

## Appendix B2 – Comments and Responses on the October 24, Draft 2019 Storage Management Plan Report, Version 2

### November 19, 2019 comment letter from the Overlying Agricultural Pool (OAP)

Comment No. 1. Section 1.1. OAP comment reads: ***“The introduction and descriptions of storage agreements and accounts remain unclear. The text refers to three types of agreements and four types of accounts. The text names four types of accounts, but only describes three. The relationship between types of accounts and their corresponding agreements should be clarified.”***

Response. The text of SMP document was revised and it now reads:

“Since the Judgment came into effect, Watermaster developed rules and regulations, standard storage agreements, and related forms. There are three types of storage agreements that result in four types of storage accounts: Excess Carryover, Local Supplemental-Recycled, Local Supplemental-Imported, Pre-2000 Quantified Supplemental, and Storage and Recovery. An Excess Carryover account includes a Party’s unproduced rights in the Safe Yield (Safe Yield for Overlying Non-Agricultural Pool Parties and Operating Safe Yield for Appropriative Pool Parties) and Basin Water acquired from other Parties. Local Supplemental Water accounts includes imported and recycled water that is recharged by a Party and similar water acquired from other Parties. A Storage and Recovery account includes Supplemental Water and is intended to produce a “broad and mutual benefit to the Parties to the Judgment.” Watermaster tracks the puts, takes, losses, and end of year storage totals for all of these storage accounts, and reports on this accounting in the annual assessment process. The losses assessed by Watermaster are based on the amount of water in managed storage (excluding Carryover) and they offset the increase in groundwater discharge to the Santa Ana River from the Chino Basin attributable to managed storage (excluding Carryover). Watermaster also assesses losses due to evaporation on the puts when water is recharged in spreading basins.” (emphasis added)

Comment No. 2. Section 1.1. OAP comment reads: ***“The response to OAP Comment No.3 indicates the “text has been revised to include a description of the losses referred to in Section 1.1.” (Appendix B Response to Comments on 2020 SMP V1, p. B-1.) The noted revisions and description are not apparent. Where in the text can they be found? There is a storage loss***

***factor for flow out of the Chino North Management Zone (described in the White Paper). Are other losses calculated and tracked?”***

Response. See text revision in the response to Comment No. 1 above.

Comment No. 3. Section 1.1. OAP comment reads: ***Details, such as the date it was approved by the court and its purpose, are provided for Form 8, however, corresponding information about Form 1 is not provided. Consider adding such information or explaining why the information is not relevant for Form 1.”***

Response. The text of SMP document was revised to include the following paragraph in Section 1.1:

“The Form 1 Application for Local Storage Agreement was approved in 2001 and has not been amended since that time; it is the mechanism through which Parties may apply to enter into a Local Storage Agreement.”

Comment No. 4. Section 2.1. OAP comment reads: ***“This section does not describe how storage may be allocated among the Parties. Watermaster counsel has indicated Watermaster has no priority for allocation of storage but what will happen if it becomes a limited resource? Is it first come first serve until fully allocated with the hope that it will not be fully allocated?”***

Response. Watermaster anticipates, based on the Parties’ projections, that 800,000 AF would be adequate to satisfy the Parties’ storage activities and the DYYP until 2030. Watermaster plans to evaluate projections periodically and update the SMP no less frequently than every 5 years having the opportunity to adjust and avoid limiting the Parties use.

Comment No. 5. Section 2.1. OAP comment reads: ***“It is clear that a storing entity must prepare an evaluation of managed storage above 1,000,000 acre-feet (af) “to ensure that there will be no material injury.” The OAP suggests making it clear (as we understand from the workshops) that the evaluation will be both a technical evaluation in addition to CEQA compliance. The OAP suggests including clarification that the evaluation needs to address potential Material Physical Injury (MPI) as well as adverse impacts (Safe Yield reduction and loss of hydraulic control).”***

Response: The text of SMP document was revised and it now reads:

“Note that the use of managed storage greater than 1,000,000 af may be possible provided the storing entity submits a bona fide Storage and Recovery Program application, demonstrates that the program has broad mutual benefit, demonstrates that program’s mitigation measures will meet the mitigation requirements of the Watermaster to ensure there will be no MPI and other adverse impacts, complies with CEQA and obtains approval from the Watermaster.” (emphasis added)

Comment No. 6. Section 2.3.2. OAP comment reads: ***“Future evaluations of storage impacts to Safe Yield will be done in the Safe Yield reset or interim corrections. It may be helpful in this section to reference the 2015 Reset Technical Memorandum and the April 2017 Court order for additional information on the Safe Yield reset methodology.”***

Response. A footnote was added to this section that reads:

“Refer to the 2015 Reset Technical Memorandum and the April 2017 Court Order for additional information on the Safe Yield reset methodology. These documents can be found here:  
[https://cbwm.syncedtool.com/shares/folder/e83081106c3072/?folder\\_id=1595](https://cbwm.syncedtool.com/shares/folder/e83081106c3072/?folder_id=1595).”

