MOTION FOR APPROVAL OF AMENDMENT TO RMPU; TAMCO INTERVENTION

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#### I. INTRODUCTION

The Chino Basin Watermaster ("Watermaster") and the Inland Empire Utilities Agency ("IEUA") hereby jointly request the Court's approval of the 2013 Amendment to the 2010 Recharge Master Plan Update ("2013 Amendment")<sup>1</sup> and finding that the 2013 Amendment satisfies the Court's orders and directions regarding amendment of the 2010 Recharge Master Plan Update ("2010 RMPU") contained in the Court's Order Approving Watermaster's Compliance with Condition Subsequent Number Eight and Approving Procedures to be Used to Allocate Surplus Agricultural Pool Water in the Event of a Decline in Safe Yield, dated October 8, 2010 Order").

Watermaster also requests the Court's approval of the proposed unopposed intervention of TAMCO, a California Corporation, as a party to the Judgment with placement within the Overlying (Non-Agricultural) Pool.

## II. BACKGROUND OF AMENDMENT TO THE RECHARGE MASTER PLAN UPDATE

#### A. The Recharge Master Plan

In its December 21, 2007 Order approving the Peace II Measures, the Court required Watermaster to satisfy a number of conditions subsequent. Condition subsequent number eight required Watermaster to update its Recharge Master Plan. The Chino Basin Judgment operates on the fundamental premise that, through the Physical Solution, overproduction can be replenished through the recharge of supplemental water. Consequently, under the Judgment, no party is limited in the amount of groundwater that it may pump from the Basin, provided that sufficient funds are provided by the parties to purchase available replenishment water to offset any pumping above the Safe Yield of the Basin. (See Plaintiff's Post Trial Memorandum, July 12, 1978, 5:5-12.)

<sup>&</sup>lt;sup>1</sup> A copy of the 2013 Amendment is attached to Exhibit "B" to the Declaration of Bradley J. Herrema, filed concurrently with this Motion ("Herrema Decl."), as Exhibit E to Watermaster's Resolution No. 2013-06, Resolution of the Chino Basin Watermaster Regarding the Adoption of the 2013 Amendment to the 2010 Update to the Chino Basin Recharge Master Plan.

<sup>2</sup> The October 8, 2010 Order is attached to Herrema Decl., Exh. B, as Exhibit B to Watermaster's Resolution No. 2013-06.

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In broad terms, the purpose of the Recharge Master Plan is to articulate the manner in which Watermaster will fulfill its responsibilities under the Judgment to ensure that groundwater production from the Chino Basin in excess of the Safe Yield is off-set, bucket for bucket, by replenishment in accordance with the Physical Solution. Success is dependent upon making projections in the Recharge Master Plan concerning anticipated production of groundwater from the Basin, the availability of imported water supplies, and the facilities necessary to make use of those imported supplies. (See Peace II Agreement, Article VIII.)

In addition, Watermaster's discretion with regard to the manner in which recharge activities are conducted is constrained by commitments made in the Peace I and Peace II Agreements, and implementation of the Recharge Master Plan recommendations must satisfy these commitments. (See, e.g., Peace II Agreement, ¶ 8.4.) Fundamentally, the purpose of the Recharge Master Plan Update is to ensure that: (i) if at any time during the period when the 400,000 acre-feet of Basin Re-Operation water is being produced that water were to become unavailable; and, (ii) when the 400,000 acre-feet has been exhausted under the Court authorized schedule, then, Watermaster and the parties will have the ability to offset all overproduction.

#### В. Update Requirements for Recharge Master Plan

Section 8.1 of the Peace II Agreement requires that Watermaster and IEUA update the Recharge Master Plan "... to address 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." (Peace II Agreement, § 8.1.) The Recharge Master Plan must contain recharge estimations and summaries of the projected water supply availability. as well as the physical means to accomplish the projected recharge quantities. (Peace II Agreement, § 8.1.) Specifically, the Peace II Agreement envisions that updates to the Recharge Master Plan will:

> ...reflect an appropriate schedule for planning, design, and physical improvements as may be required to provide reasonable assurance that following the full beneficial use of the groundwater withdrawn in accordance with the Basin Re-Operation and authorized controlled overdraft, that sufficient Replenishment capability exists to meet the reasonable projections of Desalter Replenishment obligations.

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(Peace II Agreement, § 8.1.) The Peace II Agreement requires that Watermaster and IEUA update and amend the Recharge Master Plan as frequently as necessary, and not less frequently than every five years. (Peace II Agreement, § 8.1.)

#### C. 2010 Recharge Master Plan Update

On June 30, 2010, Watermaster submitted its 2010 RMPU to the Court in compliance with condition subsequent number eight. (October 8, 2010 Order Approving Watermaster Compliance with Condition Subsequent Number Eight and Approving Procedures to be Used to Allocate Surplus Agricultural Pool Water in the Event of a Decline in Safe Yield ("October 8, 2010 Order") at 4:3-4.) However, due to intervening state legislation enacted subsequent to the Court's December 2007 Order approving the Peace II Measures, a delay in finalizing the 2010 RMPU was required. The legislation, entitled SB 7, extended the time for completion of 2010 Urban Water Management Plans ("UWMPs") until July 1, 2011. (Watermaster Compliance with Condition Subsequent Number Eight, filed June 30, 2010, attached to Herrema Decl., Exhibit "E" at 6:15-22.) The UWMPs provide important information about the projected Basin production by members of the Appropriative Pool. This information was critical to the 2010 RPMU and, because this information was not yet available in June 2010, IEUA was not in a position to approve the updated RMP as required by section 8.1 of the Peace II Agreement. (October 8, 2010 Order, at 3:10-14.) IEUA deferred its right to approval of the 2010 RPMU until after the completion of the parties' UWMPs, because IEUA believed that the water demand and production assumptions were overly conservative and should be re-evaluated with the completion of the Appropriative Pool members' UWMPs to avoid unnecessary expense to the parties. (See October 8, 2010 Order, at 3:10-14.)

After Watermaster's June 30, 2010 submittal of the 2010 RMPU, the Court issued its October 8, 2010 Order approving the 2010 RMPU, whereby Watermaster was ordered to convene a committee described in item 3 of section 7.1 of the 2010 RMPU<sup>3</sup> "...to develop the monitoring, reporting, and accounting practices that will be required to estimate local project stormwater

<sup>&</sup>lt;sup>3</sup> The 2010 RMPU recommends that Watermaster form a committee consisting of "itself, the land use control entities, the County Flood Control Districts, the [Chino Basin Water Conservation District], the IEUA, and others." (2010 RMPU, p. 7-1.)

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recharge and new yield" and "...to conduct further analyses as described in section 7.2 of the updated Recharge Master Plan of the Phase I through III projects to refine the projects, to develop a financing plan, and to develop an implementation plan." (October 8, 2010 Order, at 4:9-14.) The Court further ordered Watermaster to report to the Court on any changes to the 2010 RMPU necessitated by information received through the UWMPs by December 17, 2011, and to report on the status of IEUA's approval of the RMPU. (October 8, 2010 Order, at 4:15-18.)

On December 12, 2011 Watermaster filed an Ex Parte Motion to Request a 180-Day Extension of Time re Filing of Recharge Master Plan Status Report, which the Court granted on December 16, 2011. (Order Granting Ex Parte Motion to Request a 180-Day Extension of Time re Filing of Recharge Master Plan Status Report (Dec. 16, 2011.) On December 15, 2011, the Watermaster Board directed the completion of the update to the Recharge Master Plan and an implementation and funding plan within the following year. (Watermaster's Recharge Master Plan Status Report<sup>4</sup> (May 31, 2012), at p. 3; September 26, 2013 Watermaster Board Meeting agenda staff report, Recharge Master Plan Update Amendment Approval, attached as Exhibit "C" to Herrema Decl. ("Staff Report"), at p. 2.)

#### D. Watermaster's Prior Status Report and Completion Schedule

On May 31, 2012, in response to the Court's October 3, 2010 and December 16, 2011 Orders, Watermaster filed a Recharge Master Plan Status Report informing the Court of the progress made toward amendment of the 2010 RMPU. Watermaster reported that, using updated estimates of stakeholders' groundwater production and projections of replenishment obligations, Watermaster and the parties had evaluated changed circumstances (legislative, regulatory, etc.) that were not addressed in the 2010 RMPU and how these changes affect the Recharge Master Plan. (Status Report, at p. 3.) For this purpose, a Recharge Master Plan Update Steering Committee ("Steering Committee"), composed of stakeholders, and including IEUA, had been convened and had been meeting twice a month for the prior year. (Status Report, at p. 3.)

The Status Report updated the Court on the scope of the Steering Committee's analysis,

<sup>&</sup>lt;sup>4</sup> A copy of the May 31, 2012 Recharge Master Plan Status Report ("Status Report") is attached to Herrema Decl., Exh. B, as Exhibit B to Watermaster's Resolution No. 2013-06.

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and progress in formulating an amendment to the 2010 RMPU. (Status Report, at p. 3.) The Status Report additionally indicated to the Court that Watermaster believed that the Amendment could be accomplished within the timeframe anticipated in the 2010 RMPU<sup>5</sup> as well as by the December 2012 deadline directed by the Watermaster Board. (Status Report, at p. 5.) At its November 15, 2012 regular meeting, the Board considered the progress that had been made on the Amendment and the remaining progress required to complete the Amendment, and unanimously approved a schedule providing for the completion of the Amendment and its filing with the Court by October 2013. (Staff Report, at p. 3.)

#### Development of the 2013 Amendment to the 2010 Recharge Master Plan E.

As discussed in Watermaster's May 31, 2012 Status Report, using updated estimates of stakeholders' groundwater production and projections of replenishment obligations, the Steering Committee evaluated changed circumstances (legislative, regulatory, etc.) that were not addressed in the 2010 RMPU and how these changes affect the Recharge Master Plan. (Status Report, p. 3.) The evaluation incorporated updated groundwater production estimates and replenishment obligation projections, calculations of water in storage, and information regarding the projected availability of replenishment water. (Status Report, p. 3; see also, Staff Report, pp. 2-3.)

Using these scenarios, Watermaster's hydrology consultant undertook modeling in order to project recharge needs within the Basin, based on modeled future groundwater levels, estimated Safe Yield, and the balance of recharge and discharge within the Basin. (September 26, 2013 Watermaster Board meeting staff and consultants' presentation ("Staff Presentation") at 2, 16-17, attached as Exhibit "D" to Herrema Decl.) This analysis was predicated on updated pumping and replenishment projections, estimates of the locations and amounts of recharge required for groundwater production sustainability, and potential production forbearance. (Staff Presentation, at 20-23; Status Report, p. 3.)

As the modeling prior to the Amendment process had been based on the locations and capabilities of existing recharge facilities, the Steering Committee also had an inventory

<sup>&</sup>lt;sup>5</sup> The 2010 RMPU estimated that the actions responsive to the Court's October 2010 Order could be completed within three years. (Staff Report, p. 2.)

conducted of existing recharge facilities, which includes the characterization of recharge basins, recharge capacities and the factors controlling recharge performance. (Status Report, at p. 2; see Staff Presentation, 5.) Other factors that were also included in the analysis include the evaluation of impacts due to changes in recycled water recharge regulations on Watermaster's ability to recharge the same, the analysis of actual storm water recharge at existing facilities, storm water available for recharge at each facility, and what could be done to increase recharge at each, as well as the evaluation of availability of and ability to recharge supplemental water, and the possibility of in-lieu recharge within the Basin. (Status Report, at p. 4.)

In order to finalize the Amendment, the Steering Committee directed the identification of the possible recharge options available to meet current and projected recharge needs, as well as projects that would enhance the Basin's Safe Yield. (Staff Presentation, at 19-22; see Resolution 2013-06, ¶21.) This included the identification of areas within the Basin with the potential for production sustainability challenges and other water management challenges that can be addressed by recharge or production management, the identification of options ensuring production sustainability through the term of Peace Agreements, including increased recharge at existing facilities, new recharge facilities, new recharge sources, adjustments in production patterns, etc. (d.) Based on the Steering Committee's desire to evaluate as many recharge project options as could be identified, the Amendment analyzed suggested projects well beyond those for which the 2010 RMPU's prior analysis was required to be refined pursuant to the Court's October 2010 Order. (Staff Report, p. 3; see October 8, 2010 Order, at 4:15-18.) The listing of projects was expanded to provide an opportunity to identify any and all known recharge opportunities at this time.

The Steering Committee also developed the monitoring, reporting, and accounting practices required to estimate stormwater recharge and any resultant New Yield associated with compliance with the requirements of the Regional Water Quality Control Board's permit for Municipal Separate Storm Sewer Systems (MS4s). (Staff Report, p. 3; Resolution 2013-06, ¶ 21.) In doing so, the Steering Committee considered three alternatives for these practices, including the annual estimation of recharge and New Yield for specific projects with a "true up"

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at the time of a later Safe Yield recalculation, an indirect estimation as part of periodic Safe Yield recalculations, and a hybrid approach. (Staff Presentation, at 16.) As to each of these alternatives, the Steering Committee considered timeliness of estimates, the relative cost of each, and the expected relative accuracy of the estimates generated through each alternative. (Id.) The Steering Committee recommended, and the Amendment includes, the hybrid approach based on the efficiencies and cost effectiveness of the approach, combined with the accuracy of the resulting estimates. (Staff Presentation, at 17.)

After the identification of the potential recharge projects, the Steering Committee developed the methods and criteria that would be used to evaluate and rank each of them. (Staff Presentation, at 21-22.) Project evaluation criteria include: confidence in the project's recharge estimate; the project's location within the Basin; ability of the project to be expanded to include Supplemental Water recharge; cost; any applicable water quality challenges; and, any applicable institutional challenges. (Staff Presentation, at 22.) Using these agreed upon methods and criteria, Watermaster's consultants conducted engineering and cost analyses of each project. (Staff Presentation, at 25.) Based on these analyses, the parties reviewed and recommended implementation of selected projects, and developed recommended financing and implementation plans for these projects. (Staff Report, p. 3.) IEUA was an active participant in the process and considered the proposed projects and has indicated willingness to jointly fund certain of these projects that will facilitate the recharge of additional quantities of recycled water. (Staff Report, p. 3.) IEUA's financial participation was considered in the cost of the projects. (Staff Report, p. 3.)

#### F. Recommended Projects and Implementation and Financing Plan

There are two types of projects that were considered for recommended implementation in the 2013 RMPU: production sustainability and yield enhancement projects. The potential for production sustainability challenges in Management Zones 2 and 3 has been identified, but the magnitudes of these challenges are presently unknown and will depend on future groundwater production and recharge at existing recharge facilities, including the anticipated recharge at proposed yield enhancement projects located in Management Zones 2 and 3. (2013 Amendment,

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at 8-10.) The Amendment recommends the further characterization of the potential production sustainability challenges and further evaluation of identified projects to determine their ability to address such challenges. (2013 Amendment, at 8-10.)

As to the yield enhancement projects, after evaluating various cost effectiveness thresholds, the Steering Committee indicated a preference for recommending all recharge options that, when combined, have a melded annual cost of \$612 per acre-foot, and this is the recommended list of projects. (2013 Amendment, at 8-9; Table 8-2c.) These projects will lead to potential new stormwater capture of up to 6,781 acre-feet per year, as well as additional recycled water recharge capacity of 4,936 acre-feet per year, at a projected total capital expense exceeding \$57 million. (Staff Report, p. 3.) The recommended yield enhancement projects in Management Zones 2 and 3 will additionally provide some production sustainability benefits in the areas where production sustainability challenges might occur in the future. (2013 Amendment, at 8-10.)

The 2013 Amendment includes an Implementation and Financing Plan for the funding, design, review and construction of the recommended projects. (Staff Report, p. 3.) The Implementation Plan includes the further evaluation of Management Zone 3 sustainability needs, described above, as one of its first steps. (Staff Report, p. 3.) As to the recommended projects, the Implementation Plan identifies that various agreements necessary for agency cooperation during project implementation must be developed. (Staff Report, p. 3.) These agreements may include cost and benefit allocation mechanisms that differ from those applied to prior Watermaster yield enhancement projects. (Staff Report, p. 4.) Yield Enhancement projects would proceed with preliminary design, permitting, and CEQA compliance, and then final design and construction.<sup>6</sup> (Staff Report, pp. 3-4.) The anticipated six-year timeframe for completion of the recommended projects (Staff Report, p. 4) will roughly coincide with the five year time frame for the next update or amendment to the Recharge Master Plan Update. (See Peace II Agreement, § 8.1.)

<sup>&</sup>lt;sup>6</sup> At the time of the completion of the 2010 RMPU, it was anticipated that the projects that would be identified for implementation through the Amendment could be constructed within five years of the completion of the Amendment. (Staff Report, p. 4.) Based on the information on these projects developed through the Amendment process, it is believed that a six year time frame for full construction of the recommended projects is more realistic. (Staff Report, p. 4.)

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The Amendment's Financing Plan provides for the identification of a final financing mechanism in conjunction with the project review and permitting work described above, and contemplates cost-sharing between IEUA and Watermaster, and the parties' pursuit of grant funding. (Staff Report, p. 4.) Design and permitting costs are to be paid on a pay-as-you-go basis, and capital costs will be paid through longer term financing mechanisms established by IEUA or certain Watermaster parties. (Staff Report, p. 4.)

#### G. Watermaster's Approval of the 2013 Amendment

As described in section II.D., above, in November 2012, the Watermaster Board approved a schedule for the completion and filing of the 2013 Amendment by October 2013. This schedule included the planned completion and approval of the remaining sections<sup>7</sup> of the 2013 Amendment by certain identified milestones, to ensure progress was made that would lead to timely completion of the 2013 Amendment. (Herrema Decl., at ¶ 4.)

Each of sections 5-8 was presented to the Pool Committees, Advisory Committee and Watermaster Board for its review and approval. The Advisory Committee and Board approved Section 7 in January 2013, Section 6 in in February 2013, Section 5 in June 2013, and Section 8 in September 2013. (Staff Presentation, 32.)

At its September 26, 2013 regular meeting, the Watermaster Board considered the 2013 Amendment in its entirety. As part of its consideration, the Board reviewed the Staff Report and was provided with the Staff Presentation. Considering the evidence before it, the Board approved revised Sections 1 through 4,8 approved Section 8 as presented, adopted Resolution 2013-06, including the adoption of the findings therein, and authorized Watermaster legal counsel to move this Court for approval of the 2013 Amendment. (Herrema Decl., at ¶ 5.)

The Board adopted Resolution 2013-06's findings that:

As the Board found previously in December 2012, there exists sufficient recharge capacity within the Basin to meet future replenishment obligations;

<sup>&</sup>lt;sup>7</sup> As described in the May 2012 Status Report, Sections 1-4 had been approved in Draft form in May 2012. (Status Report, at p. 4.)

8 Sections 1-4, approved in May 2012 in draft form, were revised for consistency within Sections 5-8. (Staff Report, p. 3.)

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OWIND LEAN RIVALL FARBER SCHRECK,	21 East Carrillo Street	Santa Barbara, CA 93101-2706	

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- Through the Steering Committee, Watermaster and interested parties evaluated changed circumstances that were not addressed in the 2010 Recharge Master Plan Update and how these changes affect the Recharge Master Plan, and this evaluation is included in section 2 of the 2013 Amendment;
- The Steering Committee developed the monitoring, reporting, and accounting practices and criteria necessary to estimate and evaluate local project stormwater recharge and New Yield, as described in section 5 of the 2013 Amendment;
- The Steering Committee facilitated the technical evaluation of the Sustainability Projects and Yield Enhancement Projects, which exceeded the scope of the 2010 RMPU's Phase I – III projects, and their ranking pursuant to agreed upon criteria, as described in sections 6 and 7 of the 2013 Amendment;
- The Steering Committee's recommended Yield Enhancement Projects are estimated to increase stormwater recharge to the Basin by up to 6.781 acre-feet per year and recycled water recharge to the Basin by up to 4,936 acre-feet per year:
- The Steering Committee developed an implementation and financing plan for the 2013 Amendment's recommended projects, as described in Section 8 of the 2013 Amendment, that will further the goals and requirements of the Recharge Master Plan; and
- The development of the 2013 Amendment was substantially a further update to the Recharge Master Plan.

On the basis of these findings, through Resolution 2013-06 the Board resolved that:

- The 2013 Amendment to the 2010 Recharge Master Plan Update is based on sound technical analysis and adequately amends the 2010 Recharge Master Plan Update in light of changed economic, legislative, and hydrologic conditions within the State of California;
- The 2013 Amendment to the 2010 Recharge Master Plan Update is responsive to the Court's order to develop the monitoring, reporting, and accounting practices

that will be required to estimate local project stormwater recharge and new yield, and contains sufficient analysis responsive to the Court's direction to develop a financing plan and an implementation plan;

- Watermaster adopts the 2013 Amendment to the 2010 Recharge Master Plan
   Update as the guidance document for the further development of the recharge facilities within the Chino Basin; and
- Pursuant to the Peace II Agreement Section 8.1, Watermaster and IEUA will
  update the Recharge Master Plan not less frequently than once every five years.
  As the development of the 2013 Amendment was, in effect, an update to the Plan,
  the Plan will be updated no later than 2018.

Each of these Section and 2013 Amendment approvals described above was without opposition, with the exception of that of Section 5, which pertains to the monitoring, reporting, and accounting practices developed in order to estimate long-term average annual net new stormwater recharge. At the June 27, 2013 Watermaster Board meeting, representatives of the City of Fontana ("Fontana") opposed the approval of Section 5, based on its position that additional language regarding the allocation of credit for recharged stormwater should be included in the Section. (See Minutes of the June 27, 2013 Watermaster Board meeting, included in the agenda packet for the September 26, 2013 Board meeting, attached as Exhibit "A" to Herrema Decl., at pp. 10-17.)

The Watermaster Board considered Fontana's concerns, deliberated and commented on its requests, and, nevertheless approved Section 5, based on the recommendation that the issue of how to incentivize conduct and provide credits in the allocation of recharged water was premature and that Fontana's request, along with the positions of all other stakeholders, would most appropriately be addressed through processes proposed take place this year and next and be concluded in 2014. (See Herrema Decl., Exhibit "A," at pp. 12-13.) Specifically, Watermaster intends to facilitate the resolution of all stakeholders' concerns regarding the finance, credits and allocation of stormwater recharge and to evaluate these proposals in calendar year 2014. The General Manager's Business Plan for 2014 includes this work item and the Board itself expressly

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stated that it supported the prompt resolution of this subject as rationale in finding that Fontana's request was premature. (Herrema Decl., Exhibit "A," at pp. 13-14, 19-20.)

On September 24, 2013, Fontana filed its Motion to Revise Section 5 of the 2013 Recharge Master Plan Update and Restated Judgment. The Court has set a briefing schedule for the consideration of both Fontana's motion and this motion (October 3, 2013 Order Granting Chino Basin Watermaster's Ex Parte Application to Continue Hearing on Motion to Revise Section 5 of the 2013 Recharge Master Plan Update and the Restated Judgment, p. 2) and Watermaster will respond to Fontana's motion separate from this motion, pursuant to that briefing schedule.

#### H. IEUA Approval of the 2013 Amendment

At the time of the 2010 RMPU's submittal to the Court, Watermaster reported that IEUA had deferred its approval of the update to the Recharge Master Plan until additional data became available, such as through the Urban Water Management Process that would be completed in June 2011, related to IEUA's concern that the water demand and groundwater production assumptions underlying the 2010 RMPU were overly conservative and might result in unnecessary expense to the parties. (October 8, 2010 Order, 9:9-20.) In its May 2012 Recharge Master Plan Status Report, Watermaster reported that because IEUA had been an active participant in the Amendment process, Watermaster reasonably anticipated that IEUA would be more readily disposed to approve the Amendment. (October 8, 2010 Order, 4:27-5:1) At its October 16, 2013 regular Board meeting, the IEUA Board of Directors adopted Resolution 2013-10-19, approving the 2013 Amendment, as stated in the Declaration of Jean Cihigovenetche dated November 4, 2013, filed concurrently with this Motion.

#### III. THE 2013 AMENDMENT SATISFIES THE REQUIREMENTS FOR AN UPDATE OR AMENDMENT

As recounted above, the Court's October 8, 2010 Order approving the 2010 RMPU, ordered Watermaster to convene the committee described in item 3 of section 7.1 of the 2010 RMPU "...to develop the monitoring, reporting, and accounting practices that will be required to

<sup>&</sup>lt;sup>9</sup> IEUA's Resolution 2013-10-1 is attached as Exhibit "A" to the Declaration of Jean Cihigoyenetche.

estimate local project stormwater recharge and new yield and "...to conduct further analyses as described in section 7.2 of the updated Recharge Master Plan of the Phase I through III projects to refine the projects, to develop a financing plan, and to develop an implementation plan." (October 8, 2010 Order, at 4:19-14.)

As described in section II.E. above, through the Steering Committee, Watermaster developed, and the 2013 Amendment includes the monitoring, reporting, and accounting practices required to estimate local project stormwater recharge and New Yield, contained in Section 5 of the 2013 Amendment. (See 2013 Amendment, at 5-4 through 5-9; Staff Presentation, at 2, 16-17.) As further described above, through the Steering Committee, Watermaster, as documented in the 2013 Amendment, conducted further analyses of the Phase I-III projects included in the 2010 RMPU, as well as additional projects proposed for analysis by the members of the Steering Committee, and the 2013 Amendment includes plans for the financing and implementation of the projects that were recommended as a result of these analyses. (Resolution 2013-06, ¶¶ 21-24.)

