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14
15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 COUNTY OF SAN BERNARDINO

17
18 CHINO BASIN MUNICIPAL WATER
DISTRICT,

19 Petitioner,

20 v.

21 CITY OF CHINO, et al.,

22 Defendants.
23

Case No. RCVRS 51010

Judge: Stanford E. Reichert

NOTICE OF MOTION AND MOTION TO
APPROVE AMENDMENTS TO
APPROPRIATIVE POOL POOLING PLAN
AND COURT-APPROVED MANAGEMENT
AGREEMENTS; MEMORANDUM OF
POINTS AND AUTHORITIES

[filed concurrently with Decl. of Sarah
Christopher Foley in Supp. of Mot. to
Approve Amendments to Appropriative
Pool Pooling Plan and Ct.-Approved
Management Agreements; [Proposed]
Order]

24 Date: March 15, 2019

25 Time: 1:30 p.m.

26 Dept.: S35

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Dated: January 15, 2019

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1 MEMORANDUM OF POINTS AND AUTHORITIES

2
3 1. INTRODUCTION

4
5 Pursuant to the Court’s continuing jurisdiction under Restated Judgment paragraph 15,
6 this Motion requests Court approval of certain amendments to (a) the Appropriative Pool Pooling
7 Plan and (b) Court-Approved Management Agreements (“CAMA”), which include the Peace
8 Agreement and the Peace II Agreement, (collectively referred to “Appropriative Pool Pooling
9 Plan and CAMA Amendments”), attached as Exhibit A to the Declaration of Sarah Christopher
10 Foley (“Foley Decl.”) and to the [Proposed] Order. The Appropriative Pool Pooling Plan and
11 CAMA Amendments are the result of over a year’s worth of settlement negotiations among
12 parties to the Restated Judgment and, if approved, will (1) provide a stipulated plan for
13 implementing this Court’s April 28, 2017 Order regarding Watermaster’s 2015 Motion Regarding
14 2015 Safe Yield Reset Agreement, Amendment of Restated Judgment, Paragraph 6 (“2017
15 Order”); (2) resolve certain outstanding disputes regarding the interpretation of that 2017 Order;
16 and (3) result in the dismissal of the pending appeal of the 2017 Order.

17
18 The Appropriative Pool Pooling Plan and CAMA Amendments were developed with the
19 participation of the Watermaster, the Overlying Non-Agricultural Pool, the Overlying
20 Agricultural Pool, and the Appropriative Pool. They constitute a compromise on issues that have
21 arisen following the 2017 Order regarding the Chino Groundwater Basin (“Basin”) and related
22 water allocations. Watermaster supports the Appropriative Pool Pooling Plan and CAMA
23 Amendments. The Appropriative Pool approved the Appropriative Pool Pooling Plan and
24 CAMA Amendments. The Overlying Non-Agricultural Pool adopted a resolution of non-
25 opposition to the Appropriative Pool Pooling Plan and CAMA Amendments. The Overlying
26 Agricultural Pool is currently withholding express *approval* of Appropriative Pool Pooling Plan
27 and CAMA Amendments but has not expressly *opposed* the Appropriative Pool Pooling Plan and
28 CAMA Amendments.

1 2. PARTIES

2
3 A. PARTIES TO THE APPEAL AND AGREEMENT SETTling APPEAL

4
5 Appropriative Pool members, Cucamonga Valley Water District, Monte Vista Water
6 District, and City of Pomona (“Appellants”), appealed the 2017 Order. See Foley Decl., Ex. B at
7 ¶ D. Appropriative Pool members, City of Chino, Jurupa Community Services District, and City
8 of Ontario (“Respondents”), are the respondents to the appeal. Id. Appellants and Respondents
9 are collectively referred to as the “Settling Parties.” The appeal is pending before the Court of
10 Appeal, Fourth District, Case No. E068640. Id. The Court of Appeal stayed the appeal to allow
11 for settlement discussions. Id.

12
13 The Settling Parties have reached a compromise (“Agreement Settling Appeal”) that
14 includes the Appropriative Pool Pooling Plan and CAMA Amendments, which, if approved by
15 the Court, will enable Appellants to dismiss the appeal and withdraw their previously filed
16 Motion to Confirm Stay Pending Appeal. Foley Decl., Ex. B at ¶ G. Accordingly, the Settling
17 Parties jointly requested, and were granted, a limited and temporary remand from the Court of
18 Appeal so the Court could consider this Motion. Foley Decl., Ex. F. The remand is expressly
19 limited to this Court’s consideration of the Appropriative Pool Pooling Plan and CAMA
20 Amendments. Id. at ¶ 2.

21
22 B. SIGNATORIES TO THE 2018 AGREEMENT

23
24 The Appropriative Pool members who are not Settling Parties have reviewed and support
25 the Appropriative Pool Pooling Plan and CAMA Amendments and intend to sign the 2018
26 Agreement to Appropriative Pool Pooling Plan and CAMA Amendments (“2018 Agreement”).
27 Foley Decl., Exs. C and G. In a November 27, 2018 Special Meeting, the Appropriative Pool
28 unanimously voted to approve the 2018 Agreement, including the Appropriative Pool Pooling

1 Plan and CAMA Amendments, and to sign the Agreement upon approval of each member of the
2 Appropriative Pool. Foley Decl., Ex. G. The Appropriative Pool further unanimously voted to
3 direct its counsel to join in the present Motion. Id.

4
5 C. WATERMASTER

6
7 Watermaster has facilitated the finalizing of the Appropriative Pool Pooling Plan and
8 CAMA Amendments. Through a Resolution of the Watermaster Board, Resolution No. 2019-03,
9 dated January 11, 2019, Watermaster expressed its support of the Appropriative Pool Pooling
10 Plan and CAMA Amendments. Foley Decl., Ex. K. Accordingly, Watermaster will file its own
11 motion of support of the Appropriative Pool Pooling Plan and CAMA Amendments, along with
12 the Settling Parties' present Motion.

13
14 3. AGREEMENTS

15
16 The Agreement Settling Appeal and the 2018 Agreement agree to the same Appropriative
17 Pool Pooling Plan and CAMA Amendments, but the Agreement Settling Appeal also settles the
18 appeal of the 2017 Order and is thus only executed by the Settling Parties. See Foley Decl.,
19 Exs. B and C. The 2018 Agreement provided parties to the Restated Judgment that are not
20 Settling Parties the opportunity to review the Appropriative Pool Pooling Plan and CAMA
21 Amendments and further participate in this process. See Foley Decl., Ex. C.

22
23 A. AGREEMENT SETTILING APPEAL

24
25 The Agreement Settling Appeal constitutes a compromise among the Settling Parties.
26 Foley Decl., Ex. B. The Settling Parties agree to the Appropriative Pool Pooling Plan and CAMA
27 Amendments, which are attached to the Agreement Settling Appeal. Id. The Agreement Settling
28 Appeal provides that upon this Court's approval of the Appropriative Pool Pooling Plan and

1 CAMA Amendments, Appellants will promptly dismiss their appeal and withdraw their
2 previously filed Motion to Confirm Stay Pending Appeal. Id. at p. 2, ¶ 3.

3
4 The Appropriative Pool Pooling Plan and CAMA Amendments seek to amend the
5 Appropriative Pool Pooling Plan, attached as Exhibit H to the Restated Judgment; to clarify the
6 reallocation of Safe Yield on a yearly basis rather than every five years, as set forth in the Peace
7 Agreement; and to confirm the quantity of land use conversion allocations under the Peace
8 Agreement now and in the future, if the Peace Agreement is extended. Foley Decl., Ex. A, ¶¶ 1-
9 3. The Appropriative Pool Pooling Plan and CAMA Amendments also clarify the definition of
10 Early Transfer and the Watermaster's approval of Early Transfers in the Peace Agreement. Id.
11 Finally, the Appropriative Pool Pooling Plan and CAMA Amendments modify the Peace II
12 Agreement with respect to Desalter replenishment obligations; provide a formula for
13 Appropriative Pool members to make Desalter replenishment contributions, including allowing
14 the use of Non-Agricultural Pool water rights by members of the Appropriative Pool to satisfy
15 Desalter replenishment obligations; and correct internal cross-referencing errors. Id. at ¶¶ 4-7.

16
17 As mentioned above, the Appropriative Pool Pooling Plan and CAMA Amendments are
18 the result of over a year's worth of settlement negotiations, and reflect a compromise among the
19 Settling Parties. Foley Decl., Ex. B at pp. 1-2, ¶¶ D, G. Accordingly, each of the proposed
20 Appropriative Pool Pooling Plan and CAMA Amendments is integrated with and integral to the
21 whole and is not severable from the remainder. See Id. at p. 2, ¶¶ 2-4.

22
23 B. 2018 AGREEMENT

24
25 The 2018 Agreement is a broader agreement among the Settling Parties and the
26 Appropriative Pool, with the support of Watermaster. See Foley Decl., Ex. C. The 2018
27 Agreement attaches the same Appropriative Pool Pooling Plan and CAMA Amendments
28 described above. Id. By unanimous vote on November 27, 2018, the Appropriative Pool

1 approved the 2018 Agreement and directed its counsel to join in this Motion. Foley Decl., Ex. G.
2 Although the Settling Parties are not asking this Court to approve the 2018 Agreement, the 2018
3 Agreement is dependent upon (1) this Court approving the Appropriative Pool Pooling Plan and
4 CAMA Amendments as written and ordering Watermaster to implement the Judgment in
5 accordance with the Appropriative Pool Pooling Plan and CAMA Amendments; and (2) the
6 Appellants dismissing the appeal of the 2017 Order. Foley Decl., Ex. C at ¶ 2.

7
8 4. PROCEDURAL HISTORY AND SETTLEMENT EFFORTS

9
10 In 2015, the Watermaster filed a motion to approve a Safe Yield Reset Agreement
11 (“SYRA”), including a request to change the Safe Yield from 140,000 acre-feet per year to
12 135,000. Some, but not all, parties approved the SYRA after significant negotiations, and some
13 parties opposed the SYRA and the Watermaster’s motion. Throughout 2016 and 2017, the Court
14 requested, authorized, and considered voluminous additional briefs, objections, declarations,
15 questions, and answers regarding the Watermaster’s 2015 motion to approve the SYRA. The
16 Court issued its 2017 Order on April 28, 2017, recalculating the Safe Yield as requested by
17 Watermaster, but denying all other provisions of the SYRA, and making additional rulings
18 regarding the interpretation of the Restated Judgment and the CAMA.

19
20 Appellants appealed, and Appellants and Respondents participated in extensive settlement
21 negotiations since the filing of the notices of appeal. See Foley Decl., Exs. D and E. These
22 Settling Parties reached a tentative settlement in January 2018, but efforts to finalize the
23 settlement were challenging due to procedural complexities concerning approval of the
24 Appropriative Pool Pooling Plan and CAMA Amendments. Id.

25
26 On January 3, 2018, the Court of Appeal stayed the appeal to allow the Settling Parties to
27 continue their settlement negotiations. Foley Decl., Ex. B, ¶ D. The Settling Parties provided a
28 status letter to the Court of Appeal on March 29, 2018, detailing the numerous settlement

1 meetings among the Settling Parties’ principals, attorneys, and Watermaster, and the significant
2 progress made toward reaching a final settlement. Foley Decl., Ex. D. On April 17, 2018, the
3 Court of Appeal ordered that the stay remain in place. Foley Decl., Ex. J, ¶ 2.

4
5 The Settling Parties sent a second status letter to the Court of Appeal on July 16, 2018,
6 describing additional settlement meetings and discussions among the Appropriative Pool,
7 Agricultural Pool, and Non-Agricultural Pool, Advisory Committee of the Watermaster, and
8 Watermaster Board. Foley Decl., Ex. E. In that letter, the Settling Parties explained that the
9 appeal could be dismissed upon this Court’s approval of the Appropriative Pool Pooling Plan and
10 CAMA Amendments and requested that the Court of Appeal issue a limited remand for this Court
11 to consider this Motion. Id.

12
13 By order issued November 6, 2018, the Court of Appeal temporarily remanded the case
14 “to the superior court for the limited purpose of, and for the limited time necessary for, the
15 consideration of and decision of the parties’ motion to approve the ‘2018 Amendments’ to the
16 ‘Restated Judgment’ and ‘Court Approved Management Agreements,’ to which amendments the
17 parties have agreed as a result of the settlement negotiations ongoing since the filing of the
18 appeal.” Foley Decl., Ex. F, ¶ 2.

19
20 5. COURT REVIEW

21
22 This Court has reserved continuing jurisdiction “to make such further or supplemental
23 orders or directions as may be necessary or appropriate for interpretation, enforcement or carrying
24 out of [the] Judgment, and to modify, amend or amplify any of the provisions of [the] Judgment.”
25 Restated Judgment, ¶ 15 p. 10. This Court previously exercised that continuing jurisdiction to
26 amend the Judgment and approve the Peace Agreement and Peace II Agreement and amendments
27 thereto.

1 The Restated Judgment recognizes a need for flexibility and adaptability to manage the
2 Physical Solution so that the Watermaster and this Court “may be free to use existing and future
3 technological, social, institutional and economic options, in order to maximize beneficial use of
4 the waters of Chino Basin.” Restated Judgment, ¶ 40. Watermaster, as an arm of this Court, is
5 charged with achieving optimum management of the Basin to preserve the quality of its water
6 resources and to maximize the beneficial use of the Basin. Restated Judgment, ¶ 41. Central to
7 Watermaster’s charge is this Court’s continuing jurisdiction to respond to motions, such as this
8 Motion, that seek to improve Basin management strategies.

9
10 The Restated Judgment does not specify standards for the Court to consider when
11 evaluating proposed Judgment amendments, issuing further orders to implement the Judgment
12 under Paragraph 15, or exercising adaptive management of the Basin. In its review of the original
13 Peace Agreement, the Court analyzed whether the measures were consistent with and promoted
14 the Physical Solution under the Judgment, and whether they were consistent with Article X,
15 section 2 of the California Constitution.

16
17 Similarly here, the Court has a dual role to (1) resolve disputes between the parties to the
18 Restated Judgment, and (2) to protect the Basin consistent with Article X, section 2 of the
19 Constitution. Article X, section 2 provides in relevant part, “It is hereby declared that because of
20 the conditions prevailing in this State the general welfare requires that the water resources of the
21 State be put to beneficial use to the fullest extent of which they are capable, and that the waste or
22 unreasonable use or unreasonable method of use of water be prevented, and that the conservation
23 of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the
24 interest of the people and for the public welfare.”

25
26 As the Court noted in its 2017 Order, “confusion has arisen” regarding the interpretation
27 of the Appropriative Pool Pooling Plan and CAMA. 2017 Order at p. 67. The Appropriative
28 Pool Pooling Plan and CAMA Amendments clarify this confusion, resolve ambiguities, and

1 provide a stipulated plan for implementing the 2017 Order in conformance with Article X, section
2 2, the Restated Judgment, and the CAMA.

3
4 A. TRANSFERS

5
6 The Appropriative Pool Pooling Plan and CAMA Amendments amend the Appropriative
7 Pool Pooling Plan (Restated Judgment, Exhibit H) to clarify the reallocation of unproduced
8 Overlying Agricultural Pool Safe Yield on a yearly basis rather than every five years and to
9 clarify the calculation of land use conversion claims under the Peace Agreement now and in the
10 future, if the Peace Agreement is extended. See Foley Decl., Ex. A, ¶¶ 1-3. They amend the
11 Peace Agreement to clarify Early Transfer and land use conversion allocations in conformance
12 with the Restated Judgment and the 2017 Order. *Id.* Collectively, these amendments allow for
13 maximum beneficial use of Basin water, consistent with Article X, section 2 of the California
14 Constitution.

15
16 B. DESALTER REPLENISHMENT

17
18 The Appropriative Pool Pooling Plan and CAMA Amendments also amend the Peace II
19 Agreement to address the allocation of Desalter replenishment obligations among Appropriative
20 Pool members. Foley Decl., Ex. A, ¶¶ 4-7. These provisions constitute a compromise among the
21 members of the Appropriative Pool in accordance with their Desalter replenishment obligations
22 under the Restated Judgment and the Court's 2017 Order. They do not modify obligations under
23 the Restated Judgment but merely account for how those obligations will be satisfied as agreed by
24 the affected parties with the support of the Watermaster.

25
26 By these Appropriative Pool Pooling Plan and CAMA Amendments, the Settling Parties,
27 the Appropriative Pool, and the Watermaster seek to optimize cooperative Basin management in
28 accordance with the Physical Solution. Court approval of these tirelessly negotiated and

1 Watermaster-supported and Appropriative Pool-approved Appropriative Pool Pooling Plan and
2 CAMA Amendments conforms to the Court’s role as facilitator of sound Basin management in
3 accordance with Article X, section 2, maximizing beneficial use of the Basin, and encouraging
4 cooperation among the parties. Approval of the Appropriative Pool Pooling Plan and CAMA
5 Amendments will also promote judicial efficiency by allowing the Appellants to dismiss their
6 appeal of this Court’s 2017 Order and the motion to confirm stay pending before this Court.
7 Foley Decl., Ex. B at p. 2, ¶¶ 2-3.

8
9 No party has opposed the Agreement Settling Appeal, the 2018 Agreement, or to the
10 Appropriative Pool Pooling Plan and CAMA Amendments contained therein. See Foley Decl.,
11 Ex. G (minutes reflecting the Appropriative Pool’s unanimous vote to Approve the 2018
12 Agreement and join this Motion); Ex. H, at pp. P21, P23 (minutes reflecting the Non-Agricultural
13 Pool’s adoption of a resolution not to oppose the Appropriative Pool Pooling Plan and CAMA
14 Amendments or this Motion); and Ex. I (minutes reflecting the Agricultural Pool’s decision
15 neither expressly approving nor expressly opposing the Appropriative Pool Pooling Plan and
16 CAMA Amendments). The development of the Appropriative Pool Pooling Plan and CAMA
17 Amendments has been open to the parties to the Restated Judgment and included their
18 participation and support or non-opposition. See Id.

19
20 6. CONCLUSION AND PRAYER

21
22 Pursuant to the foregoing, the Settling Parties, with the consent and support of the
23 Watermaster and the Appropriative Pool, and the non-opposition of Overlying Non-Agricultural
24 Pool, request that the Court:

25
26 (1) Approve amendments to the Appropriative Pool Pooling Plan, the Peace
27 Agreement, and the Peace II Agreement (“Appropriative Pool Pooling Plan and CAMA
28 Amendments”) that are attached to the [Proposed] Order and to Foley Decl. as Exhibit A; and

1 (2) Order Watermaster to implement the Judgment in accordance with the
2 Appropriate Pool Pooling Plan and CAMA Amendments.

3
4 Dated: January 15, 2019

BEST BEST & KRIEGER LLP

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6 By: 

7 GENE TANAKA
8 STEVE ANDERSON
9 SARAH CHRISTOPHER FOLEY
10 Attorneys for Defendant and Appellant
11 Cucamonga Valley Water District

12
13 Dated: January 15, 2019

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22 Defendants.

Case No. RCVRS 51010
Judge: Stanford E. Reichert

DECLARATION OF SARAH
CHRISTOPHER FOLEY IN SUPPORT OF
MOTION TO APPROVE AMENDMENTS
TO APPROPRIATIVE POOL POOLING
PLAN AND COURT-APPROVED
MANAGEMENT AGREEMENTS

[filed with Notice of Mot. and Mot. to
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Dept.: S35

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Attorneys for Defendant and Appellee City of Ontario

27

28

1 7. Attached as Exhibit E is a true and correct copy of the joint letter to the Justices of
2 the Court of Appeal, Fourth District, Division Two, dated July 16, 2018.

3
4 8. Attached as Exhibit F is a true and correct copy of the Court of Appeal's limited
5 remand for this Court to consider the Motion, dated November 6, 2018.

