TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN MSL
GENERAL MANAGER

DATE: OCTOBER 4, 2012

AGENDA ITEM
F
OCTOBER 10, 2012

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is September 21, 2012 through October 5, 2012.*

DISTRICT BUSINESS

Administrative

- Upgrade and replacement of District computer server complete.
- Dispersed reusable cloth NCSD logo bags in conjunction with County wide plastic bag ban.
- Santa Barbara County Chapter CSDA Chapter Conference will feature 33rd District Assemblyman Katcho Achadjian – see flyer attached.

Water/Wastewater News of Interest (Articles Attached)

- Carlsbad desal clears major hurdle, Associated Press, Sept. 27, 12
- Nation's water costs rushing hire; USA Today, Sept. 27, 12
- Drought leaves cracks in way of life; The New York Times, Oct. 3, 12
- Santa Clarita Sanitation District begins inspection for water softeners; Marketwire, Oct. 3,12
- CA State Board to consider amendement to recycled water policy; ACWA, Oct. 3, 12
- America's water woes; Chico News Review; Oct. 4, 12
- Central Valley Project begins new water year with 6.9M acre-feet in storage; ACWA, Oct. 4, 12

Connection Report

Nipomo Community Services District
Water and Sewer Connections

End of Month Report 2012

	Dec-11	JAN-12	FEB-12	MAR-12	APR-12	MAY-12	JUN-12	JUL-12	AUG-12	SEPT-12
Water Connections (Total)	4232	4232	4239	4239	4239	4240	4240	4244	4244	4245
Sewer Connections (Total)	3022	3022	3035	3035	3035	3036	3036	3040	3040	3041
Meters turned off (Non-payment)	23	28	22	18	28	13	39	16	20	17
Meters off (Vacant)	62	64	62	64	68	67	63	60	65	69
Sewer Connections off (Vacant)	20	24	22	22	27	28	25	23	25	20
New Water Connections	0	0	7	0	0	1	0	4	0	1
New Sewer Connection	0	0	13	0	0	1	0	4	0	1
Galaxy & PSHH at Orchard and Division Sewer Connections billed to the County	460	460	460	460	460	460	460	461	461	462

Meetings

Meetings attended:

- *September 24, Chair and Vice Chair Supplemental Water Alternatives Committee*

- *September 24, Supplemental Water Alternatives Committee*
- *September 25, Supplemental Water Property Negotiator*
- *September 25, Blacklake Management Association*
- *September 26, Regular Board Meeting*
- *September 27, Water Systems Consulting Re: District Water Conservation Program and area wide water resources issues*
- *September 27, Management Coordination*
- *October 1, NMMA Technical Group*
- *October 1, Board Officers Coordination*
- *October 2, Personnel Committee*
- *October 2, Finance and Audit Committee*
- *October 2, Supplemental Water Alternatives Committee*
- *October 3, WRAC, IRWM funding workshop*
- *October 3, coordination with District Counsel*
- *October 4, coordination with Utility Superintendent*
- *October 5, coordination with District Engineer*
- *October 5, Administration staff meeting*

Meetings Scheduled:

- October 10, Regular Board of Directors Meeting

Safety Program

No accidents or injuries to report.

RECOMMENDATION

Staff seeks direction and input from your Honorable Board

ATTACHMENTS

A. SB County CSDA Flyer
B. Carlsbad Desal News
C. National Water Rate Increase News
D. National Drought News
E. Sanitation District enforces water softener prohibition
F. Amendment to State Recycled Water Policy considered
G. National Water Woes
H. Central Valley Water Project Storage

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ITEM F

ATTACHMENT A

SANTA BARBARA CHAPTER
CALIFORNIA SPECIAL DISTRICTS ASSOCIATION
MONTHLY CHAPTER CONFERENCE

Monday, October 22, 2012
Networking: 5:45 P.M.
Dinner: 6:20 P.M.

Marriott Santa Ynez Valley
555 McMurray Rd., Buellton
(Take the SR 246 exit from Hwy 101)
(Enter at lower ground level)

Speaker: 33rd District Assemblyman Katcho Achadjian regarding *A View of State Government from a First-Term Assemblyman*

Menu: Fresh Baby Spinach with Mandarin Oranges, Red Onion, Mushrooms, & Toasted Almonds served with Champagne Vinaigrette & Ranch Dressing; Freshly Baked Assorted Rolls/Butter; Mahi-Mahi with Chef Ofelio's Special Aioli Sauce; Chicken Francois (Chicken breast stuffed with brie and caramelized onions topped with a pecan cream sauce); Wild Rice Pilaf;
Medley of Vegetables (asparagus, green beans, yellow squash, and baby carrots);
Dessert – Chocolate Mousse Cake

Registration Fee: Members and their Guests - $40
Non-Member Guests - $60

Contact Beth Horn at 879-4621 or bhorn@goletawater.com
By October 19, 2012 for Reservations

STAY UP TO DATE ON ALL SANTA BARBARA CHAPTER NEWS
http://sbsda.org/

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ITEM F

ATTACHMENT B

Water purchase deal clears major hurdle for hemisphere's largest desalination plant in Calif

By Associated Press, Published: September 27

SAN DIEGO — The San Diego County Water Authority announced a tentative agreement Thursday to buy the entire output of what will be the Western hemisphere's largest seawater desalination plant, clearing a major hurdle for construction to begin.