Comment No. 7. Section 2.4.2. OAP comment reads: ***“The Draft SMP Version 2 states, “...recharge loss rate... may be adjusted from time-to time...” What is the mechanism for developing and approving this adjustment, and can it only be done under the condition of additional evaluation of Safe Yield?”***

Response. Watermaster may adopt uniform rules to address triggers, notice, opportunity to respond and to implement corrective actions. Moreover, as part of the Storage and Recovery application and approval process, each Storage and Recovery application may have customized conditions responsive to the characteristics of the specific project.

Comment No. 8. Section 2.4.2. OAP comment reads: ***“The Draft SMP Version 2 states, “Watermaster will periodically review current and projected basin conditions...” Periodically is subject to interpretation. Will this review be done at a minimum frequency, based on threshold changes in amounts of water in storage, or combined with other reviews (e.g., SMP updates, additional Safe Yield evaluations”***

Response. Watermaster will periodically review current and projected basin conditions when it updates the SMP as described in Section 2.6. Watermaster could conduct additional reviews if

routine assessments of monitoring and planning data indicate changed conditions from that which was assumed in the evaluation of existing Storage and Recovery Program, when the Safe Yield is recalculated and when new Storage and Recovery Program applications are submitted to Watermaster.

Comment No. 9. Section 2.4.3. OAP comment reads: ***“The Draft SMP Version 2 states, “Watermaster will periodically review current and projected state of Hydraulic Control...” Periodically is subject to interpretation. Will this review be done at a minimum frequency, based on threshold changes in amounts of water in storage, or combined with other reviews (e.g., SMP updates, additional Safe Yield evaluations)?”***

Response. Hydraulic Control is evaluated annually in the Max Benefit Report to the Regional Board.

Comment No. 10. Section 2.4.3. OAP comment reads: ***“Please clarify that loss of Hydraulic Control is not an MPI, if that is what is intended. Loss of Hydraulic Control appears to have a higher threshold of impact than impacts to Safe Yield in the SMP because loss of Hydraulic Control “must be mitigated” as indicated in the section heading. The OAP suggests additional discussion of this need for a higher level of mitigation in the text of this section.”***

Response. The text of SMP document was revised in multiple locations to state that loss of Hydraulic Control is an adverse impact and not MPI.

Comment No. 11. Section 2.6. OAP comment reads: ***“This section identifies the need for Watermaster to “update the SMP at least five years before the aggregate amount of managed storage by the Parties is projected to fall below 340,000 af.” Watermaster has indicated in its response to comments that this threshold of 340,000 af includes Storage and Recovery programs. The 340,000 af threshold was established because impacts to the basin (e.g. subsidence induced by groundwater withdrawal) due to reducing managed storage below this threshold have not been evaluated. It could be termed “the band of storage management untested for MPI.” We suggest that it may be appropriate to discuss this issue in Section 2.4.2 because there is additional risk in any storage and recovery program that relies on this untested band of storage management.”***

Response. The 340,000 af threshold includes managed storage by the Parties and does not include Storage and Recovery programs.

## November 21, 2019 comment email from the Overlying Non- Agricultural Pool (ONAP)

Comment No. 1. Page 1-2 – Last sentence of Background section. ONAP comment reads: ***“This sentence omits that Non-Agricultural Pool Parties can have Supplemental Waters. Please make the correction.”***

Response: The text of SMP document was revised and it now reads:

“Local Storage includes Excess Carryover for the Overlying Non-Agricultural Pool Parties and Excess Carryover and Supplemental Waters for the Appropriate Pool and Overlying Non-Agricultural Pool Parties.”

Comment No. 2. Page 1-4 and Page 2-1 – Conjunctive-Use. ONAP comment reads: ***“Section 1.2 and Section 2.1 talk about conjunctive-use. How is conjunctive-use defined? What is included and excluded?”***

Response: First sentence of Section 1.2 describes conjunctive use.

Comment No. 3. Page 2-3 & 2-4 – Local Storage Applications/Agreements. ONAP comment reads: ***“Section 2.5 addresses the evergreen concept and the need for a revised Form 8. Will a new Form 1 also be needed? Will input from the Pools be considered in crafting revised forms?”***

Response: Proposed revised Forms, to the extent desired, will be considered and approved through the Pool Committee, Advisory Committee, and Board process.

Comment No. 4. Section 2.5. ONAP comment reads: ***“Section 2.5 also comments that the evergreen agreements would be valid for the duration of the Peace Agreement. What happens upon expiration and how much advance notice will Parties have?”***

Response: The expiration of the Peace Agreement will be known at least five years in advance. Accordingly, the effect of the expiration of the Peace Agreement and storage agreements can be considered and addressed at the time an intervening SMP update is undertaken.

Comment No. 5. Page 2-4 – MPI. ONAP comment reads: ***“The last sentence in Section 2.5 discusses MPI. Please provide a summary of what MPI may be caused by water in storage if the Parties do not exceed the proposed First Managed Storage Band of 800,000 AF. What MPI could be caused over 800,000 AF?”***

Response: The Storage Framework Investigation indicated there is no MPI within the FMSB; storage used above 800,000 AF will need to be evaluated for MPI (land subsidence, water quality, and pumping sustainability) and other adverse effects (e.g. reduction in Safe Yield, loss of Hydraulic Control).

