BROWNSTEIN HYATT FARBER SCHRECK, LLP 21 East Carillo Street Santa Barbura, CA 33101	1 2 3	SCOTT S. SLATER (State Bar No. 117317) MICHAEL T. FIFE (State Bar No. 203025) AMY M. STEINFELD (State Bar No. 24017: BROWNSTEIN HYATT FARBER SCHREC 21 East Carrillo Street	5) CK, LLP FILED SUPERIOR COURT
	4	Santa Barbara, California 93101 Telephone No: (805) 963-7000 Facsimile No: (805) 965-4333	FANCHO CUCAMONGA DISTRICT
	6	Attorneys for CHINO BASIN WATERMASTER	BY COULD PROPERTY
	7		
	8	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
	9	FOR THE COUNTY OF SAN BERNARDINO	
	10		
	11	CHINO BASIN MUNICIPAL WATER DISTRICT	Case No. RCV 51010
	12	Plaintiff,	[Assigned for All Purposes to the Honorable J. Michael Gunn]
	13	VS.	MOTION TO APPROVE
	14 15	CITY OF CHINO, ET AL.	WATERMASTER'S FILING IN SATISFACTION OF CONDITION SUBSEQUENT 5; WATERMASTER
	16	Defendant.	SUBSEQUENT 6
	17		Date: August 21, 2008 Time: 2:00 pm
	18		Place: R8
	19	I.	
	20	INTRODUCTION Watermeater proposed that the Court approve the Desce II Measures conditioned upon its	
	21	completion of a Recharge Master Plan undate that addressed the challenges attributable to projected	
	22	demands Basin Re-Operation and projected declines in Safe Vield. Watermaster committed to the	
	25	Parties and to the Court that the undate of the Recharge Master Plan was of critical importance to	
	24	the continuing implementation of the Physical Solution	
	25	In her Final Report and Recommendations on Motion for Approval of Peace II Documents	
	20	the Special Referee concurred noting that "A key element of the proposed Peace II Measures is	
	21	that Watermaster must develop recharge capability throughout the Basin Reoperation period to	
	20	SB 471597 v1:008350.0001	1.

TRANSMITTAL OF RECHARGE MASTER PLAN UPDATE OUTLINE

ж 11 г. BROWNSTEIN HYATT FARBER SCHRECK, LIP 21 Est Carrillo Street Sante Barbara, CA 93101

18

21

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

ensure that sufficient recharge capability exists at the end of the period." (Final Report 25:21-23.)

In its December 21, 2007 Order approving the Peace II Measures, the Court also emphasized the importance of the Recharge Master Plan update and required as Condition Subsequent Number 5 that a detailed outline of the scope and content of the Recharge Master Plan update should be submitted to the Court for approval by July 1, 2008. Progress reports on the completion of the updated plan are then to be submitted on January 1, 2009 and July 1, 2009, with the final updated Recharge Master Plan due to the Court by July 1, 2010.

With acknowledgement of the importance of the Recharge Master Planning effort and in full satisfaction of this schedule, Watermaster hereby submits a detailed outline of the updated Recharge Master Plan. Watermaster submits that the schedule reflects thoughtful deliberate consideration of the challenges ahead, is comprehensive, and therefore respectfully requests the Court to approve this outline.

In addition, the Condition Subsequent Number 6 of the December 21, 2007 Order requires Watermaster to report to the Court by July 1, 2008 on the development of standards and criteria that the Regional Water Quality Control Board will use to determine whether Hydraulic Control is achieved and maintained. Section V of this pleading provides this report.

П. **REQUIRED CONTENT OF UPDATED RECHARGE MASTER PLAN**

19 Largely consistent with what had been proposed by Watermaster, testified to by Mr. 20 Manning and Mr. Wildermuth, the Referee recommended and the Court ultimately ordered several elements be included within the updated Plan:

22 1. Baseline conditions must be clearly defined and supported by technical analysis. 23 The baseline definition should encompass factors such as pumping, demand, recharge capacity, total 24 Basin water demand, and availability of replenishment water.

2. Safe Yield should be estimated annually, though it is recognized that it is not to be 25 26 formally recalculated until 2011. Watermaster should develop a technically defensible approach to 27 estimating Safe Yield annually.

28

SB 471597 v1:008350.0001

3. Measures should be evaluated to lessen or stop the projected Safe Yield decline. All practical measures should be evaluated in terms of their potential benefits and feasibility.

4. Evaluations and reporting of the impact of Basin Re-Operation on groundwater storage and water levels should be done on an annual basis.

Total demand for groundwater should be forecast for 2015, 2020, 2025, and 2030. 5. The availability of imported water for supply and replenishment, and the availability of recycled water should be forecast on the same schedule. The schedules should be refined in each Recharge Master Plan update. Projections should be supported by thorough technical analysis.

6. The Recharge Master Plan must include a detailed technical comparison of current and projected groundwater recharge capabilities and current and projected demands for groundwater. The Recharge Master Plan should provide guidance as to what should be done if recharge capacity cannot meet or is projected not to be able to meet replenishment needs. This guidance should detail how Watermaster will provide sufficient recharge capacity or undertake alternative measures so that Basin operation in accordance with the Judgment and the Physical Solution can be resumed at any time.

16 These recommendations are a reflection of the requirements described in the Peace II Measures. Peace Agreement II section 8.1 and the Amendment to Judgment Exhibit "I" section 2(b)(5) require that the updated Recharge Master Plan must:

19 7. Address how the Basin will be contemporaneously managed to secure and maintain 20 Hydraulic Control and subsequently operated at a new equilibrium at the conclusion of the period of Re-Operation. 21

22 8. Contain recharge estimations and summaries of the projected water supply availability as well as the physical means to accomplish the recharge projections. 23

24 9. Reflect an appropriate schedule for planning, design, and physical improvements as may be required to provide reasonable assurance that sufficient Replenishment capacity exists to 25 26 meet the reasonable projections of Desalter Replenishment obligations following the 27 implementation of Basin Re-Operation.

