I hereby certify that the foregoing Agenda was posted at least 72 hours prior to the time of the Regular Meeting so noticed below, at the usual agenda posting location of the San Juan Basin Authority.

Daniel R. Ferons SAN JUAN BASIN AUTHORITY and the Board of Directors thereof

AGENDA

SAN JUAN BASIN AUTHORITY BOARD OF DIRECTORS' MEETING SANTA MARGARITA WATER DISTRICT BOARD ROOM March 12, 2013 1:30 p.m.

Upon Request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Daniel Ferons, Secretary, Board of Directors, at (949) 459-6590 at least 48 hours before the meeting if possible.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the Authority's business office located at 26111 Antonio Parkway, Rancho Santa Margarita, California 92688, during regular business hours. When practical, these public records will also be made available on the Santa Margarita Water District's Internet Web Site, accessible at http://www.smwd.com. All documents available for public review are on file with the Authority's Secretary located at 26111 Antonio Parkway, Rancho Santa Margarita, California 92688.

- I. <u>CALL MEETING TO ORDER</u>
- II. <u>PLEDGE OF ALLEGIANCE</u>

III. <u>ADMINISTRATION OF OATH OF OFFICE</u>

- IV. ORAL COMMUNICATIONS
 - A. Persons wishing address the Board of Directors on matters <u>not listed</u> on the Agenda may do so at this time. "Request to be Heard" forms are available at the entrance to the Board Room. Comments are limited to three minutes, unless further time is granted by the Presiding Officer. Please submit the form to the Secretary prior to the beginning of the meeting.

Those wishing to address the Board of Directors on any items <u>listed</u> on the Agenda should submit a "request to be Heard" form to the Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.

V. <u>CONSENT CALENDAR</u>

А.	Consideration and Action on Minutes of Regular Meeting of January 8, 2013Page 4
	Staff Recommendation: Approve subject minutes.
В.	Consideration and Action on Monthly Financial Statements for January and February 2013 Page 8
	Staff Recommendation: Receive and file the Monthly Financial Statements.
Note:	Items on the CONSENT CALENDAR will be considered for approval without discussion in one vote. A Director may request

that an item be taken off the Consent Calendar for full discussion.

[END OF CONSENT CALENDAR]

VI. <u>ACTION ITEMS</u>

A.	-	on Preparation of Groundwater Page 12
	Staff Recommendation:	No action required; provide direction as appropriate.
B.	Application 30337, South C for Extension of Time and	n Letter of Support for Permit 21138, Coast Water District Amended Petition d Change of Conditions South Coast Page 18
	Staff Recommendation:	Authorize issuance of letter.
C.	Presentation and Update on	Groundwater Monitoring Program Page 62
	Staff Recommendation:	No action required; provide direction as appropriate.
<u>CHA</u>	IRMAN'S REPORT	

VIII. <u>ATTORNEY'S REPORT</u>

VII.

IX. <u>OTHER MATTERS</u>

A. Open Discussion or items received too late to be agendized.

X. <u>INFORMATION ITEMS</u>

A. Presentation by West Curry on the City of San Juan Capistrano Groundwater Recovery Plant Current Status.

XI. <u>ADJOURNMENT</u>

The next Regular Board of Directors' meeting is scheduled for April 9, 2013 at 1:30 p.m. at the Santa Margarita Water District, 26111 Antonio Parkway, Rancho Santa Margarita, California.

SAN JUAN BASIN AUTHORITY BOARD OF DIRECTORS' MEETING SANTA MARGARITA WATER DISTRICT BOARD ROOM January 8, 2013

A Meeting of the Board of Directors (Board) of the San Juan Basin Authority (SJBA) was held on Tuesday, January 8, 2013 at its principal place of business located at 26111 Antonio Parkway, Suite A, Rancho Santa Margarita, CA 92688. The following Directors and/or Alternate Directors were present:

Directors Present:

LARRY McKENNEY, Moulton Niguel Water District LAURA FREESE, City of San Juan Capistrano DON BUNTS, Santa Margarita Water District WAYNE RAYFIELD, South Coast Water District Chairperson Vice Chairperson Alternate Director Alternate Director

Directors Absent: None

Support Services Present:

DANIEL R. FERONS Administrator WEST CURRY Administrator

Others Present:

Mark Wildermuth, Wildermuth Environmental, Inc. (WEI) Samantha Adams, Wildermuth Environmental, Inc. Allison Burns, Legal Counsel (departed at 2:55 p.m.)

- I. <u>CALL MEETING TO ORDER</u> Chair McKenney called the meeting to order at 1:35 p.m.
- II. <u>PLEDGE OF ALLEGIANCE</u> Chair McKenney led the Pledge of Allegiance.
- III. <u>ADMINISTRATION OF OATH OF OFFICE</u> Attorney Burns swore Larry Kramer in as Alternate Director for the City of San Juan Capistrano.
- IV. <u>ORAL COMMUNICATIONS</u> There were no oral communications.
- V. <u>CONSENT CALENDAR</u>
 - A. Consideration and Action on Minutes of Regular Meeting of December 11, 2012.
 - B. Consideration and Action on Monthly Financial Statements for December 2012.

MOTION NO. 2013-1

Thereafter, upon a motion duly made by Director Freese, seconded by Director Rayfield, to approve the Consent Calendar (Item A – Approve the Minutes of the December 11, 2012 Regular Meeting. Item B – Receive and File the Monthly Financial Statements for December 2012.) Motion passed 4-0.

VI. <u>ACTION ITEMS</u>

The agenda was reordered to take Action Item B. There were no objections.

B. Consideration and Action on Authorization of 2013 San Juan Basin Management Monitoring and Reporting Program.

Dan Ferons reviewed the Basin Management Monitoring Objectives:

- Comply with Water Rights Permit
- Groundwater storage management
- Seawater intrusion
- Point-Source Groundwater Contamination

The 2013 agreement anticipates an estimated \$40,000 increase over previous agreements to cover additional tasks for seawater intrusion monitoring.

Samantha Adams provided a review of the objectives for the monitoring sites.

Ms. Adams reviewed the Basin Management Monitoring Program Deliverables:

- Water Rights Permit Annual Report
- CASGEM Reporting
- Spring and Fall 2013 Storage Change Reports
- Seawater Intrusion Monitoring Plan and Report
- Quarterly Updates to SJBA Board of Directors

Ms. Adams responded to questions from the Board.

Director Rayfield asked for inventory of all wells, active, inactive, to include ownership information. He also noted it would be beneficial to identify all wells located in the Ranch. He recommended information on private and public well owners.

A question arose regarding the monitoring and reporting requirements. John Thornton clarified that this monitoring is done for South Coast Water District. Mr. Ferons noted the SJBA information is provided to SCWD to allow them to fulfill their reporting requirements. Mr. Ferons commented that the data collected is adequate for both agencies.

MOTION NO. 2013-2

Thereafter, upon a motion duly made by Director Rayfield, seconded by Director Freese, to accept staff's recommendation and approve the professional service contract with Wildermuth Environmental for \$139,119 to provide monitoring services in Calendar Year 2013 with the additional requirement for an inventory of private and public wells. Motion passed 4-0.

3SJBA Meeting Minutes January 8, 2013 Page 3 of 4

Agenda reordered to take Information Item X.A. There were no objections.

X. INFORMATION ITEMS

A. Update on Development of the Groundwater Management Plan.

Mr. Wildermuth reviewed the following:

- Investigation Objective
- WEI's Completion Goals
- Projected Groundwater Production
- Planning Constraints
- Next Steps

Mr. Wildermuth reviewed four potential alternatives to be considered in the development and management of the San Juan Basin. These alternatives will be formally presented when the plan is submitted to the Board.

Mr. Wildermuth responded to question from the Board.

The Board thanked Mr. Wildermuth for the update.

VI <u>ACTION ITEMS</u>

A. Presentation on San Juan Basin Authority Joint Powers Agreement and History.

Dan Ferons provided a presentation on the History of the San Juan Basin Authority beginning with the formation in 1971 with the following agencies:

- Capistrano Beach County Water District
- Orange County Waterworks District No. 4
- Santa Margarita Water District

The following topics were reviewed:

- The Historic Project Committees
- 1991 Project Agreement
- City Desalter Project Agreements
- San Juan Basin Desalter
- Agreement Terms

Attorney Burns departed at 2:55 p.m.

Mr. Ferons responded to questions from the Board.

B. Consideration and Action on Authorization of 2013 San Juan Basin Management Monitoring and Reporting Program.

Item considered earlier in the meeting.

4SJBA Meeting Minutes January 8, 2013 Page 4 of 4

VII. <u>CHAIRMAN'S REPORT</u>

VIII. <u>ATTORNEY'S REPORT</u> Mr. Ferons reporting for Attorney Burns had nothing to report.

IX. OTHER MATTERS

A. Open Discussion or items received too late to be agendized.

X. INFORMATION ITEMS

A. Update on Development of Groundwater Management Plan.

Item considered earlier in the meeting.

The meeting adjourned at 3:15 p.m.

XI. <u>ADJOURNMENT</u>

The next Regular Board of Directors' meeting is scheduled for **February 12, 2013 at 1:30 p.m.** at the Santa Margarita Water District, 26111 Antonio Parkway, Rancho Santa Margarita, California.

Respectfully submitted,

Sharon D. Brimer, Recording Secretary

I DO HEREBY CERTIFY that the foregoing Minutes are true and correct copy of the Minutes adopted by the Board of Directors of the SAN JUAN BASIN AUTHORITY.

West Curry, Administrator SAN JUAN BASIN AUTHORITY

San Juan Basin Authority Financial Statements January 31, 2013

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Legal Fees 4,201 - - - - - - 4,201 Dues 685 - - - - - - - 4,201 Dues 685 - - - - - - - - 685 TOTAL EXPENDITURES-OPERATING 5,483 - 5,427 - - - - 685 Depreciation Expense Depreciation Expense \$ - \$ - \$ - \$ 9,259 Debt Service and Interest Expense - - - 323,912 - - - 323,912 TOTAL EXPENDITURES NON-OPERATING - 6,727 - 323,912 - \$ - \$ 9,259 Debt Service and Interest Expense - - - 323,912 - - - 323,912 TOTAL EXPENDITURES \$ 5,483 6,727 \$ 5,427 \$ 323,912 2,532 - - - 333,171 TOTAL EXPENDITURES		Ψ		Ψ	-	Ψ	-	Ψ	-	Ψ	-	Ψ		Ψ	-	Ψ	-	Ψ	
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Depreciation Expense \$ - \$ 6,727 - \$ - \$ - \$ 9,259 323,912 - \$ - \$ 9,259 323,912 - \$ - \$ 9,259 323,912 - \$ - \$ 9,259 323,912 - \$ - \$ 9,259 323,912 323,912 - \$ - \$ 9,259 323,912 - \$ - \$ 9,259 323,912 \$ 2,532 - \$ - \$ 9,259 323,912 \$ 2,532 - \$ - \$ 9,259 323,912 \$ 2,532 - \$ - \$ 9,259 323,912 \$ 2,532 - \$ - \$ 9,259 323,912 \$ 2,532 - \$ - \$ 9,259 323,912 \$ 2,532 \$ 48,528 \$ \$ 8,134 400,743 323,912 2,532 48,528 \$ \$ 8,134 400,743 323,912	TOTAL EXPENDITURES-OPERATING		5,483		-		5,427		-		-		48,528		-		8,134		67,572
Depreciation Expense \$ - \$ 6,727 - \$ - \$ - \$ 9,259 323,912 - \$ - \$ 9,259 323,912 - \$ - \$ 9,259 323,912 - \$ - \$ 9,259 323,912 - \$ - \$ 9,259 323,912 323,912 - \$ - \$ 9,259 323,912 - \$ - \$ 9,259 323,912 \$ 2,532 - \$ - \$ 9,259 323,912 \$ 2,532 - \$ - \$ 9,259 323,912 \$ 2,532 - \$ - \$ 9,259 323,912 \$ 2,532 - \$ - \$ 9,259 323,912 \$ 2,532 - \$ - \$ 9,259 323,912 \$ 2,532 \$ 48,528 \$ \$ 8,134 400,743 323,912 2,532 48,528 \$ \$ 8,134 400,743 323,912	EXPENDITURES NON-OPERATING																		
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TOTAL EXPENDITURES NON-OPERATING - 6,727 - 323,912 2,532 - - 333,171 TOTAL EXPENDITURES \$ 5,483 \$ 6,727 \$ 5,427 \$ 323,912 \$ 2,532 \$ 48,528 \$ 8,134 \$ 400,743		Ψ	-	Ψ	-	Ψ	-	Ψ	323,912	Ψ		Ψ	-	Ψ	-	Ψ	-	Ψ	
			-		6,727		-				2,532		-		-		-		
	TOTAL EXPENDITURES	\$	5.483	\$	6.727	\$	5.427	s	323.912	\$	2.532	s	48.528	\$	-	\$	8.134	\$	400.743
	NET INCOME/(LOSS)	Ś			,		19.573	\$,		,					\$	20.866		(111,468)

