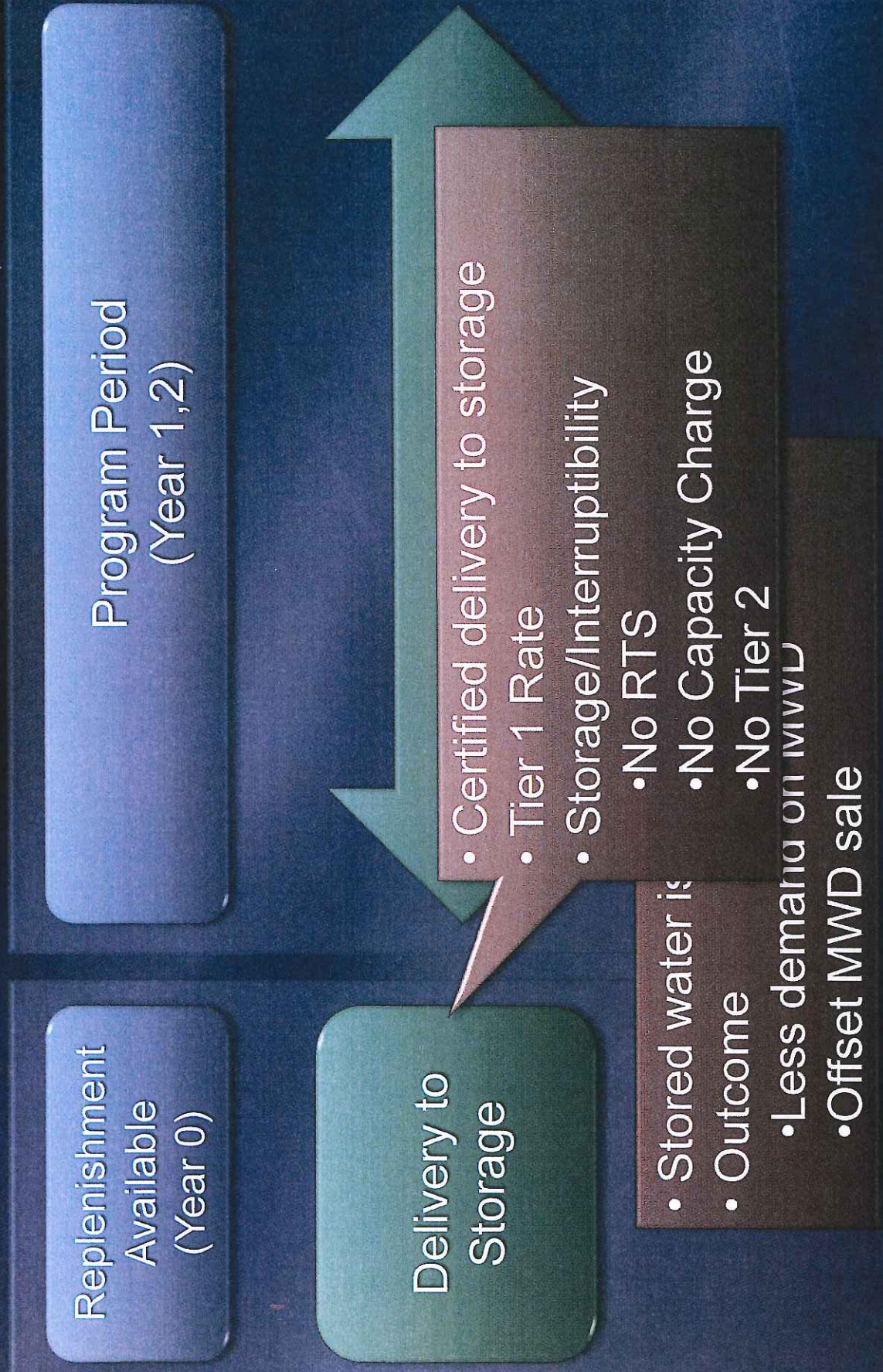
Program Element	Level 1	Level 2	Level 3
Supply Availability	Highest	Medium	Lowest
No Capacity Charge	✓	✓	✓
No RTS	✓	✓	✓
Tier 2 Exempt	✓	✓	✓
Incentive	Large	Medium	Cash Flow Assistance
Interruptible	✓	✓	✓
Fixed Quantity	✓	✓	✓
Put Certification	✓	✓	✓
Production Certification	✓		
MWD Call on Storage	✓		
Penalty for Non-Performance	Yes	N/A	N/A

Replenishment Decision Framework



Discussion on Level 2

Level 2 Replenishment Example



Potential Outcomes for Program Period

Shortage

MWD Regional Benefits

- Storage/Interruptibility
- Lower Demand
- Offset use of MWD Storage

Member Agency Benefits

- RTS
- Capacity Charge
- Tier 2
- Performance payment
- Future rate increases

No Shortage

MWD Regional Benefits

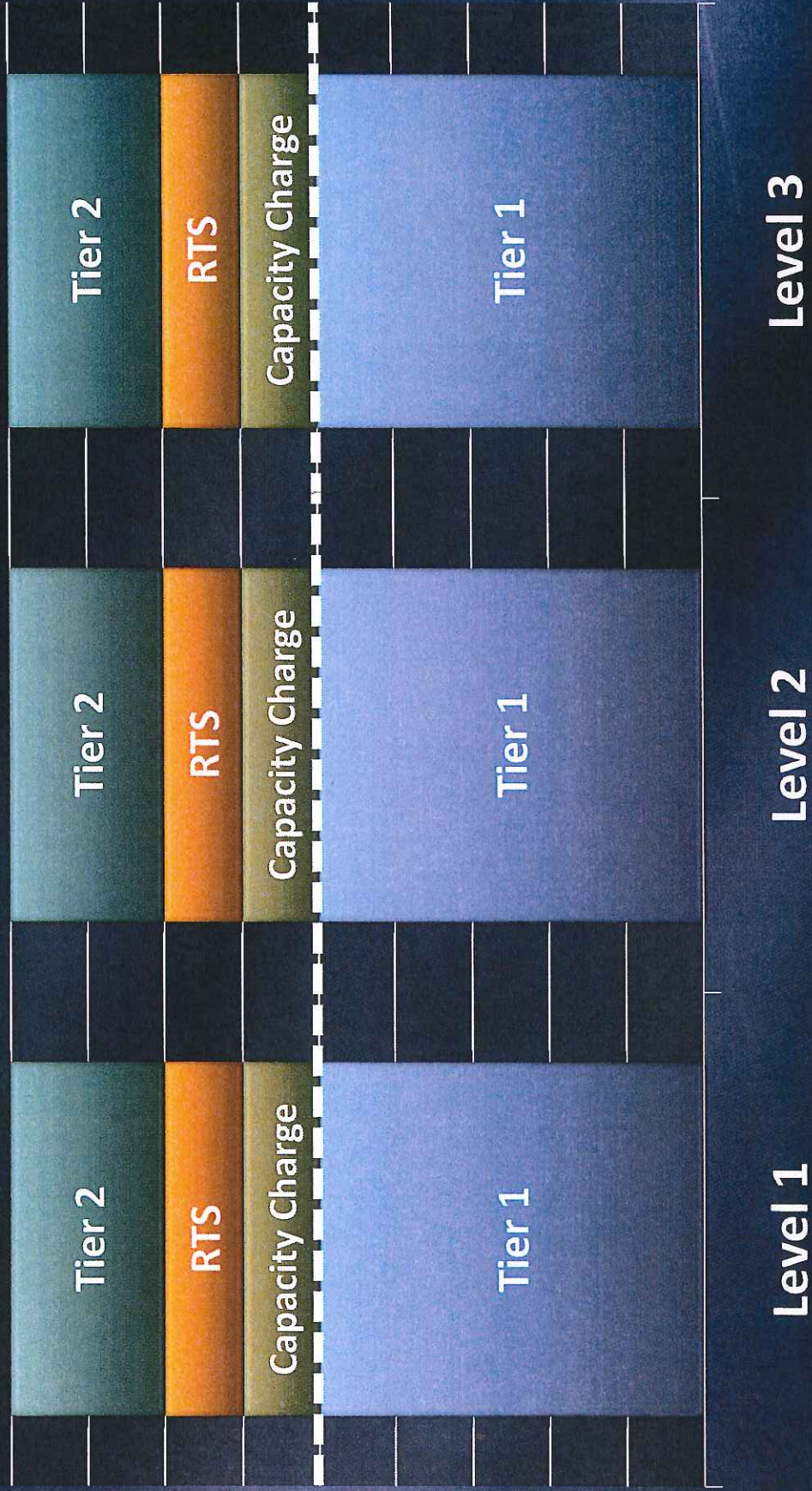
- Storage/Interruptibility

Member Agency Benefits

- RTS
- Capacity Charge
- Tier 2
- Future rate increases

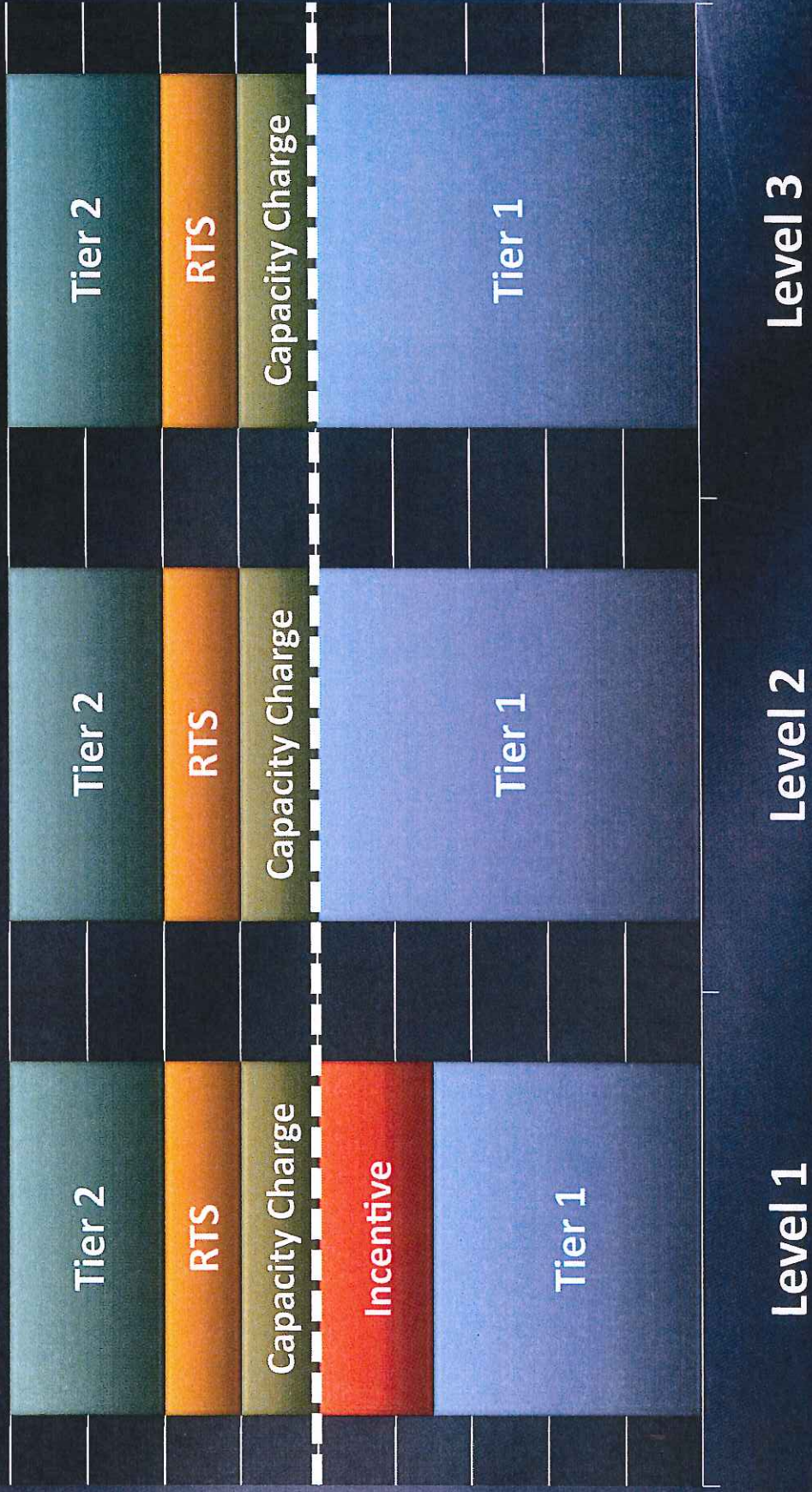
MWD Rates by Level

All Levels are storage and interruptible



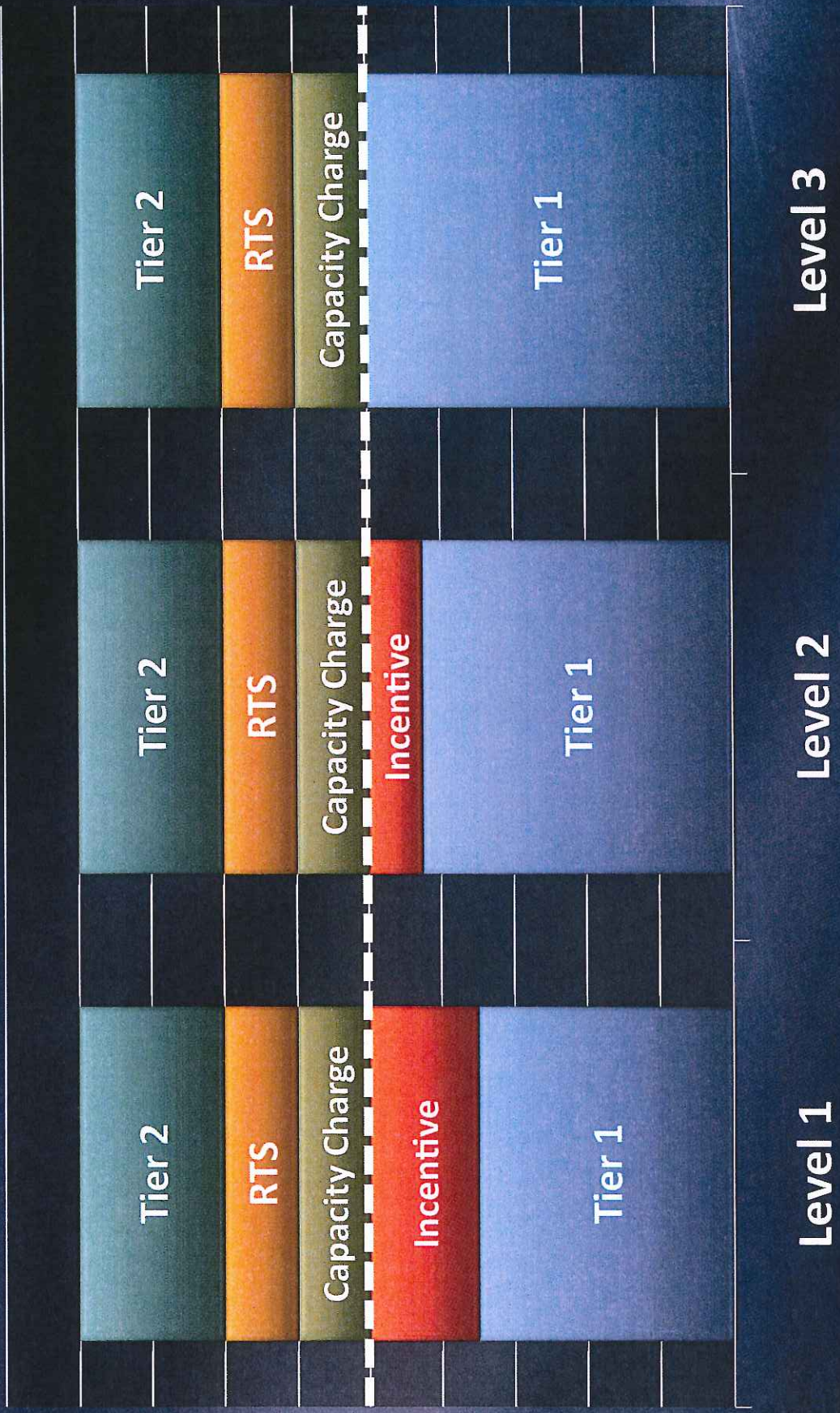
MWD Rates by Level

Certified Dry Year Call = Large Incentive



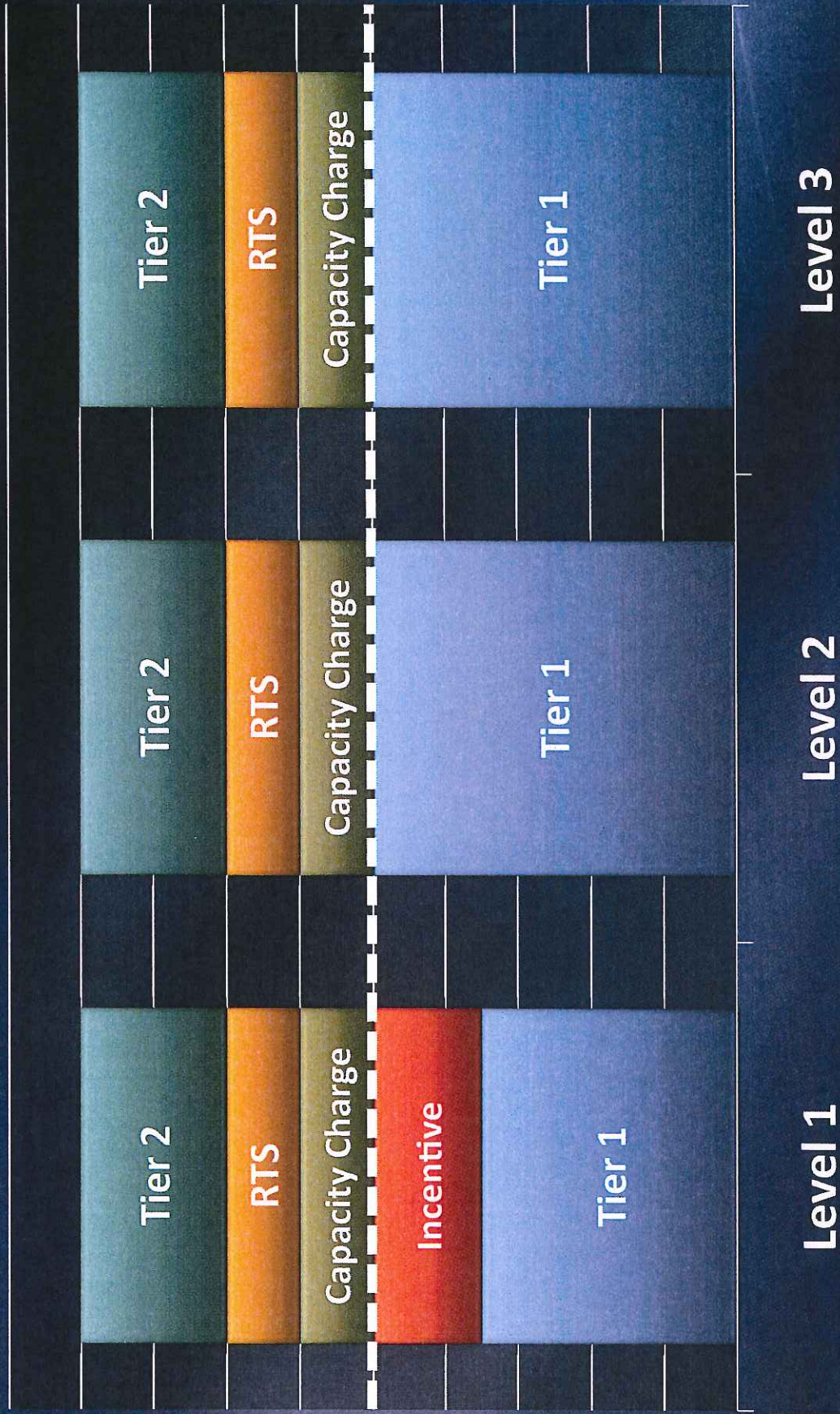
MWD Rates by Level

Reasonable Benefit = Smaller Incentive



MWD Rates by Level

No Dry Year = No Incentive for Level 2



Discussion

Summary

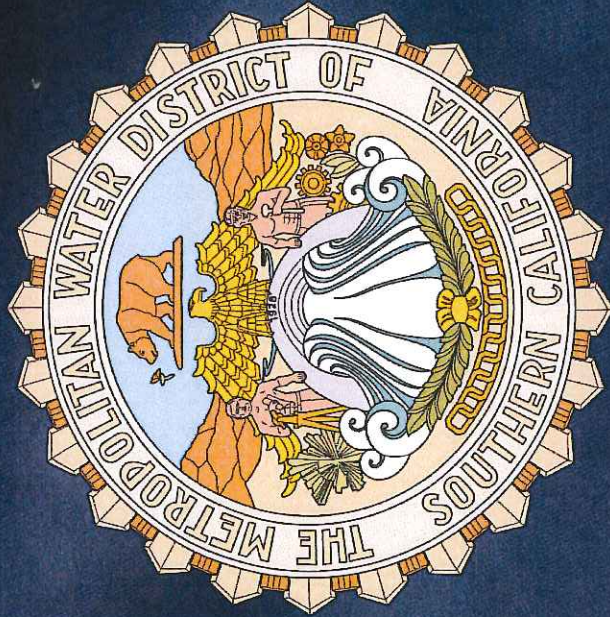
- Multiple Program Levels
 - Level 1 – More Regional Benefit, Performance, Freq.
 - Level 2 – Intermediate
 - Level 3 – Less
- Linkages between types
 - Regional Benefit
 - Priority
 - Incentives
 - Production Performance
- Details Remaining for Discussion

Remaining Details for Workgroup

- Certification of Storage
- Certification of Storage Withdrawals
- CUP Priority
- Penalties for Non-Performance
- Regional Benefit Condition
- Rates and Incentive Levels
- Program Availability Triggers
- Storage Losses
- Distribution of Limited Quantity Among Agencies
- Others?