SB 471597 v1:008350.0001

3

BROWNSTEIN HYATT FARBER SCHRECK, LLP 21 East Carrillo Street Santa Barbara, CA 93101

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

17

18

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

Peace Agreement II section 8.4(d)(2) further requires that the Recharge Master Plan:
 10. Consider whether existing groundwater production facilities owned or controlled by
 producers within MZ1 may be used in connection with an aquifer storage and recovery ("ASR")
 project so as to further enhance recharge in specific locations and to otherwise meet the objectives
 of the Recharge Master Plan.

III.

COMPLIANCE WITH PEACE II MEASURES AS WELL AS SPECIAL REFEREE'S RECOMMENDATIONS

The submitted outline is the product of a stakeholder process facilitated by the Watermaster. A copy of the outline is attached to this pleading as Exhibit "A." The outline is both a description of the content of the final updated Recharge Master Plan, and a road map for the process that will be used to develop that Plan.

Over the next two years information will be developed and the parties will have ample opportunity to make decisions regarding how they wish Watermaster to approach issues identified in the outline, including methods to address achieving a balance between production and replenishment in the Basin as a whole as well as within subareas and management zones. It is the outcome of these decisions that will ultimately dictate the content of the Plan. Each section of the outline contains a note indicating which of the Referee's recommendations and the Peace II Measures that section is responsive to.

Section 1 of the Plan will provide historical background describing current recharge capabilities and comparing this to current recharge needs. It will also discuss anticipated changes in the Safe Yield and the reliability of current supplemental water sources. It will discuss the planning challenges that motivate the current Recharge Master Plan update process as identified in Watermaster's November 15, 2007 Technical Report. This discussion, along with other sections of the Plan, is responsive to the Referee's recommendation (number 1 above) that baseline conditions be clearly defined and supported by technical data.

Section 2 of the Plan will describe the planning criteria that are dictated by the Peace II Measures as well as the Special Referee's recommendations. This will include planning related to

SB 471597 v1:008350.0001

the requirements of Hydraulic Control and Basin Re-Operation including how the Basin will be contemporaneously managed to secure and maintain Hydraulic Control and subsequently operated at a new equilibrium at the conclusion of the period of Re-Operation.¹ The Plan will also discuss the planning criteria for the facilities that are dictated by design, operations and regulatory criteria. The Plan will also discuss financial issues in this context. These planning criteria are essential in order to properly plan the development of storm and supplemental water recharge projects. To the extent that evaluations and reporting of the impact of Basin Re-Operation on groundwater storage and water levels on an annual basis is required for these planning criteria, it will become a part of this section This section is responsive to the Referee's recommendation 1, 2, 4, 5 and 6, above, and to 10 item 7, above.

Section 3 of the Plan will be devoted to Safe Yield. This section will define a technically defensible approach to estimating Safe Yield and discuss factors that lead to changes in Safe Yield. Identifying the current and projected safe yield is a fundamental part of the baseline condition. Finally, this section will evaluate measures to lessen or stop the projected decline in Safe Yield. This section is responsive to the Referee's recommendations 1, 2 and 3, above.

16 Section 4 of the Plan will be a thorough review of the updated water supply plans of the 17 parties. This review will be used to create a most probable case and worst case range of projected 18 replenishment needs. This section will put these water supply projections in the context of current 19 supplemental water sources and current recharge capacity. The outcome of this analysis will be an 20 estimate of the recharge capacity that will be needed in the future and the additional recharge 21 capacity required to meet projected replenishment needs in the Basin as a whole as well as within 22 each subarea and management zone. In addition to contributing to the definition of the baseline 23 condition, this section is responsive to the Referee's recommendations 5 and 6, above. This section 24 is also responsive to the Peace II Measures described in number 8, above.

25

1

2

3

4

5

6

7

8

9

11

12

13

14

15

BROWNSTEIN HYATT FARBER SCHRECK, LLP 21 East Carrillo Street Santa Barbara, CA 93101

Sections 3 and 4 define the baseline condition. With the baseline established, the next four

26

In fact, since the relationship between Hydraulic Control and Basin Re-Operation and Recharge to 27 the Basin is the central issue driving the present update to the Recharge Master Plan, this issue informs and is implicit in most sections of the outline, including sections 4(b), 4(e), 6(b), 6(d), 7(e), 28 10(a), and 10(b). 5

SB 471597 v1:008350,0001

TRANSMITTAL OF RECHARGE MASTER PLAN UPDATE OUTLINE

sections turn to an analysis of how additional recharge capacity and supplemental water sources can be developed to meet the replenishment needs defined in the baseline condition. The Plan will analyze additional storm water recharge enhancement opportunities (Section 5) and supplemental water recharge enhancement opportunities (Section 6), which includes both imported as well as recycled water. The Plan will also look at integrated facilities that can take advantage of both storm and supplemental water (Section 7). Each of the recharge alternatives described in Sections 5, 6 and 7 will have facility and operating plans, cost opinions and a description of their implementation barriers.

Section 8 of the Plan will contain a ranking of the storm and supplemental water recharge alternatives using the criteria described in Section 2. The unit cost of storm and supplemental water will be computed for each project and the cumulative recharge-weighted unit cost will be computed starting with the highest ranked to least ranked project. This will allow the individual parties to determine the unit cost of increasing their replenishment obligations.