Further, as described above, the 2013 Amendment satisfies the requirements of the Peace II Agreement to contain recharge estimations and summaries of the projected water supply availability, as well as the physical means to accomplish the projected recharge quantities. (2013 Amendment, at 6-1, 8-10; Staff Report, at p. 3; see Peace II Agreement, § 8.1.) In order to keep the Court apprised of the progress made toward the construction of the recommended projects, Watermaster proposes to report the progress made and activities undertaken pursuant to the 2013 Amendment's Implementation and Financing Plans as part of its semi-annual Optimum Basin Management Program reports. (Proposed Order Approving Watermaster's 2013 Amendment to 2010 Recharge Master Plan and Intervention of TAMCO, filed concurrently with this Motion, Ordering Para. 2.)

On the basis of the evidence before them – and which is before the Court through this Motion – both the Watermaster and IEUA Boards made the specific findings set forth in Resolutions 2013-06 and 2013-10-1 and reasonably concluded that the 2013 Amendment satisfies the requirements of an amendment to the Recharge Master Plan and the specific requirements of this Court's October 2010 Order. (Resolution 2013-06, ¶ Finding 2; IEUA Resolution 2013-10-1,

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¶ 6.) Other than the City of Fontana's objection to Section 5, described in section II.G., above, no party has objected to and Watermaster is unaware of any party that opposes the Court's approval of the 2013 Amendment. (Herrema Decl., ¶ 10.)

#### IV. REQUEST FOR INTERVENTION OF TAMCO AS A PARTY TO THE **JUDGMENT**

Watermaster respectfully requests approval of the request of TAMCO, a California Corporation, for intervention and placement within the Overlying (Non-Agricultural) Pool. Watermaster receives and makes recommendations regarding petitions for intervention and accumulates them for filing with the Court from time to time. (Restated Judgment, ¶ 60 and Order re Intervention Procedures, July 14, 1978.) Only after court approval is an intervenor bound by the Judgment and entitled to the rights and privileges accorded under the Physical Solution. (Restated Judgment, ¶ 60.) Neither the Judgment nor the July 14, 1978 Order requires a hearing to be held for uncontested interventions.

Watermaster received a Petition to Intervene into the Judgment from TAMCO on July 17, 2013. (Herrema Decl, ¶ 11.) TAMCO recently entered into an agreement to transfer a portion of Ameron, Inc.'s production rights. The requested intervention of TAMCO was approved unanimously by the Appropriative, Overlying (Agricultural) and Overlying (Non-Agricultural) Pool Committees at their August 8, 2013 meetings, was approved unanimously by the Advisory Committee at its August 15, 2013 meeting, and was approved unanimously by the Board at its August 22, 2013 meeting. (Id.) Watermaster knows of no opposition to the intervention. (Id.)

#### V. CONCLUSION

On the basis of the uncontroverted evidence presented, Watermaster made detailed findings in support of is conclusion that RMPU 2013 conforms to the Judgment, the prior orders of this Court and the Peace Agreements. Accordingly, Watermaster requests that the Court also find that the 2013 Amendment to the 2010 RMPU satisfies the requirements of the Court's October 8, 2010 Order; and that the Court order Watermaster and IEUA proceed as proposed with the 2013 as the operative Recharge Master Plan and they provide updates on activities pursuant to the Implementation and Financing Plan, inclusive of any incentive program for recharge efforts

## BROWNSTEIN HYATT FARBER

CHINO BASIN WATERMASTER

CIHIGOYENETCHE GROSSBERG &

INLAND EMPIRE UTILITIES AGENCY

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1	SCOTT SLATER (State Bar No. 117317)	779070				
2	BRADLEY J. HERREMA (State Bar No. BROWNSTEIN HYATT FARBER SCH	RECK, LLP				
3	21 East Carrillo Street Santa Barbara, CA 93101-2706					
4	Telephone: 805,963,7000 Facsimile: 805,965,4333					
5	Attorneys for CHINO BASIN WATERMASTER	·				
6	CHINO BASIN WATERMASTER					
7						
8	SUPERIOR COURT OF	F THE STATE OF CALIFORNIA				
9	FOR THE COUNT	Y OF SAN BERNARDINO				
10		•				
11	CHINO BASIN MUNICIPAL WATER	Case No. RCV 51010				
12	DISTRICT,	[Assigned for All Purposes to the Honorable				
13	Plaintiff,	STANFORD E. REICHERT]				
14	V.	DECLARATION OF BRADLEY J. HERREMA IN SUPPORT OF MOTION				
15	CITY OF CHINO, et al.,	FOR COURT APPROVAL OF 2013				
	Defendant.	AMENDMENT TO 2010 RECHARGE MASTER PLAN UPDATE; REQUEST FOR				
16		INTERVENTION BY TAMCO				
17	·					
18	I, Bradley J. Herrema, declare as foll	ows:				
19	4 7 0 1 4 1 1 1 1					
20	1. I am an attorney duly admitte	d to practice before all of the courts of this State, and				

- 1. I am an attorney duly admitted to practice before all of the courts of this State, and am a shareholder in the law firm of Brownstein Hyatt Farber Schreck, LLP, counsel of record for Chino Basin Watermaster ("Watermaster"). I have personal knowledge of the facts stated in this declaration, except where stated on information and belief, and if called as a witness, I could and would competently testify to them under oath. I make this declaration in support of the above-referenced motion.
- 2. As legal counsel for Watermaster, I am familiar with Watermaster's practices and procedures, as well as actions taken by the Pool Committees, Advisory Committee and the Watermaster Board of Directors ("Board").

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- 3, In November 2012, the Watermaster Board approved a schedule for the completion and filing of the 2013 Amendment by October 2013. This schedule included the planned completion and approval of the remaining sections of the 2013 Amendment by certain identified milestones, to ensure progress was made that would lead to timely completion of the 2013 Amendment.
- 4. On June 27, 2013, during its regularly scheduled meeting, the Board discussed the 2013 Amendment to the 2010 Recharge Master Plan. On September 26, 2013, during its regularly scheduled meeting, the Board considered approval and adoption of the 2013 Amendment to the 2010 Recharge Master Plan Update pursuant to Resolution 2013-06, Resolution of the Chino Basin Watermaster Regarding the Adoption of the 2013 Amendment to the 2010 Update to the Chino Basin Recharge Master Plan. True and correct copies of the minutes for the June 27, 2013 meeting, which were approved by the Board at its September 26, 2013 meeting, and the minutes for the September 26, 2013 meeting, which were approved by the Board at its October 26, 2013 meeting, are attached hereto as Exhibit "A." Final signed copies of the minutes for these meetings are not available as of the date of this filing, due to the fact that the Secretary of the Board was not yet available to sign the minutes.
- The Board approved and adopted the Resolution 2013-06, Resolution of the Chino Basin Watermaster Regarding the Adoption of the 2013 Amendment to the 2010 Update to the Chino Basin Recharge Master Plan, a copy of which is attached hereto as Exhibit "B." A final signed copy of Resolution 2013-06 is not available as of the date of this filing, due to the fact that the Secretary of the Board was not yet available to sign the final Resolution.
- 6. Resolution 2013-06 includes a series of Exhibits thereto. Exhibit A to Resolution 2013-06 includes excerpts of Article VIII of the Peace II Agreement. Exhibit B to Resolution 2013-06 is a copy of the Court's Order Approving Watermaster's Compliance with Condition Subsequent Number Eight and Approving Procedures to be Used to Allocate Surplus Agricultural Pool Water in the Event of a Decline in Safe Yield, dated October 8, 2010. Exhibit C to Resolution 2013-06 is Chino Basin Watermaster's Recharge Master Plan Status Report to the Court, dated May 31, 2012. Exhibit D to Resolution 2013-06 is a Staff Report from Chino Basin

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Watermaster dated December 20, 2012, including Wildermuth Environmental, Inc., Annual Finding of Replenishment Capacity-Fiscal 2012-13, dated November 19, 2012, and Exhibit E to Resolution 2013-06 is a copy of the 2013 Amendment to the 2010 Recharge Master Plan Update.

- As part of its consideration of the adoption of Resolution 2013-06, the Board reviewed a Staff Report, prepared by Watermaster staff and consultants, and included in the agenda packet for the meeting. A copy of this Staff Report is attached hereto as Exhibit "C."
- 8. At its September 26, 2013 meeting, the Board also received and reviewed a PowerPoint presentation presented by Watermaster General Manager Peter Kavounas, Watermaster's hydrologic consultant Mark Wildermuth, and I, on the background, development, and contents of the 2013 Amendment to the 2010 Recharge Master Plan Update. A copy of this PowerPoint presentation is attached hereto as Exhibit "D."
- 9. A true and correct copy of Watermaster's prior filing with the Court related to the 2010 Recharge Master Plan Update entitled, Watermaster Compliance with Condition Subsequent Number Eight, filed June 30, 2010, is attached hereto as Exhibit "E."
- 10. As counsel for Watermaster, other than the City of Fontana's objection to Section 5 of the 2013 Amendment, which is the subject of a separately pending motion before this Court, I am unaware that any party has any objection to the Court's approval of the 2013 Amendment.
- 11. Watermaster received a Petition to Intervene into the Judgment from TAMCO on July 17, 2013. The Petition indicated that TAMCO recently entered into an agreement to transfer a portion of Ameron, Inc.'s production rights. The requested intervention of TAMCO was approved unanimously by the Appropriative, Overlying (Agricultural) and Overlying (Non-Agricultural) Pool Committees at their August 8, 2013 meetings, was approved unanimously by the Advisory Committee at its August 15, 2013 meeting, and was approved unanimously by the Board at its August 22, 2013 meeting. Watermaster knows of no opposition to the intervention. ///

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Dated this 4th day of November, 2013, at Santa Barbara, CA.

# Exhibit A

# Draft Minutes CHINO BASIN WATERMASTER WATERMASTER BOARD MEETING

June 27, 2013

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on June 27, 2013 at 11:00 a.m.

**WATERMASTER BOARD MEMBERS PRESENT** 

Bob Kuhn, Chair Jim Curatalo Bob Craig Steve Elie Bob Bowcock

Paul Hofer
Jeff Pierson for Geoffrey Vanden Heuvel

Charles Field

WATERMASTER BOARD MEMBERS ABSENT

Peter Rogers

Watermaster Staff Present

Danielle Maurizio Joseph Joswiak Janine Wilson Brenda Corona

Watermaster Consultants Present

Scott Slater Mark Wildermuth

Others Present

Bob Feenstra Brian Geye David DeJesus Marty Zvirbulis Jo Lynne Russo-Pereyra

Dave Crosley Nadeem Majaj Sheri Rojo Terry Catlin Curtis Paxton

Jack Safely
Todd Corbin
Darron Poulsen
Chuck Hays
Sandra Rose

Rick Hansen Ron Craig

Eunice Ulloa Rick Rees Three Valleys Municipal Water District Fontana Union Water Company Jurupa Community Services District

Inland Empire Utilities Agency

Vulcan Materials Company (Calmat Division)

Agricultural Pool Agricultural Pool

Western Municipal Water District

City of Chino Hills

Assistant General Manager Chief Financial Officer Recording Secretary Recording Secretary

Brownstein Hyatt Farber & Schreck Wildermuth Environmental Inc.

Ag Pool – Dairy Auto Club Speedway

Three Valleys Municipal Water District Cucamonga Valley Water District Cucamonga Valley Water District

City of Chino
City of Chino Hills
Fontana Water Company
Inland Empire Utilities Agency
Chino Desalter Authority
Western Municipal Water District
Jurupa Community Services District

City of Pomona City of Fontana

Monte Vista Water District

Three Valleys Municipal Water District

City of Chino Hills

Chino Basin Water Conservation District

Ag Pool - State (Amec)

Chair Kuhn called the Watermaster Board meeting to order at 11:02 a.m.

#### PLEDGE OF ALLEGIANCE

#### AGENDA - ADDITIONS/REORDER

There was one addition and no reorders made to the agenda.

A third item was added under Confidential Session: "Contract Negotiation."

#### I. CONSENT CALENDAR

#### A. MINUTES

1. Minutes of the Board Meeting held May 23, 2013

#### **B. FINANCIAL REPORTS**

- 1. Disbursements for the month of April 2013
- 2. Watermaster VISA Check Detail for the month of April 2013
- 3. Combining Schedule for the Period July 1, 2012 through April 30, 2013
- Cash Treasurer's Report of Financial Affairs for the Period April 1, 2013 through April 30, 2013
- 5. Budget vs. Actual Report for the Period July 1, 2012 through April 30, 2013

#### C. WATER TRANSACTION

- Consider Approval for Notice of Sale or Transfer The purchase of 2,000.000 acre-feet
  of water from the City of Upland by Fontana Water Company. This purchase is made from
  the City of Upland's storage account. Date of Application: April 8, 2013
- Consider Approval for Notice of Sale or Transfer The purchase of 6.500 acre-feet of water from The Nicholson Trust by Fontana Water Company. This purchase is made from The Nicholson Trust's Annual Production Right/Operating Safe Yield first, then any additional from storage. Date of Application: April 17, 2013
- 3. Consider Approval for Notice of Sale or Transfer The purchase of 782.000 acre-feet of water from San Antonio Water Company by the City of Ontario. This purchase is made first from San Antonio Water Company's net underproduction in Fiscal Year 2012-13, with any remainder to be recaptured from storage. The City of Ontario is utilizing this transaction to produce its San Antonio Water Company shares. Date of Application: May 1, 2013

#### D. WATERMASTER LEGAL COUNSEL RATES SCHEDULE

Consider Approval of the Updated Brownstein Hyatt Farber Schreck Rate Schedule.

Motion by Paul Hofer, second by Charles Field, and by unanimous vote

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

#### II. BUSINESS ITEMS

#### A. RECHARGE MASTER PLAN UPDATE AMENDMENT

Approve Section 5 titled "Monitoring, Reporting, and Accounting Practices to Estimate Long-Term Average Annual Net New Stormwater Recharge."

Ms. Maurizio reported that Section 5 of the RMPU Amendment is for the monitoring, reporting, and accounting of MS4 recharge. The hybrid alternative is the one that has been proposed by the Steering Committee and Pools. Draft No. 5 of Section 5 is included in the package. This version (Draft No. 5) reflects changes that have been made up until this point, as approved by the Advisory Committee. There have been discussions about incentivizing recharge, which is not included within the scope of Task 5. Watermaster needs to move forward so that we can complete the Amendment in time to have it to the Court in October. The MS4 credit issue is on the long list of issues for WM to address (from Refresh, Recharge, and Reunite topics). Section 5 was approved by majority vote at the Appropriative Pool and Agricultural Pool, by unanimous vote at the Non-Agricultural Pool, and by majority vote by the Advisory Committee. Staff's recommendation is for the Board to approve Section 5, as presented.

Sheri Rojo with Fontana Water Company (FWC) stated that FWC was one of the Parties who voted against approving Section 5. MS4 allows for recharge within the Basin, so the developed land has a requirement to recharge the water that hits that land. FWC is looking for opportunities to be incentivized to increase capture of water within the Basin and obtain some credit. The 2010 Recharge Master Plan states if a Party develop recharge, it will be allowed to receive credit for it. During this phase of the Recharge Master Plan the Parties were advised that reallocation would be addressed later, then advised that allocation would not be addressed at all; however, Section 5 does address allocation because by doing nothing any water that's recharged, automatically gets credited to the Parties based on their Operating Safe Yield, so it will all go back and added to the Safe Yield of the Basin. What is disconcerting from a basin management standpoint is that water that would otherwise be recharged and increase in capture is not encouraged; once the land is developed, that opportunity is going to be lost. This is a big concern for the City of Fontana and FWC, which is why FWC has continued to request this be addressed. This is why FWC voted no on Section 5. Ms. Rojo further stated that this was a Pool topic, but now believes Watermaster is handling it, and Watermaster stated it would take about six months before this concern can be addressed. Ms. Maurizio confirmed it would take at least six months to address and stated it was a topic that was brought up during the Refresh. Recharge, and Reunite process; however, CBWM is following what the court ordered, Mr. Kuhn asked if there is still going to be opportunity for FWC to discuss this concern, and Ms. Maurizio stated yes.

Mr. Hays, City of Fontana Public Works Director, commented on the Task 5 document. He stated it was set up to develop, monitor, and record, but by the document remaining silent on the allocation of the water, it all goes back to Operating Safe Yield. The parties without any Operating Safe Yield can make it difficult for them to improve the situation they are in. Any recharge FWC can recharge in the Basin is what we should be looking at for the future generations, 20-30 years from now. If we don't take action now and do all the recharge that we can, we're never going to be able to do when everything is developed. There was simple language in the 2010 Recharge Master Plan Update, Section 7.1, it speaks to the Parties that go above and beyond minimum MS4 compliance should receive credit for the recharge that is captured. Mr. Hayes asked why was this language was removed, if that language is actually a tool that can allow the Basin to maximize recharge and put the basin water to maximum beneficial use.

Mr. Wildermuth commented that he wrote the report that Mr. Hays is referring to. We had a stakeholder process and we talked about this. The sections came through in pieces and that language did make it in to the final draft. When Watermaster went to court, the recommendation was silent as to the allocation; it stated how to move forward with other portions of it, and that's why there is a distinction. The Court did not order what Mr. Hays is referring to what's in the final document. The concept at that time was to get more recharge and that seemed like a management tool that could be used, so Mr. Wildermuth made it as a recommendation. The Court's order did not specify any type of allocation. Mr. Slater stated that Staff's response is the issue of allocation in characterization of the water can be addressed a little later. No one is suggesting that the arguments that are being made with regard to how the water should be allocated, provided for, or that there's been a decision as to predicate facts for that. It is something that Staff would prefer to address later and stay on track now. The suggestion is to wait as more time is needed to discuss the allocation. A letter was written to Mr. Jacobs, attorney for the City of Fontana, on June 10, 2013 which expressly states that this issue is being reserved.

#### More discussion ensued

Ms. Maurizio stated pages 81 and 82 of the meeting package discuss what was in the 2010 Recharge Master Plan Update, and what was placed in to the Order. The conversation about accounting for New Yield was included, but what was not placed in there were items 1 and 2 of the Update that talked about incentivizing it. That was not placed into the court order which is

why we're not addressing it right now. As for the six months waiting period until Watermaster can discuss this issue; one of the items Ms. Maurizio was going to report today under the GM report is that Mr. Kavounas has been compiling the issues that came out of Refresh, Recharge, and Reunite, and when he returns from his vacation he intends to discuss this with the Board and prioritize everything.

Mr. Bowcock stated he would like to go on record that our intent is to reward those that embark on projects, and we are going to encourage staff to take that up as an issue now.

Further discussion ensued.

Mr. Slater stated in the process of trying to comply with the precise requirements of the Court, it was viewed that Watermaster was over-performing in WEI's initial report. It was a collected decision to be made, that we would not try to do all at once, but break it down and address certain things sequentially, so we agreed to what we could agree to at that time, and deferred a portion. What has come before you now, are represented by Staff as sufficient to comply and stay on schedule. There is a clear legal policy, and economic issue that pertains to how the water is allocated that has not been addressed and is being reserved. The questions Parties are asking are: When should it be addressed, how soon, and by whom? That is why Staff stated it's about six months out. Parties can direct Staff to come back with a schedule or a process under which it's going to be handled, but for right now Staff's recommendation is to sequence it, and not include it at this time. The City of Fontana and FWC are suggesting it get included now.

Motion by Bob Kuhn, second by Jim Curatalo; roll call vote was taken

Bob Bowcock - Yes

Bob Craig - Yes

James Curatalo - Yes

Steve Elie – Yes

Charlie Field - Abstain

Paul Hofer - Yes

Jeff Pierson - Yes

Bob Kuhn - Yes

Move to approve Staff's recommendation to adopt Section 5 by unanimous vote with Director Field abstaining

#### B. BUDGET TRANSFER FORM T-13-04-01

Consider Staff's Recommendation to Approve Budget Transfer Form T-13-04-01.

Watermaster CFO, Joe Joswiak, stated as discussed over the last four or five months in the financial reports B5, CBWM created the estimated budget for salary purposes as to allocation within the administrative, OBMP, and the implementation projects. Over the past four or five months we've had staff shifting of priorities, so we're getting a little farther away from our original estimates. Transfer Form T-13-04-01 reallocates some salary funds within the salary categories and absorbs some of those costs, but it does not allocate any funds to any other categories, for example: legal, engineering, and reserve. It will not cause any special assessments, but it will bring our salaries back into budget for the end of the year. No questions or comments were made.

Motion by Jeff Pierson, second by Bob Bowcock, and by unanimous vote Moved to approve Business Item B, as presented.

#### III. REPORTS/UPDATES

#### A. LEGAL COUNSEL REPORT

1. Annotated Judgment

Mr. Slater gave a report and received direction from the Board to prepare a strawman draft of an Annotated Judgment and circulate among the Pools.

 CDA Request re Remediation of Chino Airport Groundwater Plume Mr. Slater gave a report

#### 3. Court Filings

Mr. Slater gave a report and requested the Board's support to request a 30 day extension to review the MWD concerns regarding Cyclic Storage the Agreement and its content. Mr. Slater also stated the Ag Pool Filing would be extended for the purpose of efficiency. The Board unanimously agreed.

4. Santa Ana Sucker Appeal Mr. Slater gave an update

#### **B. ENGINEERING REPORT**

State of the Basin Part II Presentation Mr. Wildermuth gave an update

#### C. GM REPORT

- Prado Basin Habitat Sustainability Program Update
   Ms. Maurizio gave an update
- 2. <u>Watermaster Policy on Well Data Gathering and Reporting</u>
  Ms. Maurizio gave an update
- Sunding Report Update
   Ms. Maurizio gave an update
- 4. Consider Cancelling July Meeting
  Ms. Maurizio gave an update
- 5. <u>June 18, 2013 Ethics & Sexual Harassment Prevention Training</u>
  Ms. Maurizio gave an update
- 6. Other

Ms. Maurizio reported the meeting changes and stated the updated schedule is in the meeting package.

#### IV. INFORMATION

Cash Disbursements for May 2013

#### V. BOARD MEMBER COMMENTS

Mr. Craig requested a monthly informational update on the two plumes and status on the Wineville Basin Proof of Concept Project.

#### VI. OTHER BUSINESS

The regular open Watermaster Board meeting was convened to hold its confidential session at 12:15 p.m.

#### VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster committee meeting for the purpose of discussion and possible action.

- 1. Potential Litigation
- In Re: CalPers Appeal
   Mr. Slater reported that the Board has authorized legal counsel to file an additional appeal
- 3. Contract Negotiation

The confidential session concluded at 12:26 p.m.

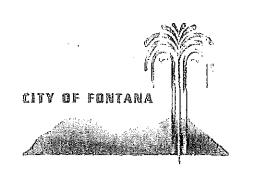
There was one reportable action from the confidential session.

### VIII. FUTURE MEETINGS AT WATERMASTER

Tuesday, June 18, 2013	T.B.A.	Safe Yield Recalculation Workshop
Tuesday, June 25, 2013	9:00 a.m.	GRCC Meeting
Thursday, June 27, 2013	11:00 a.m.	Watermaster Board Meeting
Thursday, July 11, 2013	10:00 a.m.	RMPU Amendment Steering Committee Meeting
Thursday, July 11, 2013	1:30 p.m.	Agricultural Pool Special Confidential Session
Thursday, July 18, 2013	9:00 a.m.	Appropriative Pool Special Meeting
Thursday, July 18, 2013	10:00 a.m.	RMPU Amendment Steering Committee Meeting
Thursday, July 25, 2013	9:00 a.m,	Watermaster Board Special Confidential Session
Thursday, July 25, 2013	10:00 a.m.	RMPU Amendment Steering Committee Meeting
Tuesday, July 30, 2013	T.B.A.	Safe Yield Recalculation Workshop
Thursday, August 29, 2013	10:00 a.m.	RMPU Amendment Steering Committee Meeting

Chair Kuhn adjourned the Watermaster Board meeting at 12:26 p.m.

		Secretary:	
Minutes Approved:	- The state of the		



City of Fontana
Public Works Department

16489 Orange Way
Fontana, CA 92335

(909)350-6760

August 21, 2013

Peter Kavounas, P.E. General Manager Chino Basin Watermaster 9641 San Bernardino Rd. Rancho Cucamonga, Ca. 91730



RE: JUNE 27th BOARD MEETING MINUTES

Dear Mr. Kavounas:

The City of Fontana is concerned that the minutes from the June 27<sup>th</sup> Chino Basin Watermaster Board Meeting related to business item "A" Task 5 Recharge Master Plan Update Amendment are not an accurate reflection of the dialogue that actually took place. Several pertinent comments were left out of the minutes and in fact comments from three Board Members were completely omitted. The City of Fontana is requesting that the minutes be amended to accurately reflect the discussion that transpired. This issue has been the topic of discussion for over a year now and as you know it has been very controversial. The City respectfully requests that the minutes be amended to include a summary of the complete discussion.

#### More specifically

#### Ms. Rojo's comments:

#### Between the first and second sentence should read some form of:

Throughout the recharge master planning process, I believe the group was has been continually advised that we kinda keep kicking the can down the road as far as allocation.

#### Between the second and third sentence:

Now, based on what has historically been recharged, what we were looking at because most of our city has been undeveloped and most of our storm water rolls off and goes outside the basin, we were looking for opportunities to be incentivized to increase capture of water within the basin and therefore obtain some credit.

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#### Sentence six after the word "encouraged" should read:

2) So if a party wants to go above and beyond any minimal compliance to try and capture water because it might benefit the residents, they're not being encouraged to do so.