6
7 9. Attached as Exhibit G is a true and correct copy of the Draft Minutes from the
8 Appropriative Pool Special Meeting held on November 27, 2018. The Draft Minutes are part of
9 the January 10, 2019 Meeting Packages for the Annual Meetings of the Appropriative Pool,
10 Agricultural Pool, and the Non-Agricultural Pool, available on the Watermaster's Website at
11 [http://www.cbwm.org/docs/mtgpkgs/2019%20Pool%20Committee%20Meeting%20Packages/20](http://www.cbwm.org/docs/mtgpkgs/2019%20Pool%20Committee%20Meeting%20Packages/20190110%20Appropriative,%20Non%20Agricultural,%20and%20Agricultural%20Pool%20Annual%20Meeting%20Package.pdf)
12 [190110%20Appropriative,%20Non%20Agricultural,%20and%20Agricultural%20Pool%20Annu](http://www.cbwm.org/docs/mtgpkgs/2019%20Pool%20Committee%20Meeting%20Packages/20190110%20Appropriative,%20Non%20Agricultural,%20and%20Agricultural%20Pool%20Annual%20Meeting%20Package.pdf)
13 [al%20Meeting%20Package.pdf](http://www.cbwm.org/docs/mtgpkgs/2019%20Pool%20Committee%20Meeting%20Packages/20190110%20Appropriative,%20Non%20Agricultural,%20and%20Agricultural%20Pool%20Annual%20Meeting%20Package.pdf).

14
15 10. Attached as Exhibit H is a true and correct copy of the Draft Minutes from the
16 Non-Agricultural Pool Special Meeting held on December 20, 2018. The Draft Minutes are part
17 of the January 10, 2019 Meeting Packages for the Annual Meetings of the Appropriative Pool,
18 Agricultural Pool, and the Non-Agricultural Pool, available on the Watermaster's Website at
19 [http://www.cbwm.org/docs/mtgpkgs/2019%20Pool%20Committee%20Meeting%20Packages/20](http://www.cbwm.org/docs/mtgpkgs/2019%20Pool%20Committee%20Meeting%20Packages/20190110%20Appropriative,%20Non%20Agricultural,%20and%20Agricultural%20Pool%20Annual%20Meeting%20Package.pdf)
20 [190110%20Appropriative,%20Non%20Agricultural,%20and%20Agricultural%20Pool%20Annu](http://www.cbwm.org/docs/mtgpkgs/2019%20Pool%20Committee%20Meeting%20Packages/20190110%20Appropriative,%20Non%20Agricultural,%20and%20Agricultural%20Pool%20Annual%20Meeting%20Package.pdf)
21 [al%20Meeting%20Package.pdf](http://www.cbwm.org/docs/mtgpkgs/2019%20Pool%20Committee%20Meeting%20Packages/20190110%20Appropriative,%20Non%20Agricultural,%20and%20Agricultural%20Pool%20Annual%20Meeting%20Package.pdf).

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23 11. Attached as Exhibit I is a true and correct copy of the Draft Minutes from the
24 Agricultural Pool Special Meeting held on December 13, 2018. The Draft Minutes are part of the
25 January 10, 2019 Meeting Packages for the Annual Meetings of the Appropriative Pool,
26 Agricultural Pool, and the Non-Agricultural Pool, available on the Watermaster's Website at
27 [http://www.cbwm.org/docs/mtgpkgs/2019%20Pool%20Committee%20Meeting%20Packages/20](http://www.cbwm.org/docs/mtgpkgs/2019%20Pool%20Committee%20Meeting%20Packages/20190110%20Appropriative,%20Non%20Agricultural,%20and%20Agricultural%20Pool%20Annual%20Meeting%20Package.pdf)
28 [190110%20Appropriative,%20Non%20Agricultural,%20and%20Agricultural%20Pool%20Annu](http://www.cbwm.org/docs/mtgpkgs/2019%20Pool%20Committee%20Meeting%20Packages/20190110%20Appropriative,%20Non%20Agricultural,%20and%20Agricultural%20Pool%20Annual%20Meeting%20Package.pdf)

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al%20Meeting%20Package.pdf.

12. Attached as Exhibit J is a true and correct copy of the Court of Appeal’s April 17, 2018 Minute Order ordering that the stay remain in effect.

13. Attached as Exhibit K is a true and correct copy of Resolution of the Watermaster Board, Resolution No. 2019-03, dated January 11, 2019.

I declare under penalty of perjury under the laws of the State of California that the above facts are true.

Executed on January 15, 2019 at New Orleans, Louisiana.



Sarah Christopher Foley

EXHIBIT A

Exhibit A

Proposed Changes to Appropriative Pool Pooling Plan and CAMA

1. **Appropriative Pool Pooling Plan.** The introductory sentence to Exhibit H, ¶10 of the Judgment is amended to read as follows:

10. Unallocated Safe Yield Water. To the extent that, in any *year* ~~five years~~, any portion of the share of Safe Yield allocated to the Overlying (Agricultural) Pool is not produced, such water shall be available for reallocation to members of the Appropriative Pool, as follows:

2. Early Transfer

A. Section 1.1(o) of the Peace Agreement is amended to read as follows:

(o) “Early Transfer” means the reallocation of Safe Yield not Produced by the Agricultural Pool to the Appropriative Pool on an annual basis *after the allocations in subdivisions (a)(1) and (a)(2) of* ~~rather than according to the five-year increment described in Paragraph 10 of Exhibit “H” of the Judgment;~~

B. Section 5.3(g) of the Peace Agreement is amended to read as follows:

(g) Watermaster shall approve an “Early Transfer” of water to the Appropriative Pool ~~in an amount not less than 32,800 acre-feet per year that is the expected approximate quantity of water not Produced by the Agricultural Pool~~ *on an annual basis* ~~The quantity of water subject to Early Transfer under this paragraph shall be the greater of (i) 32,800 acre-feet of (ii) 32,800 acre-feet plus the actual quantity of water not Produced by the Agricultural Pool for that Fiscal Year that is remaining after all the land use conversions are satisfied pursuant to 5.3(hi) below.~~

- (i) The Early Transfer water shall be annually allocated among the members of the Appropriative Pool in accordance with their pro-rata share of the initial Safe Yield.
- (ii) The Transfer shall not limit the Production right of the Agricultural Pool under the Judgment to Produce up to 82,800 acre-feet of water in any year or 414,000 acre-feet in any five years as provided in the Judgment.
- (iii) The combined Production of all parties to the Judgment shall not cause a Replenishment assessment on the members of the Agricultural Pool. The Agricultural Pool shall be responsible for any Replenishment obligation created by the Agricultural Pool Producing more than 414,000 acre-feet in any five-year period.
- (iv) The parties to the Judgment and Watermaster shall Produce water in accordance with the Operating Safe Yield and shall procure sufficient quantities of Replenishment Water to satisfy over-Production requirements, whatever they may be, and avoid Material Physical Injury to any party to the Judgment or the Basin;

(v) Nothing herein shall be construed as modifying the procedures or voting rights within or by the members of the Agricultural Pool.

3. **Conversion Claims.** Subparagraph (b)(3)(i) of Exhibit H, ¶ 10 of the Judgment is amended to read as follows:

(i) For the term of the Peace Agreement *and any extension thereof*, in any year in which sufficient unallocated Safe Yield from the Overlying (Agricultural) Pool is available for such conversion claims, Watermaster shall allocate to each appropriator with a conversion claim 2.0 acre-feet of unallocated Safe Yield water for each converted acre for which conversion has been approved and recorded by the Watermaster.

4. **Controlled Overdraft.** Pursuant to section 7.2(e)(ii) of the Peace II Agreement, 175,000 acre-feet of controlled overdraft (Re-Operation water) will be allocated to Desalter replenishment over a 17-year period, beginning in 2013-14 and ending in 2029-30, according to the schedule attached as Exhibit A.

5. **New Yield.** Section 7.1 of the Peace II Agreement, entitled “New Yield Attributable to Desalters,” is deleted. It is replaced by new section 6.2(b)(ii) as set forth in section 6 below.

6. **Desalter Replenishment.** Section 6.2(b) of the Peace II Agreement is amended to read as follows:

(b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation as follows.

(i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit “G” paragraph ~~8(e)~~ **5(c)** to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters. However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special Assessment levied by Watermaster will be distributed as provided in section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member’s share of Safe Yield, followed by

(ii) The members of the Appropriative Pool will contribute a total of 10,000 afy toward Desalter replenishment, allocated among Appropriative Pool members as follows:

(1) 85% of the total (8,500 afy) will be allocated according to the Operating Safe Yield percentage of each Appropriative Pool member; and

(2) 15% of the total (1,500 afy) will be allocated according to each land use conversion agency’s percentage of the total land use conversion claims, based on the actual land use conversion allocations of the year.

The annual desalter replenishment obligation contribution of each Appropriative Pool member will be calculated using the following formula:

*Desalter replenishment obligation contribution = (8,500 * % Appropriator's share of total initial 49,834 afy Operating Safe Yield) + (1,500 * % Appropriator's proportional share of that year's total conversion claims)*

A sample calculation of the desalter replenishment obligation contribution for each Appropriative Pool member is shown on Exhibit __ to this Peace II Agreement, as amended.

- (iii) (ii)-A Replenishment Assessment against the Appropriative Pool for any remaining Desalter replenishment obligation after applying both 6(b)(i) and 6(b)(ii), allocated pro-rata to each Appropriative Pool member according to the combined total of the member's share of Operating Safe Yield and the member's Adjusted Physical Production, as defined below. pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production. Desalter Production is excluded from this calculation. A sample calculation of the allocation of the remaining desalter obligation is shown in Exhibit __ to this Peace II Agreement. However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may re-evaluate whether to continue the exclusion of Desalter Production but only after giving due regard to the contractual commitment of the parties.*
- (iv) Adjusted Physical Production is the Appropriative Pool member's total combined physical production (i.e., all groundwater pumped or produced by the Appropriative Pool member's groundwater wells in the Chino Basin, including water transferred from the Non-Agricultural Pool under Exhibit G, ¶9 of the Judgment), with the following adjustments:*
- (1) In the case of assignments among Appropriative Pool members, or between Appropriative Pool members and Non-Agricultural Pool members under Exhibit G, ¶6 of the Judgment, resulting in pumping or production by one party to the Judgment for use by another party to the Judgment, the production for purposes of Adjusted Physical Production shall be assigned to the party making beneficial use of the water, not the actual producer.*
 - (2) Production offset credits pursuant to voluntary agreements under section 5.3(i) of the Peace Agreement are calculated at 50% of the total voluntary agreement credit in the determination of Adjusted Physical Production for an Appropriative Pool member participating in a voluntary agreement for that year. In the determination of Adjusted Physical Production, the voluntary agreement credit is subtracted from physical production. Reduction of the voluntary agreement credit from 100% to 50% is applicable only to the calculation of the Adjusted Physical Production hereunder; but in all other applications, the voluntary agreement credit shall remain unchanged (i.e. remain at 100%).*

(3) *Production associated with approved storage and recovery programs (e.g., Dry Year Yield recovery program with MWD) is not counted in Adjusted Physical Production, except for in-lieu participation in such programs: in-lieu put quantities shall be added to physical production, and in-lieu take quantities shall be subtracted from physical production.*

(4) *Metered pump-to-waste Production that is determined by Watermaster to be subsequently recharged to the groundwater basin is deducted from physical production; unmetered pump-to-waste production that is determined by Watermaster not to be subsequently recharged to the groundwater basin is added to physical production.*

(5) *The Appropriative Pool may approve, by unanimous vote, the inclusion of other items in the determination of Adjusted Physical Production, with the exception of Non-Agricultural Pool water assigned or transferred under Exhibit G, ¶6 or ¶10 of the Judgment.*

(v) *Any member of the Non-Agricultural Pool that is also a member of the Appropriative Pool may elect to transfer (a) some or all of the annual share of Operating Safe Yield of the transferor in and for the year in which the transfer occurs (except that such transfer shall exclude any dedication to the Watermaster required by section 6.2(b)(1)), and (b) any quantity of water held in storage by the transferor (including without limitation carryover and excess carryover) to any member of the Appropriative Pool, in either case at any price that the transferor and transferee may deem appropriate and for the purpose of satisfying the transferee's desalter replenishment obligation. The transferee's desalter replenishment obligation shall be credited by the number of acre-feet so transferred.*

(vi) ~~(iii)~~ *The quantification of any Party's share of Operating Safe Yield does not include either land use conversions or Early Transfers.*

7. **Allocation of Non-Agricultural Pool OBMP Special Assessment.** The introductory sentence of section 9.2(a) of the Peace II Agreement is amended to read as follows:

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(e)~~-5(c) of Exhibit G to the Judgment (as amended) will be apportioned among the members of the Appropriative Pool in each year as follows:

Attachment: Peace Agreement, Section 7.2 (e)(ii)

Schedule for Use of Re-Operation Water**, and
 Calculation of Remaining Desalter Replenishment Obligation (DRO)
 Production from 2017-18 through 2029-30 is estimated

Production Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Peace I Desalter Production	29,227.997	29,541.300	27,008.810	26,275.588	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	14.555	448.690	1,154.052	1,527.215	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)
Non-Agricultural Pool Assessment	0.000	0.000	0.000	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	6,742.552	7,489.990	5,662.862	4,567.803	16,765.000	16,765.000	16,765.000	16,765.000	16,765.000

Production Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Peace I Desalter Production	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool "DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)
Non-Agricultural Pool Assessment	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	16,765.000	16,765.000	16,765.000	24,265.000	24,265.000	24,265.000	24,265.000	24,265.000

Attachment: Peace II Agreement, Section 6.2(b)(ii)

Allocation of Appropriative Pool Desalter Replenishment Obligation (DRO) Contributions (by agency)

Production Year 2013-14 Desalter Replenishment Obligation (DRO) Contribution:

10,000.000 AF

Appropriative Pool Party	Production Year 2013/14 Common Data (Headings from Approved 2014/2015 Assessment Package)			Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions		
	a	b	c = %b	d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
	Percent of Operating Safe Yield (Column 2A)	Land Use Conversions (Page 12A)*	Percent of Land Use Conversions	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000%	0.000	0.000	0.000
Chino Hills, City of	3.851%	1,133.906	4.334%	327.335	65.013	392.348
Chino, City of	7.357%	7,623.064	29.138%	625.345	437.074	1,062.419
Cucamonga Valley Water District	6.601%	598.364	2.287%	561.085	34.308	595.393
Fontana Union Water Company	11.657%	0.000	0.000%	990.845	0.000	990.845
Fontana Water Company	0.002%	834.000	3.188%	0.170	47.818	47.988
Fontana, City of	0.000%	0.000	0.000%	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000	0.000%	63.750	0.000	63.750
Jurupa Community Services District	3.759%	13,876.196	53.040%	319.515	795.602	1,115.117
Marygold Mutual Water Company	1.195%	0.000	0.000%	101.575	0.000	101.575
Monte Vista Irrigation Company	1.234%	0.000	0.000%	104.890	0.000	104.890
Monte Vista Water District	8.797%	55.075	0.211%	747.745	3.158	750.903
Niagara Bottling, LLC	0.000%	0.000	0.000%	0.000	0.000	0.000
Nicholson Trust	0.007%	0.000	0.000%	0.595	0.000	0.595
Norco, City of	0.368%	0.000	0.000%	31.280	0.000	31.280
Ontario, City of	20.742%	2,041.095	7.802%	1,763.070	117.028	1,880.098
Pomona, City of	20.454%	0.000	0.000%	1,738.590	0.000	1,738.590
San Antonio Water Company	2.748%	0.000	0.000%	233.580	0.000	233.580
San Bernardino, County of (Shooting Park)	0.000%	0.000	0.000%	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	0.000	0.000%	201.705	0.000	201.705
Upland, City of	5.202%	0.000	0.000%	442.170	0.000	442.170
West End Consolidated Water Co	1.728%	0.000	0.000%	146.880	0.000	146.880
West Valley Water District	1.175%	0.000	0.000%	99.875	0.000	99.875
	100.000%	26,161.700	100.000%	8,500.000	1,500.000	10,000.000

Attachment: Peace II Agreement, Section 6.2 (b)(iii)

Allocation of Appropriative Pool Remaining Desalter Replenishment Obligation (RDRO)

Production Year 2013-14:

acre-feet

CDA Production - Peace I Allocation	29,227.997
CDA Production - Peace II Allocation	14.555
Total Desalter Replenishment Obligation (Total DRO):	29,242.552
Desalter Replenishment Obligation Contribution (DROC)	(10,000.000)
Re-Operation Water	(12,500.000)
RDRO	6,742.552

Appropriative Pool Party	Operating Safe Yield	Production Year 2013/14 Common Data (From Approved 2014/2015 Assessment Package - Appendix A)					Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
	a	b	c	d	e	f	APP = [b+(c*50%)+d+e+f]	Individual Party RDRO = ((a+APP)/(Total a + Total APP)) * RDRO
	Assessment Paackage Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments	*Note: APP for City of Chino does not include "Other Adjustments" for this period	
Arrowhead Mtn Spring Water Co	0.000	379.111	0.000	0.000	0.000	0.000	379.111	15.905
Chino Hills, City of	2,111.422	2,150.925	(286.221)	0.000	0.000	5,359.300	7,367.115	397.669
Chino, City of	4,033.857	6,725.430	(6,686.440)	(104.278)	0.000	65.288	3,277.932	306.764
Cucamonga Valley Water District	3,619.454	16,121.550	0.000	0.000	0.000	0.000	16,121.550	828.227
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	268.163
Fontana Water Company	1.000	15,377.579	0.000	0.000	0.000	0.000	15,377.579	645.203
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	411.476	736.362	0.000	0.000	0.000	0.000	736.362	48.157
Jurupa Community Services District	2,061.118	18,406.630	0.000	(379.499)	0.000	(8.784)	18,018.347	842.427
Marygold Mutual Water Company	655.317	1,314.734	0.000	0.000	0.000	0.000	1,314.734	82.653
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	28.393
Monte Vista Water District	4,823.954	12,521.892	(151.480)	0.000	0.000	(5,371.667)	7,074.485	499.195
Niagara Bottling, LLC	0.000	1,342.588	0.000	0.000	0.000	0.000	1,342.588	56.328
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.168
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	8.456
Ontario, City of	11,373.816	21,980.342	(4,428.101)	(1,855.196)	0.000	0.000	17,911.096	1,228.639
Pomona, City of	11,215.852	12,909.293	0.000	0.000	0.000	0.000	12,909.293	1,012.163
San Antonio Water Company	1,506.888	1,159.242	0.000	0.000	0.000	0.000	1,159.242	111.857
San Bernardino, County of (Shooting Park)	0.000	16.390	0.000	0.000	0.000	0.000	16.390	0.688
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	48.515	48.515	56.634
Upland, City of	2,852.401	2,822.046	0.000	0.000	0.000	0.000	2,822.046	238.070
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	39.761
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	27.032
	54,834.000	113,964.114	(11,552.242)	(2,338.973)	0.000	92.652	105,876.384	6,742.552

EXHIBIT B

Agreement Settling Appeal

This Agreement, dated December 28, 2018, is between Cucamonga Valley Water District (“Cucamonga”), Monte Vista Water District (“Monte Vista”), and the City of Pomona (“Pomona”) (collectively “Appellants”); and Jurupa Community Services District (“Jurupa”), the City of Chino (“Chino”) and the City of Ontario (“Ontario”).

