

ATTACHMENT ONE

SECTION A: NOTICE INFORMATION

3. Project Description

Applicants San Bernardino Valley Municipal Water District ("Valley District") and Western Municipal Water District of Riverside County ("Western") (collectively referred to as "Valley District and Western" or as "Applicants") are regional water agencies that manage groundwater and surface water supplies in portions of San Bernardino and Riverside Counties. Valley District and Western have jointly filed two applications to appropriate up to 200,000 af of water from the Santa Ana River for direct use and storage. The State Water Resources Control Board ("SWRCB") held a hearing on the two applications in May 2007 and has not yet issued a draft decision. On February 21, 2008, the SWRCB issued Valley District and Western Temporary Urgency Permit No. 21212 ("Permit 21212") and authorized the diversion of up to 45,000 af from the Santa Ana River. Pursuant to Permit 21212, Valley District and Western diverted 7,210 af during 2008.

Valley District and Western are now requesting that the SWRCB renew Permit 21212 for the 2008/09 water year due to the urgent need for water in Southern California. As described below, Valley District and Western seek to divert up to 25,000 af of water from the Santa Ana River for a season of diversion commencing on January 1, 2009. The season of diversion would conclude either on June 30, 2009 or on the date on which the SWRCB issues one or more permit(s) pursuant to Water Right Application Nos. 31165 and 31370, whichever is earlier. The rediversion of water by Valley District and Western pursuant to renewed Permit 21212 would be junior to the rights of Bear Valley Mutual Water Company *et al.* (up to 88 cfs on a "run of the river" basis) and the rights of the Conservation District pursuant to License No. 2831 (maximum diversion of 8,300 af from January 1 to May 31).¹ In the event that there is unappropriated water being released from Seven Oaks Reservoir in excess of the instantaneous demands/diversion capacity of Bear Valley Mutual Water Company *et al.* and the Conservation District, Valley District and Western request that renewed Permit 21212 expressly allow Valley District and Western to red divert such quantities of water so as to avoid the waste of water.

In implementing the terms of renewed Permit 21212, Valley District and Western will continue the informal arrangement with Orange County Flood Control District, Riverside County Flood Control and Water Conservation District, and San Bernardino County Flood Control District (collectively, the "Local Sponsors") and the U.S. Army Corps of Engineers (the "Corps of

¹ It is important to note that the rediversion of water in the Santa Ana River channel between the Cuttle Weir and E Street may be accomplished without any interference with the rights of either Bear Valley Mutual Water Company *et al.* or the Conservation District because the moveable point of diversion described above is located downstream of the points of diversion used by Bear Valley Mutual Water Company *et al.* and the Conservation District. Thus, the rediversion of water at the moveable point of diversion will commence immediately upon approval of this application by the SWRCB.

Engineers”) under which the Corps of Engineers and the Local Sponsors will, within the scope of current flood control operations at Seven Oaks Dam, limit the rate of release of water detained in regulatory storage behind Seven Oaks Dam so as to allow Valley District and Western to divert the released water as follows: (i) diversion through the Cuttle Weir to the Santa Ana River Spreading Grounds under the settlement and easement agreement between Applicants and the Conservation District, which owns and operates the Cuttle Weir; (ii) percolation of water from the Santa Ana River channel into and replenishment of the San Bernardino Basin Area between the Cuttle Weir and E Street; and (iii) the diversion of water at the Auxiliary River Pickup or the Greenspot Forebay for the replenishment of the San Bernardino Basin Area.

The proposed diversion of water will occur by means of improved coordination of the operations of Seven Oaks Dam, the Cuttle Weir and percolation in the Santa Ana River channel. No new facilities will be constructed and there will not be any expansion of existing facilities. In particular, because the project anticipates the use of the Santa Ana River channel for recharge to the extent possible without the loss of water, Valley District and Western believe that the project represents an appropriate balancing of the needs of fish and wildlife resources and the urgent need of Southern California for groundwater replenishment.

