Monte Vista
Dedicated to Quality, Service and Innovation
Water District

Mark N. Kinsey
GENERAL MANAGER

November 20, 2019

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

Comments on 2020 Draft Storage Management Plan, Version 2

Dear Mr. Kavounas:

Please be in receipt of Monte Vista Water District's (MVWD) comments on the 2020 Draft Storage Management Plan (SMP), Version 2, dated October 24, 2019. The following are general comments; specific recommended textual edits are included as an attachment.

- 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.

- 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)).

- 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.

- 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.

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- 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.

- 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.

Thank you for the opportunity to review the draft SMP and we look forward to Chino Basin Watermaster's written response to the comments provided. If there are any questions, please contact Dr. Justin Scott-Coe at (909) 267-2125.

Sincerely,

Monte Vista Water District

Mark Kinsey
General Manager

Attachment

Section 1 – Background

The objective of this Report is to describe the 2020 Storage Management Plan (SMP).[1] The basis of the 2020 SMP ~~was~~ is described in the *Final 2020 Storage Management Plan White Paper*,[2] which ~~has been~~ is incorporated into this document as Appendix A. ~~The Watermaster stakeholders reviewed and commented on the draft White Paper and participated in two workshops that occurred in June and July 2019.~~ The final technical requirements of the 2020 SMP were developed in part from the work conducted in the 2018 *Storage Framework Investigation*[3] (SFI), the White Paper, and discussions with the Watermaster stakeholders. ~~The draft 2020 Storage Management Plan, Version 1 was distributed to the Watermaster stakeholders on September 6, 2019, and the stakeholders were requested to provide comments to Watermaster by October 1.~~ Comments ~~were provided by the Overlying Agricultural Pool and the Inland Empire Utilities Agency (IEUA). These comments were reviewed, and responses were prepared; these~~ from stakeholders and Watermaster's responses to comments are included in Appendix B. ~~Some of the comments resulted in updates to the draft 2020 SMP Version 2 and they are included herein.~~

Groundwater pumping rights in the Chino Basin were adjudicated in the 1970s and settled in the 1978 stipulated agreement (Judgment). The Judgment[4] ~~established~~s a Watermaster to administer the decree under the court's continuing jurisdiction and empower~~eds~~ it to manage and control available storage capacity and to enter into agreements for the storage of water. In 2001, a significant portion of the Judgment ~~As a prerequisite to implementing the Optimum Basin Management Program (OBMP) the~~ Parties[5] further stipulated to the Peace Agreement, inclusive of the Optimum Basin Management Program Implementation Plan (OBMP IP), which provides direction and guidance~~executed the Peace Agreement, providing direction and guidance~~ to Watermaster on how storage should be prioritized and managed. The OBMP IP addresses the management of groundwater pumping, recharge, storage, and recovery, and the transfer of water. The prevailing standard for all operations is the avoidance of "material physical injury" (MPI)[6,7] under court-approved management agreements ~~executed contemporaneously~~.

[1] The abbreviation "SMP" means Storage Management Plan. When referring specifically to the 2020 Storage Management Plan the year "2020" precedes SMP (i.e. 2020 SMP).

[2] Wildermuth Environmental, Inc. (2019). *Final 2020 Storage Management Program White Paper.* This report can be found here: https://cbwm.syncedtool.com/shares/folder/9abb162877b999/?folder_id=1847

[3] Wildermuth Environmental, Inc. (2018). *Storage Framework Investigation, Final Report.* This report can be found here: https://cbwm.syncedtool.com/shares/folder/9abb162877b999/?folder_id=1429

[4] Original Judgment in Chino Basin Municipal Water District vs. City of Chino, et al., signed by Judge Howard B. Weiner, Case No. 164327. File transferred August 1989, by order of the Court, and assigned new case number RCV51010. The Restated Judgment can be found here: http://www.cbwm.org/docs/WatermasterCourtFilings/2012%20Watermaster%20Restated%20Judgment.pdf

[5] The terms Party and Parties refer to a party to the Judgment, party to the Peace and or Peace II Agreement, or a party to all three.

[6] Defined terms in the Court Approved Management Agreements will appear with the first letter of each word capitalized; a footnote with their definitions is included at the first use of the defined term.