#### Mr. Hays comments:

The beginning of sentence three the following wording should be struck "Any recharge FWC can recharge in the basin" and replaced with "to me, any recharge we can maximize in the basin"

End of the last sentence should read some form of "seems like were kind of taking a step backwards" after the word "use".

#### Mr. Wildermuth comments:

After sentence five in Marks comments Board Member Bowcock asks the question:

So he's referring to a draft and a draft only?

#### Sentence six after the comma should read:

"so it made it as a recommendation" not "so Mr. Wildermuth made it as a recommendation".

#### After this the following discussion took place which was almost entirely omitted from the minutes.

#### After sentence six of Marks comments Board Member Bowcock asked the question:

So did the court adopt it in 2010 or not?

#### Mr. Wildermuths response was:

Umm... not sure what the exactly what the court did with the document, it did order us to do certain items in the implementation part of it, and that was not part of it. The Judge's ruling said specifically do this, this and this and that was not spoken too. Not any kind of allocation, it was silent after that.

#### Board Member Bowcock followed up with:

The judge was silent now. So we put it in, and then the judge was silent. But it was in the in the document.

#### Mr. Wildermuth answered and Board Member Bowcock followed up with:

okay okay... just as a follow up to that, Fontana issued a letter from their council and I haven't seen a response from our council, is there a response of the legal ramifications of what were about to do. I'll just weigh in here, so I don't have to keep coming back but my concern is that in participating in this planning, and it's a planning tool it's no different as I equated to at the last meeting to a water system master plan we plan how pipes were going to be put in the ground, how many fire hydrants were going to do. That's what this is, it's a technical plan of where we're going and what we're going to do and when we're going to do it. Then we put out this message that if people are going to engage in this as a private activity, weather the City of Fontana with Fontana Water Company or with Vulcan material as a private land owner. Whomever at any time we encouraged that activity and we actually had that language in it in 2010, now were late, and then we pull it out, and we put it in, and judge is silent, it's all very very confusing and I just think as a board were sending the wrong message. Because the

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project he.. and when I say he I mean that "Fontana" is embarking upon, is actually listed in our master plan as a project were talking about doing, but if he is going to through other people's money at it... its just conflicting. And that's where I am having problems with it. They have gone to the expense of hiring special counsel who I have tremendous amount of respect for that wrote a letter to us as a Watermaster Board and I have not seen a comment to that, and were ready to adopt it and I'm just not sure. So that's why I'm calling on Scott.

#### Mr. Slater responded with:

Uh I think... Staffs response is that the issue of allocation and characterization of the water can be confidently and fairly addressed downstream. That there are.. no one is suggesting that the arguments that are being made with regard of how the water should be allocated, provided for, or that there has been a decision as to predicate facts far that. It is something that sequentially staff would prefer to address sequentially. So they would prefer to do it later after and stay on track now. And the intention or the suggestion is, is that, to not include is prejudicial to them. I think staffs point of view is, its non prejudicial they have an open mind the parties have an open mind to address it, they think its more complicated and it deserves additional effort before bringing it to a resolution. And I have looked at the documentation, and there was a letter written to Mr. Jacobs on June 10<sup>th</sup> which expressly says that this issues is being reserved and i'm opining to you now, that it is reserved, whether there is a practical or a negotiation impact of letting it go by at this juncture is a question of strategy and leverage. But I believe it's the intention of staff to bring this back to you when its ready, and I believe that staff believes that its not ready to bring this to you.

#### The Chair then interjected with:

I am going to make a motion that we approve staff's recommendation at this point and I am doing it more so that we can create discussion if we're going to alter this thing, I would rather before we alter it have motion out there accepting staff's recommendation, so I'll make that. Is there a 2<sup>nd</sup> to that (I'll 2<sup>nd</sup> it) and that's for discussion purposes. Now we've got a motion out there, we've got a second; we have heard discussion from the City of Fontana and Fontand Water Company. Any other comments?

#### Board Member Hofer:

Just a quick one Mr. Chairman, one of the issues on something like this is, and we've seen it when we went through this last building boom, is the land disappears and that is a huge issue and once its gone it is gone and I think that is something we need to factor in here. And it is just a function of the free market place as it is correct in California but there is a market out there for land and once it is developed its gone. And its, I think there does, it adds an urgency to it because of that very fact because not every piece of land is appropriate for putting water back in the ground, it's not economical to access it— its not in the position. Mark can address these issues much better than I can. But I do think it does give it some urgency so I just wanted to throw that in there.

#### Board Member Pierson:

Mr. Chairman, I tend to agree with both Paul and Bob, I think Number 1 we have had this previously as a stated goal, now we don't. I think it is sending mixed messages; I think that

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we..our obligation is to find opportunities to enhance the basin to enhance the recharge capabilities. Personally I don't think that the MS4 is that great of a capture, but I think if a party is going to go out and attempt to go beyond what would be a normal statutory requirement, then there should be some incentive. I fully understand that we are attempting to abide by a court mandate of bringing this back to them so there is a time line to that and as Paul said there is a timeline to the current development cycle of raw land in which that would be the opportunity for additional recharge. I think that, my personal option is that I would hate to see it go beyond 6-months to be addressed. I think we need to either attempt to schedule a work shop discussion with the parties that are capable of creating MS4 and enhanced recharge. Ya know we need to be proactive and deliver the message, we are favor of to enhance the basin we would like to move this forward as soon as we comply with the court and therefore attempt to bring the Fontana's, the Fontana Waters which are on the side of the have nots together with the side of those that have operating safe yields and try to get to middle ground to where they can understand and agree on a process.

#### Chairman:

Does the motion the way it stands right now not accomplish what you're trying to accomplish here.

#### Board Member Pierson:

The motion to approve what has been recommended by staff goes part way. I would like to see something that is more definitive on a timing in which we would get back to looking at this from a staff level going through the pool process and discussions and coming back to the board.

#### Chairman:

I appreciate your comment, where I am getting confused, is how did it get to the board level without any other discussion through the pool process other than the letters being read. I am honestly confused with that.

#### Ms. Maurizio:

· Just to provide you more with a little more detailed answer to your questions. On pages 81 through 82 of the package, It discusses what was in the 2010 recharge master plan update and it discusses what came out of that and what was placed in the order the conversation about accounting for new yield. But what was not placed in there was items 1 and 2 out of the update that talked about incentivizing ..., incentivizing it that was not placed into the court order which is why we are not addressing that right now. Another comment is regarding the timing issues the 6-months or however long it'll we discuss it that I was going to include under the GM report, Peter has been working to compile all of the issues that came out of Recharge, Refresh and Reunite and when he comes back from his vacation he intends to discuss it with the board and prioritize everything. So that's the opportunity if the board feels that that should be discussed sooner than later then that's the opportunity to put it higher on the priority list.

#### Marty Zyurbilis:

Thank you Mr. Chairman Members of the Board: Just a point of clarification on this, we have been down this road, this is not something that just started. When we began the process Peter came on board and began the process of updating the recharge master plan and we came to this issue, it was clear that there are a number depending on your prospective there are legal, contractual, policy implications associate with allocation of water associated with MS4 how its referred to, who gets the credit for it and all those things and it was clear that if we continued and try to include those discussions and resolve that issues as part of that process that we would not make the court deadline for completing the recharge master plan update. So, it was determined at that time that the best approach was really to-to because our obligation to the court as part of the plan was to really to just address the accounting of the MS4 but not as clearly as Mark indicated, not the allocation of it. Even though it had been referred to, so we know it's an issue know one is dismissing that it's an issue and it is important to resolve. Its something that is going to take a little bit of time and work to get there. It's not...clearly it is not that simple. One more point i'll make and then I will sit down. There have been discussion among the parties on potential ways to resolve this, which sort of just smaller group meetings to evaluate the different options that might be considered, and so this is by no means an attempt to sort of to deter parties from investing in recharge and those kinds of things, its complicated, as many things are at watermaster and think there is a desire on part of the appropriators in total to work through it and resolve it.

#### Scott Slater:

Mr. Chair and perhaps we have been remiss because this has not been in front of you in a while. So for the 2 minute synopsis try to do it in less. This requirement comes from Peace II and it was bordered honest by the judge who was concerned about our reliance on 400,000 acre feet of controlled overdraft for the desalters. So the court said you may have access to the 400,000 acre feet provided that you put in place a recharge master planning effort that will address where your going to be along the way and at the conclusion of the desalter process when you don't no longer have access to the 400,000 feet. And so the court created requirements and a time line for us to respond to. And what Marty and Staff are trying to say is, that in the process in trying to comply with the precise requirements of the court, it was viewed that we were over performing in Marks Initial report and that there was a collected decision to be made that we would not try to eat the elephant in one bite but that we would break it into pieces and address certain things sequentially. So we agreed to what we could agree to at that time and deferred a portion. What is coming before you now, is what staff feels in sufficient to comply and stay on schedule. There is a clear legal policy economic issue that pertains to how the water is allocated that has not been address and is being reserved and the question that your grappling with is when should it be should it be addressed, how soon, and by whom. And so that's what's next and staff has represented that they think it's a 6-month horizon, if the board feels it should be condensed you can direct staff to come back with a schedule or a process under which it going to be handled. But for right now staff's recommendation is to sequence it and not include it in this bag and Fontana and Fontana Water are suggesting --- no it and to be done now.

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#### Chuck Hays:

I agree with Marty's comments and Councils comments there, but I don't believe it's as complicated as everybody makes it sounds and I know we have a date with the court and when it has to be done. But to me it as a simple as leaving that language in there that was in the 2010 RMPU and moving the document forward we won't have timing issue—it's not that complicated. It seems like it's pretty straight forward.

#### Board Wember Bowcock:

Ya that was my concern, and I agree with exactly, you know, I went to the last meeting and I said god we have made this thing more complicated that it needs to be, lets ratchet it back and just knock all this non-sense off about who is going to do what when, and what things are going to cost and just make it the Master Plan and submit it. My fear is pretty how Chucks articulated it is that you can't un-ring the bell and certainly not at Chino Basin Watermaster. And if it was in a prior document that this is what our intent was and then because we can't agree on our intent anymore we take it out, then its un-ringing the bell. If it's as simple as leaving those few sentences in, I think then that relays our intent and direct our staff on what to do. It's that whole ya know we say certain things put certain things in writing boom we ring the bell and then we want to go back and undo what we did to the detriment of anyone big small have, have not, it about what our intent is, that's where I am having the grief, sorry.

#### Ms. Maurizio:

I think that it is actually little more complicated. When it comes to a large recharge project perhaps the accounting the measurement is not that complicated but a lot of these small MS4 projects there is some concern you know, that they might recharge a lot in the 1<sup>st</sup> couple years but if there not maintained they won't recharge that much in the future, and so the measurement of it can be complicated. They might not; we really don't expect that they'll ultimately recharge what their projected to and just tracking all of it is very time consuming.

The City of Fontana understands that the Watermaster minutes are only summary minutes, but felt that several key points of the discussion were omitted and respectfully request that Watermaster staff take action to correct the situation.

Sincerely,

Chuck Hays

Director of Public Works

#### **DRAFT MINUTES** CHINO BASIN WATERMASTER **WATERMASTER BOARD MEETING**

September 26, 2013

The Watermaster Board meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, CA, on September 26, 2013.

WATERMASTER BOARD MEMBERS PRESENT

Bob Kuhn, Chair

Terry Catlin, for Steve Elle

Robert "Bob" Craig

Bob Bowcock

Geoffrey Vanden Heuvel

Peter Rogers Paul Hofer

Al Lopez, for Charles Field

WATERMASTER BOARD MEMBERS ABSENT

Charles Field Steve Elie

Jim Curatalo

Watermaster Staff Present

Peter Kavounas

Danielle Maurizio

Joseph Joswiak

Brenda Corona

Watermaster Consultants Present

Scott Slater

Brad Herrema

Mark Wildermuth

Michael Cruikshank

Others Present

Bob Feenstra

Brian Geve

David DeJesus

Marty Zvirbulis

Jo Lynne Russo-Pereyra

Dave Crosley

Nadeem Maiai

Sheri Rojo

Curtis Paxton

Todd Corbin

Darron Poulsen

Chuck Havs

Sandra Rose

Rick Hansen

Ron Craig

Pete Hall

Eunice Ulloa

Three Valleys Municipal Water District

Inland Empire Utilities Agency

Jurupa Community Services District

Vulcan Materials Company (Calmat Division)

Agricultural Pool - Dairy

City of Chino Hills

Agricultural Pool - Crops

Western Municipal Water District

Western Municipal Water District Inland Empire Utilities Agency

Fontana Union Water Company

General Manager

Assistant General Manager

Chief Financial Officer

Recording Secretary

Brownstein Hyatt Farber Schreck

Brownstein Hyatt Farber Schreck

Wildermuth Environmental, Inc.

Wildermuth Environmental, Inc.

Agricultural Pool - Dairy

Auto Club Speedway

Three Valleys Municipal Water District

Cucamonga Valley Water District

Cucamonga Valley Water District

City of Chino

City of Chino Hills

Fontana Water Company

Chino Desalter Authority

Jurupa Community Services District

City of Pomona City of Fontana

Monte Vista Water District

Three Valleys Municipal Water District

City of Chino Hills

Agricultural Pool - State of California - CIM

Chino Basin Water Conservation District

Justin Scott-Coe Chris Berch Ken Jeske Rosemary Hoerning Art Kidman Scott Burton Rogelio Matta

Monte Vista Water District Inland Empire Utilities Agency California Steel Industries City of Upland Monte Vista Water District City of Ontario City of Fontana

Chair Kuhn called the Watermaster Board meeting to order at 11:02 a.m.

#### PLEDGE OF ALLEGIANCE

#### AGENDA - ADDITIONS/REORDER

There were no additions or reorders.

#### I. CONSENT CALENDAR

Consent calendar item I.A.1 was pulled from the Consent Calendar

#### A. MINUTES

1. Approve Format of Watermaster Board Meeting Minutes

(0:01:16) Mr. Vanden Heuvel gave an overview of the Board Subcommittee's recommendations.

Motion by Mr. Vanden Heuvel, second by Mr. Rogers, and carried unanimously Moved to approve Consent Calendar Item I.A.1 as presented.

- 2. Approve Minutes of the Watermaster Board Meeting held on June 27, 2013
- 3. Approve Minutes of the Watermaster Board Meeting held on August 22, 2013

#### B. FINANCIAL REPORTS (Receive and File)

- 1. Cash Disbursements for the Month of July 2013
- 2. Watermaster VISA Check Detail for the Month of July 2013
- 3. Combining Schedule for the Period July 1, 2013 through July 31, 2013
- 4. Treasurer's Report of Financial Affairs for the Period July 1, 2013 through July 31, 2013
- 5. Budget vs. Actual Report for the Period July 1, 2013 through July 31, 2013

#### C. WATER TRANSACTIONS

- Consider Approval for Notice of Sale or Transfer The purchase of 1,067.000 acre-feet of water from West End Consolidated Water Company by the City of Upland. This purchase is made from the West End Consolidated Water Company's storage account. The City of Upland is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of Application: May 23, 2013.
- 2. Consider Approval for Notice of Sale or Transfer The purchase of 100,000 acre-feet of water from West End Consolidated Water Company by Golden State Water Company. This purchase is made from West End Consolidated Water Company's storage account. Golden State Water Company is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of Application: June 5, 2013.
- 3. Consider Approval for Notice of Sale or Transfer The purchase of 1,500,000 acre-feet of water from the City of Pomona by Fontana Water Company. This purchase is made from the City of Pomona's Excess Carryover Account. Date of Application: June 26, 2013.

4. Consider Approval for Notice of Sale or Transfer – On July 17, 2013, Watermaster received Forms 3, 4, and 5 water transfer Applications, with Ameron International Corporation (Ameron) as Transferor and the TAMCO, a California Corporation (TAMCO) as Transferee for the permanent transfer in the amount of 15.000 acre-feet of its adjudicated Safe Yield rights, effective as of the end of fiscal year 2012-13. Simultaneous with these applications, Watermaster received a request for Intervention into the Overlying (Non-Agricultural) Pool from the TAMCO. Date of Application: July 17, 2013.

(00:05:20) Motion by Mr. Craig, second by Mr. Bowcock, and carried unanimously

Moved to approve Consent Calendar Items I.A.2 through I.C.4 as presented with
corrections to I.A.3.

### II. BUSINESS ITEMS

### A. RECHARGE MASTER PLAN UPDATE AMENDMENT APPROVAL

(0:06:56) Messrs. Herrema, Wildermuth, and Kavounas gave a presentation and a discussion ensued.

(1:03:05) Mr. Berch with IEUA commented that IEUA has been involved with the development of the Amendment and intends to bring it to its Board for approval in October.

(1:04:50) Mr. Hays with the City of Fontana explained that the City's motion to the Court for the revision to Section 5 of the 2013 RMPU Amendment was made because language from the 2010 RMPU regarding credits was taken out of the 2013 RMPU Amendment.

Mr. Kavounas provided clarification and explained that the 2013 RMPU Amendment is based on an Order received from the Court. The Order focused Watermaster on quantifying potential recharge from local projects. Given the nature of the planning document, Watermaster concluded this is not the place to reallocate new yield and that is why that issue was taken off the table during the preparation of the 2013 RMPU Amendment. It is, however, the subject of discussion and is being addressed through the Appropriative Pool and will be shown in the Business Plan discussion this afternoon.

The staff letter on this item and the presentation given to the Board are attached in the minutes of the Board's meeting.

Motion by Mr. Vanden Heuvel, second by Mr. Rogers, and carried unanimously

Considering the evidence before the Board and its discussion thereon, moved to [1] Approve Sections 1 through 4 as presented; [2] approve Section 8 as presented, [3] adopt Resolution 2013-06, expressly including adoption of the findings therein, and [4] authorize General Counsel to make the appropriate filing requesting the Court's approval.

### III. REPORTS/UPDATES

### A. LEGAL COUNSEL REPORT

- 1. Report from August 30, 2013 Hearing
- 2. CDA Request

(1:09:56) Mr. Slater gave a report.

### B. GM REPORT

1. Employee 10-Year Service Recognition

(1:11:33) Mr. Kavounas recognized Ms. Maurizio for her 10 years of service with Watermaster. Mr. Kuhn thanked Ms. Maurizio for her commitment to Watermaster.

### IV. INFORMATION

- 1. Cash Disbursements for August 2013
- 2. Wineville Proof of Concept project update
- 3. CDA Request re Remediation of Chino Airport Groundwater Plume

### V. BOARD MEMBER COMMENTS

(1:16:53) Mr. Rogers and Mr. Catlin commended Mr. Kavounas, staff, and consultants for a great job on the RMPU Amendment and in general. Chair Kuhn thanked Mr. Bowcock, Mr. Curatalo, and Mr. Vanden Heuvel for their work as the Board's Subcommittee on the format of the meeting minutes.

### VI. OTHER BUSINESS

### VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

The Watermaster Board went into closed session at 12:20 p.m. to discuss the following:

- 1. CCG Motion for Leave to Sue Watermaster
- 2. Potential Litigation (two matters)

The Board came out of Confidential Session at 12:45 p.m. The Board unanimously authorized the Chair to designate ad hoc committees in regard to each of the two potential litigation matters.

### VIII. FUTURE MEETINGS AT WATERMASTER

Thursday, September 26, 2013	11:00 a.m.	Watermaster Board Meeting
Thursday, October 10, 2013	9:00 a.m.	Appropriative Pool Meeting
Thursday, October 10, 2013	11:00 a.m.	Non-Agricultural Pool Meeting
Thursday, October 10, 2013	1;30 p.m.	Agricultural Pool Meeting
Thursday, October 17, 2013	8:00 a.m.	IEUA DYY Meeting
Thursday, October 17, 2013	9:00 a.m.	Advisory Committee Meeting
Thursday, October 24, 2013	11:00 a.m.	Watermaster Board Meeting

### WATERMASTER BUSINESS PLAN WORKSHOP

The Board held a workshop to review and provide direction to staff regarding the draft Watermaster Business Plan.

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Chair Kuhn adjourned the Watermaster Board meeting at 1:40 p.m.

	Secretary:	 	
Minutes Approved:			

# Exhibit B

### WATERMASTER RESOLUTION NO. 2013-06

## RESOLUTION OF THE CHINO BASIN WATERMASTER REGARDING THE ADOPTION OF THE 2013 AMENDMENT TO THE 2010 UPDATE TO THE CHINO BASIN RECHARGE MASTER PLAN

- 1. WHEREAS, in 2000, the Chino Basin Watermaster adopted a Recharge Master Plan which established the technical foundation for the development of the recharge facilities and practices in the Chino Basin; and
- 2. WHEREAS, in 2001, Watermaster, in cooperation with the Inland Empire Utilities Agency ("IEUA"), initiated the Chino Basin Facilities Improvement Project ("CBFIP") which implemented facilities recommendations in the Recharge Master Plan; and
- 3. WHEREAS, in 2006, Watermaster, in cooperation with IEUA, initiated Phase II of the CBFIP in order to implement additional facilities recommendations in the Recharge Master Plan; and
- **WHEREAS**, on December 21, 2007, the Court approved the Peace II Measures which set forth a modified approach to management of the Chino Basin known as Basin Re-Operation, the ultimate goal of which is the achievement of Hydraulic Control; and
- **5. WHEREAS**, Section 8.1 of the Peace II Agreement, the relevant portions for purposes of this Resolution are attached as Exhibit A hereto, approved by the Court, included the requirement that Watermaster and IEUA must each approve the Recharge Master Plan; and
- **6. WHEREAS,** pursuant to Section 8.3 of the Peace II Agreement, Watermaster is obligated to make an annual finding that it is in substantial compliance with the Recharge Master Plan, as it is revised. This requirement exists to ameliorate any long-term risk attributable to reliance upon un-replenished groundwater production by the Desalters, and is a condition on the annual availability of any portion of the 400,000 acre-feet set aside as controlled overdraft; and
- 7. WHEREAS, as a condition of approval of Basin Re-Operation and Hydraulic Control, the Court required Watermaster to update the Recharge Master Plan to account for the new Basin management regime and to account for other changes that had occurred since the creation of the original Recharge Master Plan; and
- 8. WHEREAS, during 2009 through 2010, Watermaster staff and technical consultants, in cooperation with IEUA and the Chino Basin Water Conservation District, developed an updated Recharge Master Plan ("2010 RMPU"); and
- 9. WHEREAS, during the spring of 2010, Watermaster staff and technical consultants held numerous technical workshops and recognized that changing conditions within the Chino Basin including the impacts of the economic recession, drought, mandatory regional conservation, increased recycled water recharge capability and the adoption of new regulatory requirements for stormwater capture significantly modified planning assumptions in the 2010 RMPU; and

- 10. WHEREAS, due to intervening state legislation enacted subsequent to the Court's December 2007 Order, a delay in finalizing the Update was required. The legislation extended the time for completion of 2010 Urban Water Management Plans ("UWMPs") until July of 2011; and
- 11. WHEREAS, IEUA deferred its right to approval of the 2010 RMPU until after the completion of the appropriators' UWMPs, because IEUA believed that the water demand and production assumptions were overly conservative and should be re-evaluated with the completion of the parties UWMPs to avoid unnecessary expense to the parties; and
- 12. WHEREAS, on June 30, 2010, Watermaster submitted its 2010 RMPU to the Court; and
- **13.** WHEREAS, on October 8, 2010, the Court issued an *Order Approving Watermaster's Compliance with Condition Subsequent Number Eight and Approving Procedures to be Used to Allocate Surplus Agricultural Pool Water in the Event of a Decline in Safe Yield, attached hereto as Exhibit B, finding the 2010 RMPU was responsive to its prior Orders. The October 8, 2010 Order ordered Watermaster to convene the committee described in Item 3 of Section 7.1 of the 2010 RMPU to develop the monitoring, reporting, and accounting practices that will be required to estimate local project stormwater recharge and new yield (October 8, 2010 Order, at 4:9-11); and*
- **WHEREAS**, the Court also ordered Watermaster to conduct further analyses, as described in section 7.2 of the 2010 RMPU, of the Phase I through III recharge projects to refine the projects, to develop a financing plan, and to develop an implementation plan. The Court further ordered Watermaster to report to the Court on any changes to the 2010 RMPU Update necessitated by information received through the UWMPs by December 17, 2011, and to report on the status of IEUA's approval of the updated Recharge Master Plan (October 8, 2010 Order, at 4:12–18); and
- **15. WHEREAS**, on December 15, 2011, the Watermaster Board directed the completion of the update to the 2010 RMPU and an implementation and funding plan within the following year; and
- 16. WHEREAS, on December 16, 2011, the Court granted a request by Watermaster to extend the time for which Watermaster was required to file a Status Report on further updates to the Recharge Master Plan, and on May 31, 2012, Watermaster filed a Recharge Master Plan Status Report, a copy of which is attached hereto as Exhibit C, informing the Court of the progress made toward amending the 2010 RMPU, as required by Section 8.3 of the Peace II Agreement; and
- 17. WHEREAS, at its November 15, 2012 regular meeting, after reviewing progress made toward completion of the amendment of the 2010 RMPU, the Board unanimously approved a schedule providing for the completion of compliance with Court's October 2010 Order, and its filing with the Court by October 2013; and
- **18. WHEREAS,** at its December 20, 2012 regular meeting, the Board reviewed an opinion from Wildermuth Environmental, Inc. ("WEi") regarding the adequacy of replenishment capacity. The Board adopted the findings in the WEI report, a copy of which is attached hereto as Exhibit D, which found that, as there is sufficient recharge capacity to meet future replenishment obligations identified in the 2010 Recharge Master Plan Update and that if Basin Re-Operation were terminated prior to 2030, that Watermaster would be able to increase its replenishment activity in order to maintain hydrologic balance within the Basin, and, accordingly, Watermaster was in substantial compliance with the Recharge Master Plan, as required; and

- 19. WHEREAS, a Recharge Master Plan Update Steering Committee ("Steering Committee") was convened, and, using updated estimates of stakeholders' groundwater production and projections of replenishment obligations, the Steering Committee evaluated changed circumstances (legislative, regulatory, etc.) that were not addressed in the 2010 Recharge Master Plan Update and how these changes affect the Recharge Master Plan; and
- **20. WHEREAS**, since mid-2011, the Steering Committee has generally met twice each month, and includes stakeholders, inclusive of IEUA as required by the Peace II Agreement. The evaluation by the Steering Committee has incorporated updated groundwater production estimates and replenishment obligation projections, calculations of water in storage, and information regarding the projected availability of replenishment water; and
- 21. WHEREAS, in finalizing the 2013 Amendment to the 2010 Recharge Master Plan Update, attached hereto as Exhibit E, the Steering Committee identified the possible recharge options available to meet current and projected recharge and replenishment needs. This included the analysis of potential recharge associated with Municipal Separate Storm Sewer Systems ("MS4s"), the identification of areas within the Basin with the potential for production sustainability challenges and other water management challenges that can be addressed by recharge or production management, the identification of options ensuring production sustainability through the term of the Peace Agreements, including increased recharge at existing facilities, new recharge facilities, new recharge sources, adjustment in production patterns, and other options. These potential projects were generally described as projects that could address sustainability challenges within the Basin ("Sustainability Projects") and projects designed to increase stormwater and Supplemental Water recharge to the Basin ("Yield Enhancement Projects"), and went beyond the Phase I through III recharge projects included in the 2010 Recharge Master Plan Update; and
- **22. WHEREAS**, the Steering Committee developed criteria by which the Sustainability Projects and Yield Enhancement Projects were analyzed and ranked for potential implementation, and, pursuant to such ranking, certain projects were recommended for implementation. The Yield Enhancement Projects selected by the Steering Committee for recommended implementation through the 2013 Amendment are estimated to increase stormwater recharge to the Basin by up to 6,781 acre-feet per year and recycled water recharge to the Basin by up to 4,936 acre-feet per year, and,
- 23. WHEREAS, the Steering Committee has developed an implementation and financing plan for the implementation of the recommended projects as part of the 2013 Amendment, which the Court will be asked to approve and with which it will be asked to direct Watermaster to proceed in accordance; and
- **24. WHEREAS,** the 2013 Amendment includes an analysis of changed conditions in the Basin at section 2, including legislative and regulatory changes and groundwater level changes; section 5 of the 2013 Amendment includes an analysis of monitoring, reporting, and accounting practices to estimate long-term average annual net new stormwater recharge, section 6 of the 2013 Amendment considers recharge options to improve yield and assure sustainability, section 7 contains the evaluation criteria used to meet recharge goals and recommends criteria, and section 8 of the 2013 Amendment includes the recommended 2013 Recharge Master Plan for the Basin, including the implementation and financing plan for the recommended projects; and
- **25**. **WHEREAS**, Section 8.1 of the Peace II Agreement provides that the Recharge Master Plan will be updated no less frequently than once every five years; and

- 26. WHEREAS, the Watermaster Board has received periodic updates as to the progress made by the Steering Committee in the development of the 2013 Amendment to the 2010 Recharge Master Plan Update, and has previously approved the individual sections that compose the Amendment; and
- **27. WHEREAS,** in its May 2012 Recharge Master Plan Status Report, Watermaster reported that because IEUA had been an active participant in the Amendment process, Watermaster reasonably anticipated that IEUA would be more readily disposed to approve the Amendment. Since that time, IEUA has continued to participate in the development of the Amendment and it is reasonably expected that the IEUA Board of Directors will approve the 2013 Amendment at its October 16, 2013 regular meeting.