The plant in Carlsbad will produce 50 million gallons a day, enough to supply about 7 percent of the San Diego region in 2020.

The drought has been devastating the Midwest. And, say economists, the worst is still yet to come.

The agreement is subject to approval by the water authority board. Upon the board's approval, the developer — Poseidon Resources LLC — would sell bonds to finance 82 percent of the project, which is estimated to cost about $900 million to build.

The water authority expects the plant in the north San Diego suburb and a 10-mile pipeline to be completed in 2016.

Under the pact, San Diego would pay Poseidon $2,042 to $2,290 for an acre-foot of water, more than twice what it pays to buy water from outside the region. For supporters, the premium is well worth the price to make the region less dependent on imported water from the Los Angeles-based Metropolitan Water District of Southern California, which supplied almost all its water in the early 1990s and still provides nearly half.

"The story of San Diego has always been about the quest for reliable water," said Dennis Cushman, the San Diego agency's assistant general manager. "The history is drought and water supply shortage and being subject to decisions made by a board of directors in downtown Los Angeles ... This is about water reliability."

The water authority, a wholesaler to 24 cities and agencies including the city of San Diego, says the average household water bill will increase about $5 to $7 a month when deliveries begin. It estimates the cost is comparable to other new, local sources of drinking water, like treated toilet water or briny groundwater.

The 30-year purchase agreement calls for the San Diego agency to purchase between 48,000 and 56,000 acre-feet of water a year from the plant, or enough to supply about 100,000 homes.

Poseidon, based in Stamford, Conn., was plagued with cost overruns and delays at its desalination plant in Tampa, Fla., which produces up to 25 million gallons a day.

Ken Weinberg, the San Diego agency's water resources director, said Poseidon underestimated costs on the Tampa plant and had problems with its contractor that he is confident will not be repeated.

"In the front of our minds was to Tampa-proof this project," Weinberg said recently.

Poseidon spokesman Scott Maloni said the company learned from the Tampa project and that the San Diego agency is fully protected if the plant fails to perform as promised.

"This is definitely an important milestone, one that we've been looking forward to for a long time," Maloni said.

Tom Pankrantz, editor of Water Desalination Report, said the Carlsbad plant will easily become the hemisphere's largest seawater desalination plant, surpassing one in Trinidad and Tobago that produces up to 40 million gallons a day.

Desalination has helped quench demand in Australia, Saudi Arabia and other countries lacking fresh water, but it has struggled to catch on in the United States.

The plants can blight coastal landscapes, require massive amounts of electricity and dump millions of gallons of brine back into the ocean that can, if not properly disposed, be harmful to fish.

"The (Carlsbad) project will be somewhat of a bellwether or indicator of how desalination progresses in the U.S.," said Pankrantz. "Some say it will be the last one. Others say the dam will burst and the floodgates are open."

Poseidon proposed the project more than a decade ago and has been negotiating with potential buyers since shortly after the California Coastal Commission approved it 2009, clearing the last major regulatory hurdle. Last year, Stonepeak Infrastructure Partners LLC agreed to pay up to $150 million for an 18 percent stake in the project.

Poseidon has also proposed a desalination plant of the same size in Huntington Beach, near Los Angeles.

San Diego began to consider desalination in the early 1990s, when a drought led it to conclude that it needed a more diverse, reliable water supply. In 2003, it brokered a deal to buy Colorado River water from California's Imperial Valley in the nation's largest farm-to-city water transfer.

The agency is also considering desalination plants at Camp Pendleton Marine Corps Base and Playas de Rosarito, Mexico, just south of the U.S. border.

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ATTACHMENT C

USA TODAY analysis: Nation's water costs rushing higher

By Kevin McCoy, USA TODAY, Published: 9/27/2012 9:39:46 PM

While most Americans worry about gas and heating oil prices, water rates have surged in the past dozen years, according to a USA TODAY study of 100 municipalities. Prices at least doubled in more than a quarter of the locations and even tripled in a few.

Consumers could easily overlook the steady drip, drip, drip of water rate hikes, yet the cost of this necessity of life has outpaced the percentage increases of some of these other utilities, carving a larger slice of household budgets in the process.

"I don't know how they expect people to keep paying more for water with the cost of gas and day care and everything else going up," complains Jacquelyn Moncrief, 60, a Philadelphia homeowner who says the price hikes would force her to make food-or-water decisions. She gathered signatures on a petition opposing a proposed water rate increase in her city this year.

