

# Jurupa Community Services District 2005 Urban Water Management Plan



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# Jurupa Community Services District 2005 Urban Water Management Plan Contact Sheet

Date plan submitted to the Department of Water Resources: **10/31/05**

Name of person preparing this plan: **Carole A. McGreevy, General Manager**

Phone: **(951) 685-7434**

Fax: **(951) 685-1153**

E-mail address: **CmcGreevy@JCSD.US**

The Water supplier is a: **Special District**

The Water supplier is a: **Retailer**

Utility services provided by the water supplier include: **Potable Water,  
Wastewater, Non-Potable Water for Irrigation**

Is This Agency a Bureau of Reclamation Contractor? **No**

Is This Agency a State Water Project Contractor? **No**

# Jurupa Community Services District

## JCSD History

The Jurupa Community Services District (District) was formed in 1956 for the purpose of installing a sewer system within the community of Jurupa.

In 1960, the District's first general manager and secretary were hired. General Obligation bonds were sold to finance the sewer distribution system and a treatment plant, which were completed in 1961. As the District became more of an operating entity within the community, the local citizens began to request the Board of Directors to solve other problems, the most important one being a good water supply. A study was completed which recommended the sale of Water Revenue bonds to finance the consolidation and improvement of three existing water companies in the Jurupa area.

These three companies were the Jurupa Heights Water Company, the La Bonita Mutual Water Company and the Monte Rue Acres Mutual Water Company. This transaction and improvement of the water system took until 1966.

In 1965 an administration building was built and completed at 8621 Jurupa Road. In response to citizens' requests, the Board of Directors ordered a park and recreation plan prepared for facilities to be constructed on the District property at Jurupa Road, which was achieved through local citizens' volunteer help. The facilities built were a picnic area, a baseball diamond, fencing, sprinkler system, lawns and trees planted.

During this time, the water and sewer system were being expanded and the purchase of other small water companies, including the Sunnyslope Water Company from the Rubidoux Community Services District.

In 1972, a State and Federal mandated regional wastewater treatment plant, including Rubidoux Community Services District, Jurupa Community Services District and the City of Riverside, were ordered to consolidate their wastewater treatment facilities into one location, the existing Riverside Treatment Plant located on Acorn Street in Riverside.

Federal funding was used to acquire more property for parks and recreation including the Knowles Field and the Community Center building on Pedley Road. This was only achieved by a great deal of volunteer assistance from the local citizens (In 1984 the Parks Department split from the District and the separate Jurupa Area Recreation and Parks District was formed).

In 1979, a large project was completed which consisted of the construction of three new reservoirs, six miles of transmission pipeline, four new wells and one new booster station. Also included was a large pump station and sewer interceptor line from the District's wastewater treatment plant to the new regional wastewater treatment plant at the City of Riverside's Acorn Street location. Also in 1979, an agreement was entered into with a local property owner to build a sewage treatment plant, which would provide reclaimed water to irrigate a golf course centering a large residential development called Indian Hills.

Since then the District has grown, through annexation, from 26 square miles to 48 square miles, from 1,500 water connections to 22,000 water connections and services a population of approximately 70,000. The District also provides water, through inter-ties, to its neighboring water agencies of the City of Norco and the Santa Ana River Water Company.

**JCSD History, Cont'd**

In 1986/87, representatives of the Riverside County approached the District's then general manager, and inquired if it would be interested in taking the lead agency position on the formation of a special assessment district located in north Mira Loma, where bonds would be sold to provide funding for the infrastructure of water, sewer, flood control and street improvements to enable the area of 1,900 acres to develop.

This area is known as the Community Facilities District No. 1 (CFD) and in 1992 the property owners voted to expand the boundaries from 1,900 acres to 3,000 acres with authority for bonded indebtedness of \$90,000,000. This CFD area has proved to be a very sought after area for large distribution outlets for national companies which brings development and jobs to the community.

The District also administers an illumination district, Lighting Maintenance Districts and Landscape Maintenance Districts (special assessment districts) placing charges on the property tax bills to cover the energy charges of the streetlights and the operation and maintenance of landscaping within public rights-of-way throughout the District's service area.

In 1992/93, the Board of Directors, recognizing a need to eradicate the growing blight of graffiti within the District's service area authorized the formation of the Graffiti Abatement Program through the Landscaping and Lighting Maintenance Act, 1972. This assessment district has been very successful, not only in eradicating the graffiti, but also in keeping the costs down to the property owners.

In 1996, the District formulated and approved a Park Plan for a portion of its service area known as the Eastvale area. Community Facilities Districts (CFDs) have been, and are continuing to be, formed to provide the financing mechanism for acquisition and improvement of the parkland and also to provide for the ongoing maintenance. There are 19 CFDs that have been formed to date. These CFDs will fund approximately 400 acres of community and neighborhood parks, some of which are in different stages of development.

In 2002 the District sold the administration building located at 8621 Jurupa Road and relocated administration and operations to the newly purchased and renovated buildings at 11201 Harrel Street in Mira Loma.

The Eastvale area is a developing area that is expected to add a further 22,000 connections to the District with an expected population of 66,000+. Currently, there are approximately 8,326 occupied dwellings in the Eastvale area, 36 tracts currently under development and the District has issued water and sewer availability letters for approximately 8,020 additional residences that are anticipated to be built within the next two years.

The Board of Directors and Staff, in order to ensure a continuing supply of good quality water for current citizens and also future development, participated in a Joint Powers Authority (JPA) with other neighboring water purveyors and purchased a recently constructed desalinization plant located in the neighboring county of San Bernardino. This Desalter Plant has been expanded from 8MGD to 13MGD and a second Desalter Plant is being constructed on the District's Administration/Operations facility and expected to be on-line December 2005.

**JCSD History, Cont'd**

Production from both Desalters is expected to be 23MGD and will comprise of approximately 27 wells. The District manages the operation of one of the Desalters for the JPA. The District has also current constructed the first of two phases of an ion exchange Plant, with a total capacity of 19 MGD at a total cost of approximately \$10 million.

The District is part of a Joint Powers Authority for a regional wastewater treatment plant located within its service area. This Plant's capacity is currently 8 MGD with the ability to expand to 24 MGD. The District is currently constructing a 17MGD lift station at the plant as well as major sewer main lines to the Plant at a cost of approximately \$13 million.

The District currently has 15 potable wells and 5 irrigation wells, 7 booster stations, 15 reservoirs with a 39 million-gallon capacity. Potable water connections are at approximately 22,000 and there is also a small irrigation water system located in the Sunnyslope area. The District provides 20,500 residences with sewer service. The District employs 72 employees.

The 2005 Board of Directors and Management Staff are as follows:

Directors: R.M. "Cook" Barela  
Kathryn Bogart  
Paul E. Hamrick  
James C. Huber  
Kenneth J. McLaughlin

General Manager & Secretary of the Board Carole McGreevy

Assistant General Manager Eldon Horst  
Administration Manager Cheryl Russell  
Finance Manager Ken Waring  
Operations Manager Charles E. Smith  
Project Manager Umesh Shah

Engineer Sam Gershon, Albert A. Webb Associates  
District Counsel Richard Anderson, Best, Best & Krieger

## **Public Participation**

### **Law**

10642. Each urban water supplier shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of the plan. Prior to adopting a plan, the urban water supplier shall make the plan available for public inspection and shall hold a public hearing thereon. Prior to the hearing, notice of the time and place of hearing shall be published. After the hearing, the plan shall be adopted as prepared or as modified after the hearing.

### **Public Participation**

The Jurupa Community Services District has actively encouraged community participation in its urban water management planning efforts since the first plan was developed in 1985. Public forums were held on the 1985, 1990, 1995, 2000 and 2005 plans.

For this update to the Urban Water Management Plan, a formal public session was held for review and comment on the draft plan before the Board of Director's approval. Public interest groups that participated in the development of the plan are listed in Appendix A.

Legal public notices for each meeting were published in the local newspapers, posted at District facilities. Copies of the draft plan were available at District offices.

### **Plan Adoption**

The Jurupa Community Services District prepared this update of its Urban Water Management Plan during fall 2005. The updated plan was adopted by The Board of Directors in December 2005 and submitted to the California Department of Water Resources within 30 days of Board approval. Attached to the cover letter addressed to the Department of Water Resources and as Appendix B are copies of the signed Resolution of Plan Adoption. This plan includes all information necessary to meet the requirements of California Water Code Division 6, Part 2.6 (Urban Water Management Planning).

### **Agency Coordination**

#### **Law**

10620 (d) (2) Each urban water supplier shall coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.

### **Coordination Within the District**

District Engineers, Management and field staff met and coordinated the development of this plan with the operations and finance departments.

Annually JCSD District Engineers, Management, Operations, Field and Finance Departments meet about the outlook on the water supplies for the District for the next 12 months. In the event of a

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declared water shortage, the District has adopted a policy to establish a moratorium on construction water and new water service connections. See Appendix C.

The Jurupa Community Services District's Water, Administrative and Finance Departments completed a study in July 2005, which examined and forecasted reliable water supplies and demands for the District to 2030. Data from this study were utilized in this document. The Jurupa Community Services Districts (District) developed a digitized map of the District, which include all water agency service area boundaries, the potable, non-potable water, and wastewater distribution systems, and other water system features.

**Interagency Coordination**

The Jurupa Community Services District is a member agency of the Chino Basin Groundwater Basin. All water sources for the Jurupa Community Services District are shared in common with other urban and agricultural interests in the area. The District therefore coordinated the development of this plan with the following agencies:

- The City of Norco
- Chino Basin Desalter Authority
- Rubidoux Community Services District
- Santa Ana River Water Company
- Watermaster for the Chino Groundwater Basin and parties to the adjudication
- Other local public agencies, including Riverside County Health Services, Planning, Fire, and Building Departments; Office of Emergency Services; District of Norco; Western Municipal Water District and the Riverside-Corona Resource Conservation District.

Table 1 summarizes the efforts the District has taken to include various agencies and citizens in its planning process.

<b>Table 1. Coordination and Public Involvement</b>						
<b>Entities</b>	<b>Coordination and Public Involvement Actions</b>					
	<b>Helped write the plan</b>	<b>Was contacted for assistance</b>	<b>Was sent a copy of the draft</b>	<b>Commented on the draft</b>	<b>Attended public meetings</b>	<b>Was sent a notice of intention to adopt</b>
Wholesaler		*	*			*
Retailers						*
Wastewater Agency						*
Special Interest Groups						*
Citizen Groups		*				
General Public		*				
Public Library						*
Other		*	*			*

## Supplier Service Area

### Law

10631. A plan shall be adopted in accordance with this chapter and shall do all of the following:

10631. (a) Describe the service area of the supplier, including current and projected population, climate, and other demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available.

### Climate

The District has a desert climate. Summers are hot and dry, and winters are cool, with an annual average of 13 inches of precipitation. The region is subject to wide variations in annual precipitation, and also experiences periodic fires in the local hills.

Deviation from the average annual precipitation was experienced in 1998 due to the El Nino conditions for the western United States, and also again in 2004/2005. Total rainfall for these years was 26.9 inches, and 28.4 inches respectfully.

### Other Demographic Factors

The District is located in the western portion of Riverside County. It occupies an area of about 42.1 square miles (26,900 acres). Formation of the District occurred in 1956, and water service is provided to all residential, commercial, industrial, and agricultural customers, and for environmental and fire protection uses.

The first commercial activity in the area was cattle grazing and dairy farming, but due to the temperate climate, vineyards and orchards soon followed. In the early days, groundwater was the major water supply, since there were few year-round springs, creeks, or rivers. Enough naturally occurring recharge meant the groundwater was sufficient to meet the needs of the area.

As the population increased in the District's service area and region, the demand for water also increased. Groundwater levels dropped, nitrate and TDS levels within the watershed started to erode the water quality, and it became evident that the groundwater if left untreated was insufficient to meet growing needs. The Chino Basin was adjudicated in 1978 to prevent further declines in groundwater levels and to manage the basin. The basin has 140,000 acre-feet of safe yield.



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Table 2 shows the population total for the District from 2005, with projections to 2025.

<b>Table 2. Population Projections</b>					
	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>
Service Area Population	70,000	87,600	94,800	101,500	101,500

**Past Drought, Water Demand, and Conservation Information**

The local region experienced a prolonged drought from 1987 through 1992. The District met its customers' needs through careful management of groundwater and by the community responding to voluntary conservation measures during 1990-92, 1998-2004

Since 2000, new water demand has had a growth rate of about 10-12% per year (Table 5), due in part to the continued conservation efforts and in part to the region's economy. From 1996 to 2005, the population increased by 20,000 full year residents, to a current population of 70,000 and new water demand has kept pace with the growth. The District continues to have a modest but growing industrial sector. The commercial sector is increasing more rapidly due to the improved economy.

Water conservation is one of several high priority policies actively implemented in the District, and programs such as ultra-low flush toilet replacements, and school education programs are well accepted.

## Water Sources (Supply)

### Law

10631. A plan shall be adopted in accordance with this chapter and shall do all of the following:

10631 (b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments to 25 years or as far as data is available.

### Water Supply Sources

The District fortunately has a variety of water sources, including: groundwater, imported. The District has potential for additional supplies from sources outside the basin for either short or long-term water transfers.

Water Supply Sources	2005	2010	2015	2020	2025	2030
Purchased from Chino Basin Desalter I <sup>2</sup>	3,200	3,200	3,200	3,200	3,200	3,200
Purchased from Chino Basin Desalter II	0	5,000	5,000	5,000	5,000	5,000
Transfer from Rubidoux	500	500	500	500	500	500
District produced groundwater	18,137	19,029	22,029	24,029	26,029	26,029
Imported	1,000	2,500	5,000	5,000	5,000	5,000
Exchanges In	0	0	0	0	0	0
Recycled Water <sup>1</sup>	0	0	0	0	0	0
Other	0	0	0	5,000	10,000	10,000
<b>Total</b>	<b>23,337</b>	<b>26,229</b>	<b>35,729</b>	<b>42,729</b>	<b>49,729</b>	<b>49,729</b>

### Groundwater

The District's current groundwater production is about 18,137 acre-feet per year (AFY) from fourteen wells owned by the District (Table 3). The Chino Groundwater Basin was adjudicated in 1978; the District is a party to the adjudication. There has been some Nitrate and TDS intrusion into the Basin, from previous dairy and agricultural users, but water quality is within standards set for acceptable drinking water by the Federal Government and the California Department of Health Services. This has now been addressed by the completion of Chino Basin Desalter I, the construction of Chino Basin Desalter II and the District's Roger Teagarden Ion exchange plant.

### Recycled Water

The District is currently reviewing master plan design for the District and all new construction for Parks; reverse frontages are designed for reclaimed/recycle waters in mind (Wastewater treatment

<sup>2</sup> Desalter I began product delivery July 2000

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levels and suitable uses of recycled water are defined by the California Department of Health Services under California Administrative Code, Title 22, Division 4.)