San Juan Basin Authority Financial Statements February 28, 2013

	Ge	G/L 21 neral Fund	0	P.C. 1 G/L 26 rtega Well		P.C. 4 G/L 22 Desalter		P.C. 4 G/L 31 Debt Svc	,	P.C. 9 G/L 29 Well Field	N	P.C. 10 G/L 25 Monitoring		P.C.11 G/L 20 uture Proj		P.C. 13 L 32 USGS Co-Op GIS		Total
ASSETS																		
Cash and Investments	\$	214,957	\$	-	\$	61,157	\$	-	\$	-	\$	180,984	\$	3,816	\$	53,189	\$	514,103
Cash and Investment-Restricted for Debt Service		-		-		-		2,413,549		-		-		-		-		2,413,549
Accounts Receivable - Lease prin		-		-		-		23,348,140		-		-		-		-		23,348,140
Utility Plant in Service		147,274		493,254		-		-		489,004		42,187		-		-		1,171,719
(Less) Accumulated Depreciation	_	(147,274)		(428,867)		-		-		(462,257)		(42,187)		-		-		(1,080,585)
TOTAL ASSETS	\$	214,957	\$	64,387	\$	61,157	\$	25,761,689	\$	26,747	\$	180,984	\$	3,816	\$	53,189	\$	26,366,926
LIABILITIES AND FUND EQUITIES																		
Current - Accounts Payable	\$	-	\$	-	\$	-	\$	431,882	\$	-	\$	-	\$	-	\$	-	\$	431,882
Bonds Payable		-		-		-		25,735,000		-		-		-		-		25,735,000
TOTAL LIABILITIES		-		-		-		26,166,882		-		-		-		-		26,166,882
FUND EQUITIES																		
SMWD	\$	21,249	\$	36,037	\$	10,396	\$	-	\$	14.820	\$	32.582	\$	954	\$	6.671	\$	122.709
MNWD	Ŷ	22,301	Ψ	-	Ψ	10,396	Ŷ	-	Ψ	-	Ŷ	48,983	Ψ	954	Ψ	8,081	Ŷ	90,715
CITY OF SAN JUAN CAPISTRANO		22,285		36,038		10,396		(109,425)		14,820		54,076		954		8,081		37,225
SCWD		22,723		-		10,396		-		-		18,871		954		9,490		62,434
Current Year Fund Balance		126,399		(7,688)		19,573		(295,768)		(2,892)		26,472		-		20,866		(113,038)
TOTAL FUND EQUITIES		214,957		64,387		61,157		(405,193)		26,748		180,984		3,816		53,189		200,045
TOTAL LIABILITIES AND FUND EQUITIES	\$	214,957	\$	64,387	\$	61,157	\$	25,761,689	\$	26,748	\$	180,984	\$	3,816	\$	53,189	\$	26,366,927
REVENUES			-	,			-			·	-		-		-			<u> </u>
Investment Income	\$	6	\$	-	\$	-	\$	28,144	\$	-	\$	-	\$	-	\$	-	\$	28,150
Special assessments	+	132,125	•	-	+	25.000	*		•	-	*	75,000	*	-	-	29,000	•	261,125
TOTAL REVENUES	\$	132,131	\$	-	\$	25,000	\$	28,144	\$	-	\$	75,000	\$	-	\$	29,000	\$	289,275
EXPENDITURES-OPERATING																		
Consulting Services	\$	700	\$	-	\$	5,427	\$	-	\$	-	\$	48,528	\$	-	\$	8,134	\$	62,789
Accounting Expense	+	146	*	-	+	-	*	-	•	-	*	-	*	-	-	-	•	146
Legal Fees		4,201		-		-		-		-		-		-		-		4,201
Dues		685		-		-		-		-		-		-		-		685
TOTAL EXPENDITURES-OPERATING		5,732		-		5,427		-		-		48,528		-		8,134		67,821
EXPENDITURES NON-OPERATING																		
Depreciation Expense	\$	-	\$	7,688	\$	-	\$	-	\$	2,892	\$	-	\$	-	\$	-	\$	10,580
Debt Service and Interest Expense	Ŷ	-	¥	- ,000	¥	-	¥	323,912	¥	-	¥	-	¥	-	¥	-	Ŷ	323,912
TOTAL EXPENDITURES NON-OPERATING		-		7,688		-		323,912		2,892		-		-		-		334,492
TOTAL EXPENDITURES	\$	5.732	\$	7,688	\$	5,427	\$	323,912	\$	2,892	\$	48,528	\$	-	\$	8,134	\$	402,313
NET INCOME/(LOSS)	\$	/ -	\$	(7,688)		19.573	<u> </u>	(295,768)		(2,892)		26.472		-	\$	20.866	\$	(113,038)

San Juan Basin Authority Budget vs Actual Fiscal Year 2012/2013

	Budget	2	July 1012 ctual		Aug 2012 Actual	Sept 2012 Actual	2	Oct 2012 Actual	:	Nov 2012 Actual	2	Dec 2012 Actual	:	Jan 2013 Actual	Fet 201 Actu	3	March 2013 Actual	Ap 20 Acte	13	May 2013 Actual	2	lune 2013 ctual	Exp	r to Date enditures Actual	Budget emaining
GENERAL FUND (021)	-																								
Financial Services	\$ 6,225	\$	-	\$	-	\$ -	\$	-	\$	-	\$	-	\$	-	\$-	:	ş -	\$	-	\$-	\$	-	\$	-	\$ 6,225
Legal Fees	15,000		94		593	-		855		207		-		2,452	-		-		-	-		-		4,201	10,800
Secretarial Administration	4,400		-		-	204		-		-		-		247	25	50	-		-	-		-		701	3,699
Audit Services	6,500		-		-	-		-		147		-		-	-		-		-	-		-		147	6,353
Miscellaneous	-		-		-	-		-		685		-		-	-		-		-	-		-		685	(685)
Project Management Services	100,000		-		-	-		-		-		-		-	-		-		-	-		-		-	100,000
	\$ 132,125	\$	94	\$	593	\$ 204	\$	855	\$	1,038	\$	-	\$	2,699	\$ 25	50 \$	ş -	\$	-	\$ -	\$	-	\$	5,733	\$ 126,392
Project Committee 4 (022) Vegetation Monitoring	\$ 25,000 25,000	\$	-	\$ \$	2,288 2,288	\$ -	\$	-	\$	-		2,447 2,447	+	692 692			6 - 6 -	\$	-	\$- \$-	\$	-	\$ \$	5,427 5,427	\$ 19,573 19,573
PROJECT COMMITTEE 10 (025)																									
Water Rights Monitoring - Field	\$ 75,000	\$	-	\$	11,483	\$ 7,246	\$	6,412	\$	-	\$	319	\$	8,582	\$-	:	ş -	\$	-	\$-	\$	-	\$	34,042	\$ 40,958
** Groundwater Management Plan	 100,000		-		2,792	8,188		3,506		-		-		-	-		-		-	-		-		14,486	85,514
	\$ 175,000	\$	-	\$	14,275	\$ 15,434	\$	9,918	\$	-	\$	319	\$	8,582	\$-		5 -	\$	-	\$ -	\$	-	\$	48,528	\$ 126,472
PROJECT COMMITTEE 13 (032) USGS-Loop Agreement Steam Gauging	\$ 29,000 29,000	\$	<u>8,134</u> 8,134	\$	-	\$ -	\$	-	\$	-	\$	-	\$	-	<u>\$</u> - \$-		6 - 6 -	\$	-	\$ -	\$	-	\$	8,134 8,134	\$ 20,866 20,866
TOTAL BUDGETED EXPENDITURES	\$ 361,125	\$	8,228	\$	17,156	\$ 15,638	\$	10,773	\$	1,038	\$	2,766	\$	11,973	\$ 25	50 3	ş -	\$	-	\$ -	\$	-	\$	67,822	\$ 293,303

** Per 6.12.12 meeting member agencies agreed to retain the GWMP in the budget but defer invoicings until funds are needed

SAN JUAN BASIN AUTHORITY OPERATING BUDGET DETAIL/CHECK REGISTER AS OF FEBRUARY 28, 2013

F							GENERA	L FUND (21)			(021)	PC 4 DESALTER (22)	(022)
					Financial	Legal Fees	Secretarial	Audit	Misc	Proj Mgmt Svcs	TOTAL	Veg Monitoring	TOTAL
		BUDGET			\$ 6,225.00	\$ 15,000.00	\$ 4,400.00	\$ 6,500.00	\$ -	\$ 100,000.00	\$ 132,125.00	\$ 25,000.00	\$ 25,000.00
Ck #	Date	Vendor	CHECK AMOUNT	Prior Yr Expenses									
		ACCRUALS BAL FWD Prior Year		179,569.54							-		-
											-		-
2543		Santa Margarita Water District	98.40	(98.40)							-		-
2544	7/26/2012	Stradling Yocca Carlson & Rauth	979.76	(920.76)		59.00					59.00		-
2545		Sharon Brimer	220.00	(220.00)							-		-
2546	7/26/2012	Psomas-Misc review of Wtr Rights file	2,807.92	(2,807.92)							-		-
2547	7/26/2012	Wildermuth Environmental	28,751.43	(28,751.43)							-		-
2548		U.S. Geology Survey	24,850.00	(24,850.00)							-		-
2549		Stradling Yocca Carlson & Rauth	34.10			34.10					34.10		-
		Wildermuth Environmental	31,998.23								-	2,288.38	2,288.38
		Santa Margarita Water District	8,150.40	(8,150.40)							-		-
2552	10/11/2012	Sharon Brimer	264.00				264.00				264.00		-
	11/12/2012	Craig R. Fechter	5,946.00	(5,800.00)				146.00			146.00		-
2554		VOID									-		
		State Water Resources Board	684.60						684.60		684.60		
		Stradling Yocca Carlson & Rauth	1,656.00			1,656.00					1,656.00		
2557		Wildermuth Environmental	9,917.88								-	1,486.68	1,486.68
2558	1/10/2013	Wildermuth Environmental	2,765.78								-	959.98	959.98
2559		Sharon Brimer	246.80				246.80				246.80		
2560		Wildermuth Environmental	9,273.70								-	691.70	691.70
2561		Sharon Brimer	250.00				250.00				250.00		
2562	2/25/2013	Stradling Yocca Carlson & Rauth	2,451.50			2,451.50					2,451.50		-
		Refund of Domain Registry ck	(60.00)				(60.00)				(60.00)		-
		Reversal of D.S. accrual	107,970.63	(107,970.63)							-		-
		Prior year pending accrual balance		-							-		-
		Adjustment from FY 2010 prepd acct		8,134.00							-		-
											-		-
		Accrual from FY 12.13			-	-	-	-	-	-	-	-	-
		BUDGET REMAINING 2012.13			\$ 6,225.00	\$ 10,799.40	\$ 3,699.20	\$ 6,354.00	\$ (684.60)	\$ 100,000.00	\$ 126,393.00	\$ 19,573.26	\$ 19,573.26

				PC 10 MON		· · · ·	PC 13 USGS CO-OP	(13)	(31)	TOTAL BUDGET
			Grdwt		Grnd Mgmt Pla		Lp Agree Stm Gauging		Debt Svc Pmts	Used/Remaining
		BUDGET	 \$	75,000.00	\$ 100,000.00	\$ 175,000.00	\$ 29,000.00	\$ 29,000.00		\$ 361,125.00
Ck #	Date	Vendor								
						-		-		-
						-		-		-
		Santa Margarita Water District				-		-		-
		Stradling Yocca Carlson & Rauth				-		-		(59.00
		Sharon Brimer						-		-
2546		Psomas-Misc review of Wtr Rights file				-		-		-
2547		Wildermuth Environmental				-		-		-
2548		U.S. Geology Survey				-		-		-
2549		Stradling Yocca Carlson & Rauth				-		-		(34.10
2550	10/11/2012	Wildermuth Environmental		18,729.85	10,980.00	29,709.85		-		(31,998.23
		Santa Margarita Water District				-		-		-
		Sharon Brimer				-		-		(264.00
		Craig R. Fechter				-		-		(146.00
	1/0/1900					-		-		-
2555	11/27/2012	State Water Resources Board				-		-		(684.60
		Stradling Yocca Carlson & Rauth				-		-		(1,656.00
		Wildermuth Environmental		4,925.20	3,506.00	8,431.20		-		(9,917.88
2558	1/10/2013	Wildermuth Environmental		1,805.80		1,805.80		-		(2,765.78
2559		Sharon Brimer				-		-		(246.80
2560		Wildermuth Environmental		8,582.00		8,582.00		-		(9,273.70
2561	2/25/2013	Sharon Brimer								(250.00
2562		Stradling Yocca Carlson & Rauth								(2,451.50
		Refund of Domain Registry ck				-		-		60.00
		Adjustment from FY 2010 prepd acct				-	8,134.00	8,134.00		(8,134.00
		Accruals from FY 2012.13		-	-	-	•	-	**431,882.00	
		BUDGET REMAINING 2012.13	\$	40,957.15	\$ 85,514.00	\$ 126,471.15	\$ 20,866.00	\$ 20,866.00	\$ -	\$ 293,303.41

** Debt Service is not included in the budget - it is paid by the City of San Juan Capistrano separately



March 11, 2013

Santa Margarita Water District Attention: Dan Ferons 26111 Antonio Pkwy Rancho Santa Margarita, CA 92688

City of San Juan Capistrano Attention: West Curry 32400 Paseo Adelanto San Juan Capistrano, CA 92675

Subject: San Juan Basin Groundwater Management Plan and Facilities Plan: March 2013 Progress Report

Gentlemen:

The following summarizes the work completed on the San Juan Basin Groundwater Management and Facilities Plan through February 28, 2013.