4. Purpose of Use, Diversion/Storage Amount and Season

As described above, under renewed Permit 21212 Valley District and Western would divert water regulated for flood control purposes by the Corps of Engineers and the Local Sponsors at Seven Oaks Dam between January 1, 2009 and June 30, 2009 as follows:

- (i) Valley District and Western would divert water from the Santa Ana River through the Cuttle Weir (see Exhibits B and C) at the current capacity of the Cuttle Weir (estimated to be 300 cfs, with a monthly spreading capacity of 12,000 af).
- (ii) Valley District and Western would divert water from the Santa Ana River at a moveable point of diversion located in the Santa Ana River channel between the Cuttle Weir and E Street (see Exhibit C). Diversion in the Santa Ana River channel would occur at a maximum rate of 38 cfs.
- (iii) Valley District and Western would divert water from the Santa Ana River at the Auxiliary River Pickup (see Exhibit B), thence at a rate of up to 55 cfs to the Redlands Aqueduct for spreading in Bear Valley Mutual Water Company *et al.*'s Airport and Judson Spreading Grounds and the Conservation District's Mill Creek ponds (see Exhibit C). In the alternative, water introduced into the Redlands Aqueduct could be conveyed through the Morton Canyon Pickup/Morton Canyon Connector to the SARC pipeline and thence to the Foothill Pipeline, again at a maximum rate of 55 cfs. Water delivered to the Foothill Pipeline would be spread at either the Sweetwater or the Waterman/East Twin Spreading Grounds (see Exhibit D). These spreading grounds are owned and operated by San Bernardino County Flood Control District, which allows Valley District to spread water at these locations as long as such spreading operations do not interfere with flood control operations.

- (iv) Valley District and Western would also divert water that is in excess of the instantaneous demands of Bear Valley Mutual Water Company *et al.* and the Conservation District at the Greenspot Forebay under the terms of a 1981 agreement with Southern California Edison. Such water would be conveyed at a rate of up to 100 cfs through the Greenspot Pipeline to the Mill Creek spreading grounds, which are owned by the Conservation District and are operated for the benefit of Bear Valley Mutual Water Company, the City of Redlands and several mutual water companies.

The total quantity of water diverted at these locations would therefore be 25,000 af and the maximum diversion rate would be approximately 500 cfs, which is the sum of the maximum diversion rates at the Cuttle Weir, the Santa Ana River channel, the Auxiliary River Pickup and the Greenspot Forebay. The allocation of spreading among these locations would be determined based on the use of the Santa Ana River Spreading Grounds by the Conservation District, the operation of Seven Oaks Dam for flood protection, and the diversions by Bear Valley Mutual Water Company *et al.* As noted above, the diversion and spreading of water would be subject to the prior rights of Bear Valley Mutual Water Company *et al.* for up to 88 cfs on a "run of the river" basis and the Conservation District's water right license for up to 8,300 afy.

Water diverted by the Applicants would be used to replenish groundwater supplies in the San Bernardino Basin Area (the groundwater aquifer that underlies much of the San Bernardino Valley). Water stored in the San Bernardino Basin Area is then extracted by a large number of pumps for domestic, irrigation, municipal and industrial, heat control, frost protection and recreation uses. Groundwater extracted from the San Bernardino Basin Area is delivered throughout the Applicants' service areas.

5. Sources and Points of Diversion/Rediversion

See responses to Items 3 and 4 above. The coordinates for each POD/PORD are attached hereto as Exhibit E.

6. Water Availability

Evidence presented by Valley District and Western during the May 2007 water right hearing indicates that, on average, there will be approximately 25,000 afy of unappropriated water available for appropriation after satisfying the valid prior rights of Bear Valley Mutual Water Company *et al.* and the Conservation District (see Exhibit A). Because we are presently at the beginning of the 2008-09 water year and it is not clear whether this winter will be wet or dry, Valley District and Western believe that it is appropriate to request the renewal of Permit No. 21212 for 25,000 af, subject to the satisfaction of all prior rights. The diversion by the Applicants of water from the Santa Ana River for beneficial use under renewed Permit 21212 will avoid significant waste of water to the Pacific Ocean. In light of current drought conditions in Southern California, the need for Valley District and Western to divert water temporarily under these circumstances is urgent.