Use of recycled water has gained wide support in the community, and there are irrigation, commercial landscapes, and industrial customers who would like to convert some or most of their water use to recycled water. Currently Jurupa Community Services District is working on a master plan for new construction to have the ability for recycled water from at least two (2) wastewater treatment facilities, which treat JCSD'S waste stream, to include infrastructure and facilities of approximately 5 MGD.

## Reliability Planning

### Law

10631. A plan shall be adopted in accordance with this chapter and shall do all of the following:

10631 (c) Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable.

10631 (c) For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to replace that source with alternative sources or water demand management measures, to the extent practicable.

10631 (c) Provide data for each of the following:  
(1) An average water year, (2) A single dry water year, (3) Multiple dry water years.

10632. The plan shall provide an urban water shortage contingency analysis, which includes each of the following elements, which are within the authority of the urban water supplier:

10632 (b) An estimate of the minimum water supply available during each of the next three-water years based on the driest three-year historic sequence for the agency's water supply.

### Reliability

The costs of demand management or supply augmentation options to reduce the frequency and severity of shortages are now high enough that the District must look carefully at the costs of unreliability to make the best possible estimate of the net benefit of taking specific actions, hence the term "reliability planning." Reliability is a measure of a water service system's expected success in managing water shortages.

To plan for long-term water supply reliability, planners examine an increasingly wide array of supply augmentation and demand reduction options to determine the best courses of action for meeting water service needs. Such options are generally evaluated using the water service reliability planning approach.

In addition to climate, other factors that can cause water supply shortages: are earthquakes, chemical spills, and energy outages at treatment and pumping facilities. Planners include the probability of catastrophic outages when using the reliability planning approach.

Reliability planning requires information about: (1) the expected frequency and severity of shortages; (2) how additional water management measures are likely to affect the frequency and severity of shortages; (3) how available contingency measures can reduce the impact of shortages when they occur.

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The District used the Department of Water Resources' Bulletin 160-98 the California Water Plan Update, Chapters 7, 8 and 9, Options for Meeting Future Water Needs, in the development of the reliability comparison section.

### Frequency and Magnitude of Supply Deficiencies

The District, because it pumps from the Chino Basin with a safe yield in excess of 140,000 AFY and because of water treatment facilities (Desalters and Ion-exchange) has not experienced any long term supply deficiencies as of yet.

The current and future supply projections through 2025 are shown in Table 3. The future supply projections assume normal climate conditions.

### Plans to Assure a Reliable Water Supply

The future supply projections assume normal groundwater levels within the Chino Basin and the availability of contracted water supplies from the two Desalters, Rubidoux and JCSD'S Ion exchange plant, as well as interagency connections with other Districts and Municipalities. Recycled water is a reliable water source, because it is consistently available. The likeliest interruption would be as a result of loss of power or facility failure at the WWTP. Potable water can still be provided to all recycled water users through a backup system.

### Reliability Comparison

Table 4 details estimated water supply projections associated with several water supply reliability scenarios. For further information on the data, see Three-year Minimum Supply and Water Shortage Contingency Plan sections.

Table 3. Supply Reliability				
Average/ Normal Water Year 2005 (Volume)	Single Dry Water Year (Volume)	Multiple Dry Water Years		
		Year 1 (Volume) 2005	Year 2 (Volume) 2006	Year 3 (Volume) 2007
21,737	21,737 (0%)	21,737 (0%)	18,476 (15%)	18,476 (15%)
Unit of Measure: Acre-feet/Year				

### Three Year Minimum Water Supply

Based on experiences during the last or past drought, the District recognizes that it is better to enter into a water shortage alert early, at a minimal level, to establish necessary rationing programs and policies, to gain public support and participation, and to reduce the likelihood of more severe shortage levels later. As the District continues to become more water efficient, it may become more difficult for customers to reduce their water use during water shortages (this is called "demand hardening"). Staff does not believe that District customers are yet approaching demand hardening, because there are still large potential water efficiency improvements in residential plumbing fixtures, appliances, and landscapes, and in the commercial, industrial, and institutional sectors. However, improved water use efficiency does mean that water supply reserves must be larger and that water shortage responses must be made early to prevent severe economic and environmental impacts.

In April each year, the District forecasts 3-year minimum water supply availability for each of its sources of water, and projects its total water supply for the current and three subsequent years. Based on the water shortage stages and triggers a water shortage condition may be declared. The driest three-year historic sequence for the District's water supplies was from 1990 to 1992. Because shortages can have serious economic and environmental impacts, the District will make every effort to limit water shortages to no more than 25%.

## **Transfer or Exchange Opportunities**

### **Law**

10631. A plan shall be adopted in accordance with this chapter and shall do all of the following:

10631 (d) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

### **Water Transfers**

The District currently receives up to 500 Acre feet of water a year available from Rubidoux Community Services District, and 1500 Acre Feet from Arlington Desalter, increasing to 3000 Acre Feet yearly upon Arlington Desalter expansion. Jurupa Community Services District also has pinned water purchase agreements with various CDA members to lease a portion of their contracted flows on an as needed and available basis.

## **Water Use Provisions**

### **Law**

10631. A plan shall be adopted in accordance with this chapter and shall do all of the following:

10631 (e) (1) Quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, identifying the uses among water use sectors including, but not necessarily limited to, all of the following uses:

(A) Single-family residential; (B) Multifamily; (C) Commercial; (D) Industrial; (E) Institutional and governmental; (F) Landscape; (G) Sales to other agencies; (H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof; and (I) Agricultural.

(2) The water use projections shall be in the same 5-year increments to 20 years or as far as data is available.

### **Past, Current and Projected Water Use**

Since 2000, new connections are being added at a rate of about 10-12% per year, but because of new plumbing efficiency standards, landscape guidelines, and other conservation programs, water demand is only increasing at a rate of about 8% per year. Unaccounted water losses average about <4% of total production. Table 5 illustrates Past, Current, and Projected Water Use 2000 - 2030 in acre-feet per year, and Table 6 illustrates Past, Current, and Projected connections 2005 - 2035 by customer type.

JURUPA COMMUNITY SERVICES DISTRICT 2005 URBAN WATER MANAGEMENT PLAN

<b>Table 4. Past, Current and Projected Water Use</b>							
<b>Water Use Sectors</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>
Single family residential	10,899	12,989	16,885	20,400	23,200	23,600	23,750
Multi-family residential	2,716	2,850	3,278	3,600	3,750	3,850	3,900
Commercial	2,098	2,410	2,772	3,000	3,000	3,200	3,300
Industrial	2,000	2,300	2,645	2,900	3,000	3,050	3,150
Institutional and governmental	401	455	525	600	800	850	850
Landscape	1,952	2400	2,700	2,900	3,000	2,900	2,900
Sales to other agencies	0	0	1,200	1,500	1,500	1,500	1,500
Hydrant Meters	987	800	350	150	100	76	50
Groundwater recharge (recycled water)	0	0	0	0	0	0	0
Conjunctive use	0	0	0	0	0	0	0
Unaccounted-for system losses	698	850	1,100	1,300	1,400	1,550	1,625
<b>Total</b>	<b>21,737</b>	<b>22,654</b>	<b>31,445</b>	<b>36,350</b>	<b>39,750</b>	<b>40,576</b>	<b>41,025</b>
Unit of Measure: Acre-feet/Year							
Years: Calendar Year							

<b>Table 5. Number of Connections by Customer Type</b>							
<b>Customer Type</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>	<b>2035</b>
Single family residential	20,360	28,911	36,300	36,600	36,600	36,600	36,600
Multi-family residential	162	275	400	420	420	420	420
Commercial	253	350	475	475	475	475	475
Industrial	75	125	280	285	285	285	285
Institutional and governmental	20	40	65	65	65	65	65
Landscape/recreation		220	340	340	340	340	340
Hydrant Meters	80	74	50	20	20	20	20
Interties	1	3	4	4	4	4	4
Other (Recycle water)							
<b>Total</b>	<b>20,951</b>	<b>29,998</b>	<b>37,911</b>	<b>38,209</b>	<b>38,209</b>	<b>38,209</b>	<b>38,209</b>
Years: Calendar Year							

Under conservation, it became apparent that the District needed to improve its customer information base. Previously, the District identified and billed customers on the basis of street address and the meter size. The District was unable to easily distinguish an industrial customer (using water for food processing, for example), from a large landscape customer, from a hotel, from a hospital (with emergency water priority requirements to meet health and safety), nor from a large multi-family complex. Obviously, each would have different needs and different appropriate conservation efforts. Therefore, the District redesigned its water billing system, and now has classified the accounts by use class and can identify each customer by sector and usage category.

## **Residential Sector**

In the Jurupa Community Services District, single-family residential customers average 3.6 persons per connection. Multi-family residential customers average 3.1 persons per housing unit, and average 16 units per multi-family complex. Total system per capita water use (excluding agricultural water use) averages 7.24 gallons per capita per day. Water efficiency improvements appear to be reducing per capita water use, which will prevent a return to pre-drought levels.

Single and multi-family residential connections are projected to increase at about 8% per year over the next 20 years, but the efficiency improvements will significantly help offset the water demand of new customers.

## **Commercial Sector**

The District has a complex mix of commercial customers, ranging from markets, restaurants, antique stores, insurance offices, beauty shops, and gas stations to multi-story office buildings, outlet and regional shopping centers, and high-volume restaurants and other facilities serving the population. The sector is growing at about 7% per year, driven particularly by the need for services by the increasing permanent population. Businesses for the growing industry are also contributing. This trend is expected to continue through 2025.

## **Industrial Sector**

The District has a small industrial sector, primarily centered on warehouse distribution and light manufacturing. The industrial sector has not grown much in the last decade but has been growing at an increasing rate recently. It is expected to increase at about 1% in the next ten years.

## **Institutional/Governmental Sector**

The District has a stable institutional/governmental sector, primarily local government, schools, visitor serving public facilities, and hospital. This sector will keep pace with the growth of the District.

## **Landscape/Recreational Sector**

Landscape and Recreational customer demand is expected to increase approximately 4% per year for the next 20 years, due to continued growth in visitor-serving facilities, proposed golf courses. Increased efficiency and landscape conversions at existing parks, golf courses, should help offset new demand resulting from projected increases in this sector.

## Supply and Demand Comparison Provisions

### Law

10635 (a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and multiple dry water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from the state, regional, or local agency population projections within the service area of the urban water supplier.

### Supply and Demand Comparison

Table 7 compares current, and projected water supply and demand. It indicates that in average precipitation years, the Jurupa Community Services District has sufficient water to meet its customers' needs, through 2010. This is based on continued commitment to conservation programs, additional water becoming available when the Desalter II comes online.

<b>Table 7 Projected Supply and Demand Comparison</b>					
	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>
Supply totals	21,737	33,229	38,000	40,200	42,500
Demand totals	22,654	31,445	36,350	39,750	40,576
Difference	(917)	1,784	1,650	450	1,924
Units of Measure: Acre-feet/Year					

In any one dry year, the District water supply is not significantly affected. In the second consecutive dry year, the District will probably need to enter into a Stage I water shortage response, which is voluntary conservation. In the third consecutive dry year, or in the event of a major system failure, the District may continue a Stage I water shortage response or move into a Stage II water shortage response. See the Water Shortage Contingency Plan and Three-year Minimum Water Supply sections and Table 8 for more detailed information.

Table 8 presents a supply and demand comparison where demand does not fluctuate in conjunction with a change in supply. The District is not affected significantly by dry weather conditions. The District receives its water from groundwater wells it operates. The District currently has standby wells it can operate during hot dry weather. With the District's participation in two Desalters there is the ability to expand both plants to provide additional water as demand is projected.

Table 8A, 8B, & 8C will detail how supply options and demand options can alter the outcome of a water shortage.

<b>Table 8 Single Dry Year and Multiple Dry Water Years</b>					
<b>Water Supply Sources</b>	<b>Current Supply 2005 (Volume)</b>	<b>Single Dry Water Year (Volume)</b>	<b>Multiple Dry Water Years</b>		
			<b>Year 1 (Volume)</b>	<b>Year 2 (Volume)</b>	<b>Year 3 (Volume)</b>
Supply totals	22,110	22,110	22,110	22,110	22,110
Percent Shortage		0%	0%	15%	15%
Demand totals	18,811	18,811	18,811	18,793	18,793
Difference	1,695	1,695	1,695	3,317	3,317
Unit of Measure: Acre-feet/Year					

Table 8A modifies the comparison by increasing the supply available for use with increase groundwater pumping in previous years where demands did not equal the available supply. Demand remains the same as in Table 8. This analysis demonstrates that changes in supply are more than sufficient to meet the demand in a water shortage.

<b>Table 8A Reliability and Comparison with Supply Options</b>					
<b>Water Supply Sources</b>	<b>Average / Normal Water Year</b>	<b>Single Dry Water Year</b>	<b>Multiple Dry Water Years</b>		
			<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Supply totals	23,623	23,623	23,623	23,623	23,623
Demand totals	21,042	21,042	21,042	21,042	21,042
Difference	2,581	2,581	2,581	2,581	2,581
Unit of Measure: Acre-feet/Year					

Table 8B modifies the comparison by implementing demand management measures and other consumption reductions methods. This comparison holds supply at the same level as Table 8. This analysis demonstrates that the use of conservation measures is sufficient to completely meet the demand during a water shortage.

<b>Table 8B Reliability and Comparison with Demand Options</b>					
<b>Water Supply Sources</b>	<b>Average / Normal Water Year</b>	<b>Single Dry Water Year</b>	<b>Multiple Dry Water Years</b>		
			<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Supply totals	22,110	22,110	22,110	19,076	19,076
Demand totals	18,811	18,811	18,811	16,438	16,438
Difference	3,299	3,299	3,299	638	638
Unit of Measure: Acre-feet/Year					

Table 8C modifies the comparison by increasing supply and modifying water user habits through conservation measures. It demonstrates that most circumstances of shortage can be planned for. However, effort should be devoted towards securing additional supplies during a catastrophic supply reduction.

<b>Table 8C Reliability and Comparison with Supply and Demand Options</b>					
<b>Water Supply Sources</b>	<b>Average / Normal Water Year</b>	<b>Single Dry Water Year</b>	<b>Multiple Dry Water Years</b>		
			<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Supply totals	22,110	17,610	22,410	18,910	18,910
Demand totals	21,194	19,074	19,074	18,015	18,015
Difference	916	(1,464)	3,336	895	895
Unit of Measure: Acre-feet/Year					

Active water efficiency improvements and additional water supply may be necessary to meet the District's projected water demand. The District has continued to examine supply enhancement options, including water recycling, groundwater recharge, conjunctive use, water transfers, desalination and additional imported water supplies from Metropolitan Water District, Western Municipal Water District (Arlington Desalter) City of Norco Chino Basin Allotments temporary and long term, as well as City of Chino Hills allotments, drilling of additional wells in various zones within Jurupa Community Services District boundaries for domestic use, and activating stand-by wells. Other water management options will also be considered. See the Water Shortage Contingency Plan section for further information.