Recitals

- A. The Parties are all parties in the Chino Basin groundwater adjudication pending in San Bernardino Superior Court, and currently identified as *Chino Basin Municipal Water District v. City of Chino, et al.*, Case No. RCV 51010. A Judgment was entered in the adjudication in 1978, which determined water rights and set forth a physical solution for management of the basin and appointed a Watermaster to administer and enforce the provisions of the Judgment. The Court retained jurisdiction to interpret, enforce, or modify the Judgment. Pursuant to its retained jurisdiction, the Court has approved various agreements for management of the basin. Among these agreements are the Peace Agreement, dated June 29, 2000, and the Peace II Agreement, dated October 25, 2007.
- B. In 2015, the Watermaster filed a motion to amend the Judgment to reset the Safe Yield of the basin to 135,000 acre-feet per year, and to approve the 2015 Safe Yield Reset Agreement among some but not all of the parties to the Judgment. Jurupa and Chino opposed the motion and asked the Court to confirm the priority of land use conversion claims.
- C. On April 28, 2017, the Court issued an order granting the motion in part and denying it in part (the “2017 Order”). The Court granted the motion to amend the Judgment, and recalculated the Safe Yield at 135,000 acre-feet per year. However, the Court denied approval of the 2015 Safe Yield Reset Agreement. The Court made related orders concerning priorities of rights to use unproduced Agricultural Pool water and regarding the relationship among desalter replenishment, desalter production, and desalter-induced recharge.
- D. Cucamonga, Monte Vista and Pomona appealed the 2017 Order. Jurupa, Chino, and Ontario are Respondents in the appeal. The appeal is pending before the Court of Appeal, Fifth District, Case No. E068640. The Court of Appeal has stayed the appeal to allow for settlement discussions.
- E. Appellants also filed a motion with the Superior Court to confirm the stay of the 2017 Order pending appeal. The court and Appellants may set a hearing date on this motion during the hearing on the Parties’ Motion to Approve Amendments to the AP Pooling Plan and CAMA (“Motion”), which is currently scheduled for March 15, 2019.
- F. By order issued November 6, 2018, the Court of Appeal temporarily remanded the case “to the superior court for the limited purpose of, and for the limited time necessary for, the consideration of and decision of the parties’ motion to approve the ‘2018 Amendments’ to the ‘Restated Judgment’ and ‘Court Approved Management Agreements,’ to which amendments the parties have agreed as a result of the settlement negotiations ongoing since the filing of the appeal.”

G. The Parties engaged in extensive settlement discussions that culminated in a compromise which, if approved by the trial court, will enable Appellants to dismiss the appeal.

Agreements

1 Appropriative Pool Pooling Plan and CAMA Amendments. The Parties agree to the amendments to the Appropriative Pool Pooling Plan, the Peace Agreement, and the Peace II Agreement, as set forth in Exhibit A (the “Appropriative Pool Pooling Plan and CAMA Amendments”), and to request that Watermaster, through the required pool process, make appropriate conforming amendments to the Watermaster Rules and Regulations. The Parties further agree to present the Appropriative Pool Pooling Plan and CAMA Amendments through a Watermaster process and for trial court approval, and to seek support as follows:

- (i) Signed agreement from all members of the Appropriative Pool;
- (ii) Signed agreement from the Ag and Non-Ag Pools;
- (iii) Review and consent by the Advisory Committee; and
- (iv) Watermaster consent and support of the Appropriative Pool Pooling Plan and CAMA Amendments by means of Resolution of Watermaster Board.

However, if the Parties are unable to get any of the agreements or consent listed above, the Parties will nevertheless file the motion for trial court approval of the Appropriative Pool Pooling Plan and CAMA Amendments, and failure to obtain any of the agreements or consent listed above shall not invalidate any other term or obligation under this Agreement.

2 Conditions to the Agreement. This Agreement is conditioned on the trial court approving the Appropriative Pool Pooling Plan and CAMA Amendments. If approval is denied, this Agreement shall be of no further force or effect, and the Appellants may prosecute the appeal.

3 Dismissal of Appeal and Motion to Stay. Promptly after trial court approval of the Appropriative Pool Pooling Plan and CAMA Amendments, the Appellants will dismiss the appeal and withdraw the motion to confirm the stay.

4 General Terms

4.1 Definitions. Capitalized terms in this Agreement, which are defined in the Judgment, the Peace Agreement, or the Peace II Agreement, have the same definitions in this Agreement.

4.2 Effect on Prior Agreements. This Agreement supersedes the Chino Basin Safe Yield Reset and Accounting Compromise Term Sheet dated January 11, 2018.

4.3 Interpretation. Nothing in this Agreement constitutes an admission of liability by any Party to this Agreement. Nothing in this Agreement is intended, nor shall it be interpreted, to amend paragraph 15 of the Judgment.

4.4 Non-Severability. Each of the provisions of this Agreement is integrated with and integral to the whole and shall not be severable from the remainder of this Agreement.

- 4.5 Costs.** Each Party shall bear its own cost, expenses, and attorneys' fees arising out of or in connection with the subject matter of this Agreement.
- 4.6 Waiver of Breach.** Any waiver of any breach of this Agreement is not a waiver of any other breach of the same or any other provision of this Agreement, and shall not preclude the enforcement of any provision of this Agreement.
- 4.7 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which, taken together shall constitute a single, enforceable instrument. Facsimile copies or PDF copies sent by email of this Agreement and any signatures thereon shall be considered for all purposes as originals.
- 4.8 Choice of Law.** This Agreement shall be construed and enforced pursuant to the laws of the State of California.
- 4.9 Awareness of Contents/Legal Effect.** The parties have read this Agreement and consulted with their respective counsel regarding the meaning of its terms and conditions. The Parties fully understand the content and effect of this Agreement and approve and accept its terms and conditions, are freely and voluntarily executing this Agreement.
- 4.10 Authority to Enter Agreement.** Each Party represents and warrants that it is authorized to enter this Agreement and that the representative that signs this Agreement on its behalf has been duly authorized to do so.
- 4.11 Notice.** Any notice required under this Agreement shall be provided in writing to counsel of record for each of the parties.
- 4.12 Amendments.** Any amendments to this Agreement must be in writing, signed by a duly authorized representative of each Party to this Agreement, and must expressly state the mutual intent of the Parties to amend this Agreement.

Date: Cucamonga Valley Water District

By: _____

Date: Monte Vista Water District

By: _____

Date:

City of Pomona

By: _____

Date:

Jurupa Community Services District

By: _____

Date:

City of Chino

By: _____

Date:

City of Ontario

By: _____

Exhibit A

Proposed Changes to Appropriative Pool Pooling Plan and CAMA

1. Appropriative Pool Pooling Plan. The introductory sentence to Exhibit H, ¶10 of the Judgment is amended to read as follows:

10. Unallocated Safe Yield Water. To the extent that, in any *year* ~~five years~~, any portion of the share of Safe Yield allocated to the Overlying (Agricultural) Pool is not produced, such water shall be available for reallocation to members of the Appropriative Pool, as follows:

2. Early Transfer

A. Section 1.1(o) of the Peace Agreement is amended to read as follows:

(o) “Early Transfer” means the reallocation of Safe Yield not Produced by the Agricultural Pool to the Appropriative Pool on an annual basis *after the allocations in subdivisions (a)(1) and (a)(2) of* ~~rather than according to the five-year increment described in Paragraph 10 of Exhibit “H” of the Judgment;~~

B. Section 5.3(g) of the Peace Agreement is amended to read as follows:

(g) Watermaster shall approve an “Early Transfer” of water to the Appropriative Pool ~~in an amount not less than 32,800 acre-feet per year~~ that is the ~~expected approximate~~ quantity of water not Produced by the Agricultural Pool *on an annual basis* ~~The quantity of water subject to Early Transfer under this paragraph shall be the greater of (i) 32,800 acre-feet of (ii) 32,800 acre-feet plus the actual quantity of water not Produced by the Agricultural Pool for that Fiscal Year that is remaining after all the land use conversions are satisfied pursuant to 5.3(h) below.~~

- (i) The Early Transfer water shall be annually allocated among the members of the Appropriative Pool in accordance with their pro-rata share of the initial Safe Yield.
- (ii) The Transfer shall not limit the Production right of the Agricultural Pool under the Judgment to Produce up to 82,800 acre-feet of water in any year or 414,000 acre-feet in any five years as provided in the Judgment.
- (iii) The combined Production of all parties to the Judgment shall not cause a Replenishment assessment on the members of the Agricultural Pool. The Agricultural Pool shall be responsible for any Replenishment obligation created by the Agricultural Pool Producing more than 414,000 acre-feet in any five-year period.
- (iv) The parties to the Judgment and Watermaster shall Produce water in accordance with the Operating Safe Yield and shall procure sufficient quantities of Replenishment Water to satisfy over-Production requirements, whatever they may be, and avoid Material Physical Injury to any party to the Judgment or the Basin;

(v) Nothing herein shall be construed as modifying the procedures or voting rights within or by the members of the Agricultural Pool.

3. **Conversion Claims.** Subparagraph (b)(3)(i) of Exhibit H, ¶ 10 of the Judgment is amended to read as follows:

(i) For the term of the Peace Agreement **and any extension thereof**, in any year in which sufficient unallocated Safe Yield from the Overlying (Agricultural) Pool is available for such conversion claims, Watermaster shall allocate to each appropriator with a conversion claim 2.0 acre-feet of unallocated Safe Yield water for each converted acre for which conversion has been approved and recorded by the Watermaster.

4. **Controlled Overdraft.** Pursuant to section 7.2(e)(ii) of the Peace II Agreement, 175,000 acre-feet of controlled overdraft (Re-Operation water) will be allocated to Desalter replenishment over a 17-year period, beginning in 2013-14 and ending in 2029-30, according to the schedule attached as Exhibit A.

5. **New Yield.** Section 7.1 of the Peace II Agreement, entitled “New Yield Attributable to Desalters,” is deleted. It is replaced by new section 6.2(b)(ii) as set forth in section 6 below.

6. **Desalter Replenishment.** Section 6.2(b) of the Peace II Agreement is amended to read as follows:

(b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation as follows.

(i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit “G” paragraph ~~8(e)~~ **5(c)** to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters. However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special Assessment levied by Watermaster will be distributed as provided in section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member’s share of Safe Yield, followed by

(ii) The members of the Appropriative Pool will contribute a total of 10,000 afy toward Desalter replenishment, allocated among Appropriative Pool members as follows:

(1) 85% of the total (8,500 afy) will be allocated according to the Operating Safe Yield percentage of each Appropriative Pool member; and

(2) 15% of the total (1,500 afy) will be allocated according to each land use conversion agency’s percentage of the total land use conversion claims, based on the actual land use conversion allocations of the year.

The annual desalter replenishment obligation contribution of each Appropriative Pool member will be calculated using the following formula:

*Desalter replenishment obligation contribution = (8,500 * % Appropriator's share of total initial 49,834 afy Operating Safe Yield) + (1,500 * % Appropriator's proportional share of that year's total conversion claims)*

A sample calculation of the desalter replenishment obligation contribution for each Appropriative Pool member is shown on Exhibit __ to this Peace II Agreement, as amended.

(iii) (ii)-A Replenishment Assessment against the Appropriative Pool for any remaining Desalter replenishment obligation after applying both 6(b)(i) and 6(b)(ii), allocated pro-rata to each Appropriative Pool member according to the combined total of the member's share of Operating Safe Yield and the member's Adjusted Physical Production, as defined below. pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production. Desalter Production is excluded from this calculation. A sample calculation of the allocation of the remaining desalter obligation is shown in Exhibit __ to this Peace II Agreement. However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may re-evaluate whether to continue the exclusion of Desalter Production but only after giving due regard to the contractual commitment of the parties.

(iv) Adjusted Physical Production is the Appropriative Pool member's total combined physical production (i.e., all groundwater pumped or produced by the Appropriative Pool member's groundwater wells in the Chino Basin, including water transferred from the Non-Agricultural Pool under Exhibit G, ¶9 of the Judgment), with the following adjustments:

(1) In the case of assignments among Appropriative Pool members, or between Appropriative Pool members and Non-Agricultural Pool members under Exhibit G, ¶6 of the Judgment, resulting in pumping or production by one party to the Judgment for use by another party to the Judgment, the production for purposes of Adjusted Physical Production shall be assigned to the party making beneficial use of the water, not the actual producer.

(2) Production offset credits pursuant to voluntary agreements under section 5.3(i) of the Peace Agreement are calculated at 50% of the total voluntary agreement credit in the determination of Adjusted Physical Production for an Appropriative Pool member participating in a voluntary agreement for that year. In the determination of Adjusted Physical Production, the voluntary agreement credit is subtracted from physical production. Reduction of the voluntary agreement credit from 100% to 50% is applicable only to the calculation of the Adjusted Physical Production hereunder; but in all other applications, the voluntary agreement credit shall remain unchanged (i.e. remain at 100%).

(3) *Production associated with approved storage and recovery programs (e.g., Dry Year Yield recovery program with MWD) is not counted in Adjusted Physical Production, except for in-lieu participation in such programs: in-lieu put quantities shall be added to physical production, and in-lieu take quantities shall be subtracted from physical production.*

(4) *Metered pump-to-waste Production that is determined by Watermaster to be subsequently recharged to the groundwater basin is deducted from physical production; unmetered pump-to-waste production that is determined by Watermaster not to be subsequently recharged to the groundwater basin is added to physical production.*

(5) *The Appropriative Pool may approve, by unanimous vote, the inclusion of other items in the determination of Adjusted Physical Production, with the exception of Non-Agricultural Pool water assigned or transferred under Exhibit G, ¶6 or ¶10 of the Judgment.*

(v) *Any member of the Non-Agricultural Pool that is also a member of the Appropriative Pool may elect to transfer (a) some or all of the annual share of Operating Safe Yield of the transferor in and for the year in which the transfer occurs (except that such transfer shall exclude any dedication to the Watermaster required by section 6.2(b)(1)), and (b) any quantity of water held in storage by the transferor (including without limitation carryover and excess carryover) to any member of the Appropriative Pool, in either case at any price that the transferor and transferee may deem appropriate and for the purpose of satisfying the transferee's desalter replenishment obligation. The transferee's desalter replenishment obligation shall be credited by the number of acre-feet so transferred.*

(vi) ~~(iii)~~ *The quantification of any Party's share of Operating Safe Yield does not include either land use conversions or Early Transfers.*

7. **Allocation of Non-Agricultural Pool OBMP Special Assessment.** The introductory sentence of section 9.2(a) of the Peace II Agreement is amended to read as follows:

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(e)~~-5(c) of Exhibit G to the Judgment (as amended) will be apportioned among the members of the Appropriative Pool in each year as follows:

Attachment: Peace Agreement, Section 7.2 (e)(ii)

Schedule for Use of Re-Operation Water**, and
 Calculation of Remaining Desalter Replenishment Obligation (DRO)
 Production from 2017-18 through 2029-30 is estimated

Production Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Peace I Desalter Production	29,227.997	29,541.300	27,008.810	26,275.588	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	14.555	448.690	1,154.052	1,527.215	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)
Non-Agricultural Pool Assessment	0.000	0.000	0.000	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	6,742.552	7,489.990	5,662.862	4,567.803	16,765.000	16,765.000	16,765.000	16,765.000	16,765.000

Production Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Peace I Desalter Production	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool "DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)
Non-Agricultural Pool Assessment	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	16,765.000	16,765.000	16,765.000	24,265.000	24,265.000	24,265.000	24,265.000	24,265.000

Attachment: Peace II Agreement, Section 6.2(b)(ii)

Allocation of Appropriative Pool Desalter Replenishment Obligation (DRO) Contributions (by agency)

Production Year 2013-14 Desalter Replenishment Obligation (DRO) Contribution:

10,000.000 AF

Appropriative Pool Party	Production Year 2013/14 Common Data (Headings from Approved 2014/2015 Assessment Package)			Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions		
	a	b	c = %b	d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
	Percent of Operating Safe Yield (Column 2A)	Land Use Conversions (Page 12A)*	Percent of Land Use Conversions	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000%	0.000	0.000	0.000
Chino Hills, City of	3.851%	1,133.906	4.334%	327.335	65.013	392.348
Chino, City of	7.357%	7,623.064	29.138%	625.345	437.074	1,062.419
Cucamonga Valley Water District	6.601%	598.364	2.287%	561.085	34.308	595.393
Fontana Union Water Company	11.657%	0.000	0.000%	990.845	0.000	990.845
Fontana Water Company	0.002%	834.000	3.188%	0.170	47.818	47.988
Fontana, City of	0.000%	0.000	0.000%	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000	0.000%	63.750	0.000	63.750
Jurupa Community Services District	3.759%	13,876.196	53.040%	319.515	795.602	1,115.117
Marygold Mutual Water Company	1.195%	0.000	0.000%	101.575	0.000	101.575
Monte Vista Irrigation Company	1.234%	0.000	0.000%	104.890	0.000	104.890
Monte Vista Water District	8.797%	55.075	0.211%	747.745	3.158	750.903
Niagara Bottling, LLC	0.000%	0.000	0.000%	0.000	0.000	0.000
Nicholson Trust	0.007%	0.000	0.000%	0.595	0.000	0.595
Norco, City of	0.368%	0.000	0.000%	31.280	0.000	31.280
Ontario, City of	20.742%	2,041.095	7.802%	1,763.070	117.028	1,880.098
Pomona, City of	20.454%	0.000	0.000%	1,738.590	0.000	1,738.590
San Antonio Water Company	2.748%	0.000	0.000%	233.580	0.000	233.580
San Bernardino, County of (Shooting Park)	0.000%	0.000	0.000%	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	0.000	0.000%	201.705	0.000	201.705
Upland, City of	5.202%	0.000	0.000%	442.170	0.000	442.170
West End Consolidated Water Co	1.728%	0.000	0.000%	146.880	0.000	146.880
West Valley Water District	1.175%	0.000	0.000%	99.875	0.000	99.875
	100.000%	26,161.700	100.000%	8,500.000	1,500.000	10,000.000

Attachment: Peace II Agreement, Section 6.2 (b)(iii)

Allocation of Appropriative Pool Remaining Desalter Replenishment Obligation (RDRO)

Production Year 2013-14:

CDA Production - Peace I Allocation	29,227.997
CDA Production - Peace II Allocation	14.555
Total Desalter Replenishment Obligation (Total DRO):	29,242.552
Desalter Replenishment Obligation Contribution (DROC)	(10,000.000)
Re-Operation Water	(12,500.000)
RDRO	6,742.552

Appropriative Pool Party	Operating Safe Yield	Production Year 2013/14 Common Data (From Approved 2014/2015 Assessment Package - Appendix A)					Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
	a	b	c	d	e	f	APP = [b+(c*50%)+d+e+f]	Individual Party RDRO = ((a+APP)/(Total a + Total APP)) * RDRO
	Assessment Paackage Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments	*Note: APP for City of Chino does not include "Other Adjustments" for this period	
Arrowhead Mtn Spring Water Co	0.000	379.111	0.000	0.000	0.000	0.000	379.111	15.905
Chino Hills, City of	2,111.422	2,150.925	(286.221)	0.000	0.000	5,359.300	7,367.115	397.669
Chino, City of	4,033.857	6,725.430	(6,686.440)	(104.278)	0.000	65.288	3,277.932	306.764
Cucamonga Valley Water District	3,619.454	16,121.550	0.000	0.000	0.000	0.000	16,121.550	828.227
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	268.163
Fontana Water Company	1.000	15,377.579	0.000	0.000	0.000	0.000	15,377.579	645.203
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	411.476	736.362	0.000	0.000	0.000	0.000	736.362	48.157
Jurupa Community Services District	2,061.118	18,406.630	0.000	(379.499)	0.000	(8.784)	18,018.347	842.427
Marygold Mutual Water Company	655.317	1,314.734	0.000	0.000	0.000	0.000	1,314.734	82.653
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	28.393
Monte Vista Water District	4,823.954	12,521.892	(151.480)	0.000	0.000	(5,371.667)	7,074.485	499.195
Niagara Bottling, LLC	0.000	1,342.588	0.000	0.000	0.000	0.000	1,342.588	56.328
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.168
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	8.456
Ontario, City of	11,373.816	21,980.342	(4,428.101)	(1,855.196)	0.000	0.000	17,911.096	1,228.639
Pomona, City of	11,215.852	12,909.293	0.000	0.000	0.000	0.000	12,909.293	1,012.163
San Antonio Water Company	1,506.888	1,159.242	0.000	0.000	0.000	0.000	1,159.242	111.857
San Bernardino, County of (Shooting Park)	0.000	16.390	0.000	0.000	0.000	0.000	16.390	0.688
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	48.515	48.515	56.634
Upland, City of	2,852.401	2,822.046	0.000	0.000	0.000	0.000	2,822.046	238.070
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	39.761
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	27.032
	54,834.000	113,964.114	(11,552.242)	(2,338.973)	0.000	92.652	105,876.384	6,742.552

EXHIBIT C

2018 Agreement to Appropriative Pool Pooling Plan and CAMA Amendments

This Agreement, dated December 28, 2018, regarding the Chino Basin, provides for the consensual and unopposed amendment of the Appropriative Pool Pooling Plan and the Peace Agreement and the Peace II Agreement (Court Approved Management Agreements or CAMAs).

