



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Manager

March 20, 2019

Mr. Kirby Brill
Interim General Manager
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Mr. Matthew Litchfield
General Manager
Three Valleys Municipal Water District
1021 E. Miramar Avenue
Claremont, CA 91711

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

Dear Messrs. Brill, Litchfield, and Kavounas:

Chino Basin Groundwater Storage Actions and Voluntary Purchase Methodology

Enclosed for your files are copies of the fully executed letter agreement "Chino Basin Groundwater Storage Actions and Voluntary Purchase Methodology."

If you have any questions, please contact me at (213) 217-6756, or via email at mhacker@mwdh2o.com.

Sincerely,

A handwritten signature in black ink, appearing to read "MH", with a long horizontal flourish extending to the right.

Matthew Hacker
Senior Resource Specialist

MH:rh

Enclosure



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Manager

February 5, 2019

Mr. Kirby Brill
Interim General Manager
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Mr. Matthew Litchfield
General Manager
Three Valleys Municipal Water District
1021 E. Miramar Avenue
Claremont, CA 91711

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

Dear Messrs. Brill, Litchfield, and Kavounas:

Chino Basin Groundwater Storage Actions and Voluntary Purchase Methodology

This letter documents agreement among Metropolitan, Inland Empire Utilities Agency (IEUA), Three Valleys Municipal Water District (Three Valleys), and the Chino Basin Watermaster (Watermaster) for storage of water above the initial 25,000 acre-feet cap in the Chino Basin Conjunctive Use Program (CUP). Normally, CUP water is stored in advance by Metropolitan for use during dry years and emergencies to reduce deliveries at the service connection. By letter dated June 23, 2017, Metropolitan called for up to 25,000 acre-feet to be stored in its CUP account through June 30, 2018. The parties stored about 39,000 acre-ft. Metropolitan appreciates the effort that the parties have shown to maximize storage during this period. This letter documents adjustments to the method of determining extraction from the account, in recognition of these efforts to store additional water.

Messrs. Brill, Litchfield, and Kavounas:

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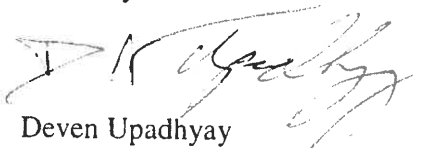
February 5, 2019

By agreement of the parties, any water stored after June 1, 2017, would be purchased from the account by IEUA and Three Valleys when the parties pump over the groundwater baseline as defined in Exhibit G. A copy of Exhibit G is enclosed in this letter. This pumping could be the result of a response to a call for pumping made by Metropolitan or it could be through normal operational decisions made by the individual parties in a given year. Except during a call, the increase in pumping would be voluntary and performance would be measured by the parties that elect to increase their pumping. Call provisions would remain unchanged. The parties will receive O&M, power, and treatment credits and be billed for the water when the parties pump over the groundwater baseline as defined in Exhibit G. Voluntary purchases will be accomplished as follows:

- IEUA and Three Valleys will submit certifications for CUP storage as normal. These certified amounts will be added to the storage account.
- Credits will be applied if a Party chooses voluntarily to purchase stored water by increasing groundwater pumping. The first and any instance in which an individual party's pumping is above its groundwater baseline as described in Exhibit G, the party will submit a certification for extraction from the account. Metropolitan will invoice IEUA and Three Valleys for the additional pumping at the prevailing untreated water rate at that time and will pay the O&M, power, and treatment credits as outlined in the Section VI.E of the Agreement. IEUA, Three Valleys, and the Watermaster will debit the purchased amounts from Metropolitan's CUP account.

If you concur with these provisions, please execute this letter signifying your concurrence and return to Metropolitan.

Sincerely,


Deven Upadhyay
Assistant General Manager/COO

MH:vh


Enclosure

Messrs. Brill, Litchfield, and Kavounas:

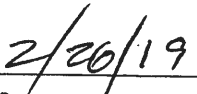
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February 5, 2019

CONCUR:



Kirby Brill
Interim General Manager



Date

Matthew Litchfield
General Manager

Date

Peter Kavounas
General Manager

Date

Messrs. Brill, Litchfield, and Kavounas:

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February 5, 2019

CONCUR:

Kirby Brill
Interim General Manager

Date



Matthew Litchfield
General Manager

Date 2/25/19

Peter Kavounas
General Manager

Date

Messrs. Brill, Litchfield, and Kavounas:

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February 5, 2019

CONCUR:

Kirby Brill
Interim General Manager

Date

Matthew Litchfield
General Manager

Date



Peter Kavounas
General Manager

2/19/19

Date