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## November 19, 2019 comment letter from the City of Chino

Comment No. 1. Section 1.2 (Page 1-5 2nd paragraph) and Section 2.1 (page 2-1 paragraphs 1 and 2). City's comment reads: ***"Section 1.2 indicates the combined use of managed storage and the existing Dry Year Yield (DYY) conjunctive use program is projected to reach a maximum of ~790,000 AF, assuming there is 100,000 AF in the DYY in 2028. Section 2.1 paragraph 1 indicates the First Managed Storage Band (FMSB, upper threshold = 800,000 AF) includes the DYY. Section 2.1 paragraph 2 indicates that extension of the DYY (beyond 2028) will require the DYY to use storage space above the 800,000 AF band threshold. (a) Does this mean that if the DYY is extended (beyond 2028) that the 100,000 AF of space below the 800,000 AF threshold (within FMSB) previously reserved for DYY use prior to 2028 is immediately available for managed storage use in 2029 and no longer available for the DYY? (b) Does this mean that any extension of the DYY program beyond 2028 would likely be required to mitigate impacts in-advance? (c) Do the terms of the existing DYY agreement require that the water in the DYY account be entirely depleted (withdrawn) prior to 2028 agreement expiration?"***

Response. (a) – Yes. (b) – Any Storage and Recovery Program would be approved only if any projected MPI and adverse impacts are addressed such that the Program could be undertaken without MPI or adverse impacts. (c) – The storage agreement does not address this issue; the Operating Committee is currently reviewing. The SMP is planned to be updated at a frequency no less than every 5 years so any changes regarding the DYY agreement could be addressed in later updates if necessary.

Comment No. 2. City's comment reads: ***"Expanding on Comment No. 1 (above), the possibility of adjusting the FMSB upper threshold up or down, based on the Parties' needs, was discussed at the November 6th SMP Workshop #3. Please expand on the timing of the modifications to the FMSB and what the process would be to make changes to the FM SB. For example, would changes to the FMSB upper threshold require consent from all three Pools and would unanimous consent be required from the Appropriative and Overlying Non-Agricultural Pool members?"***

Response. The Restated Judgment gives Watermaster control over storage; Watermaster plans to update the SMP as described in Section 2.6 and at that time will seek input including water demand and supply projections from the Parties. The FMSB was defined based on the Parties' input, which would be considered again at the time of any SMP update.

Comment No. 3. Section 2.3.2. City's comment reads: ***"Section 2.3.2 indicates that reduction in Safe Yield (SY) due to projected managed storage volume is incorporated into the SY estimate, and that this adverse impact (i.e. reduced Safe Yield) is mitigated by the prospective calculation of SY. (a) Please provide a tabulation or other form of explanation that illustrates the impact/mitigation below the FMBS threshold of 800,000 AF. Presumably, other factors (besides managed storage) may also have the effect of reducing Safe Yield. (b) Can it be determined what portion of estimated SY reduction is due to storage management and what portion of estimated SY reduction is due to other factors? (c) If yes, then how can these factors (i.e. managed storage and other cultural condition factors) be described in separate quantitative terms to allow for a practical means to reconcile the associated impacts on an annual basis?"***

***For example, if SY (net recharge) is reduced as a result of increasing storage volumes (assuming no corresponding implementation of a plan for optimizing production that would be necessary to maintain SY), can this cause & effect be expressed algebraically? (d) If yes, then what is the algebraic formula? If no, then what practical method(s) may be used to quantify the cause & effect on an annual basis as storage volumes fluctuate?"***

Response. (a) – This information has not been developed by Watermaster or its consultants. (b) – Theoretically, yes. (c) – Technical work could be done to develop methods to allocate the projected changes in net recharge and Safe Yield based on changes in cultural conditions and the individual Parties pumping, recharge and the storage activities. (d) – This would be determined in the work described in (c). This scope of work is highly impractical as there are many variables to consider and thus has not been considered or budgeted.

Comment No. 4. City's comment reads: ***"Expanding on Comment No. 3 (above), Storage Framework Investigation (SFI) Figure 5-7 depicts a projected inflection point at approximately Year 2040 when the net recharge begins to steadily increase. SFI Figure 6-3 describes managed storage volumes in Year 2040 to be well above 500,000 AF (depending on assumed operating scenario), and then dropping to approximately 340,000 AF in the Year 2056. Please provide an explanation of the circumstances depicted by these two figures, and how/why Safe Yield (net recharge) is projected to increase in the future when there is a significant amount of managed storage."***

Response. As to Figure 5-7, the following observations can be made from the review of 2018 SFI report Tables 3-4 and 3-5. In Scenario 1A, total groundwater pumping is projected to increase from about 146,000 afy in 2018 to about 154,000 afy in 2030 (~ 8,000 afy increase) and thereafter gradually increase to about 177,000 afy by 2040 (~23,000 afy increase). Projected pumping is less than pumping rights through 2030 and storage is projected to increase through 2030. After 2030, pumping exceeds pumping rights and storage is projected to decrease. The net recharge projection generally declines with increasing storage and increases with decreasing storage. There is a time lag between the onset of the decrease in storage and



increase in net recharge that is attributable to the basin dynamics – in 2032 the rate of decline in net recharge declines and by about 2040 the net recharge starts to increase. Inspection of the water budget shown in Table 3-5 indicates that the total recharge during the 2018 through 2050 period is fairly consistent and averages about 200,000 afy; and that the total discharge increases gradually over the same period from about 190,000 afy to 218,000 afy tracking the projected pumping. Cultural conditions have some effect in that the deep infiltration of precipitation and applied water decreased by about 5,000 afy from 2018 to 2050 and however this effect has been offset by a projected increase in storm water recharge in 2021.