Summary of Work Completed to Date

Task 1 Define Water Management Objectives and *Task 5 Describe Water Management Issue and Strategies* – 100 percent complete.

Task 2 Describe Planning Area and Its Resources – 100 percent complete.

Task 3 Describe Historical and Future Water Requirements – 100 percent complete.

Task 4 Describe Existing Resources – 100 percent complete.

Task 6 Define Alternative Management Plans – 100 percent complete. The physical initiatives included in the management plans are geared towards increasing sustainable production. These initiatives include: (1) producing as much as currently planned, limited by the greater of either planned production or what can be produced based on groundwater in storage; (2) constructing a seawater intrusion barrier seaward of the South Coast Water District desalter wells to prevent seawater intrusion; (3) replacing some or all the conventional wells at the City of San Juan Capistrano and South Coast Water District desalters with Ranney collector wells or their functional equivalent; and (4) implementing enhanced streambed infiltration in San Juan Creek and the Arroyo Trabuco.

Task 7 Evaluate Alternative Management Plans – This task is under way. Attached are the discussion notes from the February 26, 2013 Technical Advisory Committee (TAC) meeting. These notes contain descriptions of the management alternatives we are currently

evaluating, and we are incorporating the results of this task into the administrative draft report (Task 10).

Task 8 Describe Recommended Management Plan – This task is under way and being incorporated in the administrative draft report (Task 10)

Task 9 Develop Monitoring and Reporting Protocols – This task commenced last summer, and some of its recommendations have been included in the monitoring program currently being implemented by the SJBA. The results of this task are currently being incorporated into the administrative draft report (Task 10).

Task 10 Prepare Groundwater Management Plan Report – This task is substantively underway. We estimate that the administrative draft report will be ready to submit to the SJBA TAC and colleague reviewers by the end of March 2013. The following table shows the percent-completion of each report section:

	Admin Draft Report Section	Percent Complete
	Executive Summary	
1	Planning Area and its Resources	100
2	Existing Water Resources	90
3	Historical and Projected Water Demand	100
4	Management Objectives and Impediments	90
5	Strategies and Actions to Achieve Management Objectives	100
5	Alternative Management Plans	50
6	Evaluation of Management Plans	40
7	Recommended Management Plan	0
8	Recommended Monitoring and Reporting Protocols	50
9	References	90
App-A	Initial Study Checklist	0
Арр-В	Comments and Responses to Comments	0

Task 11 Project Meetings and Coordination Activities – This task is ongoing. We have attended South Orange County Ocean Desalter TAC meetings and three SJBA TAC meetings. These meetings focused on providing comments on the MWDOC model construction, coordinating planning information, and acquiring modeling results for inclusion in the 2013 SJBA Groundwater Management Plan. We plan on meeting with the SJBA TAC within a few weeks of submitting the administrative draft report, and we plan on a full SJBA Board workshop after the draft report is submitted.

Task 12 Preliminary CEQA Analysis – Task 12 will start in late March 2013 after the management alternatives are more fully described. The environmental checklist will be included in the draft report.

Task 13 Project Management – This task is ongoing.

Schedule

Our schedule to complete the management plan report is as follows:

- We expect to produce a completed administrative draft report for submittal to the SJBA TAC by March 29, 2013. For planning purposes we are assuming that the SJBA TAC will complete its review in four weeks (April 26, 2013).
- We will submit a draft report to the SJBA Board and stakeholders within two weeks of receiving the TAC comments on the administrative draft report (May 10, 2013).
- For planning purposes we are assuming the SJBA and stakeholders will need four weeks for review (June 7, 2013). We will conduct a workshop on the draft report for the SJBA Board and stakeholders during the review period.
- We will review comments from the SJBA and stakeholders with the SJBA TAC members, prepare written responses, and finalize the report within three weeks of receiving final comments (June 28, 2013).

Please call me if you have any questions.

Very truly yours,

Wildermuth Environmental, Inc.

March A.W. Jeleve

Mark J. Wildermuth, PE President

Recommended Alternatives for the Update of the San Juan Basin Groundwater Management and Facilities Plan (Revised February 26, 2013)

Recommended alternatives assuming SOCOD is not implemented or that SOCOD implementation is deferred for ten or more years:

- 1. Reduce groundwater production by the SJC/SJBA and the SCWD to prevent seawater intrusion and to what is otherwise available on an annual basis (the new baseline)
 - a. Set groundwater-level based production thresholds and use monitoring to adjust production.
 - b. Could require an interconnection between SJC/SJBA and SCWD¹ to ensure equitable sharing of groundwater if equitable sharing is required (could share raw or treated water).
- 2. Same as Alternative 1 above and construct a seawater intrusion barrier to prevent seawater intrusion and reduce groundwater production to what is otherwise available on an annual basis
 - a. Set groundwater-level based production thresholds and use monitoring to adjust production.
 - b. Size and construct injection wells seaward of the SCWD desalter wells. Modulate injection rate to maintain barrier without surface discharge of groundwater.
 - c. Source water for injection barrier is based on least cost—assumed initially to come from MWDOC but could be recycled water in the future.
- 3. Same as Alternative 2 above and construct one or more Ranney collector wells to enable maximum production during dry periods
 - a. Shift production from SCWD wells and some of the SJC/SJBA wells to Ranney collector as necessary to sustain production.
 - b. Set groundwater-level based production thresholds and use monitoring to adjust production.
 - c. Modulate injection rate at the seawater injection barrier to maintain the barrier without surface discharge of groundwater.
 - d. Source water for injection barrier is based on least cost—assumed initially to come from MWDOC but could be recycled water in the future.
- 4. Same as Alternative 3 above and implement enhanced streambed infiltration in San Juan Creek and the Arroyo Trabuco
 - a. Shift production from SCWD wells and some of the SJC/SJBA wells to Ranney collector as necessary to sustain production.
 - b. Set groundwater-level based production thresholds and use monitoring to adjust production.
 - c. Adjust production to create room for recharge along streams.

¹ This will require agreements for the equitable sharing of groundwater between the City of San Juan and the SCWD.

- d. Source water for injection barrier is based on least cost—assumed initially to come from MWDOC but could be recycled water in the future.
- e. Construct and maintain "T" levees to make storm water discharge in San Juan Creek inundate the entire channel bottom during small to moderate discharge events thus maximizing surface water recharge.
- 5. Same as Alternative 4 above with development of a coastal wells to create a seawater intrusion barrier with pumping instead of injection
 - a. Modify the SCWD treatment system to treat brackish groundwater and eventually seawater. New wells may be required. Product water will be pumped into the SCWD distribution system.
 - b. Shift production from SCWD wells and some of the SJC/SJBA wells to Ranney collector as necessary to sustain production.
 - c. Set groundwater-level based production thresholds and use monitoring to adjust production.
 - d. Adjust production to create room for recharge along streams.
 - e. Construct and maintain "T" levees to make storm water discharge in San Juan Creek inundate the entire channel bottom during small to moderate discharge events thus maximizing surface water recharge.

Recommended alternatives assuming SOCOD is implemented in less than ten years:

- 6. Reduce groundwater production by the SJC/SJBA and the SCWD to what is available on an annual basis (baseline alternative with SOCOD project)
 - a. Set groundwater-level based production thresholds and use monitoring to adjust production.
 - b. Will require an interconnection between SJC/SJBA and SCWD to ensure equitable sharing of groundwater if equitable sharing is required (could share raw or treated water).
 - c. Planned groundwater production will have to be reduced due to the SOCOD project after it becomes operational.
- 7. Same as 5 and construct one or more Ranney collector wells to enable maximum production during dry periods.
 - a. Shift production from SCWD wells and some of the SJC/SJBA wells to Ranney collector as necessary to sustain production.
 - b. Set groundwater-level based production thresholds and use monitoring to adjust production.
 - c. Planned groundwater production will have to be reduced due to the SOCOD project after the SOCOD project becomes operational.
- 8. Same as Alternative 6 above and implement enhanced streambed infiltration in San Juan Creek and the Arroyo Trabuco.
 - a. Shift production from SCWD wells and some of the SJC/SJBA wells to Ranney collector as necessary to sustain production.
 - b. Set groundwater-level based production thresholds and use monitoring to adjust production.

- c. Planned groundwater production will have to be reduced due to the SOCOD project after it becomes operational.
- d. Construct and maintain "T" levees to make storm water discharge in San Juan Creek inundate the entire channel bottom during small to moderate discharge events thus maximizing recharge.



SAN JUAN BASIN AUTHORITY

26111 Antonio Parkway • Rancho Santa Margarita, CA 92688 (949) 459-6400 FAX (949) 459-6463

SUBJECT:	Letter of Support for Permit 21138, Applica	tion 30337	, South Coast
FROM:	Dan Ferons		
TO:	Board of Directors	DATE:	March 12, 2013

SUBJECT: Letter of Support for Permit 21138, Application 30337, South Coast Water District Amended Petition for Extension of Time and Change of Conditions South Coast Water District

SUMMARY

Issue: The State Water Resources Control Board has requested the Authority to provide a letter acknowledging its understanding of the request by South Coast Water District (SCWD) to amend its water rights application.

Recommendation: Authorize issuance of letter.

Fiscal Impact: No fiscal impact.

Previously Related Action: The Authority amended its water rights permit.

DISCUSSION

Attached is a copy of the current SCWD permit and a draft letter stating concurrence with the proposed changes to SCWD Water Rights Permit conditions 16 and 17.

Background Summary prepared by John Thornton of Psomas

The Protest Settlement Agreement dated March 1, 1998 (Exhibit 1) between the SJBA and Capistrano Beach Water District (now South Coast Water District) settled the protest of each other's water rights applications and laid out some basic principles on how the two application and later permits would be administered (Referred to in Condition 8 of the SCWD permit and Condition 7 of the SJBA permit). It established the SJBA as the "Basin Manager" with broad discretion in making basin management decisions. It was on this authority that the SJBA developed the Monitoring Plan for the Lower San Juan Creek Groundwater Basins to accommodate both the SJBA and SCWD permit monitoring requirements.

Board of Directors March 12, 2013 Page 2

On April 23, 2001 (Exhibit 2) the SJBA transmitted to the Division its first version of the Monitoring Plan dated April 5, 2001. Subsequently the Division responded (May 30, 2001 Exhibit 3) and the SJBA responded back in the December 21, 2001 Progress Report (Exhibit 4).

The SJBA received a Department of Water Resources (DWR) grant to develop the detail monitoring plan, install monitoring wells, purchase and install instrumentation and perform the initial baseline monitoring all before the initial pumping of SJB A and SCWD projects. The SJBA transmitted two copies of the summary implementation and baseline monitoring report (May 19, 2004, Exhibit 5) to the Division. This report summarized the development and implementation of the monitoring plan to comply with the monitoring requirements of the SJBA and SCWD. It went into the details of the installation of the monitoring wells, selection of vegetation monitoring sites and initial baseline monitoring. The Division reviewed the report and responded (Exhibit 6, July 29, 2004) with an acknowledgement of compliance with the monitoring requirements of both the SJBA and SCWD permit conditions. The SJBA project started extracting water from the basin in the later part of 2004. The SCWD started extracting water for their project in September 2007.

A shift from reporting by fiscal year to reporting by calendar year was made with the reports submitted in March of 2006 (covering April 2004 through December 2005). Likewise annual monitoring reports have been sent to the Division by the SJBA to present. The SJBA has also received letters annually from the Division acknowledging compliance with the monitoring requirements permits.