NOW, THEREFORE, on the basis of the staff reports, expert opinions and substantial evidence presented, Watermaster finds that:

- There exists sufficient recharge capacity to meet future replenishment obligations identified in the 2010 Recharge Master Plan Update. If Basin Re-Operation were terminated prior to 2030, Watermaster would be able to increase its replenishment activity in order to maintain hydrologic balance within the Basin, in compliance with the Recharge Master Plan.
- Watermaster has completed the 2013 Amendment to the 2010 Recharge Master Plan
  Update in compliance with the Board's approved schedule providing for the completion of
  compliance with Court's October 2010 Order, and its filing with the Court by October
  2013.
- 3. Watermaster and interested parties, through the Steering Committee, thoroughly evaluated changed circumstances (legislative, regulatory, etc.) that were not addressed in the 2010 Recharge Master Plan Update and how these changes affect the Recharge Master Plan, and this evaluation is included in section 2 of the 2013 Amendment.
- 4. The Steering Committee developed the monitoring, reporting, and accounting practices and criteria necessary to estimate and evaluate local project stormwater recharge and New Yield, as described in section 5 of the 2013 Amendment.
- 5. The Steering Committee facilitated the technical evaluation of the Sustainability Projects and Yield Enhancement Projects, which exceeded the scope of the 2010 RMPU's Phase I III projects, and their ranking pursuant to agreed upon criteria, as described in sections 6 and 7 of the 2013 Amendment.
- 6. The Steering Committee's recommended Yield Enhancement Projects are estimated to increase stormwater recharge to the Basin by up to 6,781 acre-feet per year and recycled water recharge to the Basin by up to 4,936 acre-feet per year.
- 7. The Steering Committee developed an implementation and financing plan for the 2013 Amendment's recommended projects, as described in section 8 of the 2013 Amendment, that will further the goals and requirements of the Recharge Master Plan.
- The development of the 2013 Amendment was substantially a further update to the Recharge Master Plan.

### NOW, THEREFORE, BE IT RESOLVED, by the Chino Basin Watermaster that:

- The 2013 Amendment to the 2010 Recharge Master Plan Update is based on sound technical analysis and adequately amends the 2010 Recharge Master Plan Update in light of changed economic, legislative, and hydrologic conditions within the State of California.
- The 2013 Amendment to the 2010 Recharge Master Plan Update is responsive to the Court's order to develop the monitoring, reporting, and accounting practices that will be required to estimate local project stormwater recharge and new yield, and contains sufficient analysis responsive to the Court's direction to develop a financing plan and an implementation plan.
- Watermaster adopts the 2013 Amendment to the 2010 Recharge Master Plan Update as the guidance document for the further development of the recharge facilities within the Chino Basin.
- 4. Pursuant to the Peace II Agreement Section 8.1, Watermaster and IEUA will update the Recharge Master Plan not less frequently than once every five years. As the development of the 2013 Amendment was, in effect, an update to the Plan, the Plan will be updated no later than 2018.

**APPROVED** by the Advisory Committee this 19th day of September 2013. **ADOPTED** by the Watermaster Board on this 26th day of September 2013.

	Ву:	
	Chairman, Watermaster Board	
APPROVED:		
A TROVED.	·	
Chairman, Advisory Committee		
ATTEST:		
Board Secretary Chino Basin Watermaster		

STATE OF CA	ALIFORNIA	)
COUNTY OF	SAN BERNARDINO	) ss )
foregoing Rev	<u>er Rogers</u> , Secretary ised Resolution being Board by the following	of the Chino Basin Watermaster, DO HEREBY CERTIFY that the No. 2013, was adopted at a regular meeting of the Chino Basin vote:
AYES;	σ	
NOES:	0	
ABSENT:	0	
ABSTAIN:	0	
		CHINO BASIN WATERMASTER
		Secretary
Date:		

### LIST OF EXHIBITS

Exhibit "A"	Excerpts of Article VIII of the Peace II Agreement
Exhibit "B"	Order Approving Watermaster's Compliance with Condition Subsequent Number Eight and Approving Procedures to be Used to Allocate Surplus Agricultural Pool Water in the Event of a Decline in Safe Yield, dated October 8, 2010
Exhibit "C"	Chino Basin Watermaster's Recharge Master Plan Status Report to the Court, dated May 31, 2012
Exhibit "D"	Staff Report from Chino Basin Watermaster dated December 20, 2012, including Wildermuth Environmental, Inc., Annual Finding of Replenishment Capacity-Fiscal 2012-13, dated November 19, 2012, and staff
Exhibit "E"	2013 Amendment to the 2010 Recharge Master Plan Update

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# PEACE II AGREEMENT: PARTY SUPPORT FOR WATERMASTER'S OBMP IMPLEMENTATION PLAN,— SETTLEMENT AND RELEASE OF CLAIMS REGARDING FUTURE DESALTERS

WHEREAS, paragraph 41 of the Judgment entered in Chino Basin Municipal Water District v. City of Chino (San Bernardino Superior Court Case No. 51010) grants Watermaster, with the advice of the Advisory and Pool Committees, "discretionary powers in order to implement an Optimum Basin Management Program ("OBMP") for the Chino Basin";

WHEREAS, the Parties to the Judgment executed an agreement resolving their differences and pledging their support for Watermaster actions in accordance with specific terms in June of 2000 ("Peace Agreement");

WHEREAS, Watermaster approved Resolution 00-05, and thereby adopted the goals and objectives of the OBMP, the OBMP Implementation Plan and committed to act in accordance with the terms of the Peace Agreement;

WHEREAS, pursuant to Article IV, paragraph 4.2, each of the parties to the Peace Agreement agreed not to oppose Watermaster's adoption and implementation of the OBMP Implementation Plan attached as Exhibit "B" to the Peace Agreement;

WHEREAS, the Peace Agreement, the OBMP Implementation Plan and the Chino Basin Watermaster Rules and Regulations contemplate further actions by Watermaster in furtherance of its responsibilities under paragraph 41 of the Judgment and in accordance with the Peace Agreement and the OBMP Implementation Plan;

WHEREAS, the Parties to the Peace Agreement made certain commitments regarding the funding, design, construction and operation of Future Desalters;

WHEREAS, after receiving input from its stakeholders in the form of the Stakeholder's Non-Binding Term Sheet, Watermaster has proposed to adopt Resolution 07-05 attached as Exhibit "1" hereto to further implement the OBMP through a suite of measures commonly referred to and herein defined as "Peace II Measures", including but not limited to the 2007 Supplement to the OBMP, the Second Amendment to the Peace Agreement, amendments to Watermater's Rules and Regulations, the purchase and sale of water within the Overlying (Non-Agricultural) Pool and certain Judgment amendments; and

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

Allocation of Losses. Any losses from storage assessed as a Leave Behind in excess of actual losses ("dedication quantity") will be dedicated by Watermaster towards groundwater Production by the Desalters to thereby avoid a Desalter replenishment obligation that may then exist in the year of recovery. Any dedication quantity which is not required to offset Desalter Production in the year in which the loss is assessed, will be made available to the members of the Appropriative Pool. The dedication quantity will be pro-rated among the members of the Appropriative Pool in accordance with each Producer's combined total share of Operating Safe Yield and the previous year's actual production. However, before any member of the Appropriative Pool may receive a distribution of any dedication quantity, they must be in full compliance with the 2007 Supplement to the OBMP Implementation Plan and current in all applicable Watermaster assessments.

### ARTICLE VIII RECHARGE

- Undate to the Recharge Master Plan. Watermaster will update and obtain Court approval 8.1 of its update to the Recharge Master Plan to address 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. The Recharge Master Plan will be jointly approved by IEUA and Watermaster and shall contain recharge estimations and summaries of the projected water supply availability as well as the physical means to accomplish the recharge projections. Specifically, the Plan will reflect an appropriate schedule for planning, design, and physical improvements as may be required to provide reasonable assurance that following the full beneficial use of the groundwater withdrawn in accordance with the Basin Re-Operation and anthorized controlled overdraft, that sufficient Replenishment capability exists to meet the reasonable projections of Desalter Replenishment obligations. With the concurrence of IBUA and Watermaster, the Recharge Master Plan will be updated and amended as frequently as necessary with Court approval and not less than every five (5) years. Costs incurred in the design, permitting, operation and maintenance of recharge improvements will be apportioned in accordance with the following principles.
- a. Operations and Maintenance. All future operations and maintenance costs attributable to all recharge facilities utilized for recharge of recycled water in whole or in part unfunded from third party sources, will be paid by the Inland Empire Utilities Agency ("IEUA") and Watermaster. The contribution by IEUA will be determined annually on the basis of the relative proportion of recycled water recharged bears to the total recharge from all sources in the prior year. For example, if 35 percent of total recharge in a single year is from recycled water, then IEUA will bear 35 percent of the operations and maintenance costs. All remaining unfunded costs attributable to the facilities used by Watermaster will be paid by Watermaster.
  - i. IEUA reserves discretion as to how it assesses its share of costs.

- ii. Watermaster will apportion its costs among the members of the stakeholders in accordance with Production, excluding Desalter Production.
- iii. The operations and maintenance costs of water recharged by aquifer storage and recovery will not be considered in the calculation other than by express agreement.
- b. Capital. Mutually approved capital improvements for recharge basins that do or can receive recycled water constructed pursuant to the Court approved Recharge Master Plan, if any, will be financed through the use of third party grants and contributions if available, with any unfunded balance being apportioned 50 percent each to IEUA and Watermaster. The Watermaster contribution shall be allocated according to shares of Operating Safe Yield, All remaining unfunded costs attributable to the facilities used by Watermaster will be paid by Watermaster.
- 8.2 <u>Coordination.</u> The members of the Appropriative Pool will coordinate the development of their respective Urban Water Management Plans and Water Supply Master Plans with Watermaster as follows.
  - (a) Each Appropriator that prepares an Urban Water Management Plan and Water Supply Plans will provide Watermaster with copies of their existing and proposed plans.
  - (b) Watermaster will use the Plans in evaluating the adequacy of the Recharge Master Plan and other OBMP Implementation Plan program elements.
  - (c) Each Appropriator will provide Watermaster with a draft in advance of adopting any proposed changes to their Urban Water Management Plans and in advance of adopting any material changes to their Water Supply Master Plans respectively in accordance with the customary notification routinely provided to other third parties to offer Watermaster a reasonable opportunity to provide informal input and informal comment on the proposed changes.
  - (d) Any party that experiences the loss or the imminent threatened loss of a material water supply source will provide reasonable notice to Watermaster of the condition and the expected impact, if any, on the projected groundwater use.
- 8.3 Continuing Covenant. To ameliorate any long-term risks attributable to reliance upon un-replenished groundwater production by the Desalters, the annual availability of any portion of the 400,000 acre-feet set aside as controlled overdraft as a component of the Physical Solution, is expressly subject to Watermaster making an annual finding about whether it is in substantial compliance with the revised Watermaster Recharge Master Plan pursuant to Paragraphs 7.3 and 8.1 above.

- 8.4 <u>Acknowledgment re 6,500 Acre-Foot Supplemental Recharge.</u> The Parties make the following acknowledgments regarding the 6,500 Acre-Foot Supplemental Recharge:
  - (a) A fundamental premise of the Physical Solution is that all water users dependent upon Chino Basin will be allowed to pump sufficient waters from the Basin to meet their requirements. To promote the goal of equal access to groundwater within all areas and sub-areas of the Chino Basin, Watermaster has committed to use its best efforts to direct recharge relative to production in each area and sub-area of the Basin and to achieve long-term balance between total recharge and discharge. The Parties acknowledge that to assist Watermaster in providing for recharge, the Peace Agreement sets forth a requirement for Appropriative Pool purchase of 6,500 acre-feet per year of Supplemental Water for recharge in Management Zone 1 (MZ1). The purchases have been credited as an addition to Appropriative Pool storage accounts. The water recharged under this program has not been accounted for as Replenishment water.
  - (b) Watermaster was required to evaluate the continuance of this requirement in 2005 by taking into account provisions of the Judgment, Peace Agreement and OBMP, among all other relevant factors. It has been determined that other obligations in the Judgment and Peace Agreement, including the requirement of hydrologic balance and projected replenishment obligations, will provide for sufficient wetwater recharge to make the separate commitment of Appropriative Pool purchase of 6,500 acre-feet unnecessary. Therefore, because the recharge target as described in the Peace Agreement has been achieved, further purchases under the program will cease and Watermaster will proceed with operations in accordance with the provisions of paragraphs (c), (d) and (e) below.
  - (c) The parties acknowledge that, regardless of Replenishment obligations, Watermaster will independently determine whether to require wet-water recharge within MZ1 to maintain hydrologic balance and to provide equal access to groundwater in accordance with the provisions of this Section 8.4 and in a manner consistent with the Peace Agreement, OBMP and the Long Term Plan for Subsidence." Watermaster will conduct its recharge in a manner to provide hydrologic balance within, and will emphasize recharge in MZ1. Accordingly, the Parties acknowledge and agree that each year Watermaster shall continue to be guided in the exercise of its discretion concerning recharge by the principles of hydrologic balance.
  - (d) Consistent with its overall obligations to manage the Chino Basin to ensure hydrologic balance within each management zone, for the duration of the Peace Agreement (until June of 2030), Watermaster will ensure that a minimum of 6,500 acre-feet of wet water recharge occurs within MZ1 on an annual basis. However, to the extent that water is unavailable for recharge or there is no replenishment obligation in any year, the obligation to recharge 6,500 acre-feet will accrue and be satisfied in subsequent years.
    - (1) Watermaster will implement this measure in a coordinated manner so as to

- facilitate compliance with other agreements among the parties, including but not limited to the Dry-Year Yield Agreements.
- (2) In preparation of the Recharge Master Plan, Watermaster will 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.
- (e) Five years from the effective date of the Peace II Measures, Watermaster will cause an evaluation of the minimum recharge quantity for MZ1. After consideration of the information developed in accordance with the studies conducted pursuant to paragraph 3 below, the observed experiences in complying with the Dry Year Yield Agreements as well as any other pertinent information, Watermaster may increase the minimum requirement for MZ1 to quantities greater than 6,500 acre-feet per year. In no circumstance will the commitment to recharge 6,500 acre-feet be reduced for the duration of the Peace Agreement.

### ARTICLE IX

9.1 <u>Basin Management Assistance</u>. Three Valleys Municipal Water District ("TVMWD") shall assist in the management of the Basin through a financial contribution of \$300,000 to study the feasibility of developing a water supply program within Management Zone 1 of the Basin or in connection with the evaluation of Future Desalters. The study will emphasize assisting Watermaster in meeting its OBMP Implementation Plan objectives of concurrently securing Hydraulic Control through Re-Operation while attaining Management Zone 1 subsidence management goals. Further, TVMWD has expressed an interest in participating in future projects in the Basin that benefit TVMWD. If TVMWD wishes to construct or participate in such future projects, TVMWD shall negotiate with Watermaster in good faith concerning a possible "buy-in" payment.

### 9.2 Allocation of Non-Agricultural Pool OBMP Special Assessment

a. For a period of ten years from the effective date of the Peace II Measures, any water (or financial equivalent) that may be contributed from the Overlying (Non-Agricultural) Pool in accordance with paragraph 8(c) of Exhibit G to the Judgment (as amended) will be apportioned among the members of the Appropriative Pool in each year as follows:

(i)	City of Ontario.	80 af
(ii)	City of Upland	161 af
(iii)	Monte Vista Water District	213 af
(iv)	City of Pomona	220 af
(v)	Marygold Mutual Water Co	1б ађ
(vi)	West Valley Water District	15 af

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SUPERIOR COURT
COUNTY OF SAN BERNARDINO
CHINO DISTRICT

OCT 08 2013

BY Julie Francis

## SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF SAN BERNARDINO

CHINO BASIN MUNICIPAL WATER DISTRICT,

Plaintiff.

VS.

CITY OF CHINO, ET AL.,

Defendant.

Case No. RCV 51010

[Assigned for All Purposes to the Honorable STANFORD E, REICHERT]

WATERMASTER'S COMPLIANCE WITH CONDITION SUBSEQUENT NUMBER EIGHT AND APPROVING PROCEDURES TO BE USED TO ALLOCATE SURPLUS AGRICULTURAL POOL WATER IN THE EVENT OF A DECLINE IN SAFE YIELD

Hearing Date:

September 24, 2010

Hearing Time: Dept.:

10:30 AM

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Having read, reviewed and considered all pleadings filed in support and in response, if any, including the testimony presented at the September 24, 2010, hearing, and good cause appearing therefore:

### I. Recharge Master Plan

On December 21, 2007, this Court issued its Order Concerning Motion for Approval of Peace II Documents. The Order required Watermaster to comply with nine conditions subsequent. The ninth condition subsequent is an ongoing requirement that Watermaster comply with all commitments made in the Peace II Documents. The eighth condition subsequent is thus the final specific condition subsequent under the December 21, 2007 Order.

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[PROPOSED] ORDER

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Consistent with section 8.1 of the Peace II Agreement, condition subsequent number eight requires Watermaster to submit for approval an updated Recharge Master Plan by July 1, 2010. The specific items required to be covered by the updated Recharge Master Plan were described with specificity in the Special Referee's Final Report and Recommendations on Motion for Approval of Peace II Documents. The updated Recharge Master Plan lists these required elements and in Table 7 describes where in the updated Recharge Master Plan they can be found. No party has alleged that the updated Recharge Master Plan does not address all of the issues required by the Court's Order, or does not otherwise satisfy the requirements of section 8.1 of the Peace II Agreement.

At the broadest level, the purpose of the Recharge Master Plan updated is to ensure that at any time during the period when the 400,000 acre-feet of Basin Re-Operation water is being produced, Watermaster and the parties will have the ability to cease production of the 400,000 acrefeet and return to normal Basin operations.

According to the conclusions of the updated Recharge Master Plan, the Chino Basin currently has sufficient recharge capacity that Basin Re-Operation could cease and normal operations could resume. However, this conclusion is conditioned on certain assumptions.

With regard to local stormwater management, the updated Recharge Master Plan recommends the formation of a committee to develop the monitoring, reporting, and accounting practices that will be required to estimate local project stormwater recharge and new yield.

With regard to regional stormwater recharge facilities, the updated Recharge Master Plan recommends that Watermaster should conduct further analyses of the Phase I through III projects described in the RMP to refine the projects, to develop a financing plan, and to develop an implementation plan for projects deemed necessary to meet the objectives. The schedule to implement the necessary Phase I through III projects should be developed during the proposed planning work.

With regard to supplemental water for replenishment, the updated Recharge Master Plan recommends that the RMP revisit the issue after the completion of the parties' Urban Water Management Plans which are scheduled to be complete by the end of June 2011. The updated

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Recharge Master Plan also recommends that Watermaster begin replenishing the Basin when water for replenishment is available, rather than waiting for the need for replenishment to arise. The RMP calls this "preemptive replenishment."

With regard to supplemental water recharge facilities, the updated RMP finds that no new recharge facilities will be required, but conditions this finding of the construction of the Riverside Corona Feeder within the next ten years.

Finally, the updated Recharge Master Plan recommends that the plan should be further updated following the completion of the parties' UWMPs in June 2011, and then every five years thereafter.

No party has objected to these conclusions and recommendations. The Inland Empire Utilities Agency has deferred its right to approval of the Recharge Master Plan until after the completion of the parties' UWMPs. IEUA believes that the water demand and production assumptions are overly conservative and should be re-evaluated with the completion of the parties UWMPs to avoid unnecessary expense to the parties.

### Π. Procedures Regarding Allocation of Surplus Agricultural Pool Water In The Event of a Decline in Safe Yield

In 2008, Watermaster entered into a stipulation with Monte Vista Water District and agreed to address the procedure to be used by Watermaster to allocate surplus Agricultural Pool water in the event of a decline in Safe Yield based on the Judgment, Peace Agreements and Watermaster Rules and Regulations. In connection with Watermaster Compliance with Condition Subsequent Number Eight, Watermaster has outlined the proper procedure to reallocate surplus Agricultural Pool water and submitted a December 2008 staff report and December 4, 2008 memorandum from legal counsel that describe this specific procedure adopted by the Watermaster Board. Watermaster requests that the Court direct that the adopted procedure be the procedure used by Watermaster in the event of a decline in Safe Yield. No party has objected to the Court so ordering.

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#### Ш. Findings and Order

On the basis of the above, the Court finds and Orders as follows:

- The Court finds that the 2010 updated Recharge Master Plan is responsive to the Court's December 21, 2007, condition subsequent number eight, and satisfies this condition.
- (2) Watermaster has satisfied all of the conditions subsequent under the Court's December 21, 2007 Order. The ninth condition is a catchall condition requiring Watermaster to fulfill all of its commitments under the Peace II Agreement, and does not require a specific compliance action as have the other eight conditions.
- (3)Watermaster is hereby ordered to convene the committee described in item 3 of section 7.1 of the updated RMP to develop the monitoring, reporting, and accounting practices that will be required to estimate local project stormwater recharge and new yield.
- (4)Watermaster is hereby ordered to conduct further analyses as described in section 7.2 of the updated RMP of the Phase I through III projects to refine the projects, to develop a financing plan, and to develop an implementation plan.
- By December 17, 2011, six months following completion of the parties UWMPs, Watermaster will report to the Court on any changes to the 2010 RMP necessitated by information received through the UWMPs. In this report Watermaster will also report on progress made under items (3) and (4) above, and will report on the status of EUA's approval of the RMP.
- Watermaster is ordered to utilize the procedures regarding re-allocation of surplus (6)Agricultural Pool water in the event of a decline in Safe Yield as described in the December 2008 staff report and December 4, 2008 memorandum from legal counsel. Specifically, in the event that the Operating Safe Yield is reduced because of a reduction in Safe Yield, Watermaster will follow the hierarchy provided for in the Judgment, Exhibit "H," by first applying the unallocated Agricultural Pool water to compensate the Appropriative Pool members for the reduction in Safe Yield. (Judgment, Exhibit "H," paragraph 10(a).) If there is unallocated water left, Watermaster will then follow the remainder of the hierarchy and reallocate unallocated Agricultural Pool water next to conversion claims then to supplement the Operating Safe Yield without regard to reductions

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in Safe Yield according to the guidance provided by Peace Agreement I & II and Watermaster's Rules and Regulations, as amended. If, after applying the unallocated Agricultural Pool water to compensate the Appropriative Pool members for the reduction in Safe Yield, the actual combined production from the Safe Yield made available to the Agricultural Pool, which includes overlying Agricultural Pool uses combined with land use conversions and the Early Transfer, exceeds 82,800 in any year, the amount of water available to members of the Appropriative Pool shall be reduced pro rata in proportion to the benefits received according to the procedures outlined in the Watermaster Rules and Regulations.