Next Steps

- Next meeting
 - Thursday, September 29, 2011, 1:00-3:00 pm
- Discuss Program Alternative Details
- Board Info Letter on Principles – Oct. 2011
- Board Action Letter on Principles – Nov. 2011
- Board Consideration – Dec. 2011



Goals for New Approach

- Establish clear linkage between level of regional benefits and any related financial incentives
- Ensure that performance is quantified and expectations met
 - Clearly defined performance measures
 - Certification and reconciliation
- Regional Benefits Include:
 - Measurable dry-year reliability enhancement
 - Operational flexibility through interruptible deliveries
 - Delivery of surplus imported supplies into the region when available

Regional Benefits from Replenishment

- Measurable dry-year reliability enhancement
- Operational flexibility through interruptible deliveries
- Delivery of surplus imported supplies into the region when available

Level 1

- Highest Regional Benefits
 - Most incentive offered, commensurate with highest regional benefits
- Quantifiable and Certified Production
- Fixed Quantity
- No time limits on storage calls
- Resemblance to MWD Regional Storage and CUP
 - Water delivery on mutually agreed timing
 - Water held until MWD makes a call
- Available as often as storage water is available

Level 2

- Mid-Range Regional Benefits
 - Fewer incentives offered, commensurate with reasonable assurance of regional benefits
- Fixed Quantity
- Performance expectations less strict than Level 1
 - No Call
 - No production certification
 - Held for a specified period of time, for intended withdrawal during a period of regional need
 - “Regional Benefit Condition” trigger event
- Available less frequently, when regional storage is “healthy”

Level 3

- Lowest Regional Benefits
 - Fewest incentives offered, commensurate with no assurance of regional benefits
- No fixed quantities
- No performance expectation
- Incentive limited to interruptibility benefits
 - No Capacity Charge
 - No Readiness-to-Serve Charge
- Limited, infrequent availability
 - MWD storage capacity is full, OR
 - No conveyance capacity to MWD storage

Regional Modeling Analysis

Analysis Methodology

- IRPSIM model
 - Annual mass-balance model
 - 2010 IRP Update resource mix
 - Range of historical hydrology impacts (1922-2004)
- Effective for analyzing alternatives
 - Timing and quantity of replenishment
- Outputs
 - Water supply and demand balance
 - Metropolitan storage conditions

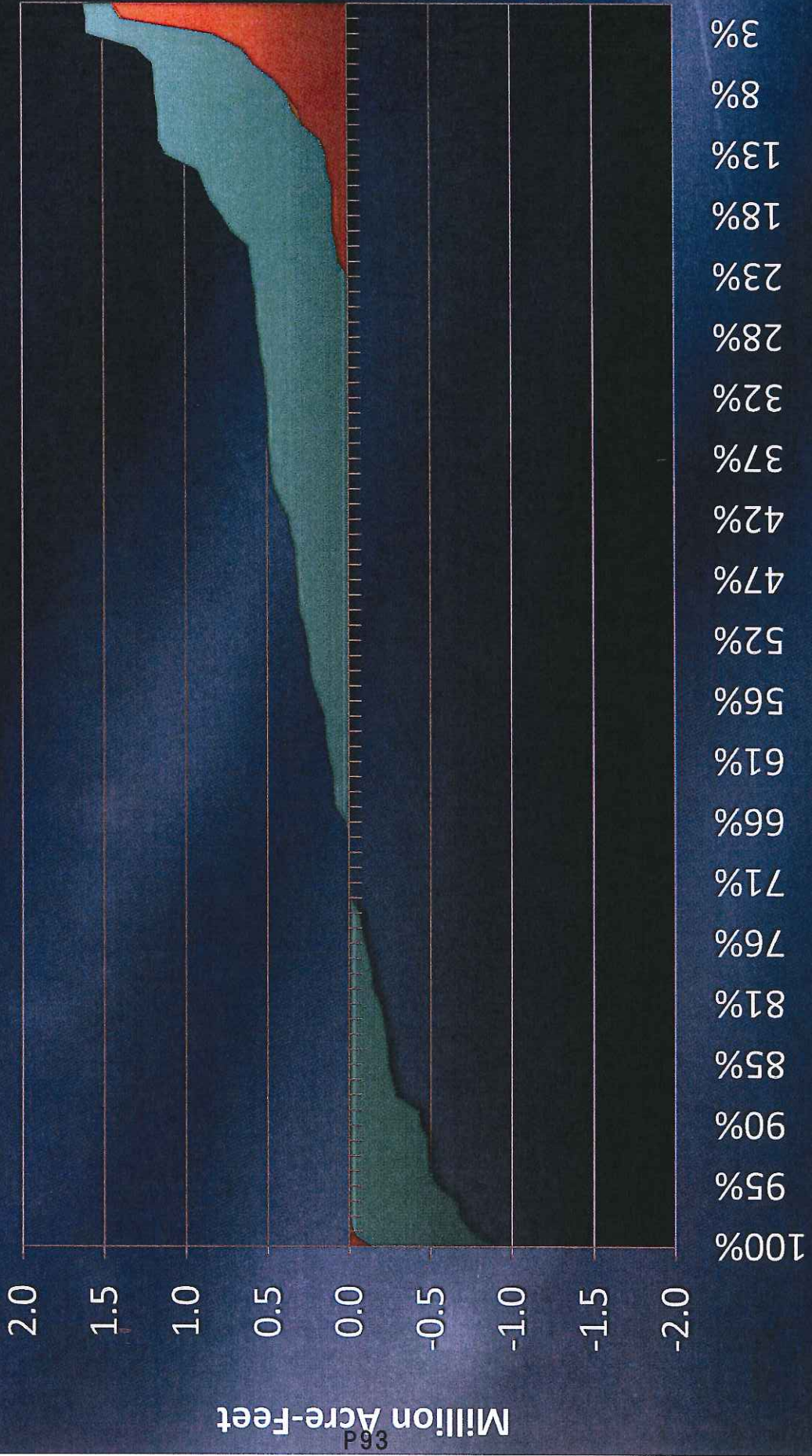
Analysis Cases

- Regional baseline case
 - Representation of current Replenishment Service Program
 - Current sales model forecast of replenishment demands
- Reduced regional pumping case
 - Replenishment demands are removed from the forecast
 - Local groundwater production is reduced by a like amount
 - Net result is increased firm demand on MWD

Resource Scenario – IRP Approach

- Core resources strategy
 - Local augmentation
 - 20x2020 retail-level compliance
- 200 TAF water use efficiency buffer
- 2013 interim Delta improvements
- 2022 Delta fix

2015 Reliability – IRP Approach

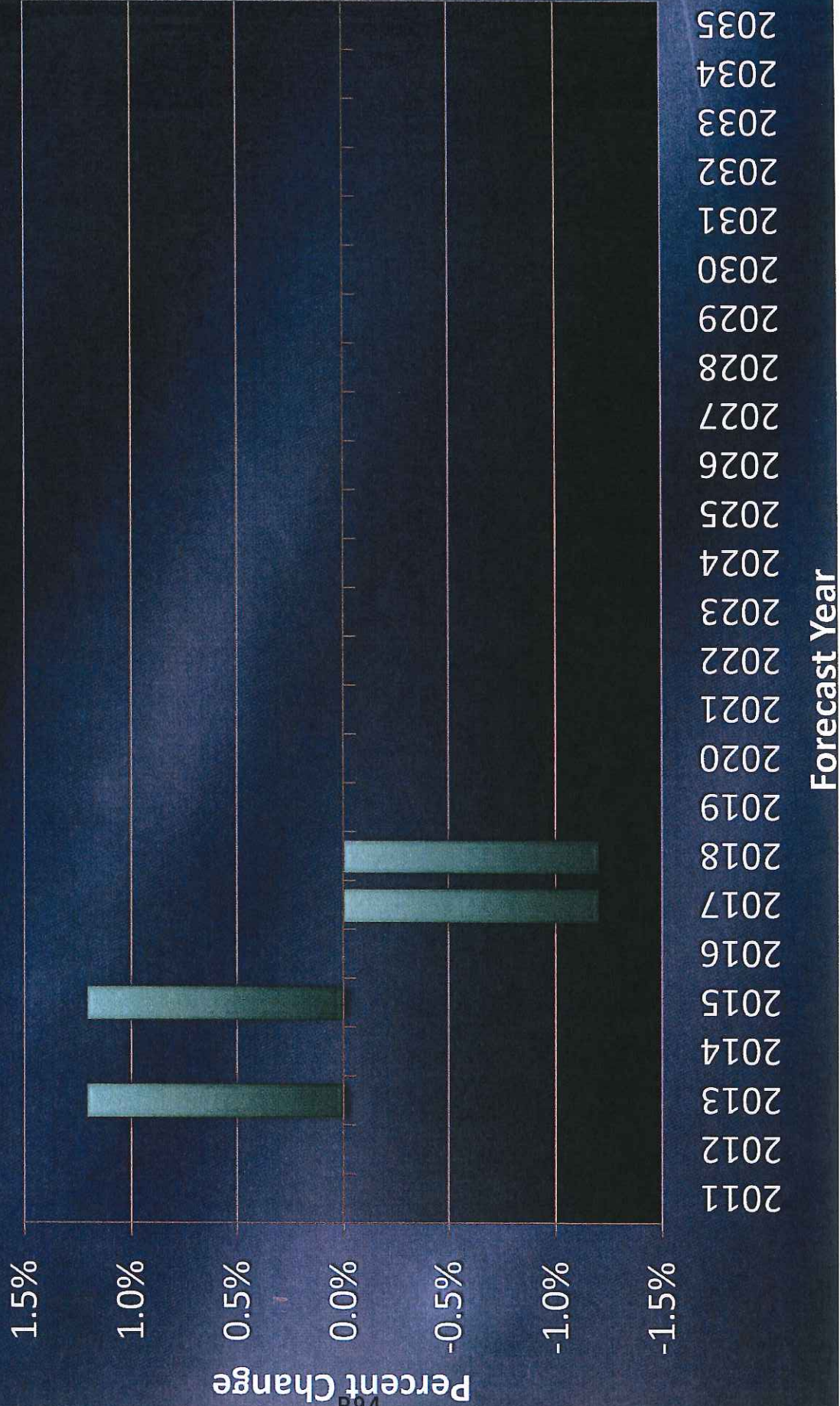


Likelihood of Exceedence

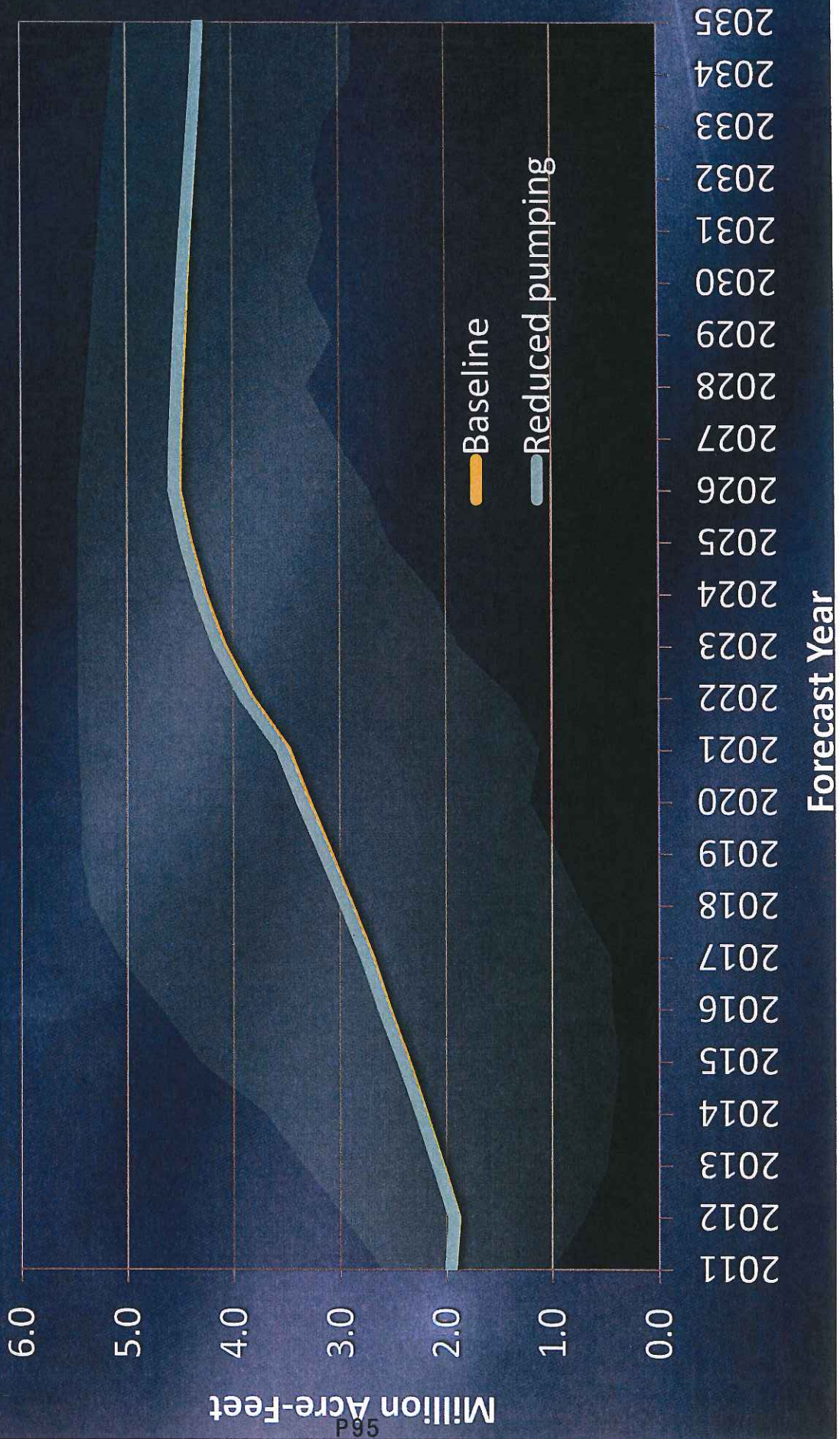
Million Acre-Feet

Change in Probability of Shortage

From Reduced Pumping with IRP Approach

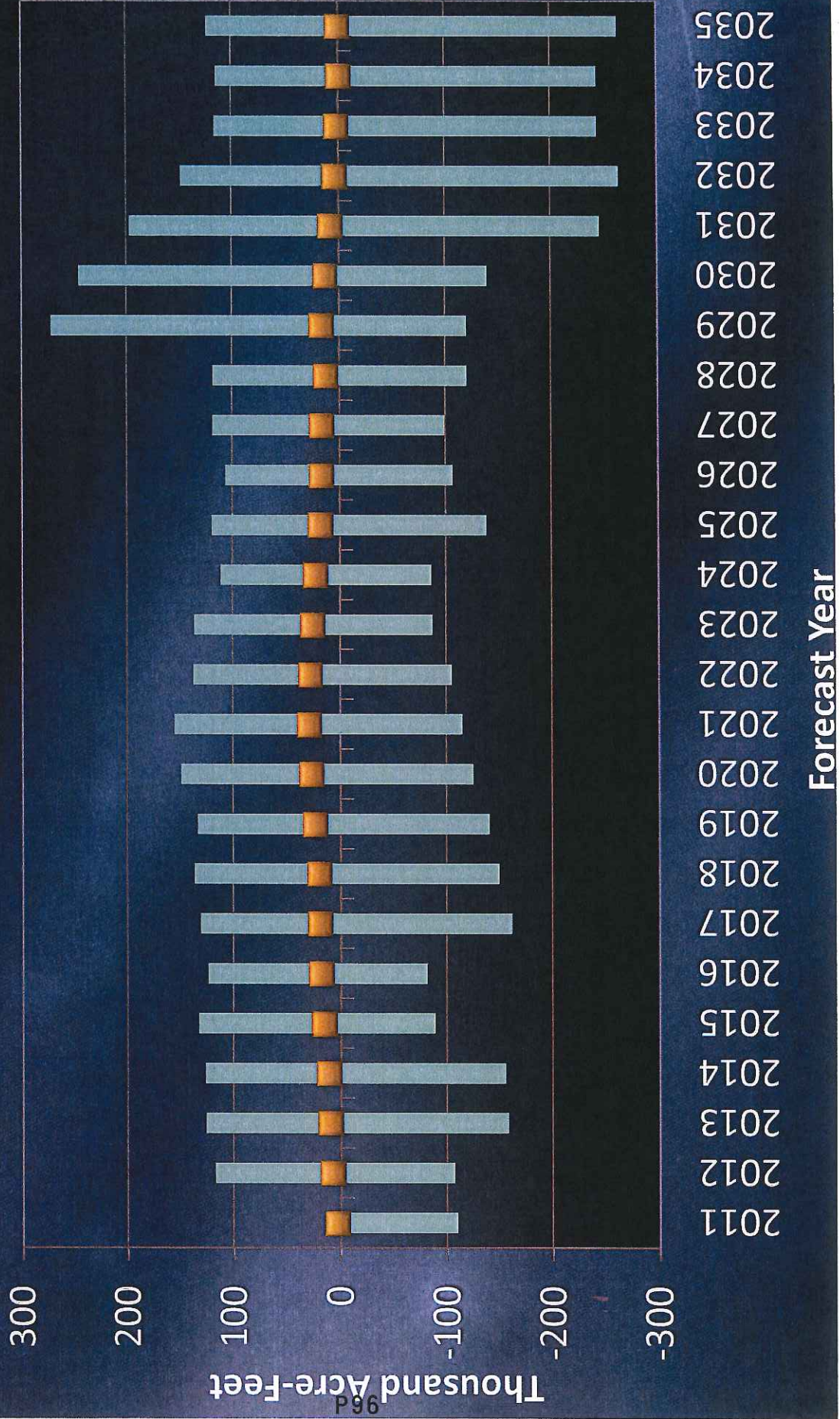


Average Storage – IRP Approach



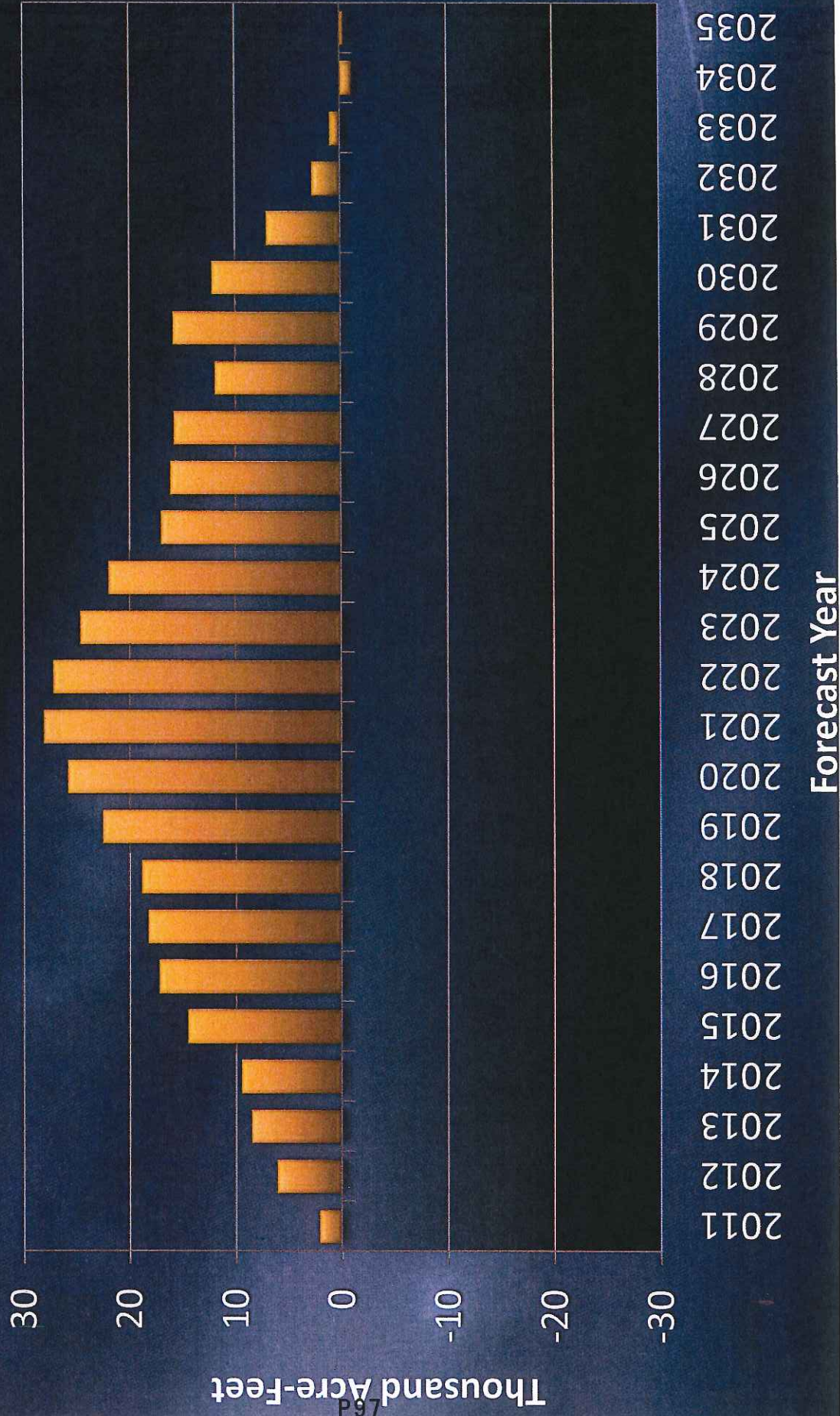
Change in Total Storage Balance

From Reduced Pumping with IRP Approach



Change in Average Storage

From Reduced Pumping with IRP Approach



Analysis Findings

- MWD is largely indifferent between the baseline case and the reduced regional pumping case
- MWD storage can be used to manage reduced regional pumping case
 - Additional firm demands on MWD
 - Use of regional storage to manage supplies

Replenishment Program Concepts

- Incentivize dry-year performance
- Address unique and varied characteristics of the storage agencies and their management structures
- Provide flexibility for addressing supply/demand imbalances
 - Ensure compatibility with existing programs, such as CUP

Key Development Principles

Reliable

- Predictable availability
- Optimized to hydrologic and system conditions
- Mitigates dependence on imported supply

Sustainable

- Resource stewardship
- Financial integrity
- Reduced Administrative burden

Scalable

- Operational flexibility
- Peaking capacity
- Integration with multiple resources (In-Lieu, Recycling)

Accountable

- Equitable benefits
- Performance based
- Rules, monitoring, and enforcement

Review of current Replenishment Service Program and proposed policy principles

Water Planning and Stewardship Committee

Item 6a

October 10, 2011

Presentation Overview

- Background
- Availability of Potential Replenishment Supplies
- Proposed Principles for a Revised Program

Background

Board Direction and Process

- As part of the May 2011 Action, Board directed staff to “recommend options to reform the replenishment services program in a manner that assures regional reliability benefits by December 2011.”
- Staff convened member agency workgroup to develop a reformed program
- Workgroup collaborated on “Key Development Principles” for a reformed program

Current Replenishment Service Program

- Metropolitan has been delivering discounted water to replenish local storage since the 1950's, through programs including:
 - Interruptible Program
 - Seasonal Storage Service Program
 - Replenishment Service Program

Current Replenishment Service Program

- Metropolitan delivers interruptible water to local groundwater basins or reservoirs
- Program water increases local storage, replaces groundwater basin overdraft, or enhances the operating yield of a groundwater basin above safe yield
- Agency receives a discount for Replenishment purchases

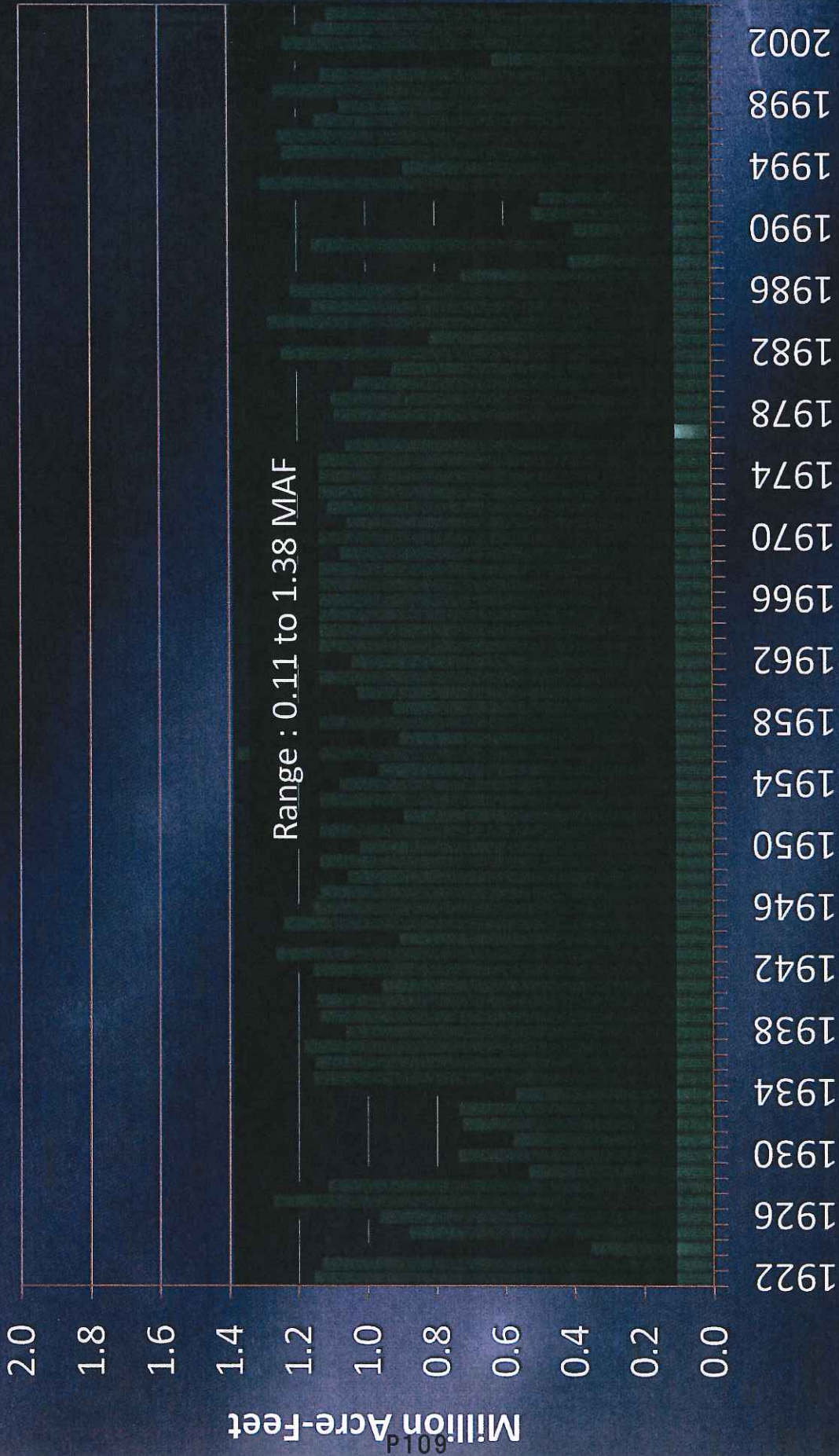
Current Replenishment Service Program

- The Administrative Code highlights three principal program goals:
 - Encourage storage of surplus imported water when supplies are available
 - Encourage construction of additional local production facilities
 - Reduce member agencies' dependence on deliveries from metropolitan during periods of high demand, emergencies or shortages