In 2010 the SJBA requested that it's Permit (21074) monitoring conditions 16, 17 and 23 be reviewed and updated. On October 11, 2011 the Division issued an amended permit revising those conditions. The SJBA project (8,026 afy/10,702 afy) is larger than the SCWD's project (1,300 afy) and proposed in two phases. The SCWD's project being smaller (1,300 afy) and is one phase. SCWD extracted 1,140 af last year and is projecting to extract approximately the same this year (approximately 88% of permit).

The SJBA permit amended condition 16 requires it to participate in the DWR California Statewide Groundwater Elevation Monitoring program (SBx76 CASGEM). The SJBA CASGEM program includes monitoring water levels not only in the part of the basin where SJBA extracts water but also in the part of the basin in and around the SCWD's diversion points. The SJBA reports groundwater levels into CASGEM on a quarterly basis. It is redundant for SCWD to do the same and contrary to the concepts of having the SJBA as the Groundwater Basin Manager [Agreement dated March 1, 1998 (Exhibit 1)].

Condition 17 requires the monitoring of Chloride and TDS. The SCWD project is not in multiple phases as is the SJBA project and extracted this year approximately 88% (1,140 af) of their permitted water right (1,300 af) and will likely be approximately the

Board of Directors March 12, 2013 Page 3

same in 2013. Specific conductance (electrical conductivity, EC) both continuously and static measurements have been used as an indicator of changes in Chloride and TDS since there is a direct relationship between them. These readings have been observed since before (monitoring started in April 2004) their projects started extracting water (mid-2007). The readings have been unremarkable hovering around an EC of 2,300 mS/cm. This can be observed from Figure 6 in the SCWD Amended Petition dated November 8, 2012 (Exhibit 7) which was produced from data from the annual monitoring reports submitted to the Division of Water Rights by the SJBA. SCWD extractions up to their permit amount is not expected to have any consequential changes on EC thus TDS or chloride.

The SJBA amended permit does not require them to monitor for the EC (Condition 17), for their Phase I project (diversions up to 4,800 afy). However they are required to resume monitoring for Phase II (diversions in excess of 4,800 afy). The combined pumping of SCWD and SJBA Phase I is not causing any consequential changes in Chloride and TDS as measured by EC in the vicinity of the SCWD diversion. It is unnecessary for SCWD to continue monitoring for these constituents when there is no evidence that the combined pumping of SCWD and SJBA is having an impact on Chloride or TDS as indicated by changes in EC. The SJBA is required to resume monitoring EC when they enter Phase II pumping. When overall pumping in the basin starts to increase monitoring, EC will be also be resumed by the SJBA.

SCWD is currently diverting approximately 88% (1,140 afy) of their permitted water right and the additional 12% (160 afy) is not expected to have any consequential changes in EC. The proposed amended conditions 16 and 17 will bring the SCWD permit into alignment with the monitoring requirements SJBA amended permit and not require a duplicate monitoring plan for SCWD.

P:\SJBA\SCWD Permit Amendments.doc.cl



SAN JUAN BASIN AUTHORITY

26111 Antonio Parkway • Rancho Santa Margarita, CA 92688 (949) 459-6400 FAX (949) 459-6463

March 12, 2013

State Water Resources Control Division of Water Rights P.O. Box 100 Sacramento, CA 95812-0100

Attention: Mitchell Moody

Re: Permit 21138, Application 30337, South Coast Water District Amended Petition for Extension of Time and Change of Conditions

Dear Mr. Moody:

The San Juan Basin Authority provides for groundwater monitoring in the San Juan Basin and provides annual reports to the South Coast Water District (SCWD) for its use and information. The Authority supports the Petition filed by SCWD to amend its monitoring requirements, specifically, Permit 21138 Conditions 16 and 17. The proposed amended conditions will align with similar conditions in the Authority's permit.

Sincerely,

SAN JUAN BASIN AUTHORITY

Larry McKinney Chairman

cc: Daniel R. Ferons, SMWD West Curry, City of San Juan Capistrano Matt Collings, MNWD Joe Sovella John R. Thornton

STATE OF CALIFORNIA CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

PERMIT FOR DIVERSION AND USE OF WATER

PERMIT 21138

Application 30337 of

South Coast Water District P.O. Box 30205 Laguna Niguel, CA 92607-0205

filed on **March 24, 1995**, has been approved by the State Water Resources Control Board (SWRCB) SUBJECT TO PRIOR RIGHTS and to the limitations and conditions of this permit.

Permittee is hereby authorized to divert and use water as follows:

1. Source of water

Source: San Juan Creek (subterranean stream) Tributary to: Pacific Ocean

within the County of Orange.

2. Location of point of diversion

By California Coordinate System of 1927, in Zone 6	40-acre subdivision of public land survey or projection thereof	Section (Projected) *	Township	Range	Base and Meridian
North 478,240 feet and East 1,564,500 feet	NE¼ of SE¼	14	85	8W	SB

3. Purpose of use	4. Place of use	Section	Township	Range	Base and Meridian	Acres
Municipal	Within the boundaries of South Coast Water District		7W, 8W	8S ,	SB	

The place of use is shown on map filed with the SWRCB.

•

Application 30337 Page 2

Permit 21138

- 5. The water appropriated shall be limited to the quantity which can be beneficially used and shall not exceed 4.0 cubic feet per second to be diverted from January 1 to December 31 of each year. Until further order of the Chief, Division of Water Rights, the maximum amount diverted under this permit shall not exceed 976 acre-feet per annum (afa). This amount can be increased by a maximum of 324 afa, for a total diversion of 1,300 afa, upon showing by the permittee of the availability of unappropriated water and approval of the Chief, Division of Water Rights. (0000005A)
- 6. Construction work and complete application of the water to the authorized use shall be prosecuted with reasonable diligence and completed by December 31, 2012.

(0000009)

7. During the season specified in this permit, the total quantity and rate of water diverted and used under this permit and under permittee's claimed existing right for the place of use specified in the permit shall not exceed the quantity and rate of diversion and use specified in this permit. If the permittee's claimed existing right is quantified at some later date as a result of an adjudication or other legally binding proceeding, the quantity and rate of diversion and use allowed under this permit shall be the net of the face value of the permit less the amounts of water available under the existing right.

Permittee shall forfeit all rights under this permit if permittee transfers all or any part of the claimed existing right for the place of use covered by this permit to another place of use without the prior approval of the State Water Resources Control Board.

Permittee shall take and use water under the existing right claimed by permittee only in accordance with law.

(0000021B)

 Allocation of the available water resources under this permit and Permit 21074 (Application 30123) of San Juan Basin Authority and any permit issued pursuant to Application 30696 of Capistrano Valley Water District, et al. are governed by private agreements among the respective parties dated November 21, 1995 and March 1, 1998, and by their joint letter dated March 13, 1998.

If the agreements are modified in a manner which requires revisions to the allocation of water, the permittee shall provide to the Chief of the Division of Water Rights a revised allocation schedule and the permittee shall operate to the revised schedule. If the agreements are terminated, the Chief of the Division of Water Rights shall determine the water allocation schedule needed to protect prior rights and public trust resources, and the permittee shall operate to this schedule. (0000024)

9. To the extent that water available for use under this permit is return flow, imported water, or wastewater, this permit shall not be construed as giving any assurance that such supply will continue.

(0000025)

10. Permittee shall consult with the Division of Water Rights and, within one year from the date of this permit, shall submit to the State Water Resources Control Board its Urban Water Management Plan as prepared and adopted in conformance with section 10610, et seq. of the California Water Code, supplemented by any additional information that may be required by the Board.

Application 30337 Page 3

All cost-effective measures identified in the Urban Water Management Plan and any supplements thereto shall be implemented in accordance with the schedule for implementation found therein. (0000029A)

- 11. If it is determined after permit issuance that the as-built conditions of the project are not correctly represented by the map(s) prepared to accompany the application, permittee shall, at his expense have the subject map(s) updated or replaced with equivalent as-built map(s). Said revision(s) or new map(s) shall be prepared by a civil engineer or land surveyor registered of licensed in the State of California and shall meet the requirements prescribed in section 715 and sections 717 through 723 of the California Code of Regulations, Title 23. Said revision(s) or map(s) shall be furnished upon request of the Chief, Division of Water Rights.
- 12. The permittee shall not operate the project in a manner so as to cause injury to the reasonable and beneficial uses of water recognized for San Juan Creek watershed in the Water Quality Control Plan for the San Diego Basin. (000T001)
- 13. In order to prevent degradation of the quality of water during and after construction of the project, prior to commencement of construction, permittee shall file a report pursuant to Water Code Section 13260 and shall comply with all waste discharge requirements imposed by the California Regional Water Quality Control Board, San Diego Region, or by the State Water Resources Control Board.
- 14. Cumulative extractions by the permittee, senior right holders, and rights governed by private agreements with the permittee (see condition 8) shall not exceed recharge from return flows and precipitation. This condition is satisfied when groundwater storage is not less than one-half of the storage capacity in the alluvial groundwater basin.
- 15. Permittee shall promptly install and maintain metering devices on the diversion facility it uses, in a manner consistent with current waterworks industry standards. Permittee shall meter flows at the diversion facility monthly. Permittee shall measure static water levels at the diversion facility once every two months. This information shall be submitted to the Division of Water Rights annually, with the Progress Report by Permittee forms.

16. Prior to diversion of water under this permit, permittee shall prepare and submit to the Chief, Division of Water Rights for approval and modification, if necessary, an annual compliance monitoring plan. Any amendments to the plan shall also be submitted to the Division Chief for approval and modification, if necessary, prior to implementation.

The monitoring plan shall identify (a) the measures the permittee will take to collect data regarding water levels in the San Juan Basin (b) document how the permittee will comply with the requirement that cumulative extractions do not exceed recharge from return flows and precipitation, and (c) provide adequate information to document that the permittee will not operate the project in a manner that causes adverse impacts to senior water rights and water rights governed by private agreement (identified in condition 8), and their successors in interest.

Permit 21138

(0000030)

(0360900)

(0000100)

(0080900) (0490900)

Permit 21138

The permittee shall identify the steps that will be taken to limit diversions to ensure that (a) diversions do not interfere with prior rights, (b) cumulative diversions do not exceed basin recharge rates, and (c) diversions comply with all permit terms and conditions. Upon approval of the plan by the Chief, Division of Water Rights, the permittee shall implement the plan.

An annual compliance report shall be submitted with the Progress Report by Permitteë. (0490700)

17. Prior to initiating any diversion of water under this permit, the permittee shall install monitoring well(s) located in the vicinity of the point of diversion for the purpose of monitoring both total dissolved solids (TDS) and chloride levels. The permittee shall obtain measurements of the TDS and chloride levels at the monitoring well(s) and shall develop a monitoring program that identifies the sampling frequency, monitoring protocol, and statistical analysis needed to document TDS and chloride levels relative to the water quality objectives in the Water Quality Control Plan for the San Diego Basin (Basin Plan). The water quality monitoring program shall be submitted to the Chief, Division of Water Rights for approval and modification, if necessary, within six months of issuance of this permit. No water may be diverted until the monitoring program is approved.

Extractions shall not cause groundwater to exceed the Basin Plan objectives. In the event the Basin Plan objectives are already exceeded, the extraction shall not cause further degradation. Because the levels of TDS and chloride may vary with time, the constituent levels in the monitoring wells shall be statistically compared with historic levels or monitoring wells unaffected by the extractions to determine if degradation has occurred.

A record of the TDS and chloride level measurements taken in accordance with the water quality monitoring program requirements shall be submitted annually with the Progress Report by Permittee, together with documentation that the permittee discontinued use of the diversion well whenever the well did not meet the requirements of this permit condition. The permittee shall provide the dates of non-use whenever the diversion well is not in use due to this permit condition. (0110900)

(0110900) (0360900) (0490700)

18. Should any buried archeological materials be uncovered during project activities, such activities shall cease within 100 feet of the find. Prehistoric archeological indicators include: obsidian and chert flakes and chipped stone tools; bedrock outcrops and boulders with mortar cups; ground stone implements (grinding slabs, mortars and pestles) and locally darkened midden soils containing some of the previously listed items plus fragments of bone and fire affected stones. Historic period site indicators generally include: fragments of glass, ceramic and metal objects; milled and split lumber; and structure and feature remains such as building foundations, privy pits, wells and dumps; and old trails. The Chief of the Division of Water Rights shall be notified of the discovery and a professional archeologist shall be retained by the Permittee to evaluate the find and recommend appropriate mitigation measures. Proposed mitigation measures shall be submitted to the Chief of the Division of Water Rights for approval. Project-related activities shall not resume within 100 feet of the find until all approved mitigation measures have been completed to the satisfaction of the Chief of the Division of Water Rights.