~~Given the passage of twenty years since its approval,~~ Watermaster ~~has revisited the OBMP goals and objectives and~~ plans to update the OBMP ~~by June~~in 2020 (hereafter, 2020 OBMPU). Updating the SMP is ~~integral to~~ proposed as part of the 2020 OBMPU. ~~The 2020 SMP will be incorporated into the 2020 OBMPU and its implementation plan in June 2020.~~

The ~~term "managed storage" as used herein (and consistent with the 2018 SFI) refers~~SMP focuses on ~~to~~ water stored by the Parties and other entities subject to an agreement with Watermaster and includes ~~Carryover,~~[8,9] Local Storage,[10] ~~and Supplemental Water[11] held in storage accounts for~~ Storage and Recovery Programs.[12] and Preemptive Replenishment water.[13] Local Storage includes Excess Carryover[14] for the Overlying Non-Agricultural Pool Parties and Excess Carryover and Supplemental Water~~s~~ for the Appropriative Pool Parties.

[7] "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. Material Physical Injury does not include "economic injury" that results from other than physical causes. Once fully mitigated, physical injury shall no longer be considered material. [Peace Agreement § 1.1(y).]

[8] Defined terms in the Court Approved Management Agreements will appear with the first letter of each word capitalized and a footnote with their definitions is included at the first use of the defined term.

~~[9] "Carry-Over Water" means the un-Produced water in any year that may accrue to a member of the Non-Agricultural Pool or the Appropriative Pool and that is Produced first each subsequent Fiscal Year or stored as Excess Carry-Over. (Judgment Exhibit H ¶ 12.)~~

[10] "Local Storage" means water held in a storage account pursuant to a Local Storage Agreement between a party to the Judgment and Watermaster. Local Storage accounts may consist of: (i) a Producer's unproduced Excess Carry-Over Water or (ii) a party to the Judgment's Supplemental Water, up to a cumulative maximum of one hundred thousand (100,000) acre-feet for all Parties to the Judgment stored in the Basin on or after July 1, 2000 or (iii) that amount of Supplemental Water previously stored in the Basin on or before July 1, 2000 and quantified in accordance with the provisions and procedures set forth in Section 7.2 of these Rules and Regulations, or (iv) that amount of water which is or may be stored in the Basin pursuant to a Storage Agreement with Watermaster which exists and has not expired before July 1, 2010 . [Peace Agreement § 1.1(x).]

~~[11] "Supplemental Water" means water imported to Chino Basin from outside the Chino Basin Watershed and Recycled Water. [Judgment ¶ 4(bb) and Peace Agreement § 1.1(ww).]~~

[12] "Storage and Recovery Program" means the use of the available storage capacity of the Basin by any person under the direction and control of Watermaster pursuant to a Court approved Groundwater Storage Agreement but excluding "Local Storage," including the right to export water for use outside the Chino Basin and ~~typically of~~ required to provide broad and mutual benefit to the Parties to the Judgment. [Peace Agreement §1.1(uu).]

[13] [add footnote definition]

[14] "Excess Carry-Over Water" means Carry-Over Water which in aggregate quantities exceeds a party's share of Safe Yield in the case of the Non-Agricultural Pool, or the assigned share of Operating Safe Yield in the case of the Appropriative Pool, in any year.

1.1 Storage Agreements and Transfers from Storage Accounts

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:

1. Local Storage – Excess Carryover
2. Local Storage – Supplemental
3. Storage and Recovery
4. Preemptive Replenishment~~Excess Carryover, Local Supplemental, Local Storage, and Storage and Recovery.~~

A~~n~~ Local Storage – 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. A Local Storage – Supplemental Water account 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~~ must produce a "broad and mutual benefit to the Parties to the Judgment." A Preemptive Replenishment account includes[…] 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.

In evaluating applications for storage agreements, Watermaster must conduct an investigation[15] to determine if the water stored and recovered under a proposed storage agreement has the potential to cause MPI to a party or the basin. If Watermaster determines that implementation of the proposed storage agreement has the potential to cause MPI, the applicant must revise its application and demonstrate that there will be no MPI, or Watermaster must impose conditions in the storage agreement to ensure there is no MPI. Watermaster cannot approve a storage agreement that has the potential to cause MPI.

The Restated Judgment provides that the Basin's groundwater storage capacity may be utilized for the storage and conjunctive use of supplemental water only under Watermaster control and regulation and that no use of such capacity be made except pursuant to written agreement with Watermaster (Restated Judgment, ¶¶ 11, 12; see also Peace Agreement, § 5.2(a)). The Pooling Plans of the Overlying (Non-Agricultural) Pool (Restated Judgment Exhibit "G") and the Appropriative Pool (Restated Judgment Exhibit "H") each require agreement with Watermaster as a condition of storing excess carryover water within the Basin.