Availability of Potential Replenishment Supplies

MWD Table-A Availability

Based on DWR 2009 Reliability Report



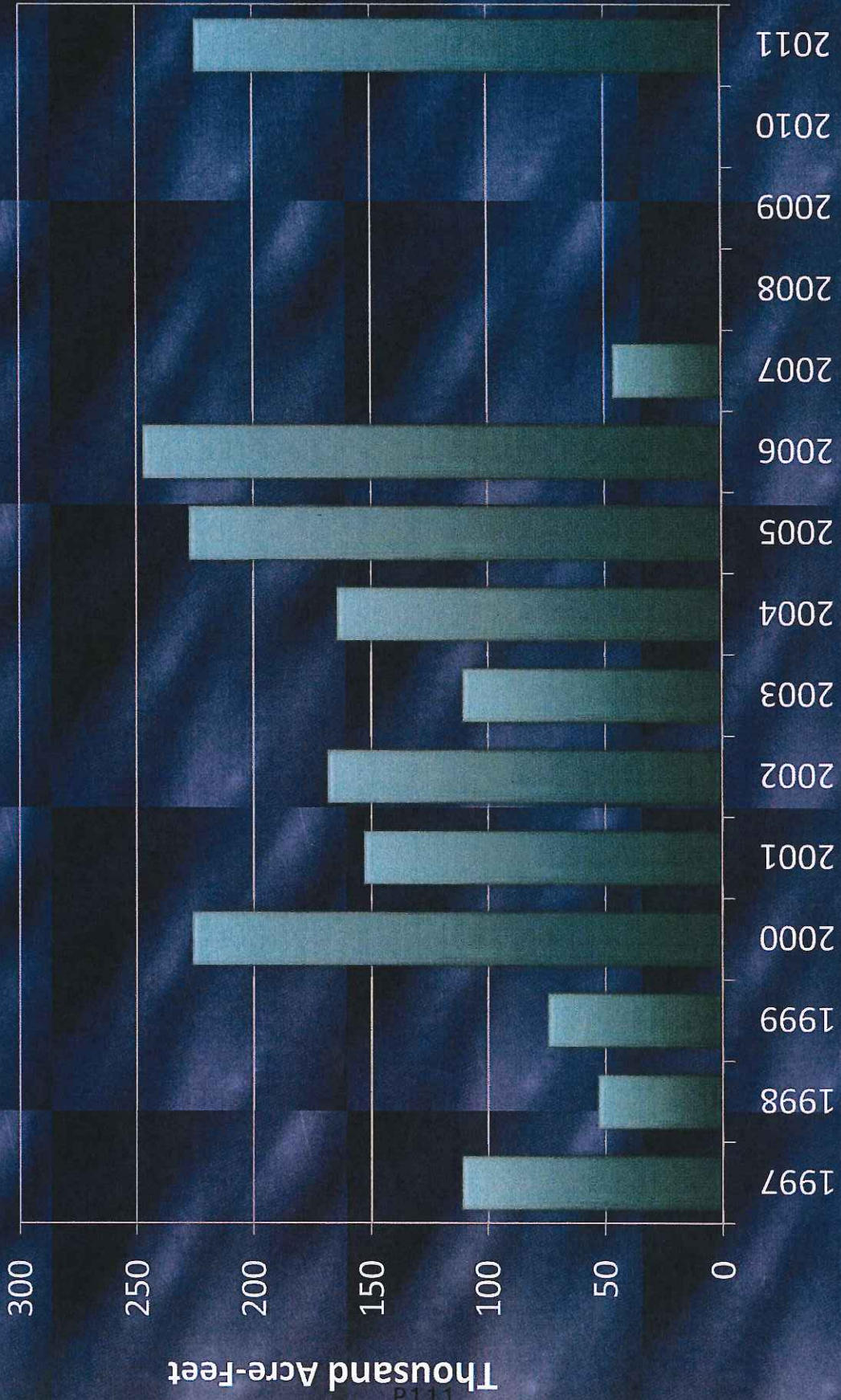
Hydrology Year

Local Precipitation

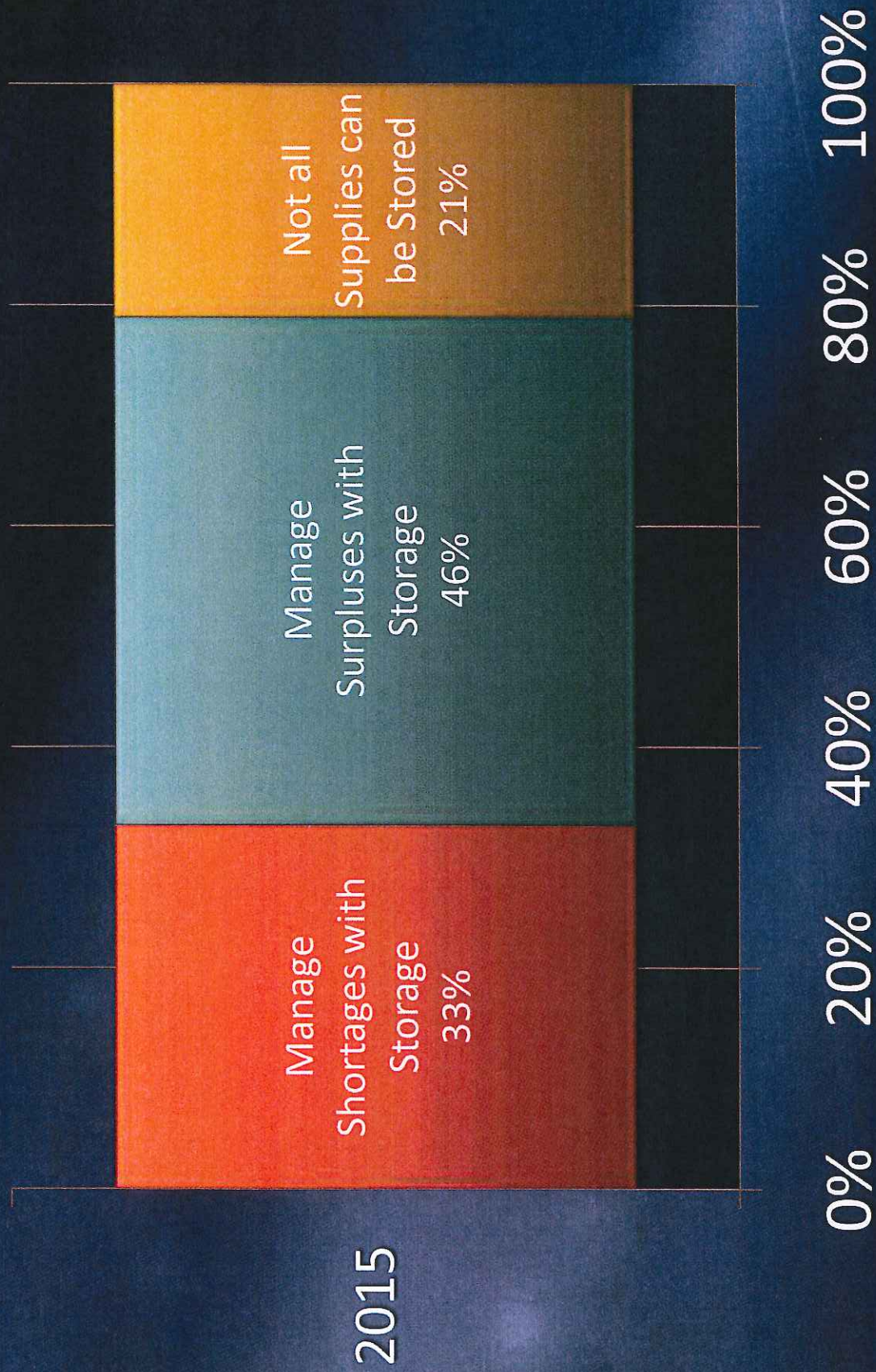
Los Angeles Civic Center 1960-2010



Historical Replenishment Deliveries



2015 Surplus and Storage With IRP Development

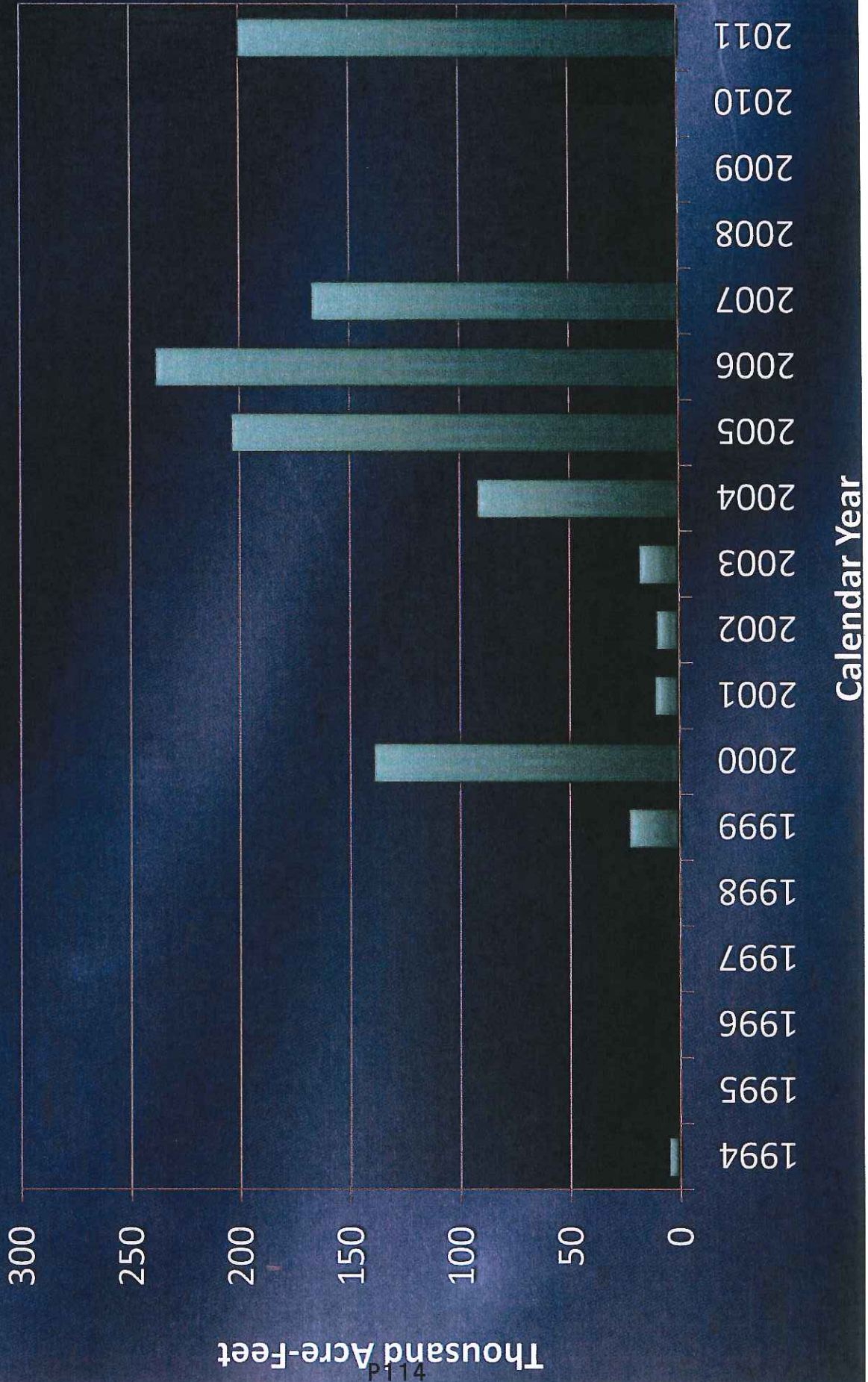


2015

MWD Article 21 Supplies

- Surplus Water Conditions
 - Available Delta pumping exceeds Project demands
- Available Article 21
 - Allocated among Contractors in proportion to Table A
 - Limited to additional demands that exceed scheduled Table A

MWD Historical Article 21 Supplies



MWD Article 21 Availability

Based on DWR 2009 Reliability Report



Likelihood of Exceedence

Water Management Situations

- Enhancing regional dry-year storage portfolio at all times
- Supplementing regional storage with local storage when regional storage is healthy
- Managing water when regional storage is at full capacity
- Short-term, high-flow deliveries (e.g. Article 21)

Proposed Policy Principles for a Revised Program

Proposed Principles

- Regional Benefits
- Equity for Member Agencies
- Financial Integrity
- Regional Value
- Operational Flexibility
- Complimentary with Other Storage Programs

Draft Principles

Regional Benefits:

The program should provide regional benefits, including:

- Dry-year supplies at Metropolitan's call,
- Flexibility to manage delivery of available supplies in a way that would provide additional storage beyond Metropolitan's regional storage capability, and
- Delivery of supplies available to Metropolitan that are otherwise at risk of spill or loss

Draft Principles

Equity for Member Agencies:

The program will be available to all member agencies and provide quantifiable regional benefits.

Draft Principles

Financial Integrity:

The program options should support the stability of Metropolitan's revenues and coverage of costs.

Draft Principles

Regional Value:

Program incentives should be based on sound economic principles and be proportional to the water management benefits provided.

Draft Principles

Operational Flexibility:

The program will enhance opportunities for Metropolitan to effectively manage water supplies under varied water supply conditions.

Draft Principles

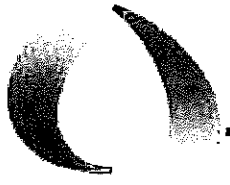
Complementary with Other Storage Programs:

Features of the program should be complementary with existing storage programs, such that past investments continue to yield reliability benefits.

Next Steps

- Ongoing: Continue Member Agency workgroup to develop program alternatives
- November 2011: Consider Principles
- December 2011: Consider Revised Program

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Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

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www.ieua.org

September 12, 2011

Mr. Marc K. Callahan
Jones Day
3161 Michelson Drive, Suite 800
Irvine, California 92612

This letter is in response to your letter dated August 12, 2011, regarding the Inland Empire Utilities Agency's (IEUA) Amendment to Ordinance No 87 which prohibits the future residential installation, replacement and enlargement of self-regenerating ion-exchange water softeners within IEUA's service area.

A special public hearing was held on Wednesday, June 15, 2011, (noticed in the Inland Valley Daily Bulletin on June 1, 2011 and June 8, 2011) in the early evening to ensure that members of the public would be able to attend. Thirty-five days later, consistent with the proper public notice requirements, the IEUA Board of Directors approved the amendments to Ordinance No. 87, by roll call voice vote, not on the consent calendar, at its regularly scheduled meeting on July 20, 2011. As a result, no additional public hearing is needed.

Just to be clear, the Ordinance does not require residents who have existing self-regenerating water softeners to remove them nor does it ban the use of water softeners. The Ordinance only prohibits the future installation of self-regenerating water softeners. IEUA offers a rebate incentive to residents interested in removing their existing device with one that does not harm our water supplies and over 400 residents have taken advantage of this rebate.

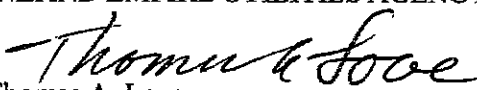
Your letter does not acknowledge the extent to which the water softener industry was involved in the discussions about the proposed ordinance, including a half day briefing hosted by IEUA in July of 2010, and the participation of the Water Quality Association/Pacific Water Quality Association through its representatives on the Regional Water Softener Task Force in December 2010.

IEUA was established to provide water and wastewater services to our community. Self-regenerating ion-exchange (salt-based) water softeners are in conflict with our statutory mandate. Moreover, collectively salt discharges from self-regenerating water softeners could represent a multi-million dollar impact on our ratepayers if we are forced to find replacement water supplies.

While, from a legal standpoint, Ordinance No. 87 does authorize the issuance of search warrants and fines, it is not the intent, nor the practice of IEUA to go to this extreme for minor infractions of the Ordinance. You are very much aware that the sections of the Ordinance you reference are in place to be used as a last resort when it is necessary to protect public health, the safety and welfare of the community and environment.

IEUA is now beginning to implement the ordinance and we ask for your assistance and cooperation in achieving it. We encourage your industry to continue to invest in non-salt based solutions and we are eager to work with you on such an effort.

Sincerely,
INLAND EMPIRE UTILITIES AGENCY


Thomas A. Love
General Manager

Water Smart – Thinking in Terms of Tomorrow

Terry Catlin
President

Michael E. Camacho
Vice President

Steven J. Elie
Secretary/Treasurer

P127

Gene Koopman
Director

Angel Santiago
Director

Thomas A. Love
General Manager

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Direct Number: (949) 553-7515
mkcallahan@JonesDay.com

August 12, 2011

VIA UPS AND U.S. MAIL

The Board of Directors
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, California 91708

Re: Request for Public Hearing regarding IEUA Ordinance No. 87

Dear Board of Directors:

This Firm represents the Water Quality Association (“WQA”), the national trade association of water treatment manufacturers and dealers. We write with regard to Ordinance No. 87 (“Ordinance”), prohibiting the residential installation, replacement and enlargement of self-regenerating water softeners, which the Inland Empire Utilities Agency (“IEUA”) purported to approve on July 20, 2011. The WQA requests that the Board schedule a public hearing in September to address the WQA’s concerns about the Ordinance, and that the Board take no material steps to implement the Ordinance until after appropriate testimony on the issue has been heard.

The IEUA’s approval of Ordinance No. 87 was based on the inaccurate assumption that a ban of self-regenerating water softeners was unopposed. The Board of Directors was advised that “[n]o written or verbal opposition to the proposed ordinance has been received...” See July 20, 2011 Memorandum from Thomas A. Love to IEUA Board of Directors (“Love Memorandum”), at 4. Likewise, in your chairman’s op-ed in the Inland Valley Daily Bulletin, he informed the public that the ban had “unanimous support.” See Terry Catlin, Point of View: For Our Water’s Sake, Use Alternative Water Softeners, *Inland Valley Daily Bulletin*, July 26, 2011, at A.16. Indeed, Martha Davis of the IEUA staff indicated to Mike Mecca, after the adoption of the Ordinance, that she had incorrectly believed that neither he nor members of the Pacific Water Quality Association (“PWQA”) (many of whom are also WQA members) opposed the Ordinance. As a result, the ban appears to have been approved via the July 20, 2011 “consent calendar,” which under the IEUA’s own policies is only for use for “routine” and “non-controversial” matters. Agenda for IEUA Board Meeting, July 20, 2007, at 2.

A ban on the installation of self-regenerating water softeners was, and is, neither unopposed or non-controversial. The WQA opposes such a ban, and members of the group expressed considerable opposition about such a proposed ban during a summer 2010 meeting with the IEUA. In addition, over 500 Inland Empire residents voiced opposition to the underlying state legislation, and could reasonably be expected to have opposed the ban here. We

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The Board of Directors
August 12, 2011
Page 3

the installation and replacement of self regenerating water softeners, the Ordinance prevents residents from replacing older water softeners with more modern devices that discharge far less salt.

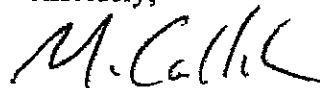
The Board would also have heard opposition to its attempt to "control ... water softeners ... at the residential level." Love Memorandum, at 3. The Ordinance authorizes the IEUA to enter the homes of Inland Empire residents to check for water softeners and even allows the IEUA to seek a warrant from a court if a resident refuses to allow an inspection. Ordinance No. 87, § 3.1-2. These provisions are even more troubling considering that the Ordinance bans the *installation* of self-regenerating water softeners, not their use, and raises the prospect that the residents will have to supply inspectors with documentation that the equipment was installed before the ban took effect, or risk searches of their homes, fines and imprisonment. *Id.*, § 2.3. Notably, the Santa Clarita Valley Sanitation District recently sent 2,500 letters to residents suspected of having banned water softeners demanding that they answer questions about their water equipment, and threatened residents with home inspections if they do not respond to these enforcement letters and fines as large as a thousand dollars if they were using a banned water softener. *See* www.reuters.com/article/2011/08/04/idUS299327+04-Aug-2011+MW20110804. Members of the public should be able to ask the IEUA Board whether such methods are appropriate for enforcement of the water-softener ban in their communities.

In addition to a flawed approval process, Ordinance No. 87 also contradicts state law authorizing the regulation of self-regenerating water softeners. Section 13148(e) of the California Water Code provides that such an ordinance cannot be made effective until 30 days after its approval by the Board. Cal. Water Code § 13148(b). However, the Ordinance purports to have been immediately effective. Ordinance No. 87, § 1.4. As a result, Ordinance No. 87 exceeds its authorization, and, as such, is invalid.

The WQA respectfully requests that the Board schedule a public hearing in September with sufficient notice to address its substantive concerns about the Ordinance, and that the Board take no material steps to implement or enforce the Ordinance until after appropriate testimony on the issue has been heard.

We look forward to your response and working with the Board on these issues.

Sincerely,



Marc K. Callahan

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September 28, 2011

VIA OVERNIGHT DELIVERY

Thomas A. Love
General Manager
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, California 91708

Re: Amendment to IEUA Ordinance No. 87

Dear Mr. Love:

We have reviewed and considered your letter dated September 2, 2011, regarding the recent amendment to Ordinance No. 87 ("Amendment") and responding to my letter of August 12, 2011 submitted to the Inland Empire Utilities Association ("IEUA") on behalf of the Water Quality Association ("WQA").

Your letter implies that the Amendment's ban on the installation, replacement and enlargement of self-regenerating water softeners was *mandated* by statute. That is simply not an accurate characterization of the law. AB 1366 amended the Water Code to authorize the *control* of salinity input from self-regenerating water softeners, and specifically authorized less draconian options such as allowing the installation of the highest rated water softeners or requiring the retrofitting of water softeners. *See* Cal. Water Code § 13148. Banning the replacement of self-regenerating water softeners is not specifically authorized by the Water Code. Worse yet, it is counterproductive as it does not allow residents to replace older models which discharge more salt rather with more environmentally friendly models which discharge less salt.

Far from following the IEUA's statutory mandate, the process followed by the IEUA in passing the Amendment violated that mandate. In enacting AB 1366, the Legislature directed local water and wastewater agencies to "engage in a collaborative process that is open to all stakeholders to prepare salt management plans." AB 1366, § 1(e) (2009). Further, the Legislature expressed its intent to "require local agencies to consider...community input before taking action to regulate residential self-regenerating water softeners." *Id.*, § 1(h).

The IEUA violated these directives in passing the Amendment. Your letter does not and cannot deny that despite having promised to include WQA in the dialog, the IEUA effectively cut the WQA out of that dialog in 2011. Although the IEUA specifically notified proponents of

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Thomas A. Love
September 28, 2011
Page 2

the ban of the hearings and specifically invited them to testify regarding the ban, it did not provide such notice or invitation to the WQA and other opponents of the ban.

Your letter inaccurately claims that the WQA's letter did not acknowledge discussions between WQA members and the IEUA in July 2010. To the contrary, our letter expressly reminded the IEUA that the WQA had "expressed considerable opposition" to the proposed ban during summer 2010.

Notwithstanding that opposition, the board was then wrongly advised that there was no opposition to the proposed amendment. See Love 7/20/11 Memorandum, at 4 ("[n]o written or verbal opposition to the proposed ordinance has been received by the Agency to date."). The IEUA then incorrectly told the public the ban had "unanimous support." See Terry Catlin, Point of View: For Our Water's Sake, Use Alternative Water Softeners, *Inland Valley Daily Bulletin*, July 26, 2011, at A.16.

This was not the "collaborative process open to all stakeholders" nor did it allow the "consider[ation of] other community input" as required by the Legislature. See AB 1366, §§ 1(e) & (h). If this was inadvertent, it is easily remedied by allowing the WQA and other community members to be heard.

Your letter acknowledges that the ordinance authorizes the issuance of search warrants and imposition of fines on residents, and acknowledges that these remedies are "extreme." If the IEUA does not intend to use such remedies against Inland Empire residents, it does not need the authority to do so, and that authority should be removed. Indeed, your assurance that public authorities will seek search warrants and fines only "as a last resort" rings hollow given the threats of home inspections and fines recently mailed out by the Santa Clarita Valley Sanitation District to over 2,500 of its residents. Further, you expressly advised the IEUA board that "control of water softeners must occur at the residential level." See Love 7/20/11 Memorandum, at 3.

Your letter asks for WQA's assistance and cooperation in implementing the Amendment. Cooperation must be mutual. A first, and necessary, step is for the IEUA to follow the Legislature's directive that the process be collaborative and other community input be considered by allowing the WQA's concerns, and those of other opponents of the Amendment, to be heard at a public hearing before any efforts are made to implement and enforce the Amendment. Once again, the WQA respectfully requests such a hearing before the Board of Directors. We remain hopeful that these issues can be resolved cooperatively.

Thomas A. Love
September 28, 2011
Page 3

We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to be 'MC' followed by a long horizontal flourish.