(0000215)

19. No debris, soil, silt, cement that has not set, oil, or other such foreign substance will be allowed to enter into or be placed where it may be washed by rainfall runoff into the waters of the State. When operations are completed, any excess materials or debris shall be removed from the work area.

(0000208)

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Permit 21138

20. Within 120 days of permit issuance, the permittee shall submit documentation to the Chief, Division of Water Rights whether any construction activities pursuant to this permit may affect the Designated California Natural Area, site number ORA 24 (natural area).

Prior to initiating any construction activities that may affect the natural area, the permittee shall obtain written approval authorizing work in the natural area from the California Department of Fish and Game (DFG). The permittee shall submit a copy of any DFG authorization to the Chief, Division of Water Rights within 60 days of receiving the DFG approval.

(0400500)

ALL PERMITS ISSUED BY THE STATE WATER RESOURCES CONTROL BOARD ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

- A. The amount authorized for appropriation may be reduced in the license if investigation warrants. (0000006)
- B. Progress reports shall be submitted promptly by permittee when requested by the SWRCB until a license is issued.

(0000010)

C. Permittee shall allow representatives of the SWRCB and other parties, as may be authorized from time to time by said SWRCB, reasonable access to project works to determine compliance with the terms of this permit.

(0000011)

D. Pursuant to California Water Code sections 100 and 275, and the common law public trust doctrine, all rights and privileges under this permit and under any license issued pursuant thereto, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of SWRCB in accordance with law and in the interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of said water.

The continuing authority of the SWRCB may be exercised by imposing specific requirements over and above those contained in this permit with a view to eliminating waste of water and to meeting the reasonable water requirements of permittee without unreasonable draft on the source. Permittee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the SWRCB determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the SWRCB also may be exercised by imposing further limitations on the diversion and use of water by the permittee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the SWRCB determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, Section 2; is consistent with the public interest; and is necessary to preserve or restore the uses protected by the public trust.

(0000012)

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E. The quantity of water diverted under this permit and under any license issued pursuant thereto is subject to modification by the SWRCB if, after notice to the permittee and an opportunity for hearing, the SWRCB finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to Division 7 of the Water Code. No action will be taken pursuant to this paragraph unless the SWRCB finds that (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved, and (2) the water quality objectives cannot be achieved solely through the control of waste discharges.

(0000013)

F. This permit does not authorize any act which results in the taking of a threatened or endangered species or any act which is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish and Game Code sections 2050 to 2097) or the federal Endangered Species Act (16 U.S.C.A. sections 1531 to 1544). If a "take" will result from any act authorized under this water right, the permittee shall obtain authorization for an incidental take prior to construction or operation of the project. Permittee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the project authorized under this permit.

(0000014)

G. Permittee shall maintain records of the amount of water diverted and used to enable the State Water Resources Control Board to determine the amount of water that has been applied to beneficial use pursuant to Water Code Section 1605.

(0000015)

H. No work shall commence and no water shall be diverted, stored or used under this permit until a copy of a stream or lake alteration agreement between the State Department of Fish and Game and the permittee is filed with the Division of Water Rights. Compliance with the terms and conditions of the agreement is the responsibility of the permittee. If a stream or lake agreement is not necessary for this permitted project, the permittee shall provide the Division of Water Rights a copy of a waiver signed by the State Department of Fish and Game.

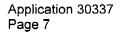
(0000063)

This permit is issued and permittee takes it subject to the following provisions of the Water Code:

Section 1390. A permit shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code), but no longer.

Section 1391. Every permit shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article and the statement that any appropriator of water to whom a permit is issued takes it subject to the conditions therein expressed.

Section 1392. Every permittee, if he accepts a permit, does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefor shall at any time be assigned to or claimed for any permit granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any permittee or by the holder of any rights granted or acquired under the provisions of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district,



Permit 21138

lighting district, or any political subdivision of the State, of the rights and property of any permittee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

STATE WATER RESOURCES CONTROL BOARD

ORIGINAL SIGNED BY DAVID R. BERINGER For

Harry M. Schueller Chief Deputy Director

Dated: December 19, 2002

Exhibit 1

PROTEST SETTLEMENT AGREEMENT BETWEEN SAN JUAN BASIN AUTHORITY AND CAPISTRANO BEACH WATER DISTRICT

Effective this 1st day of March, 1998, the San Juan Basin Authority ("Authority") and Capistrano Beach Water District ("CBWD") agree as follows.

RECITALS

- A. In 1992, the Authority filed Application No. 30123 with the State Water Resources Control Board (SWRCB) to appropriate water from the San Juan Basin. GBWD protested the Authority's Water Right Application.
- B. In 1994, CBWD filed Application No. 30337 with the SWRCB to appropriate water from the San Juan Basin. The Authority protested the CBWD Water Right Application.
- C. It is the desire of the Authority to construct facilities to extract and where necessary treat water from the San Juan Basin and to put the water to beneficial use within member agency jurisdictions. Likewise, it is the desire of the CBWD to construct and operate a separate well and treatment plant to extract and treat water from the San Juan Basin and put the water to beneficial use within the CBWD.
- D. It is recognized and agreed by the parties that it is mutually desirable to agree to a mechanism for the management of their respective extractions from the Basin, and for

the Authority to act as "Basin Manager" for the purpose of defining and managing the water supply available to CBWD and Authority from the Basin on an ongoing basis. The Authority has created a committee now known as "Project Committee No. 10" for that purpose¹. The parties envision that CBWD may become a member of the Authority and will participate in that committee. The Authority recommends that, upon full execution of this Agreement, CBWD's membership be expeditiously approved by each existing member of the Authority subject to the terms and conditions of this Agreement. Pending CBWD's joinder of the Authority, the parties agree that CBWD should participate in that committee as a non-voting member.

- E. It is intended that the parties' facilities will be separate and apart from each other, and that CBWD shall remain exclusively responsible for all aspects of its well and water treatment facilities and operations. The parties do not intend that CBWD will have any interest in the Authority's Water Right or Project.
- F. As between the Authority and CBWD, the Authority envisions division of water pursuant to Applications 30123 and 30337 in accordance with the parties' respective water demands or acreage in the Basin watershed, or similar objective formula. This would not provide to CBWD the volume of water it desires. Solely and on condition of settling the parties' dispute, avoiding further expense and hearings, and reaching

¹ The parties understand and acknowledge that the nature, scope and composition of committees may change from time to time .

agreement on Basin management and other terms and conditions as described herein, CBWD is accorded a significantly enhanced volume of water as described below.

F. The parties acknowledge that the quantity of water in the Basin at any given time is subject to pumping by persons other than the parties hereto, and the quantity and quality of water flowing in and through the Basin may be diminished by drought conditions, others' pumping, and other events beyond the control of the parties hereto, including the Authority as Basin Manager. By this Agreement the parties seek to inaugurate a more cohesive and coordinated approach to the use of Basin water resources, commencing with their own diversions.

The parties now desire to resolve their differences and therefore agree as follows,

AGREEMENT

1. <u>Definitions</u>

a. "Artificial Replenishment" shall mean all effective and feasible methods of replenishing or charging the Basin other than natural replenishment or recharge, including but not limited to the importation and spreading of supplemental water (for example, imported water purchased directly or indirectly from the Metropolitan Water District of Southern California), and in-lieu recharge.

b. "Authority" shall mean the San Juan Basin Authority as it may be constituted from time to time, and the Authority's assignees and/or successors in interest. In the event that CBWD becomes a member of the Authority, "Authority" as used in this Agreement shall

exclude CBWD for purposes of the Authority's rights and interests in (i) the Authority Water Right (now adminstered by Project Committee No. 7), including without limitation its percentage of Available Safe Yield, and (ii) the Authority Project (now administered by Project Committee No. 4), as the Authority Water Right and Project may change from time to time. CBWD shall not obtain any interest in the Authority's Water Right or Project and the Authority shall not obtain any interest in CBWD's Water Right or Project.

c. "Authority Water Right" shall mean the Authority's water right application no. 30123, and any permit and/or license issued pursuant thereto, in an amount not to exceed 12,500 acre feet per year, as they may be amended from time to time. The application alone is referred to as Authority Application or Application 30123.

d. "Available Safe Yield."

(i) Available Safe Yield shall mean native and imported subsurface waters of the San Juan Basin which CBWD and Authority are entitled to divert consistent with Basin sustained safe yield principles, as determined by the Basin Manager in a manner consistent with the Authority and CBWD Water Rights. Available Safe Yield would not include, for example, imported or reclaimed water intentionally spread or otherwise added to the Basin for purposes of recharge and recapture; recognized diversions from the Basin by parties other than the CBWD and Authority; amounts giving rise to an obligation or need to artificially replenish the Basin; amounts which could cause significant adverse environmental or similar impacts; or amounts or methods of diversion which would be inconsistent with contractual or other obligations² of the Authority as they may change from time to time; all of the foregoing as determined by the Basin Manager.

(ii) The amount and parameters of Available Safe Yield, the amounts the parties may divert to maximize beneficial use of the Basin, and any obligation to provide artificial replenishment, shall be as determined by the Basin Manager from time to time, consistent with subparagraph (i) above.

e. "Basin" shall mean the San Juan Basin, consisting of the Upper San Juan, Middle San Juan, Lower San Juan and Trabuco subbasins as generally illustrated in Exhibit A.

f. "Basin Management" shall mean the Basin Manager's activities and functions, including Basin monitoring and water right administration, as determined by the Authority. "Basin Manager" shall be the Authority.

g. "CBWD Water Right" shall mean CBWD's water right application no. 30337, and any permit and/or license issued pursuant thereto, in an amount not to exceed 1300 acre

² Such obligations include, but are not limited to, the joint exercise of powers agreement creating the San Juan Basin Authority dated November 22, 1971 ("JPA Agreement"), the San Juan Basin Projects Agreement, the agreement dated November 21, 1995 among the Authority, the Capistrano Valley Water District, and the City of San Juan Capistrano (the "1995 Agreement"), and the agreement between the Authority and San Juan Golf, Inc. dated March 15, 1997.

feet per year, as they may be amended from time to time. The application alone is referred to as CBWD Application or Application 30337.

h. "Divert" or "diversion" shall include all methods of producing water from the Basin, whether by pumping, extraction, or otherwise.

i. "Governmental Approvals" shall mean any applicable authorizations, approvals, permits, licenses, consents, waivers, exceptions, judgments, rulings, decisions, filings, registrations and other requirements of any federal, state or local government or governmental agency, including the courts and arbitrators.

j. "Member" shall mean the members of the Authority, as they may change from time to time, excluding CBWD should it become a member to the extent provided in subparagraph 1.b above and paragraphs 6 and 15 below.

k. "Person" shall mean any natural person, a body corporate, a partnership, a trust, a joint venture, an unincorporated association, a government or governmental authority or agency or any other entity.

I. "Project" shall mean all aspects of each party's project or projects to divert and use water from the Basin pursuant to their respective Water Rights, including but not limited to real property interests, facilities, works, improvements, design, construction, repair, maintenance, operation, and all other conduct employed to divert, treat, deliver, convey, distribute, use, sell, and otherwise handle such water. The Authority's project is the same as the "Project" referred to in the 1995 Agreement, as amended. The CBWD's project is as described in CBWD's Proposed Demonstration Groundwater Treatment Facility.

m. "Year" shall mean the water year, that 12 month period from October 1 to September 30 annually.

2. <u>Dismissal of Protests</u>. Immediately upon full execution of this Agreement:

A. Authority shall in writing dismiss its protest against CBWD's Application.

B. CBWD shall in writing dismiss its protest against the Authority's Application.

C. The parties shall jointly submit their settlement conditions for inclusion in the permits and/or licenses issued by the SWRCB, to the extent appropriate. This Agreement shall be valid and binding whether included in the SWRCB permits and/or licenses in whole, in part, or not at all.

3. <u>Allocation of Water</u>. The Basin Manager shall annually determine the amounts of Available Safe Yield which can be diverted pursuant to the CBWD and SJBA Water Rights in a manner consistent with the definition of Available Safe Yield in Paragraph 1 above and this Paragraph 3. The parties each agree to comply with conditions applicable to, and to not exceed, the amounts so determined.

A. Base Allocations.

(i) CBWD Base Allocation. Twenty percent (20%) of Available Safe Yield shall be allocated to CBWD, up to a maximum of 1300 acre feet per year.

(ii) Authority Base Allocation. Eighty percent (80%) of Available Safe Yield or the difference between 3A(i) above and total Available Safe Yield, whichever is greater, shall be allocated to the Authority, up to a maximum of 12,500 acre feet per year.