## Best Management Practices

### Law

10631 (f) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1) A description of each water demand management measure that is currently being implemented, or scheduled for implementation, including the steps necessary to implement any proposed measures, including, but not limited to, all of the following:

The District is committed to implementing water conservation and water recycling programs. This Section discusses water conservation.

As mentioned in the cover letter to this Plan, the Jurupa Community Services District is a signatory to the Memorandum of Understanding regarding Urban Water Conservation in California (MOU) and is therefore a member of the California Urban Water Conservation Council (CUWCC). The following are just some of the benefits of being a member of the CUWCC: conferences, BMP workshops, free publications, research regarding water management practices, leadership on water legislation and networking with other agencies and interest groups.

For the purpose of responding to the Urban Water Management Planning Act the District will address the 14 Best Management Practices (BMPs). Descriptions of the District's water conservation programs are below. The District has, in good faith, tried to address and comply with all of the BMP targets listed in the CUWCC MOU where applicable.

### **BMP 1 – Water Survey Programs for Single-Family Residential and Multi-Family Residential Customers**

**IMPLEMENTATION DESCRIPTION:** As a member agency of Western Municipal Water District (Western) the District's customers may participate in Western's conservation programs. Exterior water audits are available upon request and are done by the Riverside-Corona Conservation District's (RCD) Mobile Laboratory which western co-sponsors.

### **BMP 2 -- Residential Plumbing Retrofit**

**IMPLEMENTATION DESCRIPTION:** The District participates in the distribution of aerators, and toilet tank leak detection tablets at the District Office and during Water Awareness Month. At these events the District also emphasizes water use surveys and ultra-low flush toilet replacement programs (refer to BMP 1 and 14). The District has targeted 10% of the approximate 9,300 (465) pre-1992 single-family homes and 7,000 (350) multi-family homes every two years, and offers water efficient rebates for clothes washing machines within (WMWD) Westerns guidelines.

**IMPLEMENTATION SCHEDULE:** The District distributes toilet tank leak detection tablets and tank dams on a year-a-round basis.

### **BMP 3 -- System Water Audits, Leak Detection and Repair**

**IMPLEMENTATION DESCRIPTION:** The District has conducted water audits and leak detection and repair since 1991, as described in its 1990 Urban Water Management Plan. District staff has trained at AWWA-DWR co-sponsored training programs.

Since the District is located in an earthquake zone, it has permanently incorporated the system water audit and leak detection, and meter calibration (production and customer meters) programs into its utility operations.

In coordination with the fire department, the water department complies with recent amendments to California Code of Regulations Title 19, Division 1, Chapter 9, pertaining to standardization of fire hydrants and associated fire protection equipment. The District meets or exceeds minimum fire flow requirements, in accordance with California Water Works Standards.

**IMPLEMENTATION SCHEDULE:** The District has permanently incorporated this BMP into its operations and maintenance procedures. District crews will survey main and laterals on an on-going basis.

**METHODS TO EVALUATE EFFECTIVENESS:** The accounting staff annually review the data records to confirm that the unaccounted for water losses stay under 6%.

**CONSERVATION SAVINGS:** unaccounted water losses have been reduced to about 3% per year.

### **BMP 4 -- Metering with Commodity Rates for All New Connections and Retrofit of Existing Connections**

**IMPLEMENTATION DESCRIPTION:** The District is fully metered for all customer sectors, including separate meters for single-family residential, commercial, large landscapes, and all institutional/governmental facilities.

The District has an inclining multi-block rate structure. A billing unit is one hundred cubic feet (748 gallons), commonly abbreviated HCF or CCF. For rate information, see BMP 11.

Under guidelines developed in 1989, the District has required irrigation meters for all large landscape customers, to separate outside from interior water use. The metering was done in partnership with the District and the landowners and completed January of 1992. During water shortages, this will help develop equitable rationing allocations for non-residential customers with both interior and landscape uses.

**IMPLEMENTATION SCHEDULE:** The District will continue to install and read meters on all new services, and will continue to conduct its meter calibration and replacement program, recent data has indicated that a majority of the meters selected for verification has shown the Districts meters are well within AWWA guidelines.

**METHODS TO EVALUATE EFFECTIVENESS:** Periodic review of customer water use, comparing current water use per capita with historic data.

**CONSERVATION SAVINGS:**

**BUDGET:** Meter installation costs are part of new service connection fees.

## **BMP 5 -- Large Landscape Conservation Programs and Incentives**

**IMPLEMENTATION DESCRIPTION:** Irrigation surveys are being conducted by Riverside-Corona Resource Conservation District.

**IMPLEMENTATION SCHEDULE AND METHODS TO EVALUATE EFFECTIVENESS:** The Riverside-Corona Resource Conservation Districts maintain these records.

**CONSERVATION SAVINGS:** Unknown

## **BMP 6 – High-Efficiency Washing Machine Rebate Programs**

**IMPLEMENTATION DESCRIPTION:** The California Urban Water Conservation Council is currently evaluating the effectiveness of this BMP.

**IMPLEMENTATION SCHEDULE:**

**METHODS TO EVALUATE EFFECTIVENESS:**

## **BMP 7 -- Public Information Programs**

**IMPLEMENTATION DESCRIPTION:** The District as a member of the Water Education Advisory Council of Western Riverside County promotes water conservation and other resource efficiencies in coordination with other water agencies. The District distributes public information through bill inserts, brochures, community speakers, paid advertising, and many special events every year. District water bills were redesigned in 1997 to show gallons used per day for the last billing period compared to the same period the previous year (previously, the bill only indicated total billing period usage in billing units (one hundred cubic feet of water, which is 748 gallons).

The District formed Advisory Committee, to assist in developing new ways to communicate with the public and the media about water conservation and other resource issues, as well as posting of information on the Districts website JCSD.US.

**IMPLEMENTATION SCHEDULE:** The District will continue to provide public information services and materials to remind the public about water and other resource issues, and has added a contract dialer for immediate notifications by account phone numbers.

**METHODS TO EVALUATE EFFECTIVENESS:** The District will track the commentary regarding the information provided.

**CONSERVATION SAVINGS:** The District has no method to quantify the savings of this BMP but believes that this program is in the public's best interest and continues to support these measures.

## **BMP 8 -- School Education Programs**

**IMPLEMENTATION DESCRIPTION:** The District continues to work with the Water Education Advisory Council of Western Riverside County and the school district to promote water conservation and other resource efficiencies at school facilities and to educate students about these issues.

The District provides educational materials for K-12 grade levels, State and County water system maps, posters, workbooks, interactive computer software, videos, tours (for example, Eastside Reservoir and the surrounding watershed, water and wastewater treatment facilities), and sponsors

teachers' Project Water Education for Teachers (WET) training, science fairs, water conservation contests, and mini-grant program for educators.

WEAC, the District, and the school district cooperatively established a high school water management/ ultra-low flush toilet distribution program. Selected students attend a workshop on conservation and leadership. These students became team leaders of an ultra low flush toilet replacement program. The team leaders then recruit other students who encourage parents and neighbors to participate in the program. Toilets are made available at the High School on designated dates, and customers can install them within two weeks or request student assistance for installation. When old toilets are returned to the High School for recycling the school receives \$15 for each toilet installed.

**IMPLEMENTATION SCHEDULE:** The District will continue to implement this BMP at the levels described.

**METHODS TO EVALUATE EFFECTIVENESS:** The District will continue to survey the institutions and educators on the number of programs, materials and attendance at water conservation activities.

**CONSERVATION SAVINGS:** The District has no method to quantify the savings of this BMP but believes that this program is in the public's best interest.

## **BMP 9 – Conservation Programs for Commercial, Industrial and Institutional (CII) Accounts**

**IMPLEMENTATION DESCRIPTION:** For the last several years, the District has provided water use audits to any commercial/ industrial/institutional (CII) customer who so requested. The District recently complete a computerized analysis of all CII customers by monthly and annual water usage, to identify the top 10% of the commercial customers and the top 20% of the industrial and institutional customers. The majority of the Districts CII customers are newly developed projects completed after 1992 and are equipped with low flow urinals and water closets.

**IMPLEMENTATION SCHEDULE and CONSERVATION SAVINGS:** The District will continue to implement this BMP at the annual target rate for at least the next five years.

## **BMP 10 – Wholesale Agency Assistance Programs**

**IMPLEMENTATION DESCRIPTION:** The District is not a Wholesale Agency

**IMPLEMENTATION SCHEDULE:** N/A

**METHODS TO EVALUATE EFFECTIVENESS:** N/A

**CONSERVATION SAVINGS:** N/A

## **BMP 11 -- Conservation Pricing**

**IMPLEMENTATION DESCRIPTION:** The District has a tier rate structure for all customers.

Sewer service is provided by the District, which has a flat rate for all customer types, except industrial customers, which are monitored for water quality, metered, and charged according to quality and volume of discharge.

**METHODS TO EVALUATE EFFECTIVENESS:** Monitor the number of violators who use water in excess of their established allotment.

**CONSERVATION SAVINGS:** The incentive of this BMP is to decrease the customer's water costs and water use through price incentives as described above.

**BUDGET:** Not tracked

## **BMP 12 – Conservation Coordinator**

**IMPLEMENTATION DESCRIPTION:** The Operations Manager is the designated Water Conservation Coordinator.

**IMPLEMENTATION SCHEDULE:** The District has permanently incorporated this BMP into its Public Relation and Education programs

**METHODS TO EVALUATE EFFECTIVENESS:** Various District personnel patrols, water running in streets, and curbs is investigated.

**CONSERVATION SAVINGS:** Not quantified.

## **BMP 13 -- Water Waste Prohibition**

**IMPLEMENTATION DESCRIPTION:** The District established a voluntary water conservation ordinance in 1991. See Appendix C for the Ordinance.

**IMPLEMENTATION SCHEDULE:** The District has permanently incorporated this BMP into its ordinances.

**METHODS TO EVALUATE EFFECTIVENESS:** N/A.

**CONSERVATION SAVINGS:** The District has no method to quantify the savings of this BMP but believes that this program is in the public's interest.

## **BMP 14 -- Residential ULFT Replacement Programs**

**IMPLEMENTATION DESCRIPTION:** The District has distributed 2,000 ULFT through a high-school give a way program. The program was contracted using outside consultants in coordination with the local high school. The recycled toilets were used as crushed aggregate road base.

The District continues to offer rebates to customers, has established a direct installation program, and has provided toilets and urinals for installation at public facilities including schools, libraries, and fire department facilities. BMP 14 is also implemented in coordination with BMP 1, BMP 2, and BMP 8. The District considers its ULFT program to be exemplary, because nearly 40% of the non-conserving toilets in the District have now been replaced with ultra-low flush models.

**IMPLEMENTATION SCHEDULE:** The District will continue to implement this BMP until the District's goal is met: at least 80% of all non-conserving and low-flush model toilets in the District will be replaced with ultra-low flush models.

<b>Table 9 ULFT Retrofit Program</b>	
<b>Year</b>	<b># of ULFT Retrofits</b>
1995	1,000
2000	1,000
2005	1,000e
e = estimate	

**METHODS TO EVALUATE EFFECTIVENESS:** The District will calculate annual ULFT replacement program water savings to confirm the savings are within 10% of calculated retrofit-on-resale water savings, using the CUWCC MOU Exhibit 6 methodology and water savings estimates. Exhibit 6 has become an industry standard for evaluation of ULFT replacement programs.

**CONSERVATION SAVINGS:** Unknown

# **Water Shortage Contingency Plan**

## **Preparation for Catastrophic Water Supply Interruption**

### **Law**

10632. The plan shall provide an urban water shortage contingency analysis, which includes each of the following elements, which are within the authority of the urban water supplier:

10632 (c) Actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.

### **Water Shortage Emergency Response**

In 1991, in accordance with the requirements of Assembly Bill 11X, the water, fire, and emergency services departments developed a comprehensive water shortage contingency plan, which was incorporated into the District's Emergency Response Plan in early 1992. The District's plan is consistent with provisions in the County's Emergency Response Plan. Both plans contain procedures for the distribution of potable water in a disaster; these procedures are consistent with guidelines prepared by the California State Office of Emergency Services.

In addition, specific water-critical customers (such as hospitals, nursing facilities, schools, and a few individual customers with medical conditions dependent on continuous water availability) have been identified. Likely potable water distribution sites have been identified. Standby procurement documents have been developed for emergency bulk purchase of bottled water; standby arrangements have also been made with several local trucking firms to provide tankers to distribute potable water (certified by the California Department of Health Services for safe transportation of potable water). All existing water supply storage, treatment, and distribution, and wastewater treatment facilities are now inspected monthly.

Be assured that the District recognizes the importance of the BMPs in reducing water demand and would continue to implement the programs. Also, the District would increase media attention to the water supply situation during a shortage and would step up public water education programs, encourage property owners to apply for a landscape and interior water use survey and continue to advertise the importance of customers to install ULF plumbing fixtures.

During declared shortages, or when a shortage declaration appears imminent, the Operations Manager, who serves as chair, activates a water shortage response team. The team includes: water, fire, planning, health, emergency services, public affairs, parks and recreation. During a declared water shortage, the District will accept applications for will serve letters but will not issue letters until the shortage declaration is rescinded.

### **Supplemental Water Supplies**

To offset future potential water shortages due to drought or disaster, the District is considering the following supplemental water supplies.

**Water Transfers**

See the Transfer or Exchange Opportunities section.

**Long Term Additional Water Supply Options**

The following table summarizes the actions the water agency will take during a water supply catastrophe.

<b>Table 10 Preparation Actions for a Catastrophe</b>	
<b>Examples of Actions</b>	<b>Check if Discussed</b>
Determine what constitutes a proclamation of a water shortage.	✓
Stretch existing water storage.	✓
Obtain additional water supplies.	✓
Develop alternative water supplies.	✓
Determine where the funding will come from.	✓
Contact and coordinate with other agencies.	✓
Create an Emergency Response Team/Coordinator.	✓
Create a catastrophe preparedness plan.	✓
Put employees/contractors on-call.	✓
Develop methods to communicate with the public.	✓
Develop methods to prepare for water quality interruptions.	✓

**Water Shortage Contingency Ordinance/Resolution**

**Law**

10632. The plan shall provide an urban water shortage contingency analysis, which includes each of the following elements, which are within the authority of the urban water supplier:

10632 (h) A draft water shortage contingency resolution or ordinance.