Marc K. Callahan

Thomas A. Love
September 28, 2011
Page 4

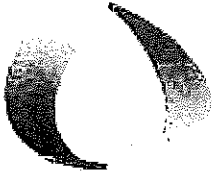
cc (via U.S.P.S.): The Honorable Terry Catlin
The Honorable Michael Camacho
The Honorable Steve Elie
The Honorable Gene Koopman
The Honorable Angel Santiago
The Honorable Art Bennett
The Honorable Jim W. Bowman
The Honorable Brendan Brandt
The Honorable James V. Curatalo, Jr.
The Honorable Debra Dorst-Porada
Mr. Stephen Dunn, City Manager, City of Upland
The Honorable J. John Dutrey
The Honorable Paul Eaton
The Honorable Earl Elrod
The Honorable Philip L. Erwin
The Honorable Gino L. Filippi
Mr. Michael S. Fleager, City Manager, City of Chino Hills
Mr. Pat Glover, City Manager, City of Chino
The Honorable Oscar Gonzalez
The Honorable Ed Graham
The Honorable Tom Haughey
Mr. Chris Hughes, City Manager, City of Ontario
Mr. Ken Hunt, City Manager, City of Fontana
Mr. Mark N. Kinsey, General Manager, Monte Vista Water District
The Honorable W.C. Kruger
The Honorable Maynard Lenhart
The Honorable Paul S. Leon
The Honorable Tony Lopez
The Honorable Sheila Mautz
The Honorable G. Michael Milhiser
The Honorable Ray Musser
The Honorable Gwenn Norton-Perry
The Honorable Leonard Paulitz
The Honorable Carolyn Raft
The Honorable Randall James Reed
The Honorable John Roberts
The Honorable Peter Rogers
The Honorable Sandra S. Rose
The Honorable Bill Ruh
The Honorable Matthew Slowik
Mr. Edward C. Starr, City Manager, City of Montclair
The Honorable Henry L. Stoy

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Thomas A. Love
September 28, 2011
Page 5

The Honorable Michael Tahan
The Honorable Kathleen J. Tiegs
The Honorable Eunice Ulloa
The Honorable Alan D. Wapner
The Honorable Acquanetta Warren
The Honorable Lydia S. Wibert
The Honorable Kenneth W. Willis
The Honorable Dennis Yates
Mr. Martin E. Zvirbulis, General Manager, Cucamonga Valley Water District

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Inland Empire Utilities Agency

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October 5, 2011

Mr. Marc K. Callahan
Jones Day
3161 Michelson Drive, Suite 800
Irvine, California 92612

This letter is in response to your letter dated September 28, 2011, regarding the Inland Empire Utilities Agency's (IEUA) Amendment to Ordinance No. 87 which prohibits future residential installation, replacement and enlargement of self-regenerating ion-exchange water softeners within IEUA's service area.

As I described in my letter to you dated September 2, 2011, IEUA properly noticed and held a special public hearing on Wednesday, June 15, 2011, on the proposed amendment to Ordinance No. 87. Thirty-five days later, consistent with the proper public notice requirements, the IEUA Board of Directors approved the amendment to Ordinance No. 87 by roll call vote at its regularly scheduled meeting on July 20, 2011. As a result, no additional public hearing is needed.

We welcome your comments and invite you to address our Board of Directors directly on this issue. We have regularly scheduled meetings on the first and third Wednesday of the month. If convenient, I would encourage you to address IEUA's Board at its next meeting on October 19th at 10 a.m. under the "public comment" item on the agenda. Additionally, you are welcome to address IEUA's Board at future meetings during the "public comment" period.

Sincerely,

INLAND EMPIRE UTILITIES AGENCY

Thomas A. Love
General Manager

Water Smart – Thinking in Terms of Tomorrow

Terry Catlin
President

Michael E. Camacho
Vice President

Steven J. Elle
Secretary/Treasurer

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Gene Koopman
Director

Angel Santiago
Director

Thomas A. Love
General Manager

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September 28, 2011

VIA OVERNIGHT DELIVERY

Thomas A. Love
General Manager
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, California 91708

Re: Amendment to IEUA Ordinance No. 87

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Far from following the IEUA's statutory mandate, the process followed by the IEUA in passing the Amendment violated that mandate. In enacting AB 1366, the Legislature directed local water and wastewater agencies to "engage in a collaborative process that is open to all stakeholders to prepare salt management plans." AB 1366, § 1(e) (2009). Further, the Legislature expressed its intent to "require local agencies to consider...community input before taking action to regulate residential self-regenerating water softeners." *Id.*, § 1(h).

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Thomas A. Love
September 28, 2011
Page 2

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Notwithstanding that opposition, the board was then wrongly advised that there was no opposition to the proposed amendment. See Love 7/20/11 Memorandum, at 4 ("[n]o written or verbal opposition to the proposed ordinance has been received by the Agency to date."). The IEUA then incorrectly told the public the ban had "unanimous support." See Terry Catlin, Point of View: For Our Water's Sake, Use Alternative Water Softeners, *Inland Valley Daily Bulletin*, July 26, 2011, at A.16.

This was not the "collaborative process open to all stakeholders" nor did it allow the "consider[ation of] other community input" as required by the Legislature. See AB 1366, §§ 1(e) & (h). If this was inadvertent, it is easily remedied by allowing the WQA and other community members to be heard.

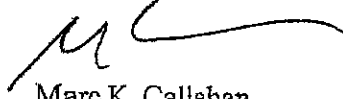
Your letter acknowledges that the ordinance authorizes the issuance of search warrants and imposition of fines on residents, and acknowledges that these remedies are "extreme." If the IEUA does not intend to use such remedies against Inland Empire residents, it does not need the authority to do so, and that authority should be removed. Indeed, your assurance that public authorities will seek search warrants and fines only "as a last resort" rings hollow given the threats of home inspections and fines recently mailed out by the Santa Clarita Valley Sanitation District to over 2,500 of its residents. Further, you expressly advised the IEUA board that "control of water softeners must occur at the residential level." See Love 7/20/11 Memorandum, at 3.

Your letter asks for WQA's assistance and cooperation in implementing the Amendment. Cooperation must be mutual. A first, and necessary, step is for the IEUA to follow the Legislature's directive that the process be collaborative and other community input be considered by allowing the WQA's concerns, and those of other opponents of the Amendment, to be heard at a public hearing before any efforts are made to implement and enforce the Amendment. Once again, the WQA respectfully requests such a hearing before the Board of Directors. We remain hopeful that these issues can be resolved cooperatively.

Thomas A. Love
September 28, 2011
Page 3

We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to be 'MC' followed by a long horizontal flourish.

Marc K. Callahan

Thomas A. Love
September 28, 2011
Page 4

cc (via U.S.P.S.): The Honorable Terry Catlin
The Honorable Michael Camacho
The Honorable Steve Elie
The Honorable Gene Koopman
The Honorable Angel Santiago
The Honorable Art Bennett
The Honorable Jim W. Bowman
The Honorable Brendan Brandt
The Honorable James V. Curatalo, Jr.
The Honorable Debra Dorst-Porada
Mr. Stephen Dunn, City Manager, City of Upland
The Honorable J. John Dutrey
The Honorable Paul Eaton
The Honorable Earl Elrod
The Honorable Philip L. Erwin
The Honorable Gino L. Filippi
Mr. Michael S. Fleager, City Manager, City of Chino Hills
Mr. Pat Glover, City Manager, City of Chino
The Honorable Oscar Gonzalez
The Honorable Ed Graham
The Honorable Tom Haughey
Mr. Chris Hughes, City Manager, City of Ontario
Mr. Ken Hunt, City Manager, City of Fontana
Mr. Mark N. Kinsey, General Manager, Monte Vista Water District
The Honorable W.C. Kruger
The Honorable Maynard Lenhart
The Honorable Paul S. Leon
The Honorable Tony Lopez
The Honorable Sheila Mautz
The Honorable G. Michael Milhiser
The Honorable Ray Musser
The Honorable Gwenn Norton-Perry
The Honorable Leonard Paulitz
The Honorable Carolyn Raft
The Honorable Randall James Reed
The Honorable John Roberts
The Honorable Peter Rogers
The Honorable Sandra S. Rose
The Honorable Bill Ruh
The Honorable Matthew Slowik
Mr. Edward C. Starr, City Manager, City of Montclair
The Honorable Henry L. Stoy

IRI-27773v1

Thomas A. Love
September 28, 2011
Page 5

The Honorable Michael Tahan
The Honorable Kathleen J. Tiegs
The Honorable Eunice Ulloa
The Honorable Alan D. Wapner
The Honorable Acquanetta Warren
The Honorable Lydia S. Wibert
The Honorable Kenneth W. Willis
The Honorable Dennis Yates
Mr. Martin E. Zvirbulis, General Manager, Cucamonga Valley Water District

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Sondra Elrod

Subject: FW: City of Uplands Response to Water Softener Industry
Attachments: SKMBT_75111100610490.pdf

Good morning. Mr. Willis asked that I forward the City of Uplands response to the letter they received from the Water Softener Industry. Please see below.

From: Ken Willis [kwillis@homeowners.org]
Sent: Thursday, October 06, 2011 10:20 AM
To: Martha Davis
Subject: Re: City of Upland Response to Water Softener Industry

Martha:

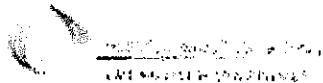
Would you please distribute to your member agencies for me?
Ken Willis

Dear Colleagues:

I believe many of you, if not all, have received similar correspondence from the Water Softener Industry. From my days at the Santa Ana Regional Water Quality Control Board and in my many years of service as a public official, I am familiar with the aggressive tactics employed by representatives of this industry. The IEUA Water Softener Ordinance is a reasonable first step towards protecting the quality of our region's recycled and groundwater supplies, and so I wanted to share with you my response to their inquiry. Please feel free to contact me if you have any questions.

Sincerely,
Ken Willis

Sondra Elrod
Public Information Officer



"Water Smart – Thinking in Terms of Tomorrow"
6075 Kimball Ave / Chino, California 91708
Tel: (909) 993-1747
Email: selrod@ieua.org Website: <http://www.ieua.org>

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Ray Musser, Mayor
Kenneth W. Willis, Mayor Pro Tem
Brendan Brandt, City Councilmember
Gino Filippi, City Councilmember
Debbie Stone, Councilmember

Telephone (909) 931-4120
Facsimile (909) 931-4123

October 6, 2011

Mr. Frank DeSilva, President
Pacific Water Quality Association
360 E. First Street #794
Tustin, California 92780

RE: Correspondence dated Sept 8, 2011

Dear Mr. DeSilva:

Thank you for writing with regard to water softeners in the Chino Basin. After reading your letter, I must respond to a few points that you made.

First, the ordinance adopted by the Inland Empire Utilities Agency (IEUA) does NOT ban water softeners. Residents who currently have salt-based water softeners will continue to be able to use them. In addition, the type of salt-based water softener that is serviced by professional technicians is not affected. That is because "canisters" are taken to the brine line for disposal. Thus, canisters impose no impact on our water basin. The IEUA ordinance is limited to the type of device that discharges salt directly into our sewer system. This is one of the reasons why the ordinance was adopted with the full support of the IEUA community of member agencies.

Your statement that not enough public participation was invited into the discussion in the banning of salt-based water softeners is also not correct. Each agency served by the IEUA holds a chair on the policy committee, which reviews all proposed actions by the IEUA. This item was up for discussion numerous times during both the legislative, as well as the implementation process, which covered the period from 2002 to 2011. In addition, IEUA convened a Water Softener Task Force last fall comprised of representatives of each of the customer agencies. As you know, the water softener industry participated in this process. Finally, representatives for each of the customer agencies was provided multiple written reports and analyses regarding the proposed initiative to control the discharge of salt from residential use of salt-based water softeners. Indeed, quite a bit of discussion was held on the proposed ordinance as well. For well over a year, we talked about what was proposed publicly, as well as jointly. I for one reported back to my City Council the thoughts and opinions of other city reps during council communications at public meetings. In twenty years of public service, I have yet to see a process be so publicly vetted.

Salt is an important issue in Chino Basin watershed. Our communities have spent hundreds of millions of dollars for brine lines and salt water cleanup (desalters) over the past several decades. This was accomplished to enable us to store replenishment water both from the State Water Project, as well as from water reclamation efforts designed to restore the basin. This is an effort we have to make in order to maintain compliance with a court decision, "Orange County vs. Chino Basin, et al, 1969, as well as our EPA National Pollution Discharge Elimination Permit (NPDES)." In the case of recycling, we spend a great deal of money to keep salt out of the wastewater treatment system from all sources -- industrial, commercial, and now residential -- so that the reclaimed water can be

City of Upland

460 North Euclid Avenue, Upland, CA 91786-4732 • (909) 931-4100 • Fax (909) 931-4123 • TDD (909) 735-2929 • www.ci.upland.ca.us

Letter to Mr. Frank DeSilva

October 6, 2011

Page 2 of 2

recharged into our ground water basin. Salt residue from water softeners also contributes to the cost of groundwater cleanup.

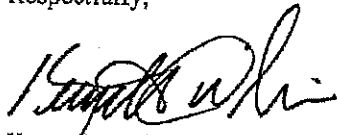
We need to recycle wastewater in order to expand water availability here in Southern California where water resources are so limited. Business, industry and residential development all depend on us to provide water. Without salt-free and pollution-free water resources, our economy cannot grow.

It is also necessary that we control costs for our ratepayers. In consideration of this goal is the fortunate realization that the water softener industry has an alternative means for replacement of existing technology. Through the use of canisters, we can dispose of salt waste directly through brine lines. The implementation of salt-less technology is also available and used extensively in Canada, other parts of the U.S.A., plus European countries.

In view of the fact that there exists alternative technology for water softeners, those of our customers who wish to voluntarily change out their existing softeners for newer technology may do so with financial assistance from IEUA.

Mr. DeSilva, I would be happy to continue to list more of the important reasons for having taken this regulatory action, but I fear it would not matter. You're assertion that police officers are going to search private homes and impose jail time to people who use water softeners is just too far over the top. Really, it is just "out of the park." This whole process is based upon "inducement," not penalties. No homeowner in the Chino Basin will ever need to discuss water softeners with a police officer, of that I can assure you. We don't engage in imaginary crime, as there is always too much real stuff to worry about.

Respectfully,



Kenneth Willis
Mayor Pro Tem
City of Upland
and
Chairman, Chino Basin
Water Master Board



Date: October 19, 2011

To: The Honorable Board of Directors

From: Thomas A. Love
General Manager

Submitted by: Martha Davis
Executive Manager of Policy Development

Subject: September 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

September 29, 2011

Legislative Report

TO: Thomas Love
General Manager, Inland Empire Utility Agency

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

SU: Legislative Report, September 2011

Highlights:

- *Fiscal Year Closes, CR Funds Government (For Now)*
- *Super Committee Begins Debt Work, Jobs Emerging as Key Issue*
- *OMB Final Steps – To Prepare Budget to Submit to Congress Next January*
- *Water Recycling, Exceptional Briefing*
- *EPA WaterSense Initiative on Water Softeners Withdrawn – Sort of*
- *Bay Delta*
- *Drought Conditions/Water Supply*
- *IEUA Working Partners*

Fiscal Year Closes – CR Funds Government (For Now). As September wore on, it became clear that none of the annual funding bills would be enacted and Congress would have to pass a Continuing Resolution (or CR). Funding levels (based on the global budget deal) were approved, but not without considerable gridlock drama. In late September, when House leaders brought this bill to the floor, almost 50 House

Republicans voted against it and the bill failed on the House floor. A day later, it was reconsidered and passed. Disaster monies became an issue (Tea Party caucus members would not support unless fully offset). A Senate version of the same bill was considered and passed and the House accepted it. Funding for the Federal Government is provided, but only for six weeks, until November 18. Throughout the month talk of a government-wide shutdown over funding loomed, but after the debt limit bill stalemate and showdown, few had the capacity for it. For now, the Federal Government is funded for another six weeks (until Thanksgiving eve).

Super Committee Begins Debt Work – Jobs Emerging as Key Issue. As reported last month, pursuant to the Budget Deal, a 12-member House-Senate “Super Committee” was created to identify and recommend \$1.5 Trillion in cuts (based on the current funding baseline), itself a product of significant budget reductions. As Labor Day passed, the economy was stagnant, employment remained a major national issue and the President proposed that, as part of the overall budget package, a jobs program be considered. Initially expected to reject the President’s jobs initiative, House Republicans signaled an openness to it (sort of). The Committee is expected to complete its work by the end of November. The implications are far-reaching – across the board.

OMB Final Steps – To Prepare Budget for Submission to Congress Next January. While spending levels are being debated, OMB is finalizing the Administration’s proposed budget for the fiscal year beginning one year from now. They cannot conclude their work until after the Super Committee acts in November (assuming a deal is reached). As reported last month, OMB Budget Director Lew has directed departments and agencies to submit a two-budget spending level scenario, one that reduces spending from the current baseline 5% and a second that reduces it 10% with the stipulation – across the board cuts will not be welcome. OMB instructed departments and agencies to establish funding priorities, which may (and likely will) mean some programs are defunded and shut down. For a host of reasons, this is vastly more complicated than it appears (for instance, some programs have statutory mandates which cannot be ignored and in other cases, litigation and court-ordered mandates certain spending levels obligatory and in still others, existing multi-year construction contracts for capital projects will likely not be shut down). OMB, meanwhile, is dependent on the annual spending bills being enacted and the outcome of the Super Committee. Both are pending.

Water Recycling – Exceptional Briefing. Water recycling, for the past decade and a half, has enjoyed widespread bi-partisan support – until now. The program is not supported by the current Chair, House Water and Power Committee, Rep. Tom McClintock. However, Rep. Grace Napolitano, ranking Dem on the Subcommittee remains an enthusiastic supporter. This past month, she organized a “briefing” since the Subcommittee wouldn’t address the issue. Briefings on dozens of issues occur every day in Washington, This one, I can report, was “unique” for one significant reason – the quality of the briefing was exceptional because of the NEW information and FRESH perspective that was presented. Unlike so many briefings were one or more

individuals stand before a microphone or camera and provide their perspective on the way the world "should be" (on any given topic), the majority of this briefing was focused on what companies and agencies have done and are doing. Major firms – Coca Cola, GE, ITT, Black and Veatch – and others made presentations detailing what their programs. Black and Veatch's Dan McCarthy, for instance, detailed how the company spent a year going around the globe and interviewing world-wide water leaders on the importance of water recycling, and defining, programmatically what's being done. Coca Cola, GE and ITT described individual programs. A software company based in Northern California did the same. Much of this information was new (and fresh). The meeting was organized by Rep. Napolitano and WaterReuse Association. It attracted an SRO packed audience. Rep. Baca participated and so did Northern California Rep. George Miller (former Chair of the Resources Committee and Water and Power Subcommittee). The meeting was webcast. I recommend that the IEUA Legislative Committee consider meeting to watch the presentation and review the material.

EPA – WaterSense Water Softener Initiative Withdrawn – Sort Of. Last month, I reported that EPA, in a formal letter, announced that the WaterSense NOI (Notice of Intent) was withdrawn. IEUA, ACWA and others from California and nationally asked for the withdrawal. In public policy, all know that "words" are important. Some are now saying, it wasn't "withdrawn," but rather EPA's not going ahead (*at this time...*) with the programmatic review of salt-based water softener devices. It's accurate to say, EPA has not filed a notice in the Federal Register withdrawing the original notification, but rather simply is not doing anything. This is not a trivial distinction.

At least two water quality groups are now publicly saying that perhaps the EPA review should be reconsidered. This coincides with letters to IEUA and local water agencies opposing the agency's ordinance. A meeting was organized this past month with EPA leaders in Washington, attended by IEUA's Martha Davis, LA County Sanitation District's Sharon Green and ACWA's Abby Schneider with Deputy Administrator Bob Perciasepe, the Office of Water and others. A soft – general – agreement emerged to consider how to conduct research on salt in general, setting aside the softener machine issue. Water softener devices produce one pound of salt, per machine per day. The waste stream from this machines put the entire region on a collision course with the ability to use recycled water, a key component of the region's long-term water supply strategy. While progress is being made, this issue will simply not go away.

Bay Delta. Last month, and previously, I reported that "*legislation introduced by San Joaquin Valley House Members – Nunes, McCarthy and Denham – to eliminate restrictions on Delta pumping was expected to be marked up in the House Resources Committee, but has instead become embroiled in "water rights" and "area of origin" controversies.*" Nothing changed in September. The conflict persists. If there's a solution or compromise, it's not evident. In the meantime, opposition to the legislation (and attempts to rewrite it) continue. The bill is generating attention – and highlighting (and intensifying) regional conflicts.

If that wasn't enough, Secretary Salazar gave speech at the Commonwealth Club in San Francisco that upset some of the same House Members. Rep. Devin Nunes sent the Secretary a

scathing letter, likening his actions to dictators, including Saddam Hussein. Many were surprised by the letter's harshness (the letter was publicly released by Nunes) and these exchanges only serve to enhance the already-existing conflicts.

Drought Conditions and Water Supplies. California, during the past several months, was largely free of current drought conditions (slight exception for the Mojave and Imperial Valley which both experienced lowest of five levels of drought). Moving east on the National map is another story. Arizona is suffering serious drought, but the worst conditions exist in New Mexico and virtually the entire State of Texas is in the worst of sustained drought conditions. As reported last month, the drought extends east – across the Southern Tier to Florida.

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

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

Date: October 19, 2011
To: The Honorable Board of Directors
From: Thomas A. Love
General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: September 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: September 30, 2011

Re: September Monthly Legislative Update

During the three weeks that the Congress was in session during September, the partisan fights, which rose to a crescendo in the summer over the debt limit, peaked again over what seemed to be an innocuous Continuing Resolution (CR). Needless to say, this was not a good sign. While the deadlock over the CR was finally resolved (more about that is to follow), the wars over the Fiscal Year 2012 budget and larger deficit reduction package must still play out.

Discussions surrounding the deficit reduction effort have not yet turned to any of the funding accounts that IEUA relies upon, but we will remain alert for any threats that might emerge to Title XVI or other programs of interest. In the meantime, we want to remind you of the rumors which emerged this past spring that another round of Title XVI grant funding might become available in the fall. All of us should be on the lookout for that grant posting, which might be released by the Bureau even though the FY 2012 funding disputes are ongoing. If you recall, that was the situation with the FY 2011 funding application that IEUA and Western succeeded in winning several months ago.

IFS is planning a visit to the Inland Empire in October, and we hope to be able to find some time to meet and discuss your agenda. It would be helpful to begin our advance planning for the coming year and update each other on our ongoing work.

Deadlock over Continuing Resolution Resolved at the Last Minute

As you know, Congress has not passed any of the twelve annual appropriations bills and the federal fiscal year ends on September 30. Facing that deadline, as well as a scheduled recess during the final week of September, the House and Senate needed to quickly agree on a Continuing Resolution (CR). A CR is necessary to fund the federal government until an FY 2012 Omnibus appropriations bill can be crafted and passed by both bodies. Initially, all sides seemed to agree on a "clean" CR, which would have funded the government at levels agreed to this summer in the debt ceiling compromise. But, unexpectedly and to the chagrin of their Leadership, the conservative wing of the House Republican party voted against the CR when it came up for a vote. The loss of so many Republican votes, combined with almost unanimous opposition from Democrats, caused the measure to fail. Embarrassed House Republicans regrouped and offered a CR which made \$1 billion in cuts to the budget - slashing two energy programs favored by Democrats - as a condition for sending additional funds to the Federal

Innovative Federal Strategies LLC

Emergency Management Agency (FEMA). It passed the House, but the Senate Democratic majority balked at this new idea of finding off-sets for emergency spending and refused to move the second bill.

Fortunately, FEMA announced on Monday that it would not run out of money as soon as previously thought. Following that announcement, the Senate passed by voice vote a “clean” continuing resolution that would fund the government through October 4 at the \$1.043 trillion limit set by the debt limit but that would eliminate the \$1 billion in disaster aid for the Federal Emergency Management and the offsets. The House then passed the measure by voice vote in a pro forma session on Thursday, September 29th, while the Congress was in recess. The President signed the measure and avoided a federal shutdown on October 1st. The Senate also passed a six week bill to fund the federal government at the same rate until November 18th. The House will debate this CR upon their return. All indications are that this bill will pass the House.

All in Washington are painfully aware that the dispute described above was only resolved because FEMA revised its budget estimate and not because the parties were able to compromise. Again, this was not a good sign! The ultimate resolution of the FY 2012 budget and the deficit reduction effort are going to require some compromises, and we would all feel better if Republicans and Democrats had used the FY 2012 CR as an opportunity to practice. Instead, the situation devolved into legislative chaos and narrowly diverted disaster.

Omnibus Ahead

Even with the deal on the Continuing Resolution (hopefully) settled, the Congress must still contend with funding for Fiscal Year 2012 beyond November 18th. The Senate may continue trying to move forward with individual appropriations bills during October, but it is not clear how much patience leadership will have devoting floor time and energy to “regular order” now that all have agreed an Omnibus will be necessary. We know of looming fights ahead that will complicate a spending package, including funding subsidies for rural airports and the consolidation on the Department of Homeland Security, both favorite Republican targets.