As to Figure 6-3 the projected decline in managed storage occurs because 80 percent of the projected replenishment obligation, estimated to be about 17,000 afy after 2030, is satisfied from managed storage.

Comment No. 5. . Sections 2.4.2 and 2.4.3. City’s comment reads: ***“Both discussions end with an indication that Watermaster may require changes in Storage and Recovery (S/R) agreements to mitigate impacts. What processes of Watermaster notification and S/R Party response are contemplated to allow S/R Parties to modify their behavior to avoid or minimize further mitigation after they have presumably already provided mitigation at the time their S/R agreements were initially approved?”***

Response. Watermaster may adopt uniform rules to address triggers, notice, opportunity to respond and to implement corrective actions. Moreover, as part of the Storage and Recovery application and approval process, each Storage and Recovery application may have customized conditions responsive to the characteristics of the specific project.

Comment No. 6. White Paper. City’s comment reads: ***“The SFI (page 1-5) indicates the Chino Basin Groundwater Model and Recalculation of Safe Yield Pursuant to the Peace Agreement (Safe Yield report) assessed the hydrology of the Chino Basin, and concluded that managed storage was projected to increase from 487,000 AF in Year 2016 to approximately 663,000 AF by Year 2030 and then decline thereafter to zero (0.0) AF by Year 2051. This was restated in the White Paper at the bottom of page 5. However, as described in Comment No. 4 (above), the subsequent SFI analysis (Figure 6-3) indicates managed storage is projected to be approximately 340,000 AF in Year 2056. (a) Does the SFI analysis update/replace the conclusion of the Safe Yield report with respect to the projected volume of managed storage in future years? Please explain.”***

***“The White Paper (page 3) indicates the Operational Storage Requirement (OSR) is the volume of storage necessary to maintain the Safe Yield (SY), and that during the development of the Optimum Basin Management Program (OBMP ~ Year 2000) the OSR was estimated to be 5.3 MAF. The White Paper also indicates the Safe Storage Capacity***

***{SSC} in addition to the OSR was estimated (~ Year 2000) to be 500,000 AF (the SSC is the amount of storage for which it was believed significant water quality impacts would not be triggered by groundwater level). More recent Storage Framework Investigation (SFI) analyses seem to indicate that the SSC is ~ 800,000 AF. SMP Section 2.6 indicates it is projected that the aggregate amount of managed storage by the Parties is approximately 340,000 AF in Year 2056 and that impacts resulting from an aggregate managed storage volume less than 340,000 AF has not been estimated. However, recent SMP workshop discussions seem to suggest that if the aggregate managed storage volume is less than 340,000 AF, then it is believed that new land subsidence may result. (b) What relationships exist between the originally estimated 5.3 MAF OSR, the originally estimated 500,000 AF SSC, the 800,000 AF SFI FMSB, and the projected 340,000 AF managed storage volume?"***

Response. (a) – Yes. The 2018 SFI uses updated water demand and supply projections. (b) – The estimated 5,300,000 af OSR and 500,000 af SSC described in the Peace Agreement IP have no relationship to 800,000 af FMSB described in the 2020 SMP. The storage management plan in the 2020 SMP is a completely different management paradigm than that described in the Peace Agreement IP. The 2018 SFI and 2020 SMP are based on 20 years of monitoring, a significantly updated hydrogeologic understanding of the basin and improved modeling.

Comment No. 7. Section 2.3.2. City's comment reads: ***"Comment No. 3 (above), pertaining to Section 2.3.2, describes a circumstance that might generally be regarded as an adverse impact since SY is reduced. Maintenance of the 340,000 AF threshold described in Comment No. 6 (above) would seem to represent a positive impact i.e. prevents triggering the "onset of new land subsidence" that would likely occur when managed storage falls below that critical managed storage volume. If true, then how might this positive impact be quantified?"***

Response. Quantification of a benefit on preventing the occurrence of new land subsidence by maintaining managed storage in excess of 340,000 af is beyond the scope of the 2018 SFI.

## November 19, 2019 comment letter from the City of Ontario

### 1. Storage Bands

- a. ***Section 1.2 describes end conditions for the volume of water in the DYYP account in 2028 and the subsequent extraction. This paragraph (the second paragraph on page 1-5) does not accurately characterize the agreement between Metropolitan Water District and the Parties to the DYYP. Parties are not obligated to perform (i.e. remove water from the DYYP storage account) after 2028.***

Response. The DYYP agreement does not address this issue; the Operating Committee is currently reviewing. The SMP is planned to be updated at a frequency no less than every 5 years so any changes regarding the DYYP agreement could be addressed at later updates if necessary.