Consistent with paragraphs 14 and 28 of the Restated Judgment and the Chino Basin Watermaster Rules and Regulations ("Rules and Regulations"), storage of water within the Basin has been accomplished pursuant to Watermaster's existing Form 1 (Application for a Local Storage Agreement) and Form 8 (Standard Local Storage Agreement). The Board enters

[15] [Include footnote re rebuttable presumption of no MPI for Local Storage – Supplemental (PA 5.2(b)(v))]

into storage agreements only after an application is noticed and considered by the Pool Committees, Advisory Committee, and Watermaster Board (see Rules and Regulations, Article X), and when a finding is made that storage will not result in Material Physical Injury to any Party to the Judgment or the Basin (consistent with rebuttable presumption). (Peace Agreement, § 5.2(b)(iv-v).)

The Form 8 Local Storage Agreement, as it was approved by the Court in 2001 and still exists today, provides for the storage of a set quantity of water for the duration of the Peace Agreement. While Watermaster tracks production on a quarterly basis and accounts for unproduced water and water entering storage annually, in the event that a party wishes to increase its quantity of water in storage—either via recharge of supplemental water or the accrual of excess carryover water—in order to ensure that that the additional quantity of water is stored in compliance with the provisions of the Restated Judgment, Peace Agreement, and Rules and Regulations, it must enter into a new agreement. In practice, this means that each of the members of the Overlying (Non-Agricultural) and Appropriative Pools must go through the application process each year in which their balances of stored water increase.

The Parties, amongst themselves, are actively involved in water transfers of annual unproduced rights in the Safe Yield and water in their storage accounts. Watermaster has an application and review process for transfers that is similar to the storage agreement application process. Transfers are one way that the Parties recover water held in storage accounts.

1.2 Existing Managed Storage and Proposed Storage and Recovery Programs

The Parties engage in conjunctive use activities individually by storing Basin and Supplemental Waters that are in excess of their demands and subsequently recover that water as their or other parties' individual needs arise. These activities collectively ~~cause~~ have resulted in a temporary increase in ~~managed storage~~Local Storage. Table 1-1 summarizes the amount of ~~water in managed storage by the Parties~~Stored WLocal Storageater in the Basin. Table 1-1 also shows the amount of water stored by the Metropolitan Water District of Southern California (Metropolitan) Dry-Year Yield Program (DYYP), which is a Storage and Recovery Program. [add description of Preemptive Replenishment water in Basin]– Total volume of water ~~in managed storage~~stored in the Basin as of Jun 30, 2019 was about ~~549,244~~[X] af.

Table 1-1 Ending stored water account balances ~~in managed storage~~ in the Chino Basin (af)

Comment [A1]: Please revise Table 1-1 to only include Local Storage, Storage and Recovery, and Preemptive Replenishment

The 2018 SFI projected that for the planned use of managed storage[16] by the Parties up to 700,000 af that Hydraulic Control would be maintained and that there would be no MPI with the exception of a reduction of net recharge and Safe Yield attributable to the use of managed storage. The 2018 SFI made an identical finding for a Storage and Recovery Program~~s~~ that would operate in an identical manner to the existing Metropolitan DYYP and ~~using~~ use the managed storage space between 700,000 af and 800,000 af.

[16] [include definition of "managed storage" per SFI, specifying that this term is not used in the Judgment or other Court-approved management agreements]

As of July 1, 2019, the Parties' aggregate amount of water in managed storage was 503,000 af (see Table 1.1). The Parties are projected to use in aggregate about 720,000 af of managed storage for their individual conjunctive-use operations as well as their annual Carryover right, which was studied as part of "managed storage" for the purposes of the SFI, based on the most recent planning information provided by them (See Appendix C). The average annual increase in managed storage by the Parties is about 21,600 afy through 2030, after which the aggregate amount of managed storage space used by the Parties is projected to decline through about 2070.