B. Use of Unused Base Allocation. Whenever either party will use less than its Base Allocation in any given year, the other party may divert the unused amount during that same year, consistent with any conditions prescribed by the Basin Manager and all applicable Governmental Approvals.

C. Obligation to Artificially Replenish. CBWD agrees that when and to the extent that artificial replenishment of the Basin is required due to, or in order to enable, CBWD's diversions from the Basin, CBWD shall accomplish that replenishment in a timely manner, all as determined by the Basin Manager. CBWD and the Authority shall work cooperatively to seek to avoid diversions that will result in the need for such artificial replenishment by CBWD except as requested by or without advance notice to CBWD, however, CBWD understands and agrees that such need may arise for reasons outside of the Authority's control.

4. <u>Similar Terms and Conditions</u>. Both Water Rights and Projects shall be subject to and operated under similar terms and conditions so as to avoid significant adverse impacts to the Basin, the environment, and other legal users of water, except where differences in the parties' respective Projects make modifications to a particular term or condition necessary or

appropriate, or a particular term or condition inapplicable, as determined by the Authority (and/or the SWRCB).

5. <u>Basin Manager and Management</u>.

A. CBWD agrees that the Authority is entitled to act as Basin Manager and to perform the functions of Basin Management, as determined by the Authority. The Authority has created a Project Committee 10 ("the Basin Management Committee") which shall perform the Basin Manager and Management functions subject to the review of the Authority Board of Directors and in a manner consistent with this and other applicable agreements (including but not limited to those agreements referenced in subparagraph 1.d above), and all applicable laws.

B. In order to develop an adequate and effective program of Basin monitoring, Available Safe Yield allocation, and other functions as determined appropriate by the Basin Manager, the Basin Manager shall have broad discretion in the making of Basin management decisions. The Basin Manager shall develop a program of Basin Management including a Basin monitoring plan, further operating criteria, and an operating agreement, if appropriate. These shall be reviewed and approved by the Basin Management Committee and the Authority Board of Directors.

C. CBWD shall fully cooperate on an ongoing basis by complying with the Basin Manager and Basin Management determinations and decisions, and by supplying the Authority

Page 37

with all information that CBWD has developed or acquired regarding water production by CBWD, water production by other pumpers in the Basin, Basin hydrology, and any other factors that may affect or inform Basin Management, and implementation of this Agreement.

D. The Basin Manager may employ or retain such administrative, engineering, geologic, accounting, hydrologic, legal or other specialized personnel and consultants as may be deemed appropriate in carrying out its powers pursuant to this Agreement. The Basin Manager shall maintain records for purposes of allocation of costs of such services consistent with this and other applicable agreements.

E. The parties recognize and acknowledge that as of the effective date of this Agreement, the Basin Manager has limited authority over extractions from the Basin, and that the SWRCB has jurisdiction to the extent provided by law.

6. <u>CBWD Membership in Authority.</u> The Authority shall recommend to each of its existing Members that, upon full execution of this Agreement, CBWD's proposed membership in the Authority be expeditiously approved by those Members in a manner consistent with the JPA Agreement, subject to the terms and conditions of and provided that CBWD remains in full compliance with this Agreement. In the event that CBWD joins the Authority, it shall be entitled to participate as a Member thereof in the same manner and subject to the same terms and conditions as other Members, except as otherwise provided by and subject to the terms and conditions of this Agreement. CBWD acknowledges and agrees that only Members

participating in a particular committee are entitled to vote on matters within that committee's purview, as provided by the JPA Agreement. CBWD agrees that since it will not have any interest in the Authority's Water Right or Project and will not be a member of the Committees on those matters (now Project Committees 4 and 7), CBWD will not be entitled to be present at or to participate in those committee meetings or closed sessions regarding those matters, nor will it be entitled to request or obtain information or records on those matters which the Authority determines to be confidential pursuant to the Public Records Act.

7. Cost Sharing.

A. CBWD agrees to pay its proportionate share of the costs, expenses, and fees ("Costs") of the Basin Management Committee and the Basin Manager along with participating members of the Authority, in accordance with formula(e) adopted by the Basin Manager. Cost allocation may be accomplished on an annual, average, or other equitable basis, as determined by the Basin Manager. Pending adoption of Cost allocation formula(e) and at any time that no formula(e) are in effect, these Costs shall be divided such that CBWD pays twenty percent (20%) and the Authority eighty percent (80%). Costs attributable exclusively to either the CBWD's Water Right or Project, or to the Authority's Water Right or Project, as determined by the Basin Manager, shall be paid promptly and in full by that party.

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B. CBWD shall pay other costs of Membership in the Authority and of participation in any other committee of the Authority it may join in the same manner and under the same terms and conditions as other Members of the Authority, except as otherwise provided herein.

8. <u>Compliance With Water Rights.</u> Each party shall comply with all terms, conditions and laws applicable to its Water Right. CBWD agrees that it shall not divert from the Basin any amount greater than 1300 acre feet per year (or the amount permitted by the CBWD Water Right, if less), will not interfere with current and projected water use by the Capistrano Valley Water District or the City of San Juan Capistrano in amounts totalling 2900 acre feet per year and 425 acre feet per year, respectively, and shall indemnify, hold harmless and defend the Authority from any claims, actions, losses or damages arising from or relating to alleged or actual violations of the CBWD Water Right terms or conditions, Governmental Approvals and laws applicable thereto, or enforcement thereof.

9. <u>Water Available for Appropriation</u>. The parties have concluded that there is adequate water available to issue permits in the amounts of 1300 acre feet per year pursuant to CBWD's Application and 12,500 acre feet per year pursuant to the Authority's Application. The parties agree to cooperate in providing the hydrologic and Basin management information they have developed to the SWRCB.

10. <u>Stipulation re: Ground Water Classification</u>. CBWD stipulates that the ground water to be diverted per the parties' two applications is subject to SWRCB jurisdiction.

11. <u>Separate and Independent Projects</u>. The parties agree that their respective Projects shall be separate and independent from each other, except as specifically provided herein. Each party shall be exclusively responsible for obtaining and complying with all Governmental Approvals for their respective Projects, including but not limited to those pertaining to water rights and quality, and for mitigating any environmental or other impacts caused by their respective Projects.

12. Indemnification.

A. CBWD shall defend, indemnify, and hold harmless the Authority, its directors, members, officers, agents and employees from all claims, suits, actions, liabilities or losses of any kind, arising out of or in connection with CBWD's Water Right or Project or both, including but not limited to the CBWD's (1) construction, reconstruction, maintenance, repair, or operation of facilities for diversion, treatment, control, conveyance or distribution of water from the Basin pursuant to the CBWD Water Right, or (2) CBWD's use or disposal of such water or use or disposal made by any person receiving such water from CBWD.

B. Authority shall defend, indemnify and hold harmless CBWD, its directors, officers, agents and employees from all claims, suits, actions, liabilities or losses of any kind, arising out of or in connection with Authority's Water Right or Project or both, including but

not limited to the Authority's (1) construction, reconstruction, maintenance, repair, or operation of facilities for diversion, treatment, control, conveyance or distribution of water from the Basin pursuant to the Authority Water Right, or (2) Authority's use or disposal of such water or use or disposal made by any person receiving such water from Authority. This subparagraph 12B expressly excludes all Authority conduct as Basin Manager.

13. <u>Term and Termination</u>.

A. This Agreement shall become effective on the date first written above upon occurrence of both of the following: (1) full execution of this Agreement and (2) unanimous approval of CBWD's joinder of the Authority by all current Members of the Authority.

B. This Agreement shall terminate if any of the following events occurs: (i) no permit is issued by the SWRCB pursuant to Application no. 30337; (ii) no permit is issued by the SWRCB pursuant to Application no. 30123; or (iii) the Water Right of one or both parties becomes null or void for any reason. If CBWD has become or becomes a Member of the Authority, that membership shall not be terminated by this subparagraph 13.B, and, the provisions of this Agreement pertaining to CBWD's membership shall remain in full force and effect.

C. The provisions of this Agreement shall survive CBWD's joinder of the Authority. 14. <u>Termination of Basin Management and Quantification of Water Rights</u>. In the event that the Authority is no longer able or willing to perform the Basin Management function, as

determined in the Authority's sole discretion, and the parties do not agree in writing on any alternative to achieve the annual allocations of water described in Paragraph 3 hereof, the parties shall thereafter each be accorded a fixed volume of water which they will be entitled to divert pursuant to their respective Water Rights. The fixed volumes shall be based upon the average Available Safe Yield over the immediately preceding ten years³, as determined by the Basin Manager:

- (i) twenty percent (20%) to CBWD, up to a maximum of 1300 acre feet per year; and
- (ii) eighty percent (80%) to the Authority or the difference between the average
 Available Safe Yield and subparagraph 14(i) above, whichever is greater, up to
 a maximum of 12,500 acre feet per year.

The Authority shall provide written notice of such determination and the resulting quantification of water rights to CBWD. The notice and resulting fixed quantification shall take effect sixty days after the date of such notice, at which time this Agreement shall be appropriately conformed.

15. <u>No CBWD Interest in Authority Water Right or Project</u>. CBWD has and shall have no interest whatsoever in the Authority Water Right or the Authority Project including

³ If Basin Manager determinations of Available Safe Yield for the immediately preceding ten years are not available, then the maximum number of such Available Safe Yield determinations shall be used.

without limitation Project Water and Facilities, and CBWD hereby knowingly waives and disclaims any and all claims thereto.

16. <u>Authority Members</u>. This Agreement governs the parties' rights to divert water from the Basin pursuant to the Authority and the CBWD Water Rights. This Agreement shall not affect or prejudice the rights of individual Authority Members, excluding CBWD should it join the Authority. CBWD agrees that it will not in any way object to or oppose the Authority's Water Rights or Project as they may change from time to time. The Authority agrees that it will not object to or oppose the CBWD Water Rights or Project as they may change from time to time provided that CBWD is in full compliance with this Agreement, and provided that CBWD does not divert or seek to divert water at any location at or upstream of Stonehill Boulevard, as that road is located and aligned as of the date of this Agreement (see Exhibit B hereto.)

17. <u>Specific Performance</u>. Each party's obligations under this Agreement are unique. The parties each acknowledge that, if any party should default in performance of the duties and obligations imposed by this Agreement, it would be extremely impracticable to measure the resulting damages. Accordingly, the nondefaulting party, in addition to any other available rights or remedies, may sue in equity for specific performance, and the parties each expressly waive the defense that a remedy in damages will be adequate.

18. Dispute Resolution. In the event of any dispute arising out of those portions of this Agreement involving monitoring, hydrology, or other technical (as opposed to legal) issue, the parties agree to promptly submit the dispute to binding arbitration in accordance with Code of Civil Procedure section 1280 et seq. Such arbitration shall be conducted by two civil engineers with expertise in hydrology or other technically competent persons and one attorney familiar with California water rights law. The parties shall each choose one of the technical arbitrators, and the two technical arbitrators shall jointly choose the attorney. Legal issues shall be submitted to binding arbitration in the same manner, except that the arbitration shall be conducted by two attorneys familiar with California water rights law and one civil engineer with expertise as described above. The parties shall each choose one of the attorneys, and the two attorneys shall jointly choose the civil engineer. No person shall be chosen as arbitrator if he or she has represented or worked for one of the parties within ten years prior to the date the dispute arose.

19. <u>Successors in Interest and Assignment</u>. This Agreement shall be binding upon full execution by or on behalf of all parties hereto. This Agreement shall inure to the benefit of and be binding upon successors and assigns of the parties. The Authority and CBWD shall retain their respective rights to assign, transfer, convey or otherwise alienate or encumber their respective Water Rights or the right to use water pursuant thereto. Neither Paragraph 3B nor any other provision of this Agreement shall be used to in any way interfere or conflict with

such alienability provided that the successor(s) in interest remain in full compliance with this Agreement, subject to the following. In the event that the Authority assigns or conveys all or a portion of its Water Right or Project, that assignee or other successor-in-interest ("Assignee") shall not be subject to any of the Authority's obligations as Basin Manager unless both the Authority and the Assignee specifically so agree. The Authority shall continue to function as Basin Manager, subject to the termination provisions of Paragraph 14.

20. <u>Captions, Interpretation and Further Actions</u>. Paragraph, titles, or captions contained herein are inserted as a matter of convenience and for reference, and shall not be considered in construing this document. This Agreement and each provision hereof shall be interpreted as if drafted equally by both parties. The parties agree to take all reasonable actions necessary or convenient to carry out the purposes and intent of this Agreement.

21. <u>Waiver</u>. Any of the terms or conditions of this Agreement may be waived at anytime by the parties entitled to the benefits thereof, but no such waiver shall effect or impair the right of the waiving party to require observance, performance, or satisfaction either of that term or condition as it applies on a subsequent occasion or of any other term or condition hereof.