**Jurupa Community Services District Water Shortage Response**

**Stages of Action**

**Law**

10632. The plan shall provide an urban water shortage contingency analysis, which includes each of the following elements, which are within the authority of the urban water supplier:

10632 (a) Stages of action to be undertaken by the urban water supplier in response to water supply shortages, including up to a 50 percent reduction in water supply and an outline of specific water supply conditions which are applicable to each stage.

## **Rationing Stages and Reduction Goals**

The District has developed a three stage-rationing plan (see Table 11) to invoke during declared water shortages. The rationing plan includes voluntary and mandatory rationing, depending on the causes, severity, and anticipated duration of the water supply shortage.

<b>Table 11 Water Rationing Stages and Reduction Goals</b>			
<b>Shortage Condition</b>	<b>Stage</b>	<b>Customer Reduction Goal</b>	<b>Type of Rationing Program</b>
Up to 15%	I	15%	Voluntary
16 – 35%	II	35%	Mandatory
36 - 55%	III	55%	Mandatory

## **Priority by Use**

Priorities for use of available potable water during shortages were based on input from the District Emergency Response Team, citizen groups, and legal requirements set forth in the California Water Code, Sections 350-358. Water allocations are established for all customers according to the following ranking system:

- Minimum health and safety allocations for interior residential needs (includes single family, multi-family, hospitals and convalescent facilities, retirement and mobile home communities, and student housing, and fire fighting and public safety)
- Commercial, industrial, institutional/governmental operations (where water is used for manufacturing and for minimum health and safety allocations for employees and visitors), to maintain jobs and economic base of the community (not for landscape uses)
- Permanent agriculture (orchards, vineyards, and other commercial agriculture which would require at least five years to return to production).
- Annual agriculture (floriculture, strawberries, other truck crops)
- Existing landscaping
- New customers, proposed projects without permits when shortage declared.

Note: It is not expected that any potable water supply reductions could result in recycled water shortages.

## **Health and Safety Requirements**

Based on commonly accepted estimates of interior residential water use in the United States, Table 12 indicates per capita health and safety water requirements. In Stage I shortages, customers may adjust either interior or outdoor water use (or both), in order to meet the voluntary water reduction goal.

However, under Stage II and Stage III mandatory rationing programs, the District has established a health and safety allotment of 80 gpcd (which translates to 39 HCF per person per year), because that amount of water is sufficient for essential interior water with no habit or plumbing fixture changes. If customers wish to change water use habits or plumbing fixtures, 68 gpcd is sufficient to provide for limited non-essential (i.e. outdoor) uses.

**Table 12 Per Capita Health and Safety Water Quantity Calculations**

	<b>Non-Conserving Fixtures</b>		<b>Habit Changes 1</b>		<b>Conserving Fixtures 2</b>	
Toilets	6 flushes x 5.5 gpf	33.0	4 flushes x 5.5 gpf	22.0	5 flushes x 1.6 gpf	8.0
Shower	6 min x 4.0 gpm	24.0	4.5 min x 4.0 gpm	18.0	5 min x 2.0	10.0
Washer	12.5 gpcd	12.5	11.0 gpcd	11.0	11.5 gpcd	11.5
Kitchen	4.5 gpcd	4.5	4 gpcd	4.0	4 gpcd	4.0
Other	6 gpcd	6.0	4 gpcd	4.0	4 gpcd	4.0
Total (gpcd)		80		60		37.5
HCF per capita per year		39.0		29.0		18.0
1 Reduced shower use results from shorter and reduced flow. Reduced washer use results from fuller loads. 2 Fixtures include ULF 1.6 gpf toilets, 2.0 gpm showerheads and efficient clothes washers.						

### **Water Shortage Stages and Triggering Mechanisms**

As the water purveyor, the Jurupa Community Services District must provide the minimum health and safety water needs of the community at all times. The water shortage response is designed to provide a minimum of 50% of normal supply during a severe or extended water shortage. The rationing program triggering levels shown below were established to ensure that this goal is met.

Rationing stages may be triggered by a shortage in one water source or a combination of sources. Although an actual shortage may occur at any time during the year, a shortage (if one occurs) is usually forecasted by the Water Department on or about April 1 each year.

The District's potable water sources are groundwater, Desalters, and imported. Rationing stages may be triggered by a supply shortage or by contamination in one source or a combination of sources. Because shortages overlap Stages, triggers automatically implement the more restrictive Stage. Specific criteria for triggering the District's rationing stages are shown in Table 13.

<b>Table 13 Water Shortage Stages and Triggering Mechanisms</b>			
<b>Percent Reduction of Supply</b>	<b>Stage I Up to 15%</b>	<b>Stage II 16 - 35%</b>	<b>Stage III 36 – 50%</b>
<b>Water Supply Condition</b>			
Current Supply	Total supply is 85 – 90% of “normal.” And Below “normal” year is declared.  Or	Total supply is 65 – 85% of “normal.” Or Below “normal” year is declared  Or	Total supply is 50 – 65% of “normal.” Or Fourth consecutive below “normal” year is declared.  Or
Future Supply	Projected supply insufficient to provide 80% of “normal” deliveries for the next two years. Or	Projected supply insufficient to provide 75% of “normal” deliveries for the next two years.  Or	Projected supply insufficient to provide 65% of “normal” deliveries for the next two years.  Or
Groundwater	No excess groundwater pumping undertaken.  Or	First year of excess groundwater pumping taken, must be “replaced” within four years.  Or	Second year of excess groundwater pumping taken, must be “replaced” within four years.  Or
Water Quality	Contamination of 10% of water supply (exceeds primary drinking water standards)	Contamination of 20% of water supply (exceeds primary drinking water standards)	Contamination of 30% of water supply (exceeds primary drinking water standards)
Disaster Loss			Disaster Loss

**Water Allotment Methods**

The District has established the following allocation method for each customer type. See Appendix C for sample water shortage rationing allocation method.

- |                        |  |
|------------------------|--|
| Single Family          | Hybrid of Per-capita and Percentage Reduction                                    |
| Multifamily            | Hybrid of Per-capita and Percentage Reduction                                    |
| Commercial             | Percentage Reduction   |
| Industrial             | Percentage Reduction   |
| Gvt/Institutional      | Percentage Reduction   |
| Agricultural-Permanent | Percentage Reduction - vary by efficiency  |
| Agricultural-Annual    | Percentage Reduction - vary by efficiency  |
| Recreational           | Percentage Reduction - vary by efficiency  |
| New Customers          | Per-capita (no allocation for new landscaping during a declared water shortage.) |

## JURUPA COMMUNITY SERVICES DISTRICT 2005 URBAN WATER MANAGEMENT PLAN

Based on current and projected customer demand, Appendix C indicates the water allocated to each customer type by priority and rationing stage during a declared water shortage.

Individual customer allotments are based on a five-year period. This gives the District a more accurate view of the usual water needs of each customer and provides additional flexibility in determining allotments and reviewing appeals. However, no allotment may be greater than the amount used in the most recent year of the five-year base period.

The Operations Manager shall classify each customer and calculate each customer's allotment according to the Sample Water Rationing Allocation Method. The allotment shall reflect seasonal patterns. Customers shall be notified of their classification and allotment by mail before the effective date of the Water Shortage Emergency. New customers will be notified at the time the application for service is made. In a disaster, prior notice of allotment may not be possible; notice will be provided by other means. Any customer may appeal the Operations Manager's classification on the basis of use or the allotment on the basis of incorrect calculation.

## **Prohibitions, Consumption Reduction Methods and Penalties**

### **Law**

10632. The plan shall provide an urban water shortage contingency analysis, which includes each of the following elements, which are within the authority of the urban water supplier:

10632 (d) Additional, mandatory prohibitions against specific water use practices during water shortages, including, but not limited to, prohibiting the use of potable water for street cleaning.

10632 (e) Consumption reduction methods in the most restrictive stages. Each urban water supplier may use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use, are appropriate for its area, and have the ability to achieve a water use reduction consistent with up to a 50 percent reduction in water supply.

10632 (f) Penalties or charges for excessive use, where applicable.

### **Mandatory Prohibitions on Water Wasting**

<b>Table 14 Consumption Reduction Methods</b>	
<b>Examples of Consumption Reduction Methods</b>	<b>Stage When Method Takes Effect</b>
Demand reduction program	All stages
Reduce pressure in water lines	
Flow restriction	III
Restrict will serve letters	II, III
Restrict for only priority uses	
Use prohibitions	All stages
Water shortage pricing	All stages
Per capita allotment by customer type	III
Plumbing fixture replacement	
Voluntary rationing	I
Mandatory rationing	II, III
Incentives to reduce water consumption	
Education Program	All Stages
Percentage reduction by customer type	II, III
Other	
Other	

See Appendix C, the Voluntary conservation Ordinance and Moratorium on New Connections - which details the reduction methods - regarding Table 14.

### **Excessive Use Penalties**

## **Revenue and Expenditure Impacts and Measures to Overcome Impacts**

### **Law**

10632. The plan shall provide an urban water shortage contingency analysis, which includes each of the following elements, which are within the authority of the urban water supplier:

10632 (g) An analysis of the impacts of each of the actions and conditions described in subdivisions (a) to (f), inclusive, on the revenues and expenditures of the urban water supplier...

10632 (g) [An analysis of the impacts of each of the] proposed measures to overcome those [revenue and expenditure] impacts, such as the development of reserves and rate adjustments.

All surplus revenues that the District collects are currently used to fund the Rate Stabilization Fund, conservation, recycling, and other capital improvements. The District estimated projected ranges of water sales by shortage stage to best understand the impact each level of shortage will have on projected revenues and expenditures by each shortage stage.

## **Reduction Measuring Mechanism**

### **Law**

10632. The plan shall provide an urban water shortage contingency analysis, which includes each of the following elements, which are within the authority of the urban water supplier:

10632 (i) A mechanism for determining actual reductions in water use pursuant to the Urban water shortage contingency analysis.

### **Mechanism to Determine Reductions in Water Use**

Under normal water supply conditions, potable water production figures are recorded daily. Totals are reported weekly to the Operations Manager and incorporated into the water supply report.

During a Stage I or Stage II water shortage, daily production figures are reported to the Supervisor. The Supervisor compares the weekly production to the target weekly production to verify that the reduction goal is being met. Weekly reports are forwarded to the Water Department Manager and the Water Shortage Response Team. Monthly reports are sent to the Board of Directors. If reduction goals are not met, the Manager will notify the Board of Directors so that corrective action can be taken.

During a Stage III water shortage, the procedure listed above will be followed, with the addition of a daily production report to the Manager.

During emergency shortages, production figures are reported to the Supervisor hourly and to the Manager and the Water Shortage Response Team daily. Daily reports will also be provided to the Board of Directors.

# Water Recycling

## Wastewater System Description

### Law

10633. The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. To the extent practicable, the preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies and shall include all of the following:

10633 (a) A description of the wastewater collection and treatment systems in the supplier's service area...

## Participation in a Regional Recycled Water Planning

## Wastewater Treatment Processes

A schematic diagram showing wastewater treatment is attached (Appendix D). Current wastewater treatment at the WTP includes the following processes:

- 1) Primary Sedimentation
- 2) Activated Sludge
- 3) Chlorination/Dechlorination or Ozonation
- 4) Wastewater Quality
- 5) Wastewater Disposal

## Wastewater Generation, Collection & Treatment

### Law

10633. The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. To the extent practicable, the preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies and shall include all of the following:

10633 (a) A [...] quantification of the amount of wastewater collected and treated...

## **Recycled Water Optimization Plan**

### **LAW**

10633. The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. To the extent practicable, the preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies and shall include all of the following:

10633 (f) A plan for optimizing the use of recycled water in the supplier's service area, including actions to facilitate the installation of dual distribution systems and to promote recirculating uses.

### **Plan for Optimizing the Use of Recycled Water**

The District currently is in the Master planning stage for reclaimed and or recycled water along reverse frontages, and various parks within the Districts boundaries, we have installed non-treated wells within various parks to reduce the demand for treated water in these areas.

## APPENDIX A

### LIST OF GROUPS WHO RECEIVED COPIES OF THE DRAFT URBAN WATER MANAGEMENT PLAN AND OR COMMENTS

Riverside County Board Of Supervisors  
Clerk of the Board  
P O Box 1147  
Riverside, CA 92502-1147

City Clerk City of Ontario  
303 E. "B" Street, Civic Center  
Ontario, CA 91764-4196

City Clerk City of Chino Hills  
2001 Grand Avenue  
Chino Hills, CA 91709

City Clerk City of Chino  
5050 Schaefer Avenue  
Chino, CA 91710-5549

City Clerk City of Norco  
2870 Clark Avenue  
Norco, CA 92860

Mr. Arnold Rodriguez  
Santa Ana River Water Company  
P O Box 61  
Mira Loma, CA 91752

Mr. John Rossi General Manager  
Western Municipal Water District  
P O Box 5286  
Riverside, CA 92517-5286

Librarian Glen Avon Public Library  
9244 Galena  
Riverside, CA 92509

J. Steven Williams, P.E.  
Department of Health Services  
1350 Front St. Room 2050  
San Diego, CA 92101

Mr. Richard Atwater  
Inland Empire Utilities Agency  
6075 Kimball Avenue  
Chino, CA 91720

Mr. Daniel Cozad  
Santa Ana Watershed Project Authority  
11615 Sterling Avenue  
Riverside, CA 92403

Mr. Gerald Thibeault  
RWQCB Santa Ana Region  
3737 Main Street, Suite 500  
Riverside, CA 92501

Mr. Dave Inouye  
Department of Water Resources  
770 Fairmont Avenue  
Glendale, CA 91203-1035

Dave Lopez General Manager  
Rubidoux Community Services District

**LIST OF GROUPS WHO PARTICIPATED IN THE DEVELOPMENT  
OF THIS PLAN**

No outside responses.

## **APPENDIX B**

### **RESOLUTION TO ADOPT THE DRAFT URBAN WATER MANAGEMENT PLAN**

**RESOLUTION  
N0.1611**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
JURUPA COMMUNITY SERVICES DISTRICT TO  
ADOPT THE URBAN WATER MANAGEMENT PLAN**

**WHEREAS**, the California Legislature enacted Assembly Bill 797 (Water Code Section 10610 et seq., known as the Urban Water Management Planning Act) during the 1983-1984 Regular Session, and as amended subsequently, which mandates that every supplier providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre feet of water annually, prepare an Urban Water Management Plan, the primary objective of which is to plan for the conservation and efficient use of water; and

**WHEREAS**, the District is an urban supplier of water providing water to a population over 60,000; and

**WHEREAS**, the Plan shall be periodically reviewed at least once every five years, and that the District shall make any amendments or changes to its Plan which are indicated by the review; and

**WHEREAS**, the Plan must be adopted by December 31, 2005, after public review and hearing, and filed with the California Department of Water Resources within thirty days of adoption; and

**WHEREAS**, the District has therefore, prepared and circulated for public review a draft Urban Water Management Plan, and a properly noticed public hearing regarding said Plan was held by the Board of Directors on December 27, 2005; and posted on JCSD website for more than 30 (thirty) days.