Watermaster will revise its Rules and Regulations to reflect this Order.

September 24, 2010 OCT 0 8 2010 Skulus
The Henorable Stanford E. Reicheren

SB 550225 v1;008350,0001

# CHINO BASIN WATERMASTER 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 October 11, 2010 I served the following:

1)	ORDER APPROVING WATERMASTER'S COMPLIANCE WITH CONDITION
•	SUBSEQUENT NUMBER EIGHT AND APPROVING PROCEDURES TO BE USED TO
	ALLOCATE SURPLUS AGRICULTURAL POOL WATER IN THE EVENT OF A DECLINE IN
	SAFE YIELD

<u>/_x_/</u>	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.
<i>I</i>	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.
/_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 October 11, 2010 in Rancho Cucamonga, California.

April Camp Chino Basin Watermaster MICHAEL CAMACHO 6056 ZIRCON AVE. RANCHO CUCAMONGA, CA 91701 KEN WILLIS LEAGUE OF CA HOMEOWNERS 1425 WEST FOOTHILL BLVD, SUITE 220 UPLAND. CA 91786 ROBERT BOWCOCK INTEGRATED RESOURCES MGMNT 405 N. INDIAN HILL BLVD CLAREMONT, CA 91711-4724

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## EXHIBIT "C"

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## Attorneys for CHINO BASIN WATERMASTER

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# SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF SAN BERNARDINO

CHINO BASIN MUNICIPAL WATER DISTRICT,

# Case No. RCV 51010

Plaintiff,

[Assigned for All Purposes to the Honorable STANFORD E. REICHERT]

CITY OF CHINO, et al.,

٧.

REPORT

DRT

RECHARGE MASTER PLAN STATUS

Defendant.

Hearing Date: Hearing Time:

NA NA

Hearing Time: NA
Dept: C-1

Watermaster submits this status report pursuant to the Court's October 8, 2010 and December 16, 2011 Orders. Watermaster does not believe that any party objects to this Status Report or the actions described herein and consequently, respectfully requests that the Court's receipt of the Report not require a hearing. However, if any party should file an objection, Watermaster will be pleased to present the Status Report and respond to any questions the Court may have.

## I. Background of the Status Report Requirement

In its December 21, 2007 Order approving the Peace II Measures, the Court required Watermaster to satisfy a number of conditions subsequent. The last of these, condition subsequent number eight, required Watermaster to update its Recharge Master Plan (RMP). In

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broad terms, the purpose of the RMP is to articulate the manner in which Watermaster will fulfill its responsibilities under the Judgment to ensure that groundwater production from the Chino Basin in excess of the Safe Yield is replenished in accordance with the Physical Solution. This requires that the RMP make projections concerning anticipated production of groundwater from the Basin, the availability of imported water supplies, and the facilities necessary to make use of those imported supplies. In addition, Watermaster's discretion with regard to the manner in which recharge activities are conducted is constrained by commitments made in the Peace I and Peace II Agreements, and implementation of the RMP recommendations must satisfy these commitments.

On June 30, 2010, Watermaster submitted its updated Recharge Master Plan in compliance with condition subsequent number eight. However, due to intervening state legislation enacted subsequent to the Court's December 2007 Order, a delay was required. The legislation extended the time for completion of 2010 Urban Water Management Plans (UWMPs), which would provide important information about the projected Basin production by members of the Appropriative Pool. This information was critical to the RMP and, because this information was not yet available in June 2010, the Inland Empire Utilities Agency (IEUA) was not in a position to approve the updated RMP as required by the Peace II Agreement.

On this basis, in its October 8, 2010 Order approving the updated RMP, the Court made the following orders:

- Watermaster is hereby ordered to convene the committee described in item 3 of (3)section 7.1 of the updated RMP to develop the monitoring, reporting, and accounting practices that will be required to estimate local project stormwater recharge and new yield.
- Watermaster is hereby ordered to conduct further analyses as described in section (4)7.2 of the updated RMP of the Phase I through III projects to refine the projects, to develop a financing plan, and to develop an implementation plan.
- By December 17, 2011, six months following completion of the parties' UWMPs, (5)Watermaster will report to the Court on any changes to the 2010 RMP necessitated by information received through the UWMPs. In this report, Watermaster will also report on 038350\0001\612610.8

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progress made under items (3) and (4) above, and will report on the status of IEUA's approval of the RMP. (October 8, 2010 Order, 4:9-18.)

#### П. Extension of December 17, 2011 Deadline

On December 12, 2011 Watermaster filed its Ex Parte Motion to Request a 180-Day Extension of Time re Filing of Recharge Master Plan Status Report. The Court granted this request on December 16, 2011.

Prior to the Court's consideration of the requested extension, the Watermaster Board met and considered the update of the RMP. On December 15, 2011, the Board approved the completion of the update to the RMP and an implementation and funding plan within the following year.

#### Ш. **Update Status**

Using updated estimates of stakeholders' groundwater production and projections of replenishment obligations, Watermaster and the parties have evaluated changed circumstances (legislative, regulatory, etc.) that were not addressed in the 2010 RMP Update and how these changes affect the RMP. For this purpose, a Recharge Master Plan Update Steering Committee has been convened. This Committee is currently meeting every two weeks and includes stakeholders, inclusive of IEUA as required by the Peace II Agreement. The evaluation by the Committee has incorporated updated groundwater production estimates and replenishment obligation projections, calculations of water in storage, and information regarding the projected availability of replenishment water. Based on this evaluation, the Committee has selected agreed. upon bookend projected future scenarios for recharge planning.

Using these scenarios, Watermaster's hydrologists have undertaken modeling in order to project recharge needs within the Basin, based on the modeled future groundwater levels, estimated safe yield, and the balance of recharge and discharge within the Basin. This analysis is predicated on the updated pumping and replenishment projections, estimates of the locations and amounts of recharge required for sustainability, and potential production forbearance.

As the modeling to this point has been based on the existing locations and capabilities of existing recharge facilities, the Committee has also had conducted an inventory of existing 038350\0001\612610.8

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recharge facilities, which includes the characterization of recharge basins, recharge capacities and the factors controlling recharge performance. Other factors that have also been included in the analysis include the evaluation of impacts due to changes in recycled water recharge regulations on Watermaster's ability to recharge the same, the analysis of actual storm water recharge at existing facilities, storm water available for recharge at each facility, and what could be done to increase recharge at each, as well as the evaluation of availability of and ability to recharge supplemental water, and the possibility of in-lieu recharge within the Basin. The analysis done to this point is included in Chapters 1-4 of the present administrative draft of the RMP Update. These chapters have been approved by the Appropriative, Overlying (Agricultural) and Overlying (Non-Agricultural) Pools, the Advisory Committee and the Watermaster Board as the administrative draft.

In order to finalize the RMP Update, the parties will next indentify the possible recharge mechanisms available to meet current and projected recharge and replenishment needs. This will include the analysis of potential recharge associated with Municipal Separate Storm Sewer Systems (MS4s), the identification of areas within the Basin with the potential for production sustainability challenges and other water management challenges that can be addressed by recharge or production management, the identification of options ensuring production sustainability through the term of Peace Agreements, including increased recharge at existing facilities, new recharge facilities, new recharge sources, adjustment in production patterns, etc. The Committee will also develop the monitoring, reporting, and accounting practices that will be required to estimate local project stormwater recharge and new yield.

After the identification of the potential recharge options, the parties will agree upon the methods and criteria that will be used to evaluate each of them. Using these agreed upon methods and criteria, Watermaster's consultants will conduct engineering and economic analyses of each. Based on these analyses, the parties will review and recommend implementation of the selected options, and develop recommended financing and implementation plans for these options.

Because IEUA is an active participant in the process of developing the RMP Update, Watermaster reasonably anticipates that IEUA will be more readily disposed to approve the 038350\0001\612610.8

BROWNSTRIN EXATT BARBER SCRRECK, LLP 21 Bed Cardlo Stool Stool Boyan, CA 93101-2206

updated plan once it is completed.

Consequently, Watermaster is of the opinion that, with the process described above, the Committee is on schedule to complete the RMP Update within the timeframe presented in the 2010 Recharge Master Plan Update and believes progress will continue to be made consistent with the Watermaster Board's December 15, 2011 action.

Dated: May 31, 2012

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BROWNSTEIN HYATT FARBER SCHRECK, LLP

BRADLEY I. HERREMA ATTORNEYS FOR CHINO BASIN

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Attorneys for CHINO BASIN WATERMASTER

FEE EXEMPT

### SUPERIOR COURT OF THE STATE OF CALIFORNIA

#### FOR THE COUNTY OF SAN BERNARDINO

CHINO BASIN MUNICIPAL WATER DISTRICT,

Plaintiff,

CITY OF CHINO, et al.,

Defendant.

Case No. RCV 51010

[Assigned for All Purposes to the Honorable STANFORD E. REICHERT

MOTION FOR ORDER AFTER HEARING ON MOTION FOR APPROVAL OF WATERMASTER RESOLUTION 2010-04

Hearing Date:

NA. NA

Hearing Time: Dept:

#### I. INTRODUCTION

Attached to this pleading as Exhibit "A" is a proposed Supplemental Order After Hearing On Motion For Approval Of Watermaster Resolution 2010-04 ("Supplemental Order"). The purpose of this Supplemental Order is to clarify that Resolution 2010-04 does not impair the rights of private well owners to seek judicial review of alleged harm caused to those well owners from desalter pumping in the Chino Creek Wellfield.

Watermaster knows of no objection to the Court signing the proposed Supplemental Order. The proposed Supplemental Order was approved unanimously by all three Pools, the Advisory Committee and the Board at their regularly scheduled March meetings. Watermaster therefore recommends that the Court sign the proposed Supplemental Order without requiring a hearing.

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#### П. **BACKGROUND**

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On October 28, 2011, a hearing was held regarding Court approval of Watermaster Resolution 2010-04. Among other things, Resolution 2010-04 confirms a process whereby private well owners may object to the Chino Basin Desalter Authority ("CDA"), if those owners believe that CDA pumping in the Chino Creek Well Field ("CCWF") is causing harm to their wells. This process is articulated in detail in the Monitoring and Mitigation Plan for the CCWF and forms are provided for private well owners to file a complaint with CDA.

Pursuant to this process, CDA is the ultimate arbiter of whether the private well owner's complaint has merit. During the October 28, 2011 hearing, the Court raised a due process concern about whether the Court's approval of Resolution 2010-04 would eliminate any judicial review rights that the private well owner might possess. (See October 28, 2011 Hearing Transcript, 112:16-115:15.) The Court stated that its intent in approving Resolution 2010-04 was not to eliminate any such rights to judicial review. The Court asked Watermaster to provide a supplemental order in order to ensure that this intent is clear.

In order to clarify the Court's intent on this issue in approving Resolution 2010-04, Watermaster has prepared the proposed Supplemental Order attached hereto. The operative portion of the proposed Supplemental Order confirms that Watermaster Resolution 2010-04, and the Court's October 28, 2011 Order approving the Resolution, shall not be construed to limit the legal rights of any private well owner to claim that the operation of the CDA wells have caused harm to that party.

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# III. REQUEST FOR THE COURT TO SIGN THE PROPOSED SUPPLEMENTAL ORDER WITHOUT HOLDING A HEARING

Watermaster counsel has circulated the proposed Supplemental Order to counsel for the Agricultural Pool and counsel for CDA, and it appears that the proposed Supplemental Order is consistent with the understanding of these parties. In March, the three Pools, the Advisory Committee and the Board unanimously approved submitting the proposed Supplemental Order to the Court, and approved Watermaster's recommendation that the Court sign the Order without holding a hearing.

10 Dated: May 31, 2012

BROWNSTEIN HYATT FARBER SCHRECK, LLP

SCOTT S. SLATER

BRADLEY J. HERREMA

ATTORNEYS FOR CHINO BASIN

WATERMASTER

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# Exhibit A

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## SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF SAN BERNARDINO

CHINO BASIN MUNICIPAL WATER DISTRICT,

Plaintiff,

v.

CITY OF CHINO, ET AL.,

Defendant.

Case No. RCV 51010

[PROPOSED] SUPPLEMENTAL ORDER AFTER HEARING ON MOTION FOR APPROVAL OF WATERMASTER RESOLUTION 2010-04

On October 28, 2011 the Court issued its Order After Hearing on Motion for Approval of Watermaster Resolution 2010-04. During the October 28, 2011 hearing, the Court raised a concern regarding the scope of its Order concerning the procedures to address claims by private well owners. Specifically, the Court was concerned that its approval of the procedures described in the mitigation measures and the emergency response plan (See Exhibits "F" and "H" to Resolution 2010-04) would not be construed to limit the legal rights of any such private well owners to pursue claims independent of these procedures.

Watermaster has submitted this Supplemental Order as a means to provide confirmation of the Court's understanding of the effect of its October 28, 2011 Order. It does not appear that any party objects to the Court adopting this Order.

# BROWNSTEIN HYATT BARBER SCHRECK, LLP 21 Hest Carlio Street Seater Berleier, CA 93101; 2700

### Accordingly, IT IS HEREBY ORDERED THAT:

Watermaster Resolution 2010-04, and the Court's October 28, 2011 Order approving the Resolution, shall not be construed to limit the legal rights of any private well owner to claim that the operation of the Chino Basin Desalter Authority wells has caused harm to that party.

Dated: , 2012

HON, STANFORD E, REICHERT JUDGE OF THE SUPERIOR COURT

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# CHINO BASIN WATERMASTER 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 May 31, 2012 I served the following:

- 1. RECHARGE MASTER PLAN STATUS REPORT
- 2. MOTION FOR ORDER AFTER HEARING ON MOTION FOR APPROVAL OF WATERMASTER RESOLUTION 2010-4
- 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

  I\_\_/ 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.

  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 May 31, 2012 in Rancho Cucamonga, California.

Janińe Wilson

Chirlo Básin Watermaster

BRIAN GEYE AUTO SPEEDWAY 9300 CHERRY AVE FONTANA, CA 92335 JAMES CURATALO P.O. BOX 638 RANCHO CUCAMONGA, CA 91729-0638 ROBERT BOWCOCK INTEGRATED RESOURCES MGMNT 405 N. INDIAN HILL BLVD CLAREMONT, CA 91711-4724

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## CHINO BASIN WATERMASTER

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

PETER KAVOUNAS, P.E. General Manager

#### STAFF REPORT

DATE:

December 20, 2012

TO:

Committee Members

**Board Members** 

SUBJECT:

Annual Finding of Substantial Compliance with the Recharge Master Plan

#### SUMMARY

**Recommendation** – Staff recommends that the Pools recommend that the Watermaster Board adopt the finding in the Wildermuth Report that Watermaster is in substantial compliance with the Recharge Master Plan.

#### BACKGROUND

During the period of 2008-2010, Watermaster, in collaboration with the Inland Empire Utilities Agency (IEUA) and Chino Basin Water Conservation District (CBWCD), completed the 2010 Recharge Master Plan Update (RMPU). The RMPU was submitted to the Court in June 2010, and the Court subsequently approved the 2010 RMPU in October 2010. Watermaster is presently in the process of amending the 2010 RMPU, pursuant to the Court's order, which is scheduled to be presented for adoption in September 2013. The 2013 RMPU Amendment will include the development of a funding and implementation plan for the further recharge projects selected for construction.

Pursuant to section 8.3 of the Peace II Agreement, Watermaster is obligated to make an annual finding that it is in substantial compliance with the Recharge Master Plan, as it is revised. This requirement exists to ameliorate any long-term risk attributable to reliance upon un-replenished groundwater production by the Desalters, and is a condition on the annual availability of any portion of the 400,000 acre-feet set aside as controlled overdraft. Wildermuth Environmental, Inc. (WEI) has prepared the attached opinion regarding the adequacy of replenishment capacity, which includes the information that Watermaster needs to make this finding for Fiscal Year 2012-2013.

#### DISCUSSION

WEI's analysis finds that current projections indicate that Watermaster has sufficient recharge capacity to meet the future replenishment obligations identified in the 2010 RMPU. Current analysis indicates that if re-operation were terminated at any time through 2030, Watermaster would be able to immediately

increase its replenishment activity and maintain the hydrologic balance in the Basin as required by the Judgment. While there is not a replenishment capacity issue, there is a balance of recharge and discharge issue, particularly in the JCSD area. Mechanisms to address this issue are being evaluated for incorporation into the 2013 RMPU Amendment.

#### Actions:

December 13, 2012 Appropriative Pool – Moved to approve that the Watermaster Board adopt the finding in the Wildermuth Report that Watermaster is in substantial compliance with the Recharge Master Plan. December 13, 2012 Non-Agricultural Pool – Moved to approve staff recommendation and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

December 13, 2012 Agricultural Pool – Moved to approve that the Watermaster Board adopt the finding in the Wildermuth Report that Watermaster is in substantial compliance with the Recharge Master Plan. December 20, 2012 Advisory Committee –

December 20, 2012 Watermaster Board -



November 19, 2012

Chino Basin Watermaster Attention: Mr. Peter Kavounas, General Manager 9641 San Bernardino Road Rancho Cucamonga, CA 91730

Subject: Annual Finding of Adequate Replenishment Capacity - Fiscal 2012-13

Dear Mr. Kavounas,

At your direction, and pursuant to the Peace II Agreement, Wildermuth Environmental, Inc. (WEI) has prepared this opinion regarding the adequacy of replenishment capacity.

In part, Section 7.3 of the Peace II Agreement reads:

"Re-Operation and Watermaster's apportionment of controlled overdraft will not be suspended in the event that Hydraulic Control is achieved in any year *before* the full 400,000 acre-feet has been produced so long as: [...] and (ii) Watermaster is in substantial compliance with a Court approved Recharge Master Plan as set forth in Paragraph 8.1 below."

Review of Section 8.1 of the Peace II Agreement clearly indicates that this compliance relates to the implementation of plans to ensure that Watermaster has enough supplemental water recharge capacity to meet its replenishment obligation after the re-operation water is completely exhausted. Section 8.3 of the Peace II Agreement is more precise and states:

"To ameliorate any long-term risks attributable to reliance upon un-replenished groundwater production by the Desalters, the annual availability of any portion of the 400,000 acre-ft set aside as controlled overdraft as a component of the Physical Solution, is expressly subject to Watermaster making an annual finding about whether it is in substantial compliance with the revised Watermaster Recharge Master Plan pursuant to Paragraphs 7.3 and 8.1 above."

Pursuant to the Peace II Agreement, Watermaster is obligated, after the completion of the 2010 Recharge Master Plan Update (RMPU), to make an annual finding that it has enough supplemental water recharge capacity to meet its replenishment obligations. This letter report includes the information that Watermaster needs to make this finding for fiscal 2012-13.

During the period of 2008-2010, Watermaster, in collaboration with the Inland Empire Utilities Agency (IEUA) and Chino Basin Water Conservation District (CBWCD), completed the 2010 RMPU, which was submitted to the Court in June 2010. The 2010 RMPU was developed in a transparent and intense

stakeholder process<sup>1</sup>. The Court subsequently approved the 2010 RMPU in October 2010. Section 7.4 of the 2010 RMPU Final Report concludes:

"No new recharge facilities will be required to meet Watermaster's replenishment obligations through the planning period, provided that the Riverside Corona Feeder is completed within the next ten years."<sup>2</sup>

The qualification of this finding as to the Riverside Corona Feeder was an acknowledgment that a new source of supply may be required for the Jurupa Community Services District (JCSD) such that the JCSD can reduce its net groundwater pumping to a sustainable level. Groundwater modeling, completed in 2007 and 2009 to evaluate the groundwater basin response to the implementation of the Peace II project description, suggested future declines in groundwater levels in the JCSD well field. Groundwater model studies in the winter of 2012 based on revised post-2010 RMPU groundwater production projections also predict that the JCSD will have production sustainability challenges. The 2010 RMPU identified a project to potentially mitigate this excessive drawdown whereby future replenishment deliveries would be provided to the JCSD for direct use, allowing the JCSD to reduce groundwater production. Since the completion of the 2010 RMPU and its subsequent approval by the Court, other alternatives to the Riverside Corona Feeder and the use of replenishment water have been identified; these new alternatives would be less expensive and could be implemented faster. In fact, these new alternatives are currently being evaluated for incorporation into the Court Ordered implementation plan that will be completed in the summer of 2013.

The groundwater production and replenishment projections used to evaluate the adequacy of the existing supplemental water recharge capacity in the 2010 RMPU were developed in 2008 and 2009 and are significantly greater than the projections developed by Watermaster following the completion of the 2010 Urban Water Management Plans. Groundwater production and replenishment projections were revised by Watermaster pursuant to a recommendation in the 2010 RMPU and the October 2010 Court Order approving the 2010 RMPU. These updated replenishment projections clearly show that the future replenishment obligation will be substantially less than that anticipated by the 2010 RMPU. The reasons for the decline in future replenishment obligations are state-mandated conservation requirements and the changing economics of groundwater production. As to the latter, some producers have determined that it is more economical to use more imported water directly than to overproduce and incur replenishment costs. The table below compares the projected replenishment obligations from the 2010 RMPU and the updated projections that are being incorporated into the 2013 RMPU Amendment\*.

Year		Replenishment Projection from the 2013 RMPU Amendment (acre-ft/yr)
2015	9,700	O
2020	13,900	0
2025	30,900	4,700
2030	44,500	18,400
2035	55,500	42,600

See rmp.wildermuthenvironmental.com

<sup>&</sup>lt;sup>2</sup> See page 7-4 of the 2010 Recharge Master Plan Update.

<sup>&</sup>lt;sup>3</sup> To be clear, this is not a replenishment capacity issue. This is a balance of recharge and discharge issue. The JCSD has constructed several wells in a relatively small geographic area. The combination of the close proximity of these wells and regional changes in groundwater levels may cause excessive groundwater level declines in some of the JCSD wells. The Riverside Corona Feeder is one of several potential projects that could provide water to the JCSD to enable them to reduce their groundwater production.

 $<sup>^4</sup>$  See Table 2-4 from draft Section 2 of the 2013 RMPU Amendment.

The supplemental water recharge capacity in the Chino Basin, based on existing spreading basins and injection wells, was estimated to be about 88,700 acre-ft/yr in the 2010 RMPU. With existing in-lieu recharge capabilities, the supplemental water recharge capacity ranges between about 113,700 to 128,700 acre-ft/yr. Since the completion of the 2010 RMPU, there have been no changes at the existing recharge facilities that would indicate supplemental water recharge capacity has decreased.<sup>5</sup>

The Metropolitan Water District of Southern California (Metropolitan) provides imported water to the Chino Basin area through the IEUA. In its 2010 Integrated Regional Plan (IRP) Update, Metropolitan indicated that it will have enough water to meet all of the supplemental water requirements within its service area through 2035, provided that it implements the programs described in the 2010 IRP Update. The Watermaster parties can also import non-State Water Project water into the Chino Basin area, if Metropolitan fails to provide enough imported water for replenishment.

Based on our knowledge of the conditions in fiscal year 2012-13, Watermaster's ability to recharge the Basin with supplemental water to mitigate future overproduction is sufficient to meet expected future replenishment obligations. If re-operation were discontinued at any time through 2030, Watermaster would be able to immediately increase its replenishment activity and maintain the hydrologic balance in the Basin required by the Judgment. The supplemental water recharge capacity available to the Watermaster is more than double the projected replenishment obligation shown in the table above.

Moreover, in November 2011, Watermaster committed to engage in a process to develop a pre-emptive replenishment program that would involve the acquisition and recharge of supplemental water in advance of incurring replenishment obligations and storing that water until future replenishment obligations occur. Pre-emptive replenishment is a complementary management tool that further enhances Watermaster's ability to meet its future replenishment requirements.

Please contact me if you have any questions or concerns regarding this opinion.

Very truly yours,

Wildermuth Environmental, Inc.

Mark J. Wildermuth, PE

Mal JWIdes

President

<sup>5</sup> Personal conversation with Andy Campbell of IEUA, November 2012

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# **EXHIBIT** E

Chino Basin Watermaster lodged a binder with the Court containing the full 2013 Amendment to the Recharge Master Plan Update. A full copy is available on Watermaster's ftp site at:

http://www.cbwm.org/FTP/Legal/201311 04%20Filing/

# Exhibit C

# CHINO BASIN WATERMASTER

## II. <u>BUSINESS ITEMS</u>

A. RECHARGE MASTER PLAN UPDATE AMENDMENT APPROVAL



## CHINO BASIN WATERMASTER

9641 San Bernardino Road, Rancho Cucamonga, Ca 91730 Tel: 909,484.3888 Fax: 909.484.3890 www.cbwm.org

PETER KAVOUNAS, P.E. General Manager

#### STAFF REPORT

DATE:

September 26, 2013

TO:

Watermaster Board

SUBJECT:

Recharge Master Plan Update Amendment Approval

#### SUMMARY

<u>Issue</u>: The 2013 Amendment to the 2010 Recharge Master Plan Update ("RMPU") is due to be filed with the Court in October 2013, after approval by the Advisory Committee and the Board. The RMPU Amendment consists of eight sections.