Each Party to this Agreement is a party to the Judgment in *Chino Basin Municipal Water District vs. City of Chino*, San Bernardino Superior Court Case No. RCVRS 510100, adjudicating the water rights in the Chino Basin.

1. **Appropriative Pool Pooling Plan and CAMA Amendments.** The Parties agree to the Appropriative Pool Pooling Plan and CAMA Amendments set forth in Exhibit A.
2. **Conditions Precedent.** Each Party's obligations under this Agreement are subject to the following conditions:
 - a. A final order by the trial court (i) approving the Appropriative Pool Pooling Plan and CAMA Amendments, as written, and (ii) ordering Watermaster to implement the Judgment in accordance with the Appropriative Pool Pooling Plan and CAMA Amendments.
 - b. Dismissal of the pending appeal from the trial court order dated April 28, 2017 (Court of Appeal Case No. E068640).
3. **Continuing Jurisdiction.** Nothing in this Agreement or the Appropriative Pool Pooling Plan and CAMA Amendments alters the court's continuing jurisdiction, as set forth in Paragraph 15 of the Judgment.
4. **Authority.** The signatories represent that they have the authority to bind the Party on whose behalf they are signing below to the terms of this Agreement.
5. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original against the Party whose signature is provided, and all of which shall be considered an original and together constitute one agreement binding on all Parties. Facsimile and email copies are treated as original signatures and have the same binding effect.
6. **Advice of Counsel.** In executing this Agreement, the Parties have relied on the legal advice of their respective attorneys, who are their attorneys of their own choice, and the terms of this Agreement have been completely read and explained by the respective attorneys. The Parties fully understand and voluntarily accept those terms. The Parties have not relied on any representation or statement by any person about the subject matter, basis or effect of this Agreement, other than the express provisions contained in the Agreement.

7. Non-Severability. Each of the provisions of this Agreement, and each of the Appropriative Pool Pooling Plan and CAMA Amendments, is integrated with and integral to the whole and is not severable from the remainder of the Agreement.

Date: Cucamonga Valley Water District

By: _____

Date: Monte Vista Water District

By: _____

Date: City of Pomona

By: _____

Date: Jurupa Community Services District

By: _____

Date: City of Chino

By: _____

Date: City of Ontario

By: _____

Date:

Monte Vista Irrigation Company

By: _____

Date:

Nestlé Waters North America
(Arrowhead Water Company)

By: _____

Date:

CalMat Co.

By: _____

Date:

City of Chino Hills

By: _____

Date:

City of Fontana

By: _____

Date:

City of Norco

By: _____

Date:

City of Upland

By: _____

Date:

County of San Bernardino

By: _____

Date:

Fontana Union Water Company

By: _____

Date:

Fontana Water Company

By: _____

Date:

Golden State Water Company

By: _____

Date:

Marygold Mutual Water Company

By: _____

Date:

NCL Co., LLC

By: _____

Date:

Niagara Bottling Company

By: _____

Date:

Nicholson Trust

By: _____

Date:

San Antonio Water Company

By: _____

Date:

Santa Ana River Water Company

By: _____

Date:

West End Consolidated Water Co.

By: _____

Date:

West Valley Water District

By: _____

Exhibit A

Proposed Changes to Appropriative Pool Pooling Plan and CAMA

1. **Appropriative Pool Pooling Plan.** The introductory sentence to Exhibit H, ¶10 of the Judgment is amended to read as follows:

10. Unallocated Safe Yield Water. To the extent that, in any *year* ~~five years~~, any portion of the share of Safe Yield allocated to the Overlying (Agricultural) Pool is not produced, such water shall be available for reallocation to members of the Appropriative Pool, as follows:

2. Early Transfer

A. Section 1.1(o) of the Peace Agreement is amended to read as follows:

(o) “Early Transfer” means the reallocation of Safe Yield not Produced by the Agricultural Pool to the Appropriative Pool on an annual basis *after the allocations in subdivisions (a)(1) and (a)(2) of* rather than according to the five-year increment described in Paragraph 10 of Exhibit “H” of the Judgment;

B. Section 5.3(g) of the Peace Agreement is amended to read as follows:

(g) Watermaster shall approve an “Early Transfer” of water to the Appropriative Pool ~~in an amount not less than 32,800 acre-feet per year that is the expected approximate quantity of water not Produced by the Agricultural Pool~~ *on an annual basis* The quantity of water subject to Early Transfer under this paragraph shall be the greater of (i) 32,800 acre feet of (ii) 32,800 acre feet plus the actual quantity of water not Produced by the Agricultural Pool for that Fiscal Year that is remaining after all the land use conversions are satisfied pursuant to 5.3(~~h~~) below.

- (i) The Early Transfer water shall be annually allocated among the members of the Appropriative Pool in accordance with their pro-rata share of the initial Safe Yield.
- (ii) The Transfer shall not limit the Production right of the Agricultural Pool under the Judgment to Produce up to 82,800 acre-feet of water in any year or 414,000 acre-feet in any five years as provided in the Judgment.
- (iii) The combined Production of all parties to the Judgment shall not cause a Replenishment assessment on the members of the Agricultural Pool. The Agricultural Pool shall be responsible for any Replenishment obligation created by the Agricultural Pool Producing more than 414,000 acre-feet in any five-year period.
- (iv) The parties to the Judgment and Watermaster shall Produce water in accordance with the Operating Safe Yield and shall procure sufficient quantities of Replenishment Water to satisfy over-Production requirements, whatever they may be, and avoid Material Physical Injury to any party to the Judgment or the Basin;

(v) Nothing herein shall be construed as modifying the procedures or voting rights within or by the members of the Agricultural Pool.

3. **Conversion Claims.** Subparagraph (b)(3)(i) of Exhibit H, ¶ 10 of the Judgment is amended to read as follows:

(i) For the term of the Peace Agreement *and any extension thereof*, in any year in which sufficient unallocated Safe Yield from the Overlying (Agricultural) Pool is available for such conversion claims, Watermaster shall allocate to each appropriator with a conversion claim 2.0 acre-feet of unallocated Safe Yield water for each converted acre for which conversion has been approved and recorded by the Watermaster.

4. **Controlled Overdraft.** Pursuant to section 7.2(e)(ii) of the Peace II Agreement, 175,000 acre-feet of controlled overdraft (Re-Operation water) will be allocated to Desalter replenishment over a 17-year period, beginning in 2013-14 and ending in 2029-30, according to the schedule attached as Exhibit A.

5. **New Yield.** Section 7.1 of the Peace II Agreement, entitled “New Yield Attributable to Desalters,” is deleted. It is replaced by new section 6.2(b)(ii) as set forth in section 6 below.

6. **Desalter Replenishment.** Section 6.2(b) of the Peace II Agreement is amended to read as follows:

(b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation as follows.

(i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit “G” paragraph ~~8(e)~~ 5(c) to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters. However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special Assessment levied by Watermaster will be distributed as provided in section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member’s share of Safe Yield, followed by

(ii) The members of the Appropriative Pool will contribute a total of 10,000 afy toward Desalter replenishment, allocated among Appropriative Pool members as follows:

(1) 85% of the total (8,500 afy) will be allocated according to the Operating Safe Yield percentage of each Appropriative Pool member; and

(2) 15% of the total (1,500 afy) will be allocated according to each land use conversion agency’s percentage of the total land use conversion claims, based on the actual land use conversion allocations of the year.

The annual desalter replenishment obligation contribution of each Appropriative Pool member will be calculated using the following formula:

*Desalter replenishment obligation contribution = (8,500 * % Appropriator's share of total initial 49,834 afy Operating Safe Yield) + (1,500 * % Appropriator's proportional share of that year's total conversion claims)*

A sample calculation of the desalter replenishment obligation contribution for each Appropriative Pool member is shown on Exhibit __ to this Peace II Agreement, as amended.

(iii) (ii)-A Replenishment Assessment against the Appropriative Pool for any remaining Desalter replenishment obligation after applying both 6(b)(i) and 6(b)(ii), allocated pro-rata to each Appropriative Pool member according to the combined total of the member's share of Operating Safe Yield and the member's Adjusted Physical Production, as defined below. pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production. Desalter Production is excluded from this calculation. A sample calculation of the allocation of the remaining desalter obligation is shown in Exhibit __ to this Peace II Agreement. However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may re-evaluate whether to continue the exclusion of Desalter Production but only after giving due regard to the contractual commitment of the parties.

(iv) Adjusted Physical Production is the Appropriative Pool member's total combined physical production (i.e., all groundwater pumped or produced by the Appropriative Pool member's groundwater wells in the Chino Basin, including water transferred from the Non-Agricultural Pool under Exhibit G, ¶9 of the Judgment), with the following adjustments:

(1) In the case of assignments among Appropriative Pool members, or between Appropriative Pool members and Non-Agricultural Pool members under Exhibit G, ¶6 of the Judgment, resulting in pumping or production by one party to the Judgment for use by another party to the Judgment, the production for purposes of Adjusted Physical Production shall be assigned to the party making beneficial use of the water, not the actual producer.

(2) Production offset credits pursuant to voluntary agreements under section 5.3(i) of the Peace Agreement are calculated at 50% of the total voluntary agreement credit in the determination of Adjusted Physical Production for an Appropriative Pool member participating in a voluntary agreement for that year. In the determination of Adjusted Physical Production, the voluntary agreement credit is subtracted from physical production. Reduction of the voluntary agreement credit from 100% to 50% is applicable only to the calculation of the Adjusted Physical Production hereunder; but in all other applications, the voluntary agreement credit shall remain unchanged (i.e. remain at 100%).

(3) *Production associated with approved storage and recovery programs (e.g., Dry Year Yield recovery program with MWD) is not counted in Adjusted Physical Production, except for in-lieu participation in such programs: in-lieu put quantities shall be added to physical production, and in-lieu take quantities shall be subtracted from physical production.*

(4) *Metered pump-to-waste Production that is determined by Watermaster to be subsequently recharged to the groundwater basin is deducted from physical production; unmetered pump-to-waste production that is determined by Watermaster not to be subsequently recharged to the groundwater basin is added to physical production.*

(5) *The Appropriative Pool may approve, by unanimous vote, the inclusion of other items in the determination of Adjusted Physical Production, with the exception of Non-Agricultural Pool water assigned or transferred under Exhibit G, ¶6 or ¶10 of the Judgment.*

(v) *Any member of the Non-Agricultural Pool that is also a member of the Appropriative Pool may elect to transfer (a) some or all of the annual share of Operating Safe Yield of the transferor in and for the year in which the transfer occurs (except that such transfer shall exclude any dedication to the Watermaster required by section 6.2(b)(1)), and (b) any quantity of water held in storage by the transferor (including without limitation carryover and excess carryover) to any member of the Appropriative Pool, in either case at any price that the transferor and transferee may deem appropriate and for the purpose of satisfying the transferee's desalter replenishment obligation. The transferee's desalter replenishment obligation shall be credited by the number of acre-feet so transferred.*

(vi) ~~(iii)~~ *The quantification of any Party's share of Operating Safe Yield does not include either land use conversions or Early Transfers.*

7. **Allocation of Non-Agricultural Pool OBMP Special Assessment.** The introductory sentence of section 9.2(a) of the Peace II Agreement is amended to read as follows:

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(e)-5(c) of Exhibit G to the Judgment (as amended) will be apportioned among the members of the Appropriative Pool in each year as follows:

Attachment: Peace Agreement, Section 7.2 (e)(ii)

Schedule for Use of Re-Operation Water**, and
 Calculation of Remaining Desalter Replenishment Obligation (DRO)
 Production from 2017-18 through 2029-30 is estimated

Production Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Peace I Desalter Production	29,227.997	29,541.300	27,008.810	26,275.588	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	14.555	448.690	1,154.052	1,527.215	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)
Non-Agricultural Pool Assessment	0.000	0.000	0.000	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	6,742.552	7,489.990	5,662.862	4,567.803	16,765.000	16,765.000	16,765.000	16,765.000	16,765.000

Production Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Peace I Desalter Production	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool "DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)
Non-Agricultural Pool Assessment	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	16,765.000	16,765.000	16,765.000	24,265.000	24,265.000	24,265.000	24,265.000	24,265.000

Attachment: Peace II Agreement, Section 6.2(b)(ii)

Allocation of Appropriative Pool Desalter Replenishment Obligation (DRO) Contributions (by agency)

Production Year 2013-14 Desalter Replenishment Obligation (DRO) Contribution:

10,000.000 AF

Appropriative Pool Party	Production Year 2013/14 Common Data (Headings from Approved 2014/2015 Assessment Package)			Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions		
	a	b	c = %b	d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
	Percent of Operating Safe Yield (Column 2A)	Land Use Conversions (Page 12A)*	Percent of Land Use Conversions	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000%	0.000	0.000	0.000
Chino Hills, City of	3.851%	1,133.906	4.334%	327.335	65.013	392.348
Chino, City of	7.357%	7,623.064	29.138%	625.345	437.074	1,062.419
Cucamonga Valley Water District	6.601%	598.364	2.287%	561.085	34.308	595.393
Fontana Union Water Company	11.657%	0.000	0.000%	990.845	0.000	990.845
Fontana Water Company	0.002%	834.000	3.188%	0.170	47.818	47.988
Fontana, City of	0.000%	0.000	0.000%	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000	0.000%	63.750	0.000	63.750
Jurupa Community Services District	3.759%	13,876.196	53.040%	319.515	795.602	1,115.117
Marygold Mutual Water Company	1.195%	0.000	0.000%	101.575	0.000	101.575
Monte Vista Irrigation Company	1.234%	0.000	0.000%	104.890	0.000	104.890
Monte Vista Water District	8.797%	55.075	0.211%	747.745	3.158	750.903
Niagara Bottling, LLC	0.000%	0.000	0.000%	0.000	0.000	0.000
Nicholson Trust	0.007%	0.000	0.000%	0.595	0.000	0.595
Norco, City of	0.368%	0.000	0.000%	31.280	0.000	31.280
Ontario, City of	20.742%	2,041.095	7.802%	1,763.070	117.028	1,880.098
Pomona, City of	20.454%	0.000	0.000%	1,738.590	0.000	1,738.590
San Antonio Water Company	2.748%	0.000	0.000%	233.580	0.000	233.580
San Bernardino, County of (Shooting Park)	0.000%	0.000	0.000%	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	0.000	0.000%	201.705	0.000	201.705
Upland, City of	5.202%	0.000	0.000%	442.170	0.000	442.170
West End Consolidated Water Co	1.728%	0.000	0.000%	146.880	0.000	146.880
West Valley Water District	1.175%	0.000	0.000%	99.875	0.000	99.875
	100.000%	26,161.700	100.000%	8,500.000	1,500.000	10,000.000

Attachment: Peace II Agreement, Section 6.2 (b)(iii)

Allocation of Appropriative Pool Remaining Desalter Replenishment Obligation (RDRO)

Production Year 2013-14:

CDA Production - Peace I Allocation	29,227.997
CDA Production - Peace II Allocation	14.555
Total Desalter Replenishment Obligation (Total DRO):	29,242.552
Desalter Replenishment Obligation Contribution (DROC)	(10,000.000)
Re-Operation Water	(12,500.000)
RDRO	6,742.552

Appropriative Pool Party	Operating Safe Yield	Production Year 2013/14 Common Data (From Approved 2014/2015 Assessment Package - Appendix A)					Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
	a	b	c	d	e	f	APP = [b+(c*50%)+d+e+f]	Individual Party RDRO = ((a+APP)/(Total a + Total APP)) * RDRO
	Assessment Paackage Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments	*Note: APP for City of Chino does not include "Other Adjustments" for this period	
Arrowhead Mtn Spring Water Co	0.000	379.111	0.000	0.000	0.000	0.000	379.111	15.905
Chino Hills, City of	2,111.422	2,150.925	(286.221)	0.000	0.000	5,359.300	7,367.115	397.669
Chino, City of	4,033.857	6,725.430	(6,686.440)	(104.278)	0.000	65.288	3,277.932	306.764
Cucamonga Valley Water District	3,619.454	16,121.550	0.000	0.000	0.000	0.000	16,121.550	828.227
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	268.163
Fontana Water Company	1.000	15,377.579	0.000	0.000	0.000	0.000	15,377.579	645.203
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	411.476	736.362	0.000	0.000	0.000	0.000	736.362	48.157
Jurupa Community Services District	2,061.118	18,406.630	0.000	(379.499)	0.000	(8.784)	18,018.347	842.427
Marygold Mutual Water Company	655.317	1,314.734	0.000	0.000	0.000	0.000	1,314.734	82.653
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	28.393
Monte Vista Water District	4,823.954	12,521.892	(151.480)	0.000	0.000	(5,371.667)	7,074.485	499.195
Niagara Bottling, LLC	0.000	1,342.588	0.000	0.000	0.000	0.000	1,342.588	56.328
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.168
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	8.456
Ontario, City of	11,373.816	21,980.342	(4,428.101)	(1,855.196)	0.000	0.000	17,911.096	1,228.639
Pomona, City of	11,215.852	12,909.293	0.000	0.000	0.000	0.000	12,909.293	1,012.163
San Antonio Water Company	1,506.888	1,159.242	0.000	0.000	0.000	0.000	1,159.242	111.857
San Bernardino, County of (Shooting Park)	0.000	16.390	0.000	0.000	0.000	0.000	16.390	0.688
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	48.515	48.515	56.634
Upland, City of	2,852.401	2,822.046	0.000	0.000	0.000	0.000	2,822.046	238.070
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	39.761
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	27.032
	54,834.000	113,964.114	(11,552.242)	(2,338.973)	0.000	92.652	105,876.384	6,742.552

EXHIBIT D



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March 29, 2018

VIA ELECTRONIC FILING

Justices of the Court of Appeal
Fourth District, Division Two
3389 Twelfth Street
Riverside, CA 92501

Re: *Chino Basin Municipal Water District v. City of Chino, et al.*
Court of Appeal Case No. E068640 (Superior Court, Case No.
RCVRS 51010) – Joint Status Update re Stay

Dear Justices:

Pursuant to this Court's Order dated January 3, 2018, this letter shall serve as a joint status report on the settlement negotiations among Appellants Cucamonga Valley Water District, Monte Vista Water District, and the City of Pomona and Respondents City of Chino, Jurupa Community Services District, and City of Ontario (Parties). The Parties have not concluded settlement negotiations, but they have made significant progress and are confident they can settle this appeal. Efforts to finalize the settlement in this matter are challenging due, among other reasons, to (1) the complex nature of the underlying case (San Bernardino County Case No. RCV 51010) in which the Chino Basin Restated Judgment ("Judgment") has been entered, (2) the continuing jurisdiction of the Judgment (Paragraph 15), including trial court approval of the agreements among the numerous parties to the Judgment, and (3) the relationship between the potential settlement and existing court-approved agreements.