**WHEREAS**, the Jurupa Community Services District did prepare and shall file said Plan with the California Department of Water Resources within thirty days of adoption.

**NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED  
by the Board of Directors of Jurupa Community Services District as follows:**

1. The 2005 Urban Water Management Plan is hereby adopted and ordered filed with the Secretary of the Board;
2. The General Manager is hereby authorized and directed to file the 2005 Urban Water Management Plan with the California Department of Water Resources within 30 days after this date;

The General Manager is hereby authorized and directed to implement the Water Conservation Programs as set forth in the 2005 Urban Water Management Plan, which includes water shortage contingency analysis and recommendations to the Board of Directors regarding necessary procedures, rules, and regulations to carry out effective and equitable water conservation and water recycling programs.

In a water shortage, the General Manager is hereby authorized to declare a Water Shortage Emergency according to the Water Shortage Stages and Triggers indicated in the Plan, and implement necessary elements of the Plan;

ADOPTED this 27th day of December 2005.



President of the Board of Directors

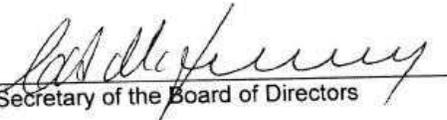


**CERTIFICATION**

I, Carole A. McGreevy, Secretary of the Board of Directors of Jurupa Community Services District, certify that the foregoing resolution was adopted by the Board of Directors at a regular meeting held on the 27<sup>th</sup> day of December 2005 by the following vote of the Directors:

<b>AYES:</b>	James C. Huber, Paul E. Hamrick, Kenneth J. McLaughlin, and Kathryn Bogart
<b>NOES:</b>	R.M. "Cook" Barela
<b>ABSENT:</b>	None
<b>ABSTAIN:</b>	None

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of Jurupa Community Services District, this 27<sup>th</sup> day of December 2005.

  
Secretary of the Board of Directors

(SEAL)

RV PUB/RTA/669913.1

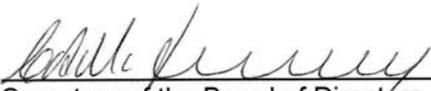
JURUPA COMMUNITY SERVICES DISTRICT 2005 URBAN WATER MANAGEMENT PLAN

STATE OF CALIFORNIA    )  
  ) ss.  
COUNTY OF RIVERSIDE    )

I, CAROLE A. MC GREEVY, Secretary of the Board of Directors of the Jurupa Community Services District, do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. 1611.

DATED: 27<sup>th</sup> day of December 2005.

(SEAL)

  
\_\_\_\_\_  
Secretary of the Board of Directors

## **APPENDIX C**

### **MORATORIUM ON NEW CONNECTIONS DURING A WATER SHORTAGE**

<b>Table 14 Consumption Reduction Methods</b>	
<b>Examples of Consumption Reduction Methods</b>	<b>Stage When Method Takes Effect</b>
Demand reduction program	All stages
Reduce pressure in water lines	
Flow restriction	III
Restrict will serve letters	II, III
Restrict for only priority uses	
Use prohibitions	All stages
Water shortage pricing	All stages
Per capita allotment by customer type	III
Plumbing fixture replacement	
Voluntary rationing	I
Mandatory rationing	II, III
Incentives to reduce water consumption	
Education Program	All Stages
Percentage reduction by customer type	II, III
Other	
Other	

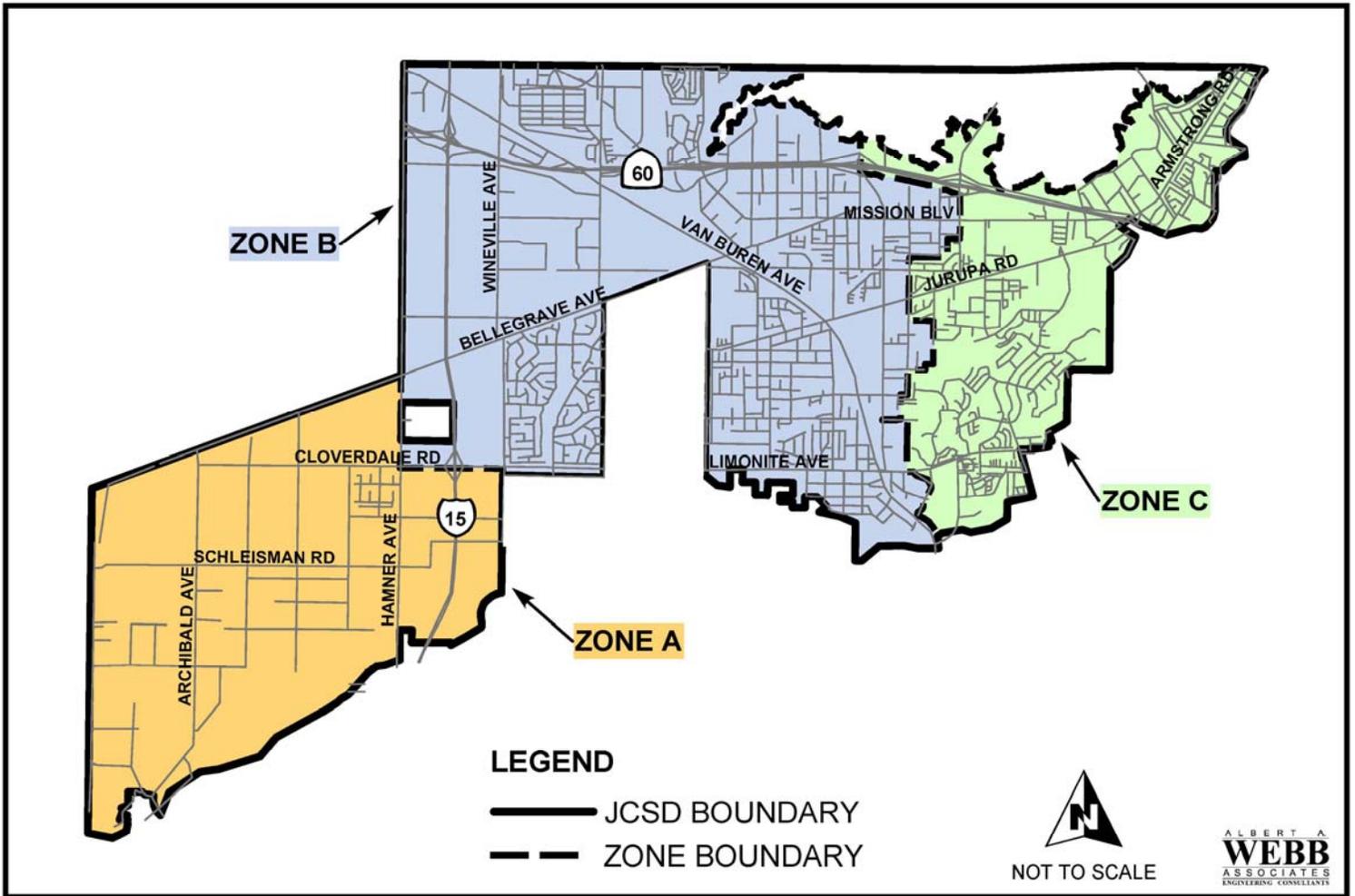
## **APPENDIX D**

### **WASTEWATER TREATMENT PROCESSES AND PARKS IRRIGATION INFORMATION**

Jurupa Community Services District is currently working on a master plan. Three (3) parks currently use untreated water from on-site wells.

# APPENDIX E

## District Boundary Map



# **APPENDIX F**

## **WATER PURCHASE AGREEMENT**

### **BETWEEN**

**CHINO BASIN DESALTER AUTHORITY & JURUPA COMMUNITY SERVICES  
DISTRICT**

EXECUTION COPY

WATER PURCHASE AGREEMENT

Dated as of January 15, 2002

By and Between

CHINO BASIN DESALTER AUTHORITY

and

JURUPA COMMUNITY SERVICES DISTRICT

DOCSOC\832552\16\24429.0003

JURUPA COMMUNITY SERVICES DISTRICT 2005 URBAN WATER MANAGEMENT PLAN

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WATER PURCHASE AGREEMENT

This Agreement, dated as of January 15, 2002, by and between the Chino Basin Desalter Authority (the "Authority"), a joint exercise of powers agency duly organized and existing pursuant to Article 1, Chapter 5, Division 7, Title 1 of the Government Code (the "Joint Powers Act"), commencing with Section 6500, and the Jurupa Community Services District (the "Purchaser"), a community services district created pursuant to the constitution and laws of the State of California.

WITNESSETH:

WHEREAS, the Purchaser and certain other water purveyors in the Chino Basin have entered into the Integrated Chino-Arlington Desalters System Term Sheet (the "Term Sheet") pursuant to which such water purveyors have made a contractual commitment to purchase desalted water from certain desalting facilities (capitalized terms used herein and not otherwise defined shall have the meanings set forth below);

WHEREAS, in order for the Purchaser to receive desalter water, certain facilities described in the Term Sheet and comprising the Project must be acquired and constructed by the Authority;

WHEREAS, the Authority and the Purchaser now wish to enter into this Agreement to provide for the acquisition, construction, operation and financing of the Project, for the sale by the Authority to the Purchaser of the Purchaser's Project Allotment and certain other matters;

NOW THEREFORE, the parties hereto do agree as follows:

Section 1. Definitions.

The following terms shall, for all purposes of this Agreement have the following meanings:

"Authority" shall have the meaning assigned thereto in the preamble hereto.

"Authority Bonds" means bonds, notes or other evidences of indebtedness issued by or on behalf of the Authority to finance or refinance the Project.

"Authority Fiscal Year" means the twelve month period commencing on July 1 of each calendar year and ending on the following June 30 or such other twelve month period which may be designated by the Authority as its fiscal year.

"Bonds" mean all bonds, notes or similar obligations (but not including Contracts) of the Purchaser authorized and issued by the Purchaser under and pursuant to applicable laws of the State of California after the date of execution of this Agreement, the principal of and interest on which are an operation and maintenance expense of the Purchaser Water System determined in accordance with generally accepted accounting principles and which are secured by a pledge or a lien on Purchaser Net Water System Revenues and which are on a parity with the obligations of the Purchaser under this Agreement.

"Bond Resolution" means the resolution or resolutions providing for the issuance of Authority Bonds and the terms thereof, and any indenture or trust agreement related thereto.

“Contract Payments” means:

- (1) the interest payable during such Purchaser Fiscal Year on all outstanding Bonds, assuming that all outstanding term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is to be paid from the proceeds of the sale of any Bonds);
- (2) that portion of the principal amount of all outstanding serial Bonds maturing during such Purchaser Fiscal Year;
- (3) that portion of the principal amount of all outstanding term Bonds required to be redeemed or paid during such Purchaser Fiscal Year; and
- (4) that portion of payments under Contracts (other than under this Agreement) constituting principal and interest required to be made at the times provided in the Contracts.

“Contracts” means this Agreement and all contracts of the Purchaser authorized and executed by the Purchaser under and pursuant to the applicable laws of the State of California after the date of execution of this Agreement, the payments under which are an operation and maintenance expense of the Purchaser Water System determined in accordance with generally accepted accounting principles and which are secured by a pledge of or lien on the Purchaser Net Water System Revenues and which are on a parity with the obligations of the Purchaser under this Agreement.

“Debt Service” means, as of the date of calculation and with respect to Authority Bonds, an amount equal to the sum of (i) interest payable during such Authority Fiscal Year on Authority Bonds, except to the extent that such interest is to be paid from capitalized interest, (ii) that portion of principal of Authority Bonds payable during such Authority Fiscal Year, (iii) amounts necessary to replenish the Reserve Fund created pursuant to the Bond Resolution, and (iv) all letters of credit and other financing costs payable on a periodic basis. Such interest, principal installments and financing costs for such series shall be calculated on the assumption that no Authority Bonds outstanding at the date of calculation will cease to be outstanding except by reason of the payment of principal on the due date thereof;

provided further that, as to any such Authority Bonds bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall be one hundred ten percent (110%) of the greater of (a) the daily average interest rate on such Authority Bonds during the twelve (12) calendar months preceding the date of calculation (or the portion of the then current Authority Fiscal Year that such Authority Bonds have borne interest) or (b) the most recent effective interest rate on such Authority Bonds prior to the date of calculation; and

provided further that, as to any such Authority Bonds or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Authority Bonds or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Authority Bonds for which such debt service reserve fund was established and in each preceding Authority Fiscal Year until such amount is exhausted.

JURUPA COMMUNITY SERVICES DISTRICT 2005 URBAN WATER MANAGEMENT PLAN

“Facilities Acquisition Agreement” means the Facilities Acquisition Agreement, dated as of January 15, 2002, by and between SAWPA and the Authority, as such Facilities Acquisition Agreement may be amended or supplemented from time-to-time.

“Fixed Project Costs” means capital costs, including Debt Service, and reserves for repair and replacement and improvement to the Project and for payment of Debt Service of the Project, and all other amounts paid by the Authority other than Variable O&M Costs and Fixed O&M Costs.

“Fixed O&M Costs” means operation, maintenance, power, replacement and other costs, including Project Operation and Maintenance Expenses and a reasonable reserve for contingencies, in each case incurred by the Authority with respect to the Project, irrespective of the amount of water delivered to the Project Participants, including but not limited to amounts required to be deposited in the Member Replacement Fund, and amounts payable to Jurupa Community Services District under the Agreement By And Between The Chino Basin Desalter Authority, Jurupa Community Services District, The City Of Ontario, The City Of Norco And Santa Ana River Water Company Providing For The Transportation Of Chino II Desalter Water.

“Independent Certified Public Accountant” means any firm of certified public accountants appointed by the Purchaser, or the Authority, as the case may be, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

“Joint Powers Agreement” means the Joint Exercise of Powers Agreement creating the Chino Basin Desalter Authority, as such agreement may be amended or supplemented from time to time.

“Project” means certain facilities necessary to deliver desalted water to the Project Participants, including the following: (i) the Chino I Desalter, (ii) the Chino I Expansion facilities, (iii) Chino II Desalter; and (iv) water pipelines, electric generators and associated facilities. The Authority and the Purchaser acknowledge that portions of the Project are currently being designed and that the definition of the Project may be revised from time-to-time prior to commencement of construction as provided in Section 4 hereof without amendment to this Agreement.

“Project Allotment” means 8,200 acre-feet of desalted water per year.