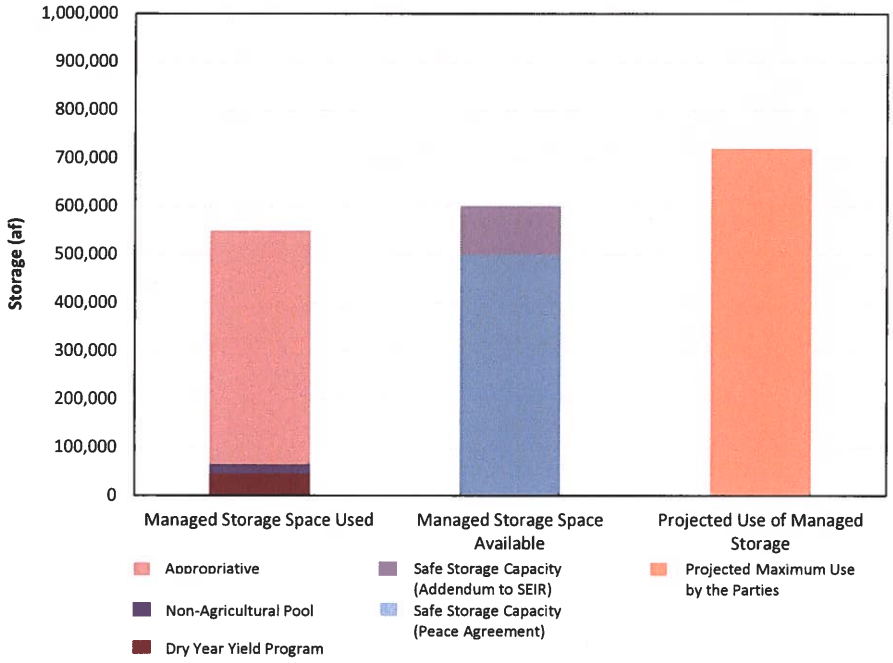
Metropolitan's DYYP is the only active Storage and Recovery Program in the basin. The DYYP can store up to 100,000 af with maximum puts of 25,000 afy and maximum takes of 33,000 afy. The DYYP storage and recovery agreement provides that puts and takes can exceed these values if agreed to by Watermaster (as was done in fiscal years 2018 and 2009, respectively). As of July 1, 2019, there were 45,969 af stored in the DYYP account. The agreement that authorizes the DYYP will expire in 2028.

The combined use of managed storage by the Parties and Metropolitan's DYYP is projected to reach a maximum of about 790,000 af assuming that the DYYP has 100,000 af in storage in 2028 and that subsequent to 2028 Metropolitan removes that water from managed storage at the contract rate of 33,300 afy starting in 2029.

Figure 1-1 compares the current amount of water in managed storage to the managed storage space available and the projected use of storage space by the parties. The managed storage space used is about 549,000 af. The amount of managed storage space available for use by the Parties pursuant the 2010 Peace II Project Subsequent Environmental Impact Report and its 2017 Addendum is presently about 600,000 af. The storage space used by the Parties is projected to reach about 720,000 af in 2030 and decline gradually thereafter.[17]

Figure 1-1 Comparison of managed storage space used, managed storage space available, and projected maximum use of managed storage by the Parties

[17] See Appendix C for updated groundwater pumping and managed storage projections.



The IEUA and some of the Parties are considering Storage and Recovery Programs with yet-to-be proposed operational parameters. According to the discussions in the development of the 2018 SFI the amount of storage space required in aggregate for all contemplated Storage and Recovery Programs, including the DYYP, is projected to range between 200,000 and 300,000 af.

Section 2 – Storage Management Plan Description

This section describes the 2020 SMP based on the requirements of the Judgment, the Peace Agreement, the conclusions of the 2018 Storage Framework Investigation, Final 2020 SMP White Paper, and Watermaster stakeholder input from the 2020 SMP workshop process during the period of June through December 2019.

2.1 Use of Storage Space by the Parties ~~for Their Individual Water Resources Management Activities and by Entities Engaged in Storage and Storage and Recovery Programs~~

An aggregate amount of ~~800,000~~720,000 af is reserved for the Parties' ~~conjunctive use operations~~storage needs (includes ~~Carryover, Excess Carryover, and Supplemental Accounts~~ Local Storage and Storage and Recovery Programs under agreement with the parties, including Metropolitan's DYYP) ~~and Metropolitan's DYYP. The amount is referred to as the "First Managed Storage Band" (FMSB)~~.