The Parties continue to diligently pursue settlement and have conducted numerous settlement meetings among their managers, attorneys and the Watermaster (the non-party arm of the trial court that implements the Judgment) since they originally sought a briefing extension on November 1, 2017. Specifically, the Parties participated in settlement discussions on the following dates:

- November 1, 2017 (attorneys and managers)
- November 9, 2017 (Watermaster Board Special Meeting)
- November 16, 2017 (Watermaster Board Meeting)
- December 11, 2017 (attorneys and managers)

Received by Fourth District Court of Appeal, Division Two



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- December 12, 2017 (attorneys)
- January 25, 2018 (Watermaster Board Meeting)
- January 26, 2018 (attorneys)
- February 9, 2018 (attorneys and managers)
- February 16, 2018 (attorneys)
- February 26, 2018 (attorneys)
- March 5, 2018 (attorneys)
- March 8, 2018 (managers)
- March 16, 2018 (attorneys)
- March 20, 2018 (attorneys)
- March 27, 2018 (attorneys)

As a result of these efforts, the Parties have reached agreement on a draft settlement. The Watermaster is informed of the settlement and will facilitate discussions as settlement progresses and expands to involve parties to the Judgment who are not parties to the appeal.

The Parties anticipate the following steps to finalize and effectuate settlement that will allow for the dismissal of this appeal:

- (1) Obtain approval of settlement agreement from other members of the Appropriative Pool, who are not parties to the appeal;

Obtain the support or non-opposition of the Watermaster, the Agricultural Pool, and the Non-Agricultural Pool; and

Finalize and execute settlement agreement.

Target completion date for all of the above: May 31, 2018;

- (2) Draft papers for court approval of settlement agreement.

Target completion date: July 31, 2018;



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- (3) Obtain court approval of settlement agreement.

Target completion date: September 14, 2018. (This is the existing hearing date for a motion to stay the trial court’s order pending appeal.)

If uncontested, the Parties could obtain court approval of the settlement agreement as early as September 2018. However, opposition to the request for court approval or unanticipated delays resulting from Nos. 1 and 2 above could delay court approval by a number of months.

Accordingly, despite their efforts and significant progress, the Parties need additional time to finalize the settlement due to the complexity of the appeal as well as the underlying Judgment and its implementing agreements. The Parties respectfully request that the stay remain in place and will provide a further status report as ordered by this Court.

Sincerely,

Gene Tanaka
BEST BEST & KRIEGER, LLP
Attorney for Appellant
Cucamonga Valley Water District

/s/ with permission
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Justices of the Court of Appeal

March 29, 2018

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cc: See attached list

CERTIFICATE OF SERVICE

I hereby certify that I electronically filed: **Joint Status Update re Stay** with the Clerk of the Court for the United States Court of Appeal, Fourth Appellate District, Division Two, by using TrueFiling, the court's EFS on March 29, 2018 and served as follows:

- I certify that the participants, as indicated below, are registered TrueFiling EFS users and that service will be accomplished by the appellate EFS system.

- by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Walnut Creek, California addressed as set forth below. I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business.

- I caused such envelope to be delivered via overnight delivery. Such envelope was deposited for delivery by United Parcel Service following the firm's ordinary business practices.

Via TrueFiling and First Class Mail

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Attorneys for City of Ontario

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

Executed on March 29, 2018 at Walnut Creek, California.



Irene Islas

EXHIBIT E



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July 16, 2018

VIA ELECTRONIC FILING

Justices of the Court of Appeal
Fourth District, Division Two
3389 Twelfth Street
Riverside, CA 92501

Re: *Chino Basin Municipal Water District v. City of Chino, et al.*
Court of Appeal Case No. E068640 (Superior Court, Case No.
RCVRS 51010) – Joint Status Update re Stay

Dear Justices:

Pursuant to this Court's Order dated April 17, 2018, this letter shall serve as a joint status report on the settlement negotiations among Appellants Cucamonga Valley Water District, Monte Vista Water District, and the City of Pomona, and Respondents City of Chino, Jurupa Community Services District, and City of Ontario (collectively "Parties").

The Parties have not concluded settlement negotiations, but they have made additional, significant progress and are confident they can settle this appeal with limited court involvement, as detailed below. Efforts to finalize the settlement in this matter are challenging due, among other reasons, to: (1) the complex nature of the underlying case (San Bernardino County Case No. RCV 51010) in which the Chino Basin Restated Judgment ("Judgment") has been entered; (2) the trial court's continuing jurisdiction over this case as provided by the Judgment (Paragraph 15), including over trial court approved agreements among the numerous parties to the Judgment, including many that are not parties to this appeal; (3) the relationship between the potential settlement and the existing Judgment and court-approved agreements; and (4) potential jurisdictional issues regarding the need to approve settlement at the trial court level without abandoning the appeal.

Recent Settlement Efforts

The Parties continue to diligently pursue settlement and have conducted numerous settlement meetings among their managers, attorneys, and the Watermaster (the non-party arm of the trial court that implements the Judgment) since they last filed a joint status report on April 2, 2018.



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Specifically, the Parties participated in settlement discussions on the following dates:

- April 12, 2018 (attorneys)
- April 18, 2018 (attorneys)
- April 27, 2018 (attorneys)
- May 11, 2018 (attorneys and managers)
- May 29, 2018 (attorneys)
- June 1, 2018 (attorneys)
- June 26, 2018 (attorneys)
- June 29, 2018 (attorneys for Parties, Watermaster counsel, Watermaster General Manager)
- July 9, 2018 (attorneys)
- July 13, 2018 (attorneys)

Additionally, settlement and appeal status was an agenda item discussed at the following Watermaster meetings:

- April 12, 2018 (Appropriative Pool, Agricultural Pool, and Non-Agricultural Pool)
- April 19, 2018 (Advisory Committee of the Watermaster)
- April 26, 2018 (Watermaster Board)
- May 10, 2018 (Appropriative Pool, Agricultural Pool, and Non-Agricultural Pool)
- May 17, 2018 (Advisory Committee of the Watermaster)
- May 24, 2018 (Watermaster Board)
- June 14, 2018 (Appropriative Pool, Agricultural Pool, and Non-Agricultural Pool)
- June 21, 2018 (Advisory Committee of the Watermaster)



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- June 28, 2018 (Watermaster Board)

Effecting Settlement and Dismissal of Appeal

As a result of these efforts, the Parties have reached an agreement regarding substantive amendments to the Judgment and existing court-approved agreements to implement the Judgment (“2018 Amendments”). The Parties sent the draft 2018 Amendments to the Watermaster on June 6, 2018, and requested that the Watermaster send the 2018 Amendments to all parties to the Judgment and add them to the agendas for discussion and approval at upcoming Watermaster meetings. The 2018 Amendments will be provided to Agricultural Pool, the Non-Agricultural Pool, and the Appropriative Pool for their review and support.

The Parties need trial court approval of the 2018 Amendments due to its continuing jurisdiction, but there is uncertainty regarding the trial court’s jurisdiction to rule on matters embraced by the appeal, which may include the 2018 Amendments. Accordingly, by joint application, filed concurrently herewith, the Parties are requesting that this Court, pursuant to its broad authority under Code of Civil Procedure section 43, order a limited remand with instructions to the trial court to consider a motion to approve the 2018 Amendments and confirming its jurisdiction to do so. If the 2018 Amendments are approved by the trial court, settlement will be complete, and the appeal will be dismissed.

The Parties have made significant settlement progress but anticipate the following steps to finalize and effectuate settlement to allow for the dismissal of this appeal:

- (1) Present the proposed 2018 Amendments the Agricultural Pool, the Non-Agricultural Pool, and the Appropriative Pool members that are parties to the Judgment but not Parties to the appeal for their review and support.

Target completion date: September 1, 2018

- (2) Obtain Watermaster support for a trial court motion to approve the 2018 Amendments.

Target completion date: September 1, 2018

- (3) File motion in the trial court to approve the 2018 Amendments.

Target completion date: September 1, 2018

- (4) Hearing on motion to approve the 2018 Amendments.

Target completion date: October 15, 2018 (subject to the trial court’s calendar)



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- (5) Status report to this Court:
- a. If the trial court grants the motion to approve the 2018 Amendments, Appellants will dismiss their appeal.
 - b. If the trial court denies the motion to approve the 2018 Amendments, the Parties will proceed with the appeal, and this Court should set a briefing schedule as stipulated by the Parties.

Target completion date: Within fourteen (14) days after the trial court rules on the motion to approve the 2018 Amendments.

The Parties thus need additional time to finalize settlement due to the complexity of the appeal as well as the underlying Judgment and its implementing agreements and the jurisdictional complexities of obtaining court approval of settlement. The Parties respectfully request that the stay of the appeal remain in place pending limited remand and will provide a further status report as ordered by this Court or dismiss their appeal.

Sincerely,

/s/Sarah Christopher Foley
Gene Tanaka
Steve Anderson
Sarah Christopher Foley
BEST BEST & KRIEGER, LLP
Attorney for Appellant
Cucamonga Valley Water District

/s/ with permission
Jimmy L. Gutierrez
JIMMY L. GUTIERREZ, A LAW
CORPORATION
Attorney for Respondent
City of Chino

/s/ with permission
Arthur G. Kidman
Andrew B. Gagen
KIDMAN GAGEN LAW LLP
Attorney for Appellant
Monte Vista Water District

/s/ with permission
Robert E. Donlan
ELLISON SCHNEIDER & HARRIS LLP
Attorney for Respondent
Jurupa Community Services District



BEST BEST & KRIEGER
ATTORNEYS AT LAW

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/s/ with permission

Thomas Bunn III
LAGERLOF, SENEAL, GOSNEY &
KRUSE, LLP
Attorney for Appellant
City of Pomona

/s/ with permission

Frederic A. Fudacz
NOSSAMAN LLP
Attorney for Respondent
City of Ontario

cc: See attached list

EXHIBIT F

COURT OF APPEAL -- STATE OF CALIFORNIA
FOURTH DISTRICT
DIVISION TWO

ORDER

CHINO BASIN MUNICIPAL WATER DISTRICT, Plaintiff, v. CITY OF CHINO et al., Defendants, Objectors and Respondents; CUCAMONGA VALLEY WATER DISTRICT et al., <u>Defendants, Movants and Appellants.</u>	E068640 (Super. Ct. No. RCVRS51010) The County of San Bernardino
---	--

THE COURT

On the court's own motion, the appeal is ACCEPTED for this court's settlement conference program, and all other proceedings in the appeal are STAYED pending further order of the court, extending the stay ordered January 3, 2018. (Ct. App., Fourth Dist., Local Rules of Ct., rule 4(c)(3).)

Pursuant to the parties' Joint Stipulation and Application for Limited Remand to the Superior Court" (capitalization changed) filed July 16, 2018, (Joint Stipulation) and while the appeal is still pending in this court, Superior Court Case No. RCVRS51010 is TEMPORARILY REMANDED to the superior court for the limited purpose of, and for the limited time necessary for, the consideration and decision of the parties' motion to approve the "2018 Amendments" to the "Restated Judgment" and "Court Approved Management Agreements," to which amendments the parties have agreed as a result of the settlement negotiations ongoing since the filing of the notice of appeal. (Joint Stip., pp. 2-5.)

The superior court is DIRECTED to decide the parties' motion as soon as possible by a written order signed by the judge. Appellants are DIRECTED to serve and file with this court's settlement conference administrator a letter on or before 30 days after the date of this order informing this court of the superior court's progress in deciding the motion.

Upon the filing of the signed order, the superior court clerk is DIRECTED to transmit to this court's settlement conference administrator a file-stamped copy of the order. To effectuate the Joint Stipulation within a reasonable time: if the superior court grants the motion, appellants are DIRECTED to serve and file with the settlement conference administrator, on or before 20 days after the date the signed order is filed in

the superior court, a request for dismissal of the appeal; however, if the superior court denies the motion, this court through its settlement conference administrator will confer with the parties and determine how the appeal should proceed. (See Joint Stip., pp. 8-9 [“Appellants will dismiss their appeal”; “Parties will ask this court to lift the stay . . . and will proceed”]. See: *In re Amber S.* (1993) 15 Cal.App.4th 1260, 1264-1265 [constitutionally-based, inherent judicial powers entitle courts to adopt any procedure suitable to achieve justice in a particular case even though unauthorized by statute or rule]. See, e.g., *People v. Awad* (2015) 238 Cal.App.4th 215, 218 [“stay[ed] pending appeal for a short period of time to allow the trial court to conduct a Proposition 47 postconviction hearing”].)

RAMIREZ

Presiding Justice

cc: See attached list

MAILING LIST FOR CASE: E068640

Chino Basin Municipal Water District v. City of Chino et al.; Cucamonga Valley Water District et al.

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EXHIBIT G

DRAFT MINUTES
CHINO BASIN WATERMASTER
APPROPRIATIVE POOL – SPECIAL MEETING

November 27, 2018

The Appropriative Pool special meeting was held via conference call using the Chino Basin Watermaster conference call on November 27, 2018.

APPROPRIATIVE POOL MEMBERS PRESENT ON CALL

Teri Layton, Chair	San Antonio Water Company
Van Jew, Vice-Chair	Monte Vista Water District
Rosemary Hoerning	City of Upland
Courtney Jones for Scott Burton	City of Ontario
John Bosler	Cucamonga Valley Water District
Todd Corbin	Jurupa Community Services District
Dave Crosley	City of Chino
Eric Tarango	Fontana Union Water Company
Cris Fealy	Fontana Water Company
Darron Poulsen	City of Pomona

OTHERS PRESENT ON CALL

Manny Martinez	Monte Vista Water District
Eric Grubb	Cucamonga Valley Water District
Steve Popelar	Jurupa Community Services District
Rob Donlan	Ellison, Schneider, & Harris LLP
Jimmy Gutierrez	Jimmy L. Gutierrez, A Law Corporation
Raul Garibay	City of Pomona

CALL TO ORDER

Chair Layton called the Appropriative Pool special meeting to order at 9:00 a.m.

AGENDA - ADDITIONS/REORDER

None

I. CONFIDENTIAL SESSION - POSSIBLE ACTION

The Pool went into confidential session to discuss Appropriative Pool Strategic Planning. Confidential session concluded at 9:40 a.m. with the following reportable action:

Motion by Mr. Cris Fealy, seconded by Mr. John Bosler, and by unanimous vote

Moved to approve the "2018 Agreement to Appropriative Pool Pooling Plan and CAMA Amendments (11/21/2018 version)" and conditioned upon the subsequent approval of each of Appropriative Pool member's governing body intends to sign said agreement. Further, the Pool directs its counsel to join in the motion to approve the Appropriative Pool Pooling Plan and CAMA Amendments.

ADJOURNMENT

Chair Layton adjourned the Appropriative Pool special meeting at 9:40 a.m.

Secretary: _____

Approved: _____

EXHIBIT H

DRAFT MINUTES
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL – SPECIAL MEETING
December 20, 2018

The Non-Agricultural Pool special meeting was held via conference call using the Chino Basin Watermaster conference call on December 20, 2018.

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Brian Geye, Chair	California Speedway Corporation
Bob Bowcock, Vice-Chair	CalMat Co.
Ramsey Haddad	California Steel Industries
Tom O'Neill	City of Ontario (Non-Ag)
Andrew Silva for Bob Page	County of San Bernardino (Non-Ag)
Michael Adler for Natalie Costaglio	Hamner Park Associates, a California Limited Partnership
Van Jew for Mark Kinsey	Monte Vista Water District (Non-Ag)

NON-AGRICULTURAL POOL LEGAL COUNSEL PRESENT ON CALL

Allen Hubsch	Loeb & Loeb, LLP
--------------	------------------

CALL TO ORDER

Chair Geye called the Non-Agricultural Pool special meeting to order at 3:30 p.m.

AGENDA - ADDITIONS/REORDER

None

I. CONFIDENTIAL SESSION - POSSIBLE ACTION

The Pool went into confidential session to discuss the Safe Yield Reset-Related Agreement and Non-Agricultural Pool Pooling Plan Amendment & Court Filing. Confidential session concluded at 4:10 p.m. with the following reportable action:

1. Adopted the Resolution attached and authorized the Pool Chair to take such further action as he deems appropriate to implement the Resolution.

ADJOURNMENT

Chair Geye adjourned the Non-Agricultural Pool special meeting at 4:10 p.m.

Secretary: _____

Approved: _____

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RESOLUTION
OF NON-AGRICULTURAL POOL COMMITTEE

The Non-Agricultural Pool Committee (the "NAP"), has received a report that on today's date the Appropriative Pool Committee (the "AP") adopted a resolution in the form attached as Exhibit A hereto. In reliance thereon, the NAP, for itself and each of its members voting in favor of this resolution, hereby resolve and affirm that they do not and shall not oppose (or otherwise file or offer to the Court any negative comments about) the Appropriative Pool Pooling Plan and CAMA Amendments which are attached as an exhibit to the AP's resolution, or entry of an order approving the amendments.

Date: December 20, 2018

In favor: California Speedway Corporation
California Steel Industries, Inc.
CalMat Co.
City of Ontario
County of San Bernardino
Hamner Park Associates
Monte Vista Water District

Against: None

Abstention: None

EXHIBIT A

APPROPRIATIVE POOL

RESOLUTION

The Appropriative Pool, for itself and each of its members voting in favor of this resolution, hereby resolve and affirm that they do not and shall not oppose (or otherwise file or offer to the Court any negative comments about) either the Motion Regarding Amendment of Pooling Plan for the Non-Agricultural Pool filed by the Non-Agricultural Pool Committee (the "NAP") on or about October 3, 2018, or entry of the proposed order submitted by the NAP thereon.

This resolution is contingent upon and shall be effective and irrevocable upon adoption by the NAP, for itself and each of its members voting in favor of the resolution, of a resolution that the NAP will not oppose (or otherwise file or offer to the Court any negative comments about) either the Appropriative Pool Pooling Plan and CAMA Amendments, which are attached, or entry of an order approving the amendments.

Date: December 20, 2018

In favor:

Fontana Water Company
City of Chino
City of Chino Hills
City of Ontario
City of Pomona
Cucamonga Valley Water District
Jurupa Community Services District
Monte Vista Water District
Nicholson Trust

Against: None

Abstention: San Antonio Water Company

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227631-10001

Exhibit A

Proposed Changes to Appropriative Pool Pooling Plan and CAMA

1. **Appropriative Pool Pooling Plan.** The introductory sentence to Exhibit H, ¶10 of the Judgment is amended to read as follows:

10. Unallocated Safe Yield Water. To the extent that, in any ~~year~~ *five years*, any portion of the share of Safe Yield allocated to the Overlying (Agricultural) Pool is not produced, such water shall be available for reallocation to members of the Appropriative Pool, as follows:

2. Early Transfer

A. Section 1.1(o) of the Peace Agreement is amended to read as follows:

(o) "Early Transfer" means the reallocation of Safe Yield not Produced by the Agricultural Pool to the Appropriative Pool on an annual basis *after the allocations in subdivisions (a)(1) and (a)(2) of rather than according to the five-year increment described in Paragraph 10 of Exhibit "H" of the Judgment;*

B. Section 5.3(g) of the Peace Agreement is amended to read as follows:

(g) Watermaster shall approve an "Early Transfer" of water to the Appropriative Pool ~~in an amount not less than 32,800 acre-feet per year that is the expected approximate quantity of water not Produced by the Agricultural Pool~~ *on an annual basis. The quantity of water subject to Early Transfer under this paragraph shall be the greater of (i) 32,800 acre-feet of (ii) 32,800 acre-feet plus the actual quantity of water not Produced by the Agricultural Pool for that Fiscal Year that is remaining after all the land use conversions are satisfied pursuant to 5.3(h) below.*

- (i) The Early Transfer water shall be annually allocated among the members of the Appropriative Pool in accordance with their pro-rata share of the initial Safe Yield.
- (ii) The Transfer shall not limit the Production right of the Agricultural Pool under the Judgment to Produce up to 82,800 acre-feet of water in any year or 414,000 acre-feet in any five years as provided in the Judgment.
- (iii) The combined Production of all parties to the Judgment shall not cause a Replenishment assessment on the members of the Agricultural Pool. The Agricultural Pool shall be responsible for any Replenishment obligation created by the Agricultural Pool Producing more than 414,000 acre-feet in any five-year period.
- (iv) The parties to the Judgment and Watermaster shall Produce water in accordance with the Operating Safe Yield and shall procure sufficient quantities of Replenishment Water to satisfy over-Production requirements, whatever they may be, and avoid Material Physical Injury to any party to the Judgment or the Basin;

(v) Nothing herein shall be construed as modifying the procedures or voting rights within or by the members of the Agricultural Pool.