Sections 1 through 4 were approved in Final Draft form in May 2012. Sections 1 through 4 have been edited to enhance the consistency of the entire RMPU Amendment. Sections 5, 6, and 7 have already been approved in final form. Section 8 represents the recommended recharge projects, and the implementation and financing plans, and has been developed with input from the Steering Committee.

Approval of Sections 1 through 4, and Section 8 completes the 2013 RMPU Amendment.

Recommendation: [1] Approve Sections 1 through 4 as presented; [2] approve Section 8 as presented, [3] adopt Resolution 2013-06, and [4] authorize General Counsel to make the appropriate filing requesting the Court's approval.

Financial Impact: There is no financial impact as a result of this action.

**Future Consideration** 

Watermaster Board: September 26, 2013 Approval [Advisory Committee Approval Required]

#### ACTIONS:

Sep 12, 2013 – Appropriative Pool – recommend approval to the Advisory Committee Sep 12, 2013 – Non-Agricultural Pool – recommend approval to the Advisory Committee

Sep 12, 2013 - Agricultural Pool - recommend approval to the Advisory Committee

Date - Advisory Committee - approved unanimously

Date - Watermaster Board -

#### **BACKGROUND**

In its October 2010 Court order, the Court accepted the 2010 RMPU as satisfying Condition Subsequent Number 8 to The Peace II Agreement and ordered that certain recommendations of the 2010 RMPU be implemented. Specifically, the Court ordered:

- (3) Watermaster is hereby ordered to convene the committee described in item 3 of section 7.1 of the updated RMP to develop the monitoring, reporting, and accounting practices that will be required to estimate local project stormwater recharge and new yield.
- (4) Watermaster is hereby ordered to conduct further analyses as described in section 7.2 of the updated RMP of the Phase I through III projects to refine the projects, to develop a financing plan, and to develop an implementation plan.
- (5) By December 17, 2011, six months following completion of the parties UWMPs, Watermaster will report to the Court on any changes to the 2010 RMP necessitated by information received through the UWMPs. In this report Watermaster will also report on progress made under items (3) and (4) above, and will report on the status of IEUA's approval of the RMP.

Item 3 of Section 7.1 of the 2010 RMPU reads as follows:

3. In implementing the above, Watermaster should form a committee—consisting of itself, the land use control entities, the County Flood Control Districts, the CBWCD, the IEUA, and others—to develop the monitoring, reporting, and accounting practices that will be required to estimate local project stormwater recharge and new yield. This committee should be formed immediately, and the monitoring, reporting, and accounting practices should be developed as soon as possible.

The operable section of Section 7.2 of the 2010 RMPU reads as follows:

Watermaster should conduct further analyses of the Phase I through III projects to refine the projects, to develop a financing plan, and to develop an implementation plan. This planning work should begin as soon as practical and could be accomplished within three years. The schedule to implement the Phase I through III projects would be developed during the proposed planning work, and the construction of these projects could be completed within five years of completing the proposed planning work.

Accordingly, it was indicated to the Court that the planning for the Phase I through III projects could be done by October 2013 and that construction could be completed by October 2018. This does not mean that all the projects contained within the 2010 RMPU would be constructed by October 2018. Through the Amendment process, Watermaster was to determine which of the recharge projects identified in the 2010 RMPU, and perhaps other recharge projects, need to be implemented based on current projected needs and have the planning for these projects done at an appropriate level that they could be constructed by October 2018.

On December 15, 2011, the Watermaster Board:

"Moved to approve that within the next year there will be the completion of Recharge Master Plan Update, there will be the development of an Implementation Plan to address balance issues within the Chino Basin subzones, and the development of a Funding Plan, as presented."

On December 16, 2011, the Court issued an order directing Watermaster to continue with its implementation of the 2010 RMPU per its October 2010 order and extending the December 17, 2011 reporting deadline by 180 days.

Watermaster staff convened a Recharge Master Plan Update Steering Committee (Steering Committee) during the Fall of 2011. The Steering Committee was reformed in January 2012 to include all stakeholders and met regularly since February 2012. The Steering Committee developed and approved a scope of work and report outline and commenced with the execution of the work. On May 31, 2012 Watermaster reported its progress pursuant to the October 2010 and the December 16, 2011 Orders.

On November 15, 2012, the Watermaster Board approved a modified schedule for completion of the RMPU with a target date of September 2013 for completion of the RMPU Amendment, providing for the filling of the Amendment with the Court in October 2013. The Steering Committee has met numerous times since then to review progress of the plan and offer advice and input to Watermaster staff and consultants.

#### DISCUSSION

The 2013 RMPU Amendment is organized in eight sections, developed with input from the Steering Committee. Sections 1 through 4 present a summary of changed conditions since the 2005 Recharge Master Plan, the impact of revised projections of groundwater production and replenishment shown in the 2010 UWMPs, and an inventory of existing facilities. In May 2012, Sections 1 through 4 were approved in Final Draft form. These sections are responsive to the Court's Order to report on changes identified in the 2010 UWMPs. The sections are incorporated with the remaining work requested by the Court to form the complete RMPU Amendment. Some modifications to language in Sections 1 through 4 are necessary to make the entire document consistent. These modifications were made available for review by the Steering Committee on September 5, 2013, and are shown in redline form.

Section 5 addresses monitoring, reporting, and accounting practices that will be required to estimate local project stormwater recharge and new yield. This section was approved by the Advisory Committee and the Board in June 2013. Section 6 presents summarizes possible recharge options well beyond the Phase I through III projects identified in the 2010 RMPU. The listing of projects was expanded intentionally to provide an opportunity to identify any and all known recharge opportunities at this time. This section was approved by the Advisory Committee and the Board in February 2013. Section 7 describes the selection criteria used to evaluate and rank the various recharge options. This section was approved by the Advisory Committee and the Board in January 2013.

Section 8 presents the recommended RMPU Amendment options, and the required financing and implementation plans.

Project selection criteria include confidence in recharge estimate; location; expandability to include supplemental water recharge; cost; water quality challenges; and institutional challenges.

After evaluating various cost effectiveness thresholds, the Steering Committee indicated a preference for including all recharge options that combine to \$612 per acre-foot or less, and this is the recommended list of projects. The potential total capital expense for these exceeds \$57 million, with potential stormwater capture between 5,340 to 6,781 acre-feet per year, and creating additional recycled water recharge capacity of 4,936 acre-feet per year.

It should be noted that IEUA, an active participant in the process, considered the proposed options and has indicated willingness to jointly fund certain of these projects. IEUA's financial participation has been considered in the cost of the projects.

The Implementation Plan includes an evaluation of Management Zone 3 sustainability needs as one of the first steps, in conjunction with development of various agreements that are necessary for agency cooperation during project implementation. These agreements potentially include cost allocation mechanisms that are different than those established in the Peace II agreement. Yield Enhancement projects would proceed with preliminary design, permitting, and CEQA compliance, and then final design

Recharge Master Plan Update Amendment Approval Page 4 of 4

and construction. At the time of the completion of the 2010 RMPU, it was anticipated that the projects that would be identified for implementation through the Amendment could be constructed within five years of the completion of the Amendment. Based on the information on these projects developed through the Amendment process, it is believed that a six year time frame for full construction of the recommended projects is more realistic.

The Financing Plan contemplates cost-sharing between IEUA and Watermaster, and pursuit of grants. Design and permitting costs are proposed to be paid on a pay-as-you-go basis, and the anticipated annual amounts are shown in Section 8 on a fiscal year basis for ease of budget planning. Capital costs would be paid through longer term financing mechanisms established by IEUA or certain Appropriators, and the timing for that is also described in the Financing Plan in Section 8. The Financing Plan does not address the relative timing of capital investment by the parties and associated new yield benefits; it is envisioned that this matter will be addressed prior to the actual investment of any capital funds.

Throughout the process of formulating the 2013 Amendment, the Board received periodic updates as to the progress made by the Steering Committee in the development of the 2013 Amendment. Specifically, at almost every Board meeting from September 2012-present, the Board either took action to approve the schedule or individual sections of the 2013 Amendment, or was updated on the progress of the 2013 Amendment.

Pursuant to section 8.1 of the Peace II Agreement, IEUA's approval of the RMPU Amendment is required, and IEUA representatives have indicated that the IEUA Board will consider approval of the Amendment at its October 16, 2013 meeting.

#### **ATTACHMENTS**

- The sections of the RMPU Amendment presented for adoption are available on the Chino Basin Watermaster FTP site
- Resolution 2013-06
- Draft version of proposed Court filing will be made available to the Board on the Watermaster FTP site prior to the September 26, 2013 meeting; electronic notice will be sent when the document is made available

# Exhibit D

### Chino Basin Watermaster Board Meeting

2013 Amendment to the 2010 Recharge Master Plan Update

September 26, 2013

Wildermuth Environmental, Inc.

### Amendment Requirement

- \* The 2010 RMPU was required as part of Peace II Approval (condition subsequent number 8), due to the Court by July 1, 2010
- \* The 2010 RMPU focused on implementation of Peace Agreement best efforts recharge obligations related to protection and enhancement of Safe Yield, recharge in areas of Basin to achieve balance between recharge and discharge and access to groundwater

### Amendment Requirement

- \* The 2010 RMPU was timely submitted and approved, but changed conditions required Watermaster to conduct additional work:
  - \* Convene a stakeholder committee and develop the monitoring, reporting, and accounting practices that will be required to estimate local project stormwater recharge and New Yield.
  - \* Conduct further analyses of 2010 RMPU Phase I through III projects to refine the projects, to develop a financing plan, and to develop an implementation plan.
  - \* Update the Court, by December 2011, on changes to the 2010 RMPU necessitated by 2011 UWMPs, progress made on amendment and status of IEUA's approval.

### Amendment Requirement

- \* Watermaster timely filed its Status Report in May 2012, pursuant to a Court-approved extension
- \* 2010 RMPU represented to the Court that Amendment could be completed within three years
- \* In December 2011, Watermaster Board directed completion of Amendment by December 2012; in November 2012, after reviewing progress on Amendment, Board approved completion by September 2013 and filing with Court in October 2013

### 2013 Amendment to the 2010 RMPU Report Overview

- \* Section 1 Introduction
- \* Section 2 Changed Conditions
- Section 3 Impacts of Revised Groundwater Production and Replenishment Projections
- Section 4 Inventory of Existing Recharge Facilities and Their Capacities

### 2013 Amendment to the 2010 RMPU Report Overview

- Section 5 Monitoring, Reporting, and Accounting Practices to Estimate Long-Term Average Annual Net New Stormwater Recharge
- Section 6 Recharge Options to Improve Yield and Assure Sustainability
- \* Section 7 Evaluation Criteria
- Section 8 Recommended 2013 Recharge Master Plan

### 2013 Amendment to the 2010 RMPU Report Overview

- \* Appendix A Projected Groundwater Elevation Time Series for Selected Wells for Scenarios 1 and 3
- \* Appendix B Projected Groundwater Elevation Time Series for JCSD Wells for Scenarios 1, 1A-1D, 3 and 3A-3D
- \* Appendix C Stakeholder Comments on Sections 1 through 4 and Responses
- \* Appendix D Recharge Facilities Descriptions and Cost Opinions

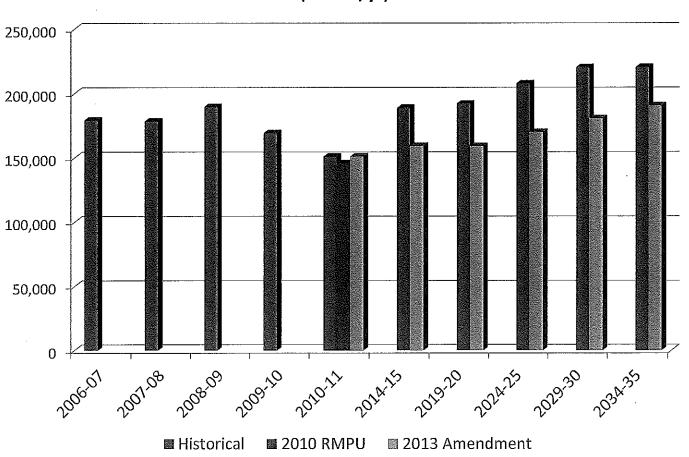
### Section 2 – Changed Conditions

- \* What are the regulatory and institutional issues that have occurred since the 2010 RMPU was prepared?
- \* How have groundwater production and replenishment projections changed since the 2010 RMPU was prepared?
- \* How have groundwater levels changed since the OBMP was approved in 2000?

### Section 2 - Changed Conditions

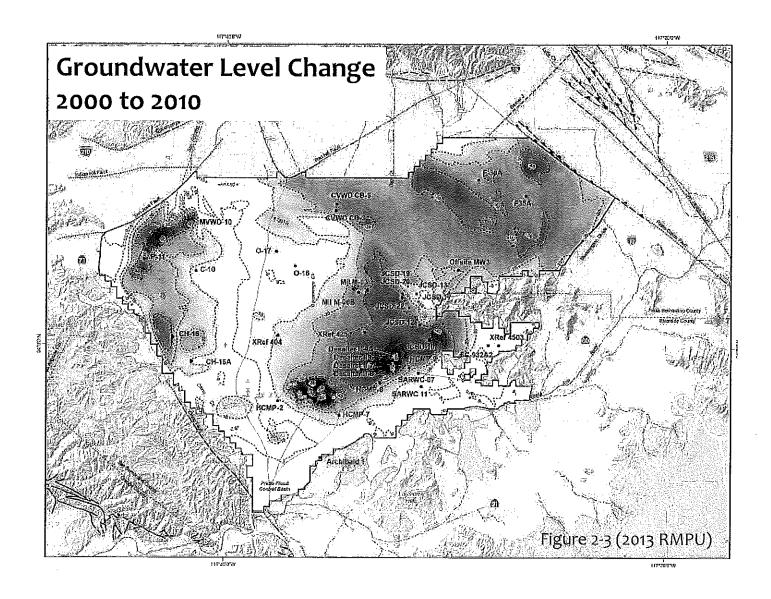
- \* What are the regulatory and institutional issues that have occurred since the 2010 RMPU was prepared?
  - \* Implementation of SBX7-7, the so-called "20 percent by 2020 law."
  - \* The groundwater production projections for 2012 are substantially less than assumed in the 2010 RMPU.

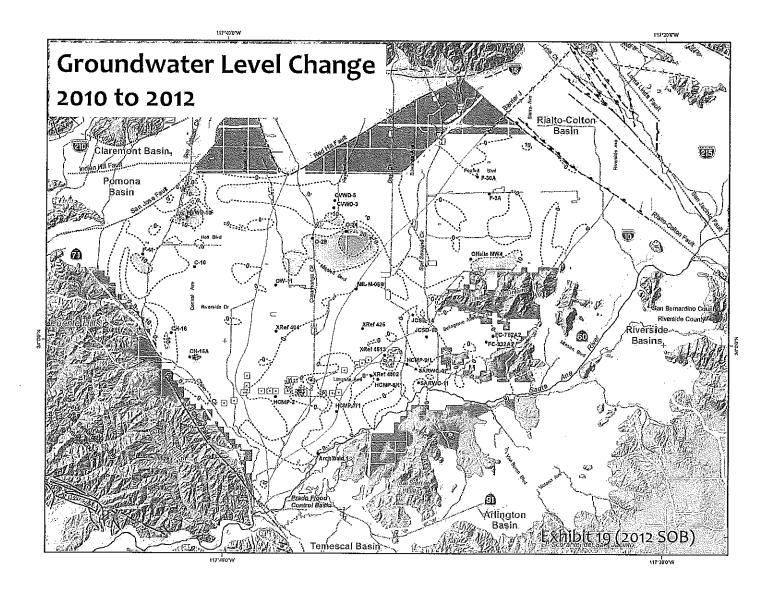
## Groundwater Production in the 2010 RMPU and 2013 Amendment (acre-ft/yr)



## Section 2 – Changed Conditions

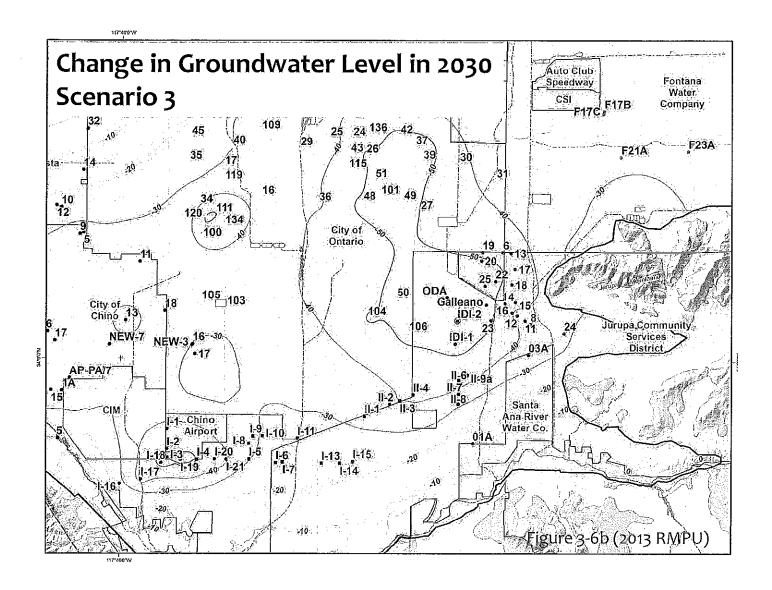
\* How have groundwater levels changed since the OBMP was approved in 2000?





### Section 3 – Impacts of Revised Projections

- \* What areas in the basin are facing sustainability challenges?
  - \* The Appropriators provided sustainability metrics for their production wells
  - \* The groundwater levels at several JCSD and CDA wells are projected to be close to or fall below their respective sustainability metrics



# Section 5 – Monitoring, Reporting, and Accounting Practices to Estimate Long-Term Average Annual Net New Stormwater Recharge

- \* What practices are needed to estimate New Yield created as a result of MS4 compliance?
  - \* Three alternatives:
    - Estimate for specific projects annually with subsequent true up at time of Safe Yield recalculation
    - \* Estimate indirectly as part of global Safe Yield recalculation
    - \* Hybrid approach
  - \* As to each alternative, the Steering Committee considered:
    - \* Timeliness of estimates
    - \* Relative cost
    - \* Expected relative accuracy

### Section 5 – Monitoring, Reporting, and Accounting Practices to Estimate Long-Term Average Annual Net New Stormwater Recharge

- \* The Steering Committee recommended the hybrid approach for the following reasons:
  - \* Monitoring and verification of each project's recharge would be difficult
  - Recharge will be diffuse throughout the Basin and impact to Basin supplies will be variable – it will difficult to quantify effect until considerable recharge has occurred
  - \* Provides accurate estimates in a cost effective manner

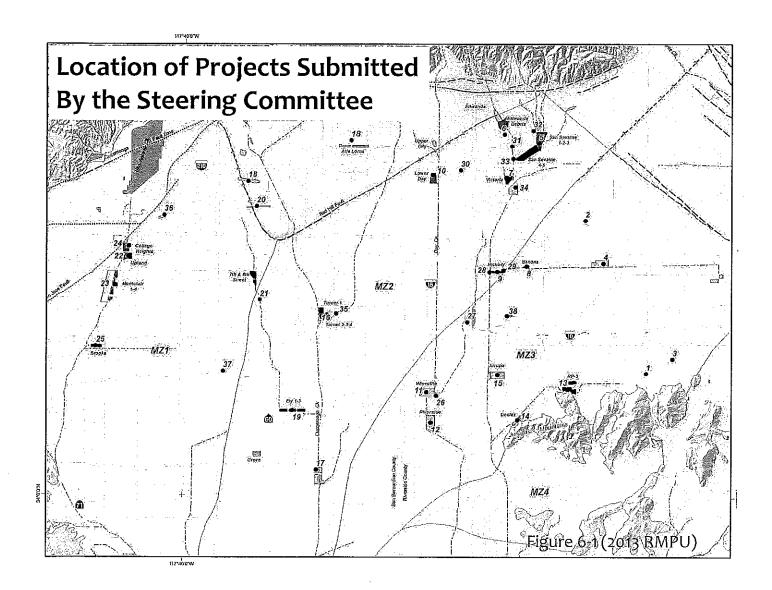
### Section 5 – Monitoring, Reporting, and Accounting Practices to Estimate Long-Term Average Annual Net New Stormwater Recharge

#### \* MS4 New Yield allocation:

- City of Fontana expressed concern that Section 5, as written, would not provide incentives for additional stormwater capture and recharge (June 5, 2013 letter to CBWM)
- Section 5 is responsive to Court's Order to develop monitoring, reporting, and accounting practices for MS4 stormwater capture (June 10, 2013 letter to City of Fontana)
- \* Advisory Committee and Board approved Section 5 in June 2013
- \* September 24, 2013 filing by the City of Fontana is requesting Court to order changes to Section 5 language

### Section 6 – Recharge Options to Improve Yield and Assure Sustainability

- \* In Summer 2012 Watermaster sent a "call for projects"
- \* A total of 41 yield enhancement projects and nine production sustainability projects were approved through the Watermaster Process for initial screening



### Section 7 – Evaluation Criteria

- \* The Steering Committee developed criteria to evaluate and rank yield enhancement and production sustainability projects
- \* Advisory Committee and Board approved Section 7 in January 2013

### Section 7 – Evaluation Criteria

- \* Production Sustainability
  - \* Reliability
  - \* Cost
  - \* Water quality
  - \* Ease of implementation

- \* Yield Enhancement
  - \* Reliable recharge
  - \* Location
  - \* Expandability
  - \* Cost
  - \* Water quality
  - \* Ease of Implementation

### Section 7 – Evaluation Criteria

\* The cost effectiveness threshold for a recharge project is the MWD Tier 1 Untreated rate, currently at \$593 per acre-foot, though it was determined that it would not be used as a pass/fail mechanism for individual projects

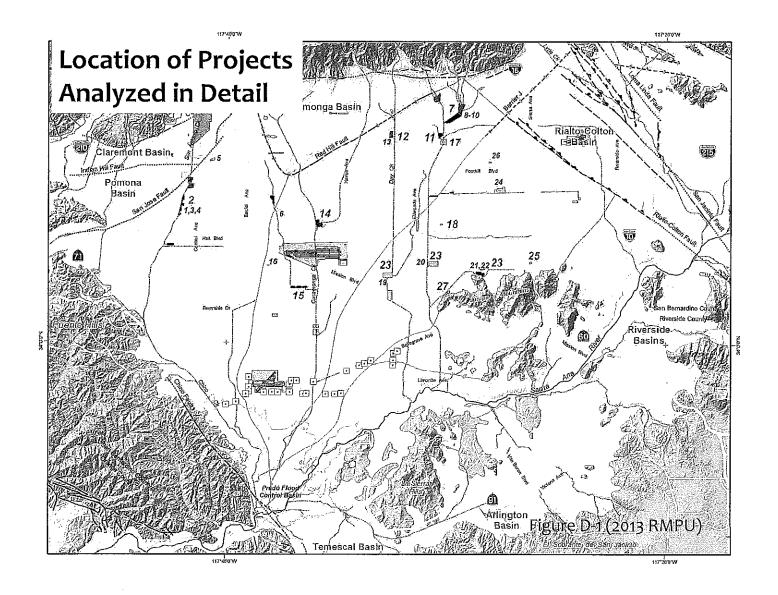
### Section 8 – Recommended 2013 Recharge Master Plan

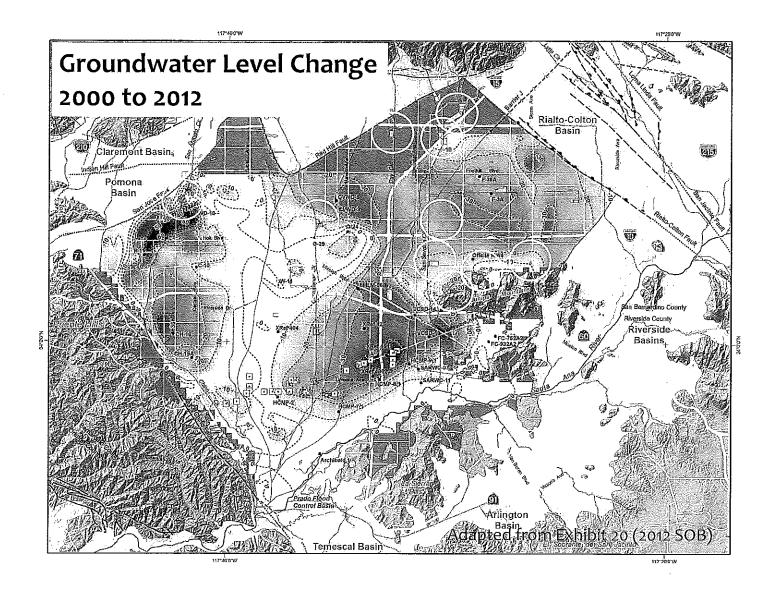
- \* The yield enhancement projects were evaluated using three cost thresholds:
  - \* Marginal Unit Cost less than \$600 per acre-ft
  - \* Melded Unit Cost less than \$600 per acre-ft
  - \* Melded Unit Cost less than \$612 per acre-ft
- \* The Steering Committee indicated a preference for implementing projects with melded unit cost less than \$612 per acre-ft