As stated above, the outline not only describes the content of the Plan, but also the iterative 14 15 process that will be used to develop the Plan. Upon completion of the analysis of recharge needs, 16 the various options that can be pursued to meet those needs, and the cost of those options, it is 17 possible that the parties will want to re-examine their water supply planning expectations and 18 alternatives. Section 9 of the outline revisits the water supply plans in light of all the information developed in the previous sections of the Plan. This section will describe how the parties' water 19 20 supply plans will change after the costs of new storm and supplemental water are incorporated into their water planning. It may be more economical for some parties to reduce their Chino Basin 21 22 production and use other supplies if the cost of increasing supplemental water recharge capacity 23 exceeds the cost of producing other non-Chino Basin groundwater supplies. The parties themselves will provide their revised water supply plans. The revised water supply plans will be integrated and 24 25 the replenishment obligation will be re-projected through 2060. The supplemental water recharge capacity required to meet the re-projected replenishment obligations will be described and used as 26 27 the basis for the developing the final recharge plan.

28

Finally, Section 10 will present the recommended recharge projects, their costs, and their 6
SB 471597 v1:008350.0001

1

2

3

4

5

6

7

8

9

10

11

12

implementation sequence. The recharge projects with the highest rankings, based on the replenishment projections from Section 9, will be selected for implementation. For each project, the owner, priority of implementation, implementation steps, institutional arrangements, permits, cost opinions, and monitoring requirements will be identified. This will be an appropriate place to consider whether existing groundwater production facilities owned or controlled by producers within MZ1 may be used in connection with an aquifer storage and recovery ("ASR") project so as to further enhance recharge in specific locations and to otherwise meet the objectives of the updated Plan in compliance with item number 10, above. In addition, the implementation schedule and potential financing alternatives will be described for each recharge project. Finally, the impact on Watermaster assessments will be described. In total this will result in an appropriate schedule for planning, design, and physical improvements as may be required to provide reasonable assurance that sufficient Replenishment capacity exists to meet the reasonable projections of Desalter Replenishment obligations following the implementation of Basin Re-Operation, in compliance with item number 9, above.

der.

IV. SCHEDULE AND PROCESS

Attached as Exhibit "B" to this pleading is a macro schedule to complete the Recharge Master Plan update and develop implementation elements. This schedule begins with the completion of the outline in June 2008 and covers the period through the completion of the update in July 2010, as required by the Court.

Upon completion of the outline, in accordance with this schedule, Watermaster will assemble the project team to accomplish the tasks necessary to turn the outline in to the actual updated Recharge Master Plan. Because the updated Plan will be so heavily quantitative, the baseline analysis and planning alternatives will require specialized engineering and other technical expertise. The schedule thus includes a period of seeking out and selecting appropriate consultants for this work. It also anticipates a potential need for CEQA compliance.

The Recharge Master Plan update process thus consists of three efforts: the development of
 the Recharge Master Plan, compliance with California Environmental Quality Act (CEQA), and the

28

SB 471597 v1:008350.0001

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

development of implementation agreements. Watermaster's intent is to develop the Recharge Master Plan and have the implementation agreements completed by July 1, 2010. Watermaster will continue to facilitate the stakeholder group to review and guide the Recharge Master Plan update process, and will lead and fund the technical efforts to develop the Recharge Master Plan and CEQA compliance. IEUA will be the lead agency for CEQA, and other agencies, such as the Chino Basin Water Conservation District and San Bernardino County, may be responsible agencies pursuant to CEQA. Watermaster will facilitate the efforts to develop implementation agreements.

In summary, the schedule describes the following phases:

Recharge Master Plan. Watermaster, in consultation with the Recharge Master Plan stakeholders, will develop and implement a scope of work that results in a draft Recharge Master Plan. The scoping work will start in July 2008 and will be completed in November 2008. The draft Recharge Master Plan report will be completed in November 2009 and circulated among the stakeholders and other interested parties. A project description will be available for the CEQA process in August 2009. The Recharge Master Plan will be finalized when the CEQA process is completed in May 2010.

<u>CEQA Process.</u> The CEQA process will formally commence prior to the completion of the draft Recharge Master Plan report. It is possible that an environmental impact report (EIR) will be required. If so, the draft EIR will be completed in February 2010, finalized in April 2010, and adopted in May 2010.

Implementation Agreements. At some point during the development of the Recharge Master
 Plan, a parallel process will be conducted among the stakeholders to develop agreements that will
 implement the Recharge Master Plan. For planning purposes, it was assumed that this process will
 begin in August 2009 and completed by July 2010.

According to the schedule, the next major planning milestone will be the Watermaster strategic retreat in October.

BROWNSTEIN HYATT FARBER SCHRECK, LLP 21 East Carrillo Street Sunts Barbara, CA 93101 1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

27

28

24

25

26

SB 471597 v1:008350.0001

V. CONDITION SUBSEQUENT NUMBER SIX

Condition Subsequent Number 6 requires Watermaster to report on the development of standards and criteria with which the Regional Water Quality Control Board will determine whether Hydraulic Control is achieved and maintained.

Ultimately, the question is what standards and criteria the RWQCB will regard as acceptable to determine Watermaster's compliance with the requirements of the maximum benefit commitments in the 2004 Basin Plan Amendments (Regional Board Resolution R8-2004-0001), the Watermaster/IEUA recycled water recharge permit (Regional Board Resolution R8-2007-0039), and IEUA's permits for waste discharge and recycled water requirements. Thus, in order to comply with the Court's Condition, Watermaster requested the RWQCB to more precisely define the standards it will use to determine whether Hydraulic Control is achieved and maintained. The RWQCB has responded to this request in writing, and a copy of this letter is attached to this pleading as Exhibit "C." This letter also addresses the question of temporary failure to achieve or maintain Hydraulic Control and indicates that one way to mitigate such occurrences is through operational flexibility of the desalters. Watermaster will continue to work with the RWQCB to develop and refine the appropriate standards and criteria.