- b. ***Section 2.1 states that “the managed storage space between 800,000 and 1,000,000 af is reserved for Storage and Recovery Programs” (emphasis added).***

- i. ***If, due to changing conditions or water resource management, Parties desire to store more than 800,000 af, will Watermaster authorize storage agreements for Parties to do so?***

Response. Yes, but this will require future technical evaluations and an SMP revision that would occur in periodic update of the SMP as described in Section 2.6.

- ii. ***Does this statement indicate that Watermaster intends to reserve space above 800,000 af for Storage and Recovery Programs which may never come to fruition?***

Response. No, Watermaster anticipates, based on Parties’ projections, that 800,000 AF would be adequate to satisfy Parties’ storage activities and the DYYP until 2030. Watermaster plans to evaluate projections periodically and update the SMP no less frequently than every 5 years having the opportunity to adjust and avoid limiting the Parties use.

- c. ***Section 2.1 states that “renewal or extension of the DYYP agreement will require the DYYP to use storage space above 800,000 af.” It is unclear why this is required.***

Response. The FMSB for the 2020 SMP includes the projected managed storage

requirement of the Parties and the DYYP. The DYYP is included in the FMSB because it is an existing Storage and Recovery Program, it places contractual requirements on the Parties and it will terminate in 2028. Renewal or extension of the DYYP will trigger a new Storage and Recovery Program application process and the terms of the renewed or extended DYYP storage agreement will need to be consistent with the SMP at the time the new Storage and Recovery Program application is considered by Watermaster. Storage and Recovery Programs utilize storage above the FMSB. The 800,000 afy contained in the FMSB will be revised no later than 2025 and it may be increased or decreased based on the managed storage requirements of the Parties.

***d. In the last paragraph of Section 2.1, it is noted that “the use of managed storage greater than 1,000,000 af may be possible provided the storing entity...demonstrates that the program has broad mutual benefit.”***

***i. What is the basis for this requirement? The Peace Agreement does not require all Storage and Recovery Programs provide broad mutual benefit. Broad mutual benefit is only necessary if Watermaster acts to condition, curtail or prohibit Local Storage to provide priority to Storage and Recovery Program(s).***

Response. Section 5.2(c)(iv)(b) of the Peace Agreement provides that Watermaster shall prioritize its efforts to regulate and condition the storage and recovery of water developed in a Storage and Recovery Program for the mutual benefit of the Parties to the Judgment and give first priority to Storage and Recovery Programs that provide broad mutual benefits.

***ii. How is broad mutual benefit demonstrated and/or determined?***

Response. Broad mutual benefit will be determined at the time that application(s) for Storage and Recovery Program storage agreements are received, and it may be determined through Activity B as it is being contemplated in the 2020 OBMP Update.

## **2. Use of Spreading Basins**

***a. In Appendix B, Watermaster’s response to Inland Empire Utilities Agency’s (IEUA) Comment No. 1 states that “there is an existing hierarchal scheme for the use of spreading basins.” The listed “hierarchal scheme” includes first flood control, second stormwater recharge, third Watermaster replenishment and recharge, and fourth IEUA recycled water recharge. Who developed the hierarchal scheme for the use of spreading basins and where is this scheme documented? To which basins does it apply? Basins may be owned by San Bernardino County Flood Control District, Chino Basin Water***

**Conservation District, or IEUA.**

Response. The priorities are established in Section III of the “Agreement for Operation and Maintenance of Facilities to Implement the Chino Basin Recharge Master Plan”. They are also specified by basin in the Operations Manual.

- b. Additionally, basins and basin improvements in some cases were funded 50% by IEUA to increase recycled water recharge. How does the stated hierarchal scheme recognize the priority of the Parties that have invested financially in the basins?**

Response. See response to comment 2.a. above.

**3. Mitigation**

- a. What is the benchmark for mitigation impacts to net recharge and Safe Yield? In other words, is the demonstrated reduction compared against 140,000 afy, 135,000 afy, or another value, such as a theoretical Safe Yield absent stored water?**

Response. The benchmark is estimated net recharge and Safe Yield absent stored water.

- b. The Storage Framework Investigation concluded that the reduction in Safe Yield (as a percentage of average annual storage space used) ranged from 1.50% to 2.41% for bands 2, 3 and 4. The Storage Management Plan states this value as 2.0 percent. Please clarify if the 2.0 percent is an average across the three bands or if Watermaster is using a different methodology to set the 2.0 percent impact.**

Response. It is an average. For clarity the text of SMP document was revised and it now reads:

“The 2018 SFI concluded the that the net recharge and Safe Yield of the basin would be reduced annually by about 2.0 percent (ranged from 1.5 to 2.4 percent) of the volume of water stored in a Storage and Recovery Program.” (emphasis added)

- c. ***Section 2.4.1 suggests prioritizing puts and takes in MZ2 and MZ3, in part due to impacts on “solvent plumes.” Solvent plumes are also present in MZ2 and could be impacted by puts and takes in that zone, as could pumping depressions. Each Storage and Recovery Program should be individually analyzed to determine acceptable put and take locations.***

Response. Comment noted.