#### Ranked Yield Enhancement Projects (Melded Unit Cost Under \$612 acre-ft)

ID	Project	Yield	Recycled Water		rm Water harge Unit Cost	Capital Cost		Total Annual Cost	
Recomn	nended MZ3 Projects								
18a	CSI Storm Water Basin	81	0	\$	388	\$	440,000	\$	31,612
	2013 RMPU Proposed Wineville PS to Jurupa,								-
23a	Expanded Jurupa PS to RP3 Basin, and 2013	3,166	2,905	\$	500	\$	19,552,000	\$	1,582,914
	Proposed RP3 Improvements	·					, ,	ľ	
25a	Sierra	64	0	\$	537	\$	490,000	\$	34,262
27	Declez Basin	241	0	\$	1,135	\$	4,070,000	\$	273,720
Total MZ3		3,552	2,905	\$	541	\$	24,552,000	\$	1,922,509
	Zinimina A	-	A CONTRACTOR OF THE CONTRACTOR	,			•		, ,
Recommended MZ2 Projects				ŽNA.					
11	Victoria Basin	43	120	\$	151	\$	75,000	\$	6,484
7	San Sevaine Basins	642	1,911	\$	217	\$	1,775,000	\$	139,256
12	Lower Day Basin (2010 RMPU)	789	0	\$	242	\$	2,480,000	\$	190,482
14	Turner Basin	66	0	\$	916	\$	890,000	\$	60,338
15a	Ely Basin	221	0	\$	981	\$	3,200,000	\$	216,362
17a	Lower San Sevaine Basin (2010 RMPU)	1,221	0	\$	1,239	\$	22,550,000	\$	1,512,065
Total M	Z2	2,981	2,031	\$	713	\$	30,970,000	\$	2,124,987
						i .			
Recomn	nended MZ1 Projects								
2	Montclair Basins	248	0	\$	415	\$	1,440,000	\$	102,876
Total M	<b>7</b> 1	248	0	\$	415	\$	1,440,000	\$	102,876
		:							
Total Re	commended Projects	6,781	4,936	\$	612	\$	56,962,000	\$	4,150,372

Adapted from Table 8-2c





# IEUA Cost-Shared Projects

Management	Project	New	Recycled	Capit	Total Capital		
Zone	110,000	Yield	Water	Watermaster	IEUA	Cost	
2	Victoria Basin	43	120	\$ 75,000	\$ 75,000	\$ 150,000	
2	San Sevaine Basins	642	1,911	\$ 1,775,000	\$ 1,775,000	\$ 3,550,000	
3	RP3 Basin Improvements (2013 RMPU)	137	2,905	\$ 1,855,000	\$ 1,855,000	\$ 3,710,000	
Total		822	4,936	\$ 3,705,000	\$ 3,705,000	\$ 7,410,000	

# Summary Capital Cost and Recharge Estimates

- \* Potential Total Capital Expense of \$57 million
- \* Potential Stormwater Increase of about 6,780 acreft/yr
- \* Creates an additional 4,900 acre-ft/yr of recycled water recharge capacity

## Approximate Annual Pay-As-You-Go Costs (Includes All Soft Costs)

	Fiscal 2014/15		Fiscal 2015/16		Fiscal 2016/17		Fiscal 2017/18	Fiscal 2018/19		
Watermaster	\$	100,000	\$	668,000	\$	668,000	\$ 3,213,000	\$	3,213,000	
IEUA	\$		<u>\$</u>	44,000	\$	44,000	\$ 211,000	\$	211,000	
Total	\$	100,000	\$	712,000	\$	712,000	\$ 3,424,000	\$	3,424,000	

## Implementation Plan and Schedule

Implementation Step		Implementation Period								
	or YE)	2014	2015	2016	2017	2018	2019			
Determine Need and Refine Production Sustainability Projects	PS			WHEN THE PROPERTY OF THE PROPE	T PRESENTATION AND AND AND AND AND AND AND AND AND AN					
Contact Sand and Gravel Companies	ΥE			ножи	riese ennse					
Develop Watermaster and the IEUA Yield Enhancement Project implementation Agreement	YE	The second secon		والمراجعة	i i i i i i i i i i i i i i i i i i i					
Consider Appropriative Pool New Yield and Cost Allocation Agreement	YE	my many distribution in the same	The same and the s							
Develop Flood Control and Water Conservation Agreement	YE			d Martin and an article grant of the first and grant of the first and grant or article grant of the first and grant or article grant or articl						
Develop an Implementation Agreement among the Parties Participating in the Production Sustainability Project(s)	PS	- daminima		The state of the s						
Develop Appropriative Pool Production Sustainability Cost Allocation Agreement	PS			A CALL	Parket of Parket		- Control Control			
Prepare Preliminary Design of Recommended Yield Enhancement Projects	YE		ennique (semina)	And her because of the second	THE RESERVE OF THE PROPERTY OF					
Prepare Environmental Documentation for Yield Enhancement Projects	YE	ar farmenni i akki kana na mara								
Select Final Set of Yield Enhancement Projects from the 2013 RMPU for implementation and Finalize Capital Requirements	YE 31			*	The state of the s					
			l	\	<u> </u>					

Adapted from Figure 8-3 (2103 RMPU)

## Implementation Plan and Schedule

Implementation Step	Project Type (PS	Implementation Period							
	or YE)	2014	2015	2016	2017	2018	2019		
Prepare Preliminary Design of Recommended Production Sustainability Projects	PS	THE CALL OF CASE OF CA		Account of the second		- Constitution of the Cons			
Prepare Environmental Documentation for Production Sustainability Projects	PS	of the same of the	The same of the sa						
Select Final Set of Production Sustainability Projects from the 2013 RMPU for Implementation and Finalize Capital Requirements	PS				*	STATE OF THE ACT OF TH	AAAMINITAA — MILI HARRINI		
Prepare Final Designs and Acquire Permits for Production Sustainability Projects	PS		Hydra de la companya	ничнин					
Prepare Final Designs and Acquire Permits for Yield Enhancement Projects	YE			THE STREET	in principal designation of the second of th				
Construct 2013 RMPU Amendment Production Sustainability Projects	PS		The state of the s	And the second of the second o		And the state of t			
Construct 2013 RMPU Amendment Yield Enhancement Projects	YE								

<sup>\* --</sup> Decision Point Milestone

# Steering Committee and Approval Process

- \* The Steering Committee was formed during the Fall of 2011
- \* The Steering Committee was reformed in January 2012 to include all stakeholders and has met twice a month since February 2012
- \* Updates have been provided to the Pools, Advisory Committee, and Board throughout the process

# Steering Committee and Approval Process

- \* Sections 1 through 4 were approved by the Advisory
  Committee and the Board in Draft Final form in May 2012
- \* **Section 5** was approved by the Advisory Committee and Board in June 2013
- \* **Section 6** was approved by the Advisory Committee and Board in February 2013
- \* **Section 7** was approved by the Advisory Committee and Board in January 2013
- \* Revised Sections 1-4, Section 8, and the 2013 Amendment to the 2010 RMPU were approved by the Advisory Committee in September 2013

# **IEUA Approval**

- Per Peace II, Recharge Master Plan is to be updated and approved by Watermaster and IEUA
- \* At time of 2010 RMPU, IEUA believed water demand and groundwater production were overly conservative and might result in unnecessary expense IEUA deferred its approval of the update to the Recharge Master Plan pending review of 2011 UWMPs
- IEUA has been active in the Steering Committee and has agreed to cost share on specific projects with recycled water recharge components
- \* IEUA staff will recommend approval of Amendment at the October 16, 2013 Board meeting

# Recommendation: Adopt Resolution 2013-06

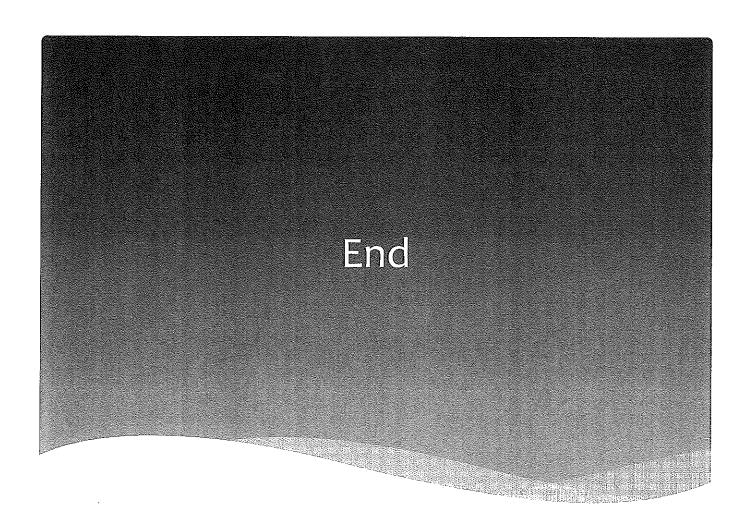
## \* Finding:

- \* Reaffirm December 2012 finding as to sufficient recharge capacity to meet replenishment obligations
- 2013 Amendment is timely and responsive to the Court's October 2010 Order:
  - \* Addresses changed circumstances
  - \* Includes MS4 recharge estimation practices,
  - Includes evaluation of sustainability and yield enhancement projects
  - \* Includes implementation and financing plan for recommended sustainability and yield enhancement projects

# Recommendation: Adopt Resolution 2013-06

## \* Resolving:

- 2013 Amendment is based on sound technical analysis and adequately amends the 2010 RMPU in light of changed conditions
- 2013 Amendment is responsive to the Court's October
   2010 Order
- 2013 Amendment is adopted as guidance document for development of recharge facilities
- \* Consistent with Peace II requirement to update or amend at least every five years, IEUA and Watermaster will update no later than 2018



# Exhibit E

ROWNSTEIN HYATT FARBER SCHRECK, LLP

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generally, but is intended to be supplemented with live testimony in the context of a Court workshop.

#### A. December 21, 2007 Order and Conditions Subsequent

On December 21, 2007, the Court signed its Order approving the Peace II Measures. The Peace II Measures are a comprehensive package of Basin management measures that provide for an update of the Basin management approach of the 2000 Optimum Basin Management Program ("OBMP") and the Peace Agreement.

The measures described in Peace II were ambitious approaches that have no parallel in any other managed groundwater basin. They followed upon the OBMP goal of constructing Desalter facilities in the southern end of the Basin to pump at least 40,000 acre-feet of impaired water, and from the 2004 Regional Water Quality Control Board's ("RWQCB") Basin Plan for the Santa Ana River Watershed.

Pursuant to the mandate of its continuing oversight of the Watermaster process, the Court's December 21, 2007 Order described nine conditions subsequent that Watermaster needed to meet in order for the approval of Peace II to remain valid. The ninth of these conditions is a catchall requirement that Watermaster meet all of its commitments as described in the Peace II Measures. So far, Watermaster has successfully completed the first seven conditions. The final condition, Condition Subsequent Number Eight, is the requirement that Watermaster submit an updated RMP by July 1, 2010. This requirement mirrors the requirement in section 8.1 of the Peace II Agreement to prepare an updated RMP, and differs from the section 8.1 requirement only insofar as Condition Subsequent Eight places a specific deadline on Watermaster for the completion of the update. Attached to this pleading as Exhibit "A" is a copy of the updated RMP. Watermaster respectfully requests the Court to approve this RMP as compliant with the requirements of the December 21, 2007 Order.

# BROWNSTEIN HYATT FARBER SCHRECK, LLP 21 East Carillo Street Sense Barders, CA 93101

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#### В. Recharge Master Plan Background

Prior conditions subsequent also dealt with the update of the RMP. In particular, Condition Subsequent Number 5 required Watermaster to submit a detailed outline of the scope and content of the updated RMP by July 1, 2008. Watermaster timely complied with this requirement and included a detailed explanation of the content of the RMP as required by the December 21, 2007 Order. A hearing to consider the approval of this outline was initially scheduled for August 21, 2008. However, before that hearing could take place, Judge Gunn left the bench and was eventually replaced by Judge Wade. On November 13, 2008, Judge Wade held a hearing to consider a variety of matters and, based on a lack of objection by any party to the intended scope and structure of the RMP update, approved the outline. (Reporter's Transcript, November 13, 2008 Hearing 4:10.)

#### Recharge under the Judgment C.

The Chino Basin Judgment operates on the fundamental premise that overproduction can be replenished through the recharge of supplemental water. Under the Judgment no party is limited in the amount that it can pump from the Basin, provided that sufficient funds are provided by the parties to purchase replenishment water to replace any pumping above the Safe Yield of the Basin.

However, as pumping from the Basin increases over time, replenishment needs also increase. There are two aspects to this increasing need that are relevant to the RMP: (1) recharge facilities must be adequate to accommodate the recharge needs, and (2) the water to be used for recharge must be available for purchase. Both of these elements have challenges and addressing these challenges is a key function of the updated RMP.

#### D. December 21, 2007 Order

#### Required Content of the Updated Recharge Master Plan 1.

By reference and incorporation to the Special Referee's Final Report and Recommendations on Motion for Approval of Peace II Documents (dated December 20, 2007), the Court articulated the

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minimum issues that needed to be addressed by the updated RMP. Watermaster listed these requirements in its pleading for Condition Subsequent Number Five and described where in the outline of the RMP these issues were addressed. Similarly, the updated RMP contains a table (Table 7-1) describing where the required elements can be found in the RMP. For the Court's convenience, a copy of this table is separately attached here as Exhibit "B."

#### Standard of Review 2.

The December 21, 2007 Order does not articulate the standards to be used by the Court in determining whether the RMP update is sufficient.

The Watermaster process is grounded in litigation of the Chino Basin adjudication and is therefore primarily an adversarial process. Watermaster has the overarching goal to administer the Judgment and protect the Basin, and the individual parties and Pools remain advocates for the many and varied individual interests in the Basin. The updated RMP was unanimously recommended for approval by all three Pools, the Advisory Committee and recommended for approval by the Watermaster Board with one abstention. Watermaster knows of no objection by any party to the Court's approval of the updated RMP in satisfaction of Condition Subsequent Number Eight.

Watermaster has previously articulated the position that the ability to object to a Watermaster action defines the issues under the Judgment, and when there are no challenges it is a means of identifying a lack of issues. In other words, consent of the parties represents compelling, unrebutted evidence that the matter before the Court is both consistent with the Judgment and in the public interest. (Motion for Approval of Peace II Documents (filed October 25, 2007) 10:18-24; see also Watermaster Response to Special Referee Preliminary Comments and Recommendations on Motion for Approval of Peace II Documents (filed December 14, 2007) 5:8.)

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CONDITION SUBSEQUENT EIGHT

#### II. **Updated RMP**

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#### A. Process of Development of RMP Update

#### 1. RMP Update Development Team

The primary drafter of the RMP update was Watermaster's consultant team at Wildermuth Environmental. However, significant contributions were also made by other agencies and consultants. The Chino Basin Water Conservation District performed important work regarding stormwater recharge issues through its consultant firm Wagner and Bonsignore, Consulting Civil Engineers. Black & Veatch performed important work regarding facilities concept development for supplemental water recharge. Sierra Consulting also contributed important input regarding supplemental water purchase opportunities and issues. Finally, the Inland Empire Utilities Agency ("IEUA") acted as a partner in the development of the RMP update providing significant in kind services and final report review.

#### 2. Stakeholder workshops

In September 2008, Watermaster convened its second annual strategic planning meeting, the focus of which was the scoping of the RMP update. Between that time and May of 2010, Watermaster planned and convened several workshops to present the results of the RMP update technical analyses and to receive input from the stakeholders on the RMP update. Between March 26, 2009 and March 25, 2010, Watermaster held seven such workshops, each with a specific technical theme. The schedule of these workshops is attached to the RMP update as Appendix A, and for the convenience of the Court the schedule is separately attached here as Exhibit "C." Following these workshops, Watermaster held two half-day workshops on April 21, 2010 and May 19, 2010 in order to present the draft RMP update and receive comments from the stakeholders. ///

CONDITION SUBSEQUENT EIGHT

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#### В. RMP Recommendations

The recommendations of the RMP update are contained in Section 7 of the report. In 2008, when the outline of the updated RMP was presented to the Court in satisfaction of Condition Subsequent Number Five, it was anticipated that the final version of the RMP update would include specific actions requiring immediate implementation. For this reason, the Condition Subsequent Five pleading indicated that implementation agreements would be developed concurrently with the RMP update.

However, changed circumstances altered this approach. Four specific factors are relevant in this regard: (1) The economic recession resulted in a much lower growth rate than was forecast. Because development did not occur as predicted, municipal water demand has not grown as anticipated. (2) IEUA recycled water development proceeded more aggressively than planned. The development of recycled water use and recharge has served to slow the increase in demand for the development of other recharge capacity. (3) Senate Bill 7, enacted in 2009, includes aggressive water conservation requirements. Increased conservation beyond what was predicted in 2008 has also served to slow the increase in demand for the development of recharge capacity. In addition, the passage of SB7 led to the legislature delaying the required 2010 update to urban water suppliers' Urban Water Management Plans ("UWMP") for one year until June 2011. The scheduling of the development of the RMP update relied upon these UWMPs to be well underway so that the data used in the UWMPs could be used to inform the conclusions of the RMP update. (4) Finally, in 2010 a new MS4 permit was adopted by the Santa Ana Regional Water Quality Control Board which imposes new requirements on land use control entities with regard to stormwater retention by new development.

While the final RMP update has remained faithful to the outline as presented to the Court in 2008, and while Watermaster believes that the RMP update accomplishes the substantive objectives ĺ

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of the Court in imposing the requirement of the RMP update, the factors above have altered the nature of the RMP update from the way that it was conceived in 2008. Previous projections of water demand growth in the Chino Basin have changed significantly over the past two years, and it is unclear at this time whether and how such changes will continue. Much of this information will be obtained from the parties through their UWMPs, which will describe expectations concerning demand, supply and the ways in which the parties will comply with the mandates of SB7. Because of this, the current RMP is understood to be an adaptive management document that will be updated as conditions change and new information is obtained.

The recommendations of the RMP update are grouped into five categories: (1) local stormwater management and the mitigation of the loss of Safe Yield; (2) development of regional stormwater recharge facilities; (3) acquisition of supplemental water for replenishment; (4) development of supplemental water recharge facilities; and (5) ongoing RMP updates. In summary, the recommendations in each of these categories are as follows:

#### Local Stormwater Management and Mitigation of Safe Yield [RMP section 7.1] 1.

The RMP update recommends that Watermaster work with relevant land use entities to encourage the implementation of local stormwater retention facilities consistent with the 2010 MS4 permit. The RMP update recommends that Watermaster incentivize such implementation by allocating any additional stormwater recharge to the owners of the projects that create such recharge. The RMP update recommends the immediate formation of a committee whose purpose would be to develop monitoring and accounting practices relative to such allocation.

#### 2. Regional Stormwater Recharge Facilities [RMP section 7.2]

The RMP analysis identified five phases of development of improvements to the regional stormwater recharge facilities. Since phases IV and V are significantly more expensive than phases I through III, the report recommends that Watermaster should first conduct analysis of the Phase I

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through III projects to refine the projects, to develop a financing plan, and to develop an implementation plan. The RMP recommends that this planning work should begin as soon as practical and concludes that such planning work can be accomplished within three years.

#### 3. Supplemental Water for Replenishment [RMP section 7.3]

The RMP recommends that further analysis be conducted following the conclusion of the appropriators UWMPs in June of 2011. After this point, it will be possible to determine to what extent Watermaster should pursue the acquisition of supplemental water in addition to that made available through the Metropolitan Water District of Southern California. In addition, the RMP recommends that Watermaster begin the practice of "preemptive replenishment" - that is, replenishment in advance of pumping that incurs a replenishment obligation. Such a practice would enable Watermaster to take advantage of supplemental water when it is available.

#### 4. Supplemental Water Recharge Facilities [RMP section 7.4]

The RMP update recommends that no new recharge facilities will be required to meet Watermaster's replenishment obligations through the planning period, provided that the Riverside Corona Feeder is completed within the next ten years. The RMP also recommends that Watermaster explore the use of parties' ASR facilities, if available, and the use of in-lieu recharge to achieve an improved balance of recharge and discharge in specific areas identified in prior reports.

#### 5. **Future RMP Update Process**

The RMP update recommends that it be updated following the completion of the appropriator's UWMPs in 2011, and then every five years thereafter. The updated Recharge Master Plan is based on a number of assumptions about water availability conditions in California over many years and about development patterns in the Chino Basin. These assumptions have changed significantly in the last two years, and are certain to continue to change through the coming years. and for this reason the RMP is not a static document, but is rather something that must be

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continually examined and updated. That is, this "final" updated RMP is really just the beginning of an adaptive process that will continue for many years.

#### €. Adoption Resolution

Reflecting the adaptive nature of the RMP, the Watermaster Resolution adopting the RMP acknowledges that it is a planning document that will change and be modified as the assumptions and planning goals that are its foundation change over time. A copy of Watermaster's Resolution is attached here as Exhibit "D."

Under section 8.1 of the Peace II Agreement, IEUA also has a right to review and approve the RMP update. Given that the concern of the Court in requiring approval of the RMP through Condition Subsequent Number 8 is to ensure that the updated RMP is sufficiently protective of the Basin, IEUA does not object to the Court finding that Watermaster has satisfied the obligations of Condition Subsequent Eight. In fact, it is IEUA's position that the RMP as approved by Watermaster is over-protective of the Basin and may result in unnecessary expenditures. IEUA has thus deferred its approval of the RMP until additional data that may inform this discussion becomes available such as through the UWMP process that will be complete by the end of June 2011. IEUA reserves its right to recommend alternative measures. Attached hereto as Exhibit "E" is a June 22, 2010 letter from IEUA that more fully articulates its position regarding the updated RMP.

#### III. Related Issues

The RMP update is necessary in order to properly plan for the replenishment obligation that will exist when the fully operational desalter system is no longer replenished by the Basin Re-Operation water. The RMP is thus intimately related to other OBMP projects such as the Desalters, Hydraulic Control and Basin Reoperation. At the April 2, 2010 hearing, there was discussion about scheduling workshops similar to those held for Judge Wade, so that the Court can be educated about the different OBMP program elements and their interrelationships. The Court suggested that a

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possible convenient schedule would be to schedule the first such workshop on the hearing date for the Condition Subsequent Number Eight. Issues related to the RMP update that should be addressed as part of such a hearing are described below. Each of these issues is complex, but since they are not directly related to the Court approval associated with Condition Subsequent Number Eight, they are only described below in the broadest detail. Watermaster intends to provide testimony on each of these issues at any workshop scheduled by the Court in order to provide sufficient detail to fully familiarize the Court with the issues.

#### A. Desalter Expansion and Chino Creek Wellfield Progress Report.

One of the central OBMP projects is the construction of Desalters in the Southern portion of the Basin. This project has proceeded in phases and the project that will result in the construction of the final increment of Desalter capacity to satisfy the OBMP is underway. This is the same project through which the Chino Creek Wellfield will be constructed in order to complete the hydraulic barrier that will result in Hydraulic Control. Hydraulic Control will be attained through the one time effort of Basin Re-Operation, and then will be maintained through operation of the Chino Desalters. The project is being constructed by the Chino Desalter Authority.

Watermaster and IEUA are required to achieve Hydraulic Control pursuant to the RWQCB's Basin Plan for the Santa Ana Watershed and for the recycled water permits for the Chino Basin. While the Chino Creek Wellfield project is progressing, on April 1, 2010, the RWQCB issued an Administrative Civil Liability Complaint against Watermaster and IEUA because the RWOCB felt that progress on this project is not proceeding quickly enough. A copy of this complaint is attached here as Exhibit "F." In May this complaint was settled by the parties. This settlement resulted in Watermaster and IEUA paying a fine to the RWQCB and a new schedule for Chino Creek Wellfield construction being approved by the RWQCB. A copy of this settlement agreement is attached here as Exhibit "G."

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In response to the complaint, the Watermaster Board instructed staff and General Counsel to initiate a facilitation process in order to accelerate the progress of the Desalter expansion project. Such facilitation effort was initiated and Principles of Agreement were approved by both Watermaster and the CDA that describe the understanding of the parties enabling the Desalter expansion and Chino Creek Wellfield project to move forward. A copy of these Principles of Agreement is attached here as Exhibit "H."

#### Chino Airport Plume В.

One of the hurdles to moving forward with Desalter expansion has been cost liabilities associated with two contaminant plumes. Of particular concern has been the Chino Airport plume. San Bernardino County Department of Airports is the responsible party associated with this plume. The San Bernardino County Department of Airports is a party to the Judgment. This issue is relevant because the Chino Creek Wellfield will intercept this plume and treatment of the contaminants contained therein will result in increased costs to the CDA.

The CDA has requested Watermaster to act as the lead in negotiating with San Bernardino County on this issue. Watermaster has been actively pursuing such a resolution and has been working closely with the County. In order to provide structure for these discussions, on January 22, 2010, Watermaster issued a Notice of Intent to Sue pursuant to the requirements of Resources Conservation and Recovery Act. A copy of this Notice of Intent is attached here as Exhibit "I." Prior to initiating a lawsuit, Watermaster would seek Court approval for such an action.

#### Procedure Regarding Potential Reduction in Safe Yield IV.

On March 3, 2008, Watermaster filed a technical report prepared by Wildermuth Environmental in response to Condition Subsequent Number Three. A hearing was set for May 1, 2008, in order for the Court to approve this submittal. On April 1, 2008, Watermaster submitted its response to Condition Subsequent Number Four. In response to Watermaster's filing in compliance

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with Conditions Subsequent Three and Four, Monte Vista Water District submitted comments expressing concern over the procedures that would be used to calculate reallocation of surplus Agricultural Pool water in the event of a decline in Safe Yield. These comments were filed on or about April 10, 2008. On April 17, 2008, the Special Referee filed comments on Watermaster's compliance with Conditions Subsequent Three and Four.