3. **Conversion Claims.** Subparagraph (b)(3)(i) of Exhibit H, ¶ 10 of the Judgment is amended to read as follows:

(i) For the term of the Peace Agreement *and any extension thereof*, in any year in which sufficient unallocated Safe Yield from the Overlying (Agricultural) Pool is available for such conversion claims, Watermaster shall allocate to each appropriator with a conversion claim 2.0 acre-feet of unallocated Safe Yield water for each converted acre for which conversion has been approved and recorded by the Watermaster.

4. **Controlled Overdraft.** Pursuant to section 7.2(e)(ii) of the Peace II Agreement, 175,000 acre-feet of controlled overdraft (Re-Operation water) will be allocated to Desalter replenishment over a 17-year period, beginning in 2013-14 and ending in 2029-30, according to the schedule attached as Exhibit A.

5. **New Yield.** Section 7.1 of the Peace II Agreement, entitled "New Yield Attributable to Desalters," is deleted. It is replaced by new section 6.2(b)(ii) as set forth in section 6 below.

6. **Desalter Replenishment.** Section 6.2(b) of the Peace II Agreement is amended to read as follows:

(b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation as follows.

(i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit "G" paragraph ~~8(e)~~ 5(c) to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters. However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special Assessment levied by Watermaster will be distributed as provided in section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member's share of Safe Yield, followed by

(ii) *The members of the Appropriative Pool will contribute a total of 10,000 afy toward Desalter replenishment, allocated among Appropriative Pool members as follows:*

(1) *85% of the total (8,500 afy) will be allocated according to the Operating Safe Yield percentage of each Appropriative Pool member; and*

(2) *15% of the total (1,500 afy) will be allocated according to each land use conversion agency's percentage of the total land use conversion claims, based on the actual land use conversion allocations of the year.*

The annual desalter replenishment obligation contribution of each Appropriative Pool member will be calculated using the following formula:

*Desalter replenishment obligation contribution = (8,500 * % Appropriator's share of total initial 49,834 afy Operating Safe Yield) + (1,500 * % Appropriator's proportional share of that year's total conversion claims)*

A sample calculation of the desalter replenishment obligation contribution for each Appropriative Pool member is shown on Exhibit __ to this Peace II Agreement, as amended.

(iii) (ii)-A Replenishment Assessment against the Appropriative Pool for any remaining Desalter replenishment obligation after applying both 6(b)(i) and 6(b)(ii), allocated pro-rata to each Appropriative Pool member according to the combined total of the member's share of Operating Safe Yield and the member's Adjusted Physical Production, as defined below, pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production. Desalter Production is excluded from this calculation. A sample calculation of the allocation of the remaining desalter obligation is shown in Exhibit __ to this Peace II Agreement. However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may re-evaluate whether to continue the exclusion of Desalter Production but only after giving due regard to the contractual commitment of the parties.

(iv) Adjusted Physical Production is the Appropriative Pool member's total combined physical production (i.e., all groundwater pumped or produced by the Appropriative Pool member's groundwater wells in the Chino Basin, including water transferred from the Non-Agricultural Pool under Exhibit G, ¶9 of the Judgment), with the following adjustments:

(1) In the case of assignments among Appropriative Pool members, or between Appropriative Pool members and Non-Agricultural Pool members under Exhibit G, ¶6 of the Judgment, resulting in pumping or production by one party to the Judgment for use by another party to the Judgment, the production for purposes of Adjusted Physical Production shall be assigned to the party making beneficial use of the water, not the actual producer.

(2) Production offset credits pursuant to voluntary agreements under section 5.3(f) of the Peace Agreement are calculated at 50% of the total voluntary agreement credit in the determination of Adjusted Physical Production for an Appropriative Pool member participating in a voluntary agreement for that year. In the determination of Adjusted Physical Production, the voluntary agreement credit is subtracted from physical production. Reduction of the voluntary agreement credit from 100% to 50% is applicable only to the calculation of the Adjusted Physical Production hereunder; but in all other applications, the voluntary agreement credit shall remain unchanged (i.e. remain at 100%).

- (3) *Production associated with approved storage and recovery programs (e.g., Dry Year Yield recovery program with MWD) is not counted in Adjusted Physical Production, except for in-lieu participation in such programs: in-lieu put quantities shall be added to physical production, and in-lieu take quantities shall be subtracted from physical production.*
- (4) *Metered pump-to-waste Production that is determined by Watermaster to be subsequently recharged to the groundwater basin is deducted from physical production; unmetered pump-to-waste production that is determined by Watermaster not to be subsequently recharged to the groundwater basin is added to physical production.*
- (5) *The Appropriative Pool may approve, by unanimous vote, the inclusion of other items in the determination of Adjusted Physical Production, with the exception of Non-Agricultural Pool water assigned or transferred under Exhibit G, ¶6 or ¶10 of the Judgment.*
- (v) *Any member of the Non-Agricultural Pool that is also a member of the Appropriative Pool may elect to transfer (a) some or all of the annual share of Operating Safe Yield of the transferor in and for the year in which the transfer occurs (except that such transfer shall exclude any dedication to the Watermaster required by section 6.2(b)(1)), and (b) any quantity of water held in storage by the transferor (including without limitation carryover and excess carryover) to any member of the Appropriative Pool, in either case at any price that the transferor and transferee may deem appropriate and for the purpose of satisfying the transferee's desalter replenishment obligation. The transferee's desalter replenishment obligation shall be credited by the number of acre-feet so transferred.*
- (vi) ~~(iii)~~ *The quantification of any Party's share of Operating Safe Yield does not include either land use conversions or Early Transfers.*

7. **Allocation of Non-Agricultural Pool OBMP Special Assessment.** The introductory sentence of section 9.2(a) of the Peace II Agreement is amended to read as follows:

- 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 ~~¶(e)~~-5(c) of Exhibit G to the Judgment (as amended) will be apportioned among the members of the Appropriative Pool in each year as follows:

EXHIBIT I

DRAFT MINUTES
CHINO BASIN WATERMASTER
AGRICULTURAL POOL - SPECIAL MEETING

December 13, 2018

The Agricultural Pool special meeting was held at the offices of the Milk Producer's Council located at 13545 S. Euclid Avenue, Ontario CA and via conference call on December 13, 2018.

AGRICULTURAL POOL MEMBERS PRESENT

Bob Feenstra, Chair	Dairy
Jeff Pierson, Vice-Chair	Crops
Lawrence Dimock	State of California – CIM
Nathan deBoom	Dairy
Henry De Haan	Dairy
Ronald Pietersma	Dairy
John Huitsing	Dairy
Ron Labrucherie, Jr.	Crops

WATERMASTER BOARD MEMBER PRESENT

Paul Hofer	Crops
------------	-------

OTHERS PRESENT

Tracy Egoscue	Egoscue Law Group, Inc.
---------------	-------------------------

AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Pete Hall	State of California – CIM
Geoffrey Vanden Heuvel	Dairy
Carol Boyd	State of California – CIM

OTHERS PRESENT ON CALL

Marilyn Levin	State of California – DOJ
Richard Rees	Wood plc

CALL TO ORDER

Chair Feenstra called the Agricultural Pool special meeting to order at 1:00 p.m.

AGENDA - ADDITIONS/REORDER

None

I. CONFIDENTIAL SESSION - POSSIBLE ACTION

The Pool went into Confidential Session to discuss the Appeal of April 28, 2017 Order, Writ of Mandate, and 2018 Proposed Agreement to Appropriative Pool Pooling Plan and CAMA Amendments. Confidential session concluded at 2:28 p.m. with the following reportable action:

Tom Bunn, on behalf of the parties to the appeal, Chino Basin Municipal Water District v. City of Chino Court of Appeal Case No. E068640, (Appeal), sent an email to the attorney for the Ag Pool on November 21, 2018, containing the final version of the 2018 Proposed Agreement to Appropriative Pool Pooling Plan and CAMA Amendments with exhibits (2018 Proposed Agreement). Having received and reviewed the email and attachments, the Ag Pool now makes the following motion reiterating and further clarifying previous requests regarding the 2018 Proposed Agreement:

The Safe Yield Reset and related methodology is an integral part of the Court's April 28, 2017 Order resetting the Chino Basin Safe Yield at 135,000 acre-feet per year (Reset Order). The Ag Pool has made repeated requests for the parties to the Appeal to acknowledge the Court's Safe Yield Reset and Order regarding the related methodology process because the 2018 Proposed Agreement is allegedly an agreement to resolve the Appeal of the Reset Order. The Safe Yield Reset and the related methodology were the result of lengthy, arduous, and resource intensive negotiations between the Pools and the parties to the Judgment.

At its July 19, 2018 meeting, the Ag Pool voted unanimously to conditionally approve the process and the following documents provided in advance of the meeting by Watermaster staff: (1) 2018 Acknowledgment and Consent to CAMA Amendments; (2) Physical Solution Transfers; and (3) Chino Basin Watermaster Memorandum of Understanding Regarding Contributions of Safe Yield for Desalter Replenishment. As reflected in the meeting minutes, the Ag Pool's approval was made contingent upon the following modifications to the above documents: (1) *all three documents should be merged into one inclusive document;* (2) *on page 2, paragraph 2 please add the effective date of the Safe Yield reset;* (3) *on page 2, paragraph 2 please clarify that the Safe Yield process that was part of the Judge's Reset Order including peer review and the reset process remains in effect;* (4) *page 4, (iv) please clarify what is meant by the term "particular year;"* and (5) *page 8, the State requests that they be removed as a signatory.*

At its September 13, 2018 meeting, the Ag Pool revoked its July 19 conditional approval of the proposed Safe Yield Reset-Related Agreements as presented, and respectfully requested that the parties address the Ag Pool comments made on July 19, 2018, as follows: (1) *please add the effective date of the Safe Yield Reset;* (2) *please include the Safe Yield process that was part of the Judge's April 28, 2017 Order;* and (3) *the Ag Pool respectfully requests that the final version of the Safe Yield Reset-Related Agreements be brought back to the October 2018 Pool meeting for the Ag Pool's reconsideration.*

Again, these requests were made by the Ag Pool because the Proposed Agreement was allegedly provided in order to resolve the Appeal. Despite this, the relevant requested language is not yet incorporated into the final 2018 Proposed Agreement.

Therefore, the Ag Pool hereby withholds its approval of the final version of the 2018 Proposed Agreement to Appropriative Pool Pooling Plan and CAMA Amendments as transmitted by Tom Bunn on November 21, 2018. We propose the following modifications to the 2018 Proposed Agreement are made in total: (1) add the language ordering the Safe Yield Reset; and (2) include the language regarding the Safe Yield reset methodology process. The relevant language from the Reset Order is set forth below for ease of reference and clarity and must be included in the 2018 Proposed Agreement before the Ag Pool will consider approval of the 2018 Proposed Agreement.

4.1 Safe Yield Reset. Consistent with the prior orders of the Court pursuant to its continuing jurisdiction, effective July 1, 2010 and continuing until June 30, 2020, the Safe Yield for the Basin is reset at 135,000 AFY. For all purposes arising under the Judgment, the Peace Agreements and the OBMP Implementation Plan, the Safe Yield shall be 135,000 AFY, without exception, unless and until Safe Yield is reset in accordance with the procedures set forth in this order, and determined by the Court pursuant to its retained continuing jurisdiction.

4.2 Scheduled Reset. Watermaster will initiate a process to evaluate and reset the Safe Yield by July 1, 2020 as further provided in this order. Subject to the provisions of Paragraph 4.3 below, the Safe Yield, as it is reset effective July 1, 2020 will continue until June 30, 2030. Watermaster will initiate the reset process no later than January 1, 2019, in order to ensure that the Safe Yield, as reset, may be approved by the court no later than June 30, 2020. Consistent with the provisions of the OBMP Implementation Plan, thereafter Watermaster will conduct a Safe Yield evaluation and reset process no less frequently than every ten years. This Paragraph is deemed to satisfy Watermaster's obligation, under Paragraph 3(b) of Exhibit "I" to the Restated Judgment, to provide notice of a potential change in Operating Safe Yield.

4.3 Interim Correction. In addition to the scheduled reset set forth in Paragraph 4.2 above, the Safe Yield may be reset in the event that, with the recommendation and advice of the Pools and Advisory Committee and in the exercise of prudent management discretion described in Paragraph 4.5(c),

below, Watermaster recommends to the court that the Safe Yield must be changed by an amount greater (more or less) than 2.5% of the then-effective Safe Yield.

4.4 Safe Yield Reset Methodology. The Safe Yield has been reset effective July 1, 2010 and shall be subsequently evaluated pursuant to the methodology set forth in the Reset Technical Memorandum. The reset will rely upon long-term hydrology and will include data from 1921 to the date of the reset evaluation. The long-term hydrology will be continuously expanded to account for new data from each year, through July 2030, as it becomes available. This methodology will thereby account for short-term climatic variations, wet and dry. Based on the best information practicably available to Watermaster, the Reset Technical Memorandum sets forth a prudent and reasonable professional methodology to evaluate the then prevailing Safe Yield in a manner consistent with the Judgment, the Peace Agreements, and the OBMP Implementation Plan. In furtherance of the goal of maximizing the beneficial use of the waters of the Chino Basin, Watermaster, with the recommendation and advice of the Pools and Advisory Committee, may supplement the Reset Technical Memorandum's methodology to incorporate future advances in bestmanagement practices and hydrologic science as they evolve over the term of this order.

4.5 Annual Data Collection and Evaluation. In support of its obligations to undertake the reset in accordance with the Reset Technical Memorandum and this order, Watermaster shall annually undertake the following actions: (a) Ensure that, unless a Party to the Judgment is excluded from reporting, all production by all Parties to the Judgment is metered, reported, and reflected in Watermaster's approved Assessment Packages; (b) Collect data concerning cultural conditions annually with cultural conditions including, but not limited to, land use, water use practices, production, and facilities for the production, generation, storage, recharge, treatment, or transmission of water; (c) Evaluate the potential need for prudent management discretion to avoid or mitigate undesirable results including, but not limited to, subsidence, water quality degradation, and unreasonable pump lifts. Where the evaluation of available data suggests that there has been or will be a material change from existing and projected conditions or threatened undesirable results, then a more significant evaluation, including modeling, as described in the Reset Technical Memorandum, will be undertaken; and, (d) As part of its regular budgeting process, develop a budget for the annual data collection, data evaluation, and any scheduled modeling efforts, including the methodology for the allocation of expenses among the Parties to the Judgment. Such budget development shall be consistent with section 5.4(a) of the Peace Agreement.

4.6 Modeling. Watermaster shall cause the Basin Model to be updated and a model evaluation of Safe Yield, in a manner consistent with the Reset Technical Memorandum, to be initiated no later than January 1, 2024, in order to ensure that the same may be completed by June 30, 2025.

4.7 Peer Review. The Pools shall be provided with reasonable opportunity, no less frequently than annually, for peer review of the collection of data and the application of the data collected in regard to the activities described in Paragraphs 4.4, 4.5, and 4.6 above.

4.8 No Retroactive Accounting. Notwithstanding that the initial Safe Yield reset, described in Paragraph 4.1 above, shall be effective as of July 1, 2010, Watermaster will not, in any manner, including through the approval of its Assessment Packages, seek to change prior accounting of the prior allocation of

Safe Yield and Operating Safe Yield among the Parties to the Judgment for
production years prior to July 1, 2014.
(Reset Order at 15:18 – 18:15.)

*Motion by Mr. Ronald Pietersma, seconded by Mr. Ron LaBrucherie, Jr., and by unanimous vote
Moved to approve the actions as shown above.*

ADJOURNMENT

Chair Feenstra adjourned the Agricultural Pool special meeting at 2:28 p.m.

Secretary: _____

Approved: _____

EXHIBIT J

COURT OF APPEAL -- STATE OF CALIFORNIA
FOURTH DISTRICT
DIVISION TWO

ORDER

CHINO BASIN MUNICIPAL WATER
DISTRICT,

Plaintiff,

v.

CITY OF CHINO et al.,

Defendants, Objectors and
Respondents;

CUCAMONGA VALLEY WATER
DISTRICT et al.

Defendants, Movants and
Appellants.

E068640

(Super.Ct.No. RCVRS51010)

The County of San Bernardino

THE COURT

The court has reviewed the motion to be designated as a respondent filed by Chino Basin Watermaster Overlying (Agricultural) Pool Committee (Ag Pool) on April 2, 2018, the opposition filed by City of Chino on April 12, 2018, and the reply filed on April 16, 2018. Proceedings in this appeal are currently stayed by order of the court filed January 3, 2018. Consequently, Ag Pool's motion is DENIED without prejudice to being raised should the stay be lifted and the appeal proceed.

The court has also reviewed the joint status report filed on April 2, 2018, advising the court of the status of the settlement negotiations and the proposed response thereto received from Ag Pool on April 3, 2018. The stay previously ordered by this court shall remain in full force and effect. Appellants are DIRECTED to serve and file either a request for dismissal or a letter advising this court of the status of settlement negotiations on or before 90 days from the date of this order.

McKINSTER
Acting P. J.

cc: See attached list

MAILING LIST FOR CASE: E068640 (Page 1 of 2)

Chino Basin Municipal Water District v. City of Chino et al.; Cucamonga Valley Water District et al.

Superior Court Clerk
San Bernardino County
8303 N. Haven Avenue
Rancho Cucamonga, CA 91730

Jimmy L. Gutierrez
Jimmy L. Gutierrez, A.L.C.
12616 Central Avenue
Chino, CA 91710

Robert Edward Donlan
Ellison Schneider & Harris LLP
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Christopher Michael Sanders
Ellison Schneider Harris & Donlan, LLP
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Frederic A. Fudacz
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Walnut Creek, CA 94596

Steven Michael Anderson
Best Best & Krieger LLP
3390 University Avenue, 5th Floor
P.O. Box 1028
Riverside, CA 92502-1028

MAILING LIST FOR CASE: E068640 (Page 2 of 2)

Chino Basin Municipal Water District v. City of Chino et al.; Cucamonga Valley Water District et al.

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Pasadena, CA 91101

Arthur Grant Kidman
Kidman Law Group
2030 Main Street, Suite 1300
Irvine, CA 92614

EXHIBIT K

**WATERMASTER RESOLUTION
NO. 2019-03**

**RESOLUTION OF THE CHINO BASIN WATERMASTER
REGARDING 2018 APPROPRIATIVE POOL POOLING PLAN AND CAMA AMENDMENTS**

1. **WHEREAS**, the Chino Basin Watermaster was appointed pursuant to the Judgment in Chino Basin Municipal Water District v. City of Chino (San Bernardino Superior Court Case No. RCV RS51010) to administer and enforce the provisions of the Judgment and any subsequent instructions and orders of the Court;

2. **WHEREAS**, the Judgment was entered in 1978 and set the initial Safe Yield of the Chino Basin at 140,000 acre-feet per year (AFY), but reserved continuing jurisdiction to the Court to amend the Judgment, inter alia, to redetermine the Safe Yield after the first ten years of operation of the Physical Solution established under the Judgment;

3. **WHEREAS**, the Parties to the Judgment have executed; and Watermaster, with the advice and consent of the Pools and Advisory Committees, has endorsed; and the Court has approved, the following agreements to implement the Physical Solution ("Court Approved Management Agreements"):

[1] the Chino Basin Peace Agreement, dated June 29, 2000, as subsequently amended in September 2004 and December 2007;

[2] the Peace II Measures (Court approved on December 21, 2007);

[3] the OBMP Implementation Plan, dated June 29, 2000, as supplemented in December 2007;

[4] the Recharge Master Plan, dated 1998, as updated in 2010, amended in 2013, and updated in 2018;

[5] the Watermaster Rules and Regulations dated June 2000, as amended; and

[6] Watermaster Resolution 2010-04 ("Resolution of the Chino Basin Watermaster regarding Implementation of the Peace II Agreement and the Phase III Desalter Expansion in Accordance with the December 21, 2007 Order of the San Bernardino Superior Court");

4. **WHEREAS**, on April 28, 2017, the Court entered its Orders for Watermaster's Motion Regarding 2015 Safe Yield Reset Agreement, Amendment of Restated Judgement, Paragraph 6 ("April 28, 2017 Order"), which, among other things, reset the Safe Yield of the Basin to 135,000 AFY. On June 23, 2017, the Cucamonga Valley Water District filed a notice of appeal of the April 28, 2017 Order. On June 26, 2017, the City of Pomona filed a notice of appeal of the April 28, 2017 Order. On June 23, 2017, the Monte Vista Water District filed a notice of appeal of the April 28, 2017 Order. The appeal is 4th Appellate District Division 2 Case E068640.