7. Place of Use

As described above in Item 4, water rediverted by Valley District and Western at the Cuttle Weir will be spread in a number of locations in order to replenish the San Bernardino Basin Area. Under the terms of the *Western Judgment (Western Municipal Water District of Riverside County et al. v. East San Bernardino County Water District et al., Riverside County Superior Court No. 78426, April 17, 1969)*, agencies located within both Valley District and Western's service areas may extract water from the San Bernardino Basin Area for use within their respective service areas. Thus, the place of use of water rediverted by Valley District and Western includes all lands within the Applicants' service areas. A map of both service areas is attached hereto as Exhibit F.

8. Project Schedule

For purposes of renewed Permit 21212, the project consists of Valley District and Western's use of existing facilities to divert water from the Santa Ana River. Rediversions will commence upon approval by the State Water Resources Control Board of a permit under this application, consistent with the senior water rights held by Bear Valley Mutual Water Company *et al.* and the Conservation District under License No. 2831. Diversions under a temporary permit will cease on the date on which the SWRCB issues one or more permit(s) pursuant to Water Right Application Nos. 31165 and 31370.

SECTION B: MISCELLANEOUS DIVERSION INFORMATION

2. Diversion and Distribution Method

As noted above, water will be diverted at Seven Oaks Dam in a manner consistent with flood control operations of the Dam and then rediverted to underground storage at: (i) the Cuttle Weir, (ii) the moveable point of diversion in the Santa Ana River channel between the Cuttle Weir and E Street, (iii) the Auxiliary River Pickup, or (iv) the Greenspot Forebay. All diversions and rediversions will be by means of gravity. For additional details regarding underground storage, please see APP-UGSTOR.

3. Conservation and Monitoring

a. Water Conservation

As noted above, water diverted by Applicants will be used to replenish groundwater supplies in the San Bernardino Basin Area. Within Applicants' service areas, the extraction of groundwater from the San Bernardino Basin Area is under the control of local water agencies and municipalities, most of which are signatories to the California Urban Water Conservation Council MOU and/or are implementing the Best Management Practices recommended by the Council. Both Valley District and Western have recently adopted integrated regional water management plans that include significant water conservation components.

The Western plan, which was adopted in October 2006, calls for encouraging further market penetration of ultra low flush toilets, high efficiency clothes washers and residential and commercial weather based irrigation controllers. In addition, Western is focusing on undertaking more in-depth measures relating to outdoor water conservation to allow smaller agencies to undertake cost-effective water conservation efforts.

The Valley District plan, which was adopted in December 2007 and includes the entire Upper Santa Ana River watershed, concludes that Best Management Practices 5 (Large Landscape Conservation Programs), 9 (Conservation Programs for Commercial, Industrial and Institutional) and 14 (Residential Ultra-Low Flush Toilet Replacement) have the greatest conservation potential. The plan calls for a regional water conservation feasibility study to develop conservation programs for implementation, a water conservation demonstration garden, a "smart" irrigation controller program and a model institutional water conservation makeover. Valley District will be taking a lead role in all of these projects.

b. Monitoring

Water released from Seven Oaks Dam is measured through the use of USGS Gage Nos. 11051499 (Santa Ana River at Mentone) and 11051502 (Santa Ana River Auxiliary Diversion). Water rediverted at the Cuttle Weir is measured through a Parshall flume in the diversion channel. Applicants have determined, through the use of modeling and field observations, that approximately 38 cfs is required to create hydraulic continuity between the Cuttle Weir and E Street (the approximate boundary of the San Bernardino Basin Area). The SWRCB approved a monitoring program to verify the amount of such spreading on April 8, 2008; Valley District and Western would propose to use the same procedures to verify such spreading under renewed Permit 21212. The remaining spreading grounds (Sweetwater, Waterman/East Twin, Airport, Judson and Mill Creek) are each measured through totalizing flow meters, calibrated weirs or other similar equipment.

In addition, extractions from the San Bernardino Basin Area are monitored and reported to the Division of Water Rights pursuant to Water Code Section 4999 et seq. and are subsequently summarized and reported in the Annual Reports of Western-San Bernardino Watermaster. Valley District and Western anticipate that these annual reports will account for the diversion and spreading of water pursuant to the temporary permit.