“Project Operation and Maintenance Expenses” means the actual costs spent or incurred by the Authority for maintaining and operating the Project, calculated in accordance with generally accepted accounting principles and Section 9 hereof, including (among other things) the expenses of management and repair and other expenses necessary to maintain and preserve the Project, in good repair and working order, and including administrative costs of the Authority, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the Authority, or charges required to be paid by it to comply with the terms of the Authority Bonds or of this Agreement, but excluding in all cases (i) depreciation, replacement and obsolescence charges or reserves therefor, (ii) amortization of intangibles or other bookkeeping entries of a similar nature, (iii) costs of capital additions, replacements, betterments, extensions or improvements to the Project, which under generally accepted accounting principles are chargeable to a capital account or to a reserve for depreciation and (iv) Debt Service.

JURUPA COMMUNITY SERVICES DISTRICT 2005 URBAN WATER MANAGEMENT PLAN

“Project Participant” mean the Purchaser and each entity listed in Exhibit A hereto executing Water Purchase Agreements with the Authority.

“Purchaser” shall have the meaning assigned thereto in the preamble hereto.

“Purchaser Fiscal Year” means the twelve month period commencing on July 1 of each year and ending on the following June 30 or such other twelve month period which may be designated by the Purchaser as its fiscal year.

“Purchaser Net Water System Revenues” means, for any Purchaser Fiscal Year, the Purchaser Water System Revenues for such Purchaser Fiscal Year less the Purchaser Operation and Maintenance Expenses for such Purchaser Fiscal Year.

“Purchaser Operation and Maintenance Expenses” means the costs spent or incurred by the Purchaser for maintaining and operating the Purchaser Water System, calculated in accordance with generally accepted accounting principles, including (among other things) the expenses of management and repair and other expenses necessary to maintain and preserve the Purchaser Water System, in good repair and working order, and including administrative costs of the Purchaser, salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and all other reasonable and necessary costs of the Purchaser, but excluding in all cases (i) depreciation, replacement and obsolescence charges or reserves therefor, (ii) amortization of intangibles or other bookkeeping entries of a similar nature, and (iii) charges for the payment of principal and interest on Bonds or Contracts.

“Purchaser Share” means the Purchaser’s Project Allotment divided by the sum of all Project Participants’ Project Allotments, all as set forth as Exhibit A hereto.

“Purchaser Water System” means properties and assets, real and personal, tangible and intangible, of the Purchaser now or hereafter existing, used or pertaining to the acquisition, treatment, reclamation, transmission, distribution and sale of water, including all additions, extensions, expansions, improvements and betterments thereto and equipment relating thereto; provided, however, that to the extent the Purchaser is not the sole owner of an asset or property or to the extent that an asset or property is used in part for the above described water purposes, only the Purchaser’s ownership interest in such asset or property or only the part of the asset or property so used for water purposes shall be considered to be part of the Purchaser Water System.

“Purchaser Water System Revenues” means the income, rents, rates, fees, charges, and other moneys derived by the Purchaser from the ownership or operation of Purchaser Water System including, without limiting the generality of the foregoing, (i) all income, rents, rates, fees, charges or other moneys derived from the sale, furnishing, and supplying of water and other services, facilities, and commodities sold, furnished, or supplied through the facilities of Purchaser Water System, including standby and availability charges, capital water facilities fees for design, construction and reconstruction expenses, development fees and other fees allocable to the Purchaser Water System, (ii) taxes or assessments as may be imposed if the levy thereof and payment hereunder is permitted by law, and (iii) the earnings on and income derived from amounts set forth in clauses (i) and (ii) above, and shall not include (y) customers’ deposits or any other deposits subject to refund until such deposits have become the property of the Purchaser and (z) proceeds of any taxes or assessments except taxes or assessments described in clause (ii) above.

JURUPA COMMUNITY SERVICES DISTRICT 2005 URBAN WATER MANAGEMENT PLAN

“SAWPA” means the Santa Ana Watershed Project Authority, a joint exercise powers agency, including the successors and assigns thereof.

“Term Sheet” shall have the meaning assigned thereto in the preamble hereto.

“Trustee” means the entity or entities designated by the Authority pursuant to any Bond Resolution to administer any funds or accounts required by such Bond Resolution or otherwise.

“Variable O&M Costs” means the operation, maintenance, power, replacement and other costs, including Project Operation and Maintenance Expenses incurred by the Authority in connection with the Project in an amount which is dependent upon and varies with the amount of water delivered to the Project Participants.

“Water Purchase Agreement” means this Agreement and each Water Purchase Agreement by and between the Authority and a Project Participant, as the same may be amended or supplemented from time to time.

Section 2. Purpose.

The purpose of this Agreement is for the Authority to sell Project Allotment to the Purchaser, to deliver Project Allotment to the Purchaser available from the Project, to provide the terms and conditions of such delivery and sale and to provide for the acquisition, construction and financing of the Project. The parties hereto confirm that this Agreement constitutes a contractual right to purchase desalted water and that no water right is being transferred by the Authority to any Project Participant under this Agreement.

Section 3. Financing, Construction and Operation.

The Authority will use its best efforts to cause or accomplish the acquisition, construction, operation and financing of the Project, the obtaining of all necessary authority and rights, consents and approvals, and the performance of all things necessary and convenient therefor, subject to compliance with all necessary federal and state laws, including but not limited to the California Environmental Quality Act (“CEQA”), the terms and conditions of the Authority’s permits and licenses and all other agreements relating thereto.

Section 4. Delivery of Water.

(a) Request by Purchaser. Pursuant to the terms of this Agreement, the Authority shall provide to the Purchaser, and the Purchaser shall take, or cause to be taken, in each Authority Fiscal Year an amount of water equal to the Purchaser’s Project Allotment unless the Purchaser notifies the Authority, pursuant to procedures to be developed by the Authority, that the Purchaser requires an amount of water less than the Purchaser’s Project Allotment. Subject to the Project Participant’s payment obligations hereunder, the Authority agrees to use its best efforts to deliver desalted water pursuant to this Agreement meeting the water quality standards set forth in Section 5.3 of the Joint Powers Agreement and all applicable local, state and federal water quality standards as such standards may be in effect from time to time.

(b) Points of Delivery; Flow Rate. The Authority will deliver or cause to be delivered to or for the account of the Purchaser the amount of water specified in each request at a flow rate and through delivery structures at a point along the Project to be agreed upon by the Authority and the

Purchaser. The Authority will remain available to make or cause to be made all necessary and possible arrangements for transmission and delivery of such water in accordance with this Agreement.

(c) Delivery of Water Not Delivered in Accordance with Schedule. If in any Authority Fiscal Year the Authority, as a result of causes beyond its control, is unable to deliver any portion of the Purchaser's Project Allotment for such Authority Fiscal Year as provided for in the delivery schedule established for that Authority Fiscal Year, the Purchaser may elect to receive the amount of water which otherwise would have been delivered to it during such period at other times during the Authority Fiscal Year or subsequent to such Authority Fiscal Year, to the extent that such water is then available and such election is consistent with the Authority's overall delivery ability, considering the then current delivery schedules of all Project Participants and the Authority.

(d) SARWC Request. Pursuant to the Joint Powers Agreement, if Santa Ana River Water Company cannot receive the full 1,200 acre feet of water allocated thereto as provided in the Term Sheet, then Jurupa Community Services District and the City of Ontario will abate their deliveries of water from the Project on a pro-rata basis to ensure that Santa Ana River Water Company can receive the full 1,200 acre feet of water from the Authority for such year. Notwithstanding the foregoing, Jurupa Community Services District and the City of Ontario shall only have such obligation if Santa Ana River Water Company's demand for water is constant or at a "steady-rate" of 744 gpm.

Section 5. Curtailment of Delivery for Maintenance Purposes.

(a) Authority May Curtail Deliveries. The Authority may temporarily discontinue or reduce the delivery of water to the Purchaser hereunder for the purposes of necessary investigation, inspection, maintenance, repair, or replacement of any of the Project facilities necessary for the delivery of water to the Purchaser. The Authority shall notify the Purchaser as far in advance as possible of any such discontinuance or reduction, except in cases of emergency, in which case notice shall be given as soon thereafter as possible.

(b) Purchaser May Receive Later Delivery of Water Not Delivered. In the event of any discontinuance or reduction of delivery of water pursuant to subsection (a) of this Section, the Purchaser may elect to receive the amount of water which otherwise would have been delivered to it during such period under the water delivery schedule for that Authority Fiscal Year at other times during the Authority Fiscal Year or subsequent to such Authority Fiscal Year to the extent that such water is then available and such election is consistent with the Authority's overall delivery ability, considering the then current delivery schedules of all Project Participants and the Authority.

Section 6. Shortage in Water Supply.

In any Authority Fiscal Year in which there may occur a shortage or interruption in the supply of water available for delivery to the Project Participants, including but not limited to shortages or interruptions caused by changes in laws, regulations or rulings relating to or affecting the Authority's permits and licenses, with the result that such supply is less than the total of the annual Project Allotments of all Project Participants for that Authority Fiscal Year, the Authority shall reduce the delivery of water to the Purchaser in accordance with the Joint Powers Agreement.

Section 7. Measurement of Water Delivered.

The Authority shall measure, or cause to be measured, all water delivered to the Purchaser and shall keep and maintain accurate and complete records thereof. For this purpose and in accordance with Section 4 hereof, the Authority shall install, operate, and maintain, or cause to be installed, operated and maintained, at all delivery structures for delivery of water to the Purchaser at the point of delivery determined in accordance with Section 4(b) such measuring devices and equipment as are satisfactory and acceptable to both parties. Said devices and equipment shall be examined, tested, and serviced by the Authority regularly to insure their accuracy. At any time or times, the Purchaser may inspect such measuring devices and equipment, and the measurements and records taken therefrom.

Section 8. Responsibility for Delivery and Distribution of Water.

(a) Neither the Authority nor any of its officers or agents shall be liable for the control, carriage, handling, use, disposal, or distribution of water supplied to the Purchaser after such water has passed the points of delivery established in accordance with Section 4(b) hereof; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal or distribution of such water beyond said points of delivery and including attorneys fees and other costs of defense in connection therewith; the Purchaser shall indemnify and hold harmless the Authority and its officers, agents, and employees from any such damages or claims of damages.

(b) Neither the Purchaser nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of water supplied to the Purchaser until such water has passed the points of delivery established in accordance with Section 4(b) hereof; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal or distribution of such water prior to such water passing said points of delivery and including attorneys fees and other costs of defense in connection therewith; the Authority shall indemnify and hold harmless the Purchaser and its officers, agents, and employees from any such damages or claims of damages.

Section 9. Rates and Charges.

(a) Establishment of Rates and Charges. The Authority shall fix charges to the Purchaser under this Agreement to produce revenues to the Authority from the Project equal to the amounts anticipated to be needed by the Authority to pay the actual cost of producing the Purchaser's Project Allotment, which shall include the following costs of the Authority to deliver the Purchaser's Project Allotment through the Project: (i) Fixed Project Costs, (ii) Fixed O&M Costs and (iii) Variable O&M Costs.

(b) Insufficiency of Funds. If Fixed Project Costs, Fixed O&M Costs and Variable O&M Costs collected by the Authority are insufficient to operate and maintain the Project as contemplated under the Joint Powers Agreement, the Authority shall notify the Purchaser of such insufficiency and the Purchaser shall pay to the Authority an amount of such insufficiency equal to such insufficiency multiplied by the Purchaser Share. The obligation of the Purchaser to pay Fixed Project Costs and Fixed O&M Costs shall commence and continue to exist and be honored by the Purchaser whether or not water is furnished to it from the Project at all times or at all (which

provision may be characterized as an obligation to pay all costs on a take-or-pay basis whether or not water is delivered or provided and whether or not the Project is completed or is operable).

(c) Source of Payments. The obligation of the Purchaser to make payments under this Agreement is a limited obligation of the Purchaser and not a general obligation thereof. The Purchaser shall make payments under this Agreement solely from Purchaser Water System Revenues as a Purchaser Operation and Maintenance Expense. The Purchaser shall make such payments on a parity with other Purchaser Operation and Maintenance Expenses and prior to any other payments other than Bonds or Contracts. Nothing herein shall be construed as prohibiting (i) the Purchaser from using any other funds and revenues for purposes of satisfying any provisions of this Agreement or (ii) from incurring obligations payable on a parity with the obligations under this Agreement so long as the Purchaser complies with Section 13(a) hereof.

(d) Obligation Is Not Subject To Reduction. The Purchaser shall make payments of Fixed Project Costs and Fixed O&M Costs under this Agreement whether or not the Project is completed, operable, operated or retired and notwithstanding the suspension, interruption, interference, reduction or curtailment of operation of the Project or of water contracted for in whole or in part for any reason whatsoever. Such payments are not subject to any reduction, whether offset or otherwise, and are not conditioned upon performance by the Authority or any other Project Participant under this Agreement or any other agreement.

(e) Several Obligation. The Purchaser shall not be liable under this Agreement for the obligations of any other Project Participant. The Purchaser shall be solely responsible and liable for performance of its obligations under this Agreement. The obligation of the Purchaser to make payments under this Agreement is a several obligation and not a joint obligation with those of the other Project Participants.

(f) Allocation of Costs and Expenses.

The Authority shall not allocate costs and expenses in any way which discriminates among Project Participants.

(i) Method of Computation of Fixed Project Costs and Fixed O&M Costs. The Fixed Project Costs shall be sufficient to return to the Authority those capital costs of the Authority necessary to deliver water to the Purchaser and operation, maintenance, power, replacement and other costs. The Fixed O&M Costs shall be sufficient to return to the Authority Project Operation and Maintenance Expenses and a reasonable reserve for contingencies, in each case incurred by the Authority with respect to the Project, irrespective of the amount of water delivered to the Project Participants. The total amount of Fixed Project Costs shall be allocated to the Purchaser by multiplying the Purchaser Share times all Fixed Project Costs. The total amount of Fixed O&M Costs shall be allocated to the Purchaser by multiplying the Purchaser Share times all Fixed O&M Costs.

(ii) Method of Computation of Variable O&M Costs. The Variable O&M Costs shall return to the Authority those costs of the Project which constitute Variable O&M Costs. There shall be computed for the Project a charge per acre-foot of water which will return to the Authority the total projected Variable O&M Costs of the Project for each Authority Fiscal Year. The parties confirm that if the Purchaser complies with the notice requirement of

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Section 4(a), no Variable O&M Costs will be allocated to the Purchaser for the portion of Project Allotment not produced by the Authority for the Purchaser.