Joint Select Committee on Deficit Reduction

As you may remember, the twelve Members of the Joint Select Committee on Deficit Reduction were named during August by the House and Senate leadership. They are charged with arriving at between \$1.2 and \$1.5 trillion in budget savings over the next decade. If they fail in this effort, the automatic budget reduction “triggers” from the debt ceiling law will take effect and cause equal cuts in those amounts to defense and domestic spending programs. Seen as the worst of all possible outcomes, lawmakers are expected to go to great lengths to ensure that the “triggers” are avoided and that the committee is successful in producing a package of cuts. At least seven of the twelve lawmakers on the committee must approve a budget savings package no later than Thanksgiving, which will enable both the House and Senate to pass it and the President to sign it by December 23rd.

The Joint Select Committee on Deficit Reduction met publically as well as behind closed doors many times during September. While the Republican leadership has stated that it will not support any tax increases, there are several members of the Committee who are talking up proposals for tax plans that will increase revenue to help eliminate the annual budget deficits.

Innovative Federal Strategies LLC

One proposal, championed by Senator Chris Van Hollen (D-MD) and first floated by a team of economists led by Martin Feldstein, would call for limiting the amount of tax credits, deductions and other breaks that individuals could claim based on a portion of an individual's income, rather than putting limits on who is eligible to claim the tax expenditures. Reports say that setting the cap for the credits that could be claimed at 2 percent of an individual's income could save \$278 billion annually. Non-profit groups are already concerned with how this might affect charitable giving. Clearly there is still a long way to go until the Committee has recommendations ready for Congress.

Agreement on Funding Levels for TEA Reauthorization

In somewhat of a surprising turnaround, House Republicans appear to have agreed to adopt the Senate's plan for keeping funding at current levels in the reauthorization of the Transportation Equity Act (TEA). Previously, the House had proposed a six year bill that provided funding at severely reduced levels while the Senate had proposed a two year bill at current funding levels. Since gas tax receipts are the primary contributors to the Highway Trust Fund, but they have not kept pace with the spending that is required under current law, several "appropriations bailouts" have been necessary. House Transportation and Infrastructure Chairman John L. Mica (R-FL) has been stuck between the competing goals of finishing a highway bill, now two years overdue, and obeying the mandate of House GOP leaders to drastically cut spending. Mica said last week that the Republican leadership has told him that he can look for additional revenue sources but that he must not raise the tax of gas. This meeting of the minds is very good news for those who have been following the reauthorization for the past two years. The challenge will be to find the money!

Outlook for October

The main focus for Congress in the month of September will be to write and pass an Omnibus appropriations bill by November 18th while also watching the ongoing work of the Joint Select Committee on Deficit Reduction. Given the partisan acrimony we have seen over the past several months, no one is very optimistic that these tasks will be completed peacefully and on schedule. However, if Representative and Senators are following the polls, they should be keenly aware that their approval ratings are at an all time low. Maybe this will inspire some bi-partisanship?

We will be monitoring the process and will keep you informed as we learn more.

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Date: October 19, 2011
To: The Honorable Board of Directors
From: Thomas A. Love
General Manager
Submitted by: Martha Davis
Executive Manager of Policy Development
Subject: September 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

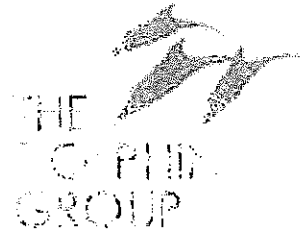
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September 30, 2011

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



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

While the legislative session has ended for the year, Governor Jerry Brown still has until October 9 to sign or veto legislation passed by the legislature. So far Brown has acted on several bills affecting energy issues, including AB 1150 (M. Perez), which will extend the Self-Generation Incentive Program (SGIP) through 2014 and SB 585 (Kehoe), which provides funding to extend the California Solar Initiative.

A key piece of legislation supported by Governor Brown to extend the energy Public Goods Charge (PGC) failed to pass through the legislature at the end of session. While the PGC is set to expire at the end of the year, Brown is pushing the CPUC to find other funding to continue supporting key programs.

Meanwhile, the CPUC has opened a new proceeding to review grid interconnection issues for distributed generation (DG) projects. More consistent interconnection rules are expected to increase investment and development of DG. The CPUC also held a workshop on the implementation of SB 32. Staff attended the workshop, which focused on a feed-in tariff that would be based on market prices generated by the newly adopted Renewable Auction Mechanism.

Dolphin Group staff also attended a biomethane workshop held by the California Energy Commission (CEC), focused on the use of out-of-state biomethane used to meet California's renewable portfolio standards (RPS).

On the water front, Brown has also proposed a number of changes to the regional water boards, including consolidation of certain areas and cutting each region's board from nine to five members. Due to its complexity, the issue was tabled at the end of the legislative session and is expected to be addressed in 2012.

Inland Empire Utilities Agency

Status Report – September 2011

Public Goods Charge Reauthorization Fails at End of Legislative Session

Despite a strong push by Governor Brown to reauthorize the energy Public Goods Charge (PGC) before the end of session, efforts stalled in the legislature at the end of session, leaving the PGC set to expire at the end of the year.

The ratepayer funded surcharge on electricity bills has been used to fund energy efficiency, research development and demonstration and renewable energy programs. The legislation would have extended the \$400 million a year program for eight more years. It would have included over \$90 million dedicated to integration of biogas projects including livestock, food processing and municipal wastewater digesters. The legislation was also amended to recognize the energy efficiency associated with water conservation projects and programs.

Governor Brown has, in turn, asked the CPUC to find a way to continue funding many of the programs operated under the PGC. The CPUC will consider opening a legal and administrative proceeding on Brown's request at its October 6 meeting.

Self-Generation Incentive Program Extended

Legislation to extend the Self-Generation Incentive Program (SGIP) through 2014 was signed by Governor Brown in September. AB 1150 (M. Perez) extends the program through 2014 and expands it to include incentives for wind, fuel cells and other technologies.

The SGIP is funded by about \$85 million in ratepayer funds annually. The action by the legislature coincides with program reforms being implemented by the CPUC that provide significant new incentives for fuel cells and other biogas related projects. Eligibility for the SGIP program will now be based on greenhouse gas (GHG) emission reduction. Technologies that achieve reductions of GHGs will be eligible for up-front and performance-based incentives.

Biogas projects are eligible for maximum incentives of \$2.00/watt and fuel cell projects are eligible for \$2.25/watt, fuel cells utilizing biogas can received a combined \$4.25/watt. The incentives continue to apply only to the portion of the generation that serves a project's on-site electric load.

Brown Signs Bill to Extend California Solar Initiative

Governor Brown recently signed legislation to extend funding for the California Solar Initiative (CSI), authorizing an additional \$200 million for the program. SB 585 (Kehoe) extends the program created in 2006, which has supported the installation of almost 900 MW of solar generation to date. The bill also allows the CPUC to continue collecting funds from ratepayers to support a shortfall in the program, caused by an over-performance of installed solar systems and

inaccurate financial estimates by the CPUC. It also calls for the CPUC to establish a cost cap on CSI programs within 90 days of enactment of the legislation.

CPUC Reviews Distributed Generation Interconnection Rules

The CPUC has opened a new proceeding to review interconnection rules for projects on utilities' generation systems as part of an effort to boost small-scale renewable projects. In an attempt to increase distributed generation (DG) and energy storage to meet Governor Brown's goal of 12,000 MW of DG by 2020, the CPUC has sought to reform interconnection to coordinate with federal rules. More certainty for infrastructure and upgrade costs is expected to increase competition and encourage the development of renewable energy procurement programs under 20 MW in size.

SB 32 Implementation/FiT

Implementation of SB 32 continues at the CPUC. Michael Boccadoro and Martha Davis recently participated in a staff workshop on pricing and contract issues. A primary discussion topic at the workshop was a proposal by Energy Division staff that addresses all of the major implementation issues. Staff is proposing a FiT program based on "market prices" to be generated by the newly adopted Renewable Auction Mechanism (RAM). Three market pieces will be established for three separate renewable energy products, including baseload (biogas); peaking as available (solar); and non-peaking as available (wind). Time-of-Delivery (TOD) and locational adders would also apply.

While the staff proposal is expected to be an improvement over the existing FiT pricing (currently based on brown energy), most parties remain concerned that the base price under the RAM will likely not support a robust small distributed renewable energy generation market segment.

Energy Division staff are expected to refuse their proposal based on the workshop input and make it available for comments from parties. The CPUC expects to have a proposed decision available before the end of the calendar year.

Biomethane Workshop

DGI staff recently attended a California Energy Commission (CEC) workshop on renewable portfolio standard (RPS) implementation and the use of pipeline injected biomethane. The workshop was designed to solicit comments on the use of out-of-state biomethane designated to a California natural gas-fired power plant. Many of the state's municipal utilities and IOUs are proposing to purchase out-of-state biomethane produce as far away as Maine and claim credit for meeting the state's renewable energy mandates.

The workshop drew a large crowd of out-of-state biomethane project developers who would benefit under the proposed contractual relationships.

While California's biogas industry has been slow to commercialize, significant investment has been happening in other states with dairy, landfill and wastewater biogas development. A number of speakers discussed concerns with the significant loophole being exploited and recommended California limit use of biogas to in-state resources. The CEC is expected to act in the coming months.

Governor Brown Proposes Water Board Reforms

Governor Brown had proposed a number of amendments to SB 900 (Steinberg), which would make sweeping changes to the configuration of the state's regional water boards. The bill, originally sponsored by the Western Growers Association, was designed to address conflict of interest provisions with board appointees, by allowing persons who receive income from someone that is subject to waste discharge requirements to serve as long as that discharge is outside the jurisdiction of the regional board.

Brown's proposed amendments would go much further, consolidating a number of boards and eliminating the Central Coast and Colorado River Basin Boards. It would also reduce the number of board members serving on regional boards from nine to five and eliminate specific categories for appointees.

Due to the complexity of the issue, the measure was removed from legislative consideration, but will likely be the topic of significant discussion during the interim and the second year of the two-year session.

Legislation

The legislative session ended on September 9, leaving an onerous stack of bills seeking Governor Brown's approval. The Governor has until October 9 to sign or veto legislation. 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: Pending - Carryover
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: Enacted

LOCATION: Chaptered

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: Watch

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

TITLE: Safe, Clean and Reliable Drinking Water Supply Act

INTRODUCED:01/19/2011

DISPOSITION: Pending - Carryover

LOCATION: Assembly Water, Parks and Wildlife Committee

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: To Governor

LOCATION: To Governor

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: To Governor

LOCATION: To Governor

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. Authorizes any person to be placed on the list to receive plan preparation notices. Requires the existing plan to remain in effect if the new plan is not implemented. Requires the department to post specified related information on its Web site. Specifies that groundwater projects shall include projects of the regional water plan.

Position: Watch

CA AB 467 **AUTHOR:** Eng (D)
TITLE: Safe Drinking Water, Water Quality and Supply
INTRODUCED: 02/15/2011
DISPOSITION: Pending - Carryover
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: To Governor
LOCATION: To Governor
SUMMARY:

Expands the definition of an eligible renewable generating facility to include a facility with a specified generation capacity. Prohibits an electrical corporation from being required to compensate a local government for electricity generated from a facility in excess of the bill credits applied to the benefiting account. Prohibits a local government facility from being eligible for any other tariff or program that requires such corporation to purchase generation from that facility while in the program.

Position: Watch

CA AB 550 **AUTHOR:** Huber (D)
TITLE: Sacramento-San Joaquin Delta: Peripheral Canal
INTRODUCED: 02/16/2011
DISPOSITION: Pending - Carryover
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 - Carryover

LOCATION: Senate Energy, Utilities and Communications Committee

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: Enacted

LOCATION: Chaptered

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: Pending - Carryover

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: Pending - Carryover

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: Pending - Carryover

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 - Carryover

LOCATION: Assembly Natural Resources Committee

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: Pending - Carryover

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: Enacted
LOCATION: Chaptered
SUMMARY:

Extends the repeal 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: Pending - Carryover
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: To Governor
LOCATION: To Governor
SUMMARY:

Relates to net energy metering. Requires an eligible customer-generator to utilize a renewable source listed in the definition of a renewable electrical generation facility used for the Renewable Energy Resources Program. Provides that a small hydroelectric generation facility is not an eligible renewable electrical generation facility. Requires a customer of an electrical corporation to use specified technology for funding pursuant to the self-generation incentive program. Repeals a

related pilot project.

Position: Support

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

TITLE: Water Resources Board: Brackish Groundwater Treatment

INTRODUCED: 02/17/2011

DISPOSITION: Enacted

LOCATION: Chaptered

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 - Carryover

LOCATION: Assembly Inactive File

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: October 19, 2011

To: The Honorable Board of Directors

From: Thomas A. Love
General Manager

Submitted by: Sondra Elrod
Administration and Public Affairs Officer

Subject: Public Outreach and Communications

RECOMMENDATION

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

BACKGROUND

Calendar of Events

October 2011

- October 15, Parking lot event and sale at all Home Depots in the area for Inland Empire Garden Friendly
- October 17, Oxford Prep Academy Garden Dedication.
- October 19, USBR Government Alliance Pillar for OWOW 2.0 Update Process, IEUA Anza Conference Room
- October 22, Landscape and Water Conservation Fair, CBWCD
- October 31, Employee Association Halloween Luncheon, IEUA Event Center, 11:30 a.m. – 1:00 p.m.

November 2011

- November 3, IEUA Leadership Breakfast, IEUA Event Center, 7:30 a.m. – 9:00 a.m.
- November 5, SAWA Bird Festival, Chino Creek Wetlands and Educational Park

December 2011

- December 3, 2011, Sustainable Holiday Crafts Workshop, IEUA Event Center, 10:00 a.m. – 1:00 p.m.
- December 6, 2011, Dept of Water Resources Process Improvement Workshop, IEUA Board Room
- December 7, MWD “Water is Life” Poster Recognition Event, MWD Board Room
- December 10, Employee Association Holiday Dinner, Sierra La Verne Country Club
- December 22, Holiday Luncheon, Los Serranos Country Club

2012 Calendar of Events

March 2012

- March 9-10, Director Camacho's IEUA/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.

Water Conservation Outreach

Regional Conservation Outreach Campaign

- Ongoing monthly ¼-page ads in the Inland Valley Daily Bulletin, Champion Newspaper, Fontana Herald News.
- Water Controller "Control Your Controller" 6-part series, ¼ page ad in the Inland Valley Daily Bulletin every Sunday from September 18, 2011 thru October 23, 2011.
- Ongoing water wise gardening classes.
- Sale and parking lot event on October 15, 2011 at all Home Depots for Inland Empire Garden Friendly plants.

Staff Updates

- The Water Discovery Field Trip Program has booked over 400 students to visit the Park so far for this school year.
- Teachers throughout IEUA's service area have sent in "request for information" letters regarding IEUA's educational programs.
- WEWAC held a Project WET (Water Education for Teachers) workshop on October 6th. Over 20 educators attended learning about water-related classroom activities. Project WET has updated their curriculum guide for this year adding additional activities and improvement to the guide. All educators that attend a workshop will receive the new guide.
- IEUA's member agencies, along with IEUA, will be promoting MWD's new middle school program, "Conservation Connection". This program has both a student workbook and teacher workbook and focuses on water and energy. MWD has created an online survey for students to take, and MWD will be providing service area statistics to their member agencies.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The above-mentioned activities are budgeted in the FY 2011/12 Administrative Service Fund, Public Information Services budget.

IEUA MONTHLY WATER NEWSLETTER

OCTOBER 2011 (REPORTING SEPTEMBER 2011 DATA)

Highlights

- **California Water Commission Hosts Water Storage Workshops** - The California Water Commission is hosting public workshops to discuss the State's water storage projects (Page 1)
- **Chino Basin Purchases and Recharges Approximately 35,000 Acre-Feet** - The Chino Basin was the first MWD agency to begin purchase of replenishment water. (Page 1)
- **IEUA Recharges Over 25,000 AF In Only 3 Months** - July thru September of Fiscal Year 2011/12 sees the Chino Basin recharge stormwater, recycled water and imported water. (Page 2)

California Water Commission

The California Water Commission is hosting two public workshops on the future of the state's water storage projects. The purpose is to provide a forum for discussion of the benefits, costs, and consequences of various water storage projects in California, and to consider future uncertainties. Panels will focus on System Reoperation and Integrated Water Management, Groundwater, Surface Storage, and Evaluating Public Benefits of Storage Projects.

The Commission consists of nine members appointed by the Governor. Its role historically includes advising the Department of Water Resources, approving rules and regulations, and monitoring and reporting on the construction of the State Water Project. California's comprehensive water legislation, enacted in 2009, gave the Commission new responsibilities including developing regulations for the quantification and management of the public benefits of water storage projects. The Delta Stewardship Council has recommended that the Commission, together with other agencies, identify projects that could be implemented within the next five to ten years, expand existing surface and groundwater storage facilities, create new storage, improve operation of existing Delta conveyance facilities, and enhance opportunities for conjunctive use programs and water transfers. The October 25 workshop agenda is available at <http://cwc.ca.gov/workshops.cfm>.



Chino Basin Replenishment Update

During May—September 2011, IEUA and Chino Basin Watermaster purchased and recharged 34,642 acre-feet in the Chino Basin, via spreading, injection and in-lieu. On May 10, the Metropolitan Water District of Southern California (MWD) Board of Directors approved the sale of approximately 225,000 acre-feet of replenishment rate water (\$409/acre-foot). The Chino Basin was the first MWD member agency to begin taking deliveries on May 16.

IEUA Water Supply Programs

Imported Water Deliveries

For Calendar Year 2011, IEUA and its member agencies have purchased an estimated 33,528 AF of Tier I water (approximately 56% of the Tier I limit). This does not include approximately 35,000 AF of replenishment water purchases that IEUA purchases between May and September 2011.

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).

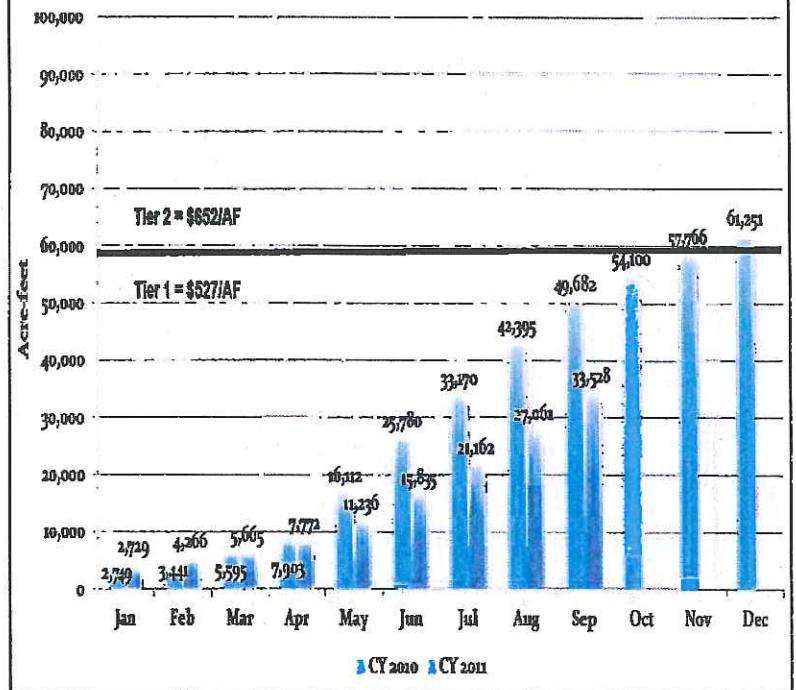
Chino Desalter Authority (CDA)

For the month of August, the two desalters produced 2,066AF of water (of which 1,206 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.

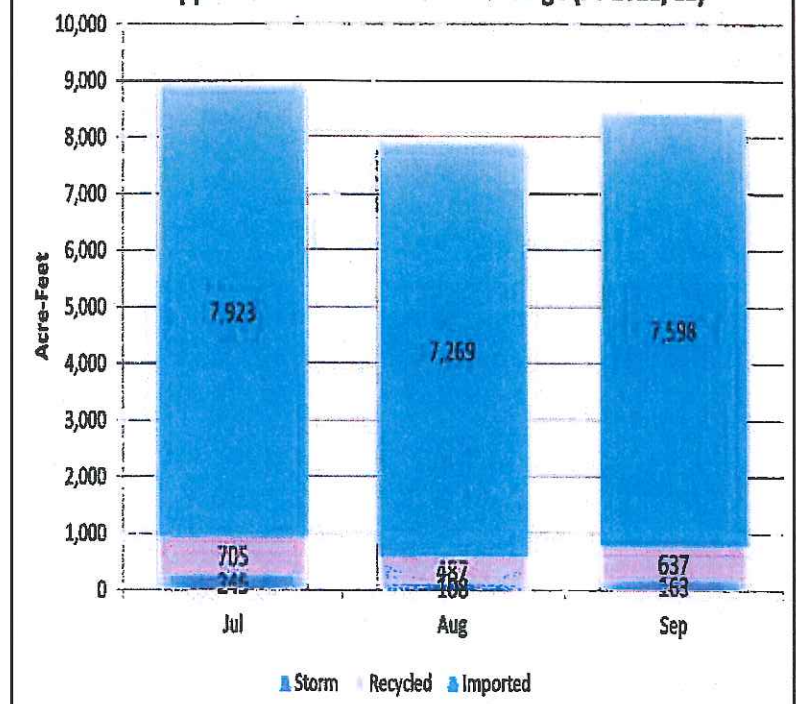
Groundwater Recharge Program

Fiscal Year 11/12 has started out as another successful year for recharge in the Chino Basin. Through September, approximately 25,135 AF of storm, recycled and imported water has been recharged.

IEUA Cumulative Full Service Imported Water Deliveries & Dry Year Yield

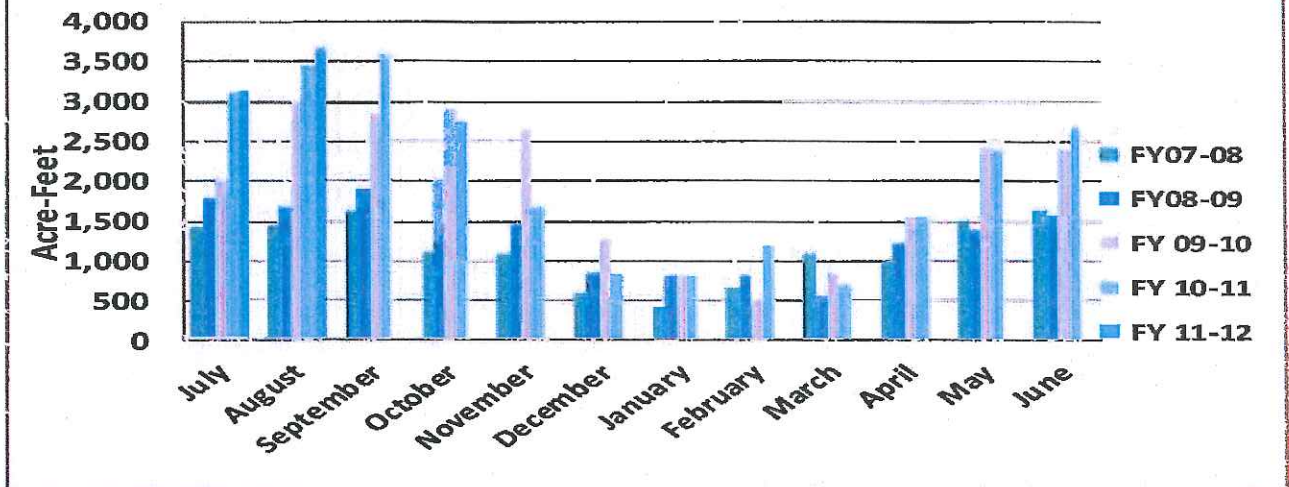


IEUA Supplemental & Storm Water Recharge (FY 2011/12)



Recycled Water News

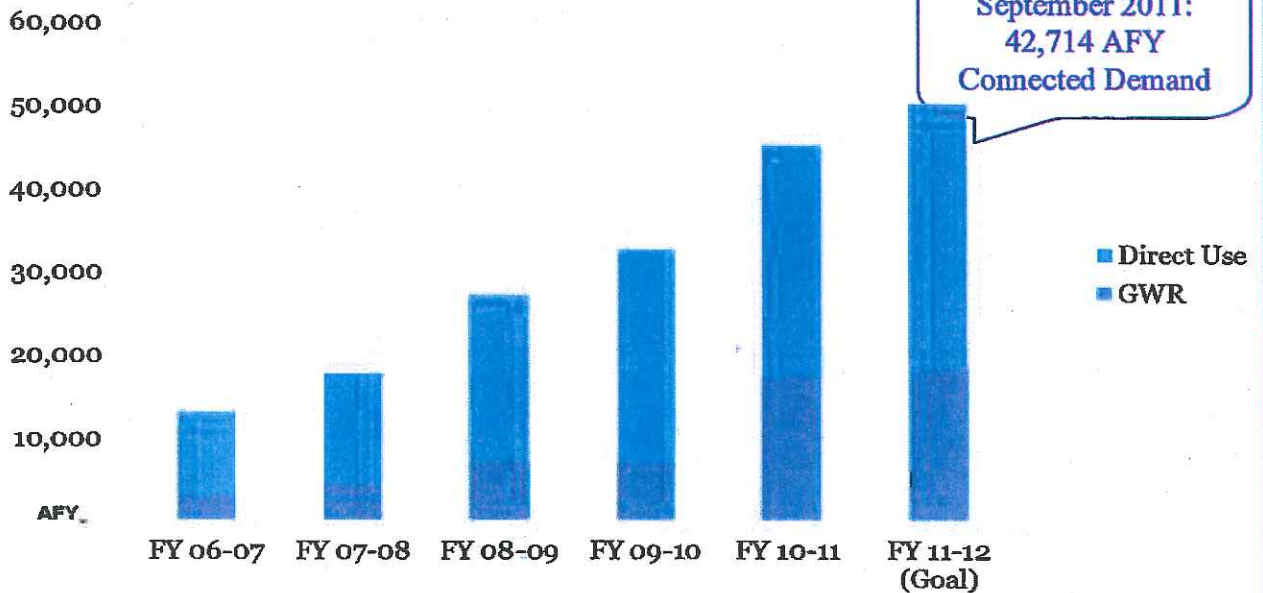
IEUA Recycled Water Usage



Recycled Water Usage: September 2011 Estimates

Recharge: 500 AF
 Direct Sales: 3,000 AF
 Total Usage: 3,500 AF

IEUA Connected Recycled Water Demand



The Santa Ana Watershed Association
proudly invites you to the

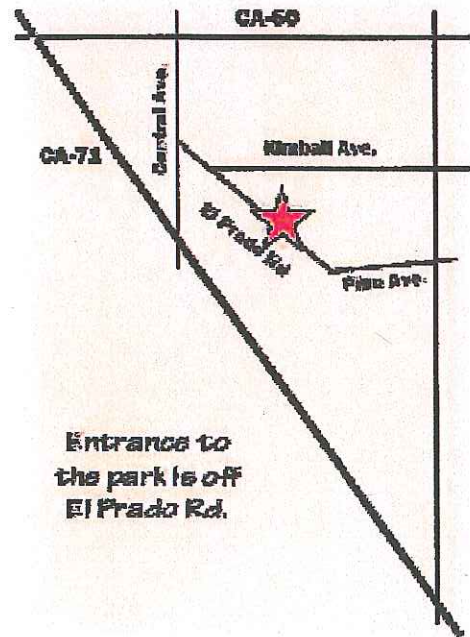
2011 Fall Festival of Birds



November 5, 2011
10:00am to 2:00pm
Chino Creek Wetlands & Educational Park
15975 El Prado Rd., Chino, CA

Free Admission!