USA TODAY's study of residential water rates over the past 12 years for large and small water agencies nationwide found that monthly costs doubled for more in 29 localities. The unique look at costs for a diverse mix of water suppliers representing every state and Washington, D.C. found that a resource long taken for granted will continue to become more costly for millions of Americans. Indeed, rates haven't crested yet because huge costs to upgrade or repair pipes, reservoirs and treatment plants loom nationwide.

In three municipalities — Atlanta, San Francisco and Wilmington, Del. — water costs tripled or more. Monthly costs topped $50 for consumers in Atlanta, Seattle and San Diego who used 1,000 cubic feet of water, a typical residential consumption level in many areas. Officials in the three municipalities and elsewhere, however, say actual consumption is often lower. But conservation efforts counter-intuitively may raise water rates in some localities.

The trend toward higher bills is being driven by:

-- The cost of paying off the debt on bonds municipalities issue to fund expensive repairs or upgrades on aging water systems.

-- Increases in the cost of electricity, chemicals and fuel used to supply and treat water.

-- Compliance with federal government clean-water mandates.

-- Rising pension and health care costs for water agency workers.

-- Increased security safeguards for water systems since the 9/11 terror attacks.

Higher rates still ahead

The costs continue to rise even though residential water usage dropped sharply nationwide in the past three decades amid conservation efforts.

U.S. water systems will need as much as $1 trillion in infrastructure improvements by 2035 to keep up with drinking water needs, according to a survey of industry experts released in June.

The bond debt needed to fund those projects' work will be passed on to consumers, including the many Americans struggling with the economic fallout of the great recession.

A virtually irreplaceable resource that Americans rely on for health and daily living "could potentially get more and more expensive," says John Chevrette, who heads the management consulting arm of Black & Veatch, the firm that conducted the industry survey.

He predicts rate increases of 5% to 15% every few years, saying the cost of water "could take a larger and more significant bite out of otherwise disposable income."

"You're talking about greater than inflationary costs," says Doug Scott, managing director for Fitch Ratings, which similarly projects 5% annual rate increases among the many water and sewer agencies his company tracks.

Some water agencies, including Philadelphia, have special water programs to help cut costs for those with low incomes. Even so, the economic forecasts frighten Moncrief, a single mother who bought her home in Philadelphia's Mount Airy neighborhood decades ago, and now lives there on a disability income.

The monthly cost of 1,000 cubic feet of water in her hometown has jumped 164%, to $39.22, since 2001. Even when the costs were lower, Moncrief says at times she had to work out installment payments with the Philadelphia Water Department.

Testifying at a July hearing in an ongoing water rate increase proceeding, Ruth Bazemore said she and other Philadelphia senior citizens were astounded that the city's water commissioner proposed hikes that would "increase our bills by almost 30% in less than three years."

Community opposition prompted a tentative settlement that would save consumers at least $80 per year from the ultimate cost of the city's original proposal, says Robert Ballenger, a Community Legal Services attorney who represents the public in the Philadelphia rate hike proceeding.

Bazemore, a representative of the Action Alliance of Senior Citizens of Greater Philadelphia, says even a lower increase "would be difficult for a lot of people to pay."

Efforts to compare water costs of any given area with another produce misleading or even false results, because of differences in population, geography, geology, bonding debt for infrastructure work and other variables. However, what most water agencies across the nation share is increasing costs that make higher bills all but inevitable.

In Baltimore, where water costs are up 140% since 2001, the public works agency in the last decade completed a $65 million upgrade of the water system's Ashburton Filtration Plant.

After a series of major water main breaks in 2009, the city made plans to speed the pace of pipe cleaning, relining and rehabilitation work to 40 miles per year, a five-fold increase. The cost? About $300 million over five years, says agency spokesman Kurt Kocher.

At the same time, Baltimore, like water systems nationwide, was forced to implement costly security upgrades at its facilities. "It's not the world of 1990. It's the post-9/11 security world we have to deal with," says Kocher.

'A race against time'

In San Francisco, the monthly cost of 1,000 cubic feet of water jumped nearly 211% since 2001 as the city's regional water system ended a seven-year rate freeze and began a massive, five-year infrastructure improvement program.

Harlan Kelly Jr., the system's assistant general manager for infrastructure, says the work was vital because the freeze had left little funding for expanding and strengthening the system that serves more than 30 cities and 2.6 million people in the Bay Area.

A 2002 city economic study warned that the Bay Area would suffer a $30 billion economic hit if an earthquake severely disrupted the water network for two months. The California Division of Safety of Dams delivered an even more immediate warning in 2001, deeming the Calaveras Dam seismically unsafe. That forced the San Francisco Public Utilities Commission to drain the reservoir created by the dam to a third of its normal level, significantly reducing the system's water storage.

"I think everyone realized this work was needed," says Kelly. "It's a race against time. Here in California, it's not if, it's when" the next major earthquake will hit.

Consumers have little choice but to pay for infrastructure improvements and repairs to the nation's often aging water systems, says Scott, the Fitch Ratings executive.