(iii) Adjustments. The Authority shall update the values and amounts of Fixed Project Costs, Fixed O&M Costs and Variable O&M Costs on a quarterly basis, including year-to-date comparisons to the approved Project budget in order that the costs and expenses to the Purchaser may accurately reflect increases or decreases from Authority Fiscal Year to Authority Fiscal Year in Fixed Project Costs, Fixed O&M Costs and Variable O&M Costs. In addition, each such determination shall include an adjustment to be paid or received by the Purchaser for succeeding Authority Fiscal Years which shall account for the differences, if any, between projections of Fixed Project Costs, Fixed O&M Costs and Variable O&M Costs used by the Authority in determining the amounts of said Fixed Project Costs, Fixed O&M Costs and Variable O&M Costs for all preceding Authority Fiscal Years and actual Fixed Project Costs, Fixed O&M Costs and Variable O&M Costs incurred by the Authority for water delivered to the Purchaser during such Authority Fiscal Years.

(iv) Interest Earnings. Interest earnings on all amounts paid by the Purchaser to the Authority shall be credited to the Purchaser through the budgeting process.

(g) Time and Method of Payment.

(i) Fixed Project Costs and Fixed O&M Costs. The Purchaser shall pay to the Authority, on or before June 30 of each Authority Fiscal Year, 100% of the charge to the Purchaser for the next succeeding Authority Fiscal Year of the Fixed Project Costs and Fixed O&M Costs; provided that the Purchaser shall not be obligated to pay Fixed Project Costs or Fixed O&M Costs for any Authority Fiscal Year prior to the Authority Fiscal Year the Purchaser is first scheduled to receive Purchaser's Project Allotment.

(ii) Variable O&M Costs. The Purchaser shall pay to the Authority the charges to the Purchaser for the Variable O&M Costs on the date the Chino 1 Desalter is acquired by the Authority and thereafter for the three-month period commencing on the next succeeding January 1, April 1, July 1 or October 1 so that the Authority receives quarterly payments of Variable O&M Costs three months in advance of the time when such Variable O&M Costs will begin to be incurred by the Authority.

(iii) Statement of Charges. The Authority shall furnish the Purchaser with a written statement of the estimated Fixed Project Costs for the next succeeding Authority Fiscal Year, taking into account applicable credits received by the Authority and estimated investment earnings on moneys related to the Project held by the Authority. The Authority shall, on or before March 15, June 15, September 15 and December 15 of each Authority Fiscal Year, commencing on the date the Chino 1 Desalter is acquired by the Authority, furnish the Purchaser with a statement of the charges to the Purchaser for the Variable O&M Costs for the three-month period commencing on the July 1, October 1, January 1 or April 1, commencing three and one-half months subsequent to such date.

(iv) Contest of Accuracy of Charges. If the Purchaser questions or disputes the correctness of any billing statement by the Authority, it shall pay the Authority the amount claimed when due and shall, within thirty (30) days of the completion and delivery of the Authority's annual audit, request an explanation from the Authority. If the bill is determined

to be incorrect, the Authority will adjust the bill to the Purchaser in the next Authority Fiscal Year, including an adjustment equal to the interest actually earned by the Authority on its general reserves during such period. If the Authority and the Purchaser fail to agree on the correctness of a bill within thirty (30) days after the Purchaser has requested an explanation, the parties shall promptly submit the dispute to arbitration under Section 1280 et seq. of the Code of Civil Procedure.

Section 10. Annual Budget and Billing Statement.

The Authority will prepare and approve a budget for the period from the date of acquisition of the Chino 1 Desalter through June 30, 2002 on or prior to acquisition of the Chino 1 Desalter. Such initial budget shall include all Variable O&M Costs, Fixed O&M Costs and Fixed Project Costs. Thereafter, the Authority will prepare a preliminary annual budget for each applicable Authority Fiscal Year for credits, costs and expenses relating to the Project, including Variable O&M Costs and Fixed Project Costs. The Authority shall submit a draft of such budget to the Purchaser on or prior to each April 1 for review and comment. Authority staff shall use its best efforts to resolve any questions or concerns caused by a Project Participant during such review. The Board of Directors of the Authority will adopt a final annual budget for the applicable Authority Fiscal Year on or before June 1 of each Authority Fiscal Year after at least one public hearing on the budget and shall allow any Project Participant which may object to any provision of the budget to present such objection during such hearing. The Authority shall supply a copy of said final annual budget to the Purchaser on or before June 15 of each Authority Fiscal Year. Any amendment to the budget shall be submitted to the Purchaser for review and comment at least 30 days prior to action thereon by the Authority Board of Directors. Any such amendment shall be subject to the same hearing requirements applicable to the budget set forth above.

Section 11. Obligation in the Event of Default.

(a) Written Demand. Upon failure of the Purchaser to (i) make any payment in full when due under this Agreement or (ii) to perform any other obligation hereunder, the Authority shall make written demand upon the Purchaser. If a failure described in clause (i) above is not remedied within thirty (30) days from the date of such demand or, if Authority Bonds are outstanding, for such additional time as is reasonably required, in the sole discretion of the Trustee, to correct the same, such failure shall constitute a default at the expiration of such period. If a failure described in clause (ii) cannot be remedied within thirty (30) days from the date of such demand but the Purchaser commences remedial action within such thirty (30) day period, such failure shall not constitute a default hereunder. Notice of any such demand shall be provided to each other Project Participant by the Authority. Upon failure of the Authority to perform any obligation of the Authority hereunder, the Purchaser shall make written demand upon the Authority, and if said failure is not remedied within thirty (30) days from the date of such demand or, if Authority Bonds are outstanding, for such additional time as is reasonably required, in the sole discretion of the Trustee, to correct the same, such failure shall constitute a default at the expiration of such period. Notice of such demand shall be provided to each Project Participant by the Purchaser making such written demand.

In addition to any default resulting from breach by the Authority or the Purchaser of any agreement, condition, covenant or term hereof, if the Authority or the Purchaser shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the

Authority or the Purchaser asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension of time to pay its debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if the Authority or the Purchaser shall make a general or any assignment for the benefit of its creditors, then in each and every such case the Authority or the Purchaser, as the case may be, shall be deemed to be in default hereunder.

(b) Transfer for Defaulting Purchaser's Account. Upon the failure of the Purchaser to make any payment which failure constitutes a default under this Agreement, the Authority shall use its best efforts to transfer for the Purchaser's account all or a portion of the Purchaser's Project Allotment for all or a portion of the remainder of the term of this Agreement. Notwithstanding that all or any portion of the Purchaser's Project Allotment is so transferred, the Purchaser shall remain liable to the Authority to pay the full amount of its share of costs hereunder as if such sale or transfer has not been made, except that such liability shall be discharged to the extent that the Authority shall receive payment from the transferee thereof.

(c) Termination of Entitlement to Project Allotment; Continuing Obligations. Upon the failure of the Purchaser to make any payment which failure constitutes a default under this Agreement and causes the Authority to be in default under any Bond Resolution, the Authority may (in addition to the remedy provided by subsection (b) of this Section) give notice of termination of the provisions of this Agreement insofar as the same entitle the Purchaser to its Project Allotment which notice shall be effective within 30 days thereof unless such termination shall be enjoined, stayed or otherwise delayed by judicial action. Irrespective of such termination, the Purchaser shall remain liable to the Authority to pay the full amount of costs hereunder.

(d) Enforcement of Remedies. In addition to the remedies set forth in this Section, upon the occurrence of an Event of Default as defined herein, the Authority or the Purchaser, as the case may be, shall be entitled to proceed to protect and enforce the rights vested in such party by this Agreement by such appropriate judicial proceeding as such party shall deem most effectual, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained herein or to enforce any other legal or equitable right vested in such party by this Agreement or by law. The provisions of this Agreement and the duties of each party hereof, their respective boards, officers or employees shall be enforceable by the other party hereto by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction, with the losing party paying all costs and attorney fees.

(e) Trustee is Third Party Beneficiary. Any Trustee for Authority Bonds shall have the right, as a third party beneficiary, to initiate and maintain suit to enforce this Agreement to the extent provided in any Bond Resolution.

Section 12. Transfers, Sales and Assignments of Project Allotment or Purchaser Water System.

(a) Transfer of Project Allotment. The Purchaser has rights to make transfers, sales, assignments and exchanges (collectively "transfers") of its Project Allotment or its rights or obligations with respect thereto only as expressly provided in this Section. In no event shall any sale or other disposition of all or any portion of the Purchaser's Project Allotment relieve the Purchaser of

any of its obligations hereunder. The Purchaser shall give notice to the Authority in accordance with rules and regulations approved by the Authority from time to time.

(b) Sale or Other Disposition of Project Allotment. If in any Fiscal Year the Purchaser determines in accordance with 4(a) not to receive all of the Project Allotment, the Authority shall offer such portion of the Project Allotment to the State of California at a price to be determined by the Authority. If the State of California declines to purchase such Project Allotment, the Purchaser shall have the right to sell such portion of the Project Allotment to another Project Participant or an entity which is not a Project Participant. No such sale of the Project Allotment shall relieve the Purchaser of any of its obligations hereunder.

Section 13. Covenants of the Purchaser.

The Authority and the Purchaser agree that the covenants contained in this Section shall only be enforced by the Authority to the extent necessary to enforce the payment provisions contained herein.

(a) Amount of Rates and Charges. The Purchaser will fix, prescribe and collect rates and charges for the Purchaser Water System which will be at least sufficient to yield during each Purchaser Fiscal Year Purchaser Net Water System Revenues (excluding Contract Payments) equal to one hundred twenty-five percent (125%) of the Contract Payments for such Purchaser Fiscal Year. The Purchaser may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Purchaser Net Water System Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of this section.

(b) Against Sale or Other Disposition of Property. Subject to Section 13(j), the Purchaser will not sell, lease or otherwise dispose of the Purchaser Water System or any part thereof, except as provided in Section 12 hereof, unless the governing board of the Purchaser determines in writing that such sale, lease or other disposition will not materially adversely affect the Purchaser's ability to comply with subsection (a) of this Section and, in the case of a sale or other disposition, the entity acquiring the Purchaser Water System or such part thereof shall assume all obligations of the Purchaser under this Agreement. The Purchaser will not enter into any agreement or lease which impairs the operation of the Purchaser Water System or any part thereof necessary to secure adequate Purchaser Net Water System Revenues for the payment of the obligations imposed under this Agreement or which would otherwise impair the rights of the Authority with respect to the Purchaser Water System Revenues or the operation of the Purchaser Water System.

(c) Against Competitive Facilities. To the extent permitted by existing law and within the scope of its powers but only to the extent necessary to protect the rights of the owners of Authority Bonds, the Purchaser will not acquire, construct, maintain or operate and will use its best efforts not to permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the boundaries of the Purchaser any water system competitive with the Purchaser Water System which might have the effect of materially adversely affecting the Purchaser's ability to pay Fixed Project Costs, Fixed O&M Costs and Variable O&M Costs.

(d) Maintenance and Operation of the Purchaser Water System: Budgets. The Purchaser will maintain and preserve the Purchaser Water System in good repair and working order at all times

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and will operate the Purchaser Water System in an efficient and economical manner and will pay all Purchaser Operation and Maintenance Expenses as they become due and payable. On or before the first day of each Purchaser Fiscal Year thereafter, the Purchaser will adopt and file with the Authority a budget approved by the legislative body of the Purchaser, including therein in the estimated Variable O&M Costs and Fixed Project Costs payable to the Authority. Any budget may be amended at any time during any Purchaser Fiscal Year and such amended budget shall be filed by the Purchaser with the Authority.

(e) Insurance. The Purchaser shall procure and maintain or cause to be procured and maintained insurance on the Purchaser Water System with responsible insurers so long as such insurance is available from reputable insurance companies, or, alternatively, shall establish a program of self-insurance, or participate in a joint powers agency providing insurance or other pooled insurance program, in such amounts and against such risks (including accident to or destruction of the Purchaser Water System) as are usually covered in connection with water systems similar to the Purchaser Water System.

(f) Accounting Records and Financial Statements.

(i) The Purchaser will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Purchaser Water System, which records shall be available for inspection by the Authority and the Trustee at reasonable hours and under reasonable conditions.

(ii) The Purchaser will prepare and file with the Authority annually within two hundred ten (210) days after the close of each Purchaser Fiscal Year (commencing with the Purchaser Fiscal Year ending June 30, 2002) financial statements of the Purchaser for the preceding Purchaser Fiscal Year prepared in accordance with generally accepted accounting principles, together with a report of an Independent Certified Public Accountant thereon. The Purchaser will promptly furnish a copy of such report to the Authority and to the Trustee.

(g) Protection of Security and Rights of the Authority. The Purchaser will preserve and protect the rights of the Authority and the Trustee to the obligations of the Purchaser hereunder and will warrant and defend such rights against all claims and demands of all persons.

(h) Payment of Taxes and Compliance with Governmental Regulations. The Purchaser will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Purchaser Water System or any part thereof or upon the Purchaser Water System Revenues when the same shall become due. The Purchaser will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Purchaser Water System or any part thereof, but the Purchaser shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

(i) Further Assurances. The Purchaser will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to effect the financing and refinancing of the Project and to allow the Authority to comply with reporting obligations, to assure the Authority of the Purchaser's intention to perform hereunder and for the

better assuring and confirming unto the Authority and the Trustee of the rights and benefits provided to them herein.

(j) Maintenance of Tax-Exempt Status of Authority Bonds. Notwithstanding any other provision of this Agreement, the Purchaser shall not take any action or omit to take any action, directly or indirectly, in any manner, which would result in any of the Authority Bonds being treated as an obligation not described in Section 103(a) of the Internal Revenue Code of 1986, as amended, by reason of classification of such Authority Bond as a "private activity bond" within the meaning of Section 141 of said Code or for any other reason.

Section 14. Covenants of the Authority.

(a) Insurance. The Authority shall procure and maintain or cause to be procured and maintained insurance on the Project with responsible insurers so long as such insurance is available from reputable insurance companies, or, alternatively, shall establish a program of self-insurance, or participate in a joint powers agency providing insurance or other pooled insurance program, covering such risks, in such amounts and with such deductibles as shall be determined by the Authority and as may be required under the Authority Bonds. The Authority shall indemnify and hold harmless the Purchaser from any liability for personal injury or property damage resulting from any accident or occurrence arising out of or in any way related to the construction or operation of the Project.

(b) Accounting Records and Financial Statements.

(i) The Authority will keep appropriate accounting records in which complete and correct entries shall be made of all Authority transactions relating to the Project, which records shall be available for inspection, copying and audit by the Purchaser and its accountants, attorneys and agents at reasonable hours and under reasonable conditions.

(ii) The Authority will prepare annually within two hundred ten (210) days after the close of each Authority Fiscal Year (commencing with the Authority Fiscal Year ending June 30, 2002) financial statements of the Authority for the preceding Authority Fiscal Year prepared in accordance with generally accepted accounting principles, together with a report of an Independent Certified Public Accountant thereof. The Authority will promptly furnish a copy of such report to the Purchaser and to the Trustee.