4. Right of Access

Valley District and Western have entered into a Settlement Agreement, including an easement for access to and use of Conservation District facilities, with the Conservation District as set forth in the project description. In addition, on March 31, 2008, Valley District, Western and the Conservation District entered into an agreement that allowed for the use of the Conservation District's spreading grounds during 2008. A copy of that agreement is attached as Exhibit G. Valley District and Western hope that a similar agreement will govern operations of a renewed Permit 21212.

In terms of the facilities owned/operated by Bear Valley Mutual Water Company *et al.*, Valley District contacted a representative of Bear Valley Mutual Water Company on October 22, 2009

and confirmed during that phone call that Bear Valley Mutual Water Company would consent to the use of its facilities to spread water during 2008/09. In terms of the facilities owned/operated by the San Bernardino County Flood Control District, Valley District has a longstanding arrangement that allows Valley District to spread water at spreading basins owned/operated by the San Bernardino County Flood Control District, provided that Valley District does not interfere with flood control operations.

5. Existing Water Rights and Related Filings

c. Valley District and Western have jointly filed two applications to appropriate water from the Santa Ana River: (i) Application No. 31165, filed initially on September 27, 1991 (amended May 31, 1995), was processed after SWRCB Order WR 2000-12, which lifted the Declaration of Fully Appropriated Stream Systems for the Santa Ana River, and publicly noticed on January 11, 2002; and (ii) Application No. 31370, filed May 21, 2001 and publicly noticed on January 31, 2003. Together, these applications seek the right to divert up to 200,000 afy of local water to help meet anticipated demands. The SWRCB held a hearing on May 2, 3, 4, 7 and 8, 2007 on these applications, and has not yet released a draft decision.

SECTION C: ENVIRONMENTAL INFORMATION

3. Environmental Documents

d. The project is exempt from review under the California Environmental Quality Act pursuant to 14 Cal. Code Regs. § 15301 (operation of existing facilities) because the project relies on improving the coordinated use of existing facilities within their current capacities rather than new facilities. As noted above, Seven Oaks Dam will be operated within the scope of existing procedures for flood control operations, rediversions at the Cuttle Weir will be made within the scope of current diversion capacity, percolation at the moveable point of rediversion in the Santa Ana River channel will occur without alteration of the river channel, and the conveyance and spreading at the Sweetwater, Waterman/East Twin, Airport, Judson and Mill Creek spreading grounds will also be made within the scope of existing operational practices and without the construction of new facilities.

EXHIBIT A

Table 3.0-4. Estimates of Unappropriated SAR Water Available for Capture by Muni/Western for Base Period WY 1961-62 through WY 1999-2000
Project Diversion Capacity of 500 cfs
 (Values in Acre-Feet)