22. <u>Severance Clause</u>. If any portion of this Agreement is found to be in conflict with any other provision of law, the particular term or terms of the Agreement found to be in

conflict shall be void unless amended to comply with all appropriate local, state, and federal laws.

23. <u>Entire Agreement</u>. This document constitutes the entire agreement between the parties, all oral agreements being merged herein, and supersedes all prior representations.

24. <u>Amendment</u>. The provisions of this Agreement may be modified at any time by agreement of the parties. Any such agreement hereafter made shall be ineffective to modify this Settlement Agreement in any respect unless in writing and signed by the parties against whom enforcement of the modifications or discharge is sought.

25. <u>Notices</u>. Any notice or notices provided for in this Agreement must be in writing and may be personally served upon the party or parties to receive such notice either within or out of the State of California, or may be deposited in the United States Mail, postage fully prepaid, registered or certified mail, return receipt requested, and addressed to the party or parties to be served at the addresses indicated after their signatures below. Notices may also be sent via facsimile at the facsimile numbers indicated after their signatures below. Each party shall provide written notice of any changes to their address or facsimile number.

26. <u>Authority</u>. Each representative affixing his or her signature below thereby warrants and represents that he or she has the full legal authority to bind his or her respective party to all of the terms, conditions and provisions of this Agreement, and that no further approvals or consents are necessary from his or her respective party in connection therewith.

27. <u>Execution in Counterparts</u>. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

The parties hereto execute this Agreement as of the date first above written.

"CBWD" CAPISTRANO BEACH WATER DISTRICT

Attest:

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Secretary

Name: Ross Carpénter Title: President, Board of Directors Capistrano Beach Water District 25752 Victoria Boulevard Capistrano Beach, CA. 92624 Phone: (714) 248-3940 Facsimile: (714) 496-4283

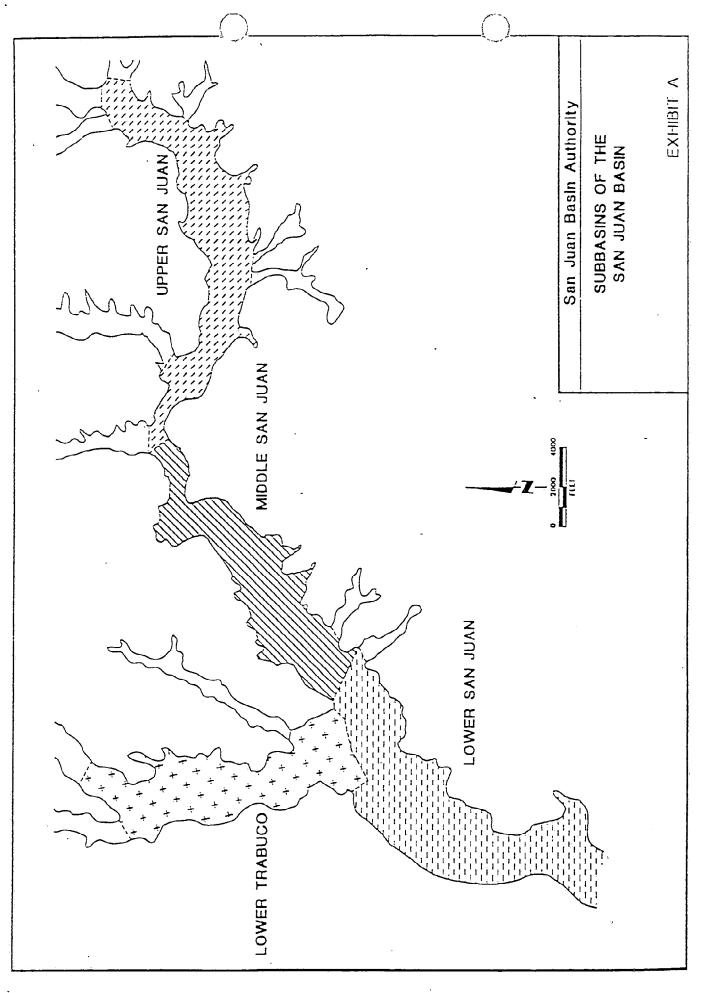
"Authority" SAN JUAN BASIN AUTHORITY

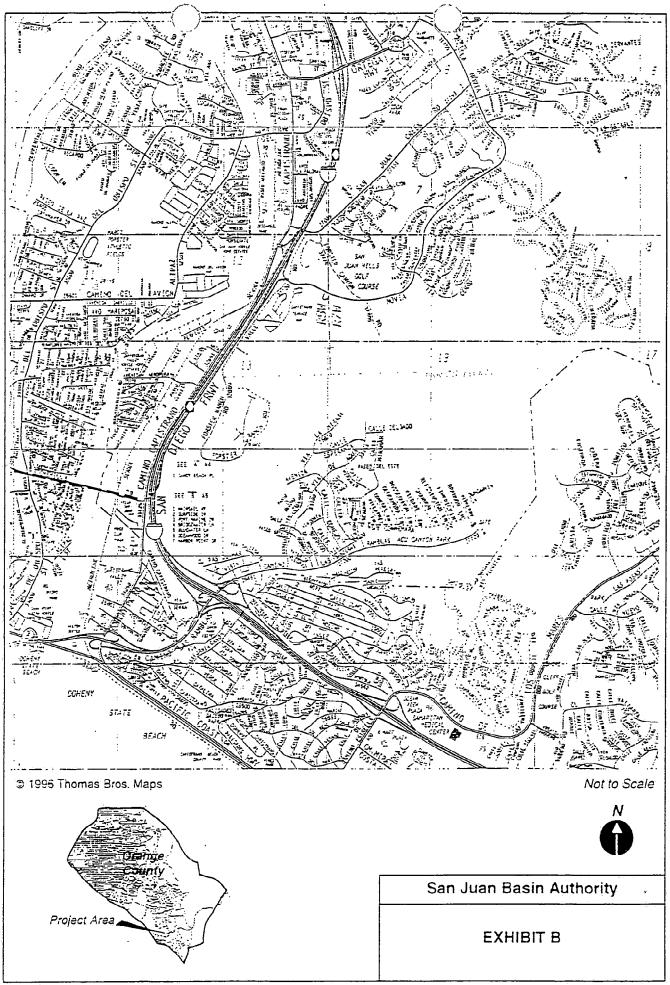
Attest:

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By:

Name:/ John Schatz/ Title: President, Board of Directors San Juan Basin Authority 27500 La Paz Road Laguna Niguel, CA. 92656-3489 Phone: (714) 448-4055 Facsimile: (714) 831-5651







SAN JUAN BASIN AUTHORITY

27500 LA PAZ ROAD • LAGUNA NIGUEL, CA 92677 • (949) 448-4055 • FAX (949) 831-

April 23, 2001

Exhibit 2

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Mr. Harry M. Schueller, Chief Division of Water Rights State Water Resources Control Board P. O. Box 2000 Sacramento, California 95814-2000

Subject: Monitoring Plan Water Rights Permit No. 21074 San Juan Basin Authority

Dear Mr. Schueller:

Condition No. 17 of the subject Permit states in part the following:

The water quality-monitoring program shall be submitted to the Chief, Division of Water Rights for approval and modification, if necessary, within six months of issuance of this Permit. No water may be diverted until the monitoring program is approved."

Submitted herewith is our Groundwater Monitoring Implementation Plan dated April 5, 2001 for your review and consideration for approval. Table 1 of the Plan presents a comparative summary of the mitigation monitoring requirements as specified in the Water Rights Permit; also in the San Juan Basin Groundwater Management Plan Negative Declaration and in response to comments of the U.S. Fish and Wildlife Service. All of those requirements have been incorporated into the proposed monitoring plan.

Your permit conditions require us to monitor groundwater levels and groundwater quality throughout the basin to insure that we do not overdraft the basin, cause water quality degradation, or sea water intrusion. For this part of the monitoring program, we propose to install monitoring wells in strategic locations that will be specifically designed to monitor water levels, TDS, and chlorides on a real time basis. The latest state-of-the-art remote sensing equipment will be used in addition to manual readings for calibration purposes. We are confident that the information collected for this portion of the monitoring plan will provide the necessary data to insure that these permit conditions are being met.

Mr. Harry M. Schueller, Chief Monitoring Plan Water Rights Permit No. 21074 San Juan Basin Authority April 23, 2001 Page Two

Conditions 22 and 23 of the Permit are concerned with the proposed pumping in areas where important native vegetation and/or surface water resources could be affected. This part of the monitoring program is to become a part of a 1601 Agreement with the Department of Fish and Game with periodic monitoring reports to be forwarded to the Department of Fish and Game. For this part of the monitoring program, a consulting biologist has been retained as required in the permit and a program has been designed as presented in the implementation plan that is based upon field investigations and meetings with the staffs of the Department of Fish and Game and the US Fish and Wildlife Service.

As noted in the Permit, this aspect of the monitoring program will need to undergo a periodic review by the affected parties to determine if continued vegetation and/or surface water resource monitoring is necessary, or whether the frequency of review requires adjustment.

We are prepared to move forward with the implementation of the monitoring plan with modifications, if necessary, after your approval.

Thank you for your cooperation.

Sincerely,

Donald J. Martinson Administrator

DJM:LGP

Cc: Board of Directors



Winston H. Hickox Secretary for Environmental Protection

State Dater Resources Contre Board og-KI Division of Water Rights



1001 I Street, 14th Floor • Sacramento, California 95814 • (916) 341-5300 Mailing Address: P.O. Box 2000 • Sacramento, California • 95812-2000 FAX (916) 341-5400 • Web Site Address: http://www.waterrights.ca.gov

Governor

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our Web-site at http://www.swrcb.ca.gov.

Exhibit 3

3012

MAY 3 0 2001

Mr. Donald J. Martinson San Juan Basin Authority 27500 La Paz Road Laguna Niguel, CA 92677

Dear Mr. Martinson:

PERMIT 21074 (APPLICATION 30123) OF SAN JUAN BASIN AUTHORITY

By letter dated April 23, 2001, the San Juan Basin Authority (Authority) submitted a water quality monitoring implementation plan for the San Juan groundwater basins. Table 1 of the monitoring plan indicates that the plan was developed to comply with permit conditions 11, 15, 16, 17, 22 and 23 of Permit 21074. The plan is designed to monitor hydrologic and biologic characteristics of the San Juan Creek basin in areas potentially affected by Phase I of the Authority's project.

Hydrologic Monitoring Element of Plan

The hydrologic monitoring element of the plan describes the monitoring well construction techniques, the type of data to be collected, and the frequency of data collection. The implementation plan appears to have been developed to enable the Authority to get early agency input on its monitoring proposals. In order to assist you in this matter, we have indicated the items that are acceptable.

The following elements are acceptable: 1) well construction techniques; 2) monitoring technique and monthly data collection for monitoring of static water levels in wells; 3) monitoring technique and quarterly monitoring for total dissolved solids (TDS) and chloride concentrations; 4) monthly collection of pH and electrical conductivity data; 5) installation of staff gages near each monitoring well and data collection to determine the surface water elevation; and, 6) proposal to monitor water quality from well(s) located downstream of the confluence of San Juan Creek and Arroyo Trabuco.

Page 11 of the implementation plan states that the Authority will be preparing an integrated monitoring work plan, covering hydrologic and biologic aspects. Elements of the work plan will include: purpose of the monitoring program; description of the monitoring sites; a map showing the locations of the monitoring sites; proposed methodology and monitoring techniques; frequency of measurements (monitoring schedule); and methods of data analysis and proposed interpretative techniques. We look forward to reviewing this document.

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The April 23, 2001, cover letter states that the Authority is prepared to move forward with implementation of the monitoring plan with modifications, if necessary, after the Division's approval. It is premature to approve the implementation plan, until we receive the integrated monitoring work plan identified above. The monitoring program is required to address the following items from Permit 21074 (permit conditions shortened for simplicity below, please refer to the permit for the full text).

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Condition 11:

The permittee shall not operate in a manner that causes injury to the reasonable and beneficial uses of water recognized for San Juan Creek watershed in the Basin Plan.

Condition 15:

Prior to diversion, permittee shall (1) install devices to collect information needed to calculate the quantities of water in underground storage and (2) install devices to measure the quantity of water taken from underground storage. We are unable to sign-off on this term until adequate devices are installed.

Condition 16:

Prior to diversion, permittee shall prepare and submit to the Division for approval and modification, an annual compliance monitoring plan. The monitoring plan shall identify (a) the measures the permittee will take to collect data regarding water levels in San Juan Basin (b) document how the permittee will comply with the requirement that cumulative extractions do not exceed recharge from return flows and precipitation, and (c) provide information to document that the permittee will not operate the project in a manner that causes adverse impacts to senior water rights.