If they don't, water mains and other parts of the systems "will break, and the breaks will be catastrophic. It would be the equivalent of somebody not replacing their water heater when it is leaking, and then having it fall from the attic and tear up their entire house."

Municipal water systems typically fund major repairs and other infrastructure work by issuing bonds that are repaid over time. The annual cost of paying off debt servicing those bonds is passed on to consumers in higher rates.

The financial impact is already being felt. Fitch Ratings showed water agencies' debt per customer rose from $1,012 in 2006 to $1,611 in 2011.

Diane Clausen, a Seattle Public Utilities official, says her agency has outpaced many other municipal water suppliers by working to place protective coverings over reservoirs, building a filtration plant on one major water source and installing an ultraviolet treatment facility on another major source.

"We've pretty much done our major capital projects," says Clausen. "The debt service on those are included in the rates that our customers pay, so the rates for us, we believe, would tend to be higher than the rates for other utilities that aren't as far along in their infrastructure development."

Similarly, Atlanta officials say their rates — up 233% since 2001 for monthly usage of 1,000 cubic feet of water — partly result from $1.3 billion in spending to upgrade the city's water supply system in compliance with federal clean water mandates.

Conserving, yet costs still rise

Unique geographic conditions and other circumstances can also raise costs. In Augusta, Maine, the monthly cost of 1,000 cubic feet of water has topped $40 since 2000. That's partly because the city has a small base of approximately 5,800 mostly residential customers and lacks major industrial customers that would help share the cost, says Brian Tarbuck, general manager of the Greater Augusta Utility District.

"Coupled with our 10 storage tanks, deep frost conditions — pipes are literally 'six feet under' to avoid freezing — low (number of) customers per mile of pipe and lots of granite and hills, it gets expensive," says Tarbuck.

U.S. homeowners who reduce their water consumption in an effort to save money can cut their costs. But they may end up raising the rates they're charged. Why? Because water suppliers collect less income as consumption drops, but ongoing costs -- such as bonding debt, salaries and chemicals -- either increase or, at best, remain stable.

A 2010 report by the Water Research Foundation, a non-profit organization that studies drinking water issues, concluded that residential usage per customer dropped more than 380 gallons annually in the last 30 years, a changing era when conservation became more prevalent. Compounded over time, the report says the trend implies that a customer would have used 11,673 fewer gallons in 2008 than an identical customer in 1978, a 13.2% decline.

As a result, many water agencies have been forced to raise rates.

"When we explain that part of the reason you're paying more is because you're using less, that doesn't go over real well with a lot of people," says Joseph Clare, the Philadelphia Water Department's deputy commissioner for finance and administration.

The 2012 drought that continues to hold roughly half the nation in its grip has also had an impact on some water rates. In March, the Midland, Texas, City Council unanimously imposed a five-fold price increase on water customers who use more than 10,000 gallons per month, which surpasses consumption for a typical family.

In El Paso, the drought cut the city's ability to draw from the Rio Grande River, the source for about half the area's water. To help make up for the loss, El Paso Water Utilities for about 15 days in late May and early June ran its water desalination plant at its full 27.5 million gallons-per-day capacity, making brackish groundwater fit for drinking, said Christina Montoya, an agency spokeswoman.

"This is the first time that's ever happened," she said.

Although Scott and others expect increases in water costs around the nation to remain both regular and high, the good news is that the dollar costs are still relatively low in many municipalities.

"It's going to be a pretty good bargain for the foreseeable future," Scott says.

Try telling that to Americans hard pressed by the still sluggish economy, including low-income residents and senior citizens living on fixed incomes.

Something has to give

Philadelphia homeowner Moncrief, who delights in watering her garden into bloom, says she understands her city's water agency faces higher costs for water system projects. That includes the $50 million construction of a 5-million-gallon storage tank to prevent storm sewers from overflowing into the Schuylkill River— source of about 42% of local drinking water.

But she says higher rates — even those under the tentative compromise in the Philadelphia water rate increase proceeding — would make it harder for her to pay "my medical costs … co-pays for medication," upkeep of her home, even food.

"It's been quite stressful just trying to budget. How am I going to maintain all these things on a fixed income that's not going to increase?" said Moncrief, who adds that she's cut back on hot baths and takes shorter showers.

Responding to that type of consumer concern, some municipalities have tried to limit or delay rate increases. For instance, Antioch, Calif., officials in May opted to defer some capital spending and use the savings and other measures to delay previously announced plans for an 8% water rate increase.

Clare, Philadelphia's deputy water commissioner, notes that his agency held rates stable from 1993 until 2001. But, ultimately, costs had to go up to maintain crucial water supply and delivery systems, he says.

"It's going to be a hardship for me; I think it's going to be a hardship for a lot of people," says Moncrief. "But there's a greater sense of hope and possibility . . . when you know the increase is not going to be as high" as originally proposed.

"I may not be able to eat meat five days a week, but maybe I can eat meat three days a week."