By stipulation dated April 25, 2008, Watermaster committed to develop procedures that would be responsive to Monte Vista's concerns and to submit them to the Court for approval as part of the updated Recharge Master Plan and the submission in compliance with Condition Subsequent Number Eight. On that same date, Watermaster filed a response to the Special Referee's comments, and notified the Court of the stipulation with Monte Vista. A copy of the stipulation is attached here as Exhibit "J."

The stipulation required Watermaster to produce certain information regarding an expected future range of Agricultural Pool production prior to July 1, 2008. Watermaster produced this information and at the June 26, 2008 Appropriative Pool meeting, the Appropriative Pool convened a subcommittee to discuss the development of a procedure to respond to this information.

At the August 6, 2008 meeting of this subcommittee, staff and legal counsel were asked to memorialize a proposed resolution of the method of allocation of water in the event of a reduction in Safe Yield and to create spreadsheets that documented the results of a range of other methods. On September 8, 2008, Watermaster distributed these materials to the subcommittee and requested comments. Comments were received and a revised memorandum was distributed that memorialized the procedure as proposed by the subcommittee.

At the December Watermaster meetings, the procedure as proposed by the subcommittee was considered and approved by the three Pools, the Advisory Committee and the Board. Attached hereto as Exhibit "K" is the December 2008 staff report and memorandum from legal counsel that

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describes the procedures agreed upon by the parties including the spreadsheet that demonstrates the operation of the adopted procedure.

The procedure as detailed in the memorandum specifies that in the event that Operating Safe Yield is reduced because of a reduction in Safe Yield. Watermaster will follow the hierarchy provided for in the Judgment, Exhibit "H," by first applying the unallocated Agricultural Pool water to compensate the Appropriative Pool members for the reduction in Safe Yield. (Judgment, Exhibit "H," paragraph 10(a).) If there is unallocated water left, Watermaster will then follow the remainder of the hierarchy and reallocate unallocated Agricultural Pool water next to conversion claims then to supplement the Operating Safe Yield without regard to reductions in Safe Yield according to the guidance provided by Peace Agreement I & II and Watermaster's Rules and Regulations, as amended. 1

Given the adaptive nature of the RMP, and in order to ensure clear direction for Watermaster in the predicted decline in Safe Yield over time. Watermaster requests that the Court separately

Paragraph 5.3(g) of the Peace Agreement requires that Watermaster approve an "Early Transfer" of Agricultural Pool water if the Agricultural Pool production is less than 50,000 acre-feet. An Early Transfer is the reallocation of the greater of 32,800 or 32,800 acre-ft/yr plus the actual amount of water not produced by the Agricultural Pool for each fiscal year to be allocated among the members of the Appropriative Pool in accordance with their pro-rata share of the safe yield. (Peace I, p. 33, ¶5.3 (g).) Paragraph 5.3(g) is ambiguous about how the Early Transfer relates to the hierarchy described in Exhibit "H". Section 6.3 of the Watermaster Rules and Regulations was created to specify the hierarchy as between land use conversions and the Early Transfer. Watermaster Rules and Regulations 6.3, as amended, specifies that when the actual combined production from the Safe Yield made available to the Agricultural Pool, which includes overlying Agricultural Pool uses combined with land use conversions and the Early Transfer, exceeds 82,800 in any year, the amount of water available to members of the Appropriative Pool shall be reduced pro rata in proportion to the benefits received according to the following procedure:

<sup>(1)</sup> All the land use conversions and the Early Transfer will be added together and shall be the "Potential Acre-Feet Available for Reallocation."

<sup>(2)</sup> Each Appropriative Pool member's share of the Potential Acre-Feet Available for Reallocation shall be determined and expressed as a percentage share of the Potential Acre-Feet Available for Reallocation (i.e. a member's land use conversion plus its share of the Early Transfer, divided by the total Potential Acre-Feet Available for Reallocation.)

<sup>(3)</sup> Each Appropriative Pool member's share of the Potential Acre-Feet Available for Reallocation shall then be reduced pro rata according to the percentage determined in #2 above.

BROWNSTEIN HYATT FARBER SCHRECK, LLP 21 East Carillo Street Santa Barbara, CA 93101 approve this interpretation of the Judgment and direct that these procedures will be the procedures that Watermaster will use to calculate reallocation of Agricultural Pool water in the event of a reduction in Safe Yield. Upon approval of these procedures by this Court, Watermaster shall amend its Rules and Regulations to reflect the Court's Order. Watermaster knows of no opposition to Court approval of these procedures.

Dated: June 30, 2010

BROWNSTEIN HYATT FARBER SCHRECK, LLP

Z-f-

Bv:

SCOTT S. SLATER MICHAEL T. FIFE

Attorneys for

CHINO BASIN WATERMASTER

CONDITION SUBSEQUENT EIGHT

1	SCOTT SLATER (State Bar No. 117317) BRADLEY J. HERREMA (State Bar No. 228976)		
2	BROWNSTEIN HYATT FÄRBER SCHI 21 East Carrillo Street	RECK, LLP	
3	Santa Barbara, CA 93101-2706 Telephone: 805.963.7000		
4	Facsimile: 805.965.4333		
5	Attorneys for CHINO BASIN WATERMASTER		
6			
7 8	CLIDEDIOD COLIDE OF		
	DOLLAR OF THE STILL OF CALIFORNIA		
9	FOR THE COUNT	Y OF SAN BERNARDINO	
10			
11	CHINO BASIN MUNICIPAL WATER DISTRICT,	Case No. RCV 51010	
12	Plaintiff,	[Assigned for All Purposes to the Honorable STANFORD E. REICHERT]	
13	v.	DECLARATION OF JEAN	
14	CITY OF CHINO, et al.,	CIHIGOYENETCHE IN SUPPORT OF MOTION FOR COURT APPROVAL OF	
15	Defendant.	2013 AMENDMENT TO 2010 RECHARGE MASTER PLAN UPDATE	
16			
17	I. Jean Cihigovenetche, declare as follows:		
18			
19	1. I am an attorney duly admitte	d to practice before all of the courts of this State, and	
20	am a partner in the law firm of Cihigoyenetc	he Grossberg & Clouse, counsel of record for the	
21	Inland Empire Utilities Agency ("IEUA"). I	have personal knowledge of the facts stated in this	
22	declaration, except where stated on informat	ion and belief, and if called as a witness, I could and	
23	would competently testify to them under oath. I make this declaration in support of the above-		
24	referenced motion.		
25	2. As legal counsel for IEUA, I a	am familiar with IEUA's practices and procedures, as	
26	well as actions taken by the IEUA Board of I	Directors ("Board").	
27	3. On October 16, 2013, during i	ts regularly scheduled meeting, the Board	
28	considered approval and adoption of the 2013 Amendment to the 2010 Recharge Master Plan  DECLARATION OF JEAN CIHIGOYENETCHE		

Update.

At its October 16, 2013 meeting, the Board adopted Resolution No. 2013-10-1, approving the 2013 Amendment to the 2010 Recharge Master Plan Update. A true and correct copy of IEUA's Resolution No. 2013-10-1 is attached hereto as Exhibit "A."

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Dated this 4th day of November, 2013, at Rancho Cucamonga, CA.

#### **RESOLUTION NO. 2013-10-1**

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\* (IEUA), SAN BERNARDINO COUNTY, CALIFORNIA, ADOPTING THE 2013 AMENDMENT TO THE 2010 UPDATE TO THE CHINO BASIN RECHARGE MASTER PLAN

WHEREAS, in 2000, the Chino Basin Watermaster adopted a Recharge Master Plan which established the technical foundation for the development of the recharge facilities and practices in the Chino Basin; and

WHEREAS, in 2001, Watermaster, in cooperation with the Inland Empire Utilities Agency ("IEUA"), initiated the Chino Basin Facilities Improvement Project ("CBFIP") which implemented facilities recommendations in the Recharge Master Plan; and

WHEREAS, in 2006, Watermaster, in cooperation with IEUA, initiated Phase II of the CBFIP in order to implement additional facilities recommendations in the Recharge Master Plan; and

WHEREAS, on December 21, 2007, the Court approved the Peace II Measures which set forth a modified approach to management of the Chino Basin known as Basin Re-Operation, the ultimate goal of which is the achievement of Hydraulic Control; and

WHEREAS, Section 8.1 of the Peace II Agreement, the relevant portions for purposes of this Resolution are attached as Exhibit A hereto, approved by the Court, included the requirement that Watermaster and IEUA must each approve the Recharge Master Plan; and

WHEREAS, during 2009 through 2010, Watermaster staff and technical consultants, in cooperation with IEUA and the Chino Basin Water Conservation District, developed an updated Recharge Master Plan ("2010 RMPU"); and

WHEREAS, during the spring of 2010, Watermaster staff and technical consultants held numerous technical workshops and recognized that changing conditions within the Chino Basin including the impacts of the economic recession, drought, mandatory regional conservation, increased recycled water recharge capability and the adoption of new regulatory requirements for stormwater capture significantly modified planning assumptions in the 2010 RMPU; and

WHEREAS, due to intervening state legislation enacted subsequent to the Court's December 2007 Order, a delay in finalizing the Update was required. The legislation extended the time for completion of 2010 Urban Water Management Plans ("UWMPs") until July of 2011; and

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy. Inland Empire Utilities Agency\*

\* A Municipal Water District

ealul Date 10.31.13

WHEREAS, IEUA deferred its right to approval of the 2010 RMPU until after the completion of the appropriators' UWMPs, because IEUA believed that the water demand and production assumptions were overly conservative and should be re-evaluated with the completion of the parties UWMPs to avoid unnecessary expense to the parties; and

WHEREAS, on June 30, 2010, Watermaster submitted its 2010 RMPU to the Court; and

WHEREAS, on October 8, 2010, the Court issued an Order Approving Watermaster's Compliance with Condition Subsequent Number Eight and Approving Procedures to be Used to Allocate Surplus Agricultural Pool Water in the Event of a Decline in Safe Yield, attached hereto as Exhibit B, finding the 2010 RMPU was responsive to its prior Orders. The October 8, 2010 Order ordered Watermaster to convene the committee described in Item 3 of Section 7.1 of the 2010 RMPU to develop the monitoring, reporting, and accounting practices that will be required to estimate local project stormwater recharge and new yield (October 8, 2010 Order, at 4:9-11); and

WHEREAS, the Court also ordered Watermaster to conduct further analyses, as described in section 7.2 of the 2010 RMPU, of the Phase I through III recharge projects to refine the projects, to develop a financing plan, and to develop an implementation plan. The Court further ordered Watermaster to report to the Court on any changes to the 2010 RMPU Update necessitated by information received through the UWMPs by December 17, 2011, and to report on the status of IEUA's approval of the updated Recharge Master Plan (October 8, 2010 Order, at 4:12-18); and

WHEREAS, at its November 15, 2012 regular meeting, after reviewing progress made toward completion of the amendment of the 2010 RMPU, the Board unanimously approved a schedule providing for the completion of compliance with Court's October 2010 Order, and its filing with the Court by October 2013; and

WHEREAS, since mid-2011, the Steering Committee has generally met twice each month, and includes stakeholders, inclusive of IEUA as required by the Peace II Agreement. The evaluation by the Steering Committee has incorporated updated groundwater production estimates and replenishment obligation projections, calculations of water in storage, and information regarding the projected availability of replenishment water; and

WHEREAS, the Steering Committee developed criteria by which the Sustainability Projects and Yield Enhancement Projects were analyzed and ranked for potential implementation, and, pursuant to such ranking, certain projects were recommended for implementation. The Yield Enhancement Projects selected by the Steering Committee for recommended implementation through the 2013 Amendment are estimated to increase stormwater recharge to the Basin by up to 6,781 acre-feet per year and recycled water recharge to the Basin by up to 4,936 acre-feet per year; and,

WHEREAS, the Steering Committee has developed an implementation and financing plan for the implementation of the recommended projects as part of the 2013 Amendment, which the Court will be asked to approve and with which it will be asked to direct Watermaster to proceed in accordance; and

WHEREAS, in its May 2012 Recharge Master Plan Status Report, Watermaster reported that because IEUA had been an active participant in the Amendment process, Watermaster reasonably anticipated that IEUA would be more readily disposed to approve the Amendment. Since that time, IEUA has continued to participate in the development of the Amendment and it is reasonably expected that the IEUA Board of Directors will approve the 2013 Amendment at its October 16, 2013 regular meeting.

**NOW, THEREFORE,** the Board of Directors of the Inland Empire Utilities Agency\* does hereby RESOLVE, DETERMINE AND ORDER as follows:

- 1. There exists sufficient recharge capacity to meet future replenishment obligations identified in the 2010 Recharge Master Plan Update. If Basin Re-Operation were terminated prior to 2030, Watermaster would be able to increase its replenishment activity in order to maintain hydrologic balance within the Basin, in compliance with the Recharge Master Plan.
- 2. Watermaster and interested parties, through the Steering Committee, thoroughly evaluated changed circumstances (legislative, regulatory, etc.) that were not addressed in the 2010 Recharge Master Plan Update and how these changes affect the Recharge Master Plan, and this evaluation is included in section 2 of the 2013 Amendment.
- 3. The Steering Committee's recommended Yield Enhancement Projects are estimated to increase stormwater recharge to the Basin by up to 6,781 acrefeet per year and recycled water recharge to the Basin by up to 4,936 acre-feet per year.
- 4. The Steering Committee developed an implementation and financing plan for the 2013 Amendment's recommended projects, as described in section 8 of the 2013 Amendment, that will further the goals and requirements of the Recharge Master Plan.
- 5. The 2013 Amendment to the 2010 Recharge Master Plan Update is based on sound technical analysis and adequately amends the 2010 Recharge Master Plan Update in light of changed economic, legislative, and hydrologic conditions within the State of California.
- 6. The 2013 Amendment to the 2010 Recharge Master Plan Update is responsive to the Court's order to develop the monitoring, reporting, and accounting practices that will be required to estimate local project stormwater recharge

and new yield, and contains sufficient analysis responsive to the Court's direction to develop a financing plan and an implementation plan.

- 7. IEUA adopts the 2013 Amendment to the 2010 Recharge Master Plan Update as the guidance document for the further development of the recharge facilities within the Chino Basin.
- 8. Pursuant to the Peace II Agreement Section 8.1, Watermaster and IEUA will update the Recharge Master Plan not less frequently than once every five years. As the development of the 2013 Amendment was, in effect, an update to the Plan, the Plan will be updated no later than 2018.

**ADOPTED** this 16<sup>th</sup> day of October 2013.

Terry L. Catlin

President of the Inland Empire Utilities Agency\* and of the Board of Directors thereof

ATTEST:

Steven J. Elie

Secretary/Treasurer of the Inland Empire Utilities Agency\* and of the Board of Directors thereof

(SEAL)

<sup>\*</sup>A Municipal Water District

Resolution 1vo. 2015-10-1
Page 5 of 5
1450 5 01 5
CTATE OF CALTEODNIA

COUNTY OF SAN BERNARDINO

I, STEVEN J. ELIE, Secretary/Treasurer of the Inland Empire Utilities Agency\*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2013-10-1, was adopted at a regular meeting on October 16, 2013, of said Agency by the following vote:

AYES:

Elie, Catlin, Camacho, Koopman

NOES:

None

ABSTAIN:

None

ABSENT:

None

Steven J. Elie

Secretary/Treasurer

(SEAL)

\*A Municipal Water District

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## SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF SAN BERNARDINO

CHINO BASIN MUNICIPAL WATER DISTRICT,

Case No. RCV 51010

Plaintiff,

[Assigned for All Purposes to the Honorable STANFORD E. REICHERT]

vs.

[PROPOSED] ORDER APPROVING WATERMASTER'S 2013 AMENDMENT TO 2010 UPDATE TO RECHARGE MASTER PLAN AND INTERVENTION OF

CITY OF CHINO, ET AL.,

Date: December 13, 2013

Defendant.

Time: 1:30 p.m.

TAMCO

Dept.: R-6

Having read, reviewed and considered all pleadings filed in support and in response, if any, including the testimony presented at the December 13, 2013 hearing, and good cause appearing therefore:

### I. Background of Recharge Master Plan Update

On December 21, 2007, the Court issued its *Order Concerning Motion for Approval of Peace II Documents*. The Order required Watermaster to comply with nine conditions subsequent. Consistent with section 8.1 of the Peace II Agreement, condition subsequent number eight required Watermaster to submit for approval an updated Recharge Master Plan by July 1, 2010.

On June 30, 2010, Watermaster submitted its updated Recharge Master Plan, the 2010 RMPU, to the Court in compliance with condition subsequent number eight. However, due to

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intervening state legislation enacted subsequent to the Court's December 2007 Order, a delay was required. The legislation, SB 7, extended the time for completion of 2010 Urban Water Management Plans ("UWMPs") until July 1, 2011. The UWMPs would provide important information about the projected Basin production by members of the Appropriative Pool. This information was critical to the 2010 RMPU and, because this information was not yet available in June 2010, the Inland Empire Utilities Agency ("IEUA") was not in a position to approve the updated RMP as required by the Peace II Agreement. IEUA deferred its right to approval of the 2010 RMPU until after the completion of the parties' UWMPs, because IEUA believed that the water demand and production assumptions were overly conservative and should be re-evaluated with the completion of the parties UWMPs to avoid unnecessary expense to the parties.

After Watermaster's submittal of the 2010 RMPU, the Court issued its October 8, 2010 Order finding that the 2010 RMPU was responsive to the Court's December 21, 2007, condition subsequent number eight, whereby Watermaster was ordered to convene a committee described in item 3 of section 7.1 of the 2010 RMPU "...to develop the monitoring, reporting, and accounting practices that will be required to estimate local project stormwater recharge and new yield." (October 8, 2010 Order, at 4:9-11.) The Court also ordered Watermaster "...to conduct further analyses as described in section 7.2 of the updated Recharge Master Plan of the Phase I through III projects to refine the projects, to develop a financing plan, and to develop an implementation plan." (October 8, 2010 Order, at 4:12-14.) The Court further ordered Watermaster to report to the Court on any changes to the 2010 Recharge Master Plan Update necessitated by information received through the UWMPs by December 17, 2011, and to report on the status of IEUA's approval of the RMPU. (October 8, 2010 Order, at 4:15-18.)

On December 12, 2011 Watermaster filed an Ex Parte Motion to Request a 180-Day Extension of Time re Filing of Recharge Master Plan Status Report. The Court granted this request on December 16, 2011. On May 31, 2012, Watermaster filed a Recharge Master Plan Status Report, informing the Court of the progress made towards revising the 2010 Recharge Master Plan Update.

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Using updated estimates of stakeholders' groundwater production and projections of replenishment obligations, Watermaster and the parties have evaluated changed circumstances (legislative, regulatory, etc.) that were not addressed in the 2010 Recharge Master Plan Update and how these changes affect the Recharge Master Plan. For this purpose, a Recharge Master Plan Update Steering Committee was convened. Throughout 2012 and 2013, Watermaster staff and the parties have collaborated to finalize the 2013 Amendment to the 2010 RMPU.

Using these scenarios, Watermaster's hydrology consultant undertook modeling in order to project recharge needs within the Basin, based on modeled future groundwater levels, estimated Safe Yield, and the balance of recharge and discharge within the Basin. This analysis was predicated on updated pumping and replenishment projections, estimates of the locations and amounts of recharge required for groundwater production sustainability, and potential production forbearance.

As the modeling prior to the Amendment process had been based on the existing locations and capabilities of existing recharge facilities, the Steering Committee also had an inventory conducted of existing recharge facilities, which includes the characterization of recharge basins, recharge capacities and the factors controlling recharge performance. Other factors that have also been included in the analysis include the evaluation of impacts due to changes in recycled water recharge regulations on Watermaster's ability to recharge the same, the analysis of actual storm water recharge at existing facilities, storm water available for recharge at each facility, and what could be done to increase recharge at each, as well as the evaluation of availability of and ability to recharge supplemental water, and the possibility of in-lieu recharge within the Basin.

In order to finalize the Amendment, the Steering Committee identified the possible recharge options available to meet current and projected recharge and replenishment needs. This included the identification of areas within the Basin with the potential for production sustainability challenges and other water management challenges that can be addressed by recharge or production management, the identification of options ensuring production sustainability through the term of Peace Agreements, including increased recharge at existing facilities, new recharge facilities, new

Barbara, CA 93101

recharge sources, adjustments in production patterns, etc. Based on the Steering Committee's desire to evaluate as many recharge project options as could be identified, the Amendment analyzed suggested projects well beyond those for which the 2010 RMPU's prior analysis was required to be refined pursuant to the Court's October 2010 Order. The listing of projects was expanded intentionally to provide an opportunity to identify any and all known recharge opportunities at this time. As required by the Court's October 2010 Order, the Steering Committee also developed the monitoring, reporting, and accounting practices required to estimate stormwater recharge and any resultant New Yield associated with compliance with the requirements of the Regional Water Quality Control Board's permit for Municipal Separate Storm Sewer Systems (MS4s).

After the identification of the potential recharge projects, the Steering Committee developed the methods and criteria that would be used to evaluate and rank each of them. Project evaluation criteria include confidence in recharge estimate; location; expandability to include supplemental water recharge; cost; water quality challenges; and institutional challenges. Using these agreed upon methods and criteria, Watermaster's consultants conducted engineering and economic analyses of each. Based on these analyses, the Steering Committee reviewed and recommended implementation of the selected options, and developed recommended financing and implementation plans for these options.

IEUA, an active participant in the process, considered the proposed options and has indicated willingness to jointly fund certain of these projects that will facilitate the recharge of additional quantities of recycled water. IEUA's financial participation has been considered in the cost of the projects.

At its September 26, 2013 regular Board meeting, the Watermaster Board adopted Resolution 2013-06, approving the 2013 Amendment and finding that it fulfills the requirements of the Court's October 8, 2010 Order. At its October 16, 2013 regular Board meeting, the IEUA Board of Directors adopted Resolution 2013-10-1, approving the Amendment. No party has objected to 2013 Amendment's recommended projects or its implementation and financing plan.

#### II. Intervention of TAMCO

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Watermaster received a Petition to Intervene into the Judgment with placement under the Overlying (Non-Agricultural) Pool from TAMCO on July 17, 2013, based on TAMCO's agreement with Ameron, Inc. for a transfer of a portion of Ameron's production rights within the Overlying (Non-Agricultural) Pool. The requested intervention of TAMCO was approved unanimously by the Appropriative, Overlying (Agricultural) and Overlying (Non-Agricultural) Pools at their August 8, 2013 meetings, was approved unanimously by the Advisory Committee at its August 15, 2013 meeting, and was approved unanimously by the Board at its August 22, 2013 meeting. Watermaster and the Court know of no opposition to the intervention.

#### III. Findings and Order

On the basis of the above, the Court finds and Orders as follows:

- (1)The Court finds that the 2013 Amendment to the 2010 Recharge Master Plan Update is responsive to the Court's Order of October 8, 2010, specifically:
- (a) The Court finds that Watermaster has satisfied the Court's order to report to the Court on any changes to the 2010 RMPU necessitated by information received through the UWMPs.
- (b) The Court finds that Watermaster has satisfied the Court's order to convene the committee described in item 3 of section 7.1 of the updated Recharge Master Plan to develop the monitoring, reporting, and accounting practices required to estimate local project stormwater recharge and new yield.
- The Court finds that Watermaster has satisfied the Court's order to conduct (c) further analyses as described in section 7.2 of the updated Recharge Master Plan of the Phase I through III projects to refine the projects, to develop a financing plan, and to develop an implementation plan.

On this basis, the Court approves Watermaster proceeding with the 2013 Amendment as the effective Recharge Master Plan, as updated.

(2)The Court hereby orders Watermaster to describe the progress made and activities undertaken pursuant to the 2013 Amendment's Implementation and Financing Plans as part of

	Watermaster's semi-annual Optimum Basin Management Program reports and orders Watermaster
	to file such reports with the Court for its information and review.
	(3) The Court hereby approves the request of TAMCO for intervention as a party to the
	Judgment with placement within the Overlying (Non-Agricultural) Pool.
***************************************	December, 2013 The Honorable Stanford E. Reichert
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# CHINO BASIN WATERMASTER 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 November 4, 2013 I served the following:

- 1. MOTION FOR COURT APPROVAL OF 2013 AMENDMENT TO 2010 RECHARGE MASTER PLAN UPDATE; REQUEST FOR INTERVENTION BY TAMCO
- DECLARATION OF BRADLEY J. HERREMA IN SUPPORT OF MOTION FOR COURT APPROVAL OF 2013 AMENDMENT TO 2010 RECHARGE MASTER PLAN UPDATE; INTERVENTION BY TAMCO
- 3. DECLARATION OF JEAN CIHIGOYENETCHE IN SUPPORT OF MOTION FOR COURT APPROVAL OF 2013 AMENDMENT TO 2010 RECHARGE MASTER PLAN UPDATE
- 4. [PROPOSED] ORDER APPROVING WATERMASTER'S 2013 AMENDMENT TO 2010 UPDATE TO RECHARGE MASTER PLAN AND INTERVENTION OF TAMCO

/ <u>X</u> /	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.
<i>II</i>	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.
<u>/ X_</u> /	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 November 4, 2013 in Rancho Cucamonga, California.

Bv: Janine Wilson

Chine-Basin Watermaster

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