The permittee shall identify the steps that will be taken to limit diversions to ensure that (a) diversions do not interfere with prior rights, (b) cumulative diversions do not exceed basin recharge rates, and (c) diversions comply with all permit conditions.

The information submitted to date addresses paragraph one, item (a). We have not yet received information addressing the remaining items.

Condition 17:

Prior to diversion, the permittee shall install monitoring well(s) located downstream of the points of diversion to monitor TDS and chloride levels. The permittee shall obtain measurements of the TDS and chloride levels at the monitoring well(s) and shall develop a monitoring program that identifies the sampling frequency, monitoring protocol, and statistical analysis needed to document TDS and chloride levels relative to the water quality objectives in the Basin Plan. Extractions shall not cause groundwater to exceed the Basin Plan objectives.

Mr. Donald J. Martinson

We are unable to sign-off on this condition until the monitoring well(s) are installed. Furthermore, the monitoring program describing the statistical analysis that will be used to document compliance with the Basin Plan objectives has not yet been submitted for our review.

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We recommend that the Authority select its well sites, document the well locations on maps submitted to the Division, install its monitoring wells and begin baseline data collection in October 2001, as proposed in the plan.

Biologic Monitoring Element of Plan

The biological components of the plan have been designed to monitor and evaluate the health and vigor of riparian vegetation, which may be affected by groundwater extractions under Phase I of the Authority's project. Data collection for the hydrologic and biologic monitoring elements of the plan overlaps somewhat. We have previously indicated the hydrologic elements that are acceptable.

The following biologic monitoring elements are acceptable: 1) correlation of daily precipitation and temperature data with other hydrologic parameters; 2) measurement of plant water potential using a pressure chamber on a bi-weekly schedule during the "dry season" and a monthly schedule during the "wet season;" 3) using the same individual plants for measurement over a multi-season program; 4) monthly assessment of the plant community near the monitoring wells; 5) incidental wildlife observations; and, 6) photographic documentation.

The plan defines the wet season as extending from October 1 to June 30 and the dry season is from July 1 to September 30. This is a late starting date for the dry season. Please confirm the typical ending date for the rainfall season using either the U.S. Geological Survey streamgage or climatological data for the vicinity and revise the season definition accordingly.

As noted previously, the Authority plans to develop an integrated monitoring work plan. The plan is being prepared to comply with permit conditions 22 and 23.

Condition 22:

Prior to commencement of any phase of the project, a total of 3 to 5 piezometers shall be installed to monitor soil moisture. If moisture falls below natural levels for sustaining vegetation, pumping in that area will cease until moisture levels are adequately restored. The plan should document the moisture levels that will be used to determine when pumping should cease. Mr. Donald J. Martinson

Condition 23:

Prior to commencing of any pumping in an area where important native vegetation and/or surface water resources could be affected, the permittee shall ensure that a mitigation monitoring program is established to observe, track and control the effects of pumping on important native vegetation. If pumping results in plant stress, pumping shall be reduced or eliminated to reduce the plant stress. The implementation plan does not include language to this effect. The mitigation plan should include language reflecting the permit condition.

The Authority plans to begin data collection on the biologic plan on October 1, 2001. We encourage the Authority to begin collecting baseline data pursuant to its identified time schedule.

Katherine Mrowka is the staff person presently assigned to this matter. If you require further assistance, Ms. Mrowka can be contacted at (916) 341-5363.

Sincerely,

ORIGINAL SIGNED BY HARRY M. SCHUELLER

Harry M. Schueller, Chief Division of Water Rights

KDM:11v 05/21/2001 u:\herdrv\kdm\30123





SAN JUAN BASIN AUTHORITY

27500 LA PAZ ROAD • LAGUNA NIGUEL, CA 92677 • (949) 448-4055 • FAX (949) 831-5651

THORY December 21, 2001

Exhibit 4

Mr. Harry M. Schueller, Chief Division of Water Rights State Water Resources Control Board P. O. Box 2000 Sacramento, California 95814-2000

Subject: Progress Report Water Rights Permit No. 21074 San Juan Basin Authority

Dear Mr. Schueller:

This is a follow-up to our report sent to you on April 23, 2001 and to your response to me by your letter dated May 30, 2001. We are still moving forward to our goal of developing the use of the San Juan Basin in accordance with the terms of the subject Water Rights Permit. Hopefully, we can still meet the schedule of producing potable water in the Phase I Desalter Plant by December 2003.

An important element of the overall plan is the implementation of the monitoring plan. In our April 23 Report it was stated that our plan was to start data collection in October 2001. Our original plan was to utilize abandoned well casings to obtain water level and water quality data. This program was only moderately successful in that some of the old casings do not allow a proper interface with the groundwater. Therefore, we have concluded that new monitoring wells are needed that are specifically designed to accomplish their intended purpose. Therefore, we have applied for grant assistance from the DWR Local Groundwater Assistance Fund (AB303) to fund the implementation of the total program. A copy of the grant proposal is included with this letter. Also we have included a copy of a detailed specification for two monitoring wells that are specifically designed to monitor seawater intrusion near the mouth of San Juan Creek.

If our grant request is approved, funds would be available in July 2002 for moving forward with the construction of the monitoring wells. Thank you for your cooperation and support.

Sincerely Donald J. Martinson

Administrator

DJM:LCG

Cc: Board of Directors Mike Dunbar, SCWD



SAN JUAN BASIN AUTHORITY

27500 LA PAZ ROAD • LAGUNA NIGUEL, CA 92677 • (949) 448-4055 • FAX (949) 831-5651

2004 MAY 21 PH 12: 45

May 19, 2004

DIV CACEAMENTO

Exhibit 5

30123

Ms. Kathy Mworka State Water Resources Control Board Division of Water Rights P. O. Box 2000 Sacramento, California 95812-2000

Subject: Monitoring Plan Requirements Permit No. 21074 – San Juan Basin Authority Permit No. 021238 – South Coast Water District

Dear Kathy:

Both of the subject Water Rights Permits require the submittal of a Monitoring Plan that identifies how data will be collected within the San Juan Basin to comply with the conditions regarding the quantities of water that can be diverted from the basin.

Two copies of the following report are being sent to you by separate parcel:

Annual Integrated Environmental Monitoring Report April 2004 San Juan Basin Authority

This report includes the collection of data from monitoring wells for groundwater levels and water quality, stream flow, and rainfall quantities, and vegetation monitoring. Special consideration is also given to monitor the potential occurrence of seawater intrusion

This report presents background data that has been collected to date. The Authority is prepared to perform the necessary fieldwork during the coming fiscal year to further document the existing conditions. It is expected that the Phase I San Juan Desalter will be ready for operation by December 2004, and the monitoring plan will be in an operating mode at the time. The SCWD Desalter Project is expected to be operational by January, 2006, and the Monitoring Plan will be in place to comply with conditions outlined in that Water Rights Permit.





Ms. Kathy Mworka State Water Resources Control Board **Monitoring Plan Requirements** May 19, 2004 Page Two

Please let us know if this plan meets the requirements of both Water Rights Permits, and advise us as to what other measures need to be accomplished in regard to water rights issues to permit the start up of the water treatment plants. Thank you for your cooperation.

Sincerely,

SAN JUAN BASIN AUTHORITY

Donald J. Martinson Administrator

DJM:LCG

Cc: Mr. John Schatz Mr. John Thornton Mr. Mike Dunbar Ms. Amy Amirani



Terry Tamminen Secretary for Environmental Protection State Water Resources Contre Board



1001 I Street, 14th Floor ♦ Sacramento, California 95814 ♦ 916.341.5300 Mailing Address: P.O. Box 2000 ♦ Sacramento, California 95812-2000 FAX: 916.341.5400 ♦ www.waterrights.ca.gov

Arnold Schwarzenegger Governor

SURNAME



JUL 29 2004

In Reply Refer to:334:KDM:30123,30337

Mr. Donald J. Martinson San Juan Basin Authority 27500 La Paz Road Laguna Niguel, CA 92677

Dear Mr. Martinson:

MONITORING PLAN RESULTS FOR PERMIT 21074 (APPLICATION 30123) OF SAN JUAN BASIN AUTHORITY (AUTHORITY) AND PERMIT 21138 (APPLICATION 30337) OF SOUTH COAST WATER DISTRICT (DISTRICT)

The Authority transmitted the "Annual Integrated Environmental Monitoring Report", April 2004, by letter dated May 19, 2004. The report includes the collection of data from monitoring wells for groundwater levels and water quality, stream flow and rainfall quantities, and vegetation monitoring. Special consideration is also given to monitor the potential occurrence of seawater intrusion. The report presents background data that has been collected to date.

The Authority expects to have the Phase I San Juan Desalter ready for operation by December 2004, and the monitoring plan will be in an operating mode at that time. The report was prepared to document baseline conditions for Permits 21074 and 21138.

Division staff has reviewed the report and appreciates the thorough, painstaking work that went into development of the data. The report was submitted to comply with permit conditions 11, 15, 16, 17, 22 and 23 of Permit 21074. The report was also written to comply with permit conditions 12, 16, and 17 of Permit 21138. The Authority and the District are presently in compliance with the listed permit conditions.

Once the projects are operable, the Permittees should include an executive summary in the report that identifies the permit conditions and states whether full compliance was achieved with each condition. The dates of any non-compliance should be listed, and the scope of the violation should be identified (both duration and level of non-compliance). A typical reporting example follows: The 3 cubic feet per second (cfs) bypass flow requirement (permit condition 6) was not met on July 10 through 11. The District bypassed 2.85 cfs on those dates, due to a stream gage calibration error. The problem was identified and fixed on July 12.

If you require further assistance, I can be contacted at (916) 341-5363.

Sincerely,

ORIGINAL SIGNED BY:

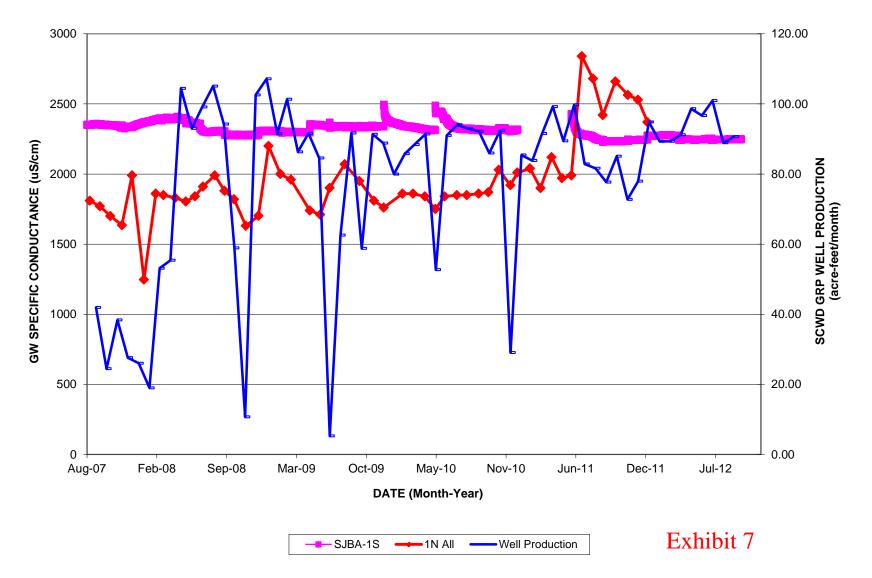
Katherine Mrowka, Chief Watershed Unit 3 bcc: Jane Farwell, Diane Riddle KDMrowka:kdm/itziar:7-28-04

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California Environmental Protection Agency

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FIGURE 6 SCWD SPECIFIC CONDUCTANCE CHANGES VS PRODUCTION





SAN JUAN BASIN AUTHORITY

26111 Antonio Parkway • Rancho Santa Margarita, CA 92688 (949) 459-6400 FAX (949) 459-6463

TO:	Board of Directors	DATE:	June 12, 2013
FROM:	Dan Ferons		

SUBJECT: Presentation and Update on Groundwater Monitoring Program

SUMMARY

Issue: Samantha Adams will attend the meeting to provide a verbal update on the status of the 2012 and 2013 groundwater monitoring.

Recommendation: No action required; provide direction as appropriate.

Fiscal Impact: Groundwater monitoring is provided in the annual budget.

Previously Related Action: Periodically Wildermuth provides an update, in January 2013, the Authority authorized services for the calendar year.

DISCUSSION

Samantha Adams with Wildermuth Environmental is the lead on the annual monitoring of the San Juan Basin. She will attend the meeting to provide a verbal update on the status of the 2012 report and 2013 monitoring.

SJBA\Presentation and Update on Groundwater Monitoring Program staff memo.doc.cl