5. **WHEREAS**, the Cucamonga Valley Water District, the City of Pomona, the Monte Vista Water District (collectively "Appellants") and respondents to the appeal, the Jurupa Community Services District, the City of Chino, and the City of Ontario (collectively "Respondents," and Appellants and Respondents collectively described as the "Appeal Parties") have reached an agreement to settle the appeal. The Appeal Parties' agreement is contingent upon action by the Court to approve certain amendments to the Restated Judgment and to direct Watermaster to comply with proposed amendments to the Peace Agreement and Peace II Agreement (collectively entitled the "2018 Appropriative Pool Pooling Plan and CAMA Amendments" and hereinafter referred to as "the "2018 Proposed Changes").

6. **WHEREAS**, the Court of Appeal, by a November 7, 2018 Order, remanded the matters on appeal to the Court for the limited purpose of, and for the limited time necessary for, the Court's consideration and decision on the Appeal Parties' motion for approval of the 2018 Proposed Changes.

7. **WHEREAS**, the Overlying (Non-Agricultural) Pool, the Overlying (Agricultural) Pool, and the Appropriative Pool Committees considered the 2018 Proposed Changes, and forwarded the Appeal Parties' request to the Advisory Committee; and

8. **WHEREAS**, the Advisory Committee considered the 2018 Proposed Changes and, following deliberation, supported the 2018 Changes and forwarded it to the Watermaster Board for its support.

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

1. The 2018 Proposed Changes, attached hereto as Exhibit "A", collectively consist of:
 - a. Amendments to Paragraph 10 of Exhibit "H" to the Restated Judgment regarding the allocation of the portion of the share of the Safe Yield allocated to the Overlying (Agricultural) Pool that is not produced in a particular year ("Unproduced Agricultural Pool Water");
 - b. Amendments to Section 1.1(o) and Section 5.3(g) of the Peace Agreement regarding the Early Transfer of Unproduced Agricultural Pool Water following satisfaction of land use conversion claims;
 - c. Deletion of Section 7.1 and amendment of Section 6.2(b) of the Peace II Agreement regarding Desalter Replenishment;
 - d. The amendment of the current Court-approved schedule accounting for access to Re-Operation water, consistent with Exhibit "B" hereto; and
 - e. Amendment of section 9.2(a) of the Peace II Agreement to correct a previous drafting error.
2. The Parties to the Appeal have represented that the 2018 Proposed Changes will, if approved by the Court, result in their voluntary dismissal of the pending appeal from the Court's April 28, 2017 Order.
3. Watermaster is in substantial compliance with the Recharge Master Plan as required by Restated Judgment Exhibit "I" 2(b)(6) and the requested amendment of the current Court-approved schedule accounting for access to Re-Operation water will not cause Material Physical Injury;
4. The 2018 Proposed Changes are implementable, provided that Watermaster can proceed to recalculate Safe Yield in the manner expressly approved by the Court on pages 15-18 of the Court's April 28, 2017 Order.
5. The physical changes contemplated by the Proposed Changes have been reviewed by Watermaster's Engineer and will not result in Material Physical Injury.
6. The signatories to the Peace Agreement and the Peace II Agreement have received notice of the Proposed Changes and have expressly or impliedly consented to the amendments provided that: (i) the Overlying (Agricultural) Pool (acting in a representative capacity) has opposed the Proposed Changes and Watermaster's adoption of this Resolution *unless* Watermaster is concurrently ordered by the Court to reset the Safe Yield as provided on pages 15-18 of the Court's April 28, 2017 Order, a condition which Watermaster supports and (ii) the Overlying (Non-Agricultural) Pool (acting in a representative capacity) is not opposed to the Proposed Changes on the condition that its Pooling Plan is concurrently amended, to which Watermaster has no objection.

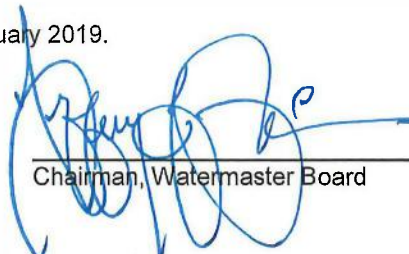
7. If necessary, any required signatures from Parties to the Peace Agreement can be secured by March 15, 2019, or by a later date established by the Court.
8. A consensual resolution of the pending dispute will result in increased efficiencies and certainty in the administration of the Restated Judgment.

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

1. The 2018 Proposed Changes can be implemented and Watermaster endorses the 2018 Proposed Changes so long as the Court instructs Watermaster to follow the provisions of pages 15-18 of the Court's April 28, 2017 order.
2. Watermaster will comply with the provisions of the 2018 Proposed Changes as may be ordered by the Court.
3. Section 10.14 of the Peace Agreement, requiring the consent of all parties thereto to amendments to that Agreement, will be satisfied if the Court: (i) approves the Proposed Changes; (ii) orders the Safe Yield to be reset in accordance with the procedure set forth on pages 15-18 of the Court's April 28, 2017 Order and (iii) concurrently approves the Overlying (Non-Agricultural) Pool's proposed amendments to its Pooling Plan that will modify agreements that are referenced in the Peace II Agreement.
4. The Watermaster Board will transmit this Resolution 2019-03, the 2018 Proposed Changes, and the referenced Attachments to the Court, and, in accordance with the requests by the parties thereto, the advice and counsel of the Pool Committees, and the Advisory Committee, Watermaster recommends that the Court approve the Proposed Changes, approve the amendments to the Overlying (Non-Agricultural) Pool Pooling Plan and further orders that Watermaster be directed to reset Safe Yield as provided on pages 15-18 of the Court's April 28, 2017 Order and to proceed in accordance with the Court Approved Management Agreements as amended.
5. The Watermaster Board directs Watermaster legal counsel to prepare and file a motion with the Court in support of the 2018 Proposed Changes in a manner consistent with this Resolution.

ADOPTED by the Watermaster Board on this 11th day of January 2019.

By:



Chairman, Watermaster Board

ATTEST:



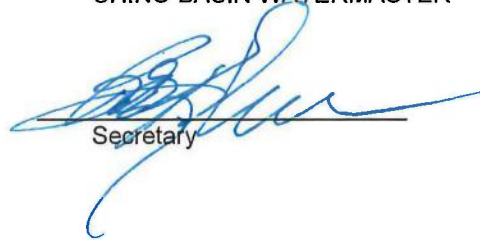
Board Secretary
Chino Basin Watermaster

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Bob Kuhn, Secretary/Treasurer of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 2019-03, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

AYES: 9
NOES: 0
ABSENT: 0
ABSTAIN: 0

CHINO BASIN WATERMASTER



Secretary

Date: 1/11/2019

LIST OF EXHIBITS

- Exhibit "A" 2018 Appropriative Pool Pooling Plan and CAMA Amendments
- Exhibit "B" Amended schedule for access to Re-Operation water

Exhibit A

Proposed Changes to Appropriative Pool Pooling Plan and CAMA

1. Appropriative Pool Pooling Plan. The introductory sentence to Exhibit H, ¶10 of the Judgment is amended to read as follows:

10. Unallocated Safe Yield Water. To the extent that, in any ~~year~~ **five years**, any portion of the share of Safe Yield allocated to the Overlying (Agricultural) Pool is not produced, such water shall be available for reallocation to members of the Appropriative Pool, as follows:

2. Early Transfer

A. Section 1.1(o) of the Peace Agreement is amended to read as follows:

(o) “Early Transfer” means the reallocation of Safe Yield not Produced by the Agricultural Pool to the Appropriative Pool on an annual basis ***after the allocations in subdivisions (a)(1) and (a)(2) of*** rather than according to the five-year increment described in Paragraph 10 of Exhibit “H” of the Judgment;

B. Section 5.3(g) of the Peace Agreement is amended to read as follows:

(g) Watermaster shall approve an “Early Transfer” of water to the Appropriative Pool ~~in an amount not less than 32,800 acre-feet per year that is the expected approximate quantity of water not Produced by the Agricultural Pool~~ ***on an annual basis*** ~~The quantity of water subject to Early Transfer under this paragraph shall be the greater of (i) 32,800 acre-feet of (ii) 32,800 acre-feet plus the actual quantity of water not Produced by the Agricultural Pool for that Fiscal Year that is remaining after all the land use conversions are satisfied pursuant to 5.3(h) below.~~

- (i) The Early Transfer water shall be annually allocated among the members of the Appropriative Pool in accordance with their pro-rata share of the initial Safe Yield.
- (ii) The Transfer shall not limit the Production right of the Agricultural Pool under the Judgment to Produce up to 82,800 acre-feet of water in any year or 414,000 acre-feet in any five years as provided in the Judgment.
- (iii) The combined Production of all parties to the Judgment shall not cause a Replenishment assessment on the members of the Agricultural Pool. The Agricultural Pool shall be responsible for any Replenishment obligation created by the Agricultural Pool Producing more than 414,000 acre-feet in any five-year period.
- (iv) The parties to the Judgment and Watermaster shall Produce water in accordance with the Operating Safe Yield and shall procure sufficient quantities of Replenishment Water to satisfy over-Production requirements, whatever they may be, and avoid Material Physical Injury to any party to the Judgment or the Basin;

(v) Nothing herein shall be construed as modifying the procedures or voting rights within or by the members of the Agricultural Pool.

3. **Conversion Claims.** Subparagraph (b)(3)(i) of Exhibit H, ¶ 10 of the Judgment is amended to read as follows:

(i) For the term of the Peace Agreement *and any extension thereof*, in any year in which sufficient unallocated Safe Yield from the Overlying (Agricultural) Pool is available for such conversion claims, Watermaster shall allocate to each appropriator with a conversion claim 2.0 acre-feet of unallocated Safe Yield water for each converted acre for which conversion has been approved and recorded by the Watermaster.

4. **Controlled Overdraft.** Pursuant to section 7.2(e)(ii) of the Peace II Agreement, 175,000 acre-feet of controlled overdraft (Re-Operation water) will be allocated to Desalter replenishment over a 17-year period, beginning in 2013-14 and ending in 2029-30, according to the schedule attached as Exhibit A.

5. **New Yield.** Section 7.1 of the Peace II Agreement, entitled “New Yield Attributable to Desalters,” is deleted. It is replaced by new section 6.2(b)(ii) as set forth in section 6 below.

6. **Desalter Replenishment.** Section 6.2(b) of the Peace II Agreement is amended to read as follows:

(b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation as follows.

(i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit “G” paragraph ~~8(e)~~ **5(c)** to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters. However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special Assessment levied by Watermaster will be distributed as provided in section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member’s share of Safe Yield, followed by

(ii) The members of the Appropriative Pool will contribute a total of 10,000 afy toward Desalter replenishment, allocated among Appropriative Pool members as follows:

(1) 85% of the total (8,500 afy) will be allocated according to the Operating Safe Yield percentage of each Appropriative Pool member; and

(2) 15% of the total (1,500 afy) will be allocated according to each land use conversion agency’s percentage of the total land use conversion claims, based on the actual land use conversion allocations of the year.

The annual desalter replenishment obligation contribution of each Appropriative Pool member will be calculated using the following formula:

*Desalter replenishment obligation contribution = (8,500 * % Appropriator's share of total initial 49,834 afy Operating Safe Yield) + (1,500 * % Appropriator's proportional share of that year's total conversion claims)*

A sample calculation of the desalter replenishment obligation contribution for each Appropriative Pool member is shown on Exhibit __ to this Peace II Agreement, as amended.

- (iii) ~~(ii)~~-A Replenishment Assessment against the Appropriative Pool *for any remaining Desalter replenishment obligation after applying both 6(b)(i) and 6(b)(ii), allocated pro-rata to each Appropriative Pool member according to the combined total of the member's share of Operating Safe Yield and the member's Adjusted Physical Production, as defined below.* ~~pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production. Desalter Production is excluded from this calculation. A sample calculation of the allocation of the remaining desalter obligation is shown in Exhibit __ to this Peace II Agreement.~~ However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may re-evaluate whether to continue the exclusion of Desalter Production but only after giving due regard to the contractual commitment of the parties.
- (iv) *Adjusted Physical Production is the Appropriative Pool member's total combined physical production (i.e., all groundwater pumped or produced by the Appropriative Pool member's groundwater wells in the Chino Basin, including water transferred from the Non-Agricultural Pool under Exhibit G, ¶9 of the Judgment), with the following adjustments:*
- (1) *In the case of assignments among Appropriative Pool members, or between Appropriative Pool members and Non-Agricultural Pool members under Exhibit G, ¶6 of the Judgment, resulting in pumping or production by one party to the Judgment for use by another party to the Judgment, the production for purposes of Adjusted Physical Production shall be assigned to the party making beneficial use of the water, not the actual producer.*
 - (2) *Production offset credits pursuant to voluntary agreements under section 5.3(i) of the Peace Agreement are calculated at 50% of the total voluntary agreement credit in the determination of Adjusted Physical Production for an Appropriative Pool member participating in a voluntary agreement for that year. In the determination of Adjusted Physical Production, the voluntary agreement credit is subtracted from physical production. Reduction of the voluntary agreement credit from 100% to 50% is applicable only to the calculation of the Adjusted Physical Production hereunder; but in all other applications, the voluntary agreement credit shall remain unchanged (i.e. remain at 100%).*

(3) *Production associated with approved storage and recovery programs (e.g., Dry Year Yield recovery program with MWD) is not counted in Adjusted Physical Production, except for in-lieu participation in such programs: in-lieu put quantities shall be added to physical production, and in-lieu take quantities shall be subtracted from physical production.*

(4) *Metered pump-to-waste Production that is determined by Watermaster to be subsequently recharged to the groundwater basin is deducted from physical production; unmetered pump-to-waste production that is determined by Watermaster not to be subsequently recharged to the groundwater basin is added to physical production.*

(5) *The Appropriative Pool may approve, by unanimous vote, the inclusion of other items in the determination of Adjusted Physical Production, with the exception of Non-Agricultural Pool water assigned or transferred under Exhibit G, ¶6 or ¶10 of the Judgment.*

(v) *Any member of the Non-Agricultural Pool that is also a member of the Appropriative Pool may elect to transfer (a) some or all of the annual share of Operating Safe Yield of the transferor in and for the year in which the transfer occurs (except that such transfer shall exclude any dedication to the Watermaster required by section 6.2(b)(1)), and (b) any quantity of water held in storage by the transferor (including without limitation carryover and excess carryover) to any member of the Appropriative Pool, in either case at any price that the transferor and transferee may deem appropriate and for the purpose of satisfying the transferee's desalter replenishment obligation. The transferee's desalter replenishment obligation shall be credited by the number of acre-feet so transferred.*

(vi) ~~(iii)~~ *The quantification of any Party's share of Operating Safe Yield does not include either land use conversions or Early Transfers.*

7. **Allocation of Non-Agricultural Pool OBMP Special Assessment.** The introductory sentence of section 9.2(a) of the Peace II Agreement is amended to read as follows:

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(e)-5(c) of Exhibit G to the Judgment (as amended) will be apportioned among the members of the Appropriative Pool in each year as follows:

Attachment: Peace Agreement, Section 7.2 (e)(ii)

Schedule for Use of Re-Operation Water**, and
 Calculation of Remaining Desalter Replenishment Obligation (DRO)
 Production from 2017-18 through 2029-30 is estimated

Production Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Peace I Desalter Production	29,227.997	29,541.300	27,008.810	26,275.588	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	14.555	448.690	1,154.052	1,527.215	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)
Non-Agricultural Pool Assessment	0.000	0.000	0.000	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	6,742.552	7,489.990	5,662.862	4,567.803	16,765.000	16,765.000	16,765.000	16,765.000	16,765.000

Production Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Peace I Desalter Production	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool "DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)
Non-Agricultural Pool Assessment	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	16,765.000	16,765.000	16,765.000	24,265.000	24,265.000	24,265.000	24,265.000	24,265.000

Attachment: Peace II Agreement, Section 6.2(b)(ii)

Allocation of Appropriative Pool Desalter Replenishment Obligation (DRO) Contributions (by agency)

Production Year 2013-14 Desalter Replenishment Obligation (DRO) Contribution:

10,000.000 AF

Appropriative Pool Party	Production Year 2013/14 Common Data (Headings from Approved 2014/2015 Assessment Package)			Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions		
	a	b	c = %b	d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
	Percent of Operating Safe Yield (Column 2A)	Land Use Conversions (Page 12A)*	Percent of Land Use Conversions	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000%	0.000	0.000	0.000
Chino Hills, City of	3.851%	1,133.906	4.334%	327.335	65.013	392.348
Chino, City of	7.357%	7,623.064	29.138%	625.345	437.074	1,062.419
Cucamonga Valley Water District	6.601%	598.364	2.287%	561.085	34.308	595.393
Fontana Union Water Company	11.657%	0.000	0.000%	990.845	0.000	990.845
Fontana Water Company	0.002%	834.000	3.188%	0.170	47.818	47.988
Fontana, City of	0.000%	0.000	0.000%	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000	0.000%	63.750	0.000	63.750
Jurupa Community Services District	3.759%	13,876.196	53.040%	319.515	795.602	1,115.117
Marygold Mutual Water Company	1.195%	0.000	0.000%	101.575	0.000	101.575
Monte Vista Irrigation Company	1.234%	0.000	0.000%	104.890	0.000	104.890
Monte Vista Water District	8.797%	55.075	0.211%	747.745	3.158	750.903
Niagara Bottling, LLC	0.000%	0.000	0.000%	0.000	0.000	0.000
Nicholson Trust	0.007%	0.000	0.000%	0.595	0.000	0.595
Norco, City of	0.368%	0.000	0.000%	31.280	0.000	31.280
Ontario, City of	20.742%	2,041.095	7.802%	1,763.070	117.028	1,880.098
Pomona, City of	20.454%	0.000	0.000%	1,738.590	0.000	1,738.590
San Antonio Water Company	2.748%	0.000	0.000%	233.580	0.000	233.580
San Bernardino, County of (Shooting Park)	0.000%	0.000	0.000%	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	0.000	0.000%	201.705	0.000	201.705
Upland, City of	5.202%	0.000	0.000%	442.170	0.000	442.170
West End Consolidated Water Co	1.728%	0.000	0.000%	146.880	0.000	146.880
West Valley Water District	1.175%	0.000	0.000%	99.875	0.000	99.875
	100.000%	26,161.700	100.000%	8,500.000	1,500.000	10,000.000

Attachment: Peace II Agreement, Section 6.2 (b)(iii)

Allocation of Appropriative Pool Remaining Desalter Replenishment Obligation (RDRO)

Production Year 2013-14:

acre-feet

CDA Production - Peace I Allocation	29,227.997
CDA Production - Peace II Allocation	14.555
Total Desalter Replenishment Obligation (Total DRO):	29,242.552
Desalter Replenishment Obligation Contribution (DROC)	(10,000.000)
Re-Operation Water	(12,500.000)
RDRO	6,742.552