Contributing: Oliver St. John, Tom McGarrity

OCTOBER 2, 2012

ITEM F

ATTACHMENT D

Drought Leaves Cracks in Way of Life

The New York Times

By JOHN ELIGON

Published: October 3, 2012

BUTLER, Mo. — They have canceled vacations. Their children are forgoing out-of-state colleges for cheaper ones close to home. They are delaying doctor's visits, selling off land handed down through generations and resisting luxuries like new smartphones.

And then there is the stress — sleepless nights, grumpiness and, in one extreme case, seizures.

Lost amid the withered crops, dehydrated cattle and depleted ponds that have come to symbolize the country's most widespread drought in decades has been the toll on families whose livelihoods depend on farming.

Although most are not in danger of losing their homes or going hungry, the drought is threatening the way of life in rural America.

"You probably can't print our mood," said Dallis Basel, a sheep rancher in western South Dakota who sold off half of his herd because of the high feed prices caused by the drought. "It's been kind of depressed. Like the wife says, she can't drink enough to dull the pain of selling all the sheep."

Adding to the uncertainty has been Congress's failure to pass a farm bill; the previous version expired on Sunday. Although crop farmers will still get their insurance payments, livestock producers are now without an equivalent safety net. While lawmakers are expected to pass a farm bill after the November election, that might be too late for livestock producers, several of whom said they were losing tens of thousands of dollars a week because they were paying more to feed their animals than they were getting when they sold them.

In the short term, the agriculture industry might appear healthy — the government estimates that net farm income will top $122 billion this year, the highest level since 1973. But much of the financial impact of the crisis will be felt next year, when farmers start realizing their diminished revenue.

Despite the dire outlook, interviews with nearly three dozen farmers in the middle of the country revealed a curious sense of calm.

"My granddad wasn't a worrier, my dad wasn't a worrier, I'm not either," said Kent Woolfolk, 56, a cattle farmer in southwestern Kansas. "You got to be concerned, but if you dwell on it, it's just going to eat you up."

He added: "It will rain. It always has."

Positive outlook aside, the farmers are still plotting their survival, asking their banks for more money or adjusted loan terms, tapping the equity in their land and scaling back their spending at home.

"They say, 'What are my alternatives?' " said R. Warren Graeff, the agricultural banking market manager with PNC. " 'What things do I have to take into consideration to survive?' "

For Carl Bettels, one of those things might include returning to a nonfarming job. Mr. Bettels, 57, had figured that another three years working at Walmart would have given him enough savings to focus comfortably on farming here in western Missouri for the rest of his life. But Walmart laid him off last October, and because of the drought, it seems as though his farm income will not be enough to sustain his family. Anticipating a $40,000 drop in earnings this year, he and his wife have been forced to dip into a retirement fund to pay their daughter's college expenses.

On a recent morning, Mr. Bettels stood on his 560 acres, where he has about 130 cows as well as crops that produced a quarter of their normal yields this year, and reflected on his life as the grass of his pasture crunched underfoot, a brisk wind blew and a chorus of bugs chirped.

"I like this out here," said Mr. Bettels, a fourth-generation farmer. "I've done it for so long, it's a part of me."

Mr. Bettels's wife, Theresa, who works at a local school, said that although she sometimes wished that they had a steadier income, she understood that this was her husband's passion. But that patience may not last forever.

"If it's doing this for the next two years, I can't see us being able to keep going," she said.

Nearly two-thirds of the continental United States is in moderate to exceptional drought, according to the government, the most widespread dryness in five and a half decades. The drought has gradually expanded to leave half of the nation's corn in poor to very poor condition. A government survey last month estimated national average yields of 122.8 bushels of corn per acre, the lowest in more than 15 years, while soybean yields are expected to drop by about 15 percent from last year.

The diminished supply has meant skyrocketing prices, which are good for whatever crops the farmers can collect on but not so good for livestock farmers who must buy the crops to feed their animals.

Dawn and John Habeck's dairy farm in South Dakota, already dwindling because of changes in the region's dairy industry, has been pushed to the brink of failure by the drought. Even though they sold all but 30 of their 350 cows last year, they cannot afford to feed the remainder because prices have increased fivefold this year, Ms. Habeck said. The $800,000 they made from selling their cows is quickly running out. They plan to sell two-thirds of the land that has been not only their business but also their pleasure over the years — they have hiked, camped and ridden horses with their four daughters on their land.

"We're starting over again," Ms. Habeck said. "Even though we worked seven days a week — 15 to 20 hours a day some days — it feels like for nothing."

The drought's effects trickle down to children. One of her daughters was having seizures from stress, Ms. Habeck said.

Pam Janssen said her youngest son, 19, wanted to join the family's hog and grain farm operation in north-central Illinois, but that is currently on pause. Normally, farmers bring their children into the business by purchasing more acres and livestock so the children can have a stake, but Ms. Janssen said her family was not making enough money to do that right now. They are losing about $30 per pig on the 80 to 100 they sell per week. Her older son, 22, has 160 acres that he is farming, and Ms. Janssen said he would have to use his earnings on that to pay for college this year.