Bird Encounters
Meet Bird Experts
Nature-themed Crafts
Fun Games & Activities



Entrance to
the park is off
El Prado Rd.

For event details visit us at: www.sawaedu.org



For more information contact Carrie Raleigh:
carrie@sawaedu.org • (909) 280-1120



Chino Creek Wetlands and Educational Park was partially funded by a grant from the State Water Resource Control Board.



CHINO BASIN WATERMASTER

IV. INFORMATION

1. Cash Disbursements for September 2011



CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/07/2011	15369	A&R BRIDGESTONE FIRESTONE AUTO CARE	3-1829	1012 - Bank of America Gen'l Ckg	
Bill	09/06/2011	3-1629		Field truck maintenance	6177 - Vehicle Repairs & Maintenance	314.05
TOTAL						314.05
Bill Pmt -Check	09/07/2011	15370	BOWCOCK, ROBERT		1012 - Bank of America Gen'l Ckg	
Bill	08/18/2011	8/18 Advisory Comm		8/18/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	08/25/2011	8/25 Personnel Comm		8/25/11 Personnel Committee Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	09/07/2011	15371	CALPERS	1741	1012 - Bank of America Gen'l Ckg	
Bill	08/22/2011	1741		Medical Insurance - September 2011	60182.1 - Medical Insurance	5,429.59
TOTAL						5,429.59
Bill Pmt -Check	09/07/2011	15372	COMPUTER NETWORK	82236	1012 - Bank of America Gen'l Ckg	
Bill	09/05/2011	82236		External hard drives, printer for reception area	6055 - Computer Hardware	1,131.38
TOTAL						1,131.38
Bill Pmt -Check	09/07/2011	15373	GOLDEN METERS SERVICE	182	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	182			7102.8 - In-line Meter-Callb & Test	1,050.00
TOTAL						1,050.00
Bill Pmt -Check	09/07/2011	15374	INLAND EMPIRE UTILITIES AGENCY	VOID: 90008194	1012 - Bank of America Gen'l Ckg	
TOTAL						
Bill Pmt -Check	09/07/2011	15375	KUHN, BOB		1012 - Bank of America Gen'l Ckg	
Bill	08/10/2011	8/10 Admin Mtg		8/10/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	08/11/2011	8/11 Appro Pool Mtg		8/11/11 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
Bill	08/17/2011	8/17 Admin Mtg		8/17/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	08/18/2011	8/18 Advisory Comm		8/18/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	08/24/2011	8/24 Admin Mtg		8/24/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	08/25/2011	8/25 Personnel Comm		8/25/11 Personnel Committee Meeting	6311 - Board Member Compensation	125.00
Bill	08/31/2011	8/31 Admin Mtg		8/31/11 Administrative Meeting	6311 - Board Member Compensation	125.00
TOTAL						875.00
Bill Pmt -Check	09/07/2011	15376	LANTZ, PAULA		1012 - Bank of America Gen'l Ckg	
Bill	08/11/2011	8/11 Appro Pool Mtg		8/11/11 Appropriative Pool Meeting	6311 - Board Member Compensation	125.00
Bill	08/25/2011	8/25 Board Mtg		8/25/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						250.00
Bill Pmt -Check	09/07/2011	15377	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	L0063360		L0063360	7103.5 - Grdwtr Qual-Lab Svcs	748.00
Bill	08/31/2011	L0064927		L0064927	7103.5 - Grdwtr Qual-Lab Svcs	2,074.00
TOTAL						2,822.00

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/31/2011	L0065408		L0065408	7103.5 - Grdwtr Qual-Lab Svcs	1,086.00
Bill	08/31/2011	L0064933		L0064933	7103.5 - Grdwtr Qual-Lab Svcs	1,086.00
Bill	08/31/2011	L0064938		L0064938	7103.5 - Grdwtr Qual-Lab Svcs	1,982.00
Bill	08/31/2011	10064939		L0064939	7103.5 - Grdwtr Qual-Lab Svcs	1,086.00
TOTAL						8,032.00
Bill Pmt -Check	09/07/2011	15378	PARK PLACE COMPUTER SOLUTIONS, INC.	454	1012 - Bank of America Gen'l Ckg	3,150.00
Bill	08/31/2011	454		IT Services - August 2011	6052.1 - Park Place Comp Solutn	3,150.00
TOTAL						
Bill Pmt -Check	09/07/2011	15379	PURCHASE POWER	8000909000168851	1012 - Bank of America Gen'l Ckg	75.40
Bill	08/31/2011	8000909000168851		fed ex shipments	6042 - Postage - General	75.40
TOTAL						
Bill Pmt -Check	09/07/2011	15380	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	824.00
Bill	08/31/2011	1VC070000017418		Week ending 8/21/11	6017 - Temporary Services	824.00
TOTAL						
Bill Pmt -Check	09/07/2011	15381	VANDEN HEUVEL, GEOFFREY	6311	1012 - Bank of America Gen'l Ckg	125.00
Bill	08/25/2011	8/25 Board Mtg		8/25/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						
Bill Pmt -Check	09/07/2011	15382	WILLIS, KENNETH	6311	1012 - Bank of America Gen'l Ckg	125.00
Bill	08/22/2011	8/22 Admin Mtg		8/22/11 Administrative Meeting	6311 - Board Member Compensation	125.00
Bill	08/25/2011	8/25 Personnel Comm		8/25/11 Personnel Committee Meeting	6311 - Board Member Compensation	250.00
TOTAL						
Bill Pmt -Check	09/07/2011	15383	CALPERS	1741	1012 - Bank of America Gen'l Ckg	5,430.70
Bill	09/06/2011	1741		Medical Insurance - October 2011	60182.1 - Medical Insurance	5,430.70
TOTAL						
Bill Pmt -Check	09/07/2011	15384	CITISTREET		1012 - Bank of America Gen'l Ckg	1,863.30
General Journal	08/26/2011	08/26/2011		Payroll and Taxes for 08/07/11-08/20/11	2000 - Accountis Payable	1,863.30
TOTAL						
Bill Pmt -Check	09/07/2011	15385	DURRINGTON, GLEN		1012 - Bank of America Gen'l Ckg	25.00
Bill	08/11/2011	8/11 Ag Pool Mtg		Ag Pool Member Compensation	8411 - Compensation	25.00
TOTAL						
Bill Pmt -Check	09/07/2011	15386	FEENSTRA, BOB		1012 - Bank of America Gen'l Ckg	125.00
Bill	08/11/2011	8/11 Ag Pool Mtg		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	125.00
Bill	08/18/2011	8/18 Advisory Comm		8/18/11 Advisory Committee Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/25/2011	8/25 Personnel Comm		8/25/11 Personnel Committee Meeting	8411 - Compensation	125.00
Bill	08/25/2011	8/25 Board Meeting		8/25/11 Board Meeting	8411 - Compensation	125.00
TOTAL						500.00
Bill Pmt -Check	09/07/2011	15387	GRAINGER	9619891907	1012 - Bank of America Gen'l Ckg	10.95
Bill	08/31/2011	9619891907		GW quality supplies	7103.6 - Growtr Qual-Supplies	10.95
TOTAL						21.90
Bill Pmt -Check	09/07/2011	15388	HALL, PETE*	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	25.00
Bill	08/11/2011	8/11 Ag Pool Mtg		8/11/11 Ag Pool Meeting	8411 - Compensation	25.00
Bill	08/18/2011	8/18 Advisory Comm		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
Bill	08/18/2011	8/18 Advisory Comm		8/18/11 Advisory Committee Meeting	8411 - Compensation	25.00
Bill	08/25/2011	8/25 Board Mtg		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
Bill	08/25/2011	8/25 Board Mtg		8/25/11 Board Meeting	8470 - Ag Meeting Attend -Special	125.00
TOTAL						375.00
Bill Pmt -Check	09/07/2011	15389	HUITSING, JOHN	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	25.00
Bill	08/11/2011	8/11 Ag Pool Meeting		8/11/2011 Ag Pool Meeting	8411 - Compensation	25.00
Bill	08/11/2011	8/11 Ag Pool Meeting		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	09/07/2011	15390	KOOPMAN, GENE	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	25.00
Bill	08/11/2011	8/11 Ag Pool Meeting		8/11/11 Ag Pool Meeting	8411 - Compensation	25.00
Bill	08/11/2011	8/11 Ag Pool Meeting		Ag Pool Member Compensation	8470 - Ag Meeting Attend -Special	100.00
TOTAL						125.00
Bill Pmt -Check	09/07/2011	15391	PIERSON, JEFFREY	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	125.00
Bill	08/11/2011	8/11 Ag Pool Mtg		8/11/11 Ag Pool Meeting	6311 - Board Member Compensation	125.00
Bill	08/18/2011	8/18 Advisory Comm		8/18/11 Advisory Committee Meeting	6311 - Board Member Compensation	125.00
Bill	08/25/2011	8/25 Board Meeting		8/25/11 Board Meeting	6311 - Board Member Compensation	125.00
TOTAL						375.00
Bill Pmt -Check	09/07/2011	15392	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	7,009.50
General Journal	08/20/2011	08/20/2011	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CalPERS Retirement for 08/07/11-08/20/11	2000 - Accounts Payable	7,009.50
TOTAL						14,019.00
Bill Pmt -Check	09/07/2011	15393	TELECOM SERVICES	Make changes to voice-mail system	1012 - Bank of America Gen'l Ckg	125.00
Bill	08/31/2011	5422		Make changes to voice-mail system	6022 - Telephone	125.00
Bill	08/31/2011	5402		Make changes to voice-mail system	6022 - Telephone	125.00
TOTAL						250.00
Bill Pmt -Check	09/07/2011	15394	VANDEN HEUVEL, ROB	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	25.00
Bill	08/11/2011	8/11 Ag Pool Mtg		8/11/11 Ag Pool Meeting	8411 - Compensation	25.00

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL					8470 - Ag Meeting Attend -Special	100.00
						125.00
Bill Pmt -Check	09/07/2011	15395	MUJAC ALARM	Ag Pool Member Compensation	1012 - Bank of America Gen'l Ckg	396.00
Bill	09/01/2011	305769		Bldg. monitoring from 9/01/11 to 11/30/11	6026 - Security Services	396.00
TOTAL						
Bill Pmt -Check	09/07/2011	15396	PRINTING RESOURCES	nameplate for Gerald Greene	1012 - Bank of America Gen'l Ckg	28.44
Bill	08/25/2011	57004		title plate for Senior Environmental Engineer	6031.7 - Other Office Supplies	28.44
Bill	08/25/2011	57005			6031.7 - Other Office Supplies	56.88
TOTAL						
Bill Pmt -Check	09/07/2011	15397	STATE COMPENSATION INSURANCE FUND	1970970-11	1012 - Bank of America Gen'l Ckg	322.10
Bill	08/25/2011	1970970-11		Workers Compensation premium	60183 - Worker's Comp Insurance	322.10
TOTAL						
Bill Pmt -Check	09/07/2011	15398	INLAND EMPIRE UTILITIES AGENCY	90008194	1012 - Bank of America Gen'l Ckg	540.25
Bill	08/18/2011	90008194			8456 - IEUA Readiness To Serve	3,505,874.96
					5011 - Replenishment Water	125,455.16
					1420 - Prepaid Injected Water Purchase	3,631,870.37
TOTAL						
General Journal	09/09/2011	09/09/2011	Payroll and Tax 08/21/11-09/03/11	Payroll and Tax 08/21/11-09/03/11	1012 - Bank of America Gen'l Ckg	8,979.89
				Payroll Tax for 08/21/11-09/03/11	1014 - Bank of America P/R Ckg	20,344.13
				Direct Deposits for 08/21/11-09/03/11	1014 - Bank of America P/R Ckg	5,963.82
				Payroll Checks for 08/21/11-09/03/11	1014 - Bank of America P/R Ckg	35,287.84
TOTAL						
Bill Pmt -Check	09/12/2011	15399	WILDERMUTH ENVIRONMENTAL INC	2011298 - OBMP - Watermaster Model Update	1012 - Bank of America Gen'l Ckg	54,188.86
Bill	07/31/2011	2011298		2011299 - OBMP Engineering Services	6906 - OBMP Engineering Services	2,955.00
Bill	07/31/2011	2011299		2011300 - OBMP Engineering Services	6906 - OBMP Engineering Services	881.25
Bill	07/31/2011	2011300		2011301 - OBMP Engineering Services	6906 - OBMP Engineering Services	281.25
Bill	07/31/2011	2011301		2011302 - OBMP Engineering Services	6906 - OBMP Engineering Services	9,170.00
Bill	07/31/2011	2011302		2011303 - Grdwtr Level-Engineering	7104.3 - Grdwtr Level-Engineering	16,803.60
Bill	07/31/2011	2011303		2011304 - Grdwtr Qual-Engineering	7103.3 - Grdwtr Qual-Engineering	7,316.33
Bill	07/31/2011	2011305		2011305 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	1,518.75
Bill	07/31/2011	2011306		2011306 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	1,316.12
Bill	07/31/2011	2011307		2011307 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	8,923.63
Bill	07/31/2011	2011308		2011308 - Hydraulic Control-Engineering	7107.2 - Grd Level-Engineering	10,262.50
Bill	07/31/2011	2011309		2011309 - PE3&5-Engineering	7303 - PE3&5-Engineering	11,341.25
Bill	07/31/2011	2011310		2011310 - PE4-Engineering	7402 - PE4-Engineering	3,661.34
Bill	07/31/2011	2011311		2011311 - OBMP Engineering Services	6906 - OBMP Engineering Services	625.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	07/31/2011	2011312		2011312 - Comp Recharge-Implementation	7202.3 - Comp Recharge-Implementation	430.00
TOTAL						129,674.88
Bill Pmt -Check	09/13/2011	15400	ACWA SERVICES CORPORATION	00198	1012 - Bank of America Gen'l Ckg	
Bill	09/07/2011	00198		Prepayment - October 2011	1409 - Prepaid Life, BAD&D & LTD	142.96
				Insurance premium - September 2011	60191 - Life & Disab. Ins Benefits	142.95
TOTAL						285.91
Bill Pmt -Check	09/13/2011	15401	APPLIED COMPUTER TECHNOLOGIES	VOID: 2022	1012 - Bank of America Gen'l Ckg	
TOTAL						
Bill Pmt -Check	09/13/2011	15402	CHARLES Z. FEDAK & COMPANY	Billings - August 2011	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011				6062 - Audit Services	2,500.00
TOTAL						2,500.00
Bill Pmt -Check	09/13/2011	15403	CITISTREET	Payroll and Tax 08/21/11-09/03/11	1012 - Bank of America Gen'l Ckg	
General Journal	09/09/2011	09/09/2011	CITISTREET	457 Deductions for 08/21/11-09/03/11	2000 - Accounts Payable	2,785.78
TOTAL						2,785.78
Bill Pmt -Check	09/13/2011	15404	DC LAW	13950	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	13950		Ag Pool Legal Services	8467 - Ag Legal & Technical Services	1,722.50
TOTAL						1,722.50
Bill Pmt -Check	09/13/2011	15405	DGO AUTO DETAILING	Wash 4 trucks 8/25/11, 2 trucks 9/08/11	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011				8177 - Vehicle Repairs & Maintenance	150.00
TOTAL						150.00
Bill Pmt -Check	09/13/2011	15406	HOGAN LOVELLS	1994034	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	1994034		Non-Ag Pool legal services - August 2011	8587 - Non-Ag Legal Service	4,298.05
TOTAL						4,298.05
Bill Pmt -Check	09/13/2011	15407	HSBC BUSINESS SOLUTIONS	7003-7309-1000-2744	1012 - Bank of America Gen'l Ckg	
Bill	08/30/2011	7003730910002744		Misc. office supplies, coffee pots, etc.	6031.7 - Other Office Supplies	927.50
TOTAL						927.50
Bill Pmt -Check	09/13/2011	15408	JAMES JOHNSTON	241	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	241		Website services - August 2011	6052.3 - Website Consulting	765.00
TOTAL						765.00
Bill Pmt -Check	09/13/2011	15409	MWH LABORATORIES	L0063102	1012 - Bank of America Gen'l Ckg	
Bill	08/31/2011	L0063102			7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	09/31/2011	L0063265			7108.4 - Hydraulic Control-Lab Svcs	1,532.00
Bill	09/31/2011	L0063266			7108.4 - Hydraulic Control-Lab Svcs	2,065.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	08/31/2011	L0063859		L0063859	7108.4 - Hydraulic Control-Lab Svcs	1,770.00
Bill	08/31/2011	L0065166		L0065166	7108.4 - Hydraulic Control-Lab Svcs	615.00
Bill	08/31/2011	L0065167		L0065167	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
Bill	08/31/2011	L0065952		L0065952	7108.4 - Hydraulic Control-Lab Svcs	2,065.00
TOTAL						10,727.00
Bill Pmt -Check	09/13/2011	15410	PAUL HASTINGS LLP	1895234	1012 - Bank of America Gen'l Ckg	1,778.01
Bill	08/31/2011	1895234		Ag Pool Legal Services	8467 - Ag Legal & Technical Services	1,778.01
TOTAL						1,778.01
Bill Pmt -Check	09/13/2011	15411	PAYCHEX	2011090100	1012 - Bank of America Gen'l Ckg	288.14
Bill	08/31/2011	2011090100		August 2011	6012 - Payroll Services	288.14
TOTAL						288.14
Bill Pmt -Check	09/13/2011	15412	PETTY CASH	2367-2377	1012 - Bank of America Gen'l Ckg	57.95
Bill	09/13/2011			Gas for field truck	6175 - Vehicle Fuel	57.95
				Gas for generator-supplies for water sampling	7103.6 - Grdwtr Qual-Supplies	118.12
				Purchase ball hitch for F150 field truck	6151 - Small Tools & Equipment	10.76
				Supplies for 7/21 and 8/18 DYY meetings	7604 - PE8&9-Supplies	20.08
				Supplies for 7/21 and 8/18 Adv. Comm. meetings	6212 - Meeting Expense	20.08
				Misc. office supplies	6031.7 - Other Office Supplies	41.43
				Supplies for 7/14 Appropriative Pool Meeting	8312 - Meeting Expenses	6.98
				Supplies for 7/14 Non Ag Pool Meeting	8512 - Meeting Expense	6.99
				Supplies for 8/25 Personnel Committee Meeting	6141.2 - Committee Meetings	12.47
				MetroLink fare-Maurizio-attend 9/09 MWWD mtg	6174 - Transportation	16.50
TOTAL						311.36
Bill Pmt -Check	09/13/2011	15413	PREMIERE GLOBAL SERVICES	09119827	1012 - Bank of America Gen'l Ckg	9.60
Bill	08/31/2011	09119827		8/03 agenda call	8312 - Meeting Expenses	9.60
				8/03 agenda call	8412 - Meeting Expenses	9.61
				8/03 agenda call	8512 - Meeting Expense	522.48
				CDA calls on 8/04, 8/18, and 8/24	7305 - PE3&5-Supplies	170.78
				Non-Ag pool meeting call 8/11	8512 - Meeting Expense	35.18
				Monthly service and moderator fees	6022 - Telephone	757.25
TOTAL						8134.25
Bill Pmt -Check	09/13/2011	15414	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	Payor #3493	1012 - Bank of America Gen'l Ckg	8134.25
General Journal	09/09/2011	09/09/2011		CalPERS retirement for 08/21/11-09/03/11	2000 - Accounts Payable	8,134.25
TOTAL						8,134.25
Bill Pmt -Check	09/13/2011	15415	SOUTHERN CALIFORNIA WATER COMMITTEE	679	1012 - Bank of America Gen'l Ckg	850.00
Bill	05/09/2011	679		Membership for 2011/2012	1433 - Prepaid Membership Dues	850.00
TOTAL						850.00

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Type	Date	Num	Name	Memo	Account	Paid Amount
Bill Pmt -Check	09/13/2011	15416	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	824.00
Bill	08/31/2011	1VC070000017446		Week ending 8/28/11	6017 - Temporary Services	824.00
TOTAL						
Bill Pmt -Check	09/13/2011	15417	UNION 76	300-732-989	1012 - Bank of America Gen'l Ckg	275.86
Bill	08/31/2011	300732989		August 2011	6175 - Vehicle Fuel	275.86
TOTAL						
Bill Pmt -Check	09/13/2011	15418	UNITED PARCEL SERVICE	2x81x0	1012 - Bank of America Gen'l Ckg	12.48
Bill	08/31/2011	2X81X0		Postage	6042 - Postage - General	12.48
TOTAL						
Bill Pmt -Check	09/13/2011	15419	VERIZON	Data lines	1012 - Bank of America Gen'l Ckg	166.41
Bill	08/31/2011	012561121521714508		General telephone lines	7405 - PE4-Other Expense	539.00
Bill	08/31/2011	012519116850792103			6022 - Telephone	705.41
TOTAL						
Bill Pmt -Check	09/13/2011	15420	WATER FACILITIES AUTHORITY	12-16	1012 - Bank of America Gen'l Ckg	10,540.74
Bill	08/31/2011	12-16		WFA treatment charge	1420 - Prepaid Injected Water Purchase	10,540.74
TOTAL						
Bill Pmt -Check	09/13/2011	15421	WESTERN DENTAL SERVICES, INC.	002483	1012 - Bank of America Gen'l Ckg	28.88
Bill	09/07/2011	002483		Dental insurance - October 2011	60182.2 - Dental & Vision Ins	28.88
TOTAL						
Bill Pmt -Check	09/14/2011	15422	CORELOGIC INFORMATION SOLUTIONS	80282310	1012 - Bank of America Gen'l Ckg	62.50
Bill	08/31/2011	80282310			7103.7 - Grdwtr Qual-Computer Svc	62.50
TOTAL						
Bill Pmt -Check	09/14/2011	15423	GREAT AMERICA LEASING CORP.	11299710	1012 - Bank of America Gen'l Ckg	2,788.53
Bill	08/31/2011	11299710		Invoice - copier leases	6043.1 - Ricoh Lease Fee	617.10
TOTAL						
Bill Pmt -Check	09/14/2011	15424	SAFEGUARD DENTAL & VISION	3922182	1012 - Bank of America Gen'l Ckg	7.91
Bill	09/13/2011	3922182		Dental insurance - September 2011	60182.2 - Dental & Vision Ins	7.91
TOTAL						
Bill Pmt -Check	09/14/2011	15425	STAPLES BUSINESS ADVANTAGE	8019574894	1012 - Bank of America Gen'l Ckg	4,088.58