(c) Compliance with Law. The Authority shall comply with all local, state and federal laws applicable to the Project.

(d) Against Sale or Other Disposition of Project. The Authority will not sell, lease or otherwise dispose of the Project or any part thereof unless the Board of Directors of the Authority determines that such sale, lease or other disposition will not materially adversely affect the Authority's ability to comply with its obligations hereunder and under the Authority Bonds.

(e) Maintenance and Operation of the Project. Subject to the payment obligations of the Project Participants hereunder, the Authority will maintain and preserve the Project in good repair and working order at all times and will operate the Project in an efficient and economical manner consistent with the Joint Powers Agreement. Notwithstanding the foregoing, no material portion of the Project shall be abandoned by the Authority without the consent of all Project Participants.

Section 15. Term.

(a) No provision of this Agreement shall take effect until (i) it and Water Purchase Agreements with all Project Participants have been duly executed and delivered to the Authority together with an opinion for each Project Participant of an attorney or firm of attorneys in substantially the form attached hereto as Exhibit B and an opinion for the Authority of Stradling Yocca Carlson & Rauth, a Professional Corporation, Special Counsel, in substantially the form attached hereto as Exhibit C, and (ii) the Authority delivers a written certificate to the Purchaser stating that the Authority has acquired the portion of the Project known as the Chino 1 Desalter.

(b) Notwithstanding the delay in effective date of this Agreement until all Project Participants have complied with subsection (a) of this Section, it is agreed by the Purchaser that in consideration for the Authority's signature hereto, and for its commitment to use its best efforts to obtain the commitment of all Project Participants, the Purchaser upon its execution and delivery of this Agreement to the Authority along with the required opinion and any required evidence of compliance as required by subsection (a) of this Section shall be immediately bound not to withdraw its respective offer herein made to enter into this Agreement as executed and/or supplemented or to decrease or terminate its Project Allotment before March 31, 2002.

(c) The term of this Agreement shall continue until the later of January 15, 2031 or the final maturity of Authority Bonds. The parties hereto agree to negotiate in good faith to amend this Agreement on or prior to such date to extend the term hereof and to include terms and conditions as are mutually agreeable to the parties, provided that the price to be paid with respect to the Project Allotment in such amendment shall reflect the payment of capital costs to such date.

Section 16. Assignment.

The Authority may pledge and assign to any Trustee for Authority Bonds, all or any portion of the payments received under this Agreement from the Purchaser and the Authority's other rights and interests under this Agreement. Such pledge and assignment by the Authority shall be made effective for such time as the Authority shall determine and provide that the Trustee shall have the power to enforce this Agreement in the event of a default by the Authority under a Bond Resolution. The Purchaser may assign its rights or obligations under this Agreement only in accordance with Section 15 hereof.

Section 17. Amendments.

Except as otherwise provided in this Agreement, on and after the date Authority Bonds are issued and so long as any Authority Bonds are outstanding in accordance with the applicable Bond Resolution, Section 9, 11, 12, 13, 14 and 16 and this Section of this Agreement shall not be amended, modified or otherwise changed or rescinded by agreement of the parties without the consent of each Trustee for Authority Bonds whose consent is required under the applicable Bond Resolution. This Agreement may only be otherwise amended, modified, changed or rescinded in writing by each of the parties hereto.

The Authority agrees not to grant to the owners of Authority Bonds as individuals any rights relating to the amendment, modification or change of this Agreement.

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Notwithstanding the foregoing, the sections of this Agreement set forth in the prior paragraph of this Section may be amended without the consent of each Trustee for Authority Bonds for any of the following purposes:

(a) to add to the agreements, conditions, covenants and terms contained herein required to be observed or performed by the Authority or the Purchaser other agreements, conditions, covenants and terms hereafter to be observed or performed by the Authority or the Purchaser, or to surrender any right reserved herein to or conferred herein on the Authority or the Purchaser, and which in either case shall not adversely affect the interests of the owners of any Authority Bonds;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority or the Purchaser may deem desirable or necessary and not inconsistent herewith, and which shall not materially adversely affect the interests of the owners of any Authority Bonds;

(c) to make any modifications or changes necessary or appropriate in the opinion of a firm of nationally recognized standing in the field of law relating to municipal bonds to preserve or protect the exclusion from gross income of interest on the Authority Bonds for federal income tax purposes;

(d) to make any modifications or changes to this Agreement in order to enable the execution and delivery of Authority Bonds on a parity with any Authority Bonds previously issued and to make any modifications or changes necessary or appropriate in connection with the execution and delivery of Authority Bonds;

(e) to make any other modification or change to the provisions of this Agreement which does not materially adversely affect the interests of the owners of any Authority Bonds;

(f) to make changes to the definition of "Project."

Section 18. Miscellaneous.

(a) Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed a part of this Agreement.

(b) Partial Invalidity. If any one or more of the covenants or agreements provided in this Agreement to be performed should be determined to be invalid or contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

(c) Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

(d) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

JURUPA COMMUNITY SERVICES DISTRICT 2005 URBAN WATER MANAGEMENT PLAN

(e) Notices. Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by Federal Express or another reputable commercial overnight courier that guarantees next day delivery and provides a receipt, or (d) by telefacsimile or telecopy, and such notices shall be addressed as follows:

If to Purchaser: Jurupa Community Services District  
8621 Jurupa Road  
Riverside, California 92509

With a copy to: John Schatz  
P. O. Box 7775  
Laguna Niguel, CA 92607-7775

If to Authority: Chino Basin Desalter Authority  
c/o Jurupa Community Services District  
8621 Jurupa Road  
Riverside, California 92509

With a copy to: Stradling Yocca Carlson & Rauth  
660 Newport Center Drive  
Newport Beach, CA 92660  
Attention: Douglas Brown

or to such other address as either party may from time to time specify in writing to the other party. Any notice shall be deemed delivered when actually delivered, if such delivery is in person, upon deposit with the U.S. Postal Service, if such delivery is by certified mail, upon deposit with the overnight courier service, if such delivery is by an overnight courier service, and upon transmission, if such delivery is by telefacsimile or telecopy.

(f) Merger of Prior Agreements. This Agreement and the exhibits hereto constitute the entire agreement between the parties and supersede all prior agreements and understandings between the parties relating to the subject matter hereof. This Agreement is intended to implement, and should be interpreted consistent with, the Joint Powers Agreement.

(g) Time of the Essence. Time is of the essence in the performance of this Agreement.

(h) Termination. The Purchaser hereby acknowledges that the Desalter Water Sale and Purchase Agreement by and among Western Municipal Water District, the City of Norco, and Jurupa Community Services District dated May 17, 2000 (the "Existing Water Purchase Contract") has been terminated.

JURUPA COMMUNITY SERVICES DISTRICT 2005 URBAN WATER MANAGEMENT PLAN

(i) IN WITNESS WHEREOF the Purchaser has executed this Agreement with the approval of its governing body, and caused its official seal to be affixed and the Authority has executed this Agreement in accordance with the authorization of its Board of Directors, and caused its official seal to be affixed.

CHINO BASIN DESALTER AUTHORITY

By: \_\_\_\_\_  
Chairperson

[SEAL]

Attest:

By: \_\_\_\_\_  
Secretary

JURUPA COMMUNITY SERVICES DISTRICT

By: \_\_\_\_\_  
General Manager

[SEAL]

Attest:

By: \_\_\_\_\_  
Secretary

JURUPA COMMUNITY SERVICES DISTRICT 2005 URBAN WATER MANAGEMENT PLAN

EXHIBIT A

<u>Project Participant</u>	<u>Project Allotment (acre-feet)</u>
City of Chino	5,000
City of Chino Hills	4,200
City of Norco	1,000
City of Ontario	5,000
Jurupa Community Services District	8,200
Santa Ana River Water Company	<u>1,200</u>
	24,600

\* Eliminates 400 acre feet of other per Exhibit A to the Term Sheet.

EXHIBIT B

[This opinion shall be delivered upon execution of the Water Purchase Agreement]

January \_\_, 2002

Chino Basin Desalter Authority

\_\_\_\_\_  
\_\_\_\_\_

Jurupa Community Services District  
8621 Jurupa Road  
Riverside, California 92509

Ladies and Gentlemen:

We are acting as general counsel to the Jurupa Community Services District (the "Purchaser") under the Water Purchase Agreement, dated as of January 15, 2002 (the "Agreement"), between the Chino Basin Desalter Authority (the "Authority") and the Purchaser, and have acted as general counsel to the Purchaser in connection with the matters referred to herein. As such counsel we have examined and are familiar with (i) documents relating to the existence, organization and operation of the Purchaser provided to us by the Purchaser, (ii) certifications by officers of the Purchaser, (iii) all necessary documentation of the Purchaser relating to the authorization, execution and delivery of the Agreement, and (iv) an executed counterpart of the Agreement. Terms used herein and not otherwise defined have the respective meanings set forth in the Agreement.

Based upon the foregoing and such examination of law and such other information, papers and documents as we deem necessary or advisable to enable us to render this opinion, including the Constitution and laws of the State of California, together with the resolutions, ordinances and public proceedings of the Purchaser, we are of the opinion that:

1. The Purchaser is a community services district, duly created, organized and existing under the laws of the State of California and duly qualified to furnish water service within its boundaries.
2. The Purchaser has legal right, power and authority to enter into the Agreement and to carry out and consummate all transactions reasonably contemplated thereby, and the Purchaser has complied with the provisions of applicable law relating to such transactions.
3. The Agreement has been duly authorized, executed and delivered by the Purchaser, is in full force and effect as to the Purchaser in accordance with its terms and, subject to the qualifications set forth in the second to the last paragraph hereof, and assuming that the Authority has all requisite power and authority, and has taken all necessary action, to authorize, execute and deliver such Agreement, the Agreement constitutes the valid and binding obligation of the Purchaser.
4. The obligations of the Purchaser to make payments under the Agreement from the Revenues of its Purchaser Water System or other lawfully available funds as provided in Section 10 of the Agreement is a valid, legal and binding obligation of the Purchaser enforceable in accordance with its terms.

JURUPA COMMUNITY SERVICES DISTRICT 2005 URBAN WATER MANAGEMENT PLAN

5. No approval, consent or authorization of any governmental or public agency, authority or person is required for the execution and delivery by the Purchaser of the Agreement.

6. The authorization, execution and delivery of the Agreement and compliance with the provisions thereof will not conflict with or constitute a breach of, or default under, any instrument relating to the organization, existence or operation of the Purchaser, any commitment, agreement or other instrument to which the Purchaser is a party or by which it or its property is bound or affected, or any ruling, regulation, ordinance, judgment, order or decree to which the Purchaser (or any of its officers in their respective capacities as such) is subject or any provision of the laws of the State of California relating to the Purchaser and its affairs.

7. There is no action, suit, proceeding, inquiry or investigation at law or in equity, or before any court, public board or body, pending or, to our knowledge, threatened against or affecting the Purchaser or any entity affiliated with the Purchaser or any of its officers in their respective capacities as such, which questions the powers of the Purchaser referred to in paragraph 2 above or the validity of the proceedings taken by the Purchaser in connection with the authorization, execution or delivery of the Agreement, or wherein any unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Agreement, or which would adversely affect the validity or enforceability of the Agreement.

The opinion expressed in paragraphs 3 and 4 above are qualified to the extent that the enforceability of the Agreement may be limited by any applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public agencies in the State of California and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

This opinion is rendered only with respect to the laws of the State of California and the United States of America and is addressed only to the Chino Basin Desalter Authority and the Purchaser. No other person is entitled to rely on this opinion, nor may you rely on it in connection with any transactions other than those described herein.

Very truly yours,

EXHIBIT C

[This opinion shall be delivered upon execution of the Water Purchase Agreement]

January \_\_, 2002

Chino Basin Desalter Authority

The Project Participants Listed on  
Exhibit A attached hereto

Ladies and Gentlemen:

We are special counsel to the Chino Basin Desalter Authority (the "Authority") and are familiar with those certain Water Purchase Agreements, dated as of January 15, 2002 (each, an "Agreement"), between the Authority and each of the water contractors identified on Exhibit A attached hereto (each, a "City") in connection with the matters referred to herein. As special counsel we have examined and are familiar with (i) documents relating to the existence, organization and operation of the Authority provided to us by the Authority, (ii) certifications by officers of the Authority, (iii) all necessary documentation of the Authority relating to the authorization, execution and delivery of the Agreement, and (iv) an executed counterpart of the Agreement. Terms used herein and not otherwise defined have the respective meanings set forth in the Agreement.

Based upon the foregoing and such examination of law and such other information, papers and documents as we deem necessary or advisable to enable us to render this opinion, including the Constitution and laws of the State of California, together with the resolutions, ordinances and public proceedings of the Authority, we are of the opinion that:

1. The Authority is a joint exercise of powers agency duly created, organized and existing under the laws of the State of California.
2. The Authority has legal right, power and authority to enter into the Agreement and to carry out and consummate all transactions reasonably contemplated thereby, and the Authority has complied with the provisions of applicable law relating to such transactions.
3. The Agreement has been duly authorized, executed and delivered by the Authority, is in full force and effect as to the Authority in accordance with its terms and, subject to the qualifications set forth in the second to the last paragraph hereof, and assuming that each City has all requisite power and authority, and has taken all necessary action, to authorize, execute and deliver such Agreement, the Agreement constitutes the valid and binding obligation of the Authority.
4. No approval, consent or authorization of any governmental or public agency, authority or person is required for the execution and delivery by the Authority of the Agreement.
5. The authorization, execution and delivery of the Agreement and compliance with the provisions thereof will not conflict with or constitute a breach of, or default under, any instrument relating to the organization, existence or operation of the Authority, any commitment, agreement or

other instrument to which the Authority is a party or by which it or its property is bound or affected, or, to the best of our knowledge, any ruling, regulation, ordinance, judgment, order or decree to which the Authority (or any of its officers in their respective capacities as such) is subject or any provision of the laws of the State of California relating to the Authority and its affairs.

6. There is no action, suit, proceeding, inquiry or investigation at law or in equity, or before any court, public board or body, pending or, to our knowledge, threatened against or affecting the Authority or any of its officers in their respective capacities as such, which questions the powers of the Authority referred to in paragraph 2 above or the validity of the proceedings taken by the Authority in connection with the authorization, execution or delivery of the Agreement, or wherein any unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Agreement, or which, in any way, would adversely affect the validity or enforceability of the Agreement.

The opinion expressed in paragraph 3 above is qualified to the extent that the enforceability of the Agreement may be limited by any applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public agencies in the State of California and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

This opinion is rendered only with respect to the laws of the State of California and the United States of America and is addressed only to the Authority and the Project Participants. No other person is entitled to rely on this opinion, nor may you rely on it in connection with any transactions other than those described herein.

Respectfully submitted,