Tanya Storer, 43, a western Nebraska cattle rancher, said that her daughter wanted to attend design school in Los Angeles or New York but that community college was more likely because she expected her herd size to shrink by 25 percent and she was losing about $200 on every calf she sold.

For some farm families, the drought has meant no room for luxury.

Wayne Boschert, 63, of St. Charles, Mo., and his wife have canceled the trip to St. Martin that they take every January. Clint Sturdy, 40, a cattle farmer in Kansas who expects to lose $180,000 this year, has canceled a family vacation to Six Flags in Texas, while Andy DeVries, 37, a corn grower in eastern Nebraska, will forgo a family trip to Walt Disney World.

Rob Korff, 43, a corn grower in western Missouri, said that his son recently asked for a new phone but that he told him no.

Many farmers said they would repair old pieces of equipment — planters, balers, tractors — instead of buying new ones. Several said they would take fewer trips into town to save gas.

Money has not been a problem for some lucky farmers, the result of a serendipitous spot shower, good soil and, in some cases, the slope of a field.

"We haven't suffered any losses at all," said Bill Peters, who farms 1,300 acres of crops in Indiana. "I hate to say it, because I feel guilty."

A year of drought here and there is sustainable, most farmers said. But multiple years in a row could be devastating, something that Jim Selman, a cattle rancher in south-central Texas, has learned. Last October, Mr. Selman, 80, sold all 300 of his cattle because of a drought that had been going for about five years. He is now living off the money he made, but if that runs out, he will have to sell some of his land.

"Ranching's not just an income, it is a way of life," Mr. Selman said. "It's what gives me pleasure, and all of a sudden I don't have that pleasure anymore."

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ITEM F

ATTACHMENT E

Santa Clarita Valley Sanitation District Begins Home Inspection Pilot Program for Illegal Automatic Water Softeners

SANTA CLARITA, CA -- (Marketwire) -- 10/03/12 -- The Santa Clarita Valley Sanitation District (District) is beginning a home inspection pilot program for illegal automatic water softeners. The District will focus efforts and request inspections in residences where data indicates that automatic water softeners may still exist or be in use. This program is part of the District's continuing efforts to rid the community of illegal automatic water softeners and, thus, decrease the cost to the community of complying with State mandates for chloride (salt) in the District's recycled water going to the Santa Clara River.

Nearly two thirds of Santa Clarita Valley voters approved Measure S, enacting the Santa Clara River Chloride Reduction Ordinance of 2008. The Ordinance required the removal and disposal of all automatic water softeners in homes connected to the sewer system. These water softeners, which use rock salt or potassium chloride pellets, send high levels of salt to the sewer system. Though the District's two wastewater treatment plants produce high quality water that is suitable for recycling, they do not remove salt. The recycled water leaving the treatment plants exceeds the state-set salt limit.

"The Santa Clarita Valley community has made an outstanding effort in cooperating with the District on the removal of approximately 7,800 automatic water softeners," said Grace Robinson Chan, Chief Engineer and General Manager for the District. "This has led to a very substantial decrease in the salt levels in the recycled water leaving the District's water reclamation plants. Unfortunately, there are still illegal automatic water softeners in the community that need to be removed."

Last year, the District mailed approximately 2,500 letters to residents suspected of having illegal automatic water softeners. This effort led to the removal of an additional 500 units. This home inspection pilot program will focus on the remaining units. If automatic water softeners are found, residents will be issued Notices of Violation, and will have 30 days to apply for a rebate and an additional 30 days after the receipt of an Authorization for Rebate letter, to remove the unit. Alternatively, residents may remove the units themselves. Residents who do not apply for a rebate or remove their units within 30 days of receiving a Notice of Violation may be fined $1,000.

The District serves the wastewater management needs of the Santa Clarita Valley. The agency protects public health and the environment by constructing, operating, and maintaining a regional system that collects, treats, recycles and disposes of sewage from homes and businesses in the Santa Clarita area.

For information on the automatic water softener ban and the Rebate Program, please visit www.lacsd.org/chloride or call 1-877-CUT-SALT. For more information on the Santa Clarita Valley Sanitation District's Chloride Compliance efforts, please visit the District's website at www.lacsd.org.

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ITEM F

ATTACHMENT F

State Board to Consider Amendment to Recycled Water Policy

ACWA: Submitted by Pamela Martineau on Wed, 10/03/2012 - 5:21pm

The State Water Resources Control Board on Oct. 16 will consider adoption of an amendment to its Recycled Water Policy that would add monitoring requirements for constituents of emerging concern (CECs).

CECs are a broad class of substances including pharmaceuticals and body care products that can be present in minute amounts in wastewater. In 2009, the State Water Board convened a science advisory panel to provide guidance on possible actions related to monitoring CECs in recycled water. The advisory panel recommended monitoring specific CECs in recycled water used for groundwater recharge reuse. The panel did not recommend monitoring of CECs for recycled water used for landscape irrigation, but recommended monitoring of some surrogates in such recycled water.