Scenario	Project Scenario D																Project Scenario E															
	1		2		3		4		5		6		7		8		9		10		11		12		13		14		15		16	
	User-Specified Rate of up to 88 cfs																Historical Diversions				Licensed Right (up to 10,400 afy)				Other Habitat Treatment							
Senior Claimant Diversions	1,416,606		1,416,607		1,416,608		1,416,608		1,416,605		1,416,610		1,416,610		1,416,610		1,038,137		1,038,137		1,038,138		1,038,138		1,038,132		1,038,131		1,038,134			
Reservoir Evaporation	3,218		3,234		3,196		3,380		3,328		3,196		3,380		3,196		5,734		5,608		5,783		5,608		5,608		5,608		5,608			
Conservation District Diversion	398,466		398,466		398,466		398,466		107,060		107,060		107,060		107,060		404,980		404,980		404,980		404,980		193,483		193,483		193,483			
Environmental Habitat Release	27,769		-		-		-		35,703		35,703		35,703		35,703		-		-		-		-		35,703		35,703		35,703			
Total Muni/Western Potential Capture	407,312		431,097		420,165		680,406		663,260		712,985		688,520		727,788		748,045		727,788		768,762		740,623		954,556		916,718		936,212			
Undiverted from SAR*	38,503		42,470		53,439		48,772		66,047		76,488		59,275		74,210		60,008		102,525		102,230		102,230		2,291,874		2,291,874		2,291,874			
Total	2,291,874		2,291,874		2,291,874		2,291,874		2,291,874		2,291,874		2,291,874		2,291,874		2,291,874		2,291,874		2,291,874		2,291,874		2,291,874		2,291,874		2,291,874			
Average Annual																																
Senior Claimant Diversions	36,323		36,323		36,323		36,323		36,323		36,323		36,323		36,323		36,323		36,323		36,323		36,323		36,323		36,323		36,323			
Reservoir Evaporation	83		83		82		82		85		82		82		82		82		82		82		144		144		144		144			
Conservation District Diversion	10,217		10,217		10,217		10,217		2,745		2,745		2,745		2,745		10,384		10,384		10,384		10,384		4,961		4,961		4,961			
Environmental Habitat Release	712		-		-		-		915		915		915		915		915		915		915		915		915		915		915			
Total Muni/Western Potential Capture	10,444		11,054		10,273		17,446		17,007		18,259		17,654		19,181		18,661		19,712		18,990		24,476		23,506		24,005		24,005			
Undiverted from SAR*	987		1,089		1,370		1,251		1,694		1,352		1,961		1,520		2,042		1,903		2,629		2,621		2,621		2,621		3,037			
Maximum Annual																																
Senior Claimant Diversions	58,528		58,528		58,528		58,528		58,528		58,528		58,528		58,528		58,528		58,528		58,528		58,528		58,528		58,528		58,528			
Reservoir Evaporation	278		278		273		273		343		273		273		273		273		273		273		273		273		273		273			
Conservation District Diversion	56,953		56,953		56,953		56,953		10,400		10,400		10,400		10,400		48,152		48,152		48,152		48,152		10,400		10,400		10,400			
Environmental Habitat Release	3,967		-		-		-		3,967		3,967		3,967		3,967		3,967		3,967		3,967		3,967		3,967		3,967		3,967			
Total Muni/Western Potential Capture	104,294		108,261		108,261		128,351		126,721		132,318		130,688		145,880		144,520		145,880		144,520		166,402		158,831		162,064		162,064			
Undiverted from SAR*	22,101		26,068		32,472		30,024		41,347		33,991		45,314		41,841		40,703		47,971		47,971		56,408		56,408		61,109		61,109			

* Estimate (on a monthly basis) of the quantity of water remaining in the channel below Cattle Weir after all diversions have occurred.

- Model input variables that are common to all scenarios include the following (variables described in OPMODEL documentation):
- a) Values shown in table for Total Potential Capture and Undiverted from SAR are estimated using OPMODEL and Allocation Model
 - b) Synthesized hydrology based on re-operated Bear Valley Dam
 - c) Release of continual 3 cfs from dam to account for groundwater interruption by the dam foundation
 - d) USGS gage differences and rounding accounted for in senior water claimant diversions
 - e) Conservation District diversion capacity = 300 cfs
 - f) Release frequency for environmental releases is no more than every 6 months for 8 scenarios with environmental releases
 - g) Maximum number of environmental releases = 100% of potential releases for 6 of the scenarios with environmental releases
 - h) Maximum annual diversion by Muni/Western = 200,000 afy
 - i) Percent of available dam release un-divertable through Plunge Pool Pipeline = 0%
 - j) Flood/Conservation target storages from USACE Feasibility Report and Interim Water Control Plan
 - k) Evaporation rates from USACE Feasibility Report