VI.

MONTE VISTA STIPULATION COMPLIANCE

By stipulation with Monte Vista, Watermaster agreed to the development and disclosure of certain information regarding predicted production of water within the Agricultural Pool and the application of the Peace II Measures risk management criteria for addressing potential overallocation of projected agricultural surpluses. A draft of this information was prepared and distributed at the June 26, 2008 Watermaster Advisory Committee and Board meetings for analysis and discussion by the parties through the Watermaster process.

VII. CONCLUSION

The updated Recharge Mast Plan described by the submitted outline will be comprehensive

SB 471597 v1:008350.0001

and quantitatively based. The outline indicates that the updated Plan will be responsive to the
 requirements described in the Peace II Measures, and is responsive to all the recommendations
 contained in the Court's December 21 Order and the Special Referee's Final Report. On this basis,
 Watermaster respectfully requests that the Court approve the outline as submitted.

Dated: July 1, 2008

BROWNSTEIN HYATT FARBER SCHRECK, LLP

er sh lr_ By:

Scott S. Slater Michael T. Fife Amy M. Steinfeld Attorneys for Chino Basin Watermaster

SB 471597 v1:008350.0001



Exhibit A 2010 Recharge Master Plan Update Report Outline

June 9, 2008 Version

- 1. Introduction (Special Referee Report Section VI, Recommendation Number 1) a. Recharge Master Plan Objectives
 - b. Historical Background
 - i. History of the Chino Basin Watermaster's Recharge Master Plan
 - ii. Projected Decline in Safe Yield
 - iii. Comparison of Current Planning Estimates of Replenishment Requirements and Current Recharge Capacity
 - iv. Reliability of Current Supplemental Water Sources
 - v. Planning Challenge
 - c. Peace II and Judgment Commitments
 - d. December 21, 2007 Court Order and Special Referee's Recommendations
 - e. Map of Court's Requirements and the Contents of the Recharge Master Plan Report
- 2. Planning Criteria (Special Referee Report Section VI: Recommendation Numbers 1, 2, 5 and 6; VII and VIII)
 - a. Peace 2 Planning Criteria
 - i. Peace 2 Agreement, Section 8
 - ii. Judgment
 - iii. Special Referee's December 2007 Report, Sections VI (Assurances Regarding Recharge), VII (Declining Safe Yield), and VIII (New Equilibrium)
 - iv. Peace Agreement
 - b. Facility Planning Criteria
 - i. Design Criteria for Wells, Spreading Basins, Conveyance and Treatment Facilities
 - ii. Design Criteria for Storm Water Management
 - iii. Siting Criteria: Institutional, Facility and Hydrogeology, etc
 - iv. Basin Plan and DPH Criteria for the Recharge of Storm, Recycled and Imported Waters
 - v. "Quantity Take-off" Format for Cost Estimating
 - vi. Unit Cost Information for Capital and Operations and Maintenance costs
 - vii. Financial Criteria
 - viii. Robustness Requirements for Replenishment
 - ix. Other Criteria identified by Stakeholders
 - c. Ranking Criteria

Exhibit A 2010 Recharge Master Plan Update Report Outline June 9, 2008

- 3. Safe Yield (Special Referee Report Section VI, Recommendation Numbers 1, 2 and 3)
 - a. Methodology to Estimate Safe Yield
 - i. Computational Procedure
 - ii. Base Period
 - iii. Areas of Interest (Basin, Management Zones, others)
 - b. Data Requirements
 - c. Safe Yield Estimate
 - d. Components of Safe Yield and Why They Change in the Future
 - e. Mitigation of the Loss of Safe Yield
 - i. Identification of Mitigation Alternatives for Declining Yield
 - 1. Promulgation of Low Impact Development
 - a. On-site Retention/Recharge of Runoff
 - b. Porous pavement
 - c. Others
 - 2. More Aggressive Storm Water Recharge Operations at Storm Water Management Facilities
 - a. Policy Change and Operational Improvements
 - b. Retrofit/Improvement of Storm Water Quality Management Basins
 - c. Others
 - 3. Others

4. Integrated Review of Water Supply Plans – Part 1 (Special Referee Report Section VI, Recommendation Numbers 1[Baseline Conditions], 5 and 6)

- a. Initial Water Supply Plans for All Entities that Use the Chino Basin (from concurrent 2010 UWMP efforts)
- b. Chino Basin Groundwater Production and Replenishment for the Initial Water Supply Plans
 - i. Most Probable Replenishment Projection
 - ii. Worst Case Replenishment Projection
- c. Existing Supplemental Water Recharge Capacity
- d. Existing Supplemental Water Sources (Magnitude, Accessibility, Reliability, and Cost)
 - i. Metropolitan Water
 - ii. SBVMWD Water
 - iii. Other Imported Water
 - iv. IEUA Recycled Water
 - v. Other Recycled Water
 - vi. Santa Ana River
 - vii. Other Water
- e. Required Supplemental Water Recharge Capacity

Exhibit A 2010 Recharge Master Plan Update Report Outline June 9, 2008

- 5. Storm Water Recharge and Enhancement Opportunities (Special Referee Report Section VI, Recommendation Numbers 2 and 3)
 - a. Existing Storm Water Management Facilities
 - i. Regional and Local Policies Related to Storm Water Management and Recharge
 - ii. Inventory of Existing Regional Storm Water Recharge Improvements
 - iii. Inventory of Existing Local Storm Water Management/Recharge Improvements
 - iv. Expected Storm Water Recharge with Existing Facilities
 - b. Potential Storm Water Management Facilities
 - i. Inventory of Potential Regional Storm Water Recharge Improvements
 - ii. Inventory of Potential Local Storm Water Management/Recharge Improvements
 - c. Future Potential Storm Water Recharge Alternatives
 - i. New Storm Water Recharge Alternatives
 - ii. Operating Plan for Each Alternative
 - iii. Expected Storm Water Recharge for Each Alternative
 - iv. Consistency With the Peace 2 Agreement and the Judgment
 - v. Cost Opinions for Each Alternative
 - vi. Implementation Barriers for Each Alternative
 - vii. Policy Considerations to Increase Storm Water Recharge