In May, staff with the State Water Board circulated the proposed amendment for public review and written comment. In June, staff sent the proposed amendment to scientific peer reviewers for review. State Water Board staff considered the written comments submitted by both the public and scientific peer reviewers and made revisions to the proposed amendment.

That proposed amendment with its revisions will be considered by the board Oct. 16. Among the proposed revisions is a provision that if monitoring results indicate that additional monitoring is required after treatment, the Regional Water Board shall consult with the Department of Public Health and "revise the Monitoring and Reporting Program as appropriate."

Written comments on the revisions made to the May 2012 draft are due on Oct. 9 at noon. ACWA, in conjunction with WateReuse and California Association of Sanitation Agencies (CASA), is working on drafting a comment letter on the proposed amendment. The proposed amendment and its revision are available here. (http://www.waterboards.ca.gov/water_issues/programs/water_recycling_policy/)

OCTOBER 2, 2012

ITEM F

ATTACHMENT G

America's water woes

Robert Glennon, author of *Unquenchable*, this year's Book in Common, comes to Chico to speak about national water crisis

By Christine G.K. LaPado-Breglia
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This article was published on 10.04.12.

Robert Glennon, Morris K. Udall Professor of Law & Public Policy at the University of Arizona in Tucson, and author of this year's Book in Common, *Unquenchable: America's Water Crisis and What to Do About It.*

Californians are used to worrying about water. Northern Californians in particular bemoan the diversion of precious Nor Cal water south to supply the Central Valley and beyond. Water is becoming a scarce commodity, resulting in increasing problems with everything from the maintenance of fish populations and agriculture to the political relations between the northern and southern portions of the state.

The water crisis, however, is much more than a California problem, as Robert Glennon—the author of this year's Butte County Book in Common, *Unquenchable: America's Water Crisis and What to Do About It*—pointed out in a recent phone interview from his office at the University of Arizona in Tucson.

"At the macro level, what's surprising is how broad the crisis is. I mean, it's not a Western [United States] problem, or an arid-lands problem. It's more than that," said Glennon. "The crisis is very real, and it's a national problem, not a regional problem."

Glennon—who has developed a reputation for being a good storyteller, both in print and in person—will be in Chico on Oct. 5 to speak at Chico State's Laxson Auditorium.

"When I tell stories about the Great Lakes, that surprises people," he said. "They tell me the Great Lakes have a lot of water. So it comes as a shock that the largest—Lake Superior—is too low to float cargo ships, which requires offloading hundreds of tons of freight, which dramatically increases the cost of shipping."

Similarly, a number of states in the humid Southeast are having serious water-shortage issues. Georgia's Lake Lanier, "the principal water supply for almost 5 million people in Metro Atlanta," as Glennon describes it in *Unquenchable*, "almost dried up" in October 2007, he said. "And that's in a state that gets 50 inches of rain a year.

"The crisis is not of concern only to environmentalists," said Glennon. "It's so much more than that, such as a paper company in South Carolina closing its doors because it doesn't have enough water [to process wood pulp into paper] … [and] the disaster in Georgia, which resulted in no permits [being issued] to two new nuclear-power plants because there was not enough water.

"The water crisis is really about the health of the American economy," Glennon said. "Practically every business needs water—not just Coca-Cola, etc., but Google and Intel. … 'What?' people will say, 'Google needs water?' Yes, they need water—a heck of a lot of water." Performing a Google search on a computer "cranks up a 'server farm'—giant buildings with 10,000 computers in one building," he explained. "That generates a heck of a lot of heat, and you need water to cool it." Likewise, the Intel Corporation requires "a lot of water to make chips."

Glennon also noted that there is "an intimate connection between water and energy, which works in two directions. You need a lot of water to make energy—for example, ethanol. It's ridiculous how much water it takes to make ethanol.

"The real water consumption [involved in the ethanol-making process] is in growing the corn, which is not a big problem if you are in Illinois where Mother Nature generally provides enough water." The problem comes, as Glennon points out

in *Unquenchable*, in major ethanol-producing states such as California, Colorado, Nebraska and Texas, in which farmers have to depend on irrigation to water their corn fields, thus diverting much-needed water from local rivers and aquifers.

An enormous amount of water is needed to produce corn. "It takes 2,500 gallons of water to grow enough corn to refine one gallon of ethanol," Glennon said. Additionally, "it takes four gallons of water to refine one gallon of ethanol."

"The state of California has a goal of producing a billion gallons of ethanol a year," writes Glennon. "To grow enough corn to refine that much ethanol would take 1.7-2.5 *trillion* gallons—more than all the water from the Sacramento-San Joaquin River Delta that now goes to Southern California cities and to Central Valley farmers."