Type	Date	Numb	Name	Memo	Account	Paid Amount
Bill	09/03/2011	8019574894		Miscellaneous office supplies	6031.7 - Other Office Supplies	234.79
TOTAL						234.79
Bill Pmt -Check	09/14/2011	15426	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	824.00
Bill	09/13/2011	1CV070000017473		Week ending 9/04/11	6017 - Temporary Services	824.00
TOTAL						824.00
Bill Pmt -Check	09/14/2011	15427	VERIZON BUSINESS	66003717	1012 - Bank of America Gen'l Ckg	1,537.85
Bill	09/13/2011	66003717		Charges for service period 10/01/11 -10/31/11	6053 - Internet Expense	1,537.85
TOTAL						1,537.85
Bill Pmt -Check	09/14/2011	15428	VERIZON WIRELESS	1009830947	1012 - Bank of America Gen'l Ckg	738.42
Bill	09/13/2011	1009830947		Monthly service & G. Greene cell phone	6022 - Telephone	738.42
TOTAL						738.42
Bill Pmt -Check	09/14/2011	15429	YUKON DISPOSAL SERVICE	08-K2 213849	1012 - Bank of America Gen'l Ckg	106.53
Bill	09/13/2011	08-K2 213849		Service for September 2011	6024 - Building Repair & Maintenance	106.53
TOTAL						106.53
Bill Pmt -Check	09/15/2011	15430	APPLIED COMPUTER TECHNOLOGIES	2022	1012 - Bank of America Gen'l Ckg	2,654.10
Bill	08/31/2011	2022		Database serv ice - August 2011	6052.2 - Applied Computer Technol	2,654.10
TOTAL						2,654.10
Bill Pmt -Check	09/15/2011	15431	BROWNSTEIN HYATT FARBER SCHRECK	442318 - BHFS Legal - Appropriative Pool	1012 - Bank of America Gen'l Ckg	2,488.41
Bill	07/31/2011	442318		442318 - BHFS Legal - Appropriative Pool	8375 - BHFS Legal - Appropriative Pool	2,488.41
				442318 - BHFS Legal - Agricultural Pool	8475 - BHFS Legal - Agricultural Pool	1,623.41
				442318 - BHFS Legal - Non-Ag Pool	8575 - BHFS Legal - Non-Ag Pool	1,191.53
				442318 - BHFS Legal - Advisory Committee	6275 - BHFS Legal - Advisory Committee	2,767.24
				442318 - BHFS Legal - Board Meeting	6375 - BHFS Legal - Board Meeting	8,106.05
				442318 - Paragraph 31 Motion	6907.35 - Paragraph 31 Motion	248.85
				442318 - S. Archibald Plume-Formerly OIA	6907.31 - S. Archibald Plume-Formerly OIA	639.90
				442318 - BHFS Legal - Replenishmnt Water	6075 - BHFS Legal - Replenishmnt Water	8,871.30
				442318 - BHFS Legal - Restated Judgment	6072 - BHFS Legal - Restated Judgment	8,153.16
				442318 - BHFS Legal - Miscellaneous	6078 - BHFS Legal - Miscellaneous	4,307.50
				442318 - Desalter Negotiations	6907.33 - Desalter Negotiations	1,066.50
				442319 - Santa Ana River Water Rights	6907.34 - Santa Ana River Water Rights	357.88
				442320 - S. Archibald Plume-Formerly OIA	6907.31 - S. Archibald Plume-Formerly OIA	2,369.25
				442322 - Desalter Negotiations	6907.33 - Desalter Negotiations	1,790.10
				442323 - Desalter Negotiations	6907.35 - Desalter Negotiations	4,153.05
				442323 - Chino Airport Plume	6907.32 - Chino Airport Plume	1,366.20
TOTAL						49,500.33
General Journal	09/21/2011	09/21/2011	Payroll and Taxes for 09/04/11-09/17/11		1012 - Bank of America Gen'l Ckg	
			Payroll and Taxes for 09/04/11-09/17/11			

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Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						
Bill Pmt -Check	09/21/2011	15432	JUAN POLLO	Payroll Taxes for 09/04/11-09/17/11	1014 - Bank of America P/R Ckg	8,619.81
Bill	09/21/2011			Direct Deposits for 09/04/11-09/17/11	1014 - Bank of America P/R Ckg	19,263.05
				Payroll Checks for 09/04/11-09/17/11	1014 - Bank of America P/R Ckg	5,963.82
						<u>33,846.68</u>
TOTAL						
Bill Pmt -Check	09/22/2011	15433		Lunch for Sept. 22, 2011 Board Meeting	1012 - Bank of America Gen'l Ckg	204.70
Bill	09/15/2011			Lunch for 9/22/11 Board Meeting	6312 - Meeting Expenses	204.70
TOTAL						
Bill Pmt -Check	09/22/2011	15433	CUCAMONGA VALLEY WATER DISTRICT	Lease Due October 1, 2011	1012 - Bank of America Gen'l Ckg	5,984.00
Bill	09/15/2011			Lease Due October 1, 2011	1422 - Prepaid Rent	5,984.00
TOTAL						
Bill Pmt -Check	09/22/2011	15434	GUARANTEED JANITORIAL SERVICE, INC.	28639	1012 - Bank of America Gen'l Ckg	865.00
Bill	09/15/2011	28639		Janitorial Service - September 2011	6024 - Building Repair & Maintenance	865.00
TOTAL						
Bill Pmt -Check	09/22/2011	15435	STAULA, MARY L		1012 - Bank of America Gen'l Ckg	136.61
Bill	09/30/2011				60182.4 - Retiree Medical	136.61
TOTAL						
Bill Pmt -Check	09/26/2011	15436	BANK OF AMERICA	XXXX-XXXX-XXXX-9341	1012 - Bank of America Gen'l Ckg	17.50
Bill	08/30/2011	XXXX-XXXX-XXXX-9341		D. Alvarez lunch w/John Rossi	6909.1 - OBMP Meetings	21.65
				D. Alvarez lunch w/Chris Frahm	6909.1 - OBMP Meetings	27.88
				D. Alvarez administrative mtg w/Bob Kuhn	6141.3 - Admin Meetings	19.13
				D. Alvarez administrative mtg w/Bob Kuhn	6141.3 - Admin Meetings	179.83
				Lunch for in-lieu delivery meeting	6909.1 - OBMP Meetings	96.21
				Miscellaneous meeting supplies	6031.7 - Other Office Supplies	724.60
				Uniform shirts, jackets, hats for staff	6154 - Uniforms	96.94
				Portable chairs for field staff	6151 - Small Tools & Equipment	415.00
				Rent road signs for water quality sampling	7103.6 - Grdwtr Qual-Supplies	1,598.74
TOTAL						
Bill Pmt -Check	09/26/2011	15437	CITISTREET	Payroll and Taxes for 09/04/11-09/17/11	1012 - Bank of America Gen'l Ckg	2,785.78
General Journal	09/21/2011	09/21/2011	CITISTREET	457 Deductions for 09/04/11-09/17/11	2000 - Accounts Payable	2,785.78
TOTAL						
Bill Pmt -Check	09/26/2011	15438	COMPUTER NETWORK	82352	1012 - Bank of America Gen'l Ckg	215.50
Bill	09/21/2011	82352		Backup tapes for system	6055 - Computer Hardware	215.50
TOTAL						
Bill Pmt -Check	09/26/2011	15439	HOGAN LOVELLS	1995687	1012 - Bank of America Gen'l Ckg	3,296.85
Bill	08/30/2011	1995687		Non-Ag Pool legal service - August 2011	8567 - Non-Ag Legal Service	

Type	Date	Num	Name	Memo	Account	Paid Amount
TOTAL						3,296.85
Bill Pmt -Check	09/26/2011	15440	INLAND EMPIRE UTILITIES AGENCY	90008374	1012 - Bank of America Gen'l Ckg	
Bill	09/19/2011	90008374		90008374	8456 - IEUA Readiness To Serve	552.90
				MWD Water	5011 - Replenishment Water	3,015,257.20
				Tier 2 Surcharge (FY2010 Deliveries)	5106 - Tier Adjustment-Delivered Water	25,146.00
TOTAL						3,040,956.10
Bill Pmt -Check	09/26/2011	15441	MCCALL'S METER SALES & SERVICE		1012 - Bank of America Gen'l Ckg	
Bill	09/06/2011	21351		21351	7102.7 - In-line Meter	1,096.56
Bill	09/06/2011	21352		21352	7102.7 - In-line Meter	1,114.09
TOTAL						2,210.65
Bill Pmt -Check	09/26/2011	15442	MWH LABORATORIES		1012 - Bank of America Gen'l Ckg	
Bill	08/30/2011	L0067354		L0067354 - Gridwtr Qual-Lab Svcs	7103.5 - Gridwtr Qual-Lab Svcs	1,236.00
Bill	08/30/2011	L0066472		L0066472 - Gridwtr Qual-Lab Svcs	7103.5 - Gridwtr Qual-Lab Svcs	3,018.00
Bill	08/30/2011	L0066473		L0066473 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	1,652.00
Bill	08/30/2011	L0067349		L0067349 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	3,928.00
Bill	08/30/2011	L0067350		L0067350 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	3,310.00
Bill	08/30/2011	L0066477		L0066477 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	2,074.00
Bill	08/30/2011	L0067353		L0067353 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	2,692.00
Bill	08/30/2011	L0067355		L0067355 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	898.00
Bill	08/30/2011	L0067403		L0067403 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	4,546.00
Bill	08/31/2011	L0067707		L0067707 - PE6&7-Contract Svcs	7503 - PE6&7-Contract Svcs	2,692.00
TOTAL						25,986.00
Bill Pmt -Check	09/26/2011	15443	PRE-PAID LEGAL SERVICES, INC.		1012 - Bank of America Gen'l Ckg	
Bill	09/23/2011	111802		111802	60194 - Other Employee Insurance	51.80
				Employee deductions - September 2011		51.80
TOTAL						51.80
Bill Pmt -Check	09/26/2011	15444	PRINTING RESOURCES		1012 - Bank of America Gen'l Ckg	
Bill	09/11/2011	57002		57002	6031.7 - Other Office Supplies	39.65
				Name badge for Gerald Greene		39.65
TOTAL						39.65
Bill Pmt -Check	09/26/2011	15445	PUBLIC EMPLOYEES' RETIREMENT SYSTEM		1012 - Bank of America Gen'l Ckg	
General Journal	09/23/2011	09/23/2011		Payor #3493	2000 - Accounts Payable	8,054.01
				CalPERS retirement for 09/04/11-09/17/11		8,054.01
TOTAL						8,054.01
Bill Pmt -Check	09/26/2011	15446	STANDARD INSURANCE CO.		1012 - Bank of America Gen'l Ckg	
Bill	09/23/2011	006408880009		Policy # 00-640888-0009	60191 - Life & Disab. Ins Benefits	525.66
				Policy # 00-640888-0009		525.66
TOTAL						525.66
Bill Pmt -Check	09/26/2011	15447	STATE COMPENSATION INSURANCE FUND		1012 - Bank of America Gen'l Ckg	
				1970970-11		

P188

CHINO BASIN WATERMASTER
Cash Disbursements For The Month of
September 2011

Type	Date	Num	Name	Memo	Account	Paid Amount
Bill	09/23/2011	1970970-11		Workers Comp Insurance - September 2011	60183 - Worker's Comp Insurance	1,132.55
TOTAL						
Bill Pmt -Check	09/28/2011	15448	THE LAWTON GROUP	6017	1012 - Bank of America Gen'l Ckg	977.60
Bill	09/11/2011	1VC070000017506		Week ending 9/11/11	6017 - Temporary Services	824.00
Bill	09/23/2011	1cv070000017536		Week ending 9/18/11	6017 - Temporary Services	1,801.60
TOTAL						
Bill Pmt -Check	09/26/2011	15449	UNITED HEALTHCARE	C0025358905	1012 - Bank of America Gen'l Ckg	679.54
Bill	09/14/2011	C0025358905		Dental insurance for September, 2011	60182.2 - Dental & Vision Ins	679.54
TOTAL						
Bill Pmt -Check	09/27/2011	15450	WILDERMUTH ENVIRONMENTAL INC		1012 - Bank of America Gen'l Ckg	14,300.00
Bill	08/30/2011	2011330		20113300 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	14,300.00
Bill	08/30/2011	2011331		2011331 - OBMP - Watermaster Model Update	6906.1 - OBMP - Watermaster Model Update	36,123.52
Bill	08/30/2011	2011332		2011332 - OBMP Engineering Services	6906 - OBMP Engineering Services	6,325.09
Bill	08/30/2011	2011333		2011333 - OBMP Engineering Services	6906 - OBMP Engineering Services	2,306.34
Bill	08/30/2011	2011334		2011334 - Grdwir Level-Engineering	7104.3 - Grdwir Level-Engineering	31,407.75
Bill	08/30/2011	2011335		2011335 - Grdwir Qual-Engineering	7103.3 - Grdwir Qual-Engineering	14,253.00
Bill	08/30/2011	2011336		2011336 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	20.53
Bill	08/30/2011	2011337		2011337 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	4,933.24
Bill	08/30/2011	2011338		2011338 - Hydraulic Control-Engineering	7108.3 - Hydraulic Control-Engineering	7,681.74
Bill	08/30/2011	2011339		2011339 - Grd Level-Engineering	7107.2 - Grd Level-Engineering	22,572.60
Bill	08/30/2011	2011340		2011340 - PE3&5-Engineering	7303 - PE3&5-Engineering	2,496.48
Bill	08/30/2011	2011341		2011341 - PE4-Engineering	7402 - PE4-Engineering	2,011.34
Bill	08/30/2011	2011342		2011342 - OBMP Engineering Services	6906 - OBMP Engineering Services	1,000.00
Bill	08/30/2011	2011343		2011343 - OBMP Engineering Services	6906 - OBMP Engineering Services	487.50
Bill	09/01/2011	2011344		2011344 - OBMP Engineering Services	6906 - OBMP Engineering Services	9,659.64
TOTAL						
Total Disbursements:						7,230,073.76

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CHINO BASIN WATERMASTER

IV. INFORMATION

2. Newspaper Articles





NEWS

Recycled water project is expected to save 600 million gallons of water per year in Fontana

Print Page

Published: Thursday, September 22, 2011 9:40 AM PDT

The City of Fontana and the Fontana Water Company have signed a groundbreaking joint recycled water project agreement that will take highly treated wastewater and use it on landscaped areas around the city, saving more than 600 million gallons of fresh drinking water each year.

The company estimates that nearly 2,000 acre-feet of recycled water per year will be used for landscaping at schools, parks, for local commercial customers, and landscape irrigation locations in the southern portion of the city. An acre-foot of water is approximately 326,000 gallons.

"Water is the lifeblood of any community, but it is particularly important here in Fontana's arid climate. Taking advantage of this recycled water means we will have that much more fresh drinking water when we need it," said Fontana Mayor Acquanetta Warren. "This is a great example of the city and Fontana Water Company working together to ensure that the people and the business of our city have what they need to be prosperous."

The recycled water will be supplied by the Inland Empire Utilities Agency's (IEUA) RP-4 regional wastewater treatment plant.

Fontana Water Company will design and build the distribution system. Recycled water requires an entirely separate pipeline system so that it is not mixed with drinking water.

"Fontana Water Company has been providing the community with safe, reliable drinking water for many decades and water recycling and conservation have become a very important resource for us," said Robert K. Young, general manager of the Fontana Water Company. "It's time that we use high quality recycled water for irrigating parks, schools, and green belts instead of using precious drinking water resources. Every drop of water we save through recycling saves money for our customers and helps us make the most of the fresh local drinking water that we have available."

The cost to design and construct the project will be financed through facilities fees, and the city and Fontana Water Company are jointly seeking grants to cover as much of the cost as possible from a variety of government agencies, including the U.S. Bureau of Reclamation, State Water Bond Funding Grants, the Metropolitan Water District of Southern California, and IEUA.

The cost of the project will not be included in customer water rates.

In fact, the project agreement provides the City of Fontana and school district will receive more than a 50 percent discount for the recycled water it uses for landscape irrigation.



The City of Fontana and the Fontana Water Company have signed a joint recycled water project agreement that will take highly treated wastewater and use it on landscaped areas around the city, a move which is expected to save more than 600 million gallons of fresh drinking water each year.

The project is scheduled to be constructed over an 18-month period, with construction starting upon approval by the California Public Utilities Commission.

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EPA orders 13 Chino dairies to clean up act

Sept. 26, 2011 | Steven Cuevas | KPCC & wires

Comment 0

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The federal Environmental Protection Agency is ordering 13 Inland Empire dairies to clean up their act.

Federal regulators say the Chino area dairies have not taken adequate steps to prevent manure and other pollutants from flowing into tributaries of the Santa Ana River.

The dairies, says the EPA, have failed to take what it calls reasonable action to minimize discharges, put in place proper waste management plans and conduct routine inspections that could prevent contaminants from running into nearby creeks and streams.

Requests by the EPA follow about six months after Santa Ana Regional Water Quality Control Board inspectors discovered the alleged violations. These inspections take place during rainy months when contamination problems are most visible.

EPA officials say the dairies contacted this week are among dozens inspected between November 2010 and February 2011.

The federal agency delivered a similar warning to one of the dairies three years ago. The EPA's Regional Administrator for the Pacific Southwest says the agency is evaluating whether it will impose fines on all or some of the dairies. A worker at one of the dairies told the San Bernardino Sun newspaper that it could cost tens of thousands of dollars to make the upgrades and avoid future penalties.

Dairy owners contacted by the EPA have until Dec. 31 to make improvements.

If dairies fail to comply, new orders can be issued, fines up to \$37,500 a day can be levied and civil lawsuits can be filed.

Michael Marsh of Western United Dairyman in Modesto says none of those cited were members, but he notes last winter brought record rain to the whole state.

The Associated Press contributed to this report.

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Justin Sullivan/Getty Images

The federal EPA has ordered 13 Inland Empire dairies to clean up their act.

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EPA requires area dairies to control manure runoff

By Canan Tasci

Posted: 09/26/2011 12:48:15 PM PDT

The U.S. Environmental Protection Agency is requiring 13 Chino dairies to control their manure runoff before the winter rains start pouring.

The agency is ordering the dairies to comply with the Clean Water Act requirements to prevent the waste and other pollutants from reaching local waterways.

"To protect the Santa Ana River watershed, we're taking action to ensure these dairies are prepared for the upcoming winter rains, when animal waste could flow from their dairies into nearby creeks and streams," said Jared Blumenfeld, EPA's regional administrator for the Pacific Southwest.

"We will also be evaluating whether monetary penalties are appropriate, pursuant to our authority under the federal Clean Water Act."

A long-time employee at Koot Dairy is saying the changes are going to make a difference in the company's pocket book.

"These are expensive changes, just to dig out dirt and make our berms higher will cost \$40,000," said Nick Koot, who as worked at Koot for more than a decade.

Inspections between November 2010 and February were conducted by water board representatives to evaluate permit compliance.

The compliances are an ongoing focus of the EPA and the Regional Water Quality Control Board.

An advertisement for ProFlowers. It features two bouquets: one with pink roses in a white vase and another with a mix of colorful flowers (sunflowers, purple, yellow) in a clear vase. The text reads: "Send flowers for any occasion Bouquets from \$19.99 +s/h". Below this, it says "ProFlowers Offer ONLY available at: proflowers.com/happy or call 1.877.804.1133".

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redlandsdailyfacts.com

Perchlorate no threat to residents of Rialto, Colton and Grand Terrace, state health department officials say

Jim Steinberg, Staff Writer

Posted: 09/26/2011 07:47:46 PM PDT

RIALTO - One well serving residents more than a decade ago might have delivered concentrations of perchlorate high enough to affect the development of fetuses, infants and children, state officials say.

But a new study says that drinking water supplied to residents currently by the Rialto-based West Valley Water District, the city of Rialto, the city of Colton and the Colton-based Terrace Water Co. is safe to drink and doesn't put people at risk for health problems.

The study, a draft report open for public comment, is called "Evaluation of Exposure to Contamination at the BF Goodrich Superfund Site" in Rialto. It will be discussed by California public health officials at a public hearing at 6:30 p.m. Wednesday in the Rialto Senior Center, 1411 S. Riverside Ave.

The BF Goodrich site is a one-quarter mile area north of Rialto, where from 1952 to the mid-1980s, several companies made fireworks and different explosive devices, using among other chemicals, perchlorate and trichloroethylene.

Over time, these chemicals leaked out of pits where they had been dumped and into the groundwater of the Rialto-Colton basin, which serves a portion of the water needs of five water agencies.

Monitoring water supplies for perchlorate began in 1997.

The draft of the state Public Health Department study said that some drinking water supplied by the West Valley Water District's Well No. 22, when it was used in the years 1981, 1982, 1985, 1987 and

1988, may have had amounts of perchlorate that could have been high enough to modestly impair iodine absorption by the thyroid gland.

This could potentially have lowered the levels of thyroid hormones in fetuses, infants and children below the amounts necessary for healthy development.

But state officials no longer believe that is the case.

On learning of the report, Anthony Araiza, general manager of the West Valley Water District, wrote state health officials that Well No. 22 was blended with water from other sources, including Lytle Creek.

With documents supporting that assertion, the findings reported in the draft document will change, Tracy Darreau, acting chief of the site assessment section, said Monday



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Additionally, Araiza said, Well No. 22 "was a peaking well that was used only in the middle of summer."

The well was not part of the system's water supply since 1997, he said.

Water from the well has been used to test perchlorate decontamination systems being pioneered by various companies, he said.

Similarly, water from No. 2, operated by the city of Rialto, from 1979 to 1997, could have lowered thyroid hormone levels below amounts necessary for healthy development, the draft report says.

But that water was blended with other sources, and not sent directly to customer's homes, said Ed Scott, a Rialto City Council member who has immersed himself in his city's perchlorate issues.

Darreau said the state has not received documentation from Rialto showing the water from Well No. 2 was blended.

The health department takes a conservative stance to protect the public and assumes the worst case - that the water was unblended - until contrary information is given, she said.

Rialto has until Oct. 5 to provide additional information before the document becomes final.

Scott said he has long wondered why neither the state nor federal government has done a study to determine if there has been an inordinate number of people in Rialto who have had medical problems related to the perchlorate in the water.

Darreau said a valid, scientific study researching that question is not possible because the levels of perchlorate in the water system during the years prior to 1997 can never be known.

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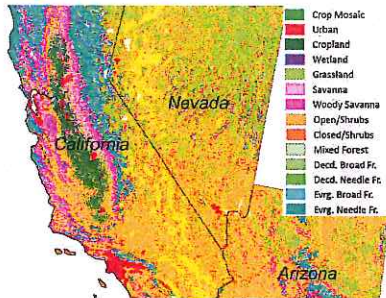
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THE ORANGE COUNTY REGISTER

Will climate change alter state's farming?

By [PAT BRENNAN](#)

2011-09-23 13:14:33



Scientists at [Chapman University](#) will use an \$848,000 federal grant to try to answer a difficult question: how a changing climate might affect farm production, one of California's major economic engines.

The grant will allow Chapman's [Schmid College of Science and Technology](#) to try to forecast how changes in temperature and precipitation could alter crop yields in the West over the next 20 years.

They'll focus much of their work on California, said Menas Kafatos, the Schmid College's founding dean.

"It's quite an ambitious project," Kafatos said. "Of course I feel it is very important because of the huge impact of agriculture on the economy of California."

The Chapman group, which uses powerful computers and satellite data to forecast everything from wind and surf patterns -- even the spread of wildfire -- will use the same techniques to try to estimate how patterns of crop growth could change in response to a changing climate.

The study will not assume in advance that there will be any temperature trend, either higher or lower, he said.

"It may turn out we don't find strong effects," Kafatos said. "That would be interesting in itself. We could say, over 20 years, 'Don't worry about it.'"

They will use three different computer models of regional climate, adding weather data such as maximum and minimum temperatures to see how crops react to the changes.

Precipitation also will be a factor, Kafatos said, although in California, irrigation means mountain snow pack is far more important than rainfall on the cropland itself.

The scientists also will gather satellite data using an on-campus antenna set up for the purpose.

And they will examine effects on both natural and agricultural vegetation, though focusing on cropland because the three-year project is being funded by the [U.S. Department of Agriculture's National Institute of Food and Agriculture](#).

The project began April 1 with a kind of warmup: a "hindcast," or an attempt to use known data fed into the computer models to produce the present-day crop outlook.

That will help ensure the reliability of the models before they plunge into the forecasting phase.

A big challenge will be down-scaling global climate models to reveal regional effects, which will require intricate statistical calculations.

Kafatos said his group is ready to take it on.

"Just because it's a challenging problem does not mean it should not be done," he said.