- d. ***For the process described in the second paragraph of Section 2.4.2, please describe if Watermaster will estimate lifetime reduction in net recharge at the onset of a Storage and Recovery Program, to be deducted annually similar to Local Storage losses, or if another method is envisioned.***

Response. Watermaster will prepare an initial estimate of “rate” of reduction in net recharge and Safe Yield attributable to a specific Storage and Recovery Program during the application process. Watermaster may update the rate periodically as described in the fourth paragraph of Section 2.4.2 (SMP version 2) and through periodic updates of the SMP as described in Section 2.6.

#### **4. Scope and Timing of Environmental Review**

***The Appropriative Pool formally requested that Watermaster proceed with the environmental review of storage management, including working with the Appropriative Pool’s technical consultant. Watermaster has indicated that it intends to incorporate the Storage Management Plan into the current Optimum Basin Management Plan (OBMP) update effort, and then pursue environmental review on the package. However, the OBMP update effort is not subject to the same demonstrated time sensitivities as the Storage Management Plan, and negotiations have not yet begun on the activities to be included in an implementation plan. Ontario requests that Watermaster, responsive to the Pool’s request, perform environmental review of the Storage Management Plan independent of and ahead of any environmental review that may be needed for the OBMP update.***

Response. Comment noted.

#### **5. Frequency of Updates**

***What is the basis for setting the minimum frequency at every five years? Performing the update every ten years concurrently with Safe Yield recalculations will provide a timelier and more comprehensive picture of storage projections. The five-year requirement is excessive and***

***presents an unnecessary cost to the paying stakeholders. If conditions change or if the need arises, additional updates can be performed. Ontario recommends a minimum frequency of every ten years for updates.***

Response. Comment noted.

## **6. Characterization of Material Physical Injury**

- a. In Footnote 7 defining Material Physical Injury, storage and recovery is incorrectly listed as “Storage, and Recovery.” In the definition in Peace I, the term “storage and recovery” is not capitalized (in other words, is not a defined term) and is not separated into two actions by the placement of the comma.***

Response. The text of SMP document was revised and it now reads:

"Material Physical Injury" means material injury that is attributable to the Recharge, Transfer, storage and recovery, management, movement or Production of water, or implementation of the OBMP, including, but not limited to, degradation of water quality, liquefaction, land subsidence, increases in pump lift (lower water levels), and adverse impacts associated with rising Groundwater." (emphasis added)

- b. Section 1.2 states that “for the planned use of managed storage by the Parties up to 700,000 af...there would be no MPI with the exception of a reduction of net recharge and Safe Yield....” A reduction of net recharge and Safe Yield is not included in the definition of Material Physical Injury.***

Response. The SMP document has been revised to characterize the reduction in net recharge and Safe Yield attributable to managed storage activities as an adverse impact. The text now reads:

“The 2018 SFI projected that for the planned use of managed storage by the Parties up to 700,000 af that Hydraulic Control would be maintained, that there would be no MPI and that there would be an adverse impact from the reduction of net recharge and Safe Yield attributable to the use of managed storage.” (emphasis added)

- c. Section 2.4.2 includes “reduction in Safe Yield” in the list of “MPIs to be addressed” in the first paragraph. A reduction in Safe Yield is not included in the definition of Material Physical Injury.***

Response. The SMP document has been revised to characterize the reduction in net recharge and Safe Yield attributable to managed storage activities as an adverse impact.

**7. Types of Storage Accounts Storage Agreements**

- a. Section 1.1 lists “four types of storage accounts” under “three types of storage agreements.” It is unclear what the three types of storage agreements are, and the four types of storage accounts include “Local Storage” separate from “Local Supplemental” and “Excess Carryover.” By definition, Local Storage includes Excess Carryover and Local Supplemental. Please clarify this statement.**

Response. The text of the SMP document was revised and now reads:

“Since the Judgment came into effect, Watermaster developed rules and regulations, standard storage agreements, and related forms. There are three types of storage agreements that result in four types of storage accounts: Excess Carryover, Local Supplemental-Recycled, Local Supplemental-Imported, Pre-2000 Quantified Supplemental, and Storage and Recovery. An Excess Carryover account includes a Party’s unproduced rights in the Safe Yield (Safe Yield for Overlying Non-Agricultural Pool Parties and Operating Safe Yield for Appropriative Pool Parties) and Basin Water acquired from other Parties. Local Supplemental Water accounts includes imported and recycled water that is recharged by a Party and similar water acquired from other Parties. A Storage and Recovery account includes Supplemental Water and is intended to produce a “broad and mutual benefit to the Parties to the Judgment. Watermaster tracks the puts, takes, losses, and end of year storage totals for all of these storage accounts, and reports on this accounting in the annual assessment process.” (emphasis added)

- b. Please include a citation for the quotation at the top of page 1-3.**

Response. The SMP document was revised to include the citation. The citation reads: “See paragraph 5.2(c)(iv)(b) of the Peace Agreement”