Despite its seemingly lavish use of water for such things as the widely known fountains at the Bellagio hotel and casino, the huge desert city of Las Vegas has actually come to terms with the reality of a shrinking water supply, said Glennon. "It's easy to hate Vegas," he said, but the whole Vegas strip "uses only 3 percent of the city's water." Hotels with colossal water features, such as the Belaggio and the Mirage, use treated graywater recycled from the buildings' sinks and showers to give the illusion of abundant water.

Recycling water, in fact, is one of a number of water-saving options Glennon suggests in *Unquenchable*. "I offer a menu of options to keep the crisis from becoming a catastrophe," he said. Some solutions "are obvious—water conservation, [rain]water harvesting. Those seem absolutely essential.

"In many places in California, conserving water is not the cultural ethic," Glennon observed. "I mean, Sacramento really loves its green lawns.

"We can recycle and reuse water far more than we do. A viable option is the use of treated wastewater—the reuse of municipal effluence."

Tucson Water, in Glennon's hometown, "has delivered reclaimed water for more than twenty years," he writes in Chapter 9 of *Unquenchable*, "Shall We Drink Pee?" "The finished product is not quite drinking-water quality, but the water is not currently meant for human consumption. The reclamation system … serves 900 sites that include golf courses, parks, cemeteries, roadway medians, schoolyards, and some individual homes."

Glennon is "a huge critic" of flush toilets, which take potable water and flush it down the drain. "That's drinking water that we're flushing away," he said. "If you think about it for more than a nanosecond, that's a truly bizarre use of water." He would like to see the creation of "a national commission to look at the problem and figure out different ways to get rid of human waste," such as via waterless urinals and incinerating toilets.

Glennon would also like to see water priced appropriately. "We pay less for water than we do for cell-phone service and cable television," he noted.

"We are entering an era of water reallocation," said Glennon. "Think of the water supply as a giant milk shake, and each water demand as a straw in the glass. Many states permit a limitless number of straws, which is a recipe for disaster." In California's Central Valley, for instance, he said, "[farmers] are all pumping from the same aquifer," lowering the water table at an alarming rate.

"We need to substitute this mindless open season with a 'demand-offset' system," Glennon said. For example, a developer who needs more water would have to pay a farmer who already has his straw in the glass "to replace his earthen ditch with a lined canal and use the water saved in the process. And that [way of allocating water] is taking off."

"I am an optimist," said Glennon. "We can do this."

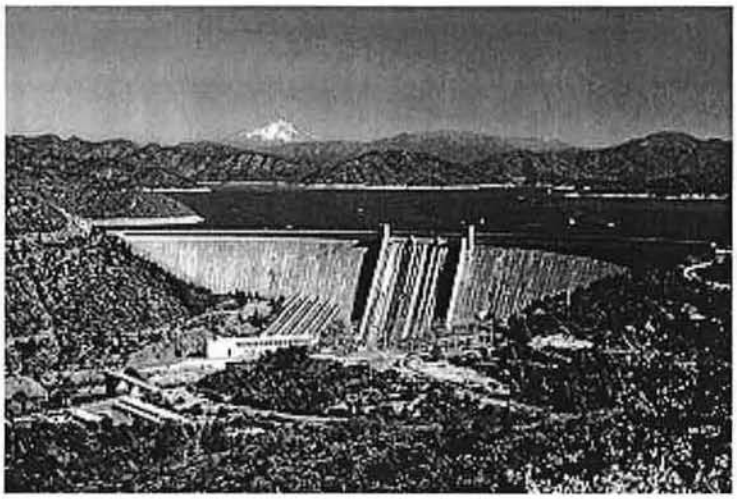
OCTOBER 2, 2012

ITEM F

ATTACHMENT H

CVP Begins New Water Year with 6.9 Million Acre-Feet in Storage

ACWA; Submitted by Lisa Lien-Mager on Thu, 10/04/2012 - 4:10pm



The Central Valley Project began the 2013 water year on Oct. 1 with 6.9 million acre-feet (MAF) of water stored in six key reservoirs, the U.S. Bureau of Reclamation reported today.

The total carry-over storage represents combined storage at the end of the 2012 water year in Shasta, Trinity, Folsom, New Melones and Millerton reservoirs and the federal share of water in storage in San Luis Reservoir. The 15-year average carry-over for these reservoirs on Oct. 1 is 7 MAF.

Last year at this time, carry-over storage for the CVP was 9.3 MAF.

Precipitation in the 2012 water year was about 83% of the historic seasonal average, or 41.6 inches as measured at eight key locations in Northern California from the Upper Sacramento River watershed near Shasta to the American River watershed near Blue Canyon.

The Bureau will continue to monitor and evaluate hydrologic conditions as they develop. The initial forecast of CVP water supply allocations for the contract year (which begins March 1) will be made in late February.

The allocation will be adjusted monthly or more often if warranted, to reflect the updated snowpack and runoff. The current allocations and other background information are available here. (http://www.usbr.gov/mp/PA/water/)