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Water Environment Federation To Create 'Walkway To Wetlands' In Downtown Los Angeles

September 20, 2011

[Get More Information](#)

Fourth annual community service event will be held as part of WEFTEC 2011

To promote environmental stewardship and leave a positive imprint on this year's host city, the Water Environment Federation's (WEF) Students and Young Professionals Committee (SYPC) has organized its fourth annual community service project, "Walkway to Wetlands". Organized as a part of WEFTEC 2011—WEF's 84th Annual Technical Exhibition and Conference—the event is scheduled for Saturday, October 15 from 8:00 a.m. – 4:30 p.m. in Los Angeles, Calif.

During the event, conference volunteers will plant trees along the perimeter of a constructed wetland located in the 5400 block of South Avalon Boulevard, a formerly industrial area of downtown Los Angeles. Held in coordination with the City of Los Angeles, the service project will provide a grand entrance to the city's wetlands project that is located directly across the street of a brand new high school.

The annual community service program supports grassroots solutions and environmental stewardship on a local level while promoting WEF's overall mission to preserve and enhance the global water environment. Local and WEF leadership will attend the opening ceremony to share their vision for environmental protection and community involvement and service.

The service project sponsors include Black & Veatch, Brown and Caldwell, Carollo, CDM, CH2M HILL, Environmental Dynamics International, Freese and Nichols, Greeley and Hansen, Hazen and Sawyer, HDR Engineering, and Wigen Water Technologies. The service project donors include Advanced Engineering and Environmental Services, Bentley Systems, Inc., Duperon Corporation, Engineering America, Stantec, Coombs-Hopkins Company, Vaughn Co. Inc, Veolia Water, and Wigen Water Technologies.

Please contact Haley Falconer, WEF Service Project Chair, for more event details (haley.falconer@hdrinc.com, 208-387-7022).

WEFTEC 2011 will be held at the Los Angeles Convention Center from October 15-19, 2011. As the largest annual water quality conference and exhibition in the world, the event will feature the latest in water research, training, solutions and cutting-edge technologies available today.

Visit www.weftec.org for the latest conference details.

The SYPC event is open to the media and does not require registration. Credentialed media representatives interested in covering the conference may register for WEFTEC 2011 in Room 513 West of the L.A. Convention beginning Sunday, October 16 at 8:30 a.m. Please visit the online press room at www.weftec.org or contact Lori Harrison at lharrison@wef.org for details.

About WEF

Formed in 1928, the Water Environment Federation (WEF) is a not-for-profit technical and educational organization with 36,000 individual members and 75 affiliated Member Associations representing water quality professionals around the world. WEF and its Member Associations proudly work to achieve our mission of preserving and enhancing the global water environment. For more information, visit www.wef.org.

SOURCE: [Water Environment Federation \(WEF\) – WEFTEC 2011](#)



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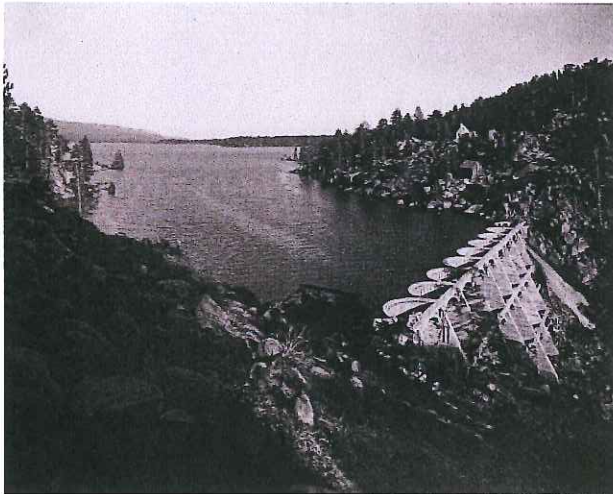
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Big Bear Lake Dam was built by the best

Mark Landis, Correspondent

Posted: 09/20/2011 10:28:47 AM PDT



Undated photo of Big Bear Lake at Eastwood Dam. Photo taken prior to construction of the road over the dam. (Obtained from Library of Congress)

One hundred years ago, John Eastwood, one of the West's most innovative civil engineers, left his mark in the San Bernardino Mountains with one of his trademark multiple-arch dams at Big Bear Lake.

Born in 1857 near Minneapolis, Eastwood showed an early proclivity for mathematics and physics. He attended the University of Minnesota, where he studied the technical arts. In 1880 he traveled west and began working as a surveyor and construction engineer in the Pacific Northwest. In 1883, he moved to Fresno where he opened a small office and began laying out roads as a deputy county engineer.

Fresno became Eastwood's hometown, and in 1885, he married Ella Tabor, a youth program

organizer at the Baptist church he attended.

Dissatisfied with government work, Eastwood struck out on his own and took a number of jobs in the mining and logging industries in the western Sierra Nevada Mountains. He became fascinated with the intricacies of the mountain streams and rivers, and he began doing surveys and engineering work for irrigation projects.

In 1895, Eastwood became the vice president and chief engineer of the San Joaquin Electric Co., where he developed groundbreaking designs for harnessing hydroelectric power in the Sierra Nevadas.

In 1902, railroad tycoon Henry P. Huntington and a group of investors formed the Pacific Light and Power Co. Its primary mission was to provide inexpensive, reliable hydroelectric power to Huntington's extensive

electric rail system in Southern California. That same year, the Pacific Light enlisted Eastwood to lay out the largest hydroelectric power generation project ever conceived.

Eastwood was given 10percent of the newly formed company that would harness the flow of the upper San Joaquin River into the hydroelectric system known as the Big Creek Project.

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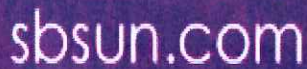
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In 1906, at the age of 49, Eastwood came up with his concept of the multiple-arch dam. He believed that the traditional rockfill and concrete dams wasted tremendous amounts of material.

Eastwood's multiple-arch design was not enthusiastically accepted by Pacific Light or the dam engineering community at large. The graceful buttressed arches were mockingly referred to as a "lace curtain design."

Fortunately, Eastwood was able to sell his design to the Hume-Bennett Lumber Co., and the first multiple-arch dam was built in 1908 at Hume Lake Reservoir in the Sequoia National Forest.

In the fall of 1909, the Bear Valley Mutual Water Co., based in Redlands, began soliciting bids to build a higher dam at the Bear Valley Reservoir and increase the lake's storage capacity. The company wanted to raise the lake's level 12 feet above the arched-masonry dam built in 1884.

Hearing of his success at Hume Lake, the water company enlisted Eastwood to bid on a multiple-arch dam at Bear Valley. Eastwood provided a winning estimate of \$80,000 for the dam, and he took a \$6,000 fee for his engineering work.

The dam's height was raised an additional 7 feet over the originally proposed 12 feet, bringing the total increase to 20 feet. The cost increased to \$137,000. Opened in 1911, the new dam more than tripled the reservoir's capacity from 22,550 acre-feet to 70,000 acre-feet.

Eastwood's design has withstood the test of time. In 1916, the dam stood up to heavy storms and flooding that caused water to spill over its crest.

The dam easily rode out a magnitude 6.8 earthquake in 1918, and survived the magnitude 6.5 Big Bear quake in 1992 with minimal damage.

Eastwood went on to build a number of multiple-

arch dams across the West. One was built at the Littlerock Reservoir in the San Gabriel Mountains in 1924.

At the height of his success, Eastwood died on Aug. 10, 1924, at the age of 67. He drowned after suffering a heart attack while swimming in the Kings River at his small ranch east of Fresno.

Eastwood was a determined, pioneering engineer who took tremendous pride in the grace and efficiency of his designs. His favorite slogan about his trademark multiple-arch was: "Bulk does not mean strength."

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Judge orders U.S. to revise salmon safeguards

Jurist also rules that a federal agency was justified in finding that exporting water from the Sacramento-San Joaquin River Delta jeopardizes endangered species.

By Bettina Boxall, Los Angeles Times

September 21, 2011

A judge ordered a federal agency Tuesday to rewrite protections for migrating salmon that have reduced water shipments from Northern California, concluding that some of the pumping curbs were based on "equivocal or bad science."

But in a mixed ruling, U.S. District Judge Oliver Wanger also said that the National Marine Fisheries Service was justified in finding that government water operations that export supplies from the Sacramento-San Joaquin River Delta jeopardize dwindling populations of chinook salmon and several other fish on the endangered species list.

"Project operations negatively impact the listed species and adversely modify their critical habitat in various ways that remain incompletely described and quantified," Wanger wrote in a detailed 279-page decision replete with scientific graphs.

He added that some of the agency's "analyses rely upon equivocal or bad science" to impose pumping limits "without clearly explaining or otherwise demonstrating why" they are necessary. "The agency must do more to comply with the law."

The decision, which echoed one Wanger issued last year involving delta smelt protections, means federal biologists will have to reconsider restrictions they issued in 2009 to protect chinook salmon, steelhead and green sturgeon.

Central Valley irrigation districts, the Metropolitan Water District of Southern California and other water users affected by the pumping curbs have repeatedly challenged them in lawsuits that Wanger has presided over for years.

"The court got it right again," Tom Birmingham, general manager of Westlands Water District, said in a statement. "Those agencies now have an opportunity to make fundamental changes in the way they implement this law, and it is our hope that they take advantage of that opportunity."

Natural Resources Defense Council attorney Kate Poole, who represents environmental and fishing

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groups in the case, said it could be several more years before the fisheries agency issues new salmon protections. "That part of it is very disappointing to us" because the judge "has confirmed that the water projects jeopardize the existence of the species."

Tuesday's ruling will be Wanger's last major one in the delta wars. He is stepping down from the bench at the end of the month, leaving a record of increasing frustration in the matter. At a hearing last week in the smelt case, Wanger lashed out at two federal biologists for what he called their inconsistent testimony.

bettina.boxall@latimes.com

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REGION: Agencies fight over documents in lawsuit

10:00 PM PDT on Tuesday, September 27, 2011

BY JANET ZIMMERMAN
STAFF WRITER
jzimmerman@pe.com

A dozen Inland water districts fighting protections for an imperiled fish found in the Santa Ana River said they have gone back to court because a federal agency did not respond to their request for information.

The water agencies -- from Riverside, **San Bernardino**, Redlands and elsewhere in the **San Bernardino** Valley -- filed a Freedom of Information Act request on Dec. 1, seeking emails, memos and other information on why the U.S. **Fish and Wildlife Service** has designated 9,331 acres as critical habitat for the Santa Ana sucker.

The agencies already had sued Fish and Wildlife over the habitat decision, claiming it was not based on scientific evidence and threatens area water supplies. The documents request sought information for that lawsuit.



Contributed Image

Water agencies are seeking information on why the U.S. **Fish and Wildlife Service** has designated 9,331 acres as critical habitat for the Santa Ana sucker.

Under the Freedom of Information Act, which allows for disclosure of government documents to the public, a complete response is due within 20 working days. On Sept. 29, Fish and Wildlife said it was withholding about 140 documents and would provide a final response after they were reviewed, water district lawyers said.

On Monday, the districts amended their lawsuit, alleging Fish and Wildlife violated the Freedom of Information Act.

"They're not meeting the requirements of the law," said Doug Headrick, general manager of San Bernardino Valley Municipal Water District. "The agency is less than forthcoming."

But Jane Hendron, spokeswoman for Fish and Wildlife, said some information has been released and attorneys are reviewing a final set of documents.

"We have already to date provided hundreds of responsive documents in re the FOIA request that we received," she said. "We are doing our utmost to that we finish all this out as appropriate."

The sucker, a gray, algae-eating fish, was first declared threatened under the Endangered Species Act in 2000, about the time several environmental groups sued Fish and Wildlife and won a court order mandating a protection plan.

Fish and Wildlife designated 21,000 acres in 2004 as critical habitat necessary for the recovery of the species. Critical habitat doesn't affect land ownership or control but it does require federal agencies that fund or permit activities on the land to work with Fish and Wildlife to ensure critical habitat is not destroyed or adversely affected.

In 2005, Fish and Wildlife cut back the designation to 8,305 acres, none of which were in the Santa Ana basin. That prompted another lawsuit, by the Tucson-based **Cer Biological Diversity**. As part of the settlement, Fish and Wildlife last year issued its final critical habitat designation of 9,331 acres in San Bernardino, Riverside and Los Angeles counties.

The area includes the upper Santa Ana River from below Seven Oaks Dam to Highland to Tippecanoe Avenue, parts of Mill Creek and City Creek; the middle section of the river from Tippecanoe Avenue in San Bernardino to Prado Dam near Colton; portions of the Rialto Drain and Sunnyslope Creek in the Rubidoux Nature Preserve; and the lower river below Prado Dam.



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Salazar urged to reverse Final Rule on Santa Ana Sucker

Tue, 2011-09-27 11:37

Eight congressional representatives from San Bernardino, Riverside, Los Angeles and Orange counties have co-signed a letter to Interior Secretary Ken Salazar asking him to withdraw the U.S. Fish and Wildlife Service's [Final Rule](#) for the [Santa Ana Sucker](#).

"We are concerned that the USFWS cannot scientifically justify how the expanded habitat designation will add any protection for the species," said the Aug. 26 letter, which was co-signed by Reps. Joe Baca, David Dreier, Ken Calvert, John Campbell, Jerry Lewis, Mary Bono-Mack, Gary Miller and Dana Rohrbacher.

"The agency has not produced any research on the [Santa Ana Sucker](#), nor has it produced a recovery plan for the species."

The congressional representatives also warned that the Service's Final Rule poses a serious threat to local water supplies.

"Specifically at risk is the ability of some agencies to capture almost 200,000 acre feet annually of the runoff from the Santa Ana River and the San Gabriel River," the congressional representatives wrote. "Moreover, local leaders believe that their flood control and transportation projects, as well as many other local initiatives, are not being taken into consideration."

The congressional representatives also reminded Secretary Salazar that Congress directed the Service "to consider the potential economic and environmental effects of designating critical habitat and gave the USFWS the discretion to exclude lands from the designation if the economic and other effects of such designation would outweigh the benefits.

"Highly competent local analyses calculate the economic effect of the designation at a more than \$4 billion loss to the region. This enormous number is the product of lost development, lost jobs and lost water resources – all in a region that is among the hardest hit by the recession. The designation of critical habitat for the Santa Ana Sucker is not an action that will help our area recover."

To receive a copy of the letter, please contact San Bernardino Valley Municipal Water District at (909) 387-9220 or visit the agency's website at www.sbvmd.com.

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UCLA researchers combine techniques into new technology to create drinking water from the sea

By [ALESSANDRA DASKALAKIS](#)

Published September 29, 2011, 12:40 am in [News](#)

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Sitting on Yoram Cohen's desk is a bottle filled with water that once belonged in the ocean.

"It tastes great," said Cohen, a professor of chemical and biomolecular engineering at the UCLA Henry Samueli School of Engineering and Applied Science. "It's the best-tasting water ever."

He said it with a chuckle. That water bottle, however, represents years of research by Cohen and his colleagues in transforming dirty, salty or otherwise contaminated water into a drinkable liquid.

The team has developed technology called compact modular reverse osmosis technology. The system combines two water technology techniques, ultrafiltration and secondary reverse osmosis, to create 18,000 gallons of drinking water from the sea per day. That amount of water is roughly enough to provide for the population of UCLA, Cohen said.

Still in testing, the system could ultimately allow Southern California to reduce its reliance on imported water, Cohen said. He said the system is in some ways cheaper than bottled water, as it may cost only \$1.50 for 1,000 liters of water, compared to \$3 for 1 liter of bottled water.

Cohen said he is planning to work with the UCLA cogeneration plant to develop a similar system that would decrease water waste and increase water availability on campus.

During the past two years, the team has pushed to move its work from the laboratory to real-life applications, Cohen said. The second generation of the technology is currently being tested in coordination with the U.S. Navy to turn sea water into drinkable water.

When he arrived at UCLA 20 years ago, Cohen's office was one door away from the faculty who revolutionized water technology in the 1960s by creating the first reverse osmosis membranes for desalination, he said.

The experience of working one door away from these scientists influenced his research, but Cohen said the push to get involved in this area of study did not occur until California began experiencing more global climate change and water problems.

They are also working to create a simplified, commercial model of the water cleaning technology that will work with various salinity levels and needs, said Larry Gao, a second-year chemical engineering graduate student in charge of the electrical aspects of the project. The system will be tested in the San Joaquin Valley.

"The most rewarding aspect (of the project) is that all this theoretical work has found its way into application," said Panagiotis Christofides, a professor of chemical and biomolecular engineering at the School of Engineering.

Christofides is responsible for the development of the controls to ensure the system can function without much oversight.

Cohen gave high praise to the students involved in the project. The work is an opportunity for practical application of research, said postdoctoral student Andi Rahardianto.

"It's very rewarding and very rare when you get this opportunity where what you do in the lab works in the field and people can see it," Rahardianto said.

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Posted on: [September 29, 2011](#)

Western's Water Efficiency Garden to Feature UC Master Gardeners

RIVERSIDE, CA – Sept. 29, 2011 – Western Municipal Water District is growing efforts to help customers cultivate beautiful, climate-appropriate and water-efficient landscaping through collaboration with the UC Master Gardeners, a University of California program providing research and support to amateur and commercial gardeners in California. Western will provide the Riverside County chapter of Master Gardeners monthly meeting space for free at the District offices. In exchange for meeting space, Master Gardeners will serve as docents and host free educational workshops on designated Saturdays at Western's Landscapes Southern California Style SM water efficiency garden. The goal is to not only provide a place to inspire visitors with new landscaping ideas and techniques, but to also provide onsite experts to demonstrate how to help implement these ideas at home.

"Landscapes Southern California Style demonstrates a world of possibilities for those interested in creating landscapes that are both lovely to look at and friendly to the environment," said Pam Pavela, water use efficiency specialist at Western, who worked with Master Gardener Lucy Heyming to make the community-benefiting barter a realization. "Having Master Gardeners on-hand to share their expertise with our guests will enhance the garden's impact on the community."

Master Gardeners were instrumental in the creation of Western's efficiency garden, a water-use education center that showcases examples of California native and climate-appropriate plants, as well as the irrigation systems and soils that improve a landscape's water-saving ability. The garden is located at the corner of Alessandro Boulevard and Mission Grove Parkway, and is open seven days a week from 10 a.m. to 4 p.m. Beginning in October, Riverside County Master Gardeners will spend designated Saturdays at the garden, both as docents and hosting educational workshops for interested community members. Workshops will cover diverse topics ranging from rose gardening, vegetables and California native plants to pests and beneficial insects. Water saving techniques will be a theme woven into the presentations.

Master Gardener volunteers are trained by the University of California Cooperative Extension to provide Riverside County's gardening community with research-based information to promote environmentally responsible and sustainable horticultural practices.

"By partnering with these experts, Western is expanding our outreach to help demonstrate to our customers that a beautiful garden need not come at the

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expense of a high water bill,” explained Board President Brenda Dennstedt.

Landscapes Southern California Style SM is also the site of Earth Night in the Garden, a community celebration of water and the environment held in the Spring; the 2012 date is April 19 from 3-7:30 p.m.

Free Saturday Workshops:

October 8

11 a.m. – Irrigation

1 p.m. – Turf Management

November 12

11 a.m. – Plant Selection & Care

December 10

11 a.m. – Climate-appropriate Roses

1 p.m. – Integrated Pest Management

* Beginning in 2012, Master Gardener docents will be present two Saturdays per month including their monthly workshops.

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press release

Sept. 30, 2011, 2:01 p.m. EDT

No Health Hazard from Tap Water with Unpleasant Taste and Odor

Earthy, musty taste and smell in drinking water in four Southland counties could persist for weeks



LOS ANGELES, Sep 30, 2011 (BUSINESS WIRE) -- Consumers in portions of four Southern California counties may notice a musty taste and odor in their tap water, but it is an aesthetic problem and not a health hazard, according to water quality experts. Officials at the Metropolitan Water District of Southern California said the taste-and-odor event is affecting tap water in eastern Los Angeles County communities, as well as Orange, western San Bernardino and southwest Riverside counties. The impacts may vary from region to region, as local agencies blend imported Metropolitan water with local supplies. "The earthy taste and smell stem from an especially large and persistent algae bloom in the east branch of the State Water Project," said Jim Green, Metropolitan's manager of water system operations.

"Metropolitan receives a major portion of its water through the SWP's east branch, which includes Silverwood Lake in the San Bernardino Mountains, and we are working with the state Department of Water Resources -- which owns and operates the state system -- to address the situation," Green said.

"Consumers, however, can be assured that the taste-and-odor issues they may be experiencing in their tap water do not pose any health risks," he said.

Green suggested consumers may consider refrigerating drinking water to help improve its taste until the problem diminishes. He cautioned, however, that the problem may persist for a few more weeks.

For the third time in three weeks, DWR water quality experts Thursday applied copper sulfate to control the algae bloom. Officials stressed that the treated water will be safe for

Most Po



consumers as well as boaters and swimmers at Silverwood and downstream at the state's Lake Perris. Fish and wildlife also will not be impacted.

In response, Metropolitan also has reduced deliveries from Silverwood Lake, which supplies the district's F.E. Weymouth Water Treatment Plant in La Verne and Robert B. Diemer plant in Yorba Linda. The two plants provide treated drinking water to about 7 million people in the affected areas.

The cause has been identified as 2-methylisoborneol, or MIB. The nuisance compound MIB is produced from the growth of certain algae in freshwaters throughout the world. Typically, MIB levels increase when warmer weather accelerates the growth of algae, Green said.

"Unfortunately, MIB is a noticeable needle in the haystack," he added. "People with sensitive taste and smell can detect the compound in water levels as low as 5 parts-per-trillion. However, water from two treatment plants have experienced MIB concentrations as high as 20 parts-per-trillion.

"By comparison, one part-per-trillion is equivalent to just 10 drops of MIB in enough water to fill the Rose Bowl," Green said.

Metropolitan member and retail agencies impacted by the problem include the city of Pasadena, Foothill Municipal Water District, Upper San Gabriel Valley Municipal Water District, Three Valleys Municipal Water District in eastern Los Angeles County; Inland Valley Utilities Agency and Cucamonga Valley Water District in western San Bernardino County; Eastern Municipal Water District in western Riverside County; and the city of Huntington Beach, the Municipal Water District of Orange County and Irvine Ranch Water District. Consumers interested in receiving additional information about the quality of Metropolitan's drinking water supplies can visit the district's website, www.mwdh2o.com, for the district's annual water quality report and other related materials.

The Metropolitan Water District of Southern California is a cooperative of 26 cities and water agencies serving nearly 19 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps its members to develop increased water conservation, recycling, storage and other resource-management programs.

SOURCE: Metropolitan Water District of Southern California

Metropolitan Water District of Southern California
Bob Muir, 213-217-6930
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Some water in Delta to be diverted to help salmon

SACRAMENTO

October 3, 2011 9:15pm

- **Ten days to let the fish move upstream to spawn**
- **'We'll likely see tens of thousands of additional salmon'**

The federal Bureau of Reclamation is closing the Sacramento-San Joaquin Delta's Cross Channel Gates for ten days beginning Tuesday Oct. 4 during the peak migration for returning adult salmon to the Delta.

The gate closing is expected to help king salmon migrate to the Mokelumne River Hatchery.

"What this means is we'll likely see tens of thousands of additional salmon in our coastal waters three years from now because of this action," says Golden Gate Salmon Association Director Dick Pool. "The Bureau of Reclamation is allowing more natural flows through the Delta for this ten day period which will greatly help adult salmon find their way home to reproduce."

The association says the Cross Channel Gates reroute Sacramento River water to the south Delta, which throws Mokelumne River salmon off their historic migration track. Because of this, there has been only limited successful salmon production from the Mokelumne in recent years, the association says.

Last year, closing the Cross Channel Gates for two days resulted in a large number of salmon successfully finding their way to the Mokelumne, it says.

Federal water managers purposely force cleaner Sacramento River water off its natural course and into the south Delta at this time of year to dilute polluted San Joaquin River water flowing into the Delta, the association says.

The proposal to allow a more natural flow pattern in the Delta was put forth earlier this year by East Bay Municipal Utility District (EBMUD), which owns the hatchery and the Pardee Reservoir on the upper part of the Mokelumne River. The proposal was also supported by California Fish and Game, the U.S. Fish and Wildlife Service and the National Marine Fisheries Service. Last year EBMUD offered to release some of its water to dilute the polluted agricultural runoff in the San Joaquin River.

"Salmon fishermen and industries that rely on salmon have something to be very thankful for," says GGSA president Victor Gonella. "We've got a long way to go to restore our rivers, the Delta and our salmon fishery to more natural conditions and abundant levels but this is a big step in the right direction."

The Mokelumne River salmon hatchery, operated by the California Fish and Game Department, is the most modern hatchery in the state. It was built to mitigate for the loss of natural salmon spawning runs of the river. The hatchery trucks its juvenile salmon from the hatchery to a release site near Antioch, safely beyond the point where they would be sucked into Delta pumps near Tracy.

When the Mokelumne River is functioning more naturally, without large volumes of Sacramento River water artificially routed across its Delta, 2,000 to 4,000 salmon naturally spawn in the river. In 2005, the last such good year, 10,400 salmon spawned naturally in the Mokelumne River, the association says.

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