EXHIBIT B

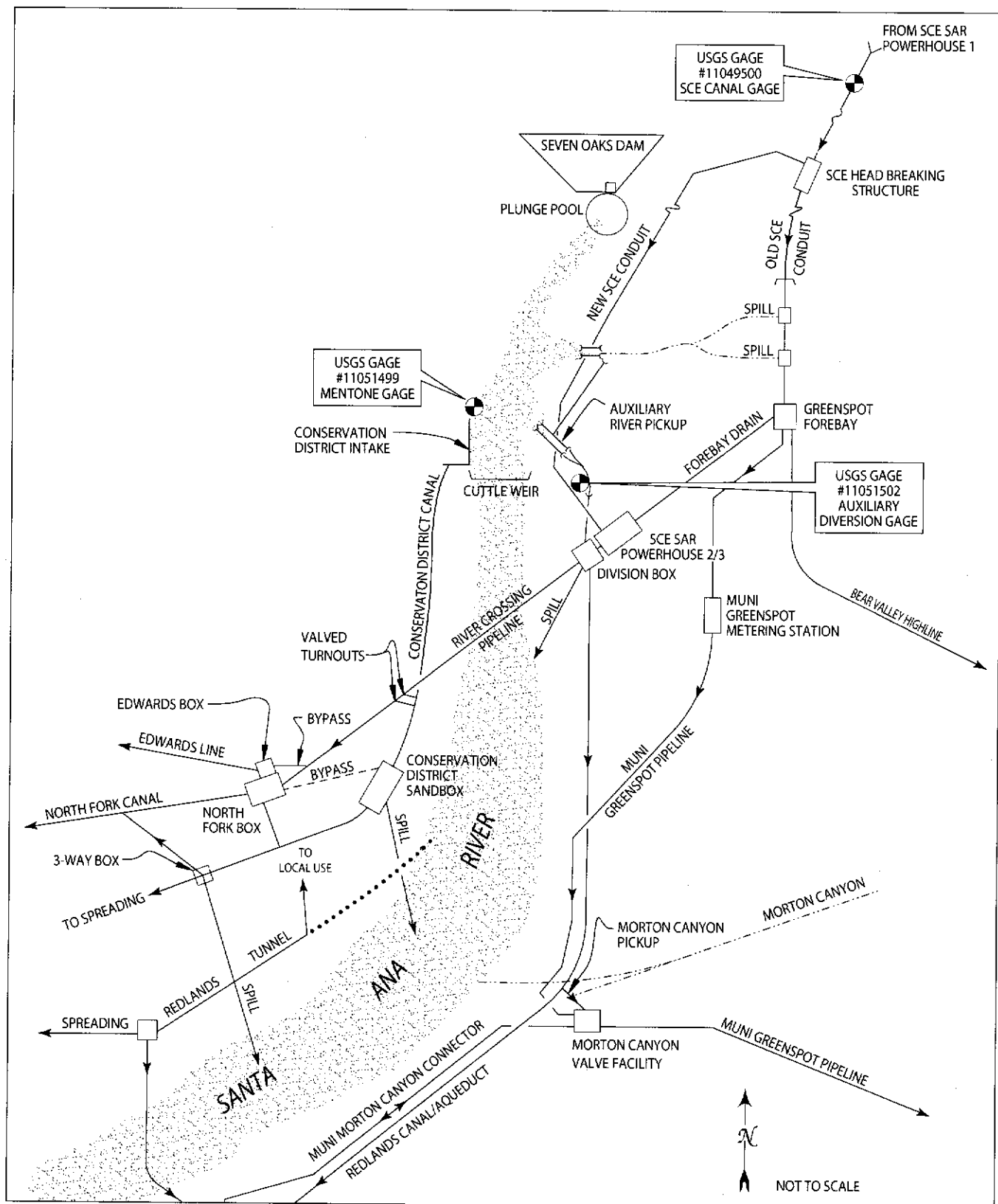


Figure 2.2-1. Schematic of Water Control Features and Gages in the Santa Ana River Canyon

EXHIBIT E

POD/ PORD No.	POD/PORD Name	California Coordinates 1983 Zone 5	California Coordinates (NAD 27)	Zone	Point is within	Section	Township	Range	Base and Meridian
POD 1	Seven Oaks Dam	North 1,867,532 East 6,837,528	North 227,107 East 2,276,130		NE 1/4 of NW 1/4	4	1S	2W	SBB&M
PORD 1	Cuttle Weir	North 1,862,706 East 6,833,882	North 222,281 East 2,272,485		SW 1/4 of SW 1/4	4	1S	2W	SBB&M
PORD 2	Santa Ana River Streamreach	North 1,862,706 East 6,833,882	North 222,281 East 2,272,485		SW 1/4 of SW 1/4	4	1S	2W	SBB&M
	Between Cuttle Weir and E Street	North 1,847,108 East 6,773,424	North 206,682 East 2,212,027		SW 1/4 of SE 1/4	21	1S	4W	SBB&M
PORD 3	Auxiliary River Pickup	North 1,862,975 East 6,834,182	North 222,550 East 2,272,784		SW 1/4 of SW 1/4	4	1S	2W	SBB&M
PORD 4	Greenspot Forebay	North 1,862,984 East 6,834,804	North 222,559 East 2,273,407		SE 1/4 of SW 1/4	4	1S	2W	SBB&M