6. Supplemental Water Recharge Enhancement Opportunities (Special Referee Report Section VI, Recommendation Numbers 3 and 4; Sections VII and VIII)

- a. Inventory of Existing Supplemental Water Recharge Facilities
- b. Expected Supplemental Water Recharge Capacity with Existing Facilities
- c. Inventory of Potential Supplemental Water Recharge Facilities
 - i. Inventory of Potential Spreading Facilities
 - ii. Inventory of Potential Injection Facilities
- d. Future Supplemental Water Recharge Alternatives
 - i. New Supplemental Water Recharge Alternatives
 - 1. Water Source Identification (source, reliability, level of treatment)
 - a. Metropolitan from IEUA, TVMWD and WMWD
 - b. SBVMWD Water
 - c. Other imported
 - d. IEUA Recycled Water
 - e. Other recycled water
 - f. Santa Ana River Water
 - g. Other Water

- 2. Facility Plans (conveyance, storage, treatment, wells, spreading basins, new/existing)
- ii. Operating Plan for Each Alternative
- iii. Consistency With the Peace 2 Agreement and the Judgment
- iv. Cost Opinions for Each Alternative
- v. Implementation Barriers for Each Alternative
- vi. Policy Considerations to Increase Supplemental Water Recharge
- 7. Integrated Storm Water Recharge and Supplemental Water Facilities (Special Referee Report Section VI, Recommendation Numbers 3 and 4; Sections VII and VIII)
 - a. Spreading Basins that Can Be Used for Storm and Supplemental Water Recharge
 - i. Integrated Alternatives
 - ii. Operating Plan for Each Alternative
 - iii. Storm Water and Supplemental Recharge Capacity for Each Alternative
 - iv. New Storm Water Recharge (Safe Yield Enhancement)
 - v. Groundwater Level and Storage Changes for Each Alternative
 - vi. Consistency With the Peace 2 Agreement and the Judgment
 - b. Cost Opinions for Each Alternative
 - c. Impact to Watermaster Assessments
 - d. Implementation Barriers for Each Alternative
 - e. Policy Considerations to Increase Storm and Supplemental Water Recharge Capacity
- 8. Ranking of Storm and Supplemental Water Recharge Projects
- 9. Integrated Review of Water Supply Plans Part 2 (Special Referee Report Section VI, Recommendation Numbers 1, 5 and 6)
 - a. Revised Safe Yield Projection
 - b. Revised Water Supply Plans for All Entities that Use the Chino Basin (update 2010 UWMP efforts)
 - c. Revised Chino Basin Groundwater Production and Replenishment for the Revised Water Supply Plans
 - i. Most Probable Replenishment Projection
 - ii. Worst Case Replenishment Projection
 - d. Required Replenishment Capacity

Exhibit A 2010 Recharge Master Plan Update Report Outline June 9, 2008

- 10. Storm and Supplemental Water Recharge Projects to Meet Future Water Supply Plans (Special Referee Report Section VI, Recommendation Numbers 1[Baseline Conditions], 5 and 6)
 - a. Replenishment Requirements
 - b. Recommended Projects to Meet Requirements
 - i. Priority of Construction
 - ii. Capacities
 - iii. Owner
 - iv. Institutional Arrangements and Permits
 - v. Cost Opinions
 - c. Scheduling
 - d. Financing Alternatives
 - e. Implications for Watermaster Assessments
 - f. New Monitoring Requirements

Appendices

- a. Stakeholder Process (Agendas, minutes, etc.)
- b. Planning Criteria
- c. Initial and Final Water Supply Plan Detail
- d. Detailed Inventory of Existing and Future Water Recharge Facilities
- e. Model Description for Evaluation of Storm and Supplemental Water Recharge
- f. Model Description for Evaluation of Groundwater Levels and Storage
- g. Detailed Project Cost Opinions

Exhibit B



Exhibit C



California Regional Water Quality Control Board Santa Ana Region

Linda S. Adams Secretary for Environmental Protection 3737 Main Street, Suite 500, Riverside, California 92501-3348 Phone (951) 782-4130 • FAX (951) 781-6288 • TDD (951) 782-3221 www.waterboards.ca.gov/santaana

May 23, 2008



Mr. Ken Manning, Chief Executive Officer Chino Basin Watermaster 9641 San Bernardino Road Rancho Cucamonga, CA 91730

REQUEST PURSUANT TO CONDITIONS SUBSEQUENT NO. 6

Dear Mr. Manning:

Per your request, the Regional Board has reviewed Condition Subsequent No. 6 in the Honorable Judge Gunn's Court Order, dated December 21, 2007. Condition Subsequent No. 6 reads:

"By July 1, 2008, Watermaster shall report to the Court on the development of standards and criteria by which the RWQCB will determine that hydraulic control is achieved and maintained."

Your consultant, Mark Wildermuth of Wildermuth Environmental, Inc. (WEI), has informed us that the Watermaster has requested the Regional Board to more precisely define the "standards and criteria by which the RWQCB will determine that hydraulic control is achieved and maintained." This is intended to respond to the Watermaster's request.