The ~~managed~~ storage space ~~between 800,000 and 1,000,000~~above 720,000 af is reserved for Storage and Recovery Programs. Storage and Recovery Programs that utilize the managed storage space above ~~800,000~~720,000 af will be required to mitigate potential MPI as if the ~~800,000~~720,000 af were fully used. ~~Renewal or extension of the DYYP agreement will require the DYYP to use storage space above 800,000 af.~~

~~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 material injury, and obtains approval from the Watermaster.~~

2.2 Reservation of Existing Spreading Basin Facilities to Satisfy Watermaster Recharge and Replenishment Obligations

The Parties and IEUA, through the OBMP, have substantially increased storm and supplemental water recharge capacity in the Chino Basin. The increase in supplemental water recharge capacity was done to ensure that Watermaster could meet its future recharge and replenishment obligations ~~pursuant to Court and Regional Board orders~~. 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.

2.3 Storage Management Activities of the Parties

2.3.1 Limitation of Transfers or Leases of Water Rights and Water Held in Managed Storage

Early in the OBMP implementation period, Watermaster determined that transfers or leases of water rights and water held in managed storage (hereafter transfers) from Parties that are situated such that they pump groundwater outside of MZ1 to Parties that pump in MZ1 for *the purpose of replenishment* have the potential to cause MPI.[18]

This limitation on transfers should be ~~reconsidered if the land subsidence management plan for MZ1 includes consideration for such transfers, the land subsidence plan is implemented, and subsequent monitoring demonstrates the sufficiency of the land subsidence management plan~~ implemented only if agreed to by Parties and ordered by the Court..

2.3.2 Mitigation of Reduced Net Recharge and Safe Yield

The 2018 SFI demonstrated that storing water has the effect of reducing net recharge and Safe Yield. The reduction in net recharge caused by storage is an adverse impact. The Safe Yield, a prospective calculation, is based on projected estimates of net recharge that include the effects of managed storage on net recharge. The reduction in Safe Yield due to projected storage management by the Parties is thus incorporated into the Safe Yield estimate. ~~Watermaster considers this adverse impact to be mitigated by the prospective calculation of the Safe Yield.~~ Watermaster shall fully mitigate any reduction in Safe Yield due to either historical or projected Local Storage, Storage and Recovery, and Preemptive Replenishment activities under Watermaster control and regulation by agreement in a manner that is equitably applied to all above described storage activities so that Safe Yield is kept whole in respect to these storage activities.

2.4 Storage and Recovery Programs

2.4.1 Prioritization of Put and Take Operations in MZ2 and MZ3

Storage and Recovery programs are implemented through a series of "puts" and "takes" where water goes into storage during a put and is recovered from storage during a take. Based on the results of the 2018 SFI, these puts and takes should be prioritized to occur in MZ2 and MZ3 to avoid new land subsidence and interfering with land subsidence management in MZ1, to minimize pumping sustainability challenges, to minimize the impact of storage and recovery operations on solvent plumes, to preserve the state of Hydraulic Control, and to take advantage of the larger and more useful groundwater storage space in MZ2 and MZ3.

This spatial prioritization on puts and takes should be ~~reconsidered if the land subsidence management plan for MZ1 includes consideration for Storage and Recovery programs, the~~

[18] [Provide citation to document this finding.]

~~land subsidence management plan is implemented, and subsequent monitoring demonstrates the sufficiency of the land subsidence management plan.~~implemented only if agreed to by Parties and ordered by the Court.

2.4.2 Evaluation of Storage and Recovery Program Impacts, MPI, and Mitigation

The intent of this provision is to reaffirm the requirements of Paragraph 12 of the Judgment and the Peace Agreement, as to the review of Storage and Recovery Program applications, and to require Storage and Recovery Program agreements to provide provisions that require Storage and Recovery Program participants to cease or modify their operations if Watermaster determines, subsequent to Watermaster and Court approval of a Storage and Recovery Program storage agreement, that the participant's storage and recovery operations are causing or threaten to cause potential MPI. The potential MPIs to be addressed include but are not limited to land subsidence, pumping sustainability, reduction in Safe Yield, water quality impacts, shallow groundwater, ~~and~~ liquefaction, and impacts on the state of Hydraulic Control.~~The 2018 SFI concluded the that the net recharge and Safe Yield of the basin would be reduced annually by about 2.0 percent of the volume of water stored in a Storage and Recovery Program. Watermaster will estimate the reduction in net recharge and Safe Yield for each Storage and Recovery Program and deduct it from water stored in each Storage and Recovery Program storage account to compensate for its impact on net recharge and Safe Yield. The annual net recharge loss rate attributable to each Storage and Recovery Program will be estimated by Watermaster during the development of each Storage and Recovery Program Agreement and it may be adjusted from time to time based on revised estimates of the loss rate. Watermaster will review each Storage and Recovery Program application, estimate the surface and groundwater system response, prepare a report that describes the response and potential MPI, and develop mitigation requirements to mitigate MPI caused by the proposed Storage and Recovery Program. The Storage and Recovery Program applicant will develop mitigation measures pursuant to these requirements and incorporate them into their Storage and Recovery Program application. Upon approval by Watermaster, these mitigation measures will be incorporated into the Storage and Recovery Program storage agreement.~~

