PROPOSED AMENDMENT NO. 1 TO COOPERATIVE AGREEMENT TO PROTECT WATER QUALITY AND ENCOURAGE THE CONJUNCTIVE USES OF IMPORTED WATER IN THE SANTA ANA RIVER BASIN (IMPORTED WATER RECHARGE PROGRAM)

Term Sheet and Schedule

1. RECITALS

- a. The Cooperative Agreement has been in place for ten (10) years.
- b. The Cooperative Agreement requires re-computation of the current ambient water quality of the groundwater management zones every three (3) years, the modeling of quality in groundwater management zones that recharge imported water, specifically Total Dissolved Solids (TDS) and Total Inorganic Nitrogen (TIN), every six (6) years and summary reports every (3) years.
- c. For the management zones upstream of Prado Dam, the water quality modeling and summary reports for imported water from the State Water Project over the past ten years demonstrate that the water quality is equal to, or better than, the currently approved water quality objectives.
- d. For the Orange County Management Zone, the modeling reports and summary reports over the last ten years demonstrate that the blend of imported water and recycled water from the Groundwater Replenishment System is equal to or better than the Basin Plan objectives.
- e. The Basin Monitoring Program Task Force (Task Force) performs calculations to estimate the ambient TDS and nitrate concentrations in each groundwater management zone every three (3) years based upon field data but does not do any groundwater quality modeling projections into the future.
- f. The Task Force also performs updates of the Santa Ana River Wasteload Allocation Model approximately every ten years to estimate TDS and Total Inorganic Nitrogen (TIN) concentrations in the Santa Ana River and its tributaries upstream of Prado Dam and in SAR Reach 2 in Orange County which includes a projection of surface water quality twenty (20) years into the future.
- g. There appears to be some overlap between the modeling performed by the Task Force and the modeling conducted under this Agreement.
- h. In some groundwater management zones, the Santa Ana Regional Water Quality Control Board (Regional Board) has approved the Maximum Benefit program to encourage water recycling which allows an agency or group of agencies to demonstrate, through robust modeling, that a certain water quality objective could be increased above the anti-degradation objective as part of a comprehensive water management program without resulting in long-term harm to the basin or downstream beneficial uses and is therefore acceptable. The approved maximum Benefit programs include a series of commitments by the agencies such as construction of a desalter for recycled water or groundwater, upgrading the wastewater

- treatment plan; annual monitoring and reporting of surface water and groundwater quality; and periodic modeling projection of groundwater quality.
- Existing groundwater flow models in the Santa Ana River watershed upstream of Prado Dam are being combined into one, large model that will generally extend from the Yucaipa area to Prado Dam (Integrated Groundwater Flow Model) and includes both surface water and groundwater.
- j. The Integrated Groundwater Flow Model could be enhanced so that it can also model TDS and TIN (Integrated Flow and Quality Model) and could be extended up the Temescal Wash.
- k. The Parties seek to explore utilizing such an Integrated Flow and Quality Model for the area upstream of Prado Dam.
- I. The Parties desire to work with the Task Force toward the possible consolidation of modeling and reporting efforts, as much as possible, to reduce costs.

2. TERMS

- a. For the Orange County Management Zone, that recharges water fro the Colorado River which is higher in TDS, Orange County will continue to generate the modeling reports and summary reports under this Agreement. Frequency of the reporting may be reassessed, from time to time.
- b. The Integrated Flow and Quality Model is added as an accepted model under this Agreement, subject to independent peer review during development and to final approval by the Parties and the Regional Board.
- c. The Parties agree to fund any and all enhancements necessary to fully utilize the Integrated Flow and Quality Model for TDS and TIN modeling, separate from the Task Force.
- d. Any Party that has signed a Maximum Benefit Agreement with the Regional Board for a basin listed in this Agreement is exempt from performing any of the modeling requirements under this Agreement because the Party will be subject to the monitoring requirements under their Maximum Benefit Agreement.
- e. For Parties that do not have a signed Maximum Benefit Agreement with the Regional Board for a basin listed in this Agreement, they shall be subject to the following:
 - i. Parties to this Agreement, upstream from Prado Dam, may replace the modeling and reporting requirements under this Agreement with the TDS and TIN modeling and reporting completed by the Task Force, if approved by the Task Force, and subject to the following requirements:
 - 1. All of the Parties must be members, in good standing, of the Task Force.
 - 2. The Parties may rely on modeling by the Task Force, if it meets the requirements under this Agreement.

- Should the Task Force and the Parties desire to conduct modeling together, to reduce cost, the Parties agree to fund any additional modeling, reporting and administration performed through the Task Force to meet the obligations under this Agreement.
- ii. The modeling and reporting requirements under this Agreement shall be changed to:
 - 1. Submit monitoring reports every five (5) years beginning in July 18, 2021.
 - 2. Submit twenty (20) year modeling projections every ten (10) years beginning in July 18, 2020.

3. SCHEDULE FOR AMENDMENT

- a. Finalize draft term sheet with the Parties November 2018
- b. Present to Tim Moore for review and comment December 2018
- c. Present proposal to the Task Force February 2019
- d. Develop agreement based upon the term sheet -February/March 2019
- e. Regional Board/Boards/Councils consider Amendment No. 1 March/April 2019