In 1995, the Regional Board initiated a collaborative study with 22 water supply and wastewater agencies, including the Watermaster and the IEUA, to devise a new TDS and nitrogen (total inorganic nitrogen or TIN) control strategy for the Santa Ana Watershed. This study culminated in the Regional Board's adoption of the 2004 Basin Plan Amendment in January 2004 (Santa Ana Regional Water Quality Control Board, 2004). The 2004 Basin Plan Amendment includes two sets of TDS objectives that range between: anti-degradation objectives of 280, 250, and 260 mg/L for Management Zones 1, 2, and 3, respectively, and a maximum benefit based TDS objective of 420 mg/L for the Chino North Management Zone, which includes almost all of Management Zones 1, 2, and 3. Under the maximum benefit based objective, the new TDS concentration limit for recycled water that is to be used for recharge and other direct uses is 550 mg/L as a 12-month average. This discharge requirement was incorporated into the IEUA's National Pollutant Discharge Elimination System (NPDES) permits for its wastewater treatment facilities and into a subsequent recharge permit issued to the Watermaster and IEUA.

In order for the Watermaster and the IEUA to gain access to the assimilative capacity afforded by the maximum benefit based objectives, they must demonstrate compliance with a number of commitments previously made by Watermaster and IEUA in support of their maximum benefit proposal. These commitments include:

- 1. The implementation of a surface water monitoring program
- 2. The implementation of groundwater monitoring programs
- 3. The expansion of Desalter I to 10 mgd and the construction of a 10-mgd Desalter II

California Environmental Protection Agency



Mr. Ken Manning

- 4. The commitment to future desalters pursuant to the OBMP and Peace Agreement
- 5. The completion of the recharge facilities included in the Chino Basin Facilities Improvement Program (CBFIP)
- 6. The management of recycled water quality
- 7. The management of the volume-weighted TDS and nitrogen in artificial recharge to less than or equal to the maximum benefit objectives
- The achievement and maintenance of hydraulic control of the subsurface outflows from the Chino Basin to protect Santa Ana River water quality
- 9. The determination of ambient TDS and nitrogen concentrations in the Chino Basin every three years

The Watermaster and the IEUA have previously demonstrated substantial compliance with all of these requirements, with the exception of hydraulic control. Hydraulic control is defined as the reduction of groundwater discharge from the Chino North Management Zone to the Santa Ana River to de minimus quantities. A robust level of hydraulic control ensures that water management activities in the Chino North Management Zone will not impair the beneficial uses of the Santa Ana River downstream of Prado Dam. Two WEI reports, prepared in 2006 at the direction of Watermaster, demonstrated that hydraulic control had not yet been achieved in the area between the Chino Hills and Chino Desalter I Well Number 5 (WEI, 2006a & b). In addition, WEI prepared reports in April 2007 and April 2008 that demonstrated, through analyses of groundwater and surface water monitoring programs, that hydraulic control had not yet been achieved in the same area (WEI, 2007 & 2008).

Without hydraulic control, the IEUA and Watermaster will be required to mitigate the effects of using recycled water back to the adoption of the 2004 Basin Plan Amendment (December 2004), and either cease the use of recycled water in the Chino Basin, or desalt recycled water prior to use for irrigation and recharge. Because of the consistent effort of the Watermaster and the IEUA in meeting the other maximum benefit commitments and their earlier efforts to achieve hydraulic control, the Regional Board has exercised its discretion to allow access to the assimilative capacity, provided that Watermaster and the IEUA implement an aggressive program to achieve hydraulic control.

Watermaster has conducted detailed modeling investigations to develop a new desalter well field (hereafter the Chino Creek Well Field) and a groundwater management program that, when implemented, will eliminate groundwater discharge from the Chino North Management Zone to the Santa Ana River. These investigations are documented in *Final Report, 2007 CBWM Groundwater Model Documentation and Evaluation of the Peace II Project Description* (WEI, 2007) and in *Response to Condition Subsequent No. 3 from the Order Confirming Motion for Approval of the Peace II Documents* (WEI, 2008). Based on the technical information provided in these reports, Watermaster and the Chino Basin Parties are planning to construct the Chino Creek Well Field, which will, as stated above, when operating in conjunction with the groundwater level management program, reduce groundwater discharge to diminimus levels from the Chino North Management Zone to the Santa Ana River and therefore establish hydraulic control. The groundwater simulations of Watermaster's Alternative 1C demonstrate a state of hydraulic control that provides the Regional Board with confidence that robust hydraulic control will be achieved. We therefore expect that the Watermaster, IEUA, and Chino Basin Parties will operate the Chino Basin such that the piezometric levels in the desalter well fields

California Environmental Protection Agency



Mr. Ken Manning

will closely follow the piezometric levels predicted by the Watermaster 2007 model, as shown in Figures 4-13a and 4-13b of the Condition Subsequent No. 3 report.

The 2004 Basin Plan Amendment contains a requirement that, should a hydraulic control failure be observed after the initial achievement of hydraulic control, the Watermaster, IEUA, and Chino Basin Parties will obtain hydraulic control within six months of the observed failure. The Regional Board expects the Watermaster, IEUA, and Chino Basin Parties to provide operational flexibility in their desalter well field design and operations such that hydraulic control can be reacquired within six months, and that groundwater from the Chino North Management Zone that passes through the area where hydraulic control is lost will be subsequently recovered in the desalter well field.