~~Watermaster will periodically review current and projected basin conditions, compare this information to the projected basin conditions prepared in the evaluation of the Storage and Recovery Program application process, compare the projected Storage and Recovery Program operations to actual Storage and Recovery Program operations, and make findings regarding the efficacy of related MPI mitigation requirements and measures in the Storage and Recovery Program storage agreements. And, based on its review and findings, Watermaster may require changes in the Storage and Recovery Program agreements to mitigate MPI.~~

~~2.4.3 Hydraulic Control Impacts Due to a Storage and Recovery Program Must Be Mitigated~~

~~Watermaster will, as part of the Storage and Recovery Program application review process, make a projection of the program's expected impact on the state of Hydraulic Control. Watermaster will review these impacts and develop Hydraulic Control mitigation requirements~~

~~for the proposed Storage and Recovery Program. The Storage and Recovery Program applicant will develop mitigation measures pursuant to these requirements and incorporate them into their Storage and Recovery Program application. Upon approval by Watermaster, these mitigation measures will be incorporated into the Storage and Recovery Program storage agreement.~~

~~Watermaster will periodically review the current and projected state of Hydraulic Control, compare this information to the projected Hydraulic Control assessment prepared in the evaluation of the Storage and Recovery Program application process, compare the projected Storage and Recovery Program operations to actual Storage and Recovery Program operations, and make findings regarding the efficacy of the related mitigation measures and requirements in the Storage and Recovery Program storage agreement. And, based on its review and findings, Watermaster may require changes in the Storage and Recovery Program agreements to mitigate impacts on the state of Hydraulic Control.~~

2.5 Storage Agreement Application Process

As part of the development of an updated Storage Management Plan, environmental review will be conducted as to the impacts of a planned quantity of storage space ~~reserved for the Parties' conjunctive use operations and Metropolitan's DYYP~~ allocated under Section 2.1. As a means of streamlining the process through which Parties apply for, receive approval of, and enter into storage agreements with Watermaster, the existing Form 8 Local Storage Agreements will be modified to be consistent with an "evergreen agreement" paradigm.

Within an "evergreen agreement" paradigm, the forms of the agreements, as revised, will allow for the quantities stored pursuant to the agreements to increase, during the term of the agreements, to cover the amount of water that each party to an agreement places into storage, as shown in each Watermaster-approved annual Assessment Package. The evergreen agreements will be valid for the duration of the Peace Agreement and will be automatically adjusted upon Watermaster's approval of each subsequent Assessment Package so long as the cumulative amount of water in storage is less than the quantity ~~reserved for the Parties' conjunctive use operations and Metropolitan's DYYP (cumulatively, the FMSB)~~ allocated under Section 2.1 and Watermaster has made no finding that MPI is threatened to occur as a result of the increase in the quantity of water in storage.

2.6 Storage Management Plan Update

Watermaster will periodically review and update the SMP based on monitoring information obtained since the previous SMP was adopted, technology changes, and the "needs and requirements of the lands overlying the Chino Basin and the owners of the rights in the Safe Yield or Operating Safe Yield of the Basin." The periodic review and update of the SMP will require the use of updated planning and hydrologic data and models, and it should be completed: at no less than a five-year frequency, when the Safe Yield is recalculated, or when Watermaster determines a review and update is warranted based new information and/or the needs of the Parties or the Basin.

~~The projected aggregate amount of water in managed storage by the Parties in 2056 (planning horizon of the 2018 SFI) is about 340,000 af. The impacts to the Basin and the Parties from~~

~~reducing managed storage below 340,000 af has not been estimated. Notwithstanding the SMP update frequency stated above, Watermaster should 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.~~