EXHIBIT G

**Agreement Regarding State Water Resources Control Board
Temporary Urgency Permit No. 21212**

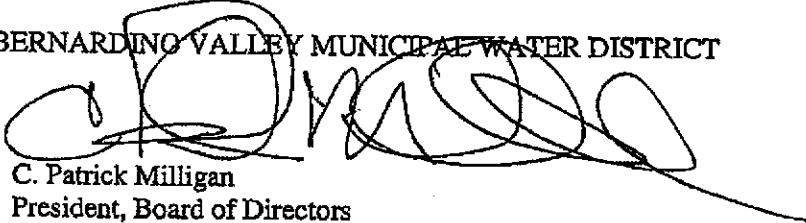
This Agreement Regarding State Water Resources Control Board Temporary Urgency Permit No. 21212 ("Agreement") is entered into and effective this 31st. day of March, 2008 by and among the San Bernardino Valley Municipal Water District ("Valley District"), the San Bernardino Valley Water Conservation District (the "Conservation District") and the Western Municipal Water District of Riverside County ("Western"). Valley District, the Conservation District and Western are each referred to as a "Party" and are collectively referred to as the "Parties."

Agreements

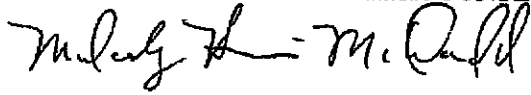
1. *No Prejudice/Preservation of Rights and Claims.* Valley District/Western agree that the temporary rights granted pursuant to Application No. 31693 (Temporary Urgency Permit No. 21212) shall be exercised without prejudice to, and not in derogation of, any asserted pre-existing water rights on the Santa Ana River. The Parties intend this Agreement to preserve all rights and claims that they have or may have had regarding rights to divert water from the Santa Ana River.
2. *Request to Amend Application No. 31693 (Temporary Permit No. 21212).* Valley District/Western agree to request the State Board to make the language of paragraph 1 above a condition of any rights granted pursuant to Application No. 31693 (Temporary Urgency Permit No. 21212). The Conservation District agrees that it will not protest Application No. 31693 (Temporary Urgency Permit No. 21212).
3. *Use of Conservation District Facilities.* The Conservation District agrees to make its facilities available to Valley District/Western for any temporary water right granted pursuant to Application No. 31693 (Temporary Urgency Permit No. 21212), on the same terms and conditions as the Easement and License Agreement executed February 6, 2008.
4. *Diversions from the Santa Ana River.* The temporary rights granted pursuant to Application No. 31693 (Temporary Urgency Permit No. 21212) shall be exercised in a manner consistent with the April 5, 2007 stipulation filed with the State Water Resources Control Board, except for paragraph 4(c) below, in the following priority order:
 - a. First, the rights of Bear Valley Mutual Water Company *et al.* to the first 88 cfs of natural flows of the Santa Ana River.
 - b. Second, the rights of the Conservation District pursuant to License Nos. 2831 and 2832, for a total of up to 10,400 af.

- c. Third, the temporary rights granted pursuant to Application No. 31693 (Temporary Urgency Permit No. 21212), which shall substitute for any rights that the SWRCB may grant Valley District/Western pursuant to Application No. 31165. Valley District/Western and the Conservation District agree, in order to avoid a potential dispute relating to Application No. 31693 (Temporary Urgency Permit No. 21212), and for the initial 180-day term of Temporary Permit No. 21212 only, to waive the provisions of paragraph 5(e) of Exhibit A of the August 2005 Settlement Agreement among Valley District/Western and the Conservation District in connection with Application No. 31693 (Temporary Urgency Permit No. 21212).
5. *No Admissions.* Nothing in this Agreement shall be construed as an admission by any party regarding any subject matter of this Agreement, including but not limited to the priority, nature, quantity or other characteristics of any water rights of the parties or a waiver of any contentions of any party regarding such rights.


SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT


By: C. Patrick Milligan
President, Board of Directors

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT


By: Melody Henriques McDonald
President, Board of Directors

WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY


By: S.R. Al Lopez
President, Board of Directors