In May 2004, the Watermaster and the IEUA established a groundwater monitoring network of wells in the Hydraulic Control Monitoring Program (HCMP) Work Plan. The piezometric data collected from these wells are used to draw interpretive groundwater-elevation contour maps around the Chino Desalter well fields. To demonstrate hydraulic control, the Regional Board requires that the interpretative contouring of groundwater elevations:

- Be supported by the piezometric data unequivocally
- Show that groundwater flowing southward in the Chino-North Management Zone is intercepted by the Chino Desalter well fields
- Show that groundwater immediately south of the Chino Desalter well fields is flowing northward and is intercepted by the well fields

The Watermaster and the IEUA will need a network of monitoring wells that is capable of unequivocally demonstrating hydraulic control. The Watermaster should submit a plan for a proposed network of monitoring wells, a profile-view drawing of what a typical monitoring well will look like, and a schedule for the installation of the new monitoring wells to the Executive Officer within six months of completing the Chino Creek Well Field design, and no later than June 30, 2009.

The Regional Board supports the Watermaster as it continues to implement the Optimum Basin Management Program. However, the Regional Board is concerned about the timely achievement of hydraulic control. To that end, we encourage Judge Gunn to require the appropriate parties to report on their compliance with the previously established schedule regarding achieving and maintaining hydraulic control and if such compliance is not maintained to consider ordering the parties to implement a more aggressive program. Frankly, it appears that the enthusiasm by the Chino Basin Parties for meeting the maximum benefit commitments has not maintained the high level we observed during the earlier maximum benefit development phases. We hope that this is a misunderstanding on our part.

Given the economic benefits of the maximum benefit objectives, we trust that a concomitant level of effort will be made to ensure that those objectives are maintained. An aggressive schedule, potentially required by the Court, in support of the water quality commitments of the Chino Basin Parties would be welcome by the Regional Board.

California Environmental Protection Agency



Mr. Ken Manning

- 4 -

May 23, 2008

In order to better monitor compliance with the maximum benefit commitments, this is to request more frequent reporting on the schedule and progress of the Chino Creek Well Field. To that end, the Watermaster and the IEUA are hereby requested to provide updated schedules and progress reports to the Executive Officer quarterly on the 15th day of July, October, January, and April until hydraulic control is achieved. Should budgetary or other considerations require that this request be formalized by an order pursuant to CWC Section 13267, we would accommodate such a notice or request.

Should you have any comments or questions concerning the position stated above, please contact me at (951) 782-3284.

Sincerely.

honi

Gerard J. Thibeault, Executive Officer Santa Ana Regional Water Quality Control Board

Regional Board Members CC. Rich Atwater, IEUA Hope Smythe, CRWQCB Joanne Schneider, CRWQCB Mark Wildermuth, Wildermuth Environmental, Inc.

California Environmental Protection Agency



<u>CHINO BASIN WATERMASTER</u> Case No. RCV 51010 Chino Basin Municipal Water District v. The City of Chino

PROOF OF SERVICE

I declare that:

I am employed in the County of San Bernardino, California. I am over the age of 18 years and not a party to the within action. My business address is Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California 91730; telephone (909) 484-3888.

On June 30, 2008 | served the following:

1) MOTION TO APPROVE WATERMASTER'S FILING IN SATISFACTION OF CONDITION SUBSEQUENT 5; WATERMASTER COMPLIANCE WITH CONDITION SUBSEQUENT 6

- /_x_/ BY MAIL: in said cause, by placing a true copy thereof enclosed with postage thereon fully prepaid, for delivery by United States Postal Service mail at Rancho Cucamonga, California, addresses as follows: See attached service list: Mailing List 1
- / / BY PERSONAL SERVICE: I caused such envelope to be delivered by hand to the addressee.
- /___/ BY FACSIMILE: I transmitted said document by fax transmission from (909) 484-3890 to the fax number(s) indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting fax machine.
- I_x_/ BY ELECTRONIC MAIL: I transmitted notice of availability of electronic documents by electronic transmission to the email address indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting electronic mail device.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on June 30, 2008 in Rancho Cucamonga, California.

Chino Basin Watermaster

Members:

Al Lopez Alfred E. Smith Amy Steinfeld Andy Malone April Woodruff Arnold Rodriguez Art Kidman Ashok K. Dhingra Barbara Swanson Bill Dendy Bill Kruger **Bill Rice** Bill Thompson **Bob Feenstra** Bob Kuhn Bonnie Tazza Brenda Fowler **Brian Hess** Butch Araiza Carol Carol Davis Charles Field **Charles Moorrees** Chris Swanberg Cindy LaCamera Craig Stewart Curtis Aaron Cyndi Windell Dan Arrighi Dan Hostetler Dan McKinney Dave Argo Dave Crosley David B. Anderson David D DeJesus David D DeJesus David Ringel **Dennis Dooley Diane Sanchez** Don Galleano **Duffy Blau** Eldon Horst Eric Garner Eunice Ulloa Frank Brommenschenkel Fred Fudacz Gene Koopman Geoffrey Vanden Heuvel Gerard Thibeault Gerry Foote Grace Cabrera Greg Woodside Henry Pepper James Curatalo **James Jenkins** Janine Wilson Jarlath Oley Jean Cihigoyenetche jeeinc@aol.com Jeff Pierson Jennifer Novak Jess Senecal