## November 22, 2019 comment letter from the City of Upland

Comment No. 1. Section 1.2, Page 1-4. City's comment reads: **"Reduction of net recharge appears to be characterized herein as Material Physical Injury (MPI). (a) However, in Section 2.3.2 and at the November 6, 2019 2020 SMP workshop, reduction of net recharge is characterized as an adverse impact and mitigated for within the Safe Yield recalculation. (b) With the typical duration between Safe Yield recalculations being approximately 10-years, why isn't the mitigation for reduction of net recharge calculated annually to respond to the annual fluctuations in storage volume (as proposed in Section 2.4.2 for Storage and Recovery Programs)? (c) What are the advantages and disadvantages for mitigating for reduction in net recharge being embedded in Safe Yield versus on an annual basis?"**

Response. (a) – The text in the SMP has been modified to describe reductions in net recharge and Safe Yield as an adverse impact. (b) The Court's April 2017 order establishes the SY recalculation methodology; the recalculation considers the volume of wet water in Storage over the coming decade. (c) See part (b).

Comment No. 2. Section 1.2, Page 1-5. City's comment reads: **"Generally, what is the technical basis for allowing the Dry Year Yield Program (DYYP) to exceed puts and takes? What was the technical basis for allowing the DYYP takes to exceed 40,000 acre-feet (AF) in 2009? Is that approved by Watermaster as an administrative procedure or is that circulated through the Pools and board for approval?"**

Response. When MWD wants to exceed the 25,000 AF of annual put set forth in the DYYP agreement, the Parties consider the request through the regular Watermaster process.

Comment No. 3. Section 2.1, Page 2-1. City's comment reads: **"Regarding storage greater than 1,000,000 AF, consider revising and elaborating on that process. More specifically, what constitutes a "bona fide" application. In addition, please consider adding the required CEQA analysis to store above 1,000,000 AF."**

Response. The text in the SMP document was revised to include a footnote containing a definition of a bona fide Storage and Recovery Program application. The footnote reads:

"A bona fide Storage and Recovery Program application includes the name of the person; the source, quantity and quality of the Supplemental Water; a description of the facilities proposed to be used, operating plan and duration of the proposed Storage and Recovery Program; CEQA documentation; and any other information Watermaster requires to evaluate the application."

The SMP text was also revised to include a requirement to complete a CEQA process for Storage and Recovery Program application that wish to use managed storage space in excess of 1,000,000 af.

Comment No. 4. Section 2.2, Page 2-1. City's comment reads: **"The City's "Upland Basin" is used by Watermaster and IEUA pursuant to an agreement between the three agencies. The agreement stipulates a specific quantity of storage space allocated to Watermaster and IEUA. To date, the agencies have worked cooperatively under said agreement to optimize basin usage, including storage above the dead storage quantity and allowing others to use the City's basin for recharge. The priority of additional recharge above the 200,000 AF in the agreement is subject to negotiation. This section needs to be clarified to recognize that use of some spreading basins is subject to separate agreement(s)."**

Response. The text of the SMP document was revised and it now reads:

"Watermaster will include provisions in storage agreements to prioritize the use of spreading basins to satisfy Watermaster's recharge and replenishment obligations over the use of spreading basins for other uses subject to limitations provided in existing agreements with the owners of the facilities." (emphasis added)

Comment No. 5. Section 2.3.1, Pages 2-1 and 2-2 . City's comment reads: **"The limitations placed on agencies within MZ1 due to the potential to cause MPI will likely be in effect for "more than 20-years" according to Watermaster (Appendix B, Comment No. 5, Page B-2) appear to pose a long-term constraint on the ability of agencies within MZ1 to manage water. This limitation on transfers should also allow for a reconsideration on a case by case basis, over the next 20-years or more, by Watermaster to ensure there will be no MPI.**

**For example, if a proposed transfer or lease from a Party that pumps outside of MZ1 to a Party that pumps in MZ1 demonstrates groundwater levels remain greater than the new land subsidence metric (i.e. new land subsidence won't occur per 2018 SFI Section 2.2.1), then consideration should be given by Watermaster."**

Response. Comment noted.

Comment No. 6. Section 2.3.2, Page 2-2. City's comment reads: **"Same comments as above regarding mitigation for reduction of net recharge."**

Response. Comment noted.

Comment No. 7. Section 2.5, Page 2-4. City’s comment reads: “ **Define the term “evergreen agreement”. Please provide clarification on the automatic adjustment (i.e. can be adjusted both up and down).**”

Response. Evergreen in this context signifies an agreement to store water that accommodates changes in the quantity of water in storage within FMSB, without requiring a new storage application.

draft

## November 20, 2019 comment letter from the Monte Vista Water District

Comment No. 1. MVWD comment: **“The SMP should specify which portions are proposed for incorporation into the 2020 Optimum Basin Management Program (OBMP) Implementation Plan as an amendment to the Peace Agreement. It may make more sense for Peace Agreement Parties to negotiate an amendment to the Peace Agreement (OBMP Implementation Plan) prior to approving the SMP, as the SMP must be consistent with the Peace Agreement, whether or not it is amended and only through consent of the Peace Agreement Parties.”**

Response. The entire document is planned to be included in the 2020 OBMP IP.