Appropriative Pool Party	Operating Safe Yield	Production Year 2013/14 Common Data (From Approved 2014/2015 Assessment Package - Appendix A)					Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
	a	b	c	d	e	f	APP = [b+(c*50%)+d+e+f]	Individual Party RDRO = ((a+APP)/(Total a + Total APP)) * RDRO
	Assessment Paackage Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments	*Note: APP for City of Chino does not include "Other Adjustments" for this period	
Arrowhead Mtn Spring Water Co	0.000	379.111	0.000	0.000	0.000	0.000	379.111	15.905
Chino Hills, City of	2,111.422	2,150.925	(286.221)	0.000	0.000	5,359.300	7,367.115	397.669
Chino, City of	4,033.857	6,725.430	(6,686.440)	(104.278)	0.000	65.288	3,277.932	306.764
Cucamonga Valley Water District	3,619.454	16,121.550	0.000	0.000	0.000	0.000	16,121.550	828.227
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	268.163
Fontana Water Company	1.000	15,377.579	0.000	0.000	0.000	0.000	15,377.579	645.203
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden State Water Company	411.476	736.362	0.000	0.000	0.000	0.000	736.362	48.157
Jurupa Community Services District	2,061.118	18,406.630	0.000	(379.499)	0.000	(8.784)	18,018.347	842.427
Marygold Mutual Water Company	655.317	1,314.734	0.000	0.000	0.000	0.000	1,314.734	82.653
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	28.393
Monte Vista Water District	4,823.954	12,521.892	(151.480)	0.000	0.000	(5,371.667)	7,074.485	499.195
Niagara Bottling, LLC	0.000	1,342.588	0.000	0.000	0.000	0.000	1,342.588	56.328
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.168
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	8.456
Ontario, City of	11,373.816	21,980.342	(4,428.101)	(1,855.196)	0.000	0.000	17,911.096	1,228.639
Pomona, City of	11,215.852	12,909.293	0.000	0.000	0.000	0.000	12,909.293	1,012.163
San Antonio Water Company	1,506.888	1,159.242	0.000	0.000	0.000	0.000	1,159.242	111.857
San Bernardino, County of (Shooting Park)	0.000	16.390	0.000	0.000	0.000	0.000	16.390	0.688
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	48.515	48.515	56.634
Upland, City of	2,852.401	2,822.046	0.000	0.000	0.000	0.000	2,822.046	238.070
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	39.761
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	27.032
	54,834.000	113,964.114	(11,552.242)	(2,338.973)	0.000	92.652	105,876.384	6,742.552

EXHIBIT B

Attachment: Peace Agreement, Section 7.2 (e)(ii)

Schedule for Use of Re-Operation Water**, and
 Calculation of Remaining Desalter Replenishment Obligation (DRO)
 Production from 2017-18 through 2029-30 is estimated

Production Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Peace I Desalter Production	29,227.997	29,541.300	27,008.810	26,275.588	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	14.555	448.690	1,154.052	1,527.215	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)
Non-Agricultural Pool Assessment	0.000	0.000	0.000	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	6,742.552	7,489.990	5,662.862	4,567.803	16,765.000	16,765.000	16,765.000	16,765.000	16,765.000

Production Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Peace I Desalter Production	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool "DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)
Non-Agricultural Pool Assessment	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	16,765.000	16,765.000	16,765.000	24,265.000	24,265.000	24,265.000	24,265.000	24,265.000

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20 SUPERIOR COURT OF THE STATE OF CALIFORNIA
21 COUNTY OF SAN BERNARDINO

22 CHINO BASIN MUNICIPAL WATER
23 DISTRICT,

24 Petitioner,

25 v.

26 CITY OF CHINO, et al.,

27 Defendants.

Case No. RCVRS 51010

Judge: Stanford E. Reichert

[Proposed] ORDER

[filed with Notice of Mot. and Mot. to
Approve Amendments to Appropriative
Pool Pooling Plan and Ct.-Approved
Management Agreements; and Decl. of
Sarah Christopher Foley]

Date: March 15, 2019

Time: 1:30 p.m.

Dept.: S35

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ATTACHMENT

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Exhibit A

Proposed Changes to Appropriative Pool Pooling Plan and CAMA

1. **Appropriative Pool Pooling Plan.** The introductory sentence to Exhibit H, ¶10 of the Judgment is amended to read as follows:

10. Unallocated Safe Yield Water. To the extent that, in any ~~year~~ *five years*, any portion of the share of Safe Yield allocated to the Overlying (Agricultural) Pool is not produced, such water shall be available for reallocation to members of the Appropriative Pool, as follows:

2. **Early Transfer**

A. Section 1.1(o) of the Peace Agreement is amended to read as follows:

(o) "Early Transfer" means the reallocation of Safe Yield not Produced by the Agricultural Pool to the Appropriative Pool on an annual basis *after the allocations in subdivisions (a)(1) and (a)(2) of* rather than according to the five year increment described in Paragraph 10 of Exhibit "H" of the Judgment;

B. Section 5.3(g) of the Peace Agreement is amended to read as follows:

(g) Watermaster shall approve an "Early Transfer" of water to the Appropriative Pool ~~in an amount not less than 32,800 acre-feet per year that is the expected approximate quantity of water not Produced by the Agricultural Pool~~ *on an annual basis* ~~The quantity of water subject to Early Transfer under this paragraph shall be the greater of (i) 32,800 acre-feet of (ii) 32,800 acre-feet plus the actual quantity of water not Produced by the Agricultural Pool for that Fiscal Year that is remaining after all the land use conversions are satisfied pursuant to 5.3(h) below.~~

(i) The Early Transfer water shall be annually allocated among the members of the Appropriative Pool in accordance with their pro-rata share of the initial Safe Yield.

(ii) The Transfer shall not limit the Production right of the Agricultural Pool under the Judgment to Produce up to 82,800 acre-feet of water in any year or 414,000 acre-feet in any five years as provided in the Judgment.

(iii) The combined Production of all parties to the Judgment shall not cause a Replenishment assessment on the members of the Agricultural Pool. The Agricultural Pool shall be responsible for any Replenishment obligation created by the Agricultural Pool Producing more than 414,000 acre-feet in any five-year period.

(iv) The parties to the Judgment and Watermaster shall Produce water in accordance with the Operating Safe Yield and shall procure sufficient quantities of Replenishment Water to satisfy over-Production requirements, whatever they may be, and avoid Material Physical Injury to any party to the Judgment or the Basin;

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(v) Nothing herein shall be construed as modifying the procedures or voting rights within or by the members of the Agricultural Pool.

3. **Conversion Claims.** Subparagraph (b)(3)(i) of Exhibit H, ¶ 10 of the Judgment is amended to read as follows:

(i) For the term of the Peace Agreement *and any extension thereof*, in any year in which sufficient unallocated Safe Yield from the Overlying (Agricultural) Pool is available for such conversion claims, Watermaster shall allocate to each appropriator with a conversion claim 2.0 acre-feet of unallocated Safe Yield water for each converted acre for which conversion has been approved and recorded by the Watermaster.

4. **Controlled Overdraft.** Pursuant to section 7.2(e)(ii) of the Peace II Agreement, 175,000 acre-feet of controlled overdraft (Re-Operation water) will be allocated to Desalter replenishment over a 17-year period, beginning in 2013-14 and ending in 2029-30, according to the schedule attached as Exhibit A.

5. **New Yield.** Section 7.1 of the Peace II Agreement, entitled "New Yield Attributable to Desalters," is deleted. It is replaced by new section 6.2(b)(ii) as set forth in section 6 below.

6. **Desalter Replenishment.** Section 6.2(b) of the Peace II Agreement is amended to read as follows:

(b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation as follows.

(i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit "G" paragraph ~~8(e)~~ **5(c)** to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters. However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special Assessment levied by Watermaster will be distributed as provided in section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member's share of Safe Yield, followed by

(ii) The members of the Appropriative Pool will contribute a total of 10,000 afy toward Desalter replenishment, allocated among Appropriative Pool members as follows:

- (1) 85% of the total (8,500 afy) will be allocated according to the Operating Safe Yield percentage of each Appropriative Pool member; and*
- (2) 15% of the total (1,500 afy) will be allocated according to each land use conversion agency's percentage of the total land use conversion claims, based on the actual land use conversion allocations of the year.*

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The annual desalter replenishment obligation contribution of each Appropriative Pool member will be calculated using the following formula:

$$\text{Desalter replenishment obligation contribution} = (8,500 * \% \text{ Appropriator's share of total initial 49,834 afy Operating Safe Yield}) + (1,500 * \% \text{ Appropriator's proportional share of that year's total conversion claims})$$

A sample calculation of the desalter replenishment obligation contribution for each Appropriative Pool member is shown on Exhibit __ to this Peace II Agreement, as amended.

(iii) (ii)-A Replenishment Assessment against the Appropriative Pool for any remaining Desalter replenishment obligation after applying both 6(b)(i) and 6(b)(ii), allocated pro-rata to each Appropriative Pool member according to the combined total of the member's share of Operating Safe Yield and the member's Adjusted Physical Production, as defined below. pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production. Desalter Production is excluded from this calculation. A sample calculation of the allocation of the remaining desalter obligation is shown in Exhibit __ to this Peace II Agreement. However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may re-evaluate whether to continue the exclusion of Desalter Production but only after giving due regard to the contractual commitment of the parties.

(iv) Adjusted Physical Production is the Appropriative Pool member's total combined physical production (i.e., all groundwater pumped or produced by the Appropriative Pool member's groundwater wells in the Chino Basin, including water transferred from the Non-Agricultural Pool under Exhibit G, ¶9 of the Judgment), with the following adjustments:

(1) In the case of assignments among Appropriative Pool members, or between Appropriative Pool members and Non-Agricultural Pool members under Exhibit G, ¶6 of the Judgment, resulting in pumping or production by one party to the Judgment for use by another party to the Judgment, the production for purposes of Adjusted Physical Production shall be assigned to the party making beneficial use of the water, not the actual producer.

(2) Production offset credits pursuant to voluntary agreements under section 5.3(i) of the Peace Agreement are calculated at 50% of the total voluntary agreement credit in the determination of Adjusted Physical Production for an Appropriative Pool member participating in a voluntary agreement for that year. In the determination of Adjusted Physical Production, the voluntary agreement credit is subtracted from physical production. Reduction of the voluntary agreement credit from 100% to 50% is applicable only to the calculation of the Adjusted Physical Production hereunder; but in all other applications, the voluntary agreement credit shall remain unchanged (i.e. remain at 100%).

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(3) *Production associated with approved storage and recovery programs (e.g., Dry Year Yield recovery program with MWD) is not counted in Adjusted Physical Production, except for in-lieu participation in such programs: in-lieu put quantities shall be added to physical production, and in-lieu take quantities shall be subtracted from physical production.*

(4) *Metered pump-to-waste Production that is determined by Watermaster to be subsequently recharged to the groundwater basin is deducted from physical production; unmetered pump-to-waste production that is determined by Watermaster not to be subsequently recharged to the groundwater basin is added to physical production.*

(5) *The Appropriate Pool may approve, by unanimous vote, the inclusion of other items in the determination of Adjusted Physical Production, with the exception of Non-Agricultural Pool water assigned or transferred under Exhibit G, ¶6 or ¶10 of the Judgment.*

(v) *Any member of the Non-Agricultural Pool that is also a member of the Appropriate Pool may elect to transfer (a) some or all of the annual share of Operating Safe Yield of the transferor in and for the year in which the transfer occurs (except that such transfer shall exclude any dedication to the Watermaster required by section 6.2(b)(1)), and (b) any quantity of water held in storage by the transferor (including without limitation carryover and excess carryover) to any member of the Appropriate Pool, in either case at any price that the transferor and transferee may deem appropriate and for the purpose of satisfying the transferee's desalter replenishment obligation. The transferee's desalter replenishment obligation shall be credited by the number of acre-feet so transferred.*

(vi) ~~(iii)~~ *The quantification of any Party's share of Operating Safe Yield does not include either land use conversions or Early Transfers.*

7. **Allocation of Non-Agricultural Pool OBMP Special Assessment.** The introductory sentence of section 9.2(a) of the Peace II Agreement is amended to read as follows:

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(e)-5(c) of Exhibit G to the Judgment (as amended) will be apportioned among the members of the Appropriate Pool in each year as follows:

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Attachment: Peace Agreement, Section 7.2 (e)(ii)
 Schedule for Use of Re-Operation Water**, and
 Calculation of Remaining Desalter Replenishment Obligation (DRO)
 Production from 2017-18 through 2029-30 is estimated

Production Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Peace I Desalter Production	29,227.997	29,541.300	27,008.810	26,275.588	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	14.555	448.690	1,154.052	1,527.215	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)
Non-Agricultural Pool Assessment	0.000	0.000	0.000	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	6,742.552	7,489.990	5,662.862	4,567.803	16,765.000	16,765.000	16,765.000	16,765.000	16,765.000

Production Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Peace I Desalter Production	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool "DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)
Non-Agricultural Pool Assessment	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	16,765.000	16,765.000	16,765.000	24,265.000	24,265.000	24,265.000	24,265.000	24,265.000

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Attachment: Peace II Agreement, Section 6.2(b)(ii)

Allocation of Appropriative Pool Desalter Replenishment Obligation (DRO) Contributions (by agency)

Production Year 2013-14 Desalter Replenishment Obligation (DRO) Contribution: **10,000.000 AF**

Appropriative Pool Party	Production Year 2013/14 Common Data (Headings from Approved 2014/2015 Assessment Package)			Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions		
	a	b	c = %b	d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
	Percent of Operating Safe Yield (Column 2A)	Land Use Conversions (Page 12A)*	Percent of Land Use Conversions	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000%	0.000	0.000	0.000
Chino Hills, City of	3.851%	1,133.906	4.334%	327.335	65.013	392.348
Chino, City of	7.357%	7,623.064	29.138%	625.345	437.074	1,062.419
Cucamonga Valley Water District	6.601%	598.364	2.287%	561.085	34.308	595.393
Fontana Union Water Company	11.657%	0.000	0.000%	990.845	0.000	990.845
Fontana Water Company	0.002%	834.000	3.188%	0.170	47.818	47.988
Fontana, City of	0.000%	0.000	0.000%	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000	0.000%	63.750	0.000	63.750
Jurupa Community Services District	3.759%	13,876.196	53.040%	319.515	795.602	1,115.117
Marygold Mutual Water Company	1.195%	0.000	0.000%	101.575	0.000	101.575
Monte Vista Irrigation Company	1.234%	0.000	0.000%	104.890	0.000	104.890
Monte Vista Water District	8.797%	55.075	0.211%	747.745	3.158	750.903
Niagara Bottling, LLC	0.000%	0.000	0.000%	0.000	0.000	0.000
Nicholson Trust	0.007%	0.000	0.000%	0.595	0.000	0.595
Norco, City of	0.368%	0.000	0.000%	31.280	0.000	31.280
Ontario, City of	20.742%	2,041.095	7.802%	1,763.070	117.028	1,880.098
Pomona, City of	20.454%	0.000	0.000%	1,738.590	0.000	1,738.590
San Antonio Water Company	2.748%	0.000	0.000%	233.580	0.000	233.580
San Bernardino, County of (Shooting Park)	0.000%	0.000	0.000%	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	0.000	0.000%	201.705	0.000	201.705
Upland, City of	5.202%	0.000	0.000%	442.170	0.000	442.170
West End Consolidated Water Co	1.728%	0.000	0.000%	146.880	0.000	146.880
West Valley Water District	1.175%	0.000	0.000%	99.875	0.000	99.875
	100.000%	26,161.700	100.000%	8,500.000	1,500.000	10,000.000

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Attachment: Peace II Agreement, Section 6.2 (b)(iii)
Allocation of Appropriative Pool Remaining Desalter Replenishment Obligation (RDRO)

Production Year 2013-14:	acre-feet
CDA Production - Peace I Allocation	29,227.997
CDA Production - Peace II Allocation	14.555
Total Desalter Replenishment Obligation (Total DRO):	29,242.552
Desalter Replenishment Obligation Contribution (DROC)	(10,000.000)
Re-Operation Water	(12,500.000)
RDRO	6,742.552

Appropriative Pool Party	Operating Safe Yield	Production Year 2013/14 Common Data (From Approved 2014/2015 Assessment Package - Appendix A)					Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
	a	b	c	d	e	f	APP = [b+(c*50%)+d+e+f]	Individual Party RDRO = ((a+APP)/(Total a + Total APP)) * RDRO
	Assessment Package Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments	*Note: APP for City of Chino does not include "Other Adjustments" for this period	
Arrowhead Mtn Spring Water Co	0.000	379.111	0.000	0.000	0.000	0.000	379.111	15.905
Chino Hills, City of	2,111.422	2,150.925	(285.221)	0.000	0.000	5,359.300	7,367.115	397.669
Chino, City of	4,033.857	6,725.430	(6,686.440)	(104.278)	0.000	65.288	3,277.932	306.764
Cucamonga Valley Water District	3,619.454	16,121.550	0.000	0.000	0.000	0.000	16,121.550	828.227
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	268.163
Fontana Water Company	1.000	15,377.579	0.000	0.000	0.000	0.000	15,377.579	645.203
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Golden Slate Water Company	411.476	736.362	0.000	0.000	0.000	0.000	736.362	48.157
Jurupa Community Services District	2,061.118	18,406.630	0.000	(179.499)	0.000	(8.764)	18,018.347	842.427
Marygold Mutual Water Company	655.317	1,314.734	0.000	0.000	0.000	0.000	1,314.734	82.653
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	28.393
Monte Vista Water District	4,823.954	12,521.892	(151.480)	0.000	0.000	(5,371.667)	7,074.485	499.195
Niagara Bottling, LLC	0.000	1,342.588	0.000	0.000	0.000	0.000	1,342.588	56.328
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.168
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	8.456
Ontario, City of	11,373.816	21,980.342	(4,428.101)	(1,855.196)	0.000	0.000	17,911.096	1,228.639
Pomona, City of	11,215.852	12,909.293	0.000	0.000	0.000	0.000	12,909.293	1,012.163
San Antonio Water Company	1,506.888	1,159.242	0.000	0.000	0.000	0.000	1,159.242	111.857
San Bernardino, County of (Shooting Park)	0.000	16.390	0.000	0.000	0.000	0.000	16.390	0.688
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	48.515	48.515	56.634
Upland, City of	2,852.401	2,822.046	0.000	0.000	0.000	0.000	2,822.046	238.070
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	39.761
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	27.032
	54,834.000	113,964.114	(11,552.242)	(2,338.973)	0.000	92.652	105,876.384	6,742.552

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CHINO BASIN WATERMASTER

Case No. RCVRS 51010

Chino Basin Municipal Water District v. City of Chino, et al.

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 January 15, 2019 served the following:

1. NOTICE OF MOTION AND MOTION TO APPROVE AMENDMENTS TO APPROPRIATIVE POOL POOLING PLAN AND COURT-APPROVED MANAGEMENT AGREEMENTS; MEMORANDUM OF POINTS AND AUTHORITIES
2. DECLARATON OF SARAH CHRISTOPHER FOLEY IN SUPPORT OF MOTION TO APPROVE AMENDMENTS TO APPROPRIATIVE POOL POOLING PLAN AND COURT-APPROVED MANAGEMENT AGREEMENTS
3. [PROPOSED] ORDER

/ X / BY MAIL: in said cause, by placing a true copy thereof enclosed with postage thereon fully prepaid, for delivery by United States Postal Service mail at Rancho Cucamonga, California, addresses as follows:

See attached service list: Mailing List 1

/ ___ / BY PERSONAL SERVICE: I caused such envelope to be delivered by hand to the addressee.

/ ___ / BY FACSIMILE: I transmitted said document by fax transmission from (909) 484-3890 to the fax number(s) indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting fax machine.

/ 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 January 15, 2019 in Rancho Cucamonga, California.



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Chino Basin Watermaster

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