lopezsixto@netzero.net asmith@nossaman.com asteinfeld@bhfs.com amalone@wildermuthenvironmental.com awoodruff@jeua.org jarodriguez@sarwc.com akidman@mkblawyers.com ashok.dhingra@m-e.aecom.com Barbara Swanson@yahoo.com bdendy@aoi.com citycouncil@chinohills.org WRice@waterboards.ca.gov bthompson@ci.norco.ca.us feenstra@agconceptsinc.com bgkuhn@aol.com bonniet@cvwdwater.com balee@fontanawater.com bhess@niagarawater.com butcharaiza@mindspring.com marie@tragerlaw.com cdavis@lagerlof.com cdfield@att.net cmoorrees@sawaterco.com chris.swanberg@corr.ca.gov clacamera@mwdh2o.com cstewart@geomatrix.com caaron@fontana.org cynthia.windell@sce.com darrighi@sgvwater.com dghostetler@csupomona.edu dmckinney@rhlaw.com argodg@bv.com DCrosley@cityofchino.org danders@water.ca.gov ddejesus@mwdh2o.com davidcicgm@aol.com david.j.ringel@us.mwhglobal.com ddooley@angelica.com dianes@water.ca.gov donald@galleanowinery.com Duffy954@aol.com ehorst@jcsd.us elgarner@bbklaw.com eulloa@cbwcd.org frank.brommen@verizon.net ffudacz@nossaman.com GTKoopman@aol.com GeoffreyVH@juno.com gthibeault@rb8.swrcb.ca.gov gfoote@cbwcd.org grace cabrera@ci.pomona.ca.us gwoodside@ocwd.com henry_pepper@ci.pomona.ca.us jamesc@cvwdwater.com cnomgr@airports.sbcounty.gov Janine@CBWM.ORG joley@mwdh2o.com Jean CGC@hotmail.com jeeinc@aol.com jpierson@unitexcorp.com jennifer.novak@doj.ca.gov JessSenecal@lagerlof.com

Jill Willis Jim Hill Jim Markman Jim Taylor Jim@city-attorney.com jimmy@city-attorney.com Joe P LeClaire Joe Scalmanini John Anderson John Ayers John Cotti John Huitsina John Schatz John V. Rossi John Vega Jose Galindo Joseph S. Aklufi Judy Schurr Justin Brokaw Kathy Kunysz Kathy Tiegs Ken Jeske Ken Kules Kenneth Willis Kevin Sage Kyle Snay Lisa Hamilton Mark Henslev Martin Zvirbulis Robert Bowcock

jnwillis@bbklaw.com jhill@cityofchino.org jmarkman@rwglaw.com jim taylor@ci.pomona.ca.us Jim@city-attorney.com iimmy@city-attorney.com ileclaire@wildermuthenvironmental.com iscal@lsce.com janderson@ieua.org javers@sunkistgrowers.com jcotti@localgovlaw.com johnhuitsing@gmail.com jschatz13@cox.net jrossi@wmwd.com johnv@cvwdwater.com jose a galindo@praxair.com AandWLaw@aol.com ischurr@courts.sbcounty.gov jbrokaw@hughes.net kkunysz@mwdh2o.com ktiegs@ieua.org kjeske@ci.ontario.ca.us kkules@mwdh2o.com kwillis@homeowners.org Ksage@IRMwater.com kylesnay@gswater.com Lisa.Hamilton@corporate.ge.com mhensley@localgovlaw.com martinz@cvwdwater.com bbowcock@irmwater.com

Members:

Manuel Carrillo Mark Kinsev Mark Ward Mark Wildermuth Martha Davis Martin Rauch Martin Zvirbulis Maynard Lenhert Michael B. Malpezzi Michael T Fife **Michelle Staples** Mike Del Santo Mike Maestas Mike McGraw Mike Thies Mohamed El-Amamy Nathan deBoom Pam Wilson Paul Deutsch Paul Hofer Pete Hall Peter Hettinga Phil Krause Phil Rosentrater Rachel R Robledo Raul Garibay Richard Atwater **Rick Hansen Rick Rees Rita Kurth** Robert Bowcock Robert Cayce Robert DeLoach Robert Rauch Robert Tock Robert W. Nicholson Robert Young Roger Florio Ron Craig Rosemary Hoerning Sam Fuller Sandra S. Rose Sandy Lopez Scott Burton Seven Orr Steve Arbelbide Steve Kennedy Steven Beckett Steven Lee Susan Trager Tej Pahwa **Terry Catlin** Timothy Ryan Tom Bunn Tom Love Tom McPeters **Tony Banegas** Tracy Tracy Tram Tran Vanessa Hampton William Brunick WM Admin Staff

Manuel.Carrillo@SEN.CA.GOV mkinsey@mvwd.org mark ward@ameron-intl.com mwildermuth@wildermuthenvironmental.com mdavis@ieua.org martin@rauchcc.com martinz@cvwdwater.com directorlenhert@mvwd.org MMalpezzi@reliant.com MFife@bhfs.com mstaples@jdplaw.com mdelsant@prologis.com mmaestas@chinohills.org mjmcgraw@FontanaWater.com mthies@spacecenterinc.com melamamy@ci.ontario.ca.us. n8deboom@gmail.com pwilson@bhfs.com pdeutch@geomatrix.com farmwatchtoo@aol.com r.pete.hall@cdcr.ca.gov peterhettinga@yahoo.com pkrause@parks.sbcounty.gov prosentrater@wmwd.com rrobledo@bhfs.com raul garibay@ci.pomona.ca.us Atwater@ieua.org rhansen@tvmwd.com rrees@geomatrix.com ritak@cvwdwater.com bbowcock@irmwater.com rcayce@airports.sbcounty.gov robertd@cvwdwater.com robert.rauchcc@verizon.net rtock@jcsd.us rwnicholson@sgvwater.com rkyoung@fontanawater.com roaer.florio@ae.com RonC@rbf.com rhoerning@ci.upland.ca.us samf@sbvmwd.com vbarose@verizon.net slopez@ci.ontario.ca.us sburton@ci.ontario.ca.us sorr@rwglaw.com sarbelbide@californiasteel.com skennedy@bbmblaw.com skbeckett@bbmblaw.com slee@rhlaw.com smt@tragerlaw.com tpahwa@dtsc.ca.gov tlcatlin@verizon.net tjryan@sgvwater.com TomBunn@Lagerlof.com TLove@ieua.org thmcp@aol.com tbanegas@sunkistgrowers.com ttracy@mvwd.org ttran@mkblawyers.com vhampton@jcsd.us bbrunick@bbmblaw.com