Comment No. 2. MVWD comment: **“The SMP should acknowledge the priority of storage for Storage and Recovery Programs to the extent that Local Storage may be curtailed or prohibited (Peace Agreement 5.2 (b)(xi)).”**

Response. The SMP has been drafted to provide the Parties with the use of all necessary storage for Local and Storage and Recovery activities consistent with the Parties’ preferences and needs.

Comment No. 3. MVWD comment: **“The SMP should direct Watermaster to fully mitigate any reduction in Safe Yield due to either historical or projected storage activities in a manner that is equitably applied to all applicable storage activities so that Safe Yield is kept whole in respect to these storage activities.”**

Response. Watermaster considers that the effects of storage activities in Safe Yield are addressed by the recalculation of Safe Yield pursuant to the Technical Memorandum methodology approved by the Court’s April 28, 2017 order. Watermaster staff has been informed that the Appropriative Pool has reached agreement among Parties on how to compensate for individual storage activity effects on Safe Yield reduction.

Comment No. 4. MVWD comment: **“The SMP should focus on water stored in the basin that is subject to an agreement with Watermaster under the Judgment. This includes Local Storage (Excess Carryover and Supplemental), Storage and Recovery, and Preemptive Replenishment. Carryover is part of a producing Party’s annual production right and not subject to an agreement with Watermaster. If Carryover is in excess of a Party’s annual share of safe yield, the Party may then store the excess Carryover in a Local Storage (Excess Carryover) account**

**under agreement with Watermaster. In contrast, water under a preemptive replenishment agreement is water stored in the basin under agreement with Watermaster; therefore, its management should be included in the SMP.”**

Response. The Safe Storage Capacity identified in the OBMP IP included Carryover, which is “wet water” in storage. Similarly, the SMP provides for management of water in storage regardless of whether an agreement with Watermaster is required.

Comment No. 5. MVWD comment: **“For purposes of brevity and to avoid any potential confusion, the SMP should avoid describing the process and requirements for determining material physical injury (MPI), and instead refer to relevant sections of the Peace Agreement and Rules and Regulations governing MPI determination.”**

Response. Comment noted.

Comment No. 6. MVWD comment: **“The SMP should, under the principle of “beneficiary pays,” include the implementation of a storage assessment as a more equitable way to allocate Chino Basin Watermaster costs related to storage.”**

Response. The judgment provides for Watermaster costs to be recovered using production-based assessments.

### **General response to MVWD redlined version of 2020 Draft Storage Management Plan, Version 2.**

MVWD prepared a redline version of the 2020 SMP Version 2 document. The document has been modified to reflect comments received from various parties, this includes MVWD’s edits consistent with the overall document philosophy. Watermaster’s staff general responses to the suggested redline document are listed below:

1. Information included in the Background section is considered useful to the reader.
2. Carryover is “wet water” in the basin and was included in the Safe Storage Capacity in the OBMP IP. While Carryover does not require a storage agreement with Watermaster it is within Watermaster’s management and control, thus it is included in managed storage.
3. Preemptive replenishment accounts will no longer be used after current balances have been depleted.
4. The rebuttable presumption of no MPI was eliminated as part of the Second Amendment to the Peace Agreement.
5. Watermaster estimates the amount of storage to be used by Parties based on their

projections will be 800,000 af including DYYP and not 720,000 af.

6. Watermaster is tasked with evaluating transfers and put and take operations before approving them.
7. The SMP provides a high-level description of Storage and Recovery Program requirements including Hydraulic Control impacts, this is intended to be helpful to future Storage and Recovery Program applications.
8. Watermaster considers it necessary that the SMP be updated at the indicated frequency.

draft

## November 20, 2019 comment letter from the Chino Basin Water Bank

Comment No. 1. Comment reads: ***“Based on our understand that the storage space used by the Parties is projected to reach 720 KAF and the combined use of managed storage by the Parties and Metropolitan’s DYYP is projected to reach a maximum of about 790 KAF, how was the 800 KAF for the S&R Program derived?”***

Response: Please see Appendix C in the SMP v3. The projected use of managed storage space by the Parties and Metropolitan is just under 800,000 af. The value of 800,000 af was arrived at by rounding up.

Comment No. 2. Comment reads: ***“Why are S&R required to mitigate MPI as if the 800 KAF were fully used, when it potentially is not?”***

Response: This is based on the Peace Agreement paragraph 5.2(c)(xiii) and (ix) that require Watermaster to condition Storage and Recovery Program storage agreements to protect the Parties and the basin from any potential MPI and to consider Broad Mutual Benefits.

Comment No. 3. Comment reads: ***“How do the estimated net recharge of 2.41% and 1.5% as average storage used translate to the annual loss percentages?”***

Response: See response to City of Ontario’s comment No. 3.b.

Comment No. 4. Comment reads: ***“What process does Watermaster propose to adjust loss percentages in the future so that S&R Programs will have adequate time to prepare prior to changing conditions going into effect?”***

Response: Watermaster may adopt uniform rules to address triggers, notice, opportunity to respond and to implement corrective actions. Moreover, as part of the Storage and Recovery application and approval process, each Storage and Recovery application may have customized conditions responsive to